



Sustainability report 2014

Gestamp Biomass



Gestamp
Biomass

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Sustainability report 2014



Gestamp
Biomass



Our mission is to **satisfy the global needs of our clients** by talking into account their business activity, **employee security** and **respect for the environment**.

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Letter from the President

Dear reader,

Gestamp Biomass is part of Corporación Gestamp group. As part of this multinational corporation and under the Gestamp Renewables umbrella, we are focused on the design, construction, promotion, and operation of plants generating power and heat from biomass.

We are aware of the importance of adopting an **ethical and transparent** position in the market founded on clear communication with our stakeholders. As proof of this commitment, we hereby deliver our **first Sustainability Report**.

At present, we are witnessing a worldwide evolution towards **new sustainable energy models** which allow the supply of the growing global energy demand through environmentally friendly energy sources and which have a significant job creation capacity.

We are present throughout all the different stages of the biomass **value chain** by means of a number of differentiated business lines, the objective being to optimize Gestamp Biomass's process.

We partake of forest planning, forest management, biomass production and logistics, and power generation from biomass, in addition to the operation and maintenance of our installations.

Our highly **qualified professional** team is our company's driving force so this year we have focused on reinforcing our corporate culture, and widening educational initiatives to develop their talent. One of the most outstanding actions was the launch of our **Ethics Code of Conduct** which, along with online training, allowed our employees to get to know it in depth, and formalize their compliance commitment.

This Report offers a balanced and accurate vision of our financial, environmental and social results in the 2014 financial year. Furthermore, this year we have renewed our backing and support of the **UN Global Compact**.

Finally, I want to thank your trust and your contribution to the development of this project which we are part of, and I hope you enjoy reading this Report.



Jon Riberas Mera
Presidente



Letter from the CEO

We would like to welcome you to the first **Gestamp Biomass Sustainability Report**.

Within it is contained the most relevant and noteworthy information of 2014 in the context of our **culture, values and principles**. The report has been prepared in keeping with the guidelines established by the **Global Reporting Initiative GRI 3.1** in aid of offering balanced, transparent and veracious information that is further revised externally by an independent organization.

At Gestamp Biomass we continue to **grow in a sustainable manner**, creating value for our stakeholders through the production of renewable energy and by combatting climate change, thus contributing towards the generation of employment, wealth and local development in all the areas where we are present.

We continue to seek for **new challenges and opportunities** in the complex environment we find ourselves in, as showcased by the evolution of our results and the growth and diversification of our activities.

We are currently in the process of **developing new projects** in Spain, LatAm (Uruguay and Peru) and the United Kingdom, and we are present throughout **the entire biomass value chain**, in keeping with our strategy of vertical integration.

As of 2014, we have two Biomass power plants in operation, one in Garray (Spain) and one in Berlin (USA), as well as a plant in Lebrija (Spain), which specializes in selling steam directly to the agro-food industry.

Our activities contribute towards **combatting climate change** by generating clean, renewable energy. Through forest management and the exploitation of forest biomass, we contribute to the **reduction of the risk of fires** as well as towards ensuring the continuity and growth of our forests.

In line with this, we believe in the relevance of optimizing power consumption, due to which we develop industrial projects that focus on reducing consumption and the efficient use of power by means of our subsidiary Gestamp ESCO Eficiencia Energética.

Innovation is key for our growth. We partake of a number of innovative projects such as the study of crops aimed at power generation in Uruguay, the development of innovative methods for collecting biomass and transforming it in Spain and the study of the techno-economic viability of the coal oxy-combustion for CO₂ capture processes on an industrial scale.

Our objective is to continue working towards reinforcing our **corporate culture, our commitment towards ethics and transparency**, and the development of the communities within which we are present.

Finally, I would like to take this opportunity for acknowledging the effort, commitment and hard work carried out by our **team of professionals**, to whom I would like to convey my most sincere gratitude.

For all of the above, we are delighted to present you with this Report, which we hope you will find of interest.



Emilio López Carmona
CEO Gestamp Biomass



1



Gestamp Biomass and sustainability

[About us](#)

[Global presence](#)

[Our development](#)

[Gestamp Biomass Governance](#)

[Our corporate culture](#)

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[Our stakeholders](#)



About us

Corporacion Gestamp

We are part of Corporación Gestamp parent company of:

- **Gonvarri Steel Industries:** a multinational company specialized in steel service centers, automobile part, solar structures and wind parts.
- **Gestamp Renewables:** multinational renewable energy company focused on solar, wind and biomass energy.

Gestamp Renewables

Gestamp Renewables has aspired to establish itself as an international leader within the renewable energy sector, using a unique and integrated business model encompassing the development, construction, maintenance and operation of wind, solar and biomass energy projects.

Gestamp Renewables integrates the three renewable energy business units under the brands: Gestamp Solar, Gestamp Wind and Gestamp Biomass.

Gestamp Biomass

Gestamp Biomass is a division of Gestamp Renewables that started operating at the end of 2009. Its activities are centered around the energy valuation of biomass by means of the development, construction and operation of power and thermal plants.

Other activities carried out by Gestamp Biomass by means of its subsidiaries include energy efficiency and forest management aimed at the production of biomass.

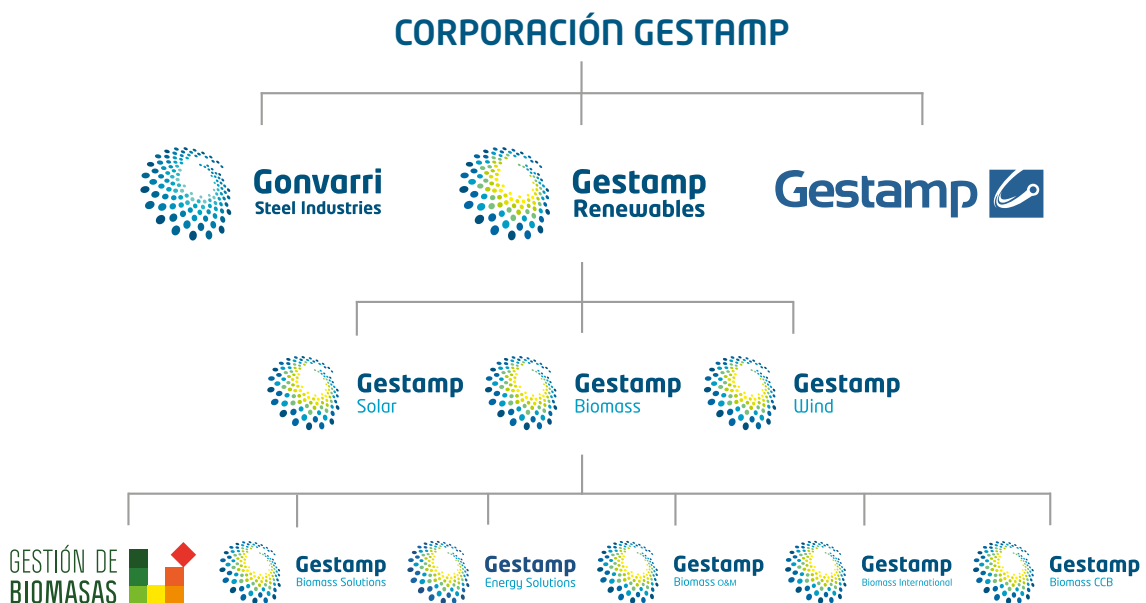
Noteworthy projects currently in operation include:

- Combined Heat and Power plant in **Garray** (Spain).
- Power plant in **Berlin** (USA).
- Steam generation plant in **Lebrija** (Spain).
- Biomass processing plant in **Alcolea** (Spain)*.

Similarly, in keeping with its base concept of a strategy of vertical integration, Gestamp Biomass is present throughout the biomass value chain by means of different companies.

*In construction during 2014 and in operation in 2015.

Our main business lines are outlined as follows:



Gestión de Biomosas y CCB

- **Gestión de Biomosas**, It deals with forest planning, forest management, production and biomass logistics.
- **Compañía Comercializadora de Biomasa (CCB)**, It operates in the production, supply and logistics of biomass.

Gestamp Biomass Solutions (GBS)

The company is focused on "Thermal Engineering", has a clear industrial profile and is divided into two main business lines:

- The design, assembly and start-up of systems for the combustion and gasification of biomass and other fuels. With supply limits between the daily fuel supply silos to the chimneys and from the degasifier to the main steam pipe connection.
- The re-engineering and optimization of systems for combustion and steam generation in existing power plants.

Gestamp Biomass International (USA)

Its activities are centered around the development and construction of new projects in the US as well as the control and operation of their assets.

Gestamp Biomass O&M

The company is responsible for the operation and maintenance of our assets, in addition to lending services in installations for the production of power from biomass and third party cogenerations.

Gestamp ESCO Eficiencia Energética

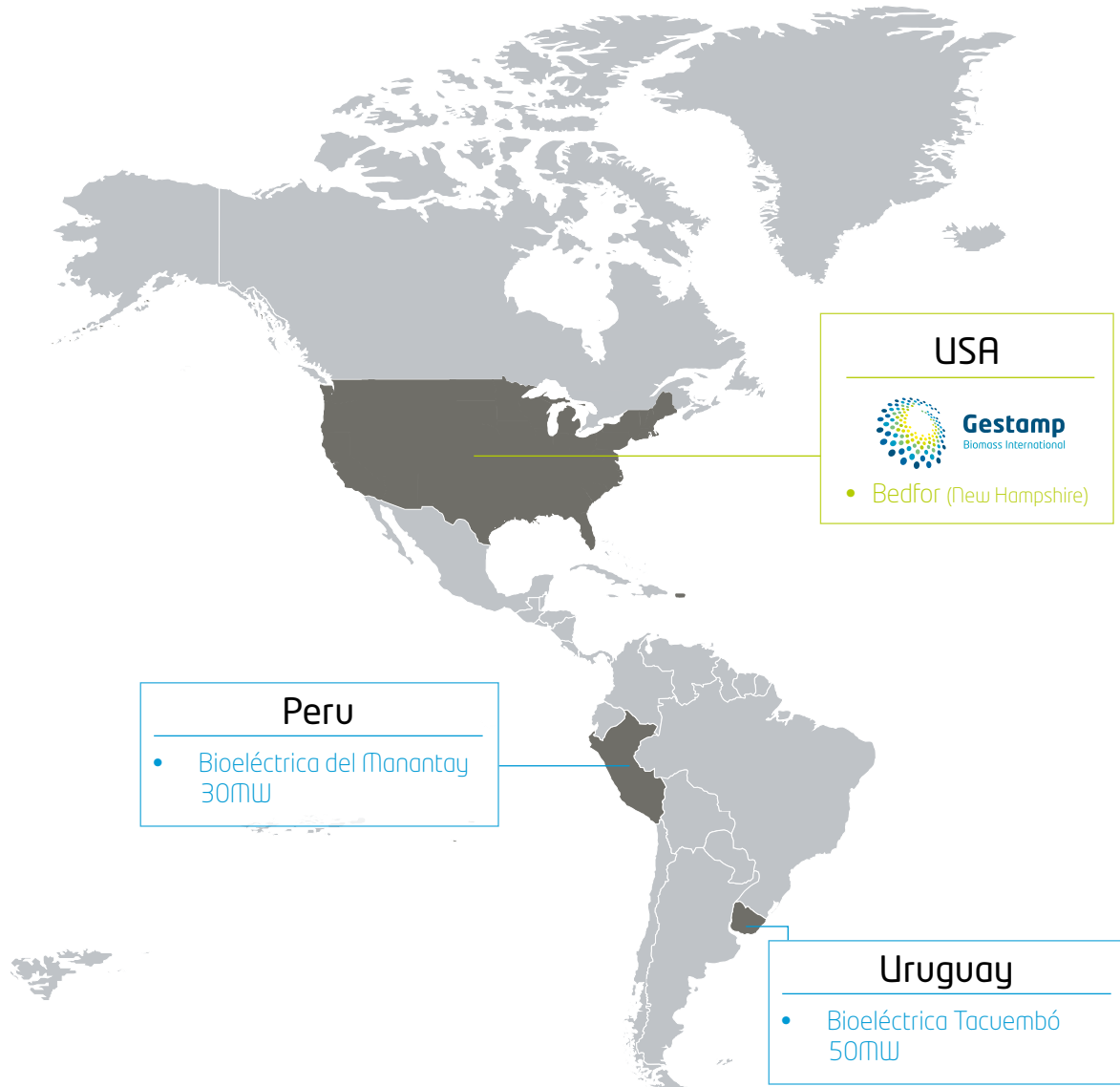
It is the company responsible for project development in the area of energy efficiency.

The main objective of these projects is the implementation of improvements in different processes that are carried out in industrial plants to achieve significant reductions in energy consumption and CO₂ emissions.



Global presence

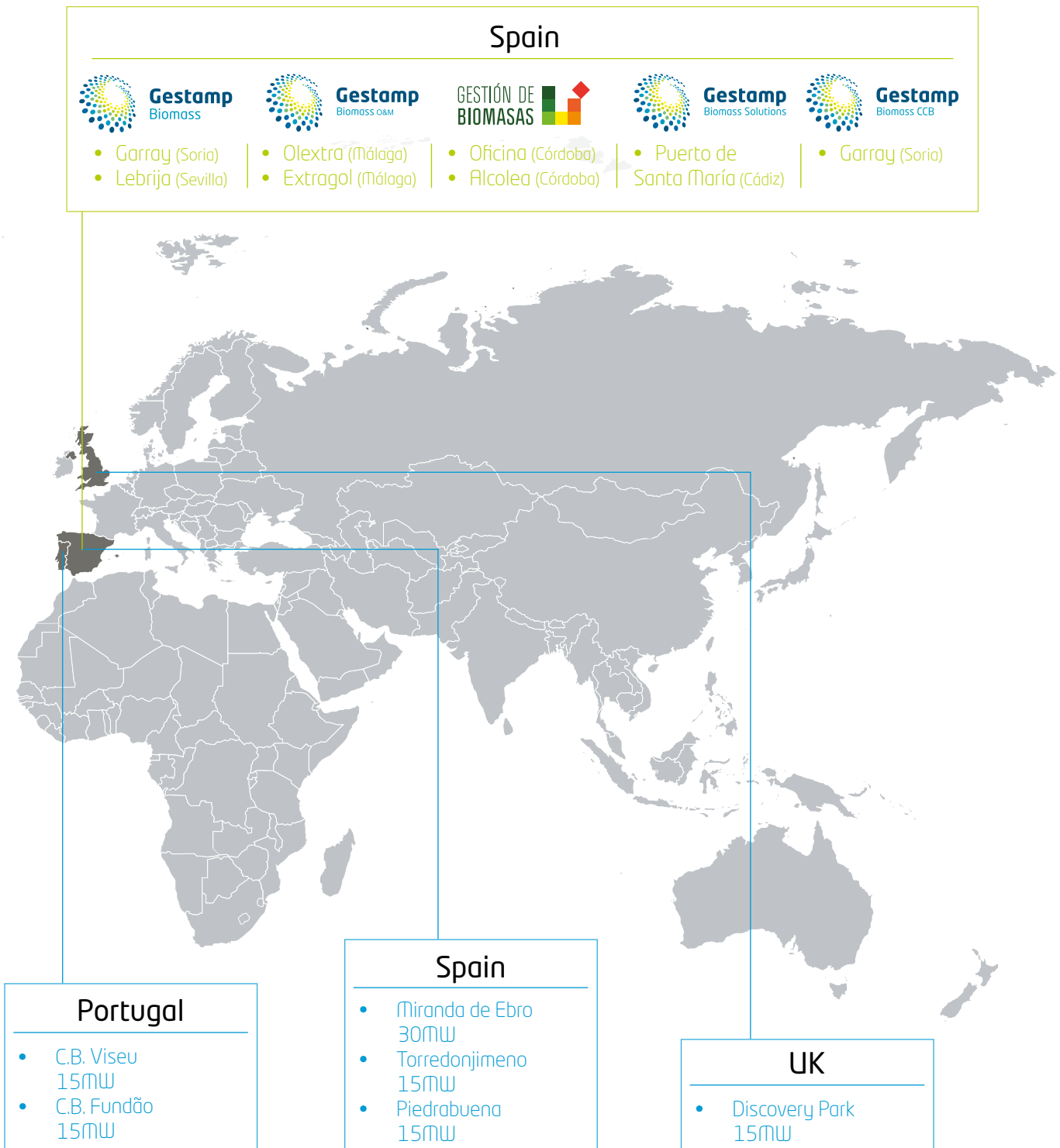
The main markets within which Gestamp Biomass operates are the United States and Spain. Our objective is to achieve continuous growth by means of highly efficient, innovative projects in the biomass sector, consolidating a solid platform of bioenergy projects in the most attractive markets.



● Offices and plants under operation

● Projects under construction





Our development

In 2014, Gestamp Biomass has started to operate a 17.024 MW biomass plant in Spain (Garray), and a 75 MW plant in the United States (Berlin - NH).

In 2015, we foresee the expansion of our activities to new markets such as Latin America, Portugal and the United Kingdom, as well as reinforcing our presence in Spain by means of three new projects.

Please find below a summary of the **plants that started operating in 2014:**

Spain

Garray plant

- **Business:** Plant using forest biomass as fuel.
- **Power:** 17.02 MWe.
- **Ownership:** 80%
- **Annual power generation:** 99,000 MWh.
- **Total investment:** 46 million euros.
- **Jobs created** (construction phase): 350 jobs created during the 18 months construction phase.
- **Jobs created** (operation and maintenance phase): 35 jobs created for operation and maintenance tasks. 150 jobs created for biomass supply tasks.
- **Avoided emissions:** 23,750 tons of CO₂/year.



Olextra plant (under management)

- **Business:** Co-generation plant using natural gas for olive-pomace drying.
- **Power:** 16.6 MWe.
- **Ownership:** 4.38%
- **Annual power generation:** 128,000 MWh
- **Avoided emissions:** 30,500 tons of CO₂/year.

Extragol plant (under management)

- **Business:** Biomass plant using olive-pomace and other kinds of biomass.
- **Power:** 9.15 MWe.
- **Ownership:** 4.38%
- **Annual power generation:** 64,000 MWh.
- **Avoided emissions:** 15,300 tons of CO₂/year.



USA

Berlin - NH

- **Business:** Plant generating power energy from forest biomass.
- **Power:** 77.57 MWe.
- **Ownership:** 33%
- **Annual power generation:** 33,400 MWh
- **Total investment:** 270 million dollars.
- **Jobs created** (construction phase): 500 jobs created during the 8 months construction phase.
- **Jobs created** (operation and maintenance phase): 5 jobs created for maintenance tasks.
- **Avoided emissions:** 17,400 tons of CO₂/year.



Please find below a summary of the [plants planned for 2015](#):

Spain

As of 2014, we have three projects for which we have requested inscription in the Specific Remuneration Regime in pre-assignment status, in compliance with the 4th additional ruling to Royal Decree 413/2014. Miranda de Ebro (Burgos) 30MW, Torredonjimeno (Jaen) 15MW and Piedrabuena (Ciudad Real) 15MW.

Resolution is currently pending for these projects. In 2014, the building works for the Alcolea (Cordoba) plant, producing woodchip and pellets for thermal use were underway, and start of operations is planned for 2015. GBS is in charge of the engineering and construction activities for the project.

Portugal

We are currently in the process of developing two 15 MW biomass power plant projects in Viseu and Fundao (Castelo Branco) respectively.

These projects are backed by the Decree for the promotion of biomass power plants, namely Law Decree 225/2007 and its subsequent modifications, Law Decrees 5/2011 and 179/2012.

It is estimated that during the course of 2015, construction activities will commence for at least one of these projects.

Uruguay

In 2014, we are in the process of developing a 50MW biomass power plant project. The Decree where the conditions of the summons are laid out was published in February 2015, and it is on hold pending that the state electrical company UTE publishes the terms of the public tender process.

The project is currently in possession of all the permissions, licenses and authorizations needed for its administrative processing.

Peru

This project is considered of high interest, as it ensures stable priced, long-term supply of residual biomass from sustainable forest management in the Amazon area. The legal and emolument framework for a 30MW power plant project has started to be developed, where the valuing of forest biomass from these Amazon exploitations is being considered.

UK

The Discovery Park project is located in an industrial estate in Kent, and it is set to produce power and heat from forest biomass.

The electrical power foreseen is 15 MW. The viability of the project depends on the signing of a Power Purchasing Agreement for a period of 20 years.

Gestamp Biomass Governance

Gestamp Biomass, S.L. (herein after Gestamp Biomass) was constituted on November 26th 2008. Our activities are centered around investments in assets and projects aimed at the generation of energy from renewable sources.

Governing bodies

The company's governing bodies are the **General Shareholders Committee** and the **Board of Directors**, ultimately responsible for the management, supervision, decision and control of Gestamp Biomass. The Gestamp Biomass **Statutes** describe the functioning of the Board of Directors, as well as the requirements and timeframes established for calling a General Meeting and the President's functions.

Furthermore, they establish the **incompatibility** causes between the board members, always in keeping with the referential corporate laws. The allocation of executive responsibilities by the Board of Directors is carried out by means of power of attorney granted before a notary.

The responsibility for the **appointment** of the Members is the exclusive responsibility of the General Shareholders Meeting.

The Board of Directors

The **Board of Directors** is comprised of four members who do not receive any remuneration for their services as members.

Up to December 31st, 2014, it is formed of:

Board Member, Jointly and Severally CEO and President	D. Jon Riberas Mera
Board Member and Jointly and Severally CEO	D. Francisco José Riberas Mera
Chief Executive Officer	D. Emilio Luis López Carmona
Secretary (non-Board Member)	D. David Vázquez Pascual

Within the **responsibilities** of the Board of Directors is the approval of and commitment for fulfilment of the norms established in the Code of Ethics and Conduct. Additionally, and as we have seen, the Board of Directors takes the pertinent decisions in plenary

meetings and delegates their execution to Emilio Luis López Carmona. The Board of Directors may also approve special powers for employees to carry out specific actions in operations previously approved by it.

In compliance with the applicable legislation, the Board of Directors meets during the first quarter to formulate the annual accounts corresponding to the previous year. In addition to this meeting, this body may meet on account of operational needs, as well as those to do with the business or for the approval of projects. By way of example, during the course of 2014, the Board of Directors met on a number of occasions to discuss issues related to the projects Gestamp Biomass promotes, constructs and operates in different countries around the world through direct or indirect participation with local companies.

It is the responsibility of the Board of Directors to call the General Meeting, which will be held within the first six months of every year with the objective of appraising corporate management, and for the purposes of approving, when applicable, accounts relating to the previous year as well as to resolve any issues related to the results obtained. Similarly, the board may call for a meeting whenever it deems it necessary or advisable for the good of the company.

General Meeting

Corporate resolutions are adopted in general terms through a majority of validly issued votes at the General Meeting, provided they represent at least one third of the votes corresponding to the shares into which the equity capital is divided, and blank votes do not compute.

Commissions

There are no specific-subject commissions within the board. The mechanisms for exchange of information between the board and the different stakeholders are established through the appropriate corporate addresses and areas.

Conflict of interests

Partners may not exercise their right to vote in line with their shares when in a situation of conflict of interests, as established in article 190 of Royal Law Decree 1/2010 of July 2nd, by means of which the Consolidated Text of the Corporate Law was approved.

Equity capital

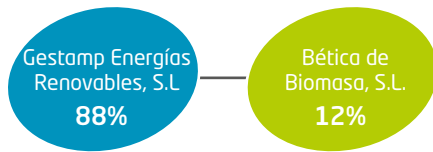
The **equity capital** subscribed as of December 31st 2014 was of €22,000,000.00, divided into 22,000,000 shares of a €1 nominal value, all subscribed and paid for.

The **headquarters** are located at:

Alfonso XII, 16
28014 Madrid
Spain

Corporate structure

Gestamp Biomass's corporate **holding structure** is as follows:

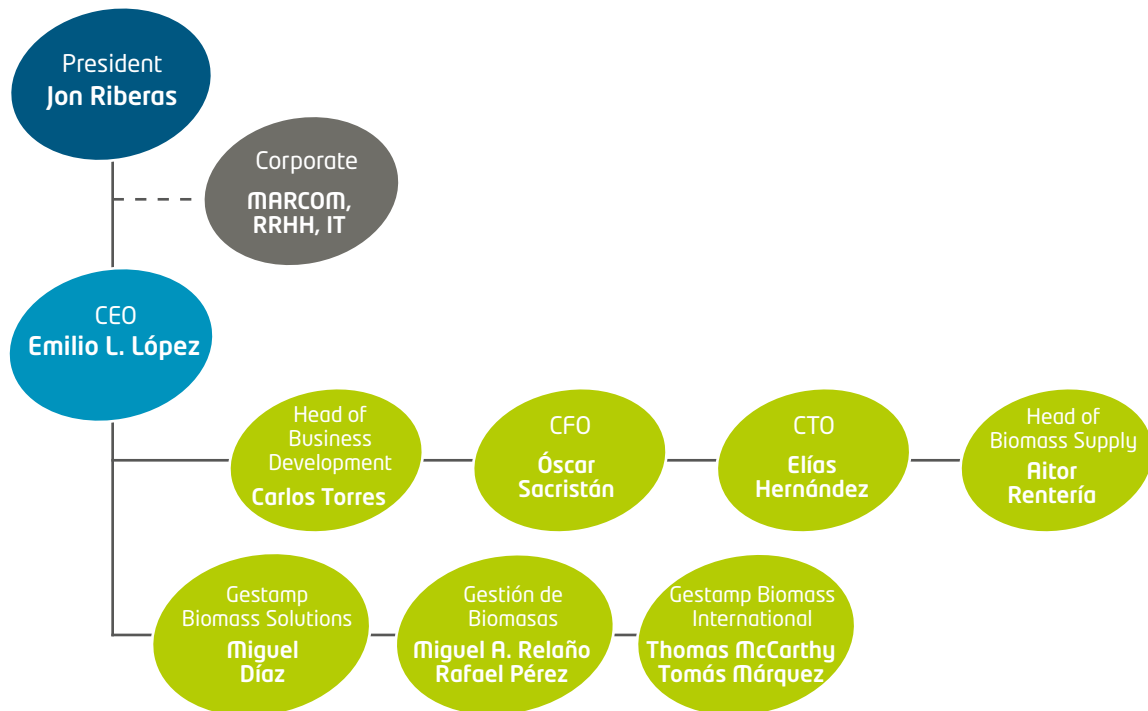


Sustainability organization

The **organization of sustainability** is coordinated by Corporate Social Responsibility management, which is part of the Corporate Directorate for Communication, Marketing and Sustainability. Its responsibility is transversal within the organization, due to which the Group's different companies receive coverage.

Functional organization chart

Our **functional organization chart** is shown below:



Our corporate culture

We want to be a leading multinational company in the field of biomass energy through our commitment to value creation, competitiveness, efficiency, safety and respect for the environment.

Throughout the countries we are present in, **our commitment** is that of converting biomass into energy in a sustainable, efficient manner, in addition to contributing towards stability and aiding the improvement of forestry and agricultural ecosystems in our area of influence.

At Gestamp Biomass, **we promote, build and operate our plants**. We further manage assets within our sector for other investors, generating synergies and efficiency in the global outcome of our activity. We work on growing as a solid, responsible company that is aligned with the objectives and expectations of all our stakeholders.

Our installations are always state-of-the-art where technology is concerned, in compliance with the strictest quality regulations, in addition to being respectful towards the environment, sustainable growth and society.

For this purpose, we rely on a **global corporate culture** that preserves the same values and principles from our very beginnings though adapting to the local needs of each country, to the current market conditions and to the demands of our stakeholders.

Our strategy is based on the triple bottom line: performance (financial), planet (environment) and people (talent and persons), always keeping our **Code of Ethics and Conduct** as reference, and leaning on different plans, procedures and manuals related to the different vectors of sustainability.



Our principles

1 Clients and our community

The communities where we implement our projects are the centre of our business.

Our goal is to improve our environment and environmental conditions for future generations. We want to generate electricity without harming the environment, without polluting, and in a sustainable way. Our costs have to be reasonable and stable in the long-term, while being efficient, competitive and profitable.

Through our activity, we allow the electricity consumers of the markets in which we operate to have access to consume clean and renewable energy.

2 People

We encourage the advancement of our professionals

Honesty, humility, tenacity and work have characterized our project since its commencement. These values allow us to establish trust with all those with whom we work with.

We are convinced that business in the 21st century is based on the advancement of the innovation and the use of initiatives by its professionals. For this reason we promote the ideas of our collaborators and their capacity to carry them out. We also promote dialogue between our team and the members of all the implicated communities by sharing objectives, values and beliefs.

3 Leadership

We lead the change.

We are living in a moment of profound change in the social and economic contexts that demands a re-thinking of processes and a new focus on the chain of values of our industry.

Innovation has formed a part of our DNA since our earliest beginnings and characterises our management philosophy. This has helped us to confront the different and always complex circumstances of the markets in which we operate.

This management philosophy, united with a strong commitment to the use of new information and communication technologies when working with our groups of interest makes us active participants in the Third Industrial Revolution.

4 Sustainability

Economic, social and environmental

We know that the sustainability of our business depends on our capacity to offer positive economic, social and environmental results.

We have designed a development strategy that integrates environmental management into all our activities. We consider environmental management as a basic component of the up and coming industrial advances of the near future. Responsible progress will be the only possible permissible progress.

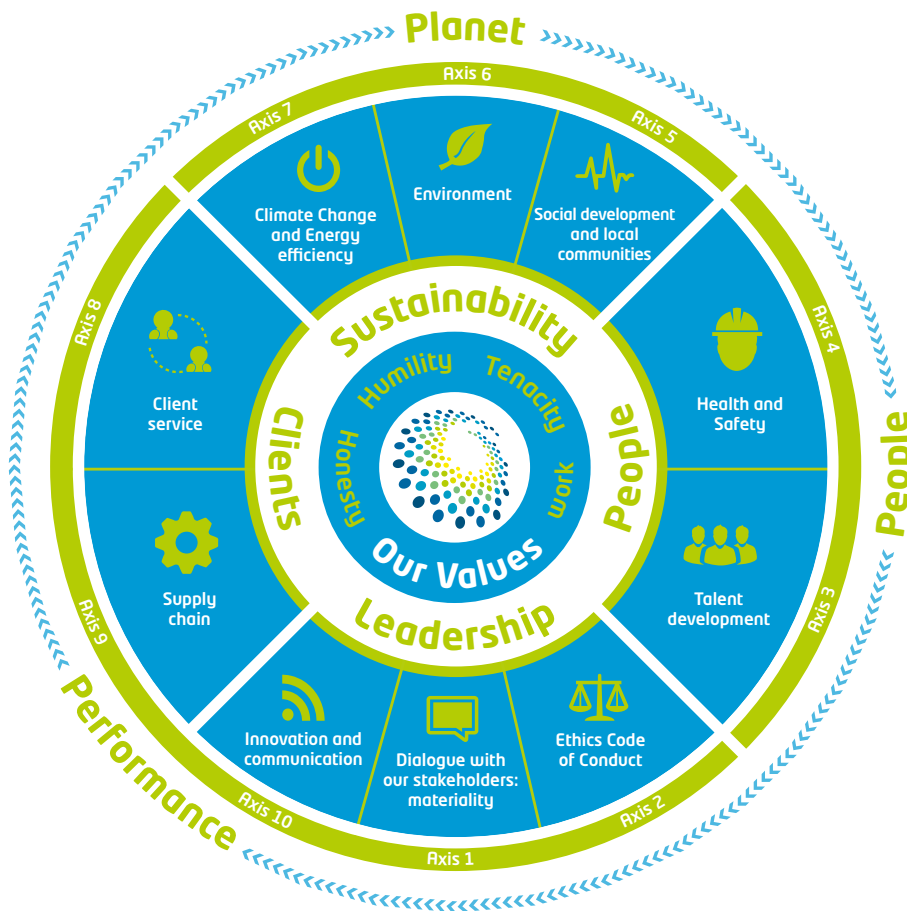
We believe that constant re-investment and innovation are the key to maintaining competitively in any business. For this reason we dedicate our resources to the continuous improvement of our services, our range of solutions and to our manner of supplying them, making our suppliers participants in our initiatives and principles.



Sustainability Master Plan

In order to respond to the demands of our interest groups, and support the sustainable development of our company, Gestamp Biomass has developed a **Corporate Master Plan in terms of Sustainability**.

It is formed by 10 axes which try to guide our actions before the challenges and opportunities that surround us such as the climate change and the rise of renewable energies, population growth, new business opportunities and worldwide expansion.



Our objectives

Objectives 2013 - 2015

Axis 1. Dialogue in conjunction with the stakeholders. Materiality

2014. Materiality analysis. 


2014. Adhesion to United Nations Global Compact (January 17th 2014) 

Axis 2. Gestamp Biomass Code of Ethics and Conduct

2014. Approval of the Code of Ethics and Conduct 

Axis 3. Pride of belonging, retaining talent, non-discrimination

2014. Start of Leading the Change University 

2014. Dissemination of the Code of Ethics and Conduct 

Axis 4. Health and safety

2014. Certifying the Gestamp Biomass Solutions' health and safety management system for OHSAS 18001:2007. 

2014. Reducing the number of accidents in relation to the previous year. 


Axis 5. Social development and local communities

2014-15. Collaboration with the government bodies of Castilla y Leon (Spain) in order to disseminate our activities in a number of environments and educational levels, through: 


- Collaboration agreements in conjunction with local universities so that their students may carry out internships in our installations.
- Development of a didactic unit aimed at divulging information about biomass management and the production of power from biomass for secondary education students.
- Secondary and baccalaureate student visits from the local colleges to our installations.

Axis 6. Environment

2014. Certifying Gestamp Biomass Solutions' environmental management system for ISO 14001:2004. 

2014. Adaptation of the PEFC sustainable forest management system at the company Gestión de Biomosas. 

Axis 7. Climate change and energy efficiency

2014-15. Development of new energy efficiency plans in the Group to reduce consumption and indirect CO₂ emissions. 

Axis 8. Clients and quality

2014. Certifying Gestamp Biomass Solutions' quality management system for ISO 9001:2008. 

2014. Improving the monitoring of clients as established in the GBS and Gestión de Biomosas quality processes. 

Axis 9. Supply chain and human rights

2014-15. Optimizing costs, methods and improvements to the logistics chain, development of energy crops. 

Axis 10. Communication and innovation

2014-15. Preparing our first sustainability report for 2014. 

 Achieved

 In progress

 Not achieved

Our stakeholders

We believe that establishing solid relationships with our stakeholders is key to the success of our projects.

For this reason, we keep an active and transparent dialogue with them which gives us the opportunity to learn about their expectations and the impact our activities have on all the areas. It also allows us to respond more swiftly and more efficiently to the trends and needs of our social context.

Following, a description of our interest groups identified as all those collectives and organizations that can influence or being significantly influenced by our company, and the specific communication channels used:



Employees

We think that our employees are the center of our business. That is why we launch measures to improve their well-being and to respond to their needs.

Specific communication channels

- Our intranet: Leading the Change allows the employees to receive information about the company and to share their opinion.
- Quality training evaluation



Shareholders

They are the main proprietors of Gestamp Biomass and they are represented in the Board of Directors.

Specific communication channels

- The CEO presents the company's results regularly in the quarterly Board of Directors meetings.



Suppliers and Outsourcing

The outsourced personnel give us support at the factories (operation, construction and maintenance) as well as at the offices.

Specific communication channels

- Contractual specifications.
- Outsource selection criteria
- Regular supervision.
- Monitoring and data collection.
- Periodic meetings.



Clients

Forestry exploitation owners, government bodies, producers of energy from biomass, engineering companies and industrial contractors, proprietors of biomass and cogeneration plants.

Specific communication channels

- Website.
- Assistance to trade fairs and Commercial visits.
- Participation in social development programs.



Public Administrations and Regulatory Agencies

They are in charge of establishing the energy policies for each country as well as the energy fees, subsidies, bonuses and grants for renewable energies, so they have quite a relevant voice in our business.

Specific communication channels

- Periodic meetings.
- Licenses, permits, and authorizations.



Electric Companies

Electric companies are in charge of distributing the energy we generate.

Specific communication channels

- As established in the regulation of each country.
- Define the information and communication requirements.
- Grid connection specifications.



Banks and Financial Entities

Specific communication channels

- Meetings.
- Financing agreements.



The Media

The media and the social media because of their impact on companies.

Specific communication channels

- Press room (available on our website).
- Press releases.

In addition, there are shared **corporate communication channels** to interact with the stakeholders.

- | | |
|--|---|
|  Web www.gestampbiomass.com |  Youtube www.youtube.com/user/GestampRenewables |
|  Blog www.leadingthechange.com/blog |  Facebook www.facebook.com/gestamprenewables |
|  LinkedIn www.linkedin.com/company/gestamp-biomass |  Slideshare www.slideshare.net/gestamprenewables |
|  Flickr www.flickr.com/photos/gestamprenewables |  Twitter @GestampRen |
|  Issuu www.issuu.com/gestamprenewables |  Scribd www.scribd.com/GestampRenewables |

Materiality

At Gestamp Biomass we want to **respond to the aspects that our stakeholders** consider as the most relevant, responding to their expectations with clarity and transparency. To that end, we have carried out a materiality study.

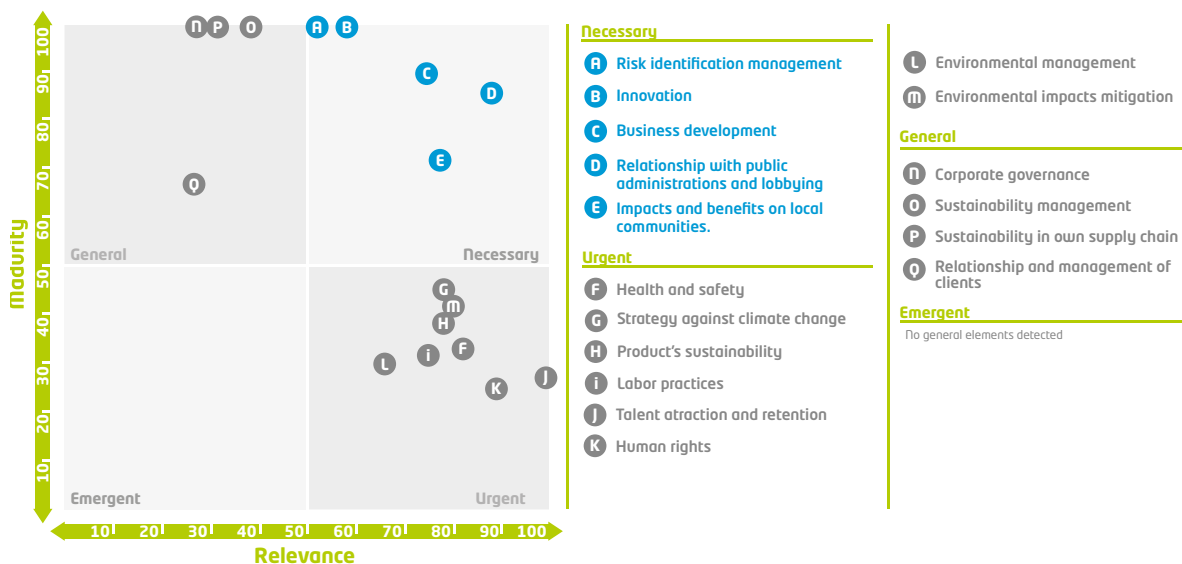
There has been an in-house identification and selection of the interest groups after analyzing the companies from the industry **under a process of reflection and consultation** where the people in charge of the sustainability vectors in the company have participated, having as result those previously identified.

In order to determine the materiality of each aspect, we have considered the importance that the different issues have in the biomass energy industry (their **maturity**) and the attention that our influencers pay to each aspect (their **relevance**).

As regards relevance, several materiality surveys have been carried out among our employees (29% of the total).

Besides, we have considered the issues treated by sector associations and press news has been analyzed after considering their relevance.

The result of this study is presented in the following figure:



Five out of the eighteen identified relevant aspects are considered material and are explained in more detail in the following chapters:

Capítulo 2. Performance	Risk identification and management
Capítulo 2. Performance	Innovation
Capítulo 2. Performance	Business development
Capítulo 4. People	Relations with Public Administrations and Lobbying
Capítulo 4. People	Impacts and benefits on local communities

2



Performance

Global Context

Our products

Balance sheet

Our business model

Clients and suppliers

Innovation

Management and risk framework



Global Context

Biomass was the main source of energy supply up until the beginning of the Industrial Era, when fossil fuels started to be used extensively. Currently, Biomass **is the main source of energy in emerging countries**, accounting for more than 10% of the world's energy consumption.

The consumption of biomass for the supply of heat and electricity **continues to grow**, as does the demand for biodiesel and biogas. Approximately 60% of the total biomass used for power generation stems from traditional sources, including timber, crop and animal residues, etc. The remainder is used in more modern power exploitation processes. (Source: RENEWABLES 2014 GLOBAL STATUS REPORT, Renewable Energy Policy Network for the 21st Century).

Demand for modern biomass is **boosting** international trade of solid biofuels, including wood pellets.

It is estimated that in 2013, the accumulated power production capacity from biomass reached 88 GW, thanks to the installation of 5 new GW in comparison to 2012.

The world's largest producer of electricity from biomass is the United States, followed by Germany, China and Brazil. Other countries of relevance in the field are India, the United Kingdom, Italy and Sweden. (Source: RENEWABLES 2014 GLOBAL STATUS REPORT, Renewable Energy Policy Network for the 21st Century).

Currently, non-sustainable, inefficient biomass exploitation is thought of as being **responsible for the deforestation** of large areas, causing serious environmental damage.

However, more than 10% of the earth's surface is used for crops, and 25% for cattle farming pastures and other animal-related productions.

Therefore, improved development of the biomass technology and the adequate planning of its exploitation would bring about **an increase in the international market for it, along with environmental improvements and the rural development of degraded areas**. (Source: Technological Map: Renewable Heat and Cold 2012, Instituto para la Diversificación y el Aprovechamiento de la Energía (IDAE), or Institute for the Diversification and Exploitation of Energy).

Spain

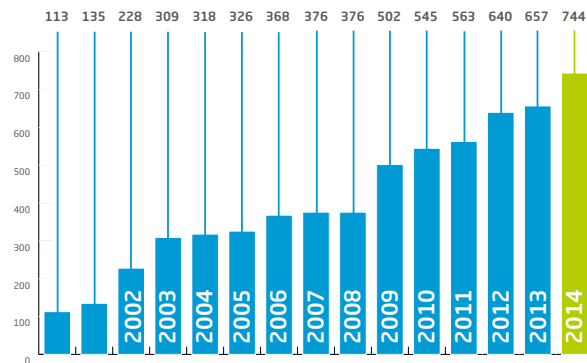
Spain comes sixth in the European Union where power generated from Biomass is concerned, at an accumulated electrical power in 2014 of 744 MW. (Source: Ministry of Industry).

The number of biomass plants **has gradually grown**, as is shown in the following chart, and there are currently 22 plants around the country.

The most biomass is consumed in Andalusia, Galicia and Castilla y Leon, but in spite of this, biomass **represents a small portion** of renewable energies as a whole.

However, strict renewable energy laws and the current economic climate have prevented the sector from growing as expected.

Evolution of electric power accumulated in Spain (MW)*



*Source: IDAE, data to November 2013.

Royal Decree 413/2014 of June 6th, regulating electric power production activities from renewable sources, cogeneration, and residues was published in 2014. Its 4th Additional Ruling established a "special **remuneration regime** as per fourteenth additional ruling of Law 24/2013 of December 26th".

By means of this ruling, a specific **remuneration regime is established for a maximum of 120 MW**, where electric power generation projects from biomass are included, provided they fulfil the requirements established at the summons. Gestamp Biomass has presented a number of projects based on this ruling.

Peru

Peru is in possession of numerous forest resources, as well as a **growing demand for energy** in the Amazonian area that is not currently being covered.

Populations located in the surroundings of the Amazon rainforest are undergoing significantly fast growth ratios, due to which, power supply to these areas - which have clearly insufficient network connection infrastructures - is fast becoming essential, and a clear solution has not been implemented as yet.

Despite the advantages this type of energy consumption would bring to the areas, the development of power from biomass has not undergone much development.

Law No. 29970, otherwise known as the Law for Power Safety, was passed in 2012, by means of which **"the promotion of the efficient and/or sustainable use of renewable energies"** is contemplated as a principle, and it establishes favorable legislation for their development.

For these reasons, the generation of energy from biomass represents an opportunity for responding to the aforementioned need whilst respecting the environment and reducing dependency on fossil fuels (those derived from oil or natural gas).

Uruguay

Uruguay is currently undergoing a process of transformation and economic growth, which entails tackling an **increase in the demand for power**. Previsions point at the fact that in 2017, the renewable energy capacity installed reaches 30% for non-conventional renewable energies, which substantially modifies the country's **energy matrix**, offering environmental advantages and positively influencing electricity tariffs for the final users.

Although the country produces large quantities of non-woody biomass, currently biomass only covers 3.35% of the national demand for energy (Source: Administración Nacional de Usinas y Trasmisiones Eléctricas UTE, or the National Industry and Electric Transmission Administration).

With the objective of covering these needs, and of being in possession of stable energy generation, a series of incentives as well as a regulatory framework have been devised based on the principle of **"take or pay"**.

Within this **framework**, Gestamp Biomass has been advising the National Energy Directorate and the state electrical company UTE with the intention of developing an **agreement for buying and selling** energy of the necessary characteristics for the viable development of an electrical generation project from forest biomass located in the country's northern area, corresponding to more than 280,000 ha of forest management.



United States

The weight of renewable energies in the country's energy matrix is currently of around 7.5%. In the US, the different states are autonomous where their renewable energy policies are concerned. Additionally, producers may negotiate sales contracts with an electrical firm or a company at a certain price by means of a **Power Purchasing Agreement (PPA)**.

Currently, the energy sector clearly favors the use of gas, which has been trading at very low prices since the start of the large-scale development of the "Shel gas" reserves exploitation. However, as described in the latest International Renewable Energy Agency (Irena) report, the United States is in possession of the required technical conditions and cost efficiency to **triple the weight of its renewable energies** by 2030, reaching 27% of its energy mix.

Currently, the United States **leads** the market of biomass power generating countries, at 88GW in operation in 2013.

UK

The United Kingdom's "**National Renewable Energy Action Plan**" (NREAP), lays down the necessary mechanisms to reach its objective of covering 15% of its gross energy consumption by means of renewable sources by 2020.

Similarly, the Biomass Energy Centre showcases that Bionergy has enough potential to cover approximately 30% by 2020 through biofuels, biorefineries and energy recovery, from the portion of biomass derived from waste.

Finally, in the United Kingdom, the ROC- Renewable Obligation Certificate remuneration system helps boost the generation of electricity from biomass at a large scale. Furthermore, the specific incentive program for the generation of heat from renewable sources (RHI - Renewable Heat Incentives) also favors the use of biomass for thermal applications.

Our products

Our company is in possession of an extensive portfolio of services related to the production and use of biomass, as well as other energy efficiency solutions throughout its value chain.

Please find a summary of our main business lines below.

1. Biomass production

We manage rather important public and private forest assets, mainly pertaining to pine and eucalyptus crops. This represents a comprehensive management process of sorts (design, coordination, planning and execution), carried out during periods of between 10 and 20 years, respecting forestry planning for each area in order to ensure the sustainability of the forests. This strategy generates a business **model that is sustainable and foreseeable both in the medium and long term**.

We further optimize the logistics process of the distribution of the biomass obtained, in order to be able to supply fuel for both our own biomass power plants and those of third parties.

Currently, **Gestión de Biomásas** is one of the main forest management companies in Spain, with more than 60,000 hectares of forest management, and more than 6,000 hectares pertaining to agriculture. We are Andalusia's first biomass supplier and one of the largest forest biomass companies in the country.

During the course of the year, we have designed a **center for the production of biofuels in Alcolea** (Cordoba, Spain). Mainly, the center will manufacture pellets (dry, compressed biomass excess cylinders) and woodchip derived from the sustainable valuing and exploitation of forests, whose wood is unsuitable both for the wood and electrical sectors. The project will require 110,000 tons of raw material for the production of 80,000 tons of biomass for different uses on an annual basis.

In addition to these activities, and with the objective of providing comprehensive forest and crop management services for private landowners and governments alike, we carry out consulting services, including biomass production potential studies, forest management and exploitation courses, etc.

2. Solutions for Biomass

We are in possession of **ample experience** in the field of energy production from biomass throughout each and every one of the stages of the process.

This allows us to reuse agricultural, forestry, farming and industrial waste and convert it into energy.

Thanks to our expertise, we are able to provide technical assistance, both where the design and analysis of the economic viability of an installation is concerned, and in relation to its construction and operation. The activities we carry out in the field of biomass are as follows:

- **Biomass power plants:** we manage their design, development, financing, construction, operation and maintenance. As of 2014, **we have Biomass plants in Garray** (Soria – Spain) **and Berlin** (New Hampshire – USA).

- **Asset management:** we provide comprehensive management for power generation and biomass processing plants. Our services include operation, maintenance, management control, fuel provision, accounting, insurance and environmental management, etc.
- **Biomass and residue boilers:** we work on their design, assembly, operation, maintenance and modifications, using the correct technology to provide the best solution for each client as well as to optimize the plant's availability and efficiency. We are currently in the process of carrying out maintenance and improvement work at the **Olextra and Extragol plants**.

Our supply's standard battery limits go from the daily boiler silo to the chimney including the gas cleaning system; and from the connection to the water supply pipe to the connection with the main steam supply pipe to the turbine.

Our services include

Turn-key projects	Development of the basic and detailed engineering for biomass plants. We provide the execution of projects from the viability study to the commercial operation.
Execution and project management	Projects of electrical power plants with biomass, preparation and dry-up of the fuel, use of the exceeded thermal energy from the processes, etc.
Training	Selection and training of the qualified personnel for the operation of biomass power plants.
Operating and maintenance	Operating and maintenance of biomass power stations.
Revamping of the existing plants	Revamping, profitability reports and reliability of biomass power plants, including main periodic revisions.

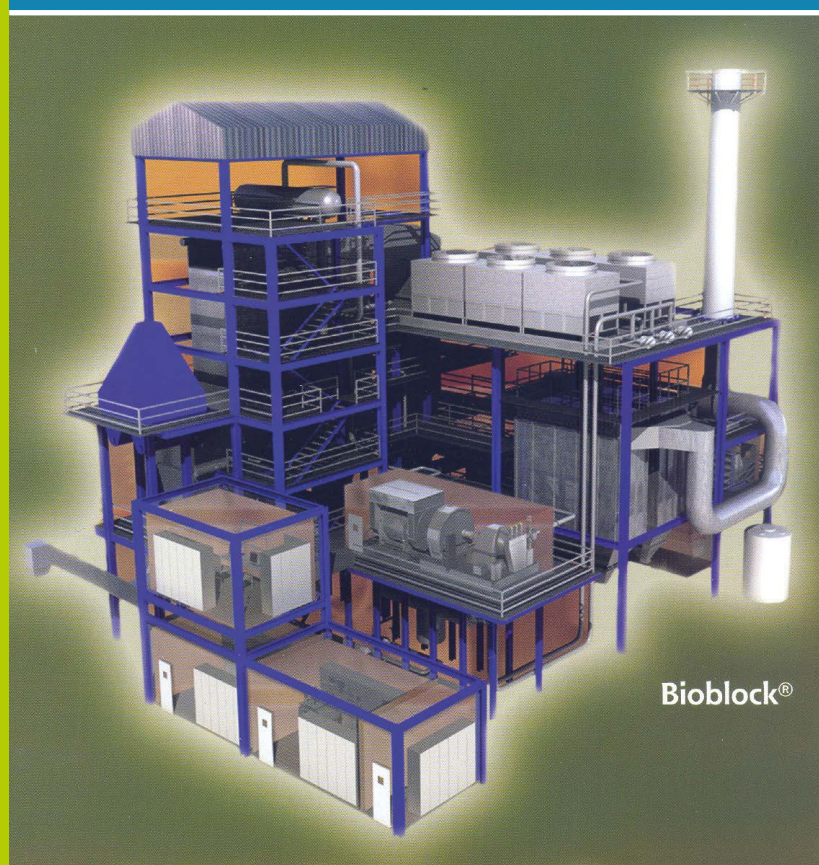


Best Practice

Bioblock, our custom-made solution

Based on our ample experience, we have developed **Bioblock®**, small and average-sized thermal plants whose main advantages include:

- **Size:** Bioblock plants are adequate for small and medium-sized biomass producers, reducing or eliminating transport costs.
- **Low specific cost of installed kW:** which guarantees attractive returns on investment.
- **Compact design:** Its compact, contained design including a total distribution control system (DCS) allows for reducing the need for personnel and maintenance.
- **Transportable modules:** the plants are practically pre-made at the workshop in transportable modules, reducing not only assembly times and costs, but also the overall total supply time.
- **Easy supervision of its components** due to which not much surface is needed during the installation stage.



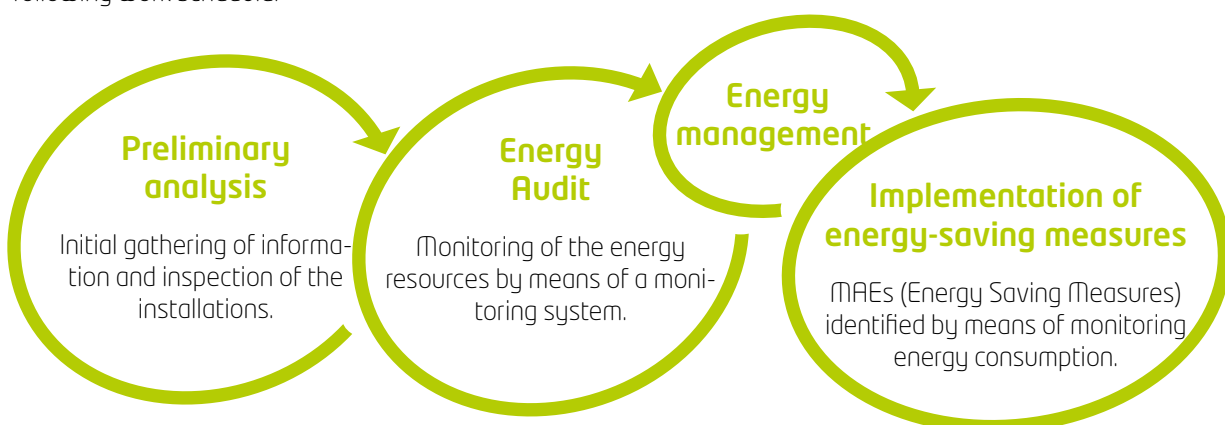
3. Energy Efficiency

This line of business is oriented towards improving the competitiveness of industrial plants belonging to the Group or third parties, thanks to the **optimization of the use of energy in its productive processes**.

In order to achieve this, we monitor and analyze power consumption so as to propose and implement measures that will allow for the optimization of said resources, as well as reducing CO₂ emissions throughout all the processes carried out, all in keeping with the following work schedule:

In addition to identifying areas for the improvement or optimization of energy consumption, the monitoring system allows for calculating energy consumption at each stage or operation within the different productive processes with great precision.

This level of detail allows us to, among other things, carry out a **correct calculation of costs**, and to be in possession of the correct information in relation to future operational and strategic decisions.



Balance sheet

At Gestamp Biomass, we continue to move towards **our objective** of generating clean, safe and competitive energy, as well as increasing our international presence and creating value in the communities within which we operate.

In **2014**, we have entered our Garray and Berlin plants into operation, and we continue to operate in the Olextra and Extragol plants. We further started the construction of our first thermal-use woodchip and pellet production installation in Alcolea, which will start operating in 2015.

In addition, **2015** will see our expansion into new markets in Uruguay, Peru, Portugal and the UK, as well the expansion of our presence in Spain.

Our **main economic results** for 2014 are as follows:

The **economic value added** is of **€ 19,571,862.62** distributed as shown below:

Economic Value Added (euros)*

Turnover	19,288,333.04
Financial gain	4,786.23
Other income	278,743.35
Total EVA	19,571,862.62

The **distributed economic worth** adds up to **€ 25,384,953.74** distributed as detailed below:

Economic Value Distributed (euros)*

Operational costs (purchasing of materials + auxiliary services)	12,150,299.27
CAPEX	5,574,089.49
Financial costs	3,134,766.64
Taxes	780,558.27
Personnel	3,745,240.07
Community investments**	0
Total VED	25,384,953.74

*Berlin information is not included in the scope, as it is accounted for by means of the equity method.

** Information not available.

Finally, in 2014 the **economic value retained** during the period is negative, and adds up to **€ 5,813,091.12**

At year-end, our turnover has been of € 19,288,333.04, our EBITDA € 2,890,978.78 and our equity of € 16,688,828.34.

As established in our Code of Ethics and Conduct, we do not provide financial help to Governments, and we have received no economic support during 2014.

For more information, please consult the 2014 Annual Report.



Our business model

Forest resource management represents a key part of our activity, as the availability of a large part of the raw materials we use for the production of energy depends on it.

1. Forest management

This stage is **planned and executed** in accordance with the forest inventory upon which forest plans are designed; these are **approved** by the different government organizations and the works to be carried out in the forests are authorized based on them.

The main activities depend on the type of exploitation:

Wood harvesting

Carried out in forests in which the high quality of the wood implies that the main destination of the products obtained is high added value processes such as sawing. The fraction of forest biomass that is destined towards energy valuation in this case is known as **"forest residue"** (branches and treetops resulting from the chopping and preparation of wood, as well as saw timber and non-timber logs).

Non-commercial thinning

It is carried out in woodlands where the low quality of the wood does not allow for its **transformation by traditional industries**, and the majority of the biomass generated in the exploitation goes towards energy valuation.

Tree-type biomasses generated from activities related to the **prevention of forest fires** or for reducing their density as per the different Forest Plans are obtained.

2. Reconditioning of the biomass

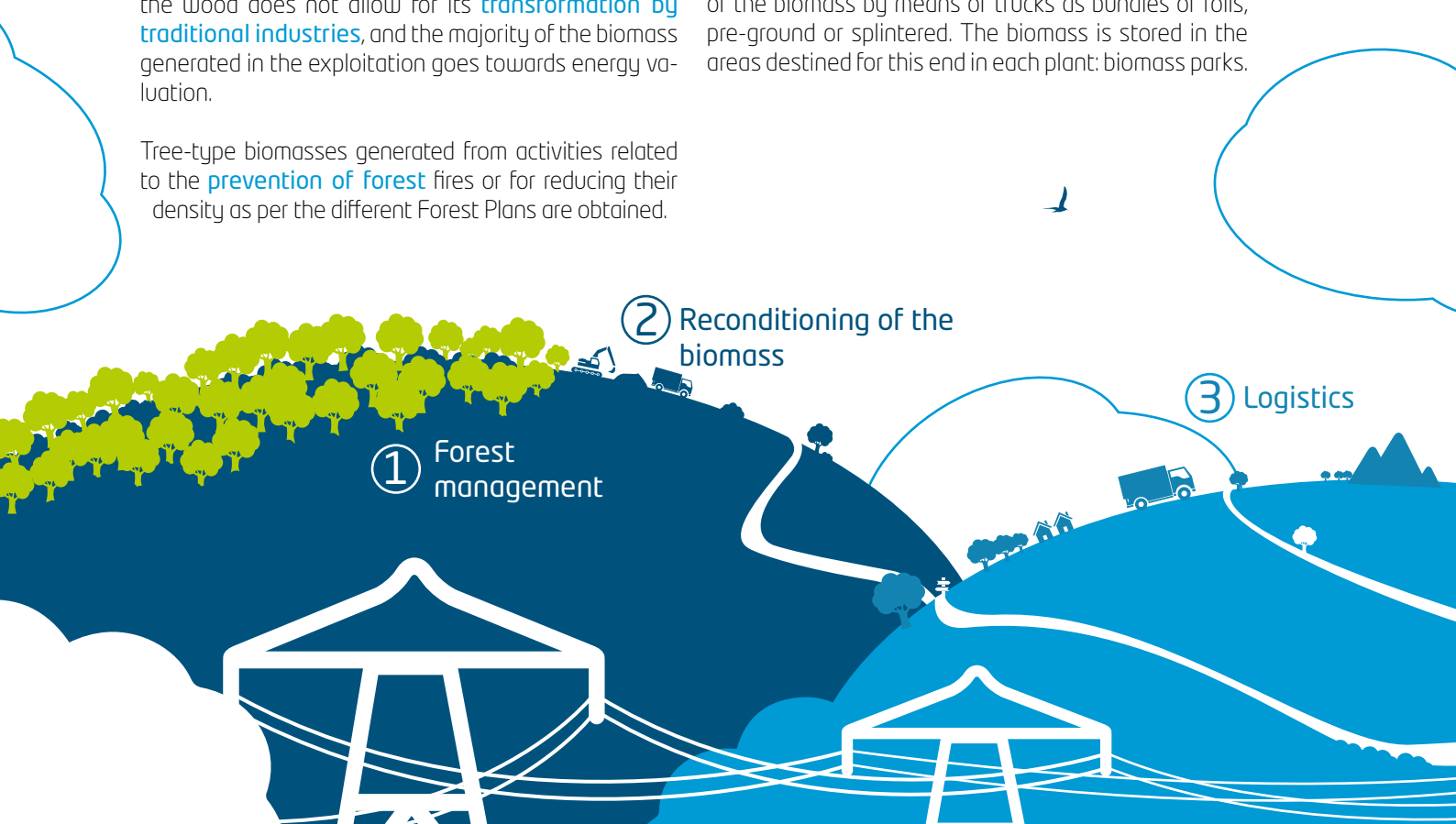
The **reconditioning** of the biomass is carried out in different ways, depending on the typology (branches, leaves, trunks, etc.), the form of collection (in rolls, pre-ground, in bundles, etc.), as well as the machinery required for each type (shredders, etc.). This machinery might be internal or subcontracted.

3. Logistics

Once the biomass has been reconditioned, it is **transported** to a plant. This is done in special trucks whose size depends on the type of biomass, the kind of road and the distance to the destination.

4. Reception at the plant and storage

The process of **generation** starts with the reception of the biomass by means of trucks as bundles or rolls, pre-ground or splintered. The biomass is stored in the areas destined for this end in each plant: biomass parks.



5. Biomass combustion and the generation of electric energy

Once its **quality** has been certified, the preparation process starts, and it is comprised of the following stages:

- **Pre-grinding** using low-speed hammers
- **Separation** of the metallic fractions and pebbles.
- **Grinding**, using hammers or blades, and then sieving.
- **Storage** at the warehouse.

When the biomass already comes splintered or ground, it is loaded directly to a mobile trench, from which it is transported to the silo.

Inside the boiler, a **combustion** of the biomass is produced, using the thermal energy generated for the production of steam. The high-pressure steam is directed to the turbine, which activates the generator, thus producing the **transformation** from mechanical to electrical energy.

In order that the process is carried out adequately, a number of auxiliary systems are available, such as: a crude water treatment plant and one for the treatment

of wastewater, the continuous weighing scales, the continuous humidity sensor, the refrigeration tower, the reagents dosification line to the refrigeration towers, the high voltage interconnection substation and electric evacuation line, the emergency diesel group, the auxiliary boiler for the production of steam during down

6. Export and sales

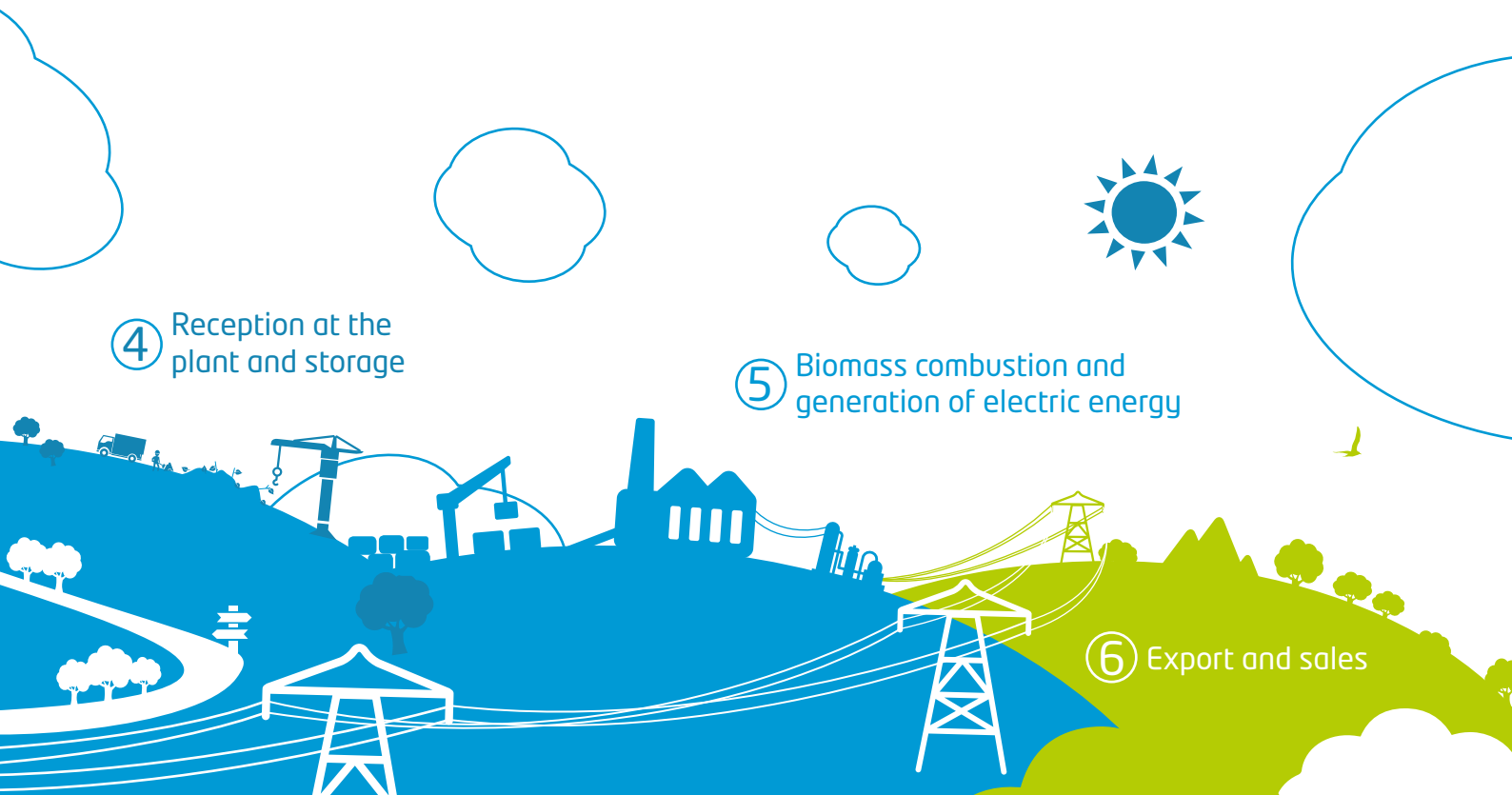
The energy produced in our plants is sold and distributed in the country to become a part of its energy mix. The payment system varies depending on the country where we have a presence.

- **In the United States**, the different states are autonomous where their energy policies are concerned in relation to renewables. Our Berlin installations sell the energy at a price through a **Power Purchasing Agreement** (PPA) type contract to the utility Power Service New Hampshire (**PSNH**).
- **In Spain**, there is a **specific remuneration system** in place that combines an incentive that depends on the energy generated (€/MWh) and another that depends on the investment (€/MW) per unit acknowledged for each installation.

④ Reception at the plant and storage

⑤ Biomass combustion and generation of electric energy

⑥ Export and sales



Clients and suppliers

Clients

Due to the different activities we carry out in relation to biomass, we have different kinds of clients, as detailed below:

Business lines	Clients
Forest and agricultural asset management	<ul style="list-style-type: none"> • Owners of plantations (public or privately managed).
Biomass production	<ul style="list-style-type: none"> • Installations for the production of thermal and electric energy where we operate as suppliers of biomass.
Electrical power generation	<ul style="list-style-type: none"> • Electrical System operators and public energy companies. • Private entities (through PPA contracts).
Thermal engineering and the construction of boilers	<ul style="list-style-type: none"> • Industrial contractors for the construction of new projects. • Owners of generation plants for optimization and improvement projects. • Generation project promoters.
Operation and maintenance, and asset management	<ul style="list-style-type: none"> • Biomass plants and in-house and third party cogeneration.
Energy Efficiency	<ul style="list-style-type: none"> • Industrial plants in the Group. • Plants operated by ourselves.

Suppliers and subcontractors

We have the right team and experience to guarantee that our activities and the services provided for our clients **respond to their expectations** in an efficient manner.

Furthermore, at **Gestamp Biomass Solutions** and **Gestión de Biomásas**, we are in possession of an **ISO 9001-certified** quality management system, and we carry out periodic surveys to gauge client **satisfaction**.

These surveys evaluate the content of our performance in relation to client communication and satisfaction, execution process, product, incidence resolution, differentiating factors in relation to the competition and service in general.

In 2014, the overall evaluation of our products and services has received a rating of **"Good"**. Finally, we would like to highlight that no complaints have been registered.

Gestión de Biomásas is further in possession of the Renor credentials that certify the fulfilment of the procedures detailed in the **"Chain of Custody of Forest Based Products"** as per the **PEFC**.

We believe that the supply chain is a **key element for our company's success**, and to this end, we maintain a relationship that is based on fairness and trust with our subcontractors and suppliers, the objective being to achieve maximum quality.

All of our suppliers partaking of the biomass production chain must meet with the **homologation requirements** established by means of standard ISO 9001, as well as the PEFC's sustainable forest management system.

A follow up of all the different stages of forest raw material gathering is carried out through the PEFC, including its handling and transport, and **its transfer to the different plants**, the objective being to guarantee that they come from forests that are sustainably managed.

Furthermore, the PEFC system demands compliance with the principle of respect towards human rights throughout the value chain, which guarantees that our suppliers meet with all these requirements. In relation to our suppliers, we would like to highlight that they are all of local origin, as the biomass collected and managed in our value chain comes from local forests in its totality.

Confidentiality and privacy

We believe that nowadays, information has become a strategic commodity for businesses and individuals alike.

To this end, our company establishes the necessary mechanisms to maintain privacy in information and data protection where clients and suppliers are concerned, and all the documents handled are treated adequately in accordance with their level of relevance.

In aid of reinforcing security, safety procedures in relation to information are revised on a regular basis.

In September 2014, the new Information Safety Policy was launched, as well as an Information Safety Plan, including measures that will be implemented gradually and then monitored to ensure ongoing improvement.

Innovation

We believe that **research and innovation** are two of the factors that generate the most value and competitiveness for companies.

Please find below a summary of the main projects undertaken in 2014:

Forest biomass production for the production of energy

In Uruguay, there is not much experience in the field of managing crops for the generation of electrical and/or thermal power, due to which, by means of its subsidiary Bioeléctrica de Tacuarembó, Gestamp Biomass and the Instituto Nacional de Investigación Agropecuaria de Uruguay (INIA), or the Uruguayan National Institute for Farming Investigation, have launched the project "**Forest biomass production for the production of power**".

The objective of this project is to **evaluate the cost of wood production from short cycle crops (eucalyptus)**.

This project will allow for managing the production of biomass for generating power, and from this, a productive scaling in aid of generating economic and environmentally sustainable business models that are beneficial for producers, suppliers and the industry.

According to the INIA, the project is "**of great interest both for the industry and households**", due to which it is being supported by the Agencia Nacional de Investigación e Innovación de Uruguay, or the Uruguayan National Agency for Investigation and Innovation, which is financing part of the costs.

Enerbioscrub

This project, which is coordinated by the Centro de Desarrollo de Energías Renovables (CEDER-CIEMAT) or the Centre for the Development of Renewable Energies, will **evaluate innovative methods for the collection of biomass** and its transformation into bio-fuels, the objective being to use them for residential and industrial applications. It will be developed in Spain in its totality, at Gestamp Biomass's plant in Garray, and its objective will be that of studying the production of electricity using biomass from forest clearing.

The project has been selected from the beneficiaries of the **LIFE+** program, the European Union's environment fund. At a total cost of €1,889,758, and with co-financing from the European Commission worth €939,279 (49.7%).

Bioxysorb

This project, which was launched in 2013, seeks **studying the techno-economic feasibility of the coal oxy-combustion for CO₂ and biomass capture processes on an industrial scale**, studying the technical and economic implications derived from small and large-scale experimentation.

The consortium is made up of two public institutions, namely the Institution of Combustion and Power Plant Technology (IFK) and City of Energy Foundation (CIU-DEP), a company that technologically assists power plants (E.ON), one that operates in the adding and treatment of gases (Lhoist) and Gestamp Biomass Solutions, whose role is to develop the prototype of a boiler.

This is one of the projects selected for **FP7 funding**, allocated by the European Union for the Research Funds for Steel and Coal (RFCS).

Management and risk framework

We believe that companies should go **a step further than merely fulfilling what is established in the law**, becoming an ethical point of reference by means of decisions and stances taken by its members, and reaching the highest standards of quality, safety, health and respect towards the environment.

At Gestamp Biomass, we always take into account the **possible risks** that might take place, adopting a **principle of precaution** and integrating risk management into our corporate strategy. We are further in possession of the necessary mechanisms to be able to fulfil these expectations. From among them, the following might be highlighted:

Code of Ethics and Conduct:

During the course of 2014, the **Gestamp Biomass Code of Ethics and Conduct** was approved and disseminated, and it is available in both English and Spanish. It is applicable and the behavior of all the employees is expected to be guided by it.

In order to resolve cases in which the interpretation and application of some of the sections of the Code might become conditioned by local customs and culture, two development guides have been prepared: the **"Guide for harassment prevention"**, and the **"Protocol to fight against corruption"**. These are both available in our intranet.

In addition, an **Committee of Ethics** was created with the objective of resolving any situation that may come to breach or throw doubts on the fulfilment of the Code. There are three communication channels in place to contact the Committee: via e-mail, telephone or in writing by means of the registration of a complaint.

From its approval, intensive **communication and dissemination** work where the Code is concerned has taken place in conjunction with all Gestamp Biomass employees, 100% of whom have accepted and committed to fulfil it.

During the course of 2014, the **Committee of Ethics** received **a report** relating to unlawful abuse of power by an employee; the case was studied and resolved accordingly.

Risks related to human rights

We are in favor of the **fulfilment of Human Rights**, both in connection to our internal staff and when it comes to selecting the companies we subcontract. This year, we **renewed our support and adherence to the United Nations Global Compact**.

In order to control this risk, we have the **reporting channels** of our Code of Ethics available, which are published on our web site, by means of which any incidence or irregularity may be reported.

During 2014, one such **report** was filed in relation to labor practices in Spain, after which a process was opened for analyzing the claims, and corrective and follow-up measures were then put in place, and the incidence was subsequently closed.

Risks related to health, safety and the environment

We believe occupational **risk prevention in our installations to be of paramount importance**, and we make the necessary means available to prevent accidents, including organizing training sessions on health and safety.

Gestión de Biomosas is in possession of a safety and occupational health management system that is **OHSAS 18001** certified, while Gestamp Biomass Solución is in the process of obtaining it.

Furthermore, our Code of Ethics and Conduct contemplates the principle of precaution as part of our commitment towards the environment and continuous improvement.

Hazards in relation to the environment are controlled through the plans for environmental follow-up associated with environmental permits issued by our plants. **Gestamp Biomass Solutions and Gestión de Biomosas are in possession of an ISO 14001 environmental management system.**



Regulatory framework and investments

We operate in markets that offer a stable, **safe regulatory framework**. Despite the fact that there is always a degree of uncertainty associated to this, regulatory stability is key for the attraction of institutional investors.

Gestamp Biomass minimizes this risk by having a number of projects in different countries that are in possession of a stable, attractive regulatory framework, which allows us to compensate these changes, both in the parks we have in operation and in our future project base.

Financial risks

Financial risk management policies, and consequently the instruments for securing them, are largely influenced by the laws and specific regulations of the sector, as well as by the very nature of the projects, in addition to the prevailing situation of the financial markets at each moment. The Company is exposed to the following risks:

Credit risk

Credit risk occurs on account of possible losses caused by the non-fulfilment of the contractual obligations by the company's counterparts, that is to say, due to the possibility of not recuperating financial assets for the amount accounted for and in the established period.

Liquidity risk

The structure, type of financing, coverage, guarantees, and in short, the most appropriate financing instruments are selected in accordance with the nature and risks that are inherent to each project, with the objective of eliminating or mitigating them wherever possible, all whilst attending to the profitability/risk matrix.

These types of funding operations are englobed into what are called "project financing", by means of which the supplier of the funds assumes a substantial portion of the risks derived from the operation by way of guarantee of their contribution, the resource being limited to the promoters or partners.

Market risk

Market risks are produced on account of losses caused by variations in the fair market value or future cash flows of the financial instruments due to market price fluctuations. The market risk includes interest rate, currency exchange and other pricing risks.

- **Interest rate risk**
Interest rate risks are produced on account of possible losses caused by variations in the fair market value or future cash flows of the financial instruments due to changes in the market's interest rates.

The Company's exposure to interest rate fluctuations are mainly caused by long-term loans or credits based on variable interest rates.

- **Exchange rate risk**
Exchange rate risks are produced on account of possible losses caused by variations in the fair market value or future cash flows of financial instruments on account of exchange rate fluctuations.

Accounts receivable is the only item included in the Company's assets and liabilities that includes balances in a different currency to that of the functional currency.

- **Other price risks**
Due to the amount corresponding to investments being small, there are no other significant price risks for the Company.

Asset management policy

The main objective of the asset management policy is to guarantee a financial structure that is based on the fulfilment of the laws of the country where the Company is operating.

Additionally, the asset management policy seeks ensuring maintaining stable credit ratios, as well as maximizing profits for the partners.



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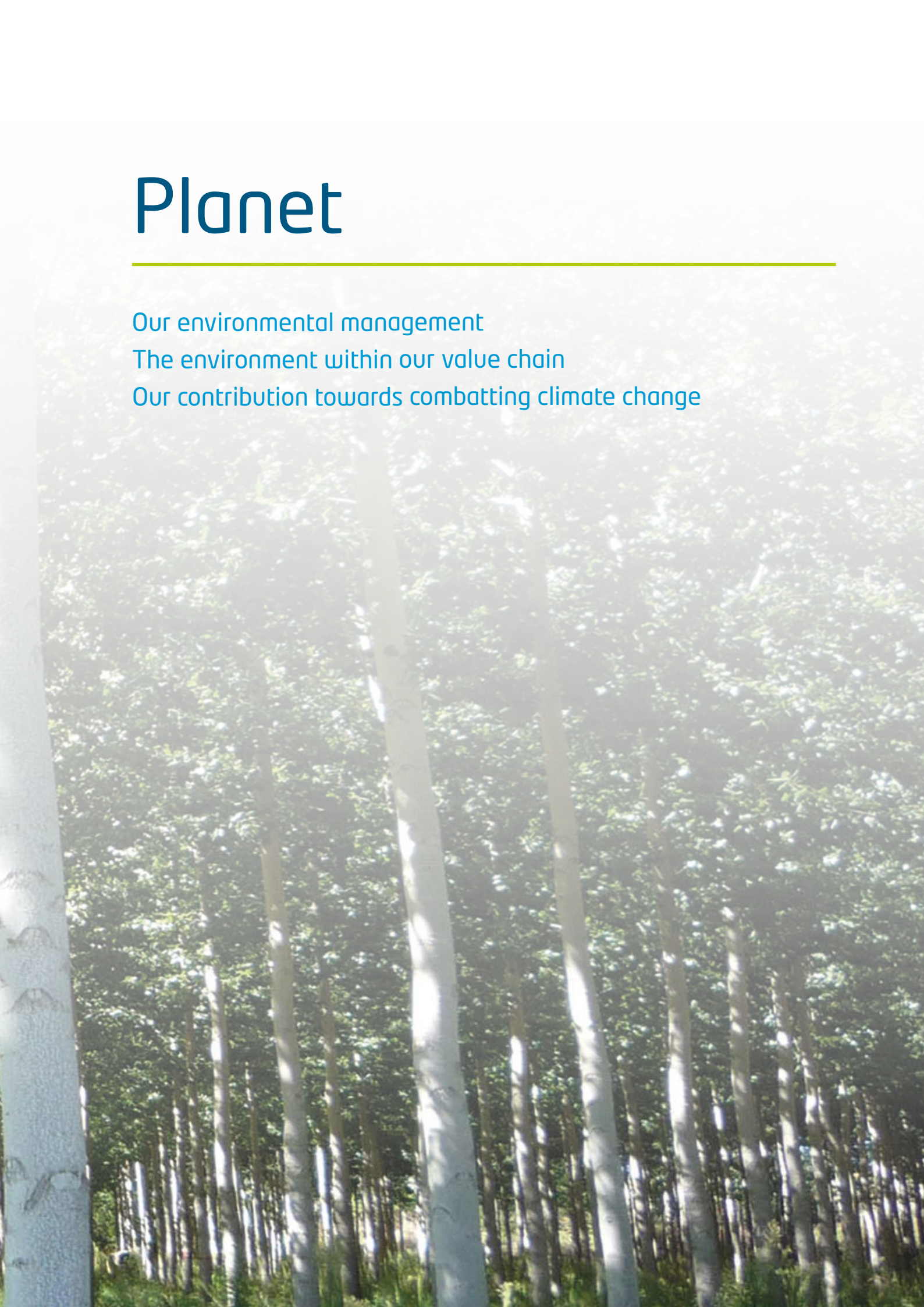


Planet

Our environmental management

The environment within our value chain

Our contribution towards combatting climate change



Our environmental management

The **conservation of the environment** is one of the main pillars of our business strategy.

We carry out our business activities in keeping with the premise of sustainable use and management of natural resources, as well as the preservation of environmental quality for future generations.

This **commitment** is reflected in all our activities and is framed within our Code of Ethics and Conduct.

At Gestión de Biomosas, we are in possession of a **UNE EN ISO 14001** certified environmental management system. Gestamp Biomass Solutions is currently in the process of obtaining the certification.

It is important to highlight that our **Biomass Management activity** has been acknowledged by the **Programme for the Endorsement of Forest Certification - PEFC**, promoting the sustainable management of forests to achieve a social, economic and environmental balance.



The environment within our value chain

Forest resource management

Forest resource management is a key aspect of our activity, as the availability of the forest's raw materials for the obtaining of power depends on it.

The management of forest resources is carried out and coordinated by our companies **Gestión de Biomosas** and **Compañía Comercializadora de Biomasa (CCB)**, from the office in Cordoba and the plant in Garray.

Our activity is centered around forest planning, the sustainable management of forests and the production, logistics and supply of Biomass.

Its planning and execution is carried out in accordance with the technical plans around which forest planning is designed. These are approved by the different government organizations, and the projects to be carried out in the forest are authorized based on them.

The specific activities executed depend on the type of exploitation: **"Wood harvesting"** vs **"Non-commercial thinning"**, as explained in Chapter 2. Performance of this report.

Consumption and discharge

These are mainly linked to forest system operations; they are those specific to the machinery used for each of the processes.

Water consumption in our offices is of the sanitary type and is drawn from the public water supply network. In 2014, our consumption stands at 0.6 m³.

Where paper is concerned, 0.08 tons have been consumed.

The **discharge** generated by our offices is irrelevant, of a sanitary type and gets discharged directly to the public network.

Waste

The generation of **non-hazardous** waste at the offices during this stage is negligible (paper, toner, etc.), and is segregated and disposed of accordingly.

In 2014, 0.04 tons of paper and cardboard have been registered for recycling.

During the forest **cleaning and planning** works, heavy machinery is used for the biomass gathering and processing activities on site. In the event an accident takes place during said activities, **hazardous waste** might be generated, such as contaminated oil and rags. We have no record of any accidents of this type having taken place during 2014.

As for the logistics and distribution of the product to the processing plants, it is carried out in trucks that are adapted for carrying these types of products. This activity is developed by means of subcontracted transport companies.

Biodiversity and environmental impact

Forest planning and the adequate management of forests presents **multiple, very important benefits** for the environment, as detailed below: :

- **It promotes the permanence and sustainability** of the forests, contributing towards fire prevention and reducing the risk of plagues.

- **It increases biodiversity**, favoring the regeneration of species of higher ecological value and that are better adapted to the environment.
- **It improves the growth and quality of the trees** as well as advancing the natural regeneration of forests, and as a consequence, the quality of the countryside.
- **It improves the habitat of many species** of wildlife.
- **It reduces greenhouse effect gases** thanks to the carbon sink role forests play (Art. 3 of the Kyoto Protocol), and the emissions that cause acid rain (NO, SO₂) by substituting conventional fuels (coal, fuel oil) for biomass in the energy mix.
- A large amount of surplus biomass is generated, and its proper management converts a waste into a resource. In this way, **both recycling and a reduction in waste production are favored**.

Similarly, by means of our **PEFC certificate**, we are able to guarantee that our biomass comes from sustainably managed forests, contributing towards the maintaining of numerous ecosystems and biological diversity, as well as aiding the economic sustenance of rural communities.

Social-economic impacts

A number of **positive impacts** for society derive from our activity. Among others, we would like to highlight the following:

- **A boost in indirect local employment**, thanks to the posts created in activities to do with silviculture, exploitation and logistics.
- **An increase in income** in the rural environment, as well as the development of SME's connected to the different stages of biomass exploitation.
- **The promotion of the creation of a business network** in primary sectors like that of agriculture and forests, or industrial sectors such as energy production.
- **An improvement of mobility within the forests**, thanks to maintaining tracks and paths.

Electrical power production from biomass

Gestamp Biomass carries out its power production activities in its Garray and Berlin plants, where it processes forest mass, as well as in the Olextra and Extragol plants, where the raw material derived from olive pomace and other agricultural-origin biomasses are processed.

Below is a summary of the main environmental impacts derived from our activity.

Raw materials consumption

The raw material used in our plants derives mainly from **forests**, for the purposes of processing and power production, and natural gas and diesel are used as fuels:

Raw materials

Plant	Biomasa/ olive pomace (t)	Natural gas (Gj)	Diesel (Gj)
Garray	101,315	137,210.29	-
Berlin	292,472	-	101.27
Olextra	-	109,768.23	-
Extragol	82,016	-	-

Water: consumption and discharge

The **water consumed** in our plants is for industrial (productive process and refrigeration) and sanitary use. It does not negatively affect water sources or ecosystems related to these on account of the quantity and location.

The raw water employed in the boilers and turbines undergoes a process of **demineralization** in all our plants.

The water goes through a filtering system (silica or activated carbon), and on exit, it undergoes a process of

reverse osmosis and electrodeionization, in order that it eliminates soluble salts and demineralizes until such a time as the correct parameters are reached.

Finally, it goes through a de-aerator for eliminating the dissolved gases (mainly oxygen), avoiding corrosion of the boiler when it operates at high temperatures.

In 2014, our total consumption of water has been of 507,632 m³, as detailed below:

Water consumption (m³)

Plant	Source	Uses	m ³
Garray	Dam	Industrial	343,433
Berlin	Network	Industrial	132,147
Olextra y Extragol	Well	Industrial	32,052
Total			507,632

The **water discharged** by our plants is **treated** through filtering installations that are adequate to each type of discharge and, in addition to internal controls, readings, and analyses of certain parameters, compulsory controls are carried out by an approved organization, in keeping with the criteria and guidelines established in their respective discharge authorizations.

The volume and destination of each discharge is detailed as follows:

Water discharge (m³)

Plant	Public network	Septic tank	River course
Garray	-	-	135,834.00
Berlin	45,000.00*	-	-
Olextra y Extragol	-	1.90	16,462.00
Total	45,000.00	1.90	152,296.00

*Estimation based on a third of water consumption.



Waste

The generation of **non-hazardous** waste in our activities **is scarce**. The most relevant ones correspond to ashes and sewage sludge, as showcased below.

Non-hazardous waste (t)

Plant	Ashes	sewage sludge	Total
Garray	4,454.00	10.86	4,464.86
Berlín	7,163.00	-	7,163.00
Olextra y Extragol	8,166.38	1.90	8,168.28

With respects to final management and disposal, 59% (11,646.62 t) of this waste is deposited in a dumping site. The remaining 41% (8,166.38 t) corresponds to ashes from Olextra and Extragol, which are sold for soil enrichment and other uses.

As with the previous case, the generation of **hazardous waste** is low.

An adequate segregation, storage, control and withdrawal of said waste is carried out at our plants by means of authorized handlers.

Below is a summary of the main hazardous waste types produced at our plants:

Hazardous waste (t)

Hazardous waste*	Garray	Olextra y Extragol
Contaminated containers	0.41	0.09
Contaminated absorbents	-	0.01
Used oil	-	1.3
Oil filters	-	0.05
Total	0.41	1.45

*Data not available for the Berlín plant

Spillages

During 2014, **no spillages** have been registered in our installations.

Biodiversity and environmental impact

Before building our installations, we carry out the corresponding Environmental Impact Analysis (EIA) or the pertinent environmental report, in accordance with the country's requirements and its situation, in order to receive the necessary licenses for the construction and subsequent operation of our plants.

These studies help us identify the potential impact our activities might exert, and then correctly design and implement the necessary preventive measures so as to avoid or mitigate said potential impacts. Currently, all our plants are in possession of the necessary environmental licenses to develop their activities.

On account of where they are located, our **Olextra, Extragol and Berlín** plants do not present negative environmental impact to their surroundings, as they are not in the vicinity of protected spaces, and they have not identified protected species there either.

Due to its proximity to protected spaces, the **Garray** plant is the one displaying more transcendence towards the environment, and subsequently measures and controls to minimize or eliminate said impacts have been put in place.



Garray plant

The Garray plant is located within the perimeter of what is known as the “**Ciudad del medio ambiente**”, or the City of the Environment, whose conditions are detailed in **Decree 18/2015** of February 26th, by means of which the regional “Parque Empresarial del Medio Ambiente”, or Environmental Industrial Estate project is approved.

The installations are located in the proximity of a location classified as a Site of Community Interest (SCI), namely the “Riberas del río Duero y afluentes”, or the Duero riverbanks and its tributaries. It is also near the LIC “Sierras de Urbión y Cebollera”, or Ur-

bión y Cebollera and “Sabinas Sierra de Cabrejas”, as well as the Natural Recreation Area of Monte Valonsadero.

The construction works and the activities in the stage of operation are carried out whilst safeguarding a small lagoon of high environmental value and with a high concentration of biodiversity. In addition, all of the protective measures laid out by the Environmental Impact Guidelines (DIA) with the intention of minimizing the possible impact caused by our activities were followed.

The **species** identified as protected in the proximity of this plant are as follows:

Common name	Scientific name	IUCN*	Local Red List**
Red kite	<i>Milvus milvus</i>	NT.	VU. Vulnerable
Mediterranean turtle	<i>Mauremys leprosa</i>	Near threatened	VU. Vulnerable

*IUCN: International Union for Conservation of Nature
**Local Red List: Red list of threatened species in Spain.

On the other hand, the biomass power plants generate **numerous positive environmental impacts** for the environment, as we will now describe:

- **A reduction in the emissions that cause acid rain** (NO, SO₂), as a consequence of substituting conventional fuels (coal, fuel oil etc.) for biomass in the energy mix.
- **An efficient use of energy.** Differently to other renewable energies, the generation of biomass is manageable, which allows for not incurring in primary energy discharges when the system is unable to absorb the electrical power production.
- **Emissions derived from biomass** are in possession of a **neutral balance**, due to which the combustion of biomass does not represent a net increase of GHGs to the atmosphere. This helps combat climate change.
- **Support towards the fulfilment** of the objectives established in the European Union’s 20/20/20 plan.

irrelevant or barely relevant, and normally relate to the visual impact caused by the installations themselves.

However, the positive aspects that they exert on society are by far higher. Among others, we would like to highlight the following:

- **The creation of direct local employment**, both in the operation and maintenance of the generation plant, and throughout the biomass production and supply chain.
- **Promotion and protection of rural settlements**, as a consequence derived from people settling in the vicinity of the plant.
- **Increased income** in the plant’s surroundings, as well as a rise in local revenue from taxing.
- **Improved competition** in the electrical market, as a consequence of the incorporation of new Market Agents.
- **A Reduction in the import of conventional fuels** (coal, natural gas...), in favor of the use of an endogenous resource.

Social-economic impact factors

From a sociological viewpoint, the **negative impacts** produced by biomass plants in general terms are

Biomass plants require **high levels of investment, and they exert an impact on the energizing and re-conversion of the area’s economy.**

Best Practice

LIFE+ Enerbioscrub project

Through its plant in Garray, Gestamp Biomass is partaking of European project **LIFE+ Enerbioscrub**, whose objective is to reduce both the risks of forest fires and CO₂ emissions in an economic and environmentally sustainable manner, thanks to the cleaning up and exploitation of scrubland.

Renowned investigation centers partake of this project (including the Centre for the Development of Renewable Energies - CEDER-CIEMAT's biomass unit and the Instituto Nacional de Investigación y Tecnología Agraria y Alimentaria, or National Institute for Agrarian and Alimentary Technology), as well as other companies of the sector, cooperatives, associations of the sector and local institutions such as the Fabero (Leon) City Hall.

During the course of this project, which is set to conclude in December 2017, innovative methods for the collection of biomass and its transformation into bio-fuels will be evaluated, these will then be used for residential and industrial power applications. The Garray plant's function will be to study the calorific potential of biomass drawn from the different types of shrubs and the behavior of the bundles of packaged material during the process of energy reconditioning and transformation.



Energy

The energy obtained from biomass is **clean energy** that does not depend on other finite resources, like fossil fuels do, and which further allows for a planned production that is adapted to the real demand for energy, thus helping towards mitigating the global warming problem faced by our planet.

Produced Energy

In 2014, the power produced from biomass is 355.108 GJ, its production is detailed as follows.

2014 Produced energy (GJ)*		
Energy (GJ)	Spain	USA
Installed	153.97	279.25
Sold	315,407.16	39,700.47

*Only the percentage corresponding to our company's share has been taken into account.

Consumed energy

The power plants consume energy from the network, mainly during the cold start processes; they further auto-consume part of the energy generated for internal processes (grinding biomass, purifying water, etc.).

The main source of energy used in our plants is biomass, with the exception of the Olextra plant, that consumes natural gas.

2014 Consumed energy (GJ)*		
	Spain	USA
Power energy	2,656.42	5,003.62
Natural gas	167,251.31	-
Diesel	72,144.00	33,42
Renewable energy (biomass)	31,702.51	30,735.22

*Only the percentage corresponding to our company's share has been taken into account.

Environmental impact of other services

Gestamp Biomass develops other businesses by means of its different divisions: **Gestamp Biomass Solutions (GBS)** is located in Cadiz, and its activities are centered around the design and installation of projects related to thermal engineering, and **Gestamp ESCO Eficiencia Energética**, is located in our headquarters in Ombú (Madrid) and its activities are aimed at developing power efficiency projects.

Consumption and sewage

The main **consumption** in our offices in 2014 corresponds to paper, at 0.72 tons, and water for sanitary use, at 98 m³.

The **sewage** generated by our offices is irrelevant, of a sanitary type and gets discharged directly to the public network.

Energy

The main energy consumption for our offices in 2014 was of 135.26 GJ at **Gestamp Biomass Solutions** and 106.55 GJ at **Gestamp ESCO Eficiencia Energética**.

Waste

Our offices only generate **non-hazardous waste** (paper, toner, urban waste, etc.), in very small amounts, and these are then adequately segregated and disposed of.

Our environmental impact

Our activities exert **direct environmental impact** levels that are characteristic of an office, that is to say, they are of **no relevance** where biodiversity or the environment are concerned.

Nevertheless, its **indirect impact is highly relevant**, as it contributes towards the improvement of efficiency and the optimization of industrial processes, and as a result, towards minimizing their environmental impact by reducing the use of energy and emissions to the atmosphere.

- **Gestamp Biomass Solutions (GBS)**: by means of its industrial activity, which is focused on the implementation of biomass boilers and combustion islands, it contributes towards generating energy from sources of renewable origin. Where engineering is concerned, we have developed a number of power optimization projects, thus reducing energy consumption and GHG emissions in said installations.

- **Gestamp ESCO Eficiencia Energética**: its main objective is monitoring energy consumption in the different processes, as well as analyzing it, and proposing and implementing measures that allow for the optimization of energy consumption and the reduction of CO₂ emissions in the different processes that are developed in industrial plants belonging to the group or third parties.

By means of these projects, we contribute towards significant reductions in energy consumption and CO₂ emissions.



Our contribution towards combatting climate change

"2014 is set to be the warmest to date", according to estimations from the World Meteorological Organization (WMO).

These **climate changes** bring about implications on a global scale, affecting issues such as poverty, alimentary safety, economic development, population growth, sustainable development and resource management. In addition, the growing magnitude of this warming effect increases the probabilities of serious, generalized and irreversible impact.

The latest IPCC (Intergovernmental Panel on Climate Change) reports confirm the consequences that are already being felt on account of global warming, and the fact that if we continue on the same path, the forecast is that the planet's temperature will rise by between 5 and 6 degrees Celsius.

Nonetheless, **risks** derived from climate change may be reduced if short-term **mitigating measures** are applied, as these may significantly influence climate-related risks during the course of the XXI century. (IPCC, Climate Change 2014: Impacts, adaptation and vulnerability).

In this context, **renewable energies** play a very important role as an engine for reducing the emission of greenhouse effect gases derived from the production of energy.

According to the IPCC, renewable energies will be in a position to cover 77% of the planet's needs by 2080 if the current technological advances and their evolution trajectory are to be taken into account.

Mitigation policies

Despite the fact that global demand for energy is expected to rise in the next few decades, their greenhouse effect emissions must decrease drastically if the internationally established **Millennium Development Goals** and the **Principles of the Global Compact** are to be met.

We believe in the need for developing serious, global **energy policies** that are aimed at savings and energy efficiency and which achieve a reduction in greenhouse effect gases through the promotion of renewable energies, in order to avoid grave consequences for generations to come.

In 2015, the XXI United Nations Climate Change Conference (**COP 21**) will be held. This conference is expected to be critical in the negotiation of a future international agreement foreseen for 2020, the objective being that all the countries adhere to said agreement and that firm commitments are established, as was previously achieved at the Kyoto Protocol.

A number of international organizations further acknowledge the importance of renewable energy sources. An example of this is United Nations initiative "**Sustainable Energy for All**" (2014-2024), whose objective is to promote renewable energies and energy efficiency throughout the world.



The benefits of biomass as a source of renewable energy

In addition to its widespread availability, power generated from biomass contributes towards combatting climate change from three different perspectives.

1. Through the **maintenance and cleaning of forests**, which contributes towards a reduction in greenhouse effect gases, thanks to the carbon sink role played by the forests (Art. 3 of the Kyoto Protocol).
2. Through support towards the **fulfilment of the objectives established** by means of agreement 20/20/20.
3. Through the reduction of GHG emissions due to the substitution of the use of fossil fuels.

In Spain, according to the Instituto para la Diversificación y el Aprovechamiento de la Energía (IDAE), or the Institute for the Diversification and Exploitation of Energy's "Plan for Renewable Energies 2011-2020", considering 15 MW of power for every plant, it is estimated that for the period, 35 plants will be created, which equates to a 518 MW increase in power, generating 6,000 hours/year and an approximate production of 3,110,000 MWh/year of electric power.

Taking into account the final non-industrial biomass consumption needed to fulfil the 2020 objectives, and comparing this to the calculated biomass potential available, we are in a position to state that the resources available suffice in order to achieve the objectives set.

Additionally, as established by the **Intergovernmental Panel on Climate Change**, the forecasts for the future point at the fact that in 2100, the participation of biomass in the world's energy production should be of between 25 and 46%.

Emissions

At Gestamp Biomass, we measure our CO₂ emissions in order to establish future **improvement objectives**, as well as in order to better communicate our footprint.

We have estimated our CO₂ emissions in keeping with the **Greenhouse Gas Protocol** (GHG Protocol) standards, presenting information about the three scopes established as well as the guidelines laid out in **Regulation 517/2014** on fluorinated greenhouse effect gases, refrigerants, and **Royal Decree 661/07** for calculating the generation of biomass.

We will now summarize our emissions for the three scopes considered:

Direct emissions (scope 1)

Our direct emissions derive from the **Garray, Berlin, Olextra and Extragol** plants, and they originate in the biomass boilers and drying engines.

Direct emissions (tons of CO ₂)*	
Diesel oil	8.01
Natural gas (t)	9,378.99
Total	9,387.00

*Only the percentage corresponding to our company's share has been taken into account. The emissions have been estimated in conformity with Royal decree 661/2007 of May 25th.

No emissions derived from the escape of refrigerants were recorded in 2014.

Indirect emissions (scope 2)

These are emissions derived from electrical consumption at our plants and offices. They have been calculated taking the emission factors supplied by the **International Energy Agency** as a reference.

Indirect emissions (tons of CO ₂)*	
Spain	USA
175.62	725.52

* Only the percentage corresponding to our company's share has been taken into account.

Indirect emissions (scope 3)

Scope 3 includes emissions derived from corporate airplane and railway travel, as well as commuting by the employees to their places of work, estimated by means of a transport survey carried out among 7% of the employees, as summarized below:

- **Corporate travel:** 1,594.26 tons of CO₂.
- **Commuting:** 91.27 tons of CO₂.

Therefore, the footprint corresponding to other indirect emissions has been estimated at 1,685.53 tons of CO₂.

Avoided Emissions

At Gestamp Biomass, we generate clean energy. Pure biomass is a type of fuel whose emissions are considered neutral, as its energy content comes from solar energy that derives from the process of photosynthesis.

Through our activity, we have contributed towards avoiding the emission of 26,608.49 tons of CO₂ to the atmosphere.

Avoided emissions (tons of CO ₂)*	
Spain	USA
20,851.92	5,756.57

*Only the percentage corresponding to our company's share has been taken into account.

NOx, SOx and other significant emissions

Our emissions are produced mainly during the combustion processes of our plants. Furthermore, during activities to do with transport, loading and unloading of materials and cleaning operations, diffuse emissions of particulate matter may take place.

Please find below a summary of the emissions produced in our installations during the course of 2014.

Other emissions (tons)		
Tons	Spain	USA
NOx	267.75	125.60
SO ₂	8.24	12.80
CO	5.33	0.16
N ₂ O	0.05	0.00
NH ₃	0.00	0.50
CO ₂	578.82	**
Partículas (MP)	0.00	9.70
HCl	0.00	0.60
VOC*	0.00	0.01
Otras	0.02	0.00

*Volatile Organic Compounds

Environmental expenses and income

In 2014, our main environmental expenses are as follows:

Environmental expenses	
Environmental expenses	Euros
Maintenance of environmental management systems, updating of legal requirements, etc.	5,869.50
Discharge treatments	1,300.00
Waste management	1,567.78
Readings (atmosphere, discharges, etc.)	3,760.00
Legionella control	500.00
Total	12,997.28

The environmental income derived from the sale of residues (ashes) adds up to €22,408.76, and our environmental investments for 2014 are of €300.

4



People

Our team of professionals

Labor practices and communication

Attracting and retaining talent

Health and safety in the workplace

Creation of value in society



Our team of professionals

At Gestamp Biomass, we work towards growing as a **solid, responsible** company.

A company that seeks satisfying the objectives and expectations of **all involved**, and whose people-based human resources management policy aims at guaranteeing **quality employment**.

Gestamp Biomass is comprised of a team of professionals that share our **culture** and **values**. Their ideas and the work they carry out boost our competitiveness and productivity.

Distribution by age and gender

Our workforce in 2014 is made up of **97 professionals** divided between Spain and the United States. 74% of our professionals are aged between 30 and 50, and 14% are younger than 30, a balanced workforce which allows us to, on the one hand learn from experience, and on the other, to benefit from their dynamism. All of our employees work on a full-time basis, except for 5 female employees in Spain, who do so part-time.

100% of the Directorate is comprised by men, aged between 30 and 50.

Number of employees by age

Country	Aged ≤30			Aged > 30 ≤ 50			Aged > 50		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Spain	12	1	13	52	18	70	9	0	9
USA	0	0	0	1	1	2	3	0	3
Total	12	1	13	53	19	72	12	0	12

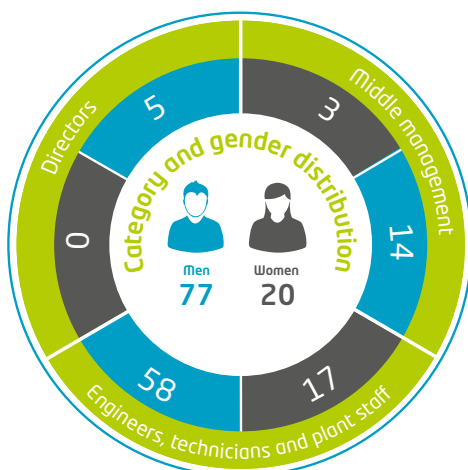
Distribution by professional category

Our team is classified into three **professional categories**, depending on their responsibilities and duties: 5% corresponds to directors, 18% to middle management and 77% to engineers, technicians and plant personnel.

Please see below for more detailed information about the distribution of our team by **gender and age**.

Distribution by professional category and age

Category	Aged ≤30	Aged >30≤50	Aged >50
Directors	0	3	2
Middle management	1	13	3
Engineers, technicians and plant staff	12	56	7



Labor policies and communication

Employment stability

At Gestamp Biomass, we believe that a way of showing the trust we place in our team is to foster **employment stability**.

During 2014, 66% of the workforce has been in possession of a **permanent contract**, and the remaining 34% have had **temporary contracts**, corresponding to 31 men and 2 women as detailed below.

Distribution by type of contract and gender

Contracts	Men	Women	Total
Permanent contracts Spain	42	17	59
Permanent contracts USA	4	1	5
Temporary contracts Spain	31	2	33
Temporary contracts USA	0	0	0

Minimum period of notice

Our **minimum period of notice** for informing our employees of operational changes is 15 days, although in some divisions there is no established pre-defined time period.

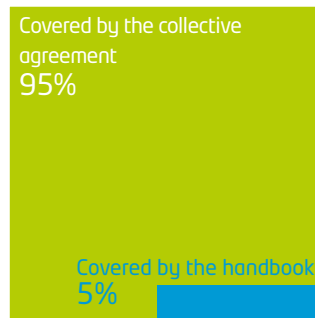
However, in the event of a relevant change, the group affected is informed with enough anticipation in order that they may have enough advance warning.

Rights and information for our professionals

For Gestamp Biomass, the fact that all our professionals are well informed about their **rights and obligations** is also important, as well the fact that this is formally registered. The specific information for each country we operate in is comprised differently in accordance with the local laws and requirements:

- **Collective agreement:** in Spain, all of our employees are covered by the collective agreement applicable in accordance with the activity carried out.
- **Handbook:** this document is applicable to all our employees in the US, and it details employment conditions, the behavioral guidelines adapted to the context and legal requirements of each location, stating the rights and duties of the employees in relation to selection processes, timetables, sick leave, salaries, social benefits, vacations, etc.

Percentage employees



Work-life balance

Another important issue for Gestamp Biomass is contributing towards the improvement of the **quality of life** of our employees, due to which we have flexible work hours at offices in place, in order to be able to adapt to the different personal situations.

Where parenthood leave is concerned, in 2014 five women and four men benefitted from it.

All of the professionals who adhered to this type of leave re-joined once it was over, and they are currently working in the company.



Best Practice

Family Day in Garray

Family Day was celebrated in the Garray plant. All of the employees invited their families to the event and proceeded to proudly show them their work environment.

During the course of the event, in addition to showing them the installations and giving them a tour, a number of activities aimed at having a pleasant family day were organized, culminating in a group meal.



Social allowances

All our employees have an accident insurance policy whose coverage is higher than the minimum one required.

In addition, HR management offers a Flexible Retribution Plan (herein after FRP) for all of the company's employees. The FRP represents an opportunity for incorporating different products that offer fiscal and labor advantages into the pay package, allowing for each employee to adapt it to their own personal conditions.

The services that are currently on offer are crèche, restaurant and transport vouchers, as well as the purchasing of electronic equipment. In 2014, eight employees adhered to the FRP.

Diversity and equal opportunities

All of our policies and procedures are based on our **Code of Ethics and Conduct**, which establishes a framework of respect for human rights, equality and non-discrimination. This **commitment** starts during our hiring process and continues throughout their professional promotion path; the best candidates for the post are selected regardless of their gender, race or religion; instead, their academic/professional merit and the company's needs are favored.

Similarly, **local employment** is fostered, as it contributes towards strengthening dialogue in conjunction with the community and grants us the opportunity of gaining more in-depth knowledge of our surroundings. In 2014, 97% of our team is local, in addition to 100% of the team of directors.

We further believe that communication and the exchange of ideas are essential elements for the correct management of our teams. We have adopted a **management model 2.0** that is adapted to the needs of a multinational team that is accustomed to frequent travel.

The corner stone of our model is "**Leading the Change**", the corporate intranet that has been in place since 2012. Its objective is to promote dialogue between the directorate and all the employees by means of a social media platform that includes apps to share and acquire information and knowledge, facilitating teamwork and fostering sense of pride in belonging.

This environment is used by the HR department to communicate information of interest such as organizational changes, work schedules, training timetables, etc., although the e-mail address and the information panel located in each plant are also used.

Employees also have a communication channel with the Ethics Committee open and at their disposal, created with the objective of informing about possible incidences or infractions to do with our Code of Ethics and Conduct.



Best Practice

Management of information on sustainability

Our company is present in a number of locations, which leads to different procedures and systems for reporting information being in place.

During the planning stage, the need for creating a tool that was able to gather, standardize and consolidate the necessary information and data in terms of our economic, social and environmental results correctly was identified.

In order to respond to this need, in 2014, in collaboration with CBI Consulting, the sustainability team adapted its reporting platform to our needs, defining specific indicators for our activity. This platform further facilitates the gathering and consolidation of data through an attractive interface and allows for attaching evidence, speeding up the ensuing independent revision processes.

In January 2015, those responsible for reporting the information and data were trained on the use of the platform. The training session served to see how to use the tool in practice, as well as how to access the information for different finalities.

Attracting and retaining talent

Training

We believe that **training** is a **key aspect** for innovation, the development of our employees, and the improvement of efficiency.

In 2014, a total number of 1377.5 training hours have been carried out, which represents 14.2 hours of training per employee on average (14.79 hours for male and 11.95 for female employees).

The training sessions are distributed into specific skills, human rights, health and safety, IT skills and languages.

Where the training sessions carried out in 2014 are concerned, we would like to highlight the following:

Code of Ethics and Conduct

An intense training and dissemination campaign was launched at the start of the year, by means of a specific on-line course that develops the information contained within our Code of Ethics and Conduct.

Thanks to these initiatives, 100% of our staff **accepted and committed** to formally fulfilling the requirements of the Code. An average of an hour and a half is estimated for the completion of the course, due to which the training hours on ethics and human rights for 2014 have added up to a total of 95.

Language school

The English language is commonly used within our company, due to which a great deal of effort is made in order that our employees receive **solid language training**. A pilot project of on-line English classes has been launched this year.

EPC International project construction contracts (FIDIC)

This contract model is one of the most widely used internationally in the engineering and construction sector, and variations of the contract model are common in the **contracting or financing models**, both public and privately. Gestamp Biomass identified the need for two of the members of the team to carry out a twenty-hour course.

Mobility

In order to contribute towards improving the evolution and progress of our teams, we offer the challenge and the possibility of **promotion through relocation**, carrying out our activities in other countries or business segments.

In 2014, seven employees were transferred to corporate teams or other plants in order to further the development of their professional careers.

Selection and rotation

Our **selection process** is carried out either electronically (job banks and other available on-line tools) or indirectly (with the collaboration of specialized consultants).

During the course of the year, **38 new professionals** have started work at our company, 53% of whom are men aged between 30 and 50. The majority of the contracting has taken place in the Biomass Management section, at 47% of the total number of contracts.

People hired in 2014*

Age	Men	Women	Total
Aged ≤30	11	1	12
Aged >30≤50	20	2	22
Aged >50 años	4	0	4

*No contracting has taken place in the US during the course of 2014.

In 2014, **20 people** left the workforce, mostly voluntarily, as detailed below.

Reason for leaving in 2014*

Reason	Men	Women	Total
Ending of their contract	7	1	8
Voluntary resignation	11	1	12

*One such departures relates to staff in the US, the rest have been registered in Spain.

From these registered departures in 2014, 11 (9 men and 2 women) correspond to people hired during the same year.

Our average **turnover** is of 28%, although its distribution is highly uneven, for example, 72% in the Gestión de Biomassas company, 34% in Garray and 29% in our company in the US.

Health and safety in the workplace

Our management

The **risks derived from our activities** are something we know about, analyze and are well aware of at Gestamp Biomass.

For this reason, we are committed to the **health and safety** of our employees and that of all those who work in our installations, and we place the necessary working equipment and conditions at their disposal, so as to eliminate or mitigate risks wherever possible.

This commitment is reflected in our **Code of Ethics and Conduct** and our Occupational Risk Prevention Plan, but it must also show in the behavior of our employees, who must make a concerted effort to develop and promote attitudes that are safe in order to achieve a healthy work environment.

The **organization of safety** is coordinated from each site through having someone in charge of health and safety. In addition, for the Health Vigilance, Ergonomics and Psycho-sociology, Industrial Hygiene and Safety, we are also in possession of an external prevention Service in place.

Furthermore, Gestamp's Biomass Management section is in possession of an **OHSAS 18001** certified Health and Safety management system, and Gestamp Biomass Solutions is also expected to receive this certification shortly.

This allows us to maintain a **safe work environment** as well as to meet with the conditions established in the applicable laws.



Accident reporting

External communication

Any **minor, serious, very serious or fatal accidents** that may come to take place in our installations will be notified externally to the authorities in keeping with the established communication channels and the obligations and deadlines defined by the regulations.

Internal Communication

Internal communication will be carried out in an ascending manner, through those responsible for health and safety, the plant manager or their immediate superior, and finally, the person responsible in corporate.

Training

All of Gestamp Biomass's employees have received adequate **training on the health and safety aspects** related to their post. During 2014, a total of 420 training hours on the subject were imparted.

Health and safety indicators

Accident rates

Periodically, Health and Safety accident/incident information is reported to carry out a follow up of all the different **indicators and rates**. The objective is to be in possession of updated information on its evolution so as to be able to adequately monitor this.

During the course of 2014, 3 accidents that derived in sick leave and 5 that did not were recorded among Spain's internal staff. The external workforce also had 3 accidents requiring time off. The totality of the accidents that took place were suffered by male employees.

Please see **our accident rates** below:



Occupational disease rate: 0



Rate of sick leave per accident: 0,43*



Accident rate: 0,03*

*Average per employee.

Absenteeism

Where **absenteeism** is concerned, the following table shows the average days absent by employee, the main cause being common ailments and special permissions.

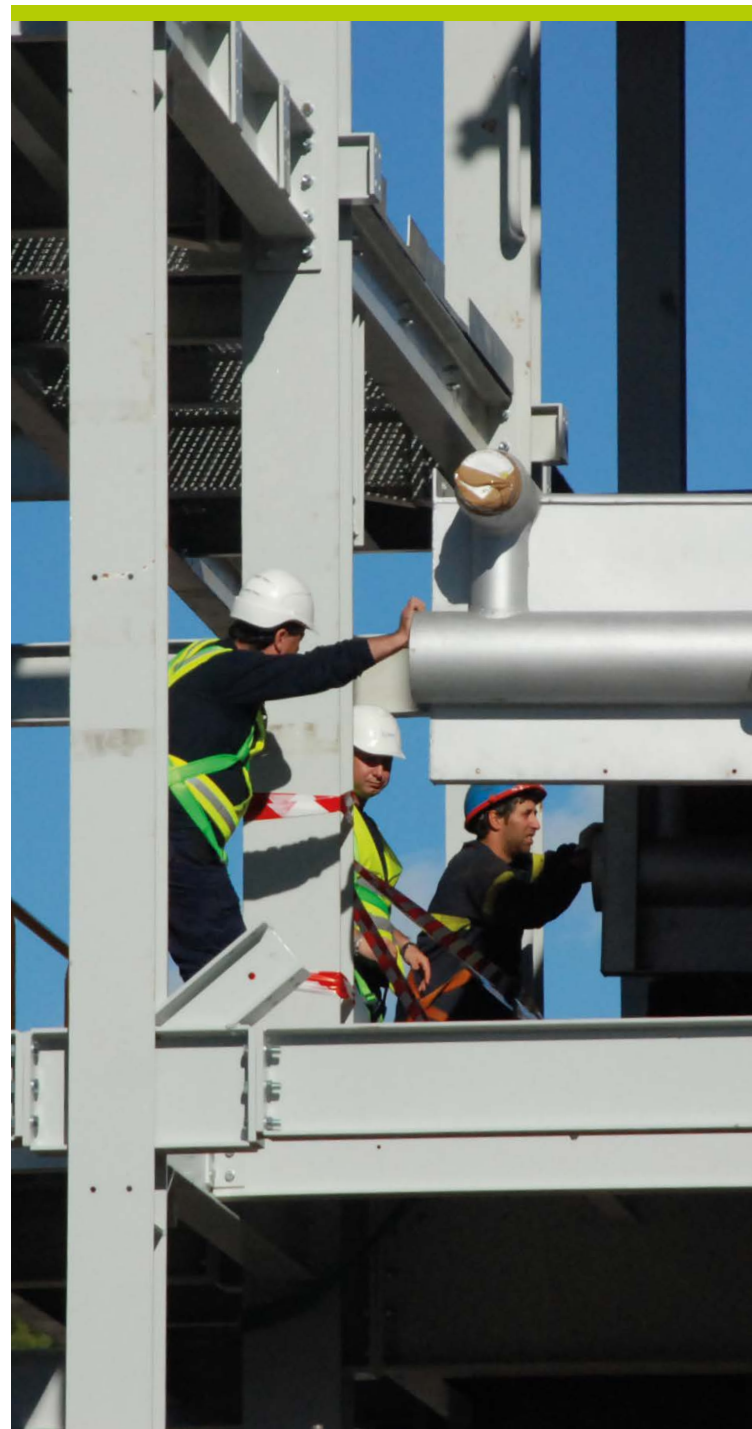


Average days absent by employee*

1,94 men 8,00 women

*Data for Spain.

The absenteeism recorded for the corporate offices is of 2.71 days per employee on average.



Creation of value in society

Boosting local development

At Gestamp Biomass, we establish the necessary means to maintain a constant **dialogue** in conjunction with the locations where we carry out our activities. This allows us for developing closer collaborations, sharing experiences and contributing the necessary solutions.

Prior to the building of a plant, we comply with all the requirements of the law in place, which among other things, demands the carrying out of an impact study where the local community and the environment are concerned, which is then approved by the authorities.

These studies allow for the opening of a forum of public participation and opinion, including interviews and surveys, affecting mainly the communities that are in the vicinity of the projects, the objective being to inform all the interested parties about the key aspects, as well as to gather their opinions in order to take them into account in the project design's decision-making process.

Contribution towards a more sustainable energy model

We believe that a **sustainable energy model** is one that manages to satisfy the current needs without

compromising resources and possibilities for future generations.

From an environmental viewpoint, emissions derived from power generation from the combustion of biomass are considered **neutral**, as the CO₂ emitted has previously been absorbed during the process of photosynthesis.

This helps achieve the internationally agreed **environmental objectives** of emission reductions, as well as reducing dependency on fossil energy whilst aiding sustainability and the improvement of forest systems.

Similarly, we apply the most **respectful technology** towards the environment in our processes, in addition to continuous improvements, with the objective of reinforcing our quality and competitiveness.

Innovation and development

Renewable energy sources are linked to **innovation and sustainability**.

Because of this, at Gestamp Biomass we foster technological innovation through a number of different initiatives in conjunction with different interlocutors, such as public entities, private organizations and universities in numerous projects and countries.



Best Practice

Computer simulation of fluids applied to biomass combustion

As part of its R&D program, since 2012 Gestamp Biomass Solutions has been using Computational Fluid Dynamics (CFD) numeric **Simulation Computer Programs** for the design of gasification and combustion systems. Among other things, these programs allow for the modelling of biomass cauldrons.

The software used is open source, and allows for the analysis and understanding of its code, as well as its modification to include additional applications, which increases usage flexibility for the incorporation of any specific needs not contemplated in the original program.

This is allowing for the development of two doctorates centered around the company's activities by two staff members, in collaboration with the universities of Cadiz and Aalborg. Both doctorates are being carried out simultaneously, and they are expected to be completed during the course of 2015 and 2016.

"Experimental and computer analysis of olive pomace biomass cauldrons":

Due to the characteristics of the fuel, the biomass cauldrons require undergoing maintenance and cleaning process down times, reducing their availability. These down times may be compensated through specific developments in the design of the installations and predictions of the flow distribution inside the cauldron.

To this end, CFD simulation tools are applied, despite the fact that these are not overly developed in the field.

Because of this, a grate combustion model is being developed for olive pomace cauldrons. Said combustion model, which is based on an ex-professo integration for this type of fuel on grates, will be validated in existing cauldrons and allow for the modelling of the cauldron as a whole, among other many applications in the company.

Deposition phenomena modelling in olive pomace biomass cauldrons

The deposition and corrosion phenomena represent some of the major issues in the design and operation of the combustion systems. Biomass cauldrons, especially those containing ashes with high concentrations of chlorine and alkaline substances (sodium and potassium), are highly susceptible to these phenomena, which condition both the design and operation of the installations.

The models that are commercially integrated into the CFD simulation tools do not include all the elements needed for the integration of these two factors. For this reason, an in-house model that may be integrated in the software and which allows for predicting dirtying phenomena, and with these, problems related to cauldron availability, which are ultimately what allow for the optimization of GBS's designs is being devised.



Photography author: FDV

Boosting the local economy

Employment creation and rural development

We create employment both direct and indirectly. Our activity is present transversally throughout the **value chain**, from forest planning for the obtaining of biomass, to its transport to the energy processing and production installations, as well as the sale and commercialization of said energy.

Furthermore, the progressive reduction of traditional wood industry activities places energy production as the most interesting and sustainable **exploitation alternative** of many areas of forest.

Our installations are located in **rural areas**, due to which we contribute towards energizing said areas by means of the creation of employment, partaking of the development and improvement of their life conditions, and preventing their abandonment.

As of 2014, there are 97 professionals working for Gestamp Biomass, and we plan to notably increase and diversify our workforce as we develop our new projects.

Taxes and duties

On a different note, the municipalities and communities in the areas we operate receive income through taxing, the payment of licenses and fees, rentals and in the form of social security from our staff, and all of this contributes towards the improvement of the quality of life and services of the area's inhabitants.

In 2014, we have paid out around **€ 750,558.27 in local taxes in Spain**.

Sustainable forest management

Fire prevention

Preventive forest management through correct silviculture and the removal of forest debris is one of the **main tools used for firefighting**, reducing the risk of them taking place, along with the costs derived from their prevention and extinction.

On account of their environmental characteristics, forest fires are frequent occurrences both in the US and in Spain. In 2014, more than 170,000 ha and 45,000 ha of forest were burned respectively in each country (Sources: National Interagency Fire Center and the Spanish Ministry for Agriculture, Food and the Environment - MAGRAMA).

We would further like to highlight that flammable vegetation and dry climatic conditions favor fires, and the consequences of climate change also contribute towards them (an increase in temperatures and water shortages). All this means that the frequency with which fires take place is expected to rise.

The silviculture work and treatments applied by Gestamp Biomass as part of its activities represents an active **participation in fire prevention**.

A number of activities that lead to the improvement of infrastructures for forest management and their sanitation are carried out for the conservation of the forests we manage, including removing a significant amount of fuel, thus reducing the risk and seriousness of the fires.

Within the activities we execute, the following might be highlighted: manual and mechanic weeding, selective clearings and clearings including wood extraction, sanitary pruning, stump drilling, piling of debris, debris elimination by splintering and grinding, and creation and maintenance of firebreaks and forest roads.

CO₂ storage

In keeping with criteria of sustainability and in compliance with the technical plans, Gestamp Biomass contributes towards the endurance, improvement and growth of areas of forest. During the growth stages, trees **absorb and store CO₂**, thus contributing towards the attenuation of climate change.



Relationships with governmental organizations

At Gestamp Biomass, we **disinterestedly collaborate with government organizations**, establishing relationships based on total transparency, in keeping with the premises of our Code of Ethics and Conduct.

This relationship is highly important, as:

- On the one hand, it is the different government bodies that regulate **energy policies** in each country.
- On the other, companies producing renewable energy play an important role in countries having a **more sustainable mix of energies**, allowing them to achieve their objectives in relation to reducing emission.

Gestamp Biomass collaborates in preparing technical plans, in forest planning and in assessing the Authorities for the development of laws relating to biomass that allow for the sector's growth in a sustainable manner, as well as operating and implementing new projects with long term guarantees of feasibility.

Moreover, our objective is to develop a training plan designed to divulge our activities in different spheres and educational levels.

Organizations of the sector and of interest

Below are detailed some **associations** related to the renewable energy sector of which we are a part:

Spanish Association for the Energy Valuation of Biomass (AVEBIOM)

Its objective is to foster the development of the Bioenergy sector in Spain in line with the increase of biomass consumption for energy, in order that the number of companies operating in the area grows.

Its main activity is to provide visibility for its associated companies, creating a network of contacts and activities seeking the development of the sector (projects, activities, promotion, etc.).



Association of Renewable Energy Companies (APPA)

The organization is comprised of almost five hundred companies operating in the renewable energy sector.

Its objective is to contribute towards the creation of favorable conditions for the development of renewable energy sources, and it operates around three main activities: raising awareness amongst the population, promoting dialogue in conjunction with public and private organizations, and collaborating with educational institutions for disseminating and investigating in the field of renewable energies.



Spain and Southern Africa Renewable Energy Consortium

The objective of this consortium is to promote Spain as a brand in the field of renewable energies, as well as supporting the renewable energy industry in the region of Southern Africa, although recently its activity has extended to the North of Africa and the Middle East. Gestamp Biomass is part of this consortium through its parent company Gestamp Renewables.



Social action

We are aware of the fact that our obligation as a company goes beyond delivering economic results; because of this, in addition to the local level actions carried out, **we support the following initiatives:**

What Really Matters Foundation (LQDVI)

The objective of the **LQDVI Foundation** is to promote the development and dissemination of universal human, ethical and moral values. Our company started collaborating with this organization in 2013.



Word Central Kitchen (WCK)

WCK is an NGO whose mission is to find sustainable solutions for preventing alimentary risks and malnutrition by means of sustainable nutrition and local wealth generation, its main field of action being areas where humanitarian catastrophes are taking place. Our company has been supporting this NGO's activities since 2013.



Juan XXIII Foundation for Disabilities

This foundation was created for the improvement of the quality of life of adults suffering from intellectual disabilities, as well as for promoting their social integration.

Its main actions are directed towards organizing activities so they may develop and interact in their own environment, as well as managing an adapted training center and seeking employment for people with disabilities. Our commitment towards this foundation started in 2007.



Association for the Study of Spinal Injury (AESLEME)

Since 2014, our corporate group has been contributing towards this association, whose objective is the prevention of accidents and their serious consequences, social awareness about the issues people face once they suffer an accident of this nature and the improvement of their life conditions, as well as providing them with psychological and legal support.



Global Compact

The **United Nations Global Compact** is an international initiative that promotes the implementation of 10 universally accepted principles based on the areas of human rights, employment regulations, the environment and combatting corruption in corporate activities and business strategies.

Since 2014, we have been reinforcing our commitment towards human rights, adhering to the United Nations Global Compact through our parent company, Gestamp Renewables, meeting with all the necessary requirements in order to carry out the renewal of our commitment in 2015.



5



Annex

Scope and coverage of the Report

Independent Review Report

GRI Index:

- Profile disclosures
- Disclosures on Management Approach (DMAs)
- Performance indicators

Contents related to the Principles of the UN Global Compact

Scope and coverage of the report

This report has been made in accordance with the guidelines of the Global Reporting Initiative (GRI) in its 3.1 version, and in compliance with the Ten Principles established by the UN Global Compact.

This report contains information regarding our performance, our main socioeconomic, environmental impacts, and the opinion of our stakeholders, which are reflected on our materiality study during the financial year 2014. In addition, the most relevant facts from the financial year 2015 up to the report's verification date, are included. Our intention is to publish this report on a yearly basis.

As indicated in chapter 1, Gestamp Biomass is the commercial name of the company Gestamp Biomass, S.L. The scope of this report includes all our facilities, offices and divisions, as it is shown below:

- **Gestamp Biomass:** company focused on the development, construction and operation of power and thermal plants from biomass, thanks to our plants in Lebrija (Spain), Garray (Spain) and Berlin (USA).
- **Gestamp Biomass O&M:** this company is responsible for the operation and maintenance of our assets and it is composed by Olextra and Extragol plants, both located in Spain.
- **Gestión de Biomásas y Compañía Comercializadora de Biomasa (CCB):** these companies deal with forest planning, forest management, production, supply and biomass logistics.
- **Gestamp Biomass Solutions (GBS):** this company is focused on "Thermal Engineering", has a clear industrial profile and is divided into two main business lines.
- **Gestamp ESCO Eficiencia Energética.** It is the company responsible for project development in the area of energy efficiency.

- **Gestamp Biomass International (USA),** Its activities are centered around the development and construction of new projects in the US as well as the control and operation of their assets.

Report's scope

A **summary of this Report's** content is presented below:

- Information about the company's structure and governance, our corporate culture, dialogue with our stakeholders, and conclusions from the materiality study, is summarized in the **chapter 1: Our Organization and Sustainability.**
- Information about the current setting and our management framework, our clients and suppliers, our endeavor, including our products, services, is summarized in **chapter 2: Performance.**
- Information relating to our environmental performance, our environmental impact, and our contribution to the fight against climate change, is summarized in **chapter 3: Planet.**
- Information relating to our human team, our focus, and aspects relating to safety and health, as well as social issues social relating to our contribution to society, our membership in organizations, and our relationship with several public administrations, is summarized in **chapter 4: People.**

In those cases where there is a different coverage and scope from what has been indicated, necessary specifications have been made.

Verification process of sustainability report

Our goal is to strengthen the dialogue with our interest groups, being sustainability and the communities where we set up our projects, the core of our business.

This report presents our main results and initiatives from the financial year 2014, from the economic, social and environmental triple bottom line standpoint, providing balanced, truthful and transparent information.

Gestamp Biomass has a tool especially designed to report information relating to sustainability which allows us to obtain consistent, thorough and traceable data.

These data and all the information collected in the present Report, have been revised by the independent audit firm EY, following the criteria and methodology establish by the ISAE 3000 regulation.

GRI has confirmed that the report was prepared according to the GRI G3.1 Guidelines, at Application Level A+.

Contact

This Report is available on www.gestampbiomass.com.

Your opinion will help us to continue improving and we do appreciate your comments.

Please address your comments, suggestions or clarifications, please contact us at:

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Independent Review Report



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INDEPENDENT REVIEW REPORT ON GESTAMP BIOMASS 2014 SUSTAINABILITY REPORT

Translation of a Sustainability Report originally issued in Spanish. In the event of discrepancy, the Spanish-language version prevails.

To the Management of Gestamp Biomass, S.L.

Scope

We have reviewed the contents of Gestamp Biomass's, S.L. (hereinafter Gestamp Biomass or "Society") 2014 Sustainability Report (the Report).

The scope determined by Gestamp Biomass for the preparation of this report is defined in Appendix 5 under section "Scope and coverage of the Report" of the accompanying Report.

The Report was prepared based on:

- The Global Reporting Initiative (GRI) Preparation Guide for Sustainability Reports (version 3.1 - G3).

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

Criteria

Our review was carried out based on:

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

Applied Procedures

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

- 1) Interviews with the Marketing and Communication team in order to gain an understanding of the report process. Interviews with other key management personnel involved in preparing and defining the content of the Report.
- 2) Understanding the reporting systems used, the processes for preparing the report, and follow-up of Gestamp Biomass's policies, relationships, and commitments acquired with stakeholders.

3) Analysis of the adaptation of the structure and content of the report as indicated in G3.1 Global Reporting Initiative (GRI).

4) Review of quantitative and qualitative information through analytical testing and other review procedures based on samples of indicators included in the Report and their correct compilation from data supplied.

5) Review of the coverage, relevance, and consistency of the information included in the Report, and of the information reported and published in connection with other public information such as statutory accounts and press releases.

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

These procedures were performed on information published in Gestamp Biomass' 2014 Sustainability Report with the abovementioned scope.

Independence

We have performed our work in accordance with the standards of independence required by the Code of Ethics of the *International Federation of Accountants* (IFAC).

Conclusions

As a result of our review of Gestamp Biomass' 2014 Sustainability Report, within the previously described scope, we conclude that no matter came to our attention that would lead us to believe that the Report was not prepared, in all material aspects, according to the guidelines included in the Global Reporting Initiative Preparation Guide (version 3.1) for Sustainability Reports.

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

ERNST & YOUNG, S.L.

(Signed on the original in Spanish on July 23, 2015)



Profile disclosures

G3.1 Content Index	Page	Status
1. Strategy and analysis		
1.1 - Statement from the most senior decision-maker of the organization.	6-7	IC
1.2 - Description of key impacts, risks, and opportunities.	26-28, 32-33, 36-37, 43-48	IC
2. Organizational profile		
2.1 - Name of the organization.	16	IC
2.2 - Primary brands, products, and/or services.	28-30, 32-33	IC
2.3 - Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	10-11, 14-15	IC
2.4 - Location of organization's headquarters.	12-13, 17	IC
2.5 - Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	12-13	IC
2.6 - Nature of ownership and legal form.	16-17	IC
2.7 - Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	14-15, 32-34	IC
2.8 - Scale of the reporting organization: <ul style="list-style-type: none"> • Number of employees; • Net sales • Total capitalization broken down in terms of debt and equity and • Quantity of products or services provided 	4, 10-11, 14-15, 17, 52	IC
2.9 - Significant changes during the reporting period regarding size, structure, or ownership.* <ul style="list-style-type: none"> • The location of, or changes in operations, including facility openings, closings, and expansions. • Changes in the share capital structure and other capital formation, maintenance, and alteration operations. 	15	IC
2.10 - Awards received in the reporting period.* *No award was received during the reporting period.	-	IC

G3.1 Content Index	Page	Status
3. Report parameters		
3.1 - Reporting period (e.g., fiscal/calendar year) for information provided.	66	IC
3.2 - Date of most recent previous report (if any).* <i>*No previous reports.</i>	-	IC
3.3 - Reporting cycle (annual, biennial, etc.).	66	IC
3.4 - Contact point for questions regarding the report or its contents.	67	IC
3.5 - Process for defining report content: <ul style="list-style-type: none">Determining materialityPrioritizing topics within the reportIdentifying stakeholders the organization expects to use the report.	20, 22-23	IC
3.6 - Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	66	IC
3.7 - State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).	66	IC
3.8 - Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	66	IC
3.9 - Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.* <i>*Estimations are indicated at each point where they apply. The exchange rate of other currencies to euros is the annual average of 2014.</i>	48	IC
3.10 - Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).* <i>*No previous reports.</i>	-	IC
3.11 - Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.* <i>*No previous reports.</i>	-	IC
3.12 - Table identifying the location of the Standard Disclosures in the report.	69-79	IC
3.13 - Policy and current practice with regard to seeking external assurance for the report. If not included in the assurance report accompanying the sustainability report, explain the scope and basis of any external assurance provided. Also explain the relationship between the reporting organization and the assurance provider.* <i>*Our financial results are audited annually by an accredited institution.</i>	68	IC
4. Governance, commitment and engagements		
4.1 - Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	16-17, 52, 54	IC
4.2 - Indicate whether the Chair of the highest governance body is also an executive officer.	16	IC
4.3 - For organizations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members.* <i>*The Board of Directors does not have any independent member.</i>	-	IC

G3.1 Content Index	Page	Status
4.4 - Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.* <i>*Ethics Committee communication and denunciation channels.</i>	22-23	IC
4.5 - Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).* <i>*The remuneration of the teams depends on the year-end results and the fulfillment set goals.</i>	16	IC
4.6 - Processes in place for the highest governance body to ensure conflicts of interest are avoided.* <i>*Also provided for in the bylaws of the Company, respecting current legislation regarding societies.</i>	16	IC
4.7 - Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity.* <i>*Board members are appointed by the General Assembly of Shareholders.</i>	-	IC
4.8 - Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	18-20, 36	IC
4.9 - Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	22, 36	IC
4.10 - Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	6-7, 18-19	IC
4.11 - Explanation of whether and how the precautionary approach or principle is addressed by the organization.	36	IC
4.12 - Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	35, 36, 41, 63	IC
4.13 - Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization:: <ul style="list-style-type: none"> • Has positions in governance bodies • Participates in projects or committees • Provides substantive funding beyond routine membership dues • Views membership as strategic. 	61	IC
4.14 - List of stakeholder groups engaged by the organization.	22	IC
4.15 - Basis for identification and selection of stakeholders with whom to engage.	23	IC
4.16 - Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	22, 34, 54	IC
4.17 - Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	23	IC

Disclosures on Management Approach (DMAs)

Aspects	Page/Justification	Status
Economics		
Economic performance	32-33	IC
Market presence	26-28	IC
Indirect economic impacts	34, 44, 54, 58	IC
Environment		
Materials	40-41	IC
Energy	45-46, 48	IC
Water	42	IC
Biodiversity	41, 43	IC
Emissions, effluents and waste	43, 48	IC
Products and services	28-30	IC
Compliance	36, 40, 43	IC
Transport	40-41	IC
Overall	36, 40	IC
Labour practices		
Employment	52	IC
Labor/management relations	53-54	IC
Occupational health and safety	56	IC
Training and education	55, 57	IC
Diversity and equal opportunity	54	IC
Equal remuneration for women and men	Collective agreement and Ethics Code	IC
Human rights		
Investment and procurement practices	34, 36	IC
Non-discrimination	54, Ethics Code	IC
Freedom of association and collective bargaining	53, Ethics Code	IC
Child labor	Ethics Code	IC
Prevention of forced and compulsory labor	Ethics Code	IC
Security practices	The staff responsible for physical security at our parks have not received training on human rights.	IC
Indigenous rights	Ethics Code	IC

Aspects	Page/Justification	Status
Assessment	36, Ethics Code	IC
Remediation	Ethics Code	IC
Society		
Local communities	58, 62	IC
Corruption Public policy	36	IC
Public policies	61	IC
Anti-competitive behavior	Ethics Code	IC
Compliance	36, Ethics Code	IC
Product responsibility		
Customer health and safety	36	IC
Product and service labelling	-	NA
Marketing communications	The MARCOM department manages the communications, ensuring compliance with applicable law	IC
Customer privacy	35	IC
Compliance	36	IC

Complete information **IC** Partial information **IP** Not available **ND** Not applicable **NA**



Performance indicators

KPI	Disclosure of management approach	Page	Status
Economic performance			
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained, earnings, and payments to capital providers and governments.	31	IC
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	26-28, 47-48	IC
EC3	Coverage of the organization's defined benefit plan obligations.* *Gestamp Biomass doesn't offer pension plans.	-	IC
EC4	Significant financial assistance received from government. *Gestamp Biomass didn't receive any financial support provided by Governments in 2014.	-	IC
EC5	Range of ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation.* *Established in applicable collective, sectorial agreements or handbooks.	-	IC
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	31, 34	IC
EC7	Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.	54	IC
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.*	28	IC
EC9	Understanding and describing significant indirect economic impacts, including the extent of impacts.	41, 44	IC
Environment			
EN1	Materials used by weight or volume.	41, 42, 46	IC
EN2	Percentage of materials used that are recycled input materials.	0%	IC
EN3	Direct energy consumption by primary energy source.* *Exact percentage of energy-savings not specified.	42, 45	IC
EN4	Indirect energy consumption by primary source.	45, 46	IC
EN5	Energy saved due to conservation and efficiency improvements.* *Exact percentage of energy-savings not specified.	11, 30	IP
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	28-30, 35	IC
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	30	IC
EN8	Total water withdrawal by source.	41, 42, 46	IC

KPI	Disclosure of management approach	Page	Status
EN9	Water sources significantly affected by withdrawal of water.	42	IC
EN10	Percentage and total volume of water recycled and reused.* *Not recycled or reused water takes part in our activities.	-	IC
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	43, 44	IC
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	43, 44	IC
EN13	Habitats protected or restored.* *The need to restore any habitat has not been detected. However, forest and biomass management enhance the growth and quality of trees, thus contributing to the natural regeneration of forests and to the conservation of the habitat of many species of wildlife.	-	IC
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	44	IC
EN15	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	44	IC
EN16	Total direct and indirect greenhouse gas emissions by weight.	48	IC
EN17	Other relevant indirect greenhouse gas emissions by weight.	49	IC
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	49	IC
EN19	Emissions of ozone-depleting substances by weight. *No substances which could damage the ozone layer produced in 2014.	-	IC
EN20	NO _x , SO _x , and other significant air emissions by type and weight.	49	IC
EN21	Total water discharge by quality and destination.	41, 42, 46	IC
EN22	Total weight of waste by type and disposal method.	41, 43, 46	IC
EN23	Total number and volume of significant spills. *We do not deal with this type of waste.	-	IC
EN24	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.	-	NA
EN25	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.* *No habitat or water body significantly affected by own activities.	42	IC
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	44	IC
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.* *Not applicable to our business.	-	NA

KPI	Disclosure of management approach	Page	Status
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.* <i>*Extragol was fined with €450 for exceeding the limit of dumping established regarding halogenated organic compounds (AOX parameter).</i>	-	IC
EN29	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	49	IC
EN30	Total environmental protection expenditures and investments by type.	49	IC
Prácticas laborales			
LA1	Total workforce by employment type, employment contract, and region, broken down by gender.	52-53	IC
LA2	Total number and rate of new employee hires and employee turnover by age group, gender, and region.	56	IC
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	54	IC
LA4	Percentage of employees covered by collective bargaining agreements.	53	IC
LA5	Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.	53	IC
LA6	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.* <i>*There is no legal obligation to form formal health and safety committees, but the QSHÉ department collects all the questions and suggestions of employees.</i>	-	IC
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region and by gender.	57	IC
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	57	IC
LA9	Health and safety topics covered in formal agreements with trade unions.* <i>*Due to the characteristics of our company we do not have union agreements on safety and health.</i>	-	IC
LA10	Average hours of training per year per employee by gender, and by employee category.* <i>*Only the total of training hours is specified.</i>	55, 57	IC
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.* <i>*Gestamp Biomass does not have management plans for career endings.</i>	55	IC
LA12	Percentage of employees receiving regular performance and career development reviews, by gender.* <i>*Gestamp Biomass does not perform assessments are conducted, nor remuneration/ compensation based on objectives.</i>	-	IC

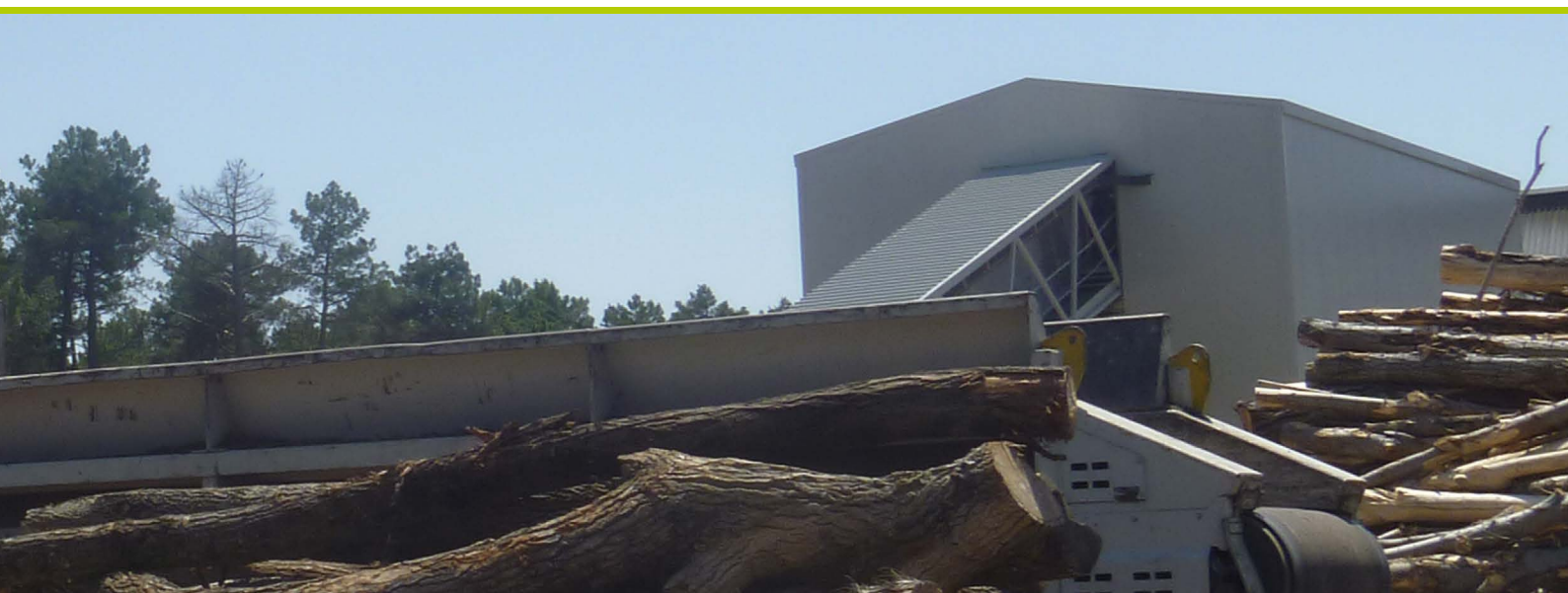
KPI	Disclosure of management approach	Page	Status
LA13	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	52-53	IC
LA14	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.* *Remuneration is set according to professional category and level of performance, regardless of gender.	-	IC
LA15	Return to work and retention rates after parental leave, by gender.	53	IC
Derechos humanos			
HR1	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening.* *Not identified as a risk factor, so not included in 2014 agreements.	-	IC
HR2	Percentage of significant suppliers, contractors and other business partners that have undergone human rights screening, and actions taken. *Not identified as a risk factor, so no human rights' evaluation was performed in 2014.	-	IC
HR3	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	55	IC
HR4	Total number of incidents of discrimination and corrective actions taken.* *An incidence related to labor practices was registered in 2014. It was properly investigated and resolved.	-	IC
HR5	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights.* *Not detected in 2014.	-	IC
HR6	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.* *Not detected in 2014.	-	IC
HR7	Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.* *Not detected in 2014.	-	IC
HR8	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.* *This group haven't received any training related to Human Rights.	-	IC
HR9	Total number of incidents of violations involving rights of indigenous people and actions taken. *Not detected in 2014.	-	IC
HR10	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.* *There has been no audit to suppliers taking in account this aspect.	-	IC
HR11	Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms.* *No incident/complaint related to human rights was registered in 2014. .	-	IC

KPI	Disclosure of management approach	Page	Status
Society			
S01	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	43	IC
S02	Percentage and total number of business units analyzed for risks related to corruption.* <i>*Ethics and Conduct Code, guidelines of behavior when offered incentives, gifts or invitations. Accounts throughout our company are audited annually by an external body.</i>	-	IC
S03	Percentage of employees trained in organization's anti-corruption policies and procedures.	55	IC
S04	Actions taken in response to incidents of corruption.	36	IC
S05	Public policy positions and participation in public policy development and lobbying.	61	IC
S06	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.* <i>*Our Ethics Code expressly prohibits funding of political parties, so no such contributions are made.</i>	-	IC
S07	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.* <i>*Any legal action for those aspects received.</i>	-	IC
S08	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.* <i>*Extragol was fined with €450 for exceeding the limit of dumping established regarding halogenated organic compounds (AOX parameter).</i>	-	IC
S09	Operations with significant potential or actual negative impacts on local communities.	41, 44	IC
S10	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.	44	IC

Complete information **IC** Partial information **IP** Not available **ND** Not applicable **NA**



KPI	Disclosure of management approach	Page	Status
Product responsibility			
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	34	IC
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.* <i>*No incidents have been detected in 2014.</i>	-	IC
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	34	IC
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.* <i>*We haven't detected any incident of non-compliance with regulations or voluntary codes concerning information about our products and services.</i>	-	IC
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	34	IC
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.* <i>*Complete in Ethics Code of Conduct</i>	74	IC
PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.* <i>*No incidents or complaints have been detected related to this aspect.</i>	-	IC
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.* <i>*No significant penalties or fines have been registered regarding this aspect.</i>	-	IC
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.* <i>* No significant penalties or fines have been registered regarding this aspect.</i>	-	IC



Contents related to the Principles of the UN Global Compact

Principles	GRI indicators	Millennium Development Goals
Human rights		
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.	EC5, LA4, LA6-8, LA13-14, HR1-9, S05, PR1	Goal 1: Eradicate extreme poverty and hunger Goal 2: Achieve universal primary education Goal 3: Promote gender equality and empower women. Goal 4: Reduce child mortality rates
Principle 2: Make sure that they are not complicit in human rights abuses.	HR1-9, S05	Goal 5: Improve maternal health. Goal 6: Combat HIV/AIDS, malaria, and other diseases. Goal 7: Ensure environmental sustainability. Goal 8: Develop a global partnership for development.
Work		
Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	LA4-5, HR1-3, HR5, S05	Goal 2: Achieve universal primary education. Goal 3: Promote gender equality and empower women.
Principle 4: The elimination of all forms of forced and compulsory labour.	HR1-3, HR7, S05	Goal 2: Achieve universal primary education. Goal 3: Promote gender equality and empower women.
Principle 5: The effective abolition of child labour.	HR1-9, S05	
Principle 6: The elimination of discrimination in respect of employment and occupation.		
Environment		
Principle 7: Businesses should support a precautionary approach to environmental challenges.	EC2, EN3-12, EN18, EN26, EN30, S05, PR1, PR3	Goal 7: Ensure environmental sustainability.
Principle 8: Undertake initiatives to promote greater environmental responsibility.	EC2, EN1-30, S05, PR3-4	
Fight against corruption		
Principle 9: Encourage the development and diffusion of environmentally friendly technologies.	EN2, EN5-7, EN10, EN18, EN26-27, EN30, S05	
Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.	S02-6	

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This report presents our **2014 main results and initiatives** from the economic, social and environmental aspects providing **balanced, accurate and transparent information**.





Sustainability report 2014

Gestamp Biomass

Our business is focused on the energy valuation of biomass by means of the development, construction and operation of power and thermal plants. We also carry out, by means of our subsidiaries, energy efficiency and forest management aimed at the production of biomass.

Gestamp Biomass is present throughout the biomass value chain by means of different companies.

About this report

This report presents our main results and initiatives for the year 2014 from the triple economic, social and environmental aspects, providing balanced, accurate and transparent information.

Our goal is to strengthen the dialogue with our stakeholders, being sustainability and the communities where we implement our projects the center of our business.

For any doubt:
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The conversation continues at



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