

An aerial, black and white photograph of a large solar farm. The solar panels are arranged in neat, rectangular rows across a valley. The surrounding landscape is dominated by dense, dark forests. In the background, a range of mountains stretches across the horizon under a clear sky. The overall scene conveys a sense of clean energy integrated with nature.

X-ELI⊕

Sustainability  
Report 2015



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# Part I

## General Standard Disclosures

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## A word from the President

(G4-1)



X-ELIO is also involved in the socio-economic development of the regions where it operates, generating shared value in local communities through dialogue, the promotion of training and support for local culture.



Dear readers,

It is my pleasure to welcome you to the X-ELIO Sustainability Report, setting out our commitment to provide a complete account of the most relevant and notable information from 2015.

In order to present our economic, social and environmental performance, we have taken into consideration the guidelines established in the Global Reporting Initiative, the information having been externally reviewed by an independent body. This year we likewise renewed our support for and adhesion to the United Nations Global Compact.

The focus of this new reporting framework, and hence the report itself, essentially addresses the demands of stakeholders and those aspects that are material for X-ELIO, allowing us to develop and integrate our vision and management as regards these aspects.

During the year, we attained a figure of 278.35 MW of solar power in operation with the commissioning of 3 new facilities: 2 in Japan and 1 in Honduras. We likewise contributed to combating climate change through the generation of more than 1,352,377 GJ of renewable energy, avoiding the emission of 160,925 tonnes of CO<sub>2</sub> into the atmosphere.

This year 2015 has been a year of substantial changes caused largely by the acquisition by the KKR Group of an 80% stake in the company through its subsidiary Aurora Energy Holding, S.L. This entailed a change in branding, to the name of X-Elio Energy, S.L. (hereinafter, X-ELIO). It also involved organisational changes with the aim of working more efficiently and obtaining even more successful results. We likewise continue to strive to provide safe working environments, in which risk prevention is the key to avoiding accidents.

In 2015 it has established an internal Compliance Office. This office is responsible for defining and communicating the ethical framework employed to achieve honest and transparent dealings in accordance with the undertakings given, and to establish consultation and whistleblowing mechanisms, while investigating and responding to the issues raised. Within its functions, it also advises and informs the company as to potential risks associated with operations in the different countries where it does business and partnerships which may arise, helping us in our decision-making and risk management.

X-ELIO is involved in the socio-economic development of the regions where it operates, generating shared value in local communities through dialogue, the promotion of training and support for local culture. One clear example would be the initiatives undertaken at the Honduras facility, where through various local authorities and dialogue with communities, we contribute to the creation of a sustainable business fabric, by means of local job creation and training projects.

If there is one thing that makes our company stand out it is the development of sustainable, profitable and efficient projects that generate value for all our stakeholders. This would not be possible without the commitment of all those who are involved and who trust in the development of our projects.

I do hope that reading this report will arouse your interest and fulfil your expectations.

Jon Riberas Mera  
President



## A word from the CEO

(G4-1)



X-ELIO continues to grow in accordance with a responsible business model, based on a sector in which we truly believe: renewable energy as an inexhaustible supply of power.



X-ELIO is a company founded in 2005, a leader in the development of renewable energy, with a long track record in the solar sector. It specialises in the development, construction, operation and maintenance of solar power plants in North America, the Middle East, Asia, Africa, Latin America and Europe.

2015 was a year of change for X-ELIO. In July, an initial agreement was reached with the KKR Group, a financial investor, to acquire 80% of the company. The agreement was formalised in December.

Through the acquisition by KKR, we now form a part of a major investment fund, with substantial financial resources and sound capital. This allows us to fund the development and construction costs of new facilities, and to acquire others from third parties.

Following the agreement, the company was rebranded X-ELIO. The idea behind the name comes from 'Ex', meaning 'out of' or 'from', and 'Helios', the God representing the sun in Greek mythology. The brand celebrates the history of the company and reflects its ambition to be a global leader in the industry, with solid financial performance, as a sustainable provider of renewable energy, helping to reduce greenhouse gas emissions and fight against climate change.

X-ELIO continues to grow in accordance with a responsible business model, based on a sector in which we truly believe: renewable energy as an inexhaustible supply of power.

The forecasts for the future indicate ever-increasing energy consumption, and the global demand for renewable energy generation is therefore expected to grow by 45% by 2020, while by 2050 solar energy will have become the greatest source of electricity worldwide.

This trend has been underpinned by the staging of the 21<sup>st</sup> United Nations Climate Change Summit (COP 21), which, through the emissions reduction targets, helps to strengthen the use of clean energies.

This combination of substantial support for green energy policies promoted by governments, cost reductions, profitability aligned with risk and increasingly competitive technology, indicates an attractive future for development and investment in the field of renewables.

In 2015 we had a presence in 8 countries, attaining a figure of 278.35 MW of photovoltaic energy in operation, with projects under development in such countries as Japan, Mexico, Peru, Chile, South Africa, Egypt and the UK. The forecast for next year is to install 250 additional megawatts in Mexico and Japan.

The medium and long-term strategy are to promote the leading position of X-ELIO, consolidate the various opportunities for growth and to continue expanding its market presence. This will allow us to minimise the portfolio risk through a stable and diverse profile, examining initiatives to optimise funding through both shareholder equity and project finance, in order ultimately to obtain a strong balance sheet, all this focused on the creation of value for the various stakeholders.

In 2015, although it was a challenging year, we obtained a positive bottom line in terms of economic results, despite such circumstances as the devaluation of the South African currency and the performance of the plant in Peru, which was below expectations, while competitive tender projects were also not won in, for example, South Africa.

Within this context, we expect to continue achieving sustainable growth in countries that offer opportunities of profitability and regulatory stability, encouraging the development of competitive renewable energy projects. As I reflect on our development over the past decade, I am convinced that a successful future and new projects awaits us at X-ELIO.

This would not be possible without our greatest asset: the professionals who make up X-ELIO, as we understand that it is only through teamwork that we can offer quality, long term profitable solutions, fulfilling all legal requirements and creating value in the context in which we operate.

I invite you to discover our operations and our results for 2015 by reading this report.

Warm regards



Jorge Barredo  
CEO

G4-2

## Main effects, risks and opportunities

At X-ELIO we believe that companies must go beyond mere legal compliance, and so become ethical flagships through the decisions taken by their members, achieving the highest standards of quality, safety, health and respect for the environment.

We must likewise always take into account the possible risks that arise, adopting a principle of precaution and integrating risk management within business strategy. We also have in place the required mechanisms in order to be able to fulfil these expectations. These include in particular the following:



In order to minimise this risk, within the context of the Compliance Programme, X-ELIO is developing a series of policies and codes which take into consideration the requirements and specificities of its American shareholder.

### Operational risks

#### Reputational risks associated with new operations

At X-ELIO we believe that possible incidents resulting from any inappropriate operation, transaction or partnership could give rise to reputational damage to the company.

As a result, in order to minimise this risk, when any operation begins the possible background and reputational and financial risks are analysed and identified by means of the "Thompson Reuters World Check" tool, which provides access to detailed public information associated with companies of interest.

This analysis allows us to perform an initial approach. If an operation is ultimately formalised with any third party, reputational due diligence is commissioned from a specialist external company. During this phase, a firm commitment is required from X-ELIO, and this is therefore included in the contracts.

#### Reputational risks derived from malpractice

In order to minimise this risk, within the context of the Compliance Programme, X-ELIO is developing a series of policies and codes which take into consideration the requirements and specificities of its American shareholder.

Within this context, in the first half of 2016 the Board of Directors approved the Anti-corruption Code, the Commercial Sanctions Policy and the Code of Competence, while the forthcoming approval of a new Code of Ethics and Conduct aligned with the Compliance Programme is expected. Communication mechanisms have also been put in place with the aim of responding to any grievances and conflicts that could arise in this field.

These policies are gradually being sent out to employees, who subscribe to them and undertake to fulfil them.

In order to reinforce these aspects, there are plans to begin an employee training process, allowing us to continue making improvements.

Given the type of service we provide and the companies we subcontract, no risks connected with child labour, threats to freedom of association or forced labour were identified in 2015. (G4-HR4, G4-HR5, G4-HR6).

#### Risks derived from the activity

For example, risks through competition with other renewable and/or conventional technologies, technological or quality failures, administrative problems, safety, etc.

In response to such risks, technological progress and the increase in individual power ratings allows more energy to be generated with fewer solar panels, while they are also more versatile, adapting to different surfaces and climate conditions, thereby reducing impact. This circumstance, combined with a substantial reduction in costs over recent years, makes solar energy more competitive.

Meanwhile, the performance of solar arrays depends directly on meteorological conditions, essentially the quantity and quality of sunshine, over which we can have no influence. So as to minimise this risk, prior to the installation of the facilities, minute climate studies are conducted in the region to design and orient the solar arrays.

Likewise, given its capacity for installation in remote regions, solar energy is an attractive investment so as to fulfil Sustainable Development Goal (SDG) 7 of the United Nations, on energy and its contribution to sustainable development by 2030.

## Regulatory framework and investments

We operate in those markets that offer a stable and secure regulatory framework. Although there is always a degree of uncertainty associated with this aspect, regulatory stability is vital in order to attract the interest of major investors.

X-ELIO minimises this risk by having in place a project portfolio across various countries with more stable and attractive regulatory frameworks, allowing us to offset such changes both at facilities in operation, and the future project portfolio.

### Regulatory risks

This covers those risks derived from regulatory changes established by the various governments, such as changes in the remuneration of regulated activities, the supply conditions demanded, environmental regulations, tax regulations, etc.

X-ELIO is committed to those markets with substantial energy demand, offering regulatory security in order to develop its activities and provide access to long-term finance. To this end, a series of procedures and checks have been established, allowing us to identify, measure and manage the risks derived from our activities through financial instruments.



### Investments and human rights

In order to analyse viability and development in the various countries where the company operates or intends to operate, its business model establishes the methodology to be followed so as to provide the information required as to potential development and investment risks.

Mainly for the investment in developing countries, where the loans requested represent a capital cost of 50 million USD or more, compliance with the Equator Principles is required for them to be granted.

The Equator Principles are based on the policies and guidelines of the IFC (International Finance Corporation), the branch of the World Bank dedicated to private sector investment, their aim being to guarantee the socio-environmental compliance of the projects financed. In order to implement them, the banks have established internal processes and policies consistent with the principles, and grant loans only to those projects the sponsors of which can demonstrate compliance.

In 2015, the Equator Principles applied to the facility in Honduras. In order to achieve compliance, all the actions and initiatives undertaken with the local community have been submitted, essentially for job creation, along with the environmental oversight reports conducted by independent third parties.



We operate in those markets that offer a stable and secure regulatory framework.

## Financial risks

For risk management purposes, the Group reviews business plans, the study of the relationship between exposure and the present value of cash flows generated by an investment, along with an accounting vision serving to evaluate the status and evolution of the different risk situations.

We continue to commit to development in those markets with a strong energy demand, offering regulatory security in order to develop our activities, as well as access to long-term finance.



In any event, these impacts are offset by the generation of energy with very low emissions, ecosystem restoration plans, prevention of pollution and appropriate waste management.

We have established a series of procedures and controls allowing us to identify, measure and manage the risks derived from the activity with financial instruments. For the analysis of viability and development in the various countries where we operate, or plan to operate, the business model establishes the guidelines to be followed and the distribution of tasks required in order to have access to all information needed as to the potential development and investment risks.

In accordance with the accounting regulations in force, information is presented below as to the financial risks to which the Group's activity is exposed, which are essentially:

## Market risks

### Risk of exchange rate fluctuation

The fluctuation in the rate of exchange between the currency in which a particular operation is performed and the accounting currency could have a negative or positive impact on the result for the financial year, with a specific implication for the financial management of debts. The impact of foreign currency fluctuations was not significant in 2015.

The Group essentially operates using the euro currency, although it does also operate with a range of other currencies in accordance with the countries where it has a presence. The Group's financing policy is based on financing its operations in the same currency as that in which revenue is earned.

For exchange rate risk management, the Group accepts the usage of a series of financial instruments offering a degree of flexibility in certain cases. These instruments would essentially be:

- + **Forward purchase/sale of currency:** this establishes a known exchange rate for a specific date, which may also be adjusted in time for adaptation and application to cash flows.
- + **Other instruments:** Other derivative hedging instruments may also be used, including in particular those guaranteeing a maximum and minimum exchange rate (collar or tunnel) on a particular settlement date.

### Risk of interest rate fluctuation

The Group faces a risk as regards its financial debts at a variable interest rate, to the extent that market variations affect cash flows. The Group mitigates this risk through the use of derivative financial interest rate instruments, essentially comprising the arrangement of interest rate swaps, by means of which the Group converts the variable benchmark interest rate for its loans into a fixed rate, either for the total or for a partial amount of the loans, affecting all or a part of the lifespan.

## Credit risks

The credit risk occurs as a result of the possible loss caused by a breach of contractual obligations by the Group's counterparts, in other words the possibility of not recovering financial assets at the value accounted for and within the established deadlines.

During the financial year for which information is presented, the credit limits were not exceeded, and management do not expect any insolvency losses to arise.

## Liquidity risk

Liquidity risk is defined as a company's inability to meet its commitments, as a result of adverse debt and/or capital market circumstances making it difficult or impossible to obtain the required finance.

The Group manages liquidity risk by maintaining sufficient funds available in order to negotiate on the best possible terms the refinancing of operations that are about to mature, and to meet its short-term cash management needs, thereby avoiding the need for recourse to funds obtained on unfavourable terms.

## Environmental risks

The construction and operation of solar generating facilities have an impact on the environment, mainly on the landscape and as a result of impacts of the terrain (vegetation and hydrological conditions).

Thanks to technological advances, X-ELIO's new facilities have a significantly higher power rating; their rotating modules mean they adapt better to the position of the sun and occupy less space, thereby minimising the impact on the surrounding environment.

During the construction phase, X-ELIO has in place a certified Integrated Management System, which serves to monitor and minimise environmental impacts during this phase.

In any event, these impacts are offset by the generation of energy with very low emissions, ecosystem restoration plans, prevention of pollution and appropriate waste management.

## Confidentiality and privacy

We believe that information has now become a strategic asset for businesses and individuals. Our company therefore establishes the required mechanisms in order to maintain the privacy of the information and protection of the data of clients and suppliers, while also appropriately managing and handling documentation in accordance with its level of relevance.

In order to underpin security, the information security procedures are periodically reviewed.

The Information Security Policy and an Information Security Plan were launched in September 2014, containing measures that will be gradually implemented and monitored to ensure continuous improvement.

## Situation in 2015

In 2015, X-ELIO's operations faced various risks as a result of the countries where it operates, which did not have any significant overall impact on the results for the financial year, thanks to diversification across different markets.

Below are summarised the most significant risks identified:

- + **Low gas and oil prices**, mainly in the USA.
- + The issuance of the Ministerial Order in Spain, increasing exposure to solar output market risk, and the **reduction in energy demand** over recent years because of the current financial crisis.
- + The risk of a new **global financial crisis**.
- + The **weakness of the currency** in many countries.
- + The **depreciation of the South African currency**, affecting returns, and also in Brazil, making it impossible to construct the sole facility planned since 2014.



# Profile of the organisation

G4-3

## Name of the organisation

X-ELIO

output infrastructure: high-voltage power lines (underground or overhead) and substations (transformation or connection).

X-ELIO has in place the required team and experience to guarantee that both the design, construction and maintenance operations for its facilities, and its client service, comply with expectations in terms of profitability, control and grid connections.

G4-4

## Key brands, products and services

It operates globally under the "X-ELIO" brand. Its activity comprises investment in assets and projects intended for the generation of energy using renewable sources.

It also has an Integrated Management System, including quality management in accordance with standard UNE-EN ISO 9001:2008 for construction activity.

The company measures and monitors its activities and services through various indicators, monitored periodically by local and O&M engineering teams.



X-ELIO Energy,S.L operates globally under the "X-ELIO" brand. Its activity comprises investment in assets and projects intended for the generation of energy using renewable sources.

The name celebrates the company's history, and reflects its huge potential. The idea behind the name comes from 'Ex', meaning 'out of' or 'from', and 'Helios', the God representing the sun in Greek mythology -.

As a result, X-ELIO's main product is solar energy generated by its facilities for subsequent sale and marketing in the eight countries where it has a presence.

The energy generated is fed into the grid to which it is connected. In accordance with good industrial practice in the sector and the local regulations in the countries where it operates, its operations include maintenance of the power

Meanwhile, at the Solar Control Centre we take real-time readings from more than 10,000 devices, obtaining over 9,000 alerts a month (300 alerts on average per day) and more than 3.5 million daily records, every two minutes, stored in our databases.

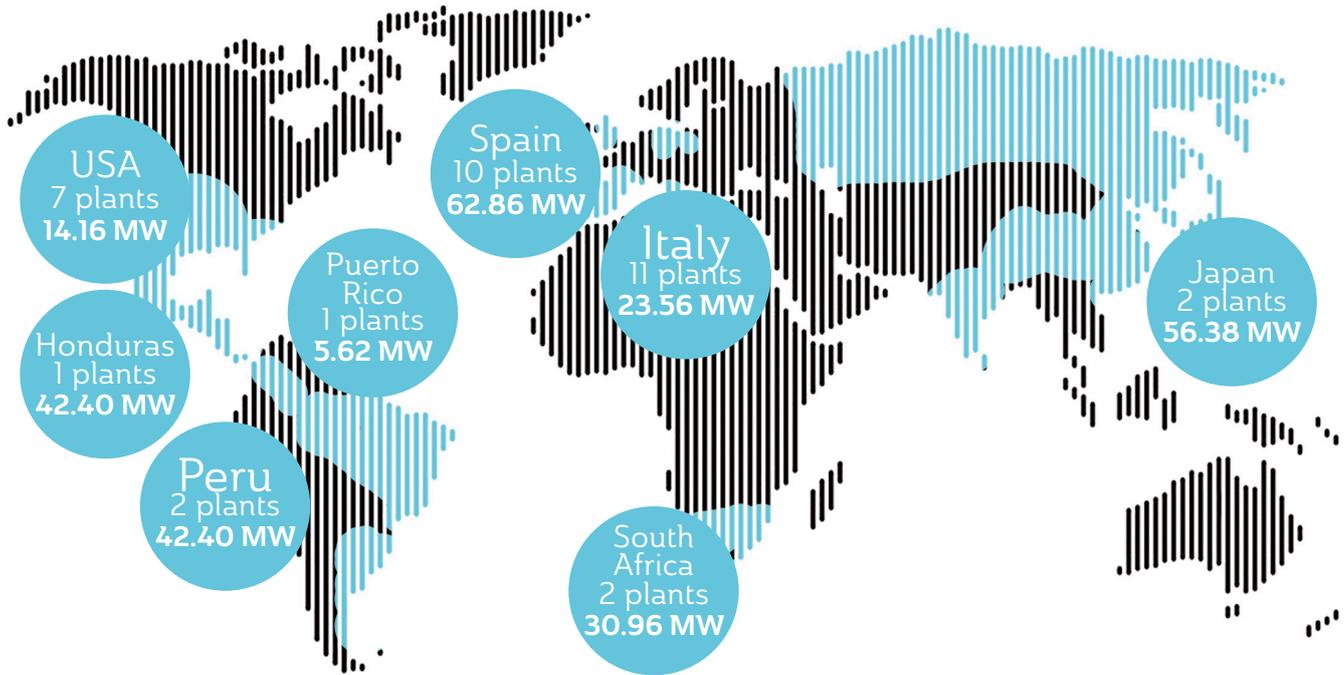
As at 31 December 2015, the firm had in place 278.35 MW of installed power, and 1,352,377 GJ energy output, serving to avoid the emission of 160,925 t of CO<sub>2</sub> into the atmosphere.

The brand employed for our global operations is:



G4-4 and G4-6

# Global presence. Facilities in operation in 2015



## G4-5 Registered office

The main headquarters is located at:  
S/ Ombú, 3 - 2<sup>th</sup> floor.  
28045 Madrid (Spain).

## G4-6 Presence and relevance

In 2015, X-ELIO had 36 facilities in operation, distributed across Spain, USA, Italy, Peru, South Africa, Honduras and Japan, and we also built our first facility for third parties in Kuwait, while developing projects in Brazil, Chile, Japan and USA.

In terms of operations, Spain is the most significant country as regards installed power, output and number of employees.

Part 2 of the report sets out the main figures per country

## G4-7 Ownership structure and legal form

During 2015, and specifically in the month of December, the members of the General Shareholders Meeting changed as a result of the stake acquired by the KKR Group through its subsidiary, which now accounts for the bulk of the shareholding in the companies:

- 80% AURORA ENERGY HOLDING, S.L
- 20% GESTAMP SOLAR, S.L

## G4-8 Markets

In the countries where X-ELIO operates, the products and services developed being included in sections G4-4 and G4-6.

The profile of the clients to which the energy produced is sold essentially comprises electrical distribution or generation companies (utilities

+  
We are developing projects in Brazil, Chile, Japan, Mexico and USA.

firms), energy resellers, governmental or local bodies, and major end consumers, with which long-term bilateral agreements are signed.

Practically all output is sold directly to local government entities (distribution grid), except in the USA, where in some cases we have agreements for direct sales to end consumers.

G4-9

## Main figures

The attached table summarises the main figures in every country. This information is supplemented and detailed under indicators G4-4 and G4-6.

- + Number of direct employees: 150
- + Number of facilities in operation: 36
- + Net sales: 1,120 thousand euros
- + Capitalisation (debt + assets): 586,853 thousand euros

G4-10

## Employee workforce

### Direct employment

In 2015 the workforce comprised 150 professionals distributed across seven countries. Some 58% are concentrated in Spain, where the main headquarters are located. Compared with the previous financial year, the workforce increased by 2.7%.

The enclosed graph shows the distribution of the workforce by region and gender.

No. of employees	2014		2015	
	M	W	M	W
<b>Type of employment</b>				
Full-time	101	35	105	33
Part-time	0	10	0	12
<b>Kind of contract</b>				
Permanent	89	41	91	19
Temporary	12	4	14	26

In 2015, the total workforce comprise 105 men and 45 women.

The enclosed graph indicates the distribution of direct employees by region and gender.

Country	2014		2015	
	M	W	M	W
Spain	50	27	58	29
Italy	23	5	23	4
USA+PR	8	6	4	0
Japan	13	2	13	4
South Africa	2	3	1	4
Mexico	1	1	1	3
Chile	1	1	1	1
Peru	3	0	4	0
<b>Total</b>	<b>101</b>	<b>45</b>	<b>105</b>	<b>45</b>

Stable employment is very important for the company. In the 2015 financial year, 73% of the workforce had a permanent contract, and 92% a full-time contract.

### Indirect employment

Through its activities, X-ELIO generates indirect employment mainly connected with maintenance and construction operations, covered by means of subcontracting.

The figures regarding subcontracted maintenance commissions at wind farms are stable, since the maintenance tasks are defined and scheduled over the course of the year, and are similar at all facilities. The estimated average is 30 people for the operation and maintenance phase at each wind farm.

However, it is during the construction phase that the greatest variations occur in subcontracted personnel, depending on the number of wind farms under construction.

It should be emphasised in this regard that the wind farms are constructed by means of EPC (Engineering, Procurement and Construction) contracts, and so the contractor company is responsible for managing the personnel.

The number of indirect jobs varies depending on the country and the size of the facility. As regards the facilities built in 2015, the estimated indirect employment for the site in Japan is 254 employees.

G4-11

## Employees covered by collective bargaining agreements

### Collective bargaining agreements

100% of professionals in Spain, Mexico, Chile and Peru are covered by sectoral collective bargaining agreements or similar arrangements in accordance with local practice, customs and legislation.

### Handbook

The professionals in countries such as Japan, South Africa and the United States have the corresponding Handbook. This sets out working conditions and indicates behavioural standards adapted to the context and the legal requirements of each location, indicating the rights and duties of employees regarding aspects such as recruitment processes, working hours, sick leave, salaries, social benefits, holidays, etc.

G4-12

## Supply chain

We believe that the supply chain is a key element, and therefore maintain a fair and trusting relationship with subcontractors and suppliers, with the aim of achieving the highest quality levels.

### Supplier management

For the development of the projects, the main purchases are connected with photovoltaic modules and solar structures.

At X-ELIO, we operate with solar modules with "Tier 1" technology to ensure optimal performance of the solar arrays. We therefore only work with suppliers that can provide this technology.

Meanwhile, we develop our projects on an EPC (Engineering, Procurement and Construction) basis, in which, except for the solar modules, the contractor is responsible for procurement and supplier administration.

We include a standard clause in the contract establishing the commitment to comply with the Code of Ethics and Conduct, as an integral element.

We have likewise defined a sustainability and human rights form, that we will progressively request from our main suppliers in order to evaluate these aspects.

### Local purchases

X-ELIO promotes purchasing and procurement from local suppliers so as to create value in the locations where it operates. This circumstance is reinforced in those countries where local governments promote this practice through incentives.

Most of the subcontractor and supplier budget for the year 2015 corresponds to local companies, understood as those belonging to the country where the X-ELIO installations are located.

In 2015, the expenditure on local suppliers amounted to €128,172 thousand, representing 83% of total expenditure. The following graph summarises the distribution (in thousands of euros) by country. (G4-EC9).

Country	Expenses on local suppliers*	% of local suppliers
Chile	0	0%
Spain	20,280	100%
Costa Rica	47	100%
Dominican Rep.	3	100%
Italy	19,214	93%
South Africa	2,123	100%
Japan	17,194	100%
Honduras	65,675	91%
Egypt	4	100%
USA	3,631	100%
Kuwait	0	0%
<b>Total</b>	<b>128,171</b>	<b>83%</b>

### Contractors

X-ELIO imposes the same safety requirements on its employees as subcontractors. It is an essential requirement that, before they begin their work, all subcontractors have in place all documentation required in accordance with the local demands in the country.

Meanwhile, during the performance of construction and maintenance works, coordination meetings are held to detect any possible incidents, among other aspects.



\*Note: country's suppliers are considered as local suppliers.

G4-13

## Significant Changes

In comparison with 2014, three significant changes occurred:

- + The shareholding of the company changed as a result of the stake acquired by the KKR Group, which purchased 80% of the company through its subsidiary Aurora Energy Holding, S.L.
- + This led to a change in the company's name from Gestamp Solar to X-Elio Energy, S.L.
- + As for its activity, operations have now begun at new facilities in Marcovia in Honduras, with 42.4MW, Fukuroda and Iwate in Japan, with 31.6 MW and 24.78 MW, respectively, along with the inclusion of construction of the Kuwait facility, managed by third parties.

G4-14

## Principle of precaution

The company incorporates the principle of caution through the Code of Ethics and Conduct and the Integrated Environment, Quality, Health and Safety Policy, including a commitment to protect the environment and achieve continuous improvement.

It furthermore mitigates its environmental impact by means of environmental impact assessments, appropriate maintenance and control of the wind farms and management systems.

Lastly, it encourages habits and behaviours that help to minimise this impact, through training and awareness-raising.

G4-15

## External initiatives supported by X-ELIO

Through its parent company, Gestamp Renewables, X-ELIO aims to take part in social action projects and initiatives aligned with its business and corporate culture, and making an effective contribution to the well-being of Society.

### United Nations Global Compact

The company has been a signatory to the United Nations Global Compact since 2014, fulfilling all requirements imposed to renew its commitment in 2016.

The company's aim is to promote and implement the 10 universally accepted principles in the fields of human rights, labour regulations, the environment and the business strategy of companies.



### Global Reporting Initiative

A non-governmental organisation focused on the creation of a context of transparent and reliable information exchange as regards sustainability, by means of the development of a common framework applicable to all types of organisation.

### What Really Matters Foundation (LQDVI)

The purpose of the LQDVI Foundation is to promote the development and dissemination of universal human, ethical and moral values among the general public, essentially through the organisation of conventions intended for young people, and other cultural activities. The foundation therefore contributes to the fostering of values among employees, and a positive impact on the community.

An agreement was signed with this foundation for the first time in 2013.





### **AESLEME (Association for the Study of Spine Injuries)**

The company has collaborated with AESLEME since 2014, its aim being the prevention of accidents and their serious consequences, social awareness-raising as to the problems faced by people after an accident, and improvements in their quality of life, offering them psychological and legal support.



### **John XXIII Foundation for mental disability**

This foundation was set up to improve the quality of life of adults with mental disability and to support their social integration.

Its main actions focus on organising activities allowing them to learn to achieve self-development and form relationships where they live, the management of an adapted occupational training centre, and job searches for people with disability. The company's commitment to the foundation began in 2007.



### **World Central Kitchen (WCK)**

Since 2013, the company has supported the operations of World Central Kitchen. WCK is a charity with the mission of pursuing sustainable solutions to eliminate food insecurity and malnutrition through sustainable food and local enrichment, focusing on regions suffering humanitarian disasters.

G4-16

## **Associations and organisations**

### **Spanish Photovoltaic Union (UNEF)**

Chaired by our CEO, Jorge Barredo, its mission is institutional representation and development of the photovoltaic solar sector nationally and internationally.

The association's strategic strands include in particular "the restoration of legal certainty as a priority line of action, along with the promotion of self-consumption and the internationalisation of associate companies".

### **Spain and Southern Africa Renewable Energy Consortium**

The purpose of this consortium is to promote the Spain Brand in the field of renewable energies and to support the activities of the renewable industry in the Southern Africa region, although it has recently extended its operations to North Africa and the Middle East.

### **The South African Photovoltaic Industry Association (SAPVIA)**

This is a non-profit body made up of companies with an active role and presence and investment in the photovoltaic market in South Africa. The association promotes the expansion of the photovoltaic (PV) solar energy market, as a part of the development of renewable energy in the country.



# Material aspects and boundaries

G4-17

## Coverage

### Perimeter

The current Report sets out the information and details corresponding to the financial year 2015 (running from 1 January to 31 December).

Where reference is made to information beyond this financial year, it will be clearly indicated in the corresponding section.



The Materiality Study have been drawn up in accordance with principles established in the Global Reporting Initiative, in version G4.

### Companies included within the Report

The Report includes all information regarding X-ELIO, the brand grouping together all its constituent companies. The Annex includes the list of companies.

### Limitations on the information

For those indicators where information is not available for any of the companies, this will be indicated as "not available".

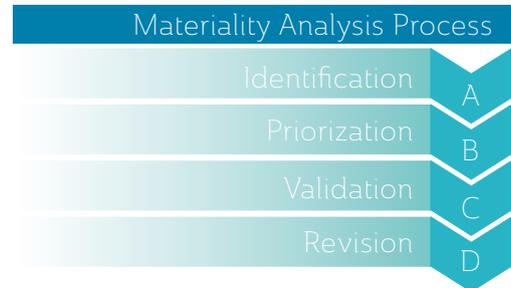
G4-18, G4-19, G4-20, G4-21 & G4-27.

## Content, scope and principles

### Material aspects within and outside the organisation

The Sustainability Report and the Materiality Study have been drawn up in accordance with principles established in the Guide for the generation of sustainability reports produced by Global Reporting Initiative, in version G4.

For the definition of the content and scope of the Report, consideration was given to all X-ELIO operations in construction and operation. The contents of the Report are defined by the topics identified as relevant in the 2015 Materiality Study, performed in accordance with the principles of GRI-G4, as detailed below.



### A. Identification of relevant aspects

(G4-18)

The internal and external context of the company was analysed. For the external context, a benchmark was available for companies in the sector, serving to detect trends in terms of sustainability, as well at the section regarding the energy sector in the document "Sustainability Topics for Sectors: What do stakeholders want to know?" (GRI, 2013), which takes into account the opinions of sectoral associations, the third sector, international agencies and authorities, big business and analysts.

As for the internal context, a review was performed of the issues identified as material in the company's 2014 Materiality Study. It should be pointed out that no external feedback was received on the Sustainability Report.

This exercise served to identify a total of 28 topics.

### B. Prioritisation (G4-18)

The 28 topics identified were weighted in accordance with their importance and economic, social and environmental impact through a twofold analysis.

Internal prioritisation was first performed, in a process involving the managers of the main departments and the managers in each country.

Meanwhile, the analysis was performed of its presence within the various communication channels (press news, supplier trends, the survey of all employees, with a 67% response rate, financing requirements, etc.). The subsections G4-20 and G4-21 summarise the main topics identified.



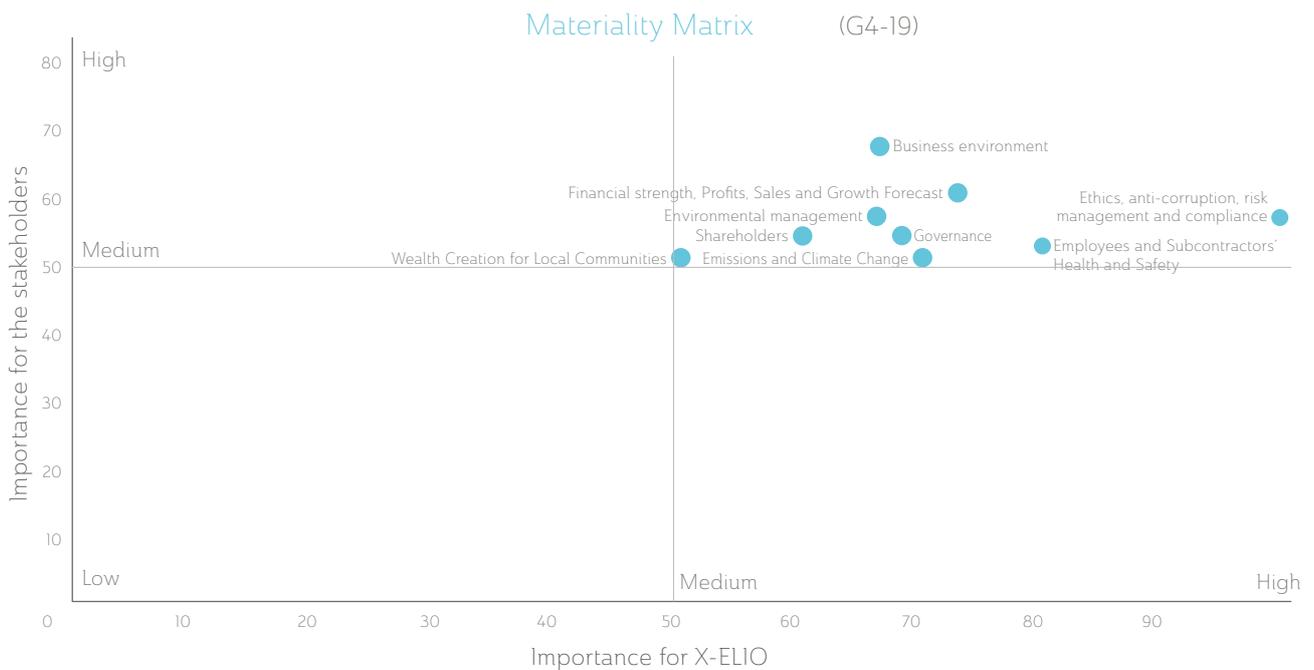
### C. Validation (G4-18)

Lastly, the topics identified were reviewed and approved by the CEO.

### D. Review (G4-18)

Furthermore, following publication of the Report appropriate mechanisms will be established in order to be able to obtain feedback.

Following these four stages, 9 material topics were defined, as summarised below:



The following table summarises for each material topic identified the opinion of the stakeholders within and outside the organisation. (G4-19, G4-20, G4-21 and G4-27)

### + Ethics, anti-corruption, risk management and compliance

#### Why is it important for X-ELIO?

Companies are currently required not only to comply with the applicable legislation, but also standards of ethics and integrity in their management. A failure to do so involves exposure to significant risks as regards competitiveness, reputation and possible penalties. Furthermore, companies are exposed to different types of risk (financial, environmental, legislative, reputational, etc.) that could depend on both external and internal factors.

It is essential to identify these risks so as to be able properly to manage them by means of appropriate plans and control mechanisms. Risk management provides solidity and trust,

and contributes to the sustainable development of companies.

They include in particular the fight against corruption, as one of the major challenges facing today's society. Given this situation, it is important to develop mechanisms above all to prevent and, where necessary, to combat corruption. Meanwhile, clear and transparent information for stakeholders underpins the trust and competitiveness of companies.

Which stakeholders believe this aspect to be most important?
Internally: CEO, Management, Policies and Strategies and Contractual Undertakings.
Externally: Sector, Employees, Clients and Suppliers.
Response from X-ELIO
Part 1- General standard disclosures: Strategy and analysis.
Part 2- Specific standard disclosures: Economic Dimension

(G4-19, G4-20, G4-21 & G4-27)

## + Good governance

### Why is it important for X-ELIO?

Mechanisms to support increased effectiveness, transparency, independence, representativeness, security and good practice in the decision-making process within the context of corporate governance are increasingly important.

As a result, control and communication mechanisms are being increasingly strengthened, requiring greater information on the part of stakeholders.

Which stakeholders believe this aspect to be most important?

Internally: CEO and Management.

Externally: Sector, Employees, Clients and Suppliers.

Response from X-ELIO

Part 1 - General standard disclosures: Governance.

Part 2 - Specific standard disclosures: Economic Dimension.

## + Business context

### Why is it important for X-ELIO?

The position and solidity of a company may be affected by external aspects derived from the current situation with a direct relationship with prices, currency exchange rates, energy policies, laws and regulations, technical innovations, government subsidies and public opinion.

Which stakeholders believe this aspect to be most important?

Internally: Management.

Externally: Sector, Mass Media, Employees, Clients and Suppliers.

Response from X-ELIO

Part 2- Specific standard disclosures: Economic Dimension.

## + Financial solidity, profits, sales and growth forecast

### Why is it important for X-ELIO?

Factors such as maintaining a significant position in strategic markets or having proven solvency in place, contribute to the financial soundness of the companies. In addition, the diversification of products, locations and markets, alongside experience and market knowledge, serve to diversify clients and identify new sources of business, allowing profitable and sustainable long-term development of the companies.

Which stakeholders believe this aspect to be most important?

Internally: CEO and Management.

Externally: Sector, Mass Media, Employees and Other Stakeholders.

Response from X-ELIO

Part 1 - General standard disclosures.

Part 2- Specific standard disclosures: Economic Dimension.

## + Shareholders

### Why is it important for X-ELIO?

Mechanisms for information and dialogue with shareholders, along with transparency and the capacity to engage in dialogue, public information and communication with stakeholders, represent an increasingly important aspect, making a substantial contribution to improving the reputation of companies.

Which stakeholders believe this aspect to be most important?

Internally: CEO and Policies and Strategies.

Externally: Sector, Mass Media, Employees, Clients and Suppliers.

Response from X-ELIO

Part 1 - General standard disclosures: Governance.

Part 2- Specific standard disclosures: Economic Dimension.

(G4-19, G4-20, G4-21 & G4-27)



## Health and Safety for employees and contractors

### Why is it important for X-ELIO?

X-ELIO has a deeply rooted risk prevention culture. However, given its considerable importance it remains a strategic aspect.

It is essential to identify and mitigate the potential risks that could arise, to raise the awareness of all in-house and subcontractor personnel, irrespective of their position, and to reinforce accident prevention and health improvement measures.

Which stakeholders believe this aspect to be most important?
Internally: CEO and Management.
Externally: Sector, Employees and Other Stakeholders.
Response from X-ELIO
Part 2 - Specific standard disclosures: Social Dimension.



## Economic and social impact on the local community

### Why is it important for X-ELIO?

Activity linked to renewable energies has a substantial repercussion on local communities given its social impact (through the creation of direct and indirect employment), economic impact (local purchases and taxes, etc.) and its output: renewable energy. Meanwhile, the development of social action programmes helps to improve the quality of life of the local population.

Likewise, for the appropriate development of projects, the participation, engagement and collaboration of the local community is fundamental.

Which stakeholders believe this aspect to be most important?
Internally: CEO.
Externally: Sector and Other Stakeholders.
Response from X-ELIO
Part 2 - Specific standard disclosures: Environmental Dimension.



## Climate change and emissions

### Why is it important for X-ELIO?

Climate change is increasingly significant, hence the growing need to establish strategies and targets that will help arrest global warming.

As regards companies, most of these objectives are linked to greenhouse gas emissions, by contributing to mitigation through measurement plans, reduction targets, offsetting initiatives and the use of renewable energy, thereby directly affecting the operations of X-ELIO.

Which stakeholders believe this aspect to be most important?
Internally: CEO and Management.
Externally: Employees and Other Stakeholders.
Response from X-ELIO
Part 2 - Specific standard disclosures: Environmental Dimension.

G4-22 & G4-23

## Significant changes and reformulations regarding previous reports

The focus of the Report has been modified to adapt it to the new Global Reporting Initiative (GRI) reference guide in version 4, along with an extension to the materiality study.

Section G4-13 summarises the relevant changes with regard to the 2014 financial year. The minor changes are indicated in the corresponding subsections.





# Participation of stakeholders

G4-24, G4-25 & G4-26

## Stakeholders and response by X-ELIO

The relationship between X-ELIO and groups affected by its activities (stakeholders) is conducted in two facets: from the perspective of social responsibility, responding to their expectations and needs, and from the perspective of reputation, managing stakeholders' perceptions of the company.

The identification and selection of the company's stakeholders was performed by means of an internal reflection process at the Sustainability Department, supervised by the directorial team, identifying as stakeholders

all groups and organisations that could influence or be influenced by the company to a significant degree. This process began with the first Sustainability Report in 2014.

For each of the stakeholder groups, specific mechanisms are established to facilitate active dialogue, allowing for a swifter and more efficient response to trends and to their needs.

Below are described the categories defined as well as the most significant channels for dialogue and communication:

Stakeholders	Communications Tools & Dialogue
Shareholders	<ul style="list-style-type: none"> <li>· Ordinary and extraordinary meetings of the Board of Directors.</li> <li>· Ordinary and informative communications about different topics of interest.</li> <li>· Response to demands for information.</li> </ul>
Employees	<ul style="list-style-type: none"> <li>· Corporate Intranet.</li> <li>· Annual informative meetings with the CEO.</li> <li>· Compliance Committee.</li> </ul>
Electric companies	<ul style="list-style-type: none"> <li>· Channels established in the regulations of each country.</li> <li>· Requirements for information and communication defined by the electric companies.</li> <li>· Grid connection conditions.</li> </ul>
Suppliers and subcontractors	<ul style="list-style-type: none"> <li>· Procurement bid conditions.</li> <li>· Subcontractor selection criteria.</li> <li>· Monitoring and measurement.</li> <li>· Periodic meetings.</li> </ul>
Public authorities and regulatory bodies	<ul style="list-style-type: none"> <li>· Periodic meetings.</li> <li>· Licences, permits and authorisations.</li> <li>· Sovereign guarantees.</li> </ul>
Banks and financial entities	<ul style="list-style-type: none"> <li>· Meetings.</li> <li>· Financing contracts.</li> <li>· Periodic reports.</li> </ul>
Energy consumers and local community	<ul style="list-style-type: none"> <li>· Consultation periods in the environment for/social impact assessments of the facilities.</li> <li>· Participation in social development programmes.</li> <li>· Client satisfaction survey.</li> </ul>
Mass Media	<ul style="list-style-type: none"> <li>· Press room (available on the website).</li> <li>· Issuance of press releases.</li> <li>· Social media channels.</li> </ul>





There are also shared corporate communication channels to interact with stakeholders.



Below are detailed certain key indicators as a practical example of the channels for dialogue established by X-ELIO (G4-26):

X-ELIO website	
Number of visits to X-ELIO website	49,608
Number of pages visited	148,672
Intranet Leading the Change	
Number of visits to X-ELIO Intranet	134
Number of pages visited	66,632
X-ELIO' Social Media	
Number of Twitter followers	453
Number of profiles' s visits	3,896
Number of LinkedIn followers	4,963
Number of visitors to LinkedIn	2,522



# Report profile

G4-28

## Period covered by the report

Period from 1 January 2015 to 31 December 2015.

G4-29

## Date of the previous report

Sustainability Report for the 2014 financial year.

G4-30

## Report presentation cycle

Annual.

G4-31

## Contact

For general issues regarding this report, information is available at:

**X-ELIO**

S/ Ombu, 3 - 2th floor.  
28045 Madrid (Spain).  
RSC@gestampren.com

This completes document is available in electronic format in English and Spanish on the website: <http://www.x-elio.com/en/sustainability>

G4-32

## Conformity with GRI

The Sustainability Report is drawn up "in conformity" with the GRI 4 Guide, Comprehensive option. The GRI Table of Contents can be found in Annex.

The Report was furthermore subjected to the Materiality Disclosure Service, and GRI confirmed that the materiality contents (G4-17 to G4-27) are properly positioned.

G4-33

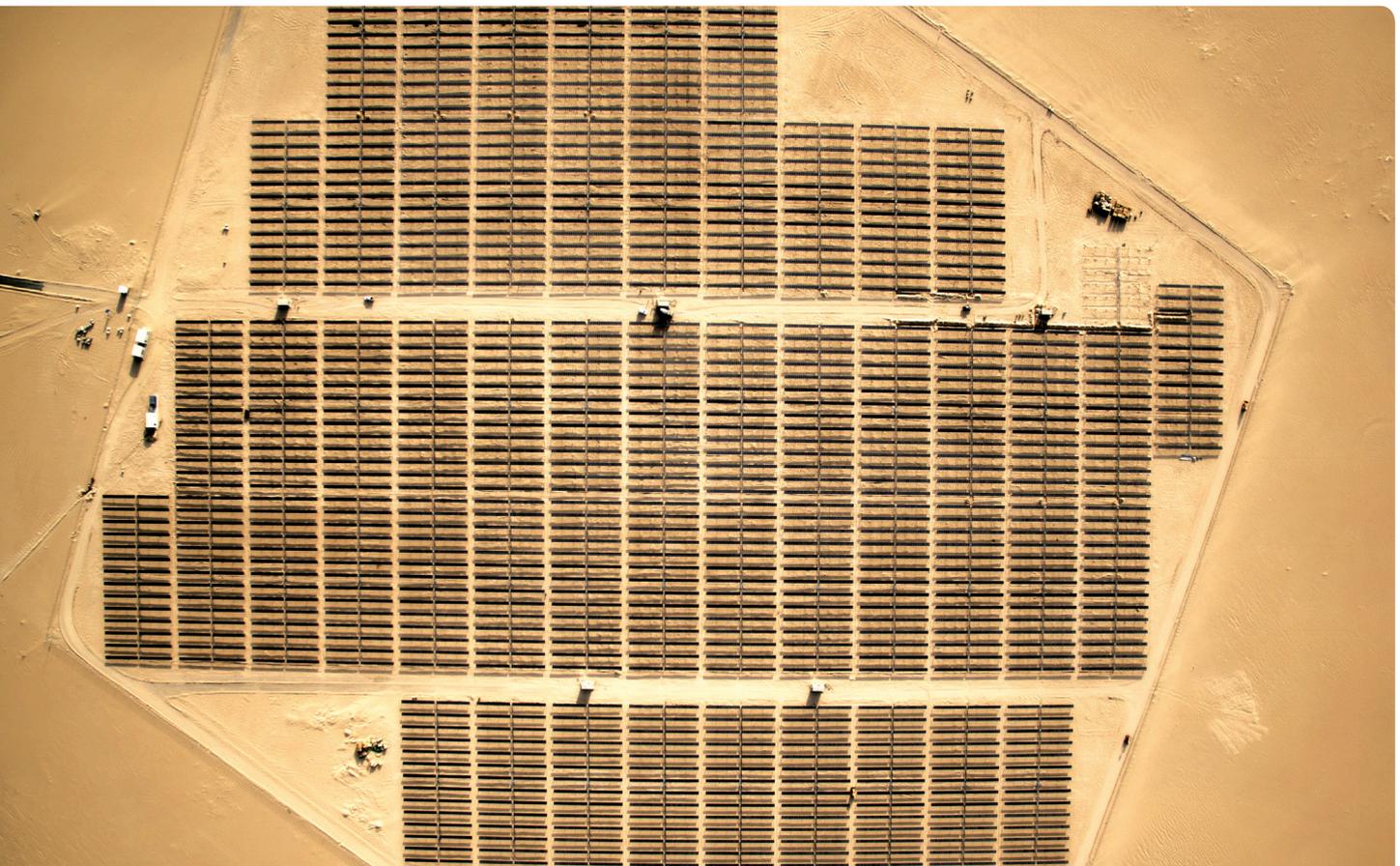
## External verification

X-ELIO has for the third year running performed independent external verification with the company EY. Meanwhile, the Report on the Individual Annual Accounts and the Consolidated Report are audited by EY.

The external verification report is included in Annex.



The Sustainability Report is drawn up "in conformity" with the GRI 4 Guide, Comprehensive option.





# Governance

G4-34

## Structure of governance

The governing bodies of the company are the General Shareholders' Meeting and the Board of Directors,

The highest body of governance, supervision, decision-making and control, subject to no substantive limits other than as established in the legal provisions and the Articles of Association.

One of the key missions of the Board of Directors is to promote corporate interests, representing the entity and its partners in the administration of assets, management of businesses and in steering its business administration.

The Board of Directors comprises five members, being made up at 31 December 2015 of:

Company's Board of Directors	Holding this position since
<b>President</b> Mr. Juan María Riberas Mera	16/12/2015
<b>Board Member 1</b> Mr. Jesús Olmos Clavijo	16/12/2015
<b>Board Member 2</b> Mr. Guido Lucio Mitrani	16/12/2015
<b>Board Member 3</b> Mr. Oleg Shamovsky	16/12/2015
<b>Board Member 4</b> Mr. Jorge Barredo López	16/12/2015
<b>Secretary (not Board Member)</b> Mr. Jaime de la Serna Gould	16/12/2015

The current Board of Directors was appointed on 16 December 2015, within the context of the operation by means of which the KKR Group became the new majority shareholder, with three individuals appointed by the subsidiary company designated by the KKR Group as the company's shareholder being added to the Board of Directors.

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

G4-35

## Delegation of the highest body of governance

The Board of Directors is responsible for reaching the most important business decisions and, where applicable, delegates execution of its decisions to the relevant employees or consultants for effective implementation.

The Board of Directors is likewise entitled to delegate its powers on a general and specific basis, in accordance with company needs and the matters in question.

In order, among other reasons, to foster and facilitate the company's operations and business, the Board of Directors appointed a general legal representative, vested with all powers necessary in order to be able to reach decisions in daily dealings, thereby guaranteeing business operability and continuity.

G4-36

## Economic, environmental and social responsibilities

The company's economic, social and environmental responsibilities are all handled by the Technical Department and Financial Control Department, the heads of which refer any decisions to be taken by Board of Directors, as summarised below:

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

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

Among other issues, the Board of Directors holds the final decision as to approval of the Business Plan, the annual economic forecasts and targets, the Investment and Funding Policy, the risk analysis and, in general, all policies affecting the company.



G4-37

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

The process of exchanging information with stakeholders is conducted by means of the respective area managers and directors, who are responsible for referring matters of particular significance to the Board of Directors.

The Technical Department and the Financial and Control Department at the central level, the Human Resources Department at the central level, and the Business Managers of the various countries where the company has a presence, exchange information with stakeholders (suppliers, governments, employees, etc.)

Likewise, on an annual basis the company stages what is known as the "Leadership Meeting", daily sessions actively involving company employees, with the aim of sharing opinions and proposals for the continuity and improvement of the company in every aspect, at which a member of the Board of Directors informs employees of the firm's overall objectives.

G4-38

## Composition of the senior body of governance and its committees

As summarised in G4-34, the Board of Directors comprises five members and one (non-directorial) secretary, all with non-executive functions.

The members of the Board of Directors are involved in the discussion and adoption of decisions regarding economic, social and environmental matters, and are responsible for approving the Code of Ethics.

X-Elio Energy is a non-listed company, and the members of its Board of Directors represent all shareholders, with no legal imperative to have representatives of other stakeholders in place.

G4-39

## Executive function of the President

The President does not hold an executive position.

G4-40

## Appointment and selection processes

Powers for the appointment of Directors lie solely with the General Shareholders' Meeting, which represents the interests of all the company's shareholders (see G4-34.) Nonetheless, the number of directors appointed at the proposal of each of the shareholders is determined by the Shareholder Agreement signed by them, which supplements the Articles of Association.

The Articles of Association cover the functioning of the Board of Directors, the requirements and deadlines established for calling the General Meeting, and the functions of the President. They likewise set out the grounds for incompatibility among members, subject at all times to the relevant legislation governing companies. The delegation of executive powers by the Board of Directors is performed by means of resolutions passed by the Board itself.

G4-41

## Conflict of interest

Shareholders may not exercise the voting rights corresponding to their shares if they are subject to any of the cases of conflict of interest established in Article 190 of Royal Legislative Decree 1/2010, of 2 June 2010, approving the Consolidated Text of the Capital Companies Act, or any other regulations applicable in this regard.

Communication with other stakeholders is conducted directly via the various company departments.

G4-42 & G4-43

## Functions and knowledge of the body of governance regarding sustainability

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

The members of the Board of Directors are kept permanently informed as to economic, social and environmental issues, via the various internal communication mechanisms, such as: the periodic meetings with the directors of the various areas, the generation and approval of the Sustainability Report and the various actions and initiatives by X-Elio Energy, the Leading the Change Intranet and the various communications.

It should be emphasised that with effect from December 2015 the Compliance Committee was appointed, and will in the first instance be responsible for ensuring that all circumstances arising within the context of the development of the company's operations of which it is informed respect or our resolved in accordance with the aforementioned Code of Ethics and Conduct.

G4-44

## Performance of the senior body of governance

As the members of the Board of Directors are appointed by the General Shareholders' Meeting, there is no specific procedure for the evaluation of the performance of their functions.

The Board of Directors, in accordance with the applicable legal regulations, meets with the legally established frequency, its responsibilities including the formulation of the annual accounts of the company during the first quarter of each financial year.

In addition to this meeting, the body meets in accordance with operational, business and project approval needs. Specifically, during 2015 it met on 19 occasions to address a range of issues connected with the projects that X-Elio Energy develops, builds and operates in various countries around the world through its direct and indirect stakes in local companies.

Meanwhile, the General Shareholders' Meeting is responsible, among other aspects, for approving or rejecting the participation and/or execution by the company of various operations proposed over the course of time as business opportunities for the company.

During the 2015 financial year, specifically in the month of December, the members of the General Shareholders of the Meeting changed as a result of the stake acquired by the KKR Group through its subsidiary AURORA ENERGY HOLDING, S.L., the company stock now being held by GESTAMP SOLAR, S.L. (20%) and AURORA ENERGY HOLDING, S.L. (80%).



The members of the Board of Directors are kept permanently informed as to economic, social and environmental issues, via the various internal communication mechanisms

G4-45, G4-46, G4-47

## Functions of the senior body of governance in risk management

For the development and execution of new projects, X-Elio Energy conducts a detailed study evaluating and analysing the potential risks of each project, with each of the various company departments making their contributions before any decision is reached.



X-Elio Energy conducts a detailed study evaluating and analysing the potential risks of each project.

At the initial project definition and analysis stage, information is compiled as to the energy policies in the country, the expected returns, regulatory stability and local government. Meanwhile, an investigation and analysis of climate conditions (radiation, hours of sunlight...), environmental, landscape, urban planning and archaeological restrictions and property management is conducted.

In accordance with the results of the analysis of the above points, a decision is reached as to whether or not to continue with the proposed project.

If the project is approved, a second phase begins, to evaluate issues such as the strategy to be adopted in order to obtain funding, location of the land, processing of permits and licences for the project.

Once the project has all the development aspects required, the company to be contracted to build the facility is then selected and assigned, including civil engineering and electrics, electromechanical assembly, and lastly commissioning.

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

During both the construction and plant operation phase, compliance with all environmental, employment and social measures and laws plays a particularly significant role, with the company rigorously focusing on strict compliance and best practices as regards all such aspects.

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

Meanwhile, in order to improve the performance of the facilities, predictive and preventive maintenance are conducted, with corrective maintenance only where it is necessary.

All these actions and the possible risks derived from them are continuously analysed by X-Elio Energy's management and teams, serving to detect risks and to implement the required corrective measures in a swift and agile manner.



G4-48

## Review and approval of the Sustainability Report

Sustainability organisation is coordinated by the sustainability team, including the Corporate Communication, Marketing and Sustainability Department.

The Report and the Materiality Analysis are drawn up each year by this team, in collaboration with the various areas and departments involved at X-Elio Energy.

Once it has been drawn up, it follows a supervision and review process on the part of a member of the board designated for this purpose, along with the Communication Department, before finally being approved by the Board of Directors.

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

G4-49

## Communication with the senior body of governance

The heads of the various departments maintain permanent and fluent communication with the member appointed by the Board.

All significant issues are referred to this Board Member by the heads of the various areas.

Meetings are periodically staged, involving all X-Elio Energy professionals. These are two-way meetings, with the member designated by the Board informing staff of significant aspects connected with the management and situation of the company, while receiving feedback from personnel regarding these issues and any aspects of interest to them.

G4-50

## Nature and number of issues raised at the Board of Directors

During the 2015 financial year various issues were addressed at the 19 meetings held by the Board of Directors.

Most of them are connected with the growth and funding of the company, both for the new projects developed in 2015 and those scheduled in 2016, and compliance with future objectives.



In 2015, the Compliance Committee has not received any grievance.

G4-51, G4-52 & G4-53

## Remuneration and incentives of the Board of Directors

The members of the Board of Directors do not receive any remuneration for their work as Directors, and so indicators G4-51, G4-52 and G4-53 do not apply.

G4-54 & G4-55

## Remuneration and increase in remuneration

Indicators G4-54 and G4-55 are not available. This information will be included next financial year.





# Ethic and integrity

G4-56

## Values, principles and code of ethics

X-ELIO strives to grow as a sound and responsible company, acting sustainably in all countries where it has a presence, while furthermore expanding its activity in all those countries that fulfil the necessary conditions of security, climate and growth for the viability of long-term projects.

Its ambition is to be a global industry leader, with excellent financial and sustainable performance. We aim to be the leading provider of renewable energies, dedicated to mitigating climate change and greenhouse gas emissions.

Sustainability has become another key element at the company, since sustainable development is believed to be the best way to achieve its ambition and the expectations of its stakeholders..

### Compliance Programme

X-ELIO has since 2014 operated under the Code of Ethics and Conduct of Gestamp Solar. Following the shareholding acquired by KKR, a complete Compliance Programme has been established, with human and economic resources being dedicated to implementation, along with the definition of the Compliance Committee.

The Board of Directors is responsible for defining the Programme and communicating the ethical framework required so as to achieve honest, transparent operations in accordance with the undertakings given, and to establish consultation and whistleblowing mechanisms, and investigate and respond to the issues raised.

Within this context, in the first half of 2016 the Board of Directors approved the Anti-corruption Policy, the Trade Sanction Policy and the Antitrust Policy, while the forthcoming approval of a new Code of Ethics and Conduct aligned with the Compliance Programme is expected. Communication mechanisms have also been put in place with the aim of responding to any grievances and conflicts that could arise in this field. These policies are gradually being sent out to employees, who subscribe to them and undertake to fulfil them.

In order to reinforce these aspects, there are plans to begin an employee training process, allowing us to continue making improvements.

As with the previous version, the new Code of Ethics and Conduct, approval of which is

expected imminently, is based on the Declaration of Fundamental Principles and Rights of the International Labour Organization (ILO), the 1992 Rio Declaration on the Environment and Development, the Universal Declaration of Human Rights and the 10 principles of the United Nations Global Compact, established in the year 2000.

Chapter "Economic Dimension" explores these issue with more depth.

G4-57 and G4-58

## Compliance Committee and whistleblowing mechanisms

The Compliance Committee is an internal body responsible for promoting the values and ethic conduct of the company, such as supervision, monitoring, communication, dissemination and oversight of the Policies and Codes as regards ethics, anti-corruption and compliance, along with processing and support in the resolution of queries, and the response to any possible incidents or grievances that might arise.

The Compliance Committee is authorised to gather information from whistleblowers and to conduct investigations regarding any breach of the Policies and Codes that make up the Compliance Programme.

The Committee guarantees that information is processed with due confidentiality, discretion and safeguards with regard to employees or outsiders reporting alleged breaches in good faith.

In order to facilitate communication, whistleblowing channels are in place allowing any employee observing any breach or violation of the Compliance Program to file the corresponding report or complaint. These whistleblowing channels are as follows:

- + By email:  
compliance@x-elio.com; and/or
- + By post:  
Compliance Committee  
X-ELIO Energy, S.L.  
C/ Ombú, 3, 2ª planta  
28045 Madrid. Spain.

Since it was founded, the Compliance Committee has not received any grievance either from employees or from third parties, (G4-LA16) regarding discrimination (G4-HR3) or other human rights (G4-HR12).





# Part II

## Specific Standard Disclosures

Economic Dimension. [Page 38](#)

Social Dimension. [Page 46](#)

Environmental Dimension. [Page 64](#)

## Material aspects: Economic dimension

Following the materiality analysis undertaken and described in the basic general content (G4-18, G4-19, G4-20 and G4-21) the most significant aspects are summarised below:

Subject	General matters of particular interest	Groups that consider the aspect material
Economic Management	Business context	<b>Internal:</b> CEO and Senior Management <b>External:</b> Sector, Media, Employees, Clients and Suppliers.
	Financial solidity, profits, sales and growth forecast	<b>Internal:</b> CEO and Senior Management. <b>External:</b> Sector, Media, Employees and Others.
	Shareholders	<b>Internal:</b> CEO and Policies and Strategy. <b>External:</b> Sector, Employees, Media, Clients and Suppliers.
Ethics and Governance	Compliance: ethics, anticorruption and risk management.	<b>Internal:</b> CEO, Senior Management, Public undertakings given, Policies and strategy. <b>External:</b> Sector, Employees, Media, Clients and Suppliers.
	Governance	<b>Internal:</b> CEO and Senior Management. <b>External:</b> Sector, Employees, Clients and Suppliers.

Over the course of the chapter, the management and initiatives of X-ELIO connected with these aspects are presented.





# Economic dimension

## Current context

(DMA)

As was to be expected, in 2015 the global economy found itself passing through a difficult stage. The growing instability on financial markets and growth forecasts over the coming years indicate a weak recovery in advanced countries, along with a slowdown in growth in many emerging markets.

However, there is increasing global awareness as to the importance of renewable energy and energy efficiency, not only to minimise the impact of climate change but to create new economic opportunities and provide access to energy on the part of millions of people who still do not have modern energy supply services available. This, combined with considerable support for energy policies, the reduction in investment costs and returns in line with risk, are all aspects indicating a window of opportunity to invest in the development of renewable energies.

X-ELIO is of the opinion that access to sources of renewable energy is affordable, reliable and sustainable, and that the promotion of this is vital in order to bring about an end to extreme poverty, to provide supply in remote regions, to increase social fairness and contribute to the fight against climate change.

In this regard, photovoltaic solar technology reveals numerous advantages. Firstly, the technology is amply proven, solar resources are highly constant and easily measured, costs have fallen considerably, it is easy to install on numerous surfaces and connection times are short, normally less than 18 months.

Meanwhile, particular mention should be made of the staging in 2015 of the 21<sup>st</sup> United Nations Climate Change Summit (COP 21), which, through emissions reduction targets, will help underpin the use of clean energy sources.



## Initiatives

Over recent years, numerous initiatives have been developed with a focus on increasing the presence of renewable energy around the world.

The General Assembly of the United Nations, which unanimously declared the decade 2014-2024 as the Decade of Sustainable Energy for All, establishes in its report SE4All the measures to be followed in order to advance in the right direction and achieve universal access to sustainable energy by 2030. These measures are in turn aligned with the United Nations Sustainable Development Goal (SDG) 7, on energy and its contribution to sustainable development.

## Energy policy

The development and implementation of renewable energies is the direct result of the policies implemented by governments and the availability of appropriate finance, since it is vital for business to have in place stable, long-term regulatory frameworks in the different markets for the sale of renewable energy.

A recent analysis by the Global Wind Energy Council (GWEC) indicates that China, the USA and Germany, three of the world's leading economies, are achieving substantial results with their clean energy policies.



X-ELIO is of the opinion that access to sources of renewable energy is affordable, reliable and sustainable.



Over recent years, the cost of installing solar energy has fallen by around 80%, over the past 5 years, and is expected to continue falling over the coming years, which means that solar energy is destined to play a key role in this energy transition, with huge prospects for growth.

Nonetheless, there are certain aspects that could have contributed to offsetting a greater increase in renewable energies in 2015, including such examples as: the downturn in fossil fuel prices, the strength of the US dollar and the weakness of the European economy, previously the driving force behind investment in renewable energies.



Last year, 2015, marked a milestone in the history of renewable energies, registering the greatest increase ever worldwide.

## Investment and development

Last year, 2015, marked a milestone in the history of renewable energies, registering the greatest increase ever worldwide. This was the result, among other factors, of the notable technological advances allowing for substantial increases in generation capacity, and considerable cost reductions, thereby attracting numerous investors.

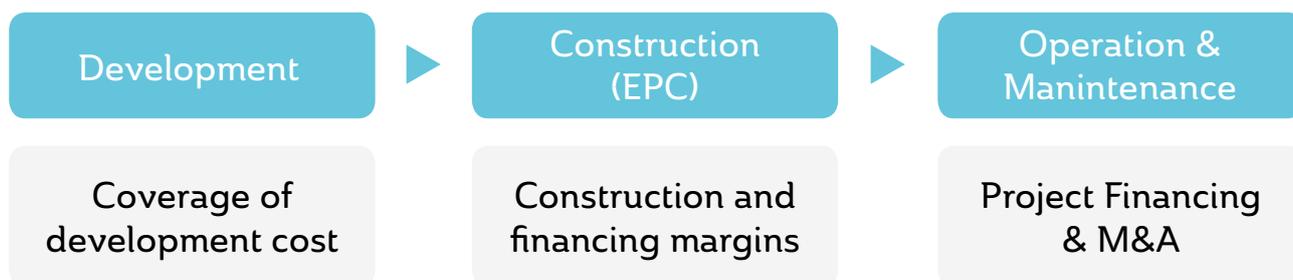
This increase has been expressed in terms of installed power with nearly 148 new gigawatt, with funding for the sector increasing globally in 2015 to a record world investment figure of more than 250 billion euros, the leading investor countries being China and the USA, followed by Africa, Latin America and India, accounting for 4% more than in 2014.

It should be emphasised that solar has expanded more than any other source, with 56% of installed power.



## The growth of X-ELIO

**Ambition.** To be a global leader in the industry with consummate financial returns, and also a provider of sustainable renewable energy, dedicated to helping to reduce greenhouse gases and to fight against climate change.



Within this context, X-ELIO currently has 36 facilities in operation, and plans to build new plants as part of a well-diversified portfolio in terms of size and region, backed up by long-term energy off-take contracts, serving to maintain sustainable growth.

To this end, X-ELIO develops an integrated business model offering flexibility for value creation throughout the cycle.

The plans for this period is to build 20 new projects across the USA, India, Egypt, Japan and LatAm, mainly in Chile, El Salvador, Panama, Brazil and Mexico. All together, they would increase the installed power by more than 600 MW by the end of 2017, giving a total of 1.2 GW.

To this end it has in place a highly qualified professional team, appropriate refinancing of the debt and the growth in accordance with a Project Finance structure.

### + 2015

This was a very important year for the company, achieving a figure of 578.35 MW of solar energy in operation, thanks to the start-up of the Fukuroda (Japan) and Marcovia (Honduras) solar facilities.

X-ELIO focuses its growth on favourable and secure markets for the development of photovoltaic projects, with the aim of achieving a global market share of 2% by 2020.

It has to this end defined a strategic short, medium and long-term plan.

### + 2018 - 2019

The aim is to consolidate the sustainable growth of the country with a diverse project portfolio, minimising risk, and opening up new markets in Asia-Pacific and the USA.

### + 2020

By 2020 we expect to have in place a balanced global portfolio owning more than 2 GW in stable markets and with long-term contracts.

### + 2016 - 2017

Substantial increase in deployment capacity, mainly in Japan and LatAm, without disregarding other countries with value-added projects (such as Egypt), to achieve 300 MW/year of new construction.

## New facilities in 2015

### Marcovia (Honduras)

The facility began operations on 3 June 2015. With an investment of more than 90 million dollars and 42.4 MW.



### Fukuroda (Japan)

The facility began operations on 18 September 2015. With an investment of more than 90 million dollars and 31.6 MW.



### Iwate (Japan)

The facility was built in 2015 and will begin operating in January 2016. It has 24.78 MW of power, occupying a total surface area of 40 hectares on a former golf course.



### Kuwait

The facility was built in 2015 and has 10.6 MW of power. X-ELIO built the facility, which is owned by third parties.



## Balance sheet: 2015 results

(G4-EC1 & G4-EC4)

X-ELIO continues to progress towards the objective of increasing its international presence in creating value in those communities where it sets up in business. This is possible thanks to a positive balance sheet and appropriate financing.

Likewise, at the close of the financial year the turnover in 2015 stood at €186,481 thousand, with EBITDA of €44,998 thousand. The net results amounted to €1,120 thousand, with a net financial debt of €404,407 thousand, mainly structured as Project Finance, and net equity of €182,446 thousand.

Below are set out X-ELIO's key consolidated economic figures:

**Economic Value Generated (EVG)** with a total of 193,484 thousand euros, distributed as follows:

Economic Value Created (thousand euros)	2015
Turnover	186,481
Financial income	3,079
Other revenue	3,924
<b>Total</b>	<b>193,484</b>

**Economic Value Distributed (EVD)** with a total of 648,941 thousand euros, distributed as follows:

Economic Value Distributed (thousand euros)	2015
Payment to capital providers	36,530
Taxes	8,385
Personnel Costs	7,051
CAPEX	596,975
Investments in the Community	ND
<b>Total</b>	<b>648,941</b>

**The Economic Value Retained (EVR)** with a total of 19,736 thousand euros.

During the 2015 financial year no additional amount of subsidies was received.

As for other accounting obligations, the companies that make up X-ELIO are, in the main, required to draw up an annual audit reports on their individual annual accounts given the total volume of their assets, their turnover and their average number of employees. Said reports contain no exceptions.

Following approval by the corresponding body, these reports are filed in due time and form at the Companies Register for each of the financial accounting years with legalisation of official records and the filing of annual accounts. Meanwhile, the X-ELIO companies are up-to-date with their General Social Security Treasury payments and tax obligations.

Lastly, as set out in the Code of Ethics and Conduct, X-ELIO does not provide any economic support to Governments (G4-EC4).

## Shareholders

X-ELIO has the responsibility to conduct efficient and professional management, demonstrating sound finances, guaranteeing future profitable and sustainable growth by minimising risk. All the above while creating indirect value in the countries where it operates

To this end, the shareholders promote communication and contact between themselves and stakeholders, by establishing appropriate information exchange mechanisms to foster transparency and the presentation of truthful information.

The governing bodies of the company of the General Shareholders' Meeting and Board of Directors, which is the highest body of governance, supervision, decision-making and control. Indicator G4-34 sets out relevant information about its functioning.

As regards the Board of Directors, it has the function of promoting corporate interests, representing the entity and its shareholders in the administration of assets, management of businesses and in guiding corporate administration. The Board meets at least every quarter.

Meanwhile, the General Shareholders' Meeting is responsible, among other aspects, for approving or rejecting the participation and/or execution by the company of various operations proposed over the course of time as business opportunities for the company. The Shareholders' Meeting meets monthly.

## Ethics, anti-corruption, risk management and Compliance



In 2015, redefining policies, guides, codes and whistleblowing mechanisms by means of a new Compliance Programme.

2015 represented a period of change at the company, with the shareholder KKR acquiring its stake at the end of the year. This entails a redefinition of policies, guides, codes and whistleblowing mechanisms by means of a new Compliance Programme, taking into account the requirements and specificities of our American shareholder, all of which will be operational from 2016 onwards.

Over recent years the company's substantial growth in various countries and cultures has exposed it to new and different risks, leading to detection of the need to strengthen the monitoring, control and audit mechanisms.

Below we summarise the situation in 2015 and the next steps in the Compliance Programme.

All employees were trained in 2014 as regards the Code of Ethics, while new hirings were trained in 2015, making a total of 15 employees and 13 hours of training.

The Code of Ethics in force in 2015 established the guidelines and channels for whistleblowing to be employed in the event of any conduct that could represent a violation of the legal standards or of the company's principles. Up until 2016 there are three whistleblowing channels in place: by email, by telephone, or in writing, by using the whistleblower form. All matters are analysed, managed and resolved by the Ethics Committee and, from 2016, by the Compliance Committee. In 2015, the Committee did not receive any complaints. Part 1 of the Report summarises the new initiatives in the field of Compliance. (G4-SO5).

### Anticorruption mechanisms and compliance (G4-SO4)

Issues connected with corruption, transparency, governance and conflict of interest are of concern to all stakeholders. As a result, the fight against corruption forms a part of its principles, and is based on "zero tolerance" with regard to this type of malpractice.

In 2014 the "Guide to behaviour in response to the offering of incentives, gifts or invites" was developed with the aim of guiding company employees in the event of possible conflicts that could emerge in their professional operations. The 2016 it was modified and adapted to the new company, and a new Anticorruption Code was passed, as part of the Compliance Programme. Likewise, the relevant internal procedures have been implemented in order to ensure the effectiveness of the referred Code.

Indicators G4-2 and G4-56 in Part 1 of the Report include all relevant information regarding the Compliance Programme and its progressive implementation, along with the obligations and responsibilities of the Compliance Committee.

Another of the requirements of the Programme is communication, training and acceptance by all X-ELIO employees.



### Code of ethics and whistleblowing mechanisms

Based on the understanding that the company is now expected to be an ethical leader in all decisions taken by its members, in 2014 the Code of Ethics and Conduct was approved by the Board of Directors. The Code of Ethics is available online in English and in Spanish by the corporate intranet.



### Operational mechanisms to address harassment

For X-ELIO, personal dignity and inherent and inviolable personal rights, the free development of personality, equal treatment, non-discrimination and physical and moral integrity are fundamental rights, irrespective of the country and culture within which it operates. However, harassment and violence are a problem that could affect the company.

To inform staff and minimise this type of behaviour, in 2014 the “Harassment Prevention Guide and Response Protocol” was published.

### United Nations Global Compact.

X-ELIO is a signatory to the Global Compact, and so is committed to promoting and implementing the 10 universally accepted principles in the fields of human rights, labour regulations, the environment and anticorruption.

The company complies with all necessary requirements to renew its commitment in 2016.

### Funding of projects

The Equator Principles were followed for the financing of the Marcovia facility in Honduras, and the information requested was reported. However, no clause or undertaking as regards human rights and anticorruption practices was required. (G4-HR1)

### Risk management

In undertaking its operations, X-ELIO is subject to various risks inherent in its activity and the various countries where it operates, as summarised under the indicator “G4-2 Main effects, risks and opportunities”.

Given the type of services and the companies we subcontract, no risks connected with child labour, threats to freedom of association or forced labour were identified. (G4-HR4, G4-HR5, G4-HR6).

In 2015, no risks connected with corruption were evaluated (G4-SO3). Nor were any grievances received with regard to the environment, employment practices or human rights. (G4-EN34, G4-LAI6 and G4-HR12).

Nor is the company involved in any proceedings regarding unfair competition, anti-trust practices (G4-SO7), breach of legislation and regulations (G4-SO8), nor has it received any fines as a result of breaches connected with supply and use of products (G4-PR9), marketing communications or client data privacy.



X-ELIO is a signatory to the Global Compact, and so is committed to promoting and implementing the 10 universally accepted principles in the fields of human rights, labour regulations, the environment and anticorruption.

## Governance

All information about the Governance of X-ELIO is summarised in Part I of the Report, under indicators G4-34 to G4-50.



## Material aspects: Social Dimension

Following the materiality analysis undertaken and described in the basic general content (G4-18, G4-19, G4-20 and G4-21) the most significant aspects are summarised below:

Subject	General matters of particular interest	Groups that consider the aspect material
<b>Social Dimensión: Health and Safety</b>		
<b>People and employment</b>	Safety for employees and contractors.	Internal: CEO and Senior Management. External: Sector, Employees and Others.
<b>Social Dimension: Local Communities</b>		
<b>Local communities</b>	Local wealth generation: employment, suppliers, economic development, land use.	Internal: CEO. External: Sector and Others.

Over the course of the chapter, the management and initiatives of X-ELIO connected with these aspects are presented.





# Social Dimension: People and employment

## Management focus

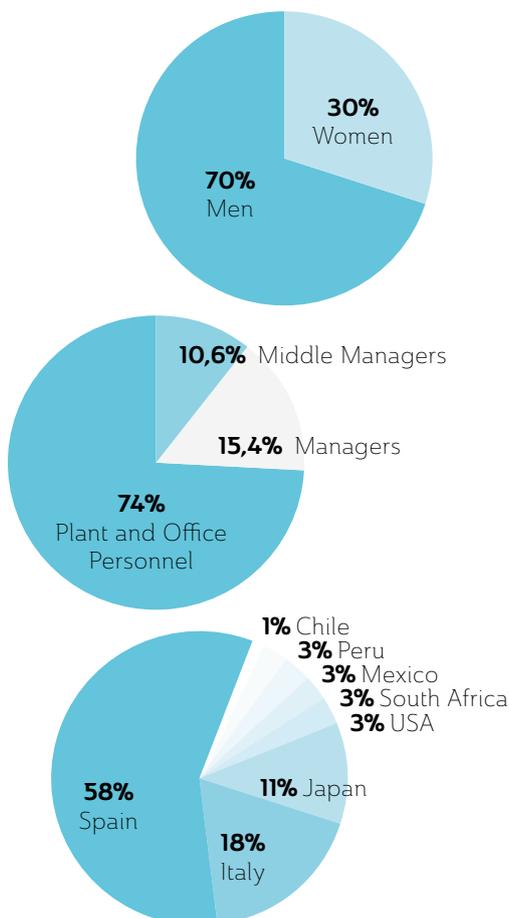
At X-ELIO, human resources management focuses on people in an attempt to guarantee quality employment, offering a stable working environment with opportunities for promotion on the international stage, thereby helping to drive forward the company's sustainable growth.

In 2015, the X-ELIO team was made up of 150 professionals, 2.7% more than in 2014. It comprises 70% men and 30% women.

The company has a balanced workforce in terms of experience and dynamism. Most employees (82%) are aged between 30 and 50 years, while the remainder are equally divided between those under 30 and over 50.

As for executive staff, 16.7% are aged over 50, and the remaining 83.3% are between 30 and 50 years old. Meanwhile, 66.7% are of local nationality, and all are men. (G4-LA12)

The enclosed figure shows their distribution by gender, by category and by country:



Below is shown the distribution of the workforce by country, age and gender:

### Managers

Country	Men			Women			
	≤30	>30 ≤50	>50	≤30	>30 ≤50	>50	
Chile	0	0	0	0	0	0	
Spain	0	11	1	0	1	0	
Italy	0	1	0	0	0	0	
Japan	0	0	1	0	0	0	
Mexico	0	1	0	0	0	0	
Peru	0	0	0	0	0	0	
South Africa	0	0	0	0	0	0	
USA	0	0	0	0	0	0	
<b>Total</b>	<b>0</b>	<b>13</b>	<b>2</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>16</b>

### Middle Managers

Country	Men			Women			
	≤30	>30 ≤50	>50	≤30	>30 ≤50	>50	
Chile	0	1*	0	0	0	0	
Spain	0	9	0	0	4	0	
Italy	0	4	0	0	0	0	
Japan	0	2	1	0	0	0	
Mexico	0	0	0	0	0	0	
Peru	0	0	0	0	0	0	
South Africa	0	1*	0	0	1	0	
USA	0	0	0	0	0	0	
<b>Total</b>	<b>0</b>	<b>17</b>	<b>1</b>	<b>0</b>	<b>5</b>	<b>0</b>	<b>23</b>

\* Expatriates from Spain to South Africa and Chile respectively. For the remaining calculations and percentages regarding staff, they are considered employed in Spain.

### Plant and Office Personnel

Country	Men			Women			
	≤30	>30 ≤50	>50	≤30	>30 ≤50	>50	
Chile	0	1	0	0	1	0	
Spain	6	24	5	2	22	0	
Italy	2	15	1	1	3	0	
Japan	1	5	3	0	4	0	
Mexico	0	0	0	1	2	0	
Peru	1	3	0	0	0	0	
South Africa	0	0	1	0	3	0	
USA	0	4	0	0	0	0	
<b>Total</b>	<b>10</b>	<b>52</b>	<b>10</b>	<b>4</b>	<b>35</b>	<b>0</b>	<b>111</b>

# Recruitment and internal promotion

(G4-LA1)

X-ELIO is aware that the development and future of the company depend to a great extent on the commitment and effort of its team.

This means that having trained, qualified and motivated professionals in place, in a pleasant working environment, is a key aspect in order to grow as a competitive, sound and sustainable company.

The principles of non-discrimination and equal opportunities are set out in its Code of Ethics and Conduct. Meanwhile, hiring conditions are set out in the collective bargaining agreements, handbooks and regulations applicable in each geographical location, and do not permit discrimination in any case.

Selection processes are based on the merit, experience and knowledge of the candidates. From the outset, the selection process aims to bring in the professionals best suited to the job requirements.

They employ electronic tools, such as employment exchanges, specific gatherings such as job fairs and, on occasion, specialist consultants are engaged directly.

Meanwhile, local employment is promoted, contributing to a strengthening of the dialogue with local communities and allowing for a more precise understanding of them and their culture. 95.3% of employees are of local origin, corresponding to 97.1% men and 91.1% women. Particular mention should be made in this regard of female directors and middle managers, 100% of whom are of local origin.

The turnover rate at X-ELIO was 2.7% in 2015 (2.9% men and 2.2% women). During the financial year, 31 new professionals joined the company (22 men and 9 women), while there were 27 departures (19 men and 8 women), most of them in Spain and the USA.

The table shows their distribution by gender, category and country:

País	Hires		Leaves	
	M	W	M	W
Chile	0	0	0	0
Spain	7	1	15	3
Italy	1	0	0	0
Japan	4	1	4	3
Mexico	0	0	0	2
Peru	0	0	1	0
South Africa	1	0	0	1
USA	6	6	2	0

M: Men W: Women

X-ELIO did not observe any significant risks of discrimination, child labour and/or forced labour, or breaches of human rights issues at any of its own operational sites, nor at suppliers, and the Ethics Committee did not receive any grievances in this regard (G4-HR3, G4-HR5 and G4-HR6). Meanwhile, no examinations or evaluations of the plants or offices were performed as regards human rights, as this is not considered a substantial risk given the activity undertaken (G4-HR9).

## Mobility

In order to strengthen professional development opportunities, X-ELIO promotes dynamism and mobility among its employees. As a result, where the market strategy so requires, they are offered the voluntary challenge of taking on greater responsibility or developing new projects in other countries and regions, serving to foster the development of their professional careers.

In 2015, 4 people were transferred (3 men and 1 woman) and 8 deployed abroad (7 men and 1 woman), all of them from Spain to the various countries where X-ELIO has a presence.

## Training

(G4-LA9 and G4-LA10)

X-ELIO strives to attract, retain and develop the talent of its team, fostering their training and qualifications, ensuring at all times that promotion is based on individual merit, skills and abilities, from the selection process up to the end of their professional career.

A Training Plan is drawn up each year, setting out the training needs of the teams. 3,757 hours of training delivered in 2015. This represents an average of 25 hours of training per employee.

The following table details the distribution across the key topics:

- Languages : **78.7%**
- Health, safety and environment : **15.6%**
- Ethics and Human Rights : **0.2%**
- Other : **5.5%**

To analyse the quality and usefulness of the training received, in most cases employee opinion surveys are conducted to assist in this process and evaluate whether the training fulfils expectations. The general conclusion would be that the Training Plan corresponding to 2015 was satisfactory delivered. No training is given with a focus on managing the end of the teams' professional careers. (G4-LA10).

The firms subcontracted by the company to provide physical security are legally regulated and recognised, and so training for them in human rights is not deemed necessary. (G4-HR7).

Meanwhile, the bursary programme is promoted, using agreements with major universities, business schools and study centres to allow young professionals to perform work placements at X-ELIO and so acquire experience.

Once their placement has ended, if their performance has proved satisfactory and corresponds to production needs, they are offered the opportunity to continue developing their role at the company.

## Employment stability

(G4-LA1)

For X-ELIO, promoting stable employment is a way of demonstrating its trust in its team, in long-term relationships, and their experience.

During 2015, 73% of the workforce had a permanent contract, while the remaining 27% were on temporary contracts. Meanwhile, 92% of the workforce is employed full-time, and the remaining 8%, part-time.

The gender and country distribution is set out below:

Country	Contract				Employment			
	Permanent		Temporary		Full-time		Part-time	
	M	W	M	W	M	W	M	W
Italy	1	1	0	0	1	1	0	0
Japan	45	3	13	26	58	17	0	12
Mexico	23	4	0	0	23	4	0	0
Peru	13	4	0	0	13	4	0	0
South Africa	1	3	0	0	1	3	0	0
USA	3	0	1	0	4	0	0	0
Total	1	4	0	0	1	4	0	0
EE.UU.	4	0	0	0	4	0	0	0
<b>Total</b>	<b>91</b>	<b>19</b>	<b>14</b>	<b>26</b>	<b>105</b>	<b>33</b>	<b>0</b>	<b>12</b>

Maternity and paternity leave in 2015 corresponded to 1 man and 4 women (3 in Spain and 1 in Italy). All of them remain at the company. (G4-LA3)

## Work-life balance and social benefits

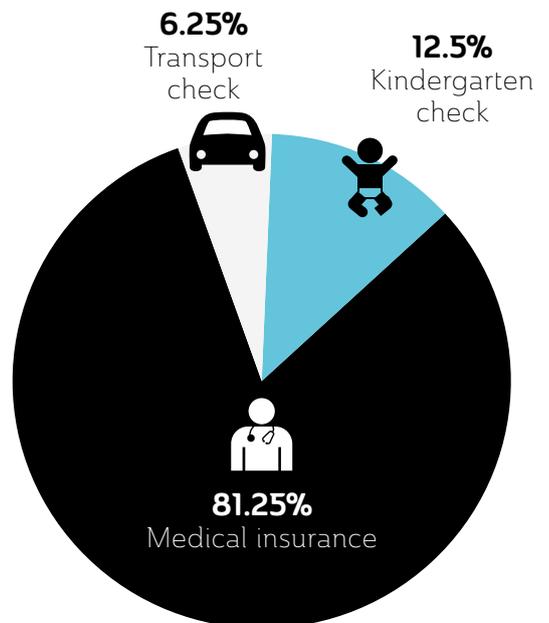
(G4-LA2)

The balance between the professional and personal life of employees is important for their health and well-being, and the company therefore has flexible arrival and departure times to adapt to individual circumstances. Meanwhile, there are plans in 2016 for the implementation of flexible working hours throughout the company.

The firm furthermore aims to improve the quality of life of its professionals, and they therefore receive social benefits tailored to needs in each location, as summarised below:

- + **Retirement plan and pension schemes:** All employees in Japan are offered a non-defined retirement plan. Meanwhile, one employee in Italy benefits from a pension fund. (G4-EC3)
- + **Transport assistance:** A grant known as the "commutation allowance" is offered in Japan to cover travel to work.
- + **Flexible Remuneration Plan:** Employees in Spain have access to the 'PRF' Flexible Remuneration Plan, offering them the chance to include within their remuneration package various products that offer tax and professional benefits, allowing each of them to adjust the mix to their personal requirements.

The services currently offered are: childcare vouchers, meal vouchers, transport vouchers and purchase of computer equipment. In 2015, 64 employees had signed up to the PRF scheme, distributed as follows:



The balance between the professional and personal life of employees is important for their health and well-being.

- + **Life and disability insurance:** all workers in Spain and Italy are covered by life and accident insurance providing cover beyond the limits established by local legislation.
- + **Meal vouchers:** meal vouchers are available to all employees in Spain, while there is a canteen service for all employees in Italy.





## Representation and dialogue with employees

(G4-LA4)

In order to provide an appropriate structure for Labour relations, the company has in place collective bargaining agreements for equivalent specific arrangements governing aspects connected with Human Resource management.

Information is set out in different forms depending on local requirements and legislation. In countries such as Spain and Italy, it is laid down in the corresponding collective bargaining agreements, and for those countries that did not have a similar formula, the information is compiled in what are known as Handbooks, in accordance with local practice and legislation.

They set out the rights and obligations of professional staff in accordance with local requirements and laws.

- + 83% of all employees are covered by “sectoral collective bargaining agreements or similar arrangements” in accordance with local practice, customs and legislation.
- + In the USA, Japan and South Africa this formula is replaced by a Handbook, covering 100% of employees, corresponding to 17% of the overall workforce.

The Handbook is a guide setting out employment conditions, indicating behavioural standards in accordance with the context and local legal requirements, stating the rights and duties of employees in aspects connected with recruitment processes, working hours, absence, salaries, social benefits, leave, etc.

No significant suppliers or centres have been identified where freedom of association and the right to benefit from collective bargaining agreements could be infringed or threatened, at the facilities in operation. (G4-HR4)

## Communication

Firstly, the internal X-ELIO communication model corresponds to the needs of a multinational team used to periodic travel.

Meanwhile, at the external level significant issues are published via the website and media (press, radio, etc.). The website also covers issues connected with sustainability, such as the Report, the Code of Ethics and Conduct and general information about corporate culture. In 2015 the website was visited by 37,680 users, with a total of 49,608 visits and 148,672 page views.

It also has in place various social media channels (Twitter, LinkedIn, YouTube, etc.), intended to establish more agile and fluid dialogue with its stakeholders.



LinkedIn

Followers:

**4,963**

Visits:

**2,522**



Twitter

Followers: **453**

Visits:

**3,896**



# Social Dimension: Health and safety

## Management focus

X-ELIO views the health and safety of its professionals and all external staff present within the working environment as a priority.

This commitment is expressed in the Quality, Health and Safety and Environment (QHSE) Policy, and in the Code of Ethics and Conduct, compliance with both of which is mandatory, and applicable to all company professionals.

The management of health and safety is organised in accordance with the guidelines established in the Integrated Management System, compliant with standard OHSAS 18001 for "Engineering, construction and commissioning" activities.

The management system sets out in formal terms, by means of manuals, procedures and instructions, the specifications regarding personal protective equipment (PPE), training, notification of accidents and grievance mechanisms, among others. X-ELIO meanwhile conducts precise and regular monitoring of the health and safety conditions of its operations, so as to be able to improve management.



X-ELIO views the health and safety of its professionals and all external staff present within the working environment as a priority.

## Management and organisation of health and safety

The organisation of prevention at X-ELIO is coordinated at the corporate level through the Health, Safety and Environment Department, which establishes guidelines, plans and programmes to be developed.

Each country or facility has a Health and Safety Supervisor, who is responsible for implementing the plans and programmes that have been established, and for overseeing and monitoring the obligations derived from the Integrated Management System and the applicable legal requirements, for both in-house personnel and subcontractors.

Meanwhile, all countries are supported by a specialist local external consultant, with the aim of providing assistance not only in identifying all applicable legal requirements, but also during the project execution phase.

Prior to the commencement of work and execution of a project, a Health and Safety Plan or Programme will need to be drawn up.

The Health and Safety Plan is a document in which the contractor identifies, plans, organises and controls each of the activities to be performed from a risk prevention perspective, along with the applicable working procedures.

This Health and Safety Plan Programme will indicate the risks derived from the activities to be performed and the preventive measures to be adopted in each case in order to eliminate or control them. It is therefore the document allowing those involved in the works project (contractors and subcontractors) to manage the range of on-site actions which, together with productive aspects, have preventive measures integrated within them.

Furthermore, personal protective equipment (PPE) is available for all workers, tailored to the type of activity to be performed, complying with the related legal demands and our safety standards.



## Health monitoring

For X-ELIO, the health of its professionals is a fundamental factor, being a key element in their well-being and their professional performance. Those joining the company therefore undergo an initial medical examination, as do those assigned to tasks entailing different risks, and those who have undergone a lengthy absence for health reasons.

The task of monitoring and overseeing the health of workers in terms of their exposure to risks at their respective workstations is outsourced, drawing on various medical services in accordance with the provisions of the local legislation in this regard.

The company also understands that the good health of workers equates to better performance, whether physical or intellectual, and a reduction in absence as a result of illnesses caused by poor nutrition and a lack of physical exercise. We therefore encourage participation by our employees in healthy lifestyle campaigns.

## Risk control and identification mechanisms (G4-LA7)

In order to define appropriate preventive measures, X-ELIO conducts a "Risk Assessment" at least every 12 months, and also when there is a modification to working conditions, serving to identify new harm or risks, or where the measures implemented are insufficient.

The risk assessment addresses criteria of probability/severity, evaluating aspects connected with:

- + Physical safety (falls, blows...).
- + Health (exposure to pollutants, noise...).
- + Ergonomics (overstraining, inappropriate tools...).
- + Psycho-social factors (mental strain, content of workload...).

This evaluation takes into account the presence of particularly sensitive workers, both because of their personal characteristics and their biological condition (e.g. pregnant workers), indicating whether there are any specific risks for this in each position of employment.

The final outcome of the assessment is that the occupations of the employees do not reveal a high level of risk/incident as regards specific illnesses, and no measures have therefore be needed in this regard.

## Healthy Lifestyles project

X-ELIO believes that good habits are essential for the health of employees. As a result, the "Healthy Habits Project" was developed in 2015.

The project contributes to improvements to employees' quality of life and awareness, impacting in particular on the preventive health aspect. Options have likewise been included to help achieve balance in their personal life, reminding them how important it is to lead a healthy life. To this end, the project was supported by the John XXIII Foundation, a key partner in the Social Action policy.



The aims of the project are:

- + Raise awareness among workers as to the importance of a balanced diet, and the relationship between this and their state of health.
- + Provide them with basic recommendations to promote healthy habits in their personal life, with an approachable and eminently practical tone.
- + Improve employees' understanding of the factors involved in their health, providing them with training in this regard and the implementation of connected habits.
- + Promote an understanding of healthy alternatives, such as organic farming.
- + Maintain constant activation of health promotion messages, in an attempt to modify harmful habits.

## Training and awareness-raising

Before they join the company or are transferred to a new job, all workers receive training in risk prevention in accordance with their category and functions, in order to learn about their duties and responsibilities in this regard. This demand likewise applies to subcontractors, who before they begin construction operations at the facilities must have regulatory training to guarantee quality standards and minimise the risk of accident/incident.

Meanwhile, employees receive additional training to underpin and update their knowledge of risk prevention matters. 584 hours of health and safety training were delivered in 2015.

The focus adopted ensures that a risk prevention culture is very firmly inculcated across all staff. This aspect was clearly reflected in the materiality study, in which health and safety was one of the issues given the greatest importance.

## Communication (G4-LA5)

X-ELIO has established various communication channels to facilitate a two-way flow, allowing information and direct participation on the part of both in-house and external staff as regards health and safety matters.

Notification of risks and health and safety instructions are conducted by means of internal memoranda, training and the noticeboard. Meanwhile, the supervisors of contractors/subcontractors receive a written copy of health and safety instructions for the activities they are to perform at the facilities.

Furthermore, periodic coordination meetings are held to perform monitoring of safety aspects. These meetings involve the staff responsible for health and safety at X-ELIO, along with the competent personnel of the contractors/subcontractors.

Each month the contractors and subcontractors report accidents, incidents and hours worked by each of them. These measures serve to conduct precise and regular monitoring of the health and safety conditions of operations, while precisely identifying and resolving any possible failures in the management system so as to be able to adopt measures in this regard.

Meanwhile, in those countries where the Equator Principles apply, there is an on-site suggestions and complaints box allowing non-identified risks for any situation entailing modifications to the risk assessment to be flagged up.

The requests received are handled by the health and safety supervisors, who proceed to study them and present measures to mitigate possible risks.

## Inspection

X-ELIO draws up technical instructions for each country as to operational control, for the execution of inspections so as to measure and oversee health monitoring activities, control of personal protective equipment, technician/staff member responsible for health and safety, and safety inspections.

These inspections are conducted at least monthly at the sites in order to identify, precisely and on the ground, any practices or habits that could entail a risk, to determine training needs and ascertain whether working methods are appropriate, the result being set out in a report. In 2015, a total of 48 reports were drawn up, corresponding to the projects in Marcovia (Honduras) and Fukuroda (Japan).

## Notification of accidents

The internal notification of accidents is performed first by reporting to the site manager, and then the health and safety supervisor, who will be responsible for investigating the accident and reporting by means of an "Incident/accident Investigation Report".

The notification of accidents to the corresponding employment authority is performed in accordance with the deadlines and mechanisms established for this purpose.

For accidents and medical absences of external personnel, the responsible company has the task of instigating the procedures required to serve notice on the employment authority and to submit the accident notification to X-ELIO, in order to allow it to proceed to conduct an investigation and maintain an updated record of accidents occurring.

# Monitoring and measurement of subcontractors: UBYQUO

## WHAT IS UBYQUO?

UBYQUO is a hybrid platform that creates a common working area for contractors, Health and Safety supervisors and construction sites/generation facilities to exchange documents in a unified environment integrating the documents themselves with the corresponding document management in a simple, swift and effective manner.

The platform is based on the Ubyquo hybrid document management solution, and is specifically parameterised to cover all needs of the parties involved. UBYQUO is used to check all documentation at the level of contractors, workers and machinery, previously identified by complying with the legal requirements in the country where the company performs its business.

Once all the documentation is incorporated in UBYQUO, it is reviewed by the Occupational Risk Prevention Supervisor associated with the project, who will issue his approval if all the documentation is complete

Documentos						
Cheq	Conf	Doc.	ID	Contrata	Firmado	Ref. Fecha
?	?	Entrega equipos Prc (0601-1947-03635)	COVADI			01625
?	?	Documento de Iden 0801-1947-03635	COVADI			01625
?	?	Entrega equipos Prc 0601-1991-00647	COVADI			01605
?	?	Carnet de Salud (Re. 0601-1965-00377)	COVADI			01595
?	?	Entrega equipos Prc 0601-1965-00377	COVADI			01594
?	?	Documento de Iden 0601-1965-00377	COVADI			01593
?	?	Registro de Capacit. 0601-1965-00377	COVADI			01592
?	?	Documento de Iden 0501-1989-07900	INGECAP			01566
?	?	Documento de Iden 0501-2001-12857	INGECAP			01554
?	?	Entrega equipos Prc 0501-2001-12857	INGECAP			01553
?	?	Carnet de Salud (Re. 0501-2001-12857)	INGECAP			01552
?	?	Entrega equipos Prc 0509-1981-00013	INGECAP			01550
?	?	Documento de Iden 0509-1981-00013	INGECAP			01549
?	?	Documento de Iden 0601-1960-00637	INGECAP			01541
?	?	Carnet de Salud (Re. 0601-1971-00601)	INGECAP			01536
?	?	Entrega equipos Prc 0601-1971-00601	INGECAP			01535
?	?	Documento de Iden 0601-1971-00601	INGECAP			01534
?	?	Registro de Capacit. 0601-1971-00601	INGECAP			01533
?	?	Documento de Iden 0601-1971-01042	INGECAP			01531
?	?	Entrega equipos Prc 0601-1971-01042	INGECAP			01530
?	?	Documento de Iden 0601-1981-00393	INGECAP			01518
?	?	Documento de Iden 0601-1984-08372	INGECAP			01502
?	?	Documento de Iden 0601-1993-08031	INGECAP			01475
?	?	Documento de Iden 0601-1993-05003	INGECAP			01456
?	?	Entrega equipos Prc 0601-1997-01463	INGECAP			01428
?	?	Documento de Iden 0603-1983-00754	INGECAP			01415
?	?	Carnet de Salud (Re. 0605-1965-00269)	INGECAP			01413
?	?	Entrega equipos Prc 0605-1965-00269	INGECAP			01412
?	?	Documento de Iden 0605-1965-00269	INGECAP			01411
?	?	Registro de Capacit. 0605-1965-00269	INGECAP			01410
?	?	Documento de Iden 0607-1978-00757	INGECAP			01406
?	?	Entrega equipos Prc 0607-1981-00029	INGECAP			01400
?	?	Documento de Iden 0607-1981-00029	INGECAP			01399
?	?	Documento de Iden 0607-1982-01084	INGECAP			01396

Tipos de documento	Documentos				
	Cheq	Conf	Doc.	ID	Contrata
Todos - 808(512)	?	?	Entrega Equipos Prc (0601-1947-03635)	COVADI	
Carnet de salud - 5(5)	?	?	Documento de Iden 0801-1947-03635	COVADI	
Carnet de Salud (Reconocimiento Médico) - 109(86)	?	?	Entrega equipos Prc 0601-1991-00647	COVADI	
Corriente pago IHSS - 18(17)	?	?	Carnet de Salud (Re. 0601-1965-00377)	COVADI	
Corriente pago INFOP - 10(9)	?	?	Entrega equipos Prc 0601-1965-00377	COVADI	
Documento de Identidad - 175(96)	?	?	Documento de Iden 0601-1965-00377	COVADI	
Entrega equipos Protección Individual - 193(124)	?	?	Registro de Capacit. 0601-1965-00377	COVADI	
Escritura de Constitución de Sociedad - 50(31)	?	?	Documento de Iden 0501-1989-07900	INGECAP	
Información personal Emergencias - 44(18)	?	?	Documento de Iden 0501-2001-12857	INGECAP	
Inscripción al RAP - 1(1)	?	?	Entrega equipos Prc 0501-2001-12857	INGECAP	
Licencia maquinaria pesada - 14(5)	?	?	Carnet de Salud (Re. 0501-2001-12857)	INGECAP	
Organización funcional de la empresa - 6(2)	?	?	Entrega equipos Prc 0509-1981-00013	INGECAP	
	?	?	Documento de Iden 0509-1981-00013	INGECAP	
	?	?	Documento de Iden 0601-1960-00637	INGECAP	
	?	?	Carnet de Salud (Re. 0601-1971-00601)	INGECAP	
	?	?	Entrega equipos Prc 0601-1971-00601	INGECAP	
	?	?	Documento de Iden 0601-1971-00601	INGECAP	
	?	?	Registro de Capacit. 0601-1971-00601	INGECAP	
	?	?	Documento de Iden 0601-1971-01042	INGECAP	

From this point onwards, UBYQUO automatically generates an access document, authorising entry by all the companies, workers and machinery involved.

<b>X-ELI</b>	HOJA DE AUTORIZACIÓN ACCESO A OBRA/PLANTA	SF03-03 Ed.00 09/02/2016		
<b>OBRA/PLANTA:</b>				
<b>NOMBRE DE LA EMPRESA:</b>				
<b>TRABAJOS A REALIZAR:</b>				
<b>FECHA INICIO:</b>		<b>FECHA FIN:</b>		
<b>TRABA/ADRES</b>	<b>APELLIDOS</b>	<b>NOMBRE</b>	<b>DNI</b>	<b>PROCEDENCIA</b>
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<b>MAGINARIA Y VERIFICADOS (INCLUIR MODELO Y MATRÍCULA)</b>				
<b>FIRMA DEL RESPONSABLE DE SST Y MAAA</b>				



## Monitoring indicators

(G4-LA6)

X-ELIO performs comprehensive monitoring of the indicators connected with accidents, both internally and at subcontractors.

This allows appropriate measures to be established, thereby continuing to improve the safety and working environment of professionals.

### Balance

In 2015 a total of 5 accidents involving absence occurred, and no accidents without leave, all of them in outside personnel (subcontractors). The distribution is set out below:

Country	Accidents with absence		Accidents without absence	
	M	W	M	W
Own personnel	0	0	0	0
External personnel	5	0	0	0
<b>Total</b>	<b>5</b>	<b>0</b>	<b>0</b>	<b>0</b>

Below are detailed the accident rates with absence (frequency index) and the accident rates without absence (general frequency index), segregated monthly, and corresponding at the end of the year to 3.5 and 4, respectively. All information corresponds to external personnel, as there were no accidents with or without absence involving internal personnel.



X-ELIO performs comprehensive monitoring of the indicators connected with accidents, both internally and at subcontractors.

COUNTRY	Jan	Feb	Mar	Apr	May	Jun	Jul	Ago	Sep	Oct	Nov	Dec
Frequency Rate*	0	9	6.9	6.1	4.7	4.3	4.8	4.4	4.2	3.9	3.6	3.5
General Frequency Rate**	0	9	7	6	5	4	5	4	4	4	4	4

\*Rate of accidents resulting in leave / working hours X 1,000,000. \*\* Rate of accidents not resulting in leave / working hours X 1,000,000

Likewise, the cumulative seriousness index is recorded, as summarised below:

COUNTRY	Jan	Feb	Mar	Apr	May	Jun	Jul	Ago	Sep	Oct	Nov	Dec
Severity Rate*	0	0.03	0.02	0.02	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01

\*Number of working days lost due to accidents at the workplace resulting in leave during the reporting period for each 1,000 working hours.





# Social Dimension: Local Communities

In 2015 there were no fatal accidents, or professional illnesses, and the average rate per employee is therefore in both cases 0.00.

Likewise, the accidents registered entailed the loss of 15 working days by external personnel, 100% corresponding to men.

With regard to the notification of minor, serious and very serious accidents and deaths occurring at the facilities, external reporting is performed in accordance with the established reporting channels and the obligations and deadlines defined by the competent authority.

## Days lost through absence

In 2015 total of 380 days were lost through the absence of internal personnel.

The average rate of days lost per employee per country is set out in the following table:

Country	Own staff
Spain	218
Italy*	142
USA	NA
Japan	10
South Africa	117
Mexico	NA
Chile	171
Peru	NA

Rate: (No. of days lost due to other causes + days lost due to occupational accidents/ No. of hours worked in 2015 x 1,000,000).

\*Estimated figure.

NA: Not available.

## Generating value for the local community

(G4-EC7, G4-EC8 and G4-EC9)

X-ELIO generates wealth through various focuses such as employment, purchases from local suppliers and the payment of taxes, helping to strengthen the social and business fabric of the communities where it operates.

In this regard, the key figures for 2015 are:

- + 648.9 million euros of **economic value distributed**.
- + 150 professionals on the **workforce**.
- + 7.1 million euros allocated to **salaries and other social benefits**.
- + 128.2 million euros at **local suppliers**.
- + 8.4 million euros in **taxes**.

## Contribution to a more sustainable energy model

X-ELIO promotes the use of the sun as a primary source of energy, as it is an inexhaustible and independent resource that generates no atmospheric emissions. It therefore encourages a sustainable energy model capable of satisfying current needs without compromising the resources and opportunities of future generations. (G4-EC8)

## Job creation

Solar energy is a source of employment throughout the value chain: development, production, construction, operation, maintenance and recycling. Depending on the technology employed, it is calculated that each MW generated creates between 15 and 27 direct and indirect jobs. (EPIA 2012, SUSTAINABILITY OF PHOTOVOLTAIC SYSTEMS: Job Creation).

By 2035, the expectation is that global electricity demand will have risen by 84%, and so if the photovoltaic industry continues its current development, the generation of employment tied to the sector will see a substantial increase. (G4-EC8)



X-ELIO believes that the creation of local employment is a significant boost for the economy in the region, fostering the integration of the company within local communities. In 2015, 95% of its employees were of local origin, distributed as shown in the enclosed figure. (G4-LA12)

Africa, where the amount paid is a percentage of the gross earnings of the solar plants. This is conducted by means of a family trust, guaranteeing a high level of revenue for the families over the next 20 years, a period that may be extended depending on the facility's life cycle. (G4-EC8)

### Contributions to the local community

The municipalities and regions where facilities are located receive revenue through taxes, contributing to improvements to the quality of life and amenities of the local inhabitants. The amount paid in 2015 by way of local taxes and levies was 8,370 thousand euros, as detailed below:

Country	Men			Women			Total
	Managers	Middle Managers	Plant and office personnel	Managers	Middle Managers	Plant and office personnel	
Chile	NA	NA	100%	NA	NA	0%	50%
Spain	92%	100%	97%	100%	100%	100%	98%
Italy	100%	100%	100%	NA	NA	75%	96%
Japan	100%	100%	100%	NA	NA	100%	100%
Mexico	0%	NA	NA	NA	NA	33%	25%
Peru	NA	NA	100%	NA	NA	NA	100%
South Africa	NA	NA	100%	NA	100%	100%	100%
USA	NA	NA	100%	NA	NA	NA	100%

Country	Taxes (thousand €)
Chile	159
Spain	2.531
USA	1.049
Honduras	732
Italy	1.892
Japan	436
Mexico	0
South Africa	1.571

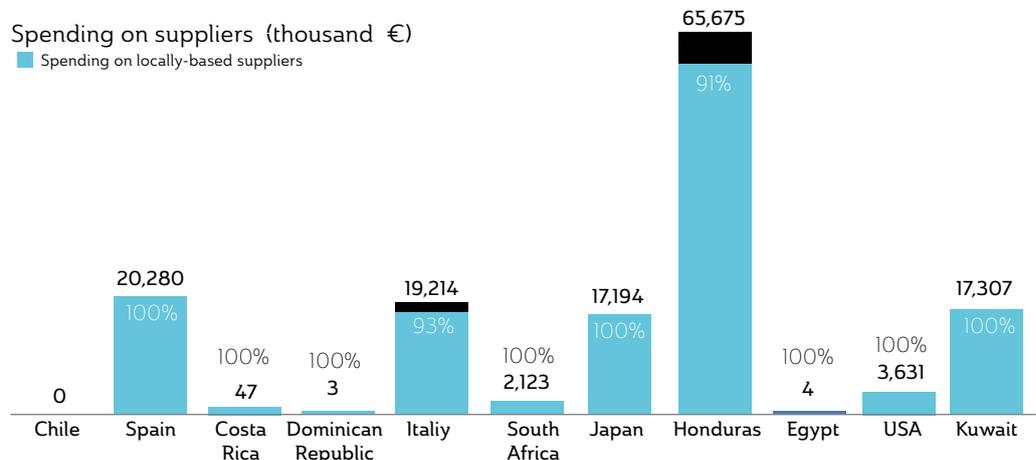
### Leases

Another source of wealth corresponds to the lease and concession agreements reached with the public authorities and the owners of the land where the generation facilities are located, long-term contracts with a duration in excess of 20 years.

One example of these benefits is the leasing of the land housing the facilities in South

### Local suppliers

In 2015, X-ELIO allocated 128,172 thousand euros to local suppliers, representing 83% of its total supplier budget. The following figure summarises the distribution by country (G4-EC9).



## Marcovia Community Relations Plan

For the construction of the Marcovia project in Honduras, a "Community Relations Plan" was drawn up, establishing standards, values and principles for the harmonious coexistence of all agents involved in the project.

Several meetings were staged with the representatives of all stakeholders affected, to ascertain their needs and concerns in order to draw up the document. These stakeholders are the local authority, communities nearby the construction zone and the subcontractor companies.



The main aims of the plan are:

- + Creation of Community Participation and Communication spaces.
- + Identify Good Employment Practices for the subcontractor companies among their personnel.
- + Creation of an agreement for the recruitment of local personnel.

Various mechanisms were developed to fulfil the plan, such as the installation of a suggestions box. This box proved particularly useful in identifying and correcting a series of conflicts that were resolved by giving all workers training in "Good practices, interpersonal relations and the generation of harmony at work". Various explanatory meetings were also staged with representatives of the communities in the areas affected by the facility to discuss and resolve queries.

Meanwhile, a "Local Employment" programme was set up to encourage the recruitment of manpower from the surrounding area.

## Social and environmental support

### Promotion of local development (G4-S01)

Through its activity, X-ELIO enables greater and better development in rural regions through the generation of clean energy.

Depending on the location and characteristics, X-ELIO's facilities consider and incorporate economic, social and environmental impacts from the outset, through various mechanisms such as environmental impact studies, the requirements established by investors (Equator Principles), the obligations derived from the energy plans of each country, and/or through the various mechanisms established in local regulations.

Various consultation projects are likewise staged, to give local communities the opportunity to take part in the process, while also allowing the company to identify their needs.



These analyses help to devise strategies to prevent and/or mitigate the possible impacts detected, including the undertakings given to local communities and oversight programmes to monitor the different issues identified, serving to safeguard the rights of communities by incorporating within projects the key local issues.

In order to underpin the company's contribution to society, various partnership agreements have been established with non-profit organisations (see indicator G4-15), while corporate initiatives are also undertaken. In addition, at the local level initiatives are also undertaken with a focus on improving the quality of life of the local community.

Below are summarised the main local programmes and initiatives developed in 2015 in 36% of the countries where the company has a presence (G4-SOI).



- + Support for victims of xenophobia in South Africa.

In response to the violent disturbances that caused the death of five people and the displacement of more than 7,000 as a result of xenophobic attacks by South Africans against Africans from neighbouring countries in April 2015, the X-ELIO facilities in the country managed to raise 50,000 ZAR. The funds were allocated to the victims and charitable projects launched by the Gift of Givers organisation to combat xenophobia, potentially affecting the more 5 million Africans from other countries who reside in South Africa.



- + X-ELIO collaborates with local communities where operates.

### South Africa

- + Support for education and sports to improve the quality of life and development opportunities of young people in the towns of Prieska and De Aar.
- + Contribution to the development of local small businesses through financial support, training and consultancy. One good example would be the Mamma Mimi's project, offering the participants the tools and know-how required to set up bakeries.



## Honduras

- + Social audits and Community relations Plan.
- + Infrastructure improvement plan in the municipality of Marcovia (2014-2016): intended to improve the access highway to the municipality, a wall adjacent to a school, and construction of a water supply tank (G4-EC7).

## Spain

- + Healthy lifestyle campaign: awareness-raising campaign among employees, produced in collaboration with the Juan XXIII Foundation, which was responsible for handing out organic juice and mandarin oranges to all employees.



## Chile

- + Weather station: Construction and maintenance of a weather station in the Atacama Desert, with the data being transferred to the GEN Corporation for research purposes.

## Promotion of education and sport in South Africa

In South Africa, X-ELIO prioritises the promotion of training and sport among young people, in the belief that both aspects help to make a difference, and are responsible for encouraging local, long-term economic sustainability. The initiatives undertaken include in particular:

- + **Dreamfields:** This project promotes the setting up of football and basketball teams in rural areas, in cooperation with the South African Department of Education and local primary schools. The venture involves funding for sports equipment, administration of the "Dream Leagues", in which the various schools compete, and the creation and maintenance of all pictures at the schools.



- + **Back 2 School:** This project aims to improve the quality of life of underprivileged children in the town of Siyathemba in South Africa, by giving out shoes to primary school pupils. Most of these pupils are from unemployed families dependent on state aid. The aim of this campaign is to increase positivity and confidence among the beneficiaries and promote their development. In 2015, thanks to funding from the company 124 pairs of shoes were distributed across the four schools in the town.
- + **Granting of bursaries for professional training and higher education:** In 2015, X-ELIO awarded training bursaries to 14 young people in underprivileged areas in the town of Siyathemba to allow them to continue their studies. These bursaries will be maintained in 2016 for those students who have not completed their studies, and the number will be increased.

## Prevention and mitigation of negative impacts

Meanwhile, X-ELIO is aware that there are or could be certain aspects of its activity with a negative impact on the environment and local communities. However, to mitigate and prevent these, numerous prevention/mitigation measures have been defined, as detailed below. (G4-SO2)

Impact (potential or real)	Preventive/corrective measures
Landscape impact	<ul style="list-style-type: none"> <li>+ Selection of sites with limited sight lines (less visible from other points) as far as possible.</li> <li>+ Replanting of site boundaries, creating “green screens”, helping to integrate the photovoltaic facility within the surrounding landscape.</li> </ul>
Generation of dust and noise (in the construction phase only)	<ul style="list-style-type: none"> <li>+ Measurement of particles and dust emitted, and control of levels through watering of the terrain.</li> <li>+ Concentration of the use of heavy machinery during daytime hours to reduce disturbance levels.</li> </ul>
Impact on soil and water conditions	<ul style="list-style-type: none"> <li>+ Conservation of the surface layer of the topsoil during earthmoving. Subsequent conditioning is then employed, to preserve soil fertility.</li> <li>+ Control of erosion: measures to preserve the natural drainage of the soil to avoid run-off impacts as far as possible, while avoiding work during periods of intense rain to limit sediment erosion.</li> </ul>
Impact on flora and fauna	<ul style="list-style-type: none"> <li>+ Selection of sites in areas of low biological value, reducing the impact on protected species or those of special interest.</li> <li>+ Reforestation and monitoring of wildlife in accordance with local authority criteria.</li> </ul>
Social and archaeological impact	<ul style="list-style-type: none"> <li>+ Social studies performed in those areas so requiring, establishing open dialogue with the local community.</li> <li>+ Study prior to the construction of the facilities to avoid impacts on archaeological remains of interest.</li> </ul>

+ X-ELIO establish mechanisms to mitigate the negatives impacts.



## Relations with public authorities

X-ELIO collaborates with public authorities on an altruistic basis, establishing relationships with local and regional authorities with complete transparency, in accordance with the guidelines set out in the Code of Ethics.

Meanwhile, the company believes that involvement in associations and bodies plays an important role, by allowing it to keep abreast of trends, take part in consultations, studies and working groups within the sector, and to contribute to the creation of a reference framework. The sectoral associations to which the company belongs are detailed under indicator G4-16.

As for grievances regarding social impacts, it should be emphasised that none were received or resolved in 2015 (G4-SO11).

## Opening of the Marcovia facility in Honduras

On 3 June, Ebal Díaz, Secretary of the Council of Ministers of Honduras, cut the ribbon on the Marcovia facility, X-ELIO's new photovoltaic plant.

The plant represents an investment of more than 90 million dollars, and in its construction phase generated some 3000 direct and indirect jobs.

It is estimated that in its operational phase, the Marcovia facility will generate 93 GWh per year, supplying 45 thousand households and serving to avoid the emission of 43,000 tonnes of CO<sub>2</sub> into the atmosphere, while also generating 40 stable jobs.



## Opening of the Fukuroda facility in Japan

On 18 September the new photovoltaic solar power plant in Fukuroda, Japan was opened.

The project is the first to be completed by the company in the country, with annual output estimated at 37,000 MWh/year, reducing emissions by 24,000 tonnes of CO<sub>2</sub>/year.



The ceremony was attended by government representatives from Ibaraki prefecture along with the Spanish Embassy in Japan, and various companies that collaborated in execution of the project. X-ELIO was represented by Jorge Barredo, CEO of Gestamp Solar and Keji Yasuoka, Country Manager for Japan & Asia.

## Material aspects: Environmental Dimension

Following the materiality analysis conducted and described in the general basic content (G4-18, G4-19, G4-20 and G4-21) the most significant aspects connected with the company's environmental management are:

Subject	General matters of particular interest	Groups that consider the aspect material
Environment	Environmental management plan	<b>Internal:</b> CEO and Undertakings given. <b>External:</b> Sector, Employees, Clients and Suppliers.
	Climate change and emissions	<b>Internal:</b> CEO and Senior Management. <b>External:</b> Employees and Others.

Over the course of the chapter, the management and initiatives of X-ELIO connected with these aspects are presented.





# Environmental Dimension

## Environmental performance

G4-DMA

X-ELIO is committed to respect for and conservation of the environment. It therefore has in place appropriate resources in order to operate efficiently and responsibly, managing clean and renewable energy projects.

X-ELIO has implemented a rigorous environmental management system in accordance with standard UNE-EN ISO 14001:2004 for “photovoltaic solar energy facility design, construction and commissioning” activities. It also complies with the obligations derived from the regulations in force, environmental impact studies and operational/activity licences.

The company extends this commitment to its value chain, including environmental criteria in its material purchase contracts and the selection of contractors.

On a supplementary basis, it collaborates with of the authorities and local communities in the areas where it has a presence, offering support in social and environmental matters.



## Environmental management

X-ELIO measures and analyses consumption, emissions, waste and discharges in its maintenance and construction activities to analyse their efficiency, and thereby establish periodic improvement objectives helping to minimise its environmental impact.

Below are set out the main results for the 2015 financial year:

### Raw materials consumed

The management and acquisition of raw materials is concentrated in the initial phase of the construction process.

Of the three construction projects, Fukkuroda (Japan) and Marcovia (Honduras) have already completed this phase, and so reveal no significant consumption of raw materials corresponding to them, and we therefore only have significant data for the Iwate facility in Japan.

Below is set out the estimate for the consumption of raw materials at Iwate (Japan).

Raw materials consumption 2015 (Tons)	
Steel	5,699.4
Silica	123.9
Aluminium	2,354.1
Cooper	117.71
Aggregates	1,652

The data have been estimated in accordance with the characteristics of the facility and the megawatts installed.

### Water consumption

A distinction is made between the operation and construction phases for water consumption.

In the construction phase water is used mainly for the watering of tracks, and to a lesser extent for wash-room use. In 2015 the consumption registered at the Marcovia (Honduras) and Iwate (Japan) facilities amounted to a total of 1,111 m<sup>3</sup>.

In the maintenance and operation phase, the water is mainly for industrial use, and to a lesser extent for washrooms. It is used for the cleaning of solar panels and for the elimination of particles (dust, pollen, etc.) that are deposited on the surface and reduce performance. In 2015, this consumption corresponded to 2,717 m<sup>3</sup>.



## Waste

The Environmental Management System sets out in its procedures the guidelines to be followed for the production, segregation, management, monitoring and measurement of the waste produced at the facilities and offices.

The most significant waste is that generated in the construction phase, as detailed in the following table.

Hazardous waste (t)*		On-hazardous waste (t)*	
Asbestos	30.0	Construction and demolition waste	3,542.0
Contaminated land	2.1	Wood and forest residues	59.3
		Paper and carton	84.1

\*Data from Iwate and Marcovia

In addition, 3,054 m<sup>3</sup> of non-hazardous sludge and 1.2 kg of aerosols were generated.



## Environmental expenses and grievances

In 2015 X-ELIO's main environmental expenses resulted from consultancy and audit activities (maintenance of the management systems, environmental impact studies, monitoring plans and measurement of the facilities), estimated at €23,000 (G4-EN31).

In 2015 no significant fines or monetary penalties as a result of a breach of environmental regulations and legislation were recorded (G4-EN29).

## X-ELIO and climate change

### Risks and opportunities

(DMA & G4-EC2)

Climate change represents a pressing threat with potentially irreversible effects for the planet. It is a clear fact that in order to arrest its advance, we must implement all available mechanisms and achieve cooperation by all countries.

Towards the end of 2015, Paris staged the 21<sup>st</sup> United Nations Climate Change Summit (COP 21). This legally binding agreement brings together for the first time a global commitment to "hold the increase in temperatures below 2 degrees compared with pre-industrial levels and pursue efforts to limit the increase to 1.5 degrees". So as to achieve this goal, global CO<sub>2</sub> emissions will need to be reduced by 2020 or 2025 at the latest, and halved by 2050.

Following COP21, most of the world's governments will be increasing flows of finance to achieve development that generates low Greenhouse Gas (hereinafter, GHG) emissions, which will undoubtedly speed up the transformation of the energy sector and lead to a ramping up of investments in renewable energies. In this case the countries with the strongest economies are, in general terms, at the forefront of GHG reduction, not only because they have a higher level of emissions, but also because they are more dynamic.

## X-ELIO addressing climate change

X-ELIO, as a developer and generator of photovoltaic energy, helps to mitigate the causes of climate change since it generates practically no CO<sub>2</sub> emissions. Meanwhile, photovoltaic energy is inexhaustible, and does not depend on other finite resources such as fossil fuels, it promotes social and economic development, improves access to energy and guarantees supply in remote areas.

It likewise contributes to fulfilment of the Sustainable Development Goals and the Principles of the Global Compact, connected with the adoption of urgent measures to combat climate change and its effects.



Below are summarised the main indicators as regards climate change.

## Emissions

The estimate of its CO<sub>2</sub> emissions is based on the Green House Gas (GHG) Protocol standard, the reference point being the emissions factors of the International Energy Agency (2013).

### Direct emissions (scope 1)

(G4-EN15)

Solar radiation is the origin of the X-ELIO production process, and so it has no direct emissions derived from this (G4-EN15).

### Indirect emissions (scope 2)

(G4-EN16)

Emissions generated at the electricity generation plants as a result of the consumption of the facilities and offices (G4-EN16).

### Other indirect emissions (scope 3)

(G4-EN17)

Scope 3 is calculated at a total of 1,176 tonnes of CO<sub>2</sub> (G4-EN17), estimated for the following aspects:

- + Travel by employees to their places of work. The calculation was performed by means of the transport survey conducted in 2014, and the number of employees in 2015. This resulted in an estimate of 110 tons of CO<sub>2</sub> emissions.
- + Emissions derived from corporate plane travel: 1,063 t of CO<sub>2</sub>
- + Travel by train (including only Spain): 3 tons of CO<sub>2</sub> (G4-EN30).



X-ELIO, as a developer and generator of photovoltaic energy, helps to mitigate the causes of climate change.

	Power consumption (GJ)*	Production of CO <sub>2</sub> emissions (ton)*
X-ELIO Spain	4,926	398
X-ELIO Italy	1,944	217
X-ELIO Japan	749	103
X-ELIO South Africa	1,540	372
X-ELIO USA	454	63
X-ELIO Honduras	799	82
X-ELIO Peru	2,372	196
<b>Total</b>	<b>12,784</b>	<b>1,431</b>

\* Operational scope. The percentage of propriety is not considered.



## Other emissions

This section includes ozone-depleting substances and emissions of dust and particles as a result of the solar facility construction phase.

- + As regards ozone-depleting substances, they are present at substations to which the X-ELIO facilities feed their energy, which use the gas SF6 as insulation. This gas is found in confined circuits that are strictly supervised to avoid any leaks. There was no recharge of SF6 in 2015 (G4-EN20).
- + As regards emissions of dust and particles (G4-EN21), controls are only established in the construction phase, corresponding in 2015 to the Honduras and Japan facilities, as summarised below:

- Emissions derived from earthmoving: the tracks are watered to mitigate this.
- Emissions derived from vehicles/machinery: the machinery and vehicles are subjected to monitored regulatory servicing to mitigate this.

In Japan, earthmoving was extremely limited, and given the climate conditions the watering of tracks was not required. Only emissions from machinery and vehicles were monitored, all these being subcontracted.

X-ELIO contributes to fulfill the X-ELIO contribute to meet Sustainable Development Goals and the Global Compact Principles.



## Emissions avoided

As energy is generated without emitting CO<sub>2</sub> directly into the atmosphere, X-ELIO's activity is in itself a means of contributing to the reduction of greenhouse gas emissions.

In 2015, 1,352,377 GJ of renewable energy were generated, avoiding the emission into the atmosphere of 160,925 tons of CO<sub>2</sub> (G4-EN19).

	Renewable energy produced (GJ)*	Avoided CO <sub>2</sub> emissions (ton)*
X-ELIO Spain	380,977	30,796
X-ELIO Italy	134,947	15,069
X-ELIO Japan	46,350	6,399
X-ELIO South Africa	215,643	52,054
X-ELIO USA	116,504	16,278
X-ELIO Honduras	123,084	12,684
X-ELIO Peru	334,872	27,627
<b>Total</b>	<b>1,352,377</b>	<b>160,907</b>

\* Operational scope. The percentage of propriety is not considered.

## Clean Development Mechanisms

X-ELIO is involved in the development of projects in developing countries in cooperation with developed countries, contributing to the goal of CO<sub>2</sub> emissions reduction and transfer of clean technologies to other countries under the "Clean Development Mechanisms" (CDM) scheme.

As of 31 December 2015, the following solar facilities in which X-ELIO holds an equity stake had been registered with the United Nations.

Country	Plant	Power	t CO <sub>2</sub> eq.
Peru	Panamericana	20 MW	36,513
Peru	Tacna Solar	20 MW	34,006
South Africa	De Aar	10 MW	18,115
South Africa	Prieska	20 MW	38,314

## Intensity of emissions

(G4-EN18)

X-ELIO believes that measuring the intensity of emissions is a good way of tracking efficiency and the impact of its installations.

This indicator is calculated by taking as the common denominator the GJ of renewable energy produced by the company in each country, and as the numerator emissions corresponding to internal consumption (scope 2).

The table below sets out the results obtained:

	Emissions intensity (tCO <sub>2</sub> eq / Produced GJ)
X-ELIO Spain	0.081
X-ELIO Italy	0.112
X-ELIO Japan	0.138
X-ELIO South Africa	0.241
X-ELIO USA	0.140
X-ELIO Honduras	0.103
X-ELIO Peru	0.083
<b>Total</b>	<b>0.119</b>



## Part III Annexes

Independent Review Report. [Page 72](#)

GRI G4 Content Index. [Page 73](#)

Contents based on the Principles of the United Nations Global Compact. [Page 79](#)

Scope considered for the elaboration of this Sustainability Report. [Page 80](#)

# Independent Review Report



## INDEPENDENT REVIEW REPORT ON X-ELIO 2015 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 X-ELIO ENERGY, S.L:

### **Scope**

We have reviewed the contents of X-ELIO ENERGY, S.L. (hereinafter called X-ELIO or "Society") 2015 Sustainability Report and in the GRI G4 Content Index included as an Annex.

The scope determined by X-ELIO for the preparation of this report is defined in Annex, inside Section "Scope considered for the elaboration of the Sustainability Report" of the 2015 Sustainability Report (hereinafter, the Report).

The Report was prepared based on the Sustainability Reporting Guidelines issued by Global Reporting Initiative (GRI) version 4 (G4).

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

### **Criteria**

Our review was carried out based on:

- The Guidelines for reviewing Corporate Responsibility Reports, issued by the Official Register of Auditors of Accounts (ICJCE).
- Standard ISAE 3000, "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 X-ELIO'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 reporting 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 X-ELIO's policies, relationships and commitments acquired with stakeholders.
- 3) Analysis of the adaptation of the structure and content of the Report as indicated in G4 Global Reporting Initiative (GRI).
- 4) Test, on a sample basis, of the quantitative and qualitative information of the indicators included in the GRI G4 Content Index, incorporated as an Annex in the Report, as well as its adequate compilation from data supplied by information sources. The review tests have been defined in order to provide assurance level as described before.

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 sustainability information published in X-ELIO's Report with the above mentioned 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 the review of sustainability information included in the 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 according to the guidelines included in the Global Reporting Initiative Preparation Guide (version G4) for Sustainability Reports, having reviewed the indicators included in the Annex.

This Report has been prepared solely for the management of X-ELIO, in accordance with the terms set out in our engagement letter.

ERNST & YOUNG, S.L.

(Signed on the original in Spanish on 2nd August, 2016)



# GRI G4 Content Index

External verification: The contents of this index have been externally verified by the independent entity EY. The related independent review report for verification can be found in the Annex of this document.

## Part I. General Standard Disclosures

Description

### 1. Strategy and analysis

	Page	Omissions
G4-1	8-11	
G4-2	12-15	

### 2. Organizational profile

	Page	Omissions
G4-3	16	
G4-4	17	
G4-5	17	
G4-6	17	
G4-7	17	
G4-8	17- 18	
G4-9	18	
G4-10	18	
G4-11	19	
G4-12	19	
G4-13	20	
G4-14	20	
G4-15	20-21	
G4-16	21	





### 3. Identified material aspects and boundaries

	Page	Omissions
G4-17	22	
G4-18	22-23	
G4-19	23-25	
G4-20	23-25	
G4-21	23-25	
G4-22	25	
G4-23	25	

### 4. Stakeholders engagement

	Page	Omissions
G4-24	26	
G4-25	26	
G4-26	26-27	
G4-27	22-25	

### 5. Report profile

	Page	Omissions
G4-28	28	
G4-29	28	
G4-30	28	
G4-31	28	
G4-32	28	
G4-33	28	



## 6. Governance

	Page	Omissions
G4-34	29	
G4-35	29	
G4-36	29	
G4-37	30	
G4-38	30	
G4-39	30	
G4-40	30	
G4-41	30	
G4-42	31	
G4-43	31	
G4-44	31	
G4-45	32	
G4-46	32	
G4-47	32	
G4-48	33	
G4-49	33	
G4-50	34	
G4-51	34	
G4-52	34	
G4-53	34	
G4-54	34	Information not available due to the absence of homogeneous measurement methodologies and to confidentiality. It will be reported in 2017.
G4-55	34	Information not available due to the absence of homogeneous measurement methodologies and to confidentiality. It will be reported in 2017.

## 7. Ethics and integrity

	Page	Omissions
G4-56	35	
G4-57	35	
G4-58	35	

## Part II. Specific Standard Disclosures

### Economic Dimension

#### 1 Financial management

Basic specific contents	Information about management approach and indicators	Page	Omissions
Economic Performance	DMA	39-42	
	G4-EC1	43	
	G4-EC2	66	
	G4-EC3	50	Partial information due to its little relevance.
	G4-EC4	43	

#### 2. Ethics, anti-corruption, risk management and compliance

Basic specific contents	Information about management approach and indicators	Page	Omissions
Anti-corruption	DMA	44	
	G4-SO3	45	
	G4-SO4	44-45	
	G4-SO5	44	
Anti-competitive Behavior	DMA	44	
	SO7	45	
Compliance	DMA	44	
	SO8	45	
	PR9	45	
Grievance Mechanisms	DMA	44	
	G4-EN34	45	
	G4-LA16	45	
	G4-HR12	45	

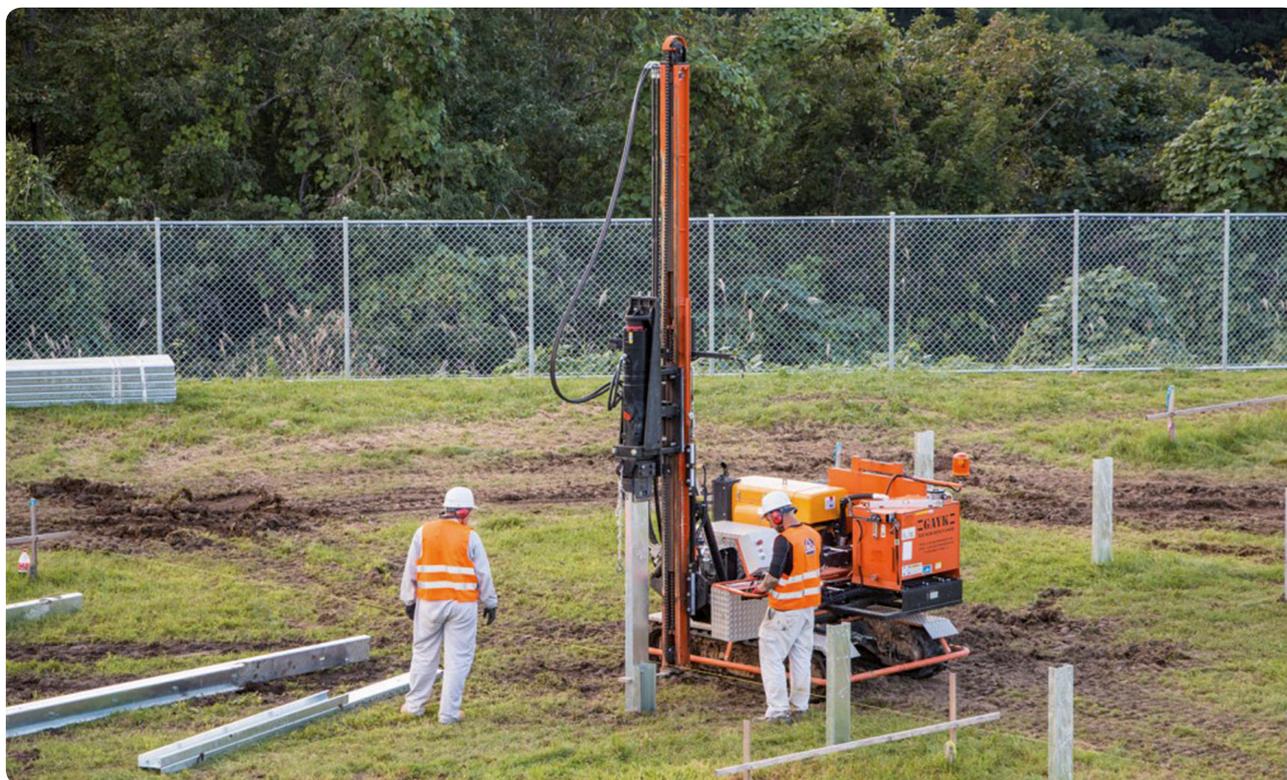
# Environmental Dimension

## 1. Environmental management

Basic specific contents	Information about management approach and indicators	Page	Omissions
Compliance	DMA	65	
	G4-EN29	66	
Overall	DMA	65	
	G4-EN31	66	

## 2. Emissions and Climate Change

Basic specific contents	Information about management approach and indicators	Page	Omissions
Emissions	DMA	66	
	G4-EN15	67	
	G4-EN16	67	
	G4-EN17	67	
	G4-EN18	69	
	G4-EN19	69	
	G4-EN20	68	
	G4-EN21	68	



# Social Dimension

## 1. People and work

Basic specific contents	Information about management approach and indicators	Page	Omissions
Occupational Health & Safety	DMA	52	
	G4-LA5	54	
	G4-LA6	56-57	
	G4-LA7	53	
	G4-LA8	-	Not applicable. There is no legal obligation to hold a formal health & safety committee. All questions/suggestions of employees are collected and studied.

## 2. Comunidad local

Basic specific contents	Information about management approach and indicators	Page	Omissions
Indirect Economic Impacts	DMA	57	
	G4-EC7	60	
	G4-EC8	57	
Procurement Practices	DMA	58	
	G4-EC9	58	
Diversity and Equal Opportunity	DMA	58	
	G4-LA12	58	
Local Communities	DMA	59	
	G4-SO1	59-61	
	G4-SO2	62	
Grievance Mechanisms for Impacts on Society	DMA	63	
	G4-SO11	63	





# Contents in relation to the Global Compact Principles

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

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

## Scope considered for the elaboration of this Sustainability Report

The scope considered by X-ELIO for the elaboration of this Sustainability Report 2015 matches the financial consolidation scope, which includes the following companies:

Subsidiary/ Associated company	Country
<b>SPAIN</b>	
Parque Solar La Robla, S.I.	Spain
Vostock Solar Projects, S.I.	Spain
Tahoe Solar Investments, S.I.	Spain
Pacific Desarrollos Solares, S.I.	Spain
Tequi Solar 2, S.I.	Spain
Parque Solar Paramo, S.I.	Spain
Calaspasol 1, S.I.u.	Spain
X - Elio 2007, S.I.	Spain
Fuente Alamo Energia Solar 1, S.I.	Spain
Fuente Alamo Energia Solar 2, S.I.	Spain
X - Elio Mantenimientos, S.I.	Spain
Calaspasol Energia 2, S.I.	Spain
Exelio Energy Trading, S.I.	Spain
Ga Solar Real Estate Energy, S.I.	Spain
X - Elio Zener, S.I.	Spain
Saelices El Chico Solar, S.I.	Spain
Muelas Del Pan Solar, S.I.	Spain
Photosolar Medina 3, S.I.	Spain
Photosolar Medina 4, S.I.	Spain
Photosolar Medina 9, S.I.	Spain
Photosolar Medina 10, S.I.	Spain
Photosolar Medina 11, S.I.	Spain
Fuente Alamo Termosolar, S.I.	Spain
Calasparra Sol De Murcia, S.I.	Spain
Huerto Solar La Mudarra, S.a.	Spain
Mursolar 4, S.I.	Spain
Mursolar 6, S.I.	Spain
Mursolar 14, S.I.	Spain
Mursolar 17, S.I.	Spain
Mursolar 19, S.I.	Spain
Mursolar 20, S.I.	Spain
Mursolar 22, S.I.	Spain
Mursolar 24, S.I.	Spain
Exelio Energy Salvador, S.I.	Spain
X - Elio Andaltia Murcia, S.I.	Spain
Mursolar 28, S.I.	Spain
Mursolar 29, S.I.	Spain
Mursolar 30, S.I.	Spain
Tejeda Solar, S.I.	Spain
Garnock Spain, S.I.	Spain
Glenavon Spain, S.I.	Spain

Subsidiary/ Associated company	Country
<b>CHILE</b>	
X - Elio Chile, S.p.a	Chile
X - Elio Chile I, S.p.a	Chile
Fotovoltaica Norte Grande 1 Spa	Chile
Fotovoltaica Norte Grande 2 Spa	Chile
Fotovoltaica Norte Grande 3 Spa	Chile
Fotovoltaica Norte Grande 4 Spa	Chile
Fotovoltaica Norte Grande 5 Spa	Chile
Fotovoltaica Norte Grande 6 Spa	Chile
Fotovoltaica Norte Grande 7 Spa	Chile
<b>DOMINICAN REPUBLIC</b>	
San Cristobal Solar Ev Sa	Dominican R.
<b>FRANCE</b>	
X - Elio France, Sas	France
Gestamp Solar France 1, Sas	France
<b>ITALY</b>	
X - Elio Italy S.r.l.	Italy
X - Elio Asi Ree 1, S.r.l.	Italy
Gasi 7, S.r.l.	Italy
Gasi 8, S.r.l.	Italy
Gasi 11, S.r.l.	Italy
Gasi 22, S.r.l.	Italy
Gasi 41, S.r.l.	Italy
Gasi 47, S.r.l.	Italy
Gasi 53, S.r.l.	Italy
Gasi 54, S.r.l.	Italy
Gasi 55, S.r.l.	Italy
Gasi 57, S.r.l.	Italy
Gasi 59, S.r.l.	Italy
Gesi 1, S.r.l.	Italy
Gesi 2, S.r.l.	Italy
Gesi 3, S.r.l.	Italy
Gesi 10, S.r.l.	Italy
X - Elio Bonassisi, S.r.l.	Italy
Isis, S.r.l.	Italy
X - Elio Emena, S.r.l.	Italy
<b>INDIA</b>	
Gestamp Solar India, Plc	India
<b>SOUTHAFRICA</b>	
Mullio Renewable Energysolar Pv Prieska (Pty) Ltd	Southafrica
Mullio Renewable Energy Solar Pvde Aar (Pty) Ltd	Southafrica
X - Elio South Africa , Ltd	Southafrica
X - Elio Contracting, Ltd	Southafrica
Coria (Pkf) Investment 3	Southafrica
Gestamp Prieska Pv2 Pti Ltd	Southafrica

Subsidiary/ Associated company	Country
<b>JAPAN</b>	
X - Elio Japan, Kk	Japan
Gestamp Greenquest1 G.k (Gasja 1)	Japan
Gasja 2, G.k.	Japan
Gasja 3, G.k.	Japan
Gasja 4, G.k.	Japan
Gasja 5, G.k.	Japan
Gasja 8, G.k.	Japan
X - Elio 10 G.k.	Japan
X - Elio 11 G.k.	Japan
X - Elio 12 G.k.	Japan
X - Elio 9, G.k	Japan
X - Elio 13, G.k.	Japan
X - Elio 14, G.k.	Japan
X - Elio 15, G.k.	Japan
Gasja 16, G.k.	Japan
<b>USA</b>	
X - Elio North America, Inc.	USA
Gasna 5, Llc (Red Bluff)	USA
Gasna 8, Llc (Paso Robles Solar Llc - Meridian)	USA
Gasna 12, Llc (Ladwp)	USA
Gasna 14, Llc (Williamstown Solar)	USA
Gasna 16, Llc (Joya Del Sol)	USA
Gasna 18, Llc (Convention Center)	USA
Gasna 19, Llc (Irradia Morovis)	USA
Gasna 40, Llc (City Of Escondido)	USA
Gasna 51, Llc (Santander Ses Proj. Sepv1 & Sepv2)	USA
Gasna 58, Llc (Svep Solar Project Company Llc)	USA
Gasna Usa Procurement, Llc	USA
X - Elio Development Puerto Rico, Llc	USA

Subsidiary/ Associated company	Country
<b>BRAZIL</b>	
Lagoa Energia Solar S.A.	Brazil
<b>MEXICO</b>	
X - Elio Mexico, Sa De Cv	Mexico
Fv Mexsolar I, Sapi De Cv	Mexico
Fv Mexsolar Ii, Sapi De Cv	Mexico
Fv Mexsolar Iii, Sapi De Cv	Mexico
Fv Mexsolar Iv, Sapi De Cv	Mexico
Fv Mexsolar V, Sapi De Cv	Mexico
Fv Mexsolar Vi, Sapi De Cv	Mexico
Gestora De Energia Renovable De Mexico	Mexico
Fv Mexsolar Vii, Sapi De Cv	Mexico
Fv Mexsolar Viii, Sapi De Cv	Mexico
Fv Mexsolar Ix, Sapi De Cv	Mexico
Fv Mexsolar X, Sapi De Cv	Mexico
Fv Mexsolar Xi, Sapi De Cv	Mexico
<b>COSTA RICA</b>	
Renocaste Solar Fv, Sa	Costa Rica
Guanacaste Fotovoltaica Renovable Solar Fv, Sa	Costa Rica
<b>EL SALVADOR</b>	
Tencoluca Solar S.a. De C.v.	El Salvador
San Nicolas Solar S.a. De C.v.	El Salvador
<b>HONDURAS</b>	
Constructora Solar Centroamericana	Honduras
<b>EGYPT</b>	
X - Elio, S.a.e	Egypt
<b>PERÚ</b>	
Energia Fv Peru S.a.c	Peru





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