

X-ELI⊕

Sustainability
Report
2016



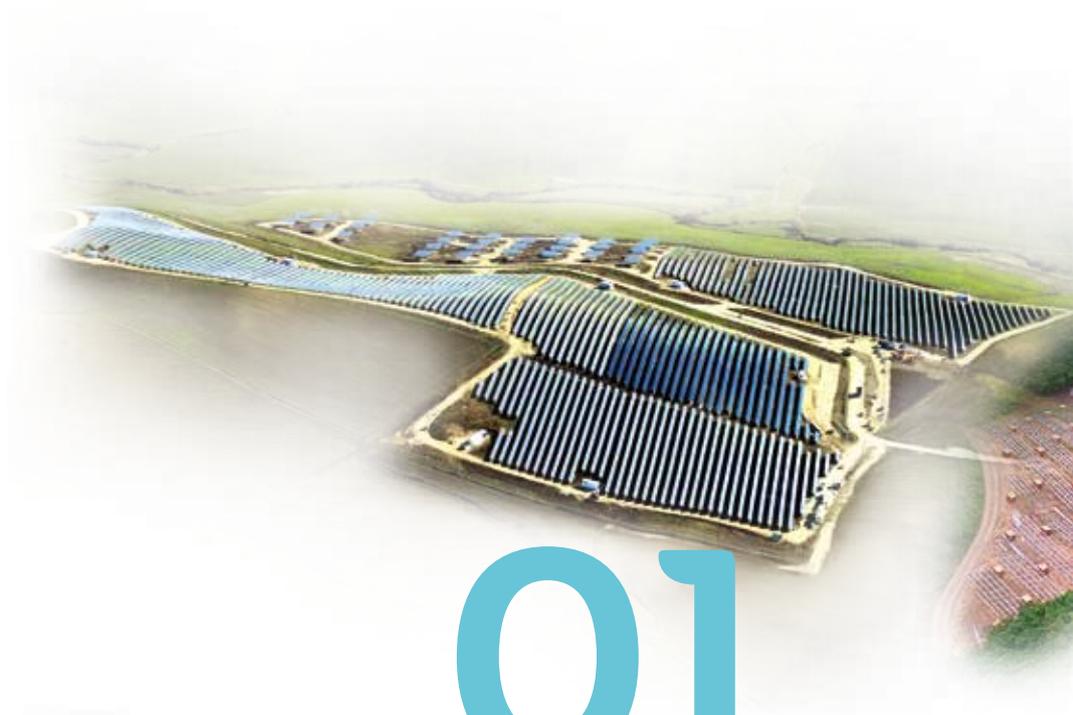
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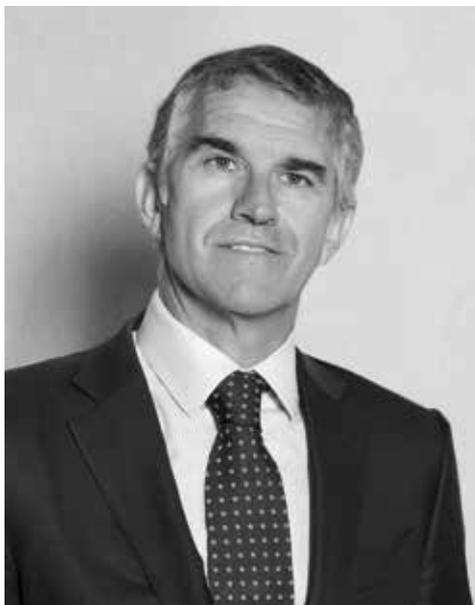


01

General Standard Disclosures

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A Word from the President

Dear readers,

It is my pleasure to introduce the third X-ELIO Sustainability Report, related to the 2016 financial year, which showcases the cornerstones to our model for a responsible and sustainable company through our performance, according to the directives established under the Global Reporting Initiative (G4 version) and the United Nations Global Compact Principles, to which we have renewed our support.

The report content and focus is mainly driven by the interest groups demands and the items which are substantial to X-ELIO, which allows us to develop and integrate our vision and manage them. Such information has undergone an external review by an accredited independent body.

X-ELIO delivers stable growth one more year, as revealed by our economic results, with a turnover by financial year end of 117.6 million Euros.

Speaking of growth, in 2016 we achieved full operational status for the three plants that had commenced construction in the previous year (Fukuroda and Iwate in Japan and Marcovia in Honduras). By year-end, we have a total of 40 operating plants, with a total installed capacity of 277.5 MW that produced 1,638,006 GJ of electricity, thus avoiding 193,930 tons of CO₂ of emissions to the environment.

In the same gist, we have started construction for three new plants: Uribe in Chile and S13 and Hayato in Japan, which will overall increase installed capacity by 107.7 MW, reaching 385 MW by 2017.

At X-ELIO we strive to provide quality and stable employment in all countries where we operate, which is confirmed by having almost 90% of our staff under permanent employment contracts.

Furthermore, we consider internal communication as a key issue. This is why we have introduced a new Intranet that responds to the needs of a global and mobile team. The aim of the new Intranet is to foster internal communication channels, hence crafting a better work environment.

Our work culture includes creating value in the environment in which we operate. In 2016 we have developed new projects and promoted the ones started in the previous year, especially in South Africa, Chile and Honduras, with special attention to the issues related to youngsters' education and small business development, which nourishes the most disadvantaged families.

Finally, I wish to thank the commitment, effort and dedication of more than 180 professionals that are part of X-ELIO and work every day so that our company becomes an industry benchmark.

Jon Riberas Mera
President



G4-1

A Word from the CEO

For the third year in a row, I am thrilled to present X-ELIO Sustainability Report corresponding to financial year 2016, which encapsulates our progress in the economic, social and environmental areas and responds to the concerns from our interest groups.

Throughout the financial year, we have been immersed in a global environment that is slowly overcoming the deep crises that characterized the world economy in recent years. In parallel, society increasingly requests changes in order to contribute to achieve a more sustainable future, where renewable energy plays a critical role and contributes to fight climate change.

In this area, I would like to highlight the United Nations Sustainable Development Summit held on September at New York, which approved the Sustainable Development Goals (SDGs), aiming to improve disadvantaged people lives and protect the planet. In this sense, and due to the nature of our activity, we have focused our efforts on the development of goals number 7 and 13 as they are related to the generation of cleaner and more sustainable energy and the reduction of CO₂ emissions.

Furthermore, the Climate Change Conference (COP22) held in Marrakech, where countries ratified the Paris Climate Agreement, contributes to reinforce the leading role of renewable energies and their importance for the planet future.

At a global level, 2016 was a crucial and changing financial year for X-ELIO. Following the entry of KKR Investment Group who acquired 80% of our organization in December 2015, we have dedicated large efforts to adapt to our new partner's demands and requirements.

From a financial and Strategic point of view, this enabled the availability of significant financial resources and a solid equity to finance development and construction costs for new plants, as well as the acquisition of plants from third parties.

Thus, we are currently present in 9 countries with 40 plants in operation generating 277.5 MW of photovoltaic energy. From X-ELIO, we have continued generating value through the incorporation of new projects such as the addition of 25 MW in Japan and 58 MW in Chile in late January 2017. This represents a 20% increase of energy sales, due to the commissioning of these new plants, as well as the excellent performance of the other operational plants.

Related to this, we commenced construction of two new plants in Japan and started several promotion and development activities for new projects across all six continents. It is therefore worth noting that we have doubled the net cash amount allocated to investment activities within the Group.

Accordingly, the most significant item within the investments in 2016 was the acquisition of fixed assets for the construction of solar plants in South America and Asia. Such investments were financed through Project Finance under very advantageous terms.

This growth also reflects on our headcount, which reached 181 staff, representing a 17.1% increase compared to the previous financial year. Our staff job security and career development is a core priority for us as an organization. To this purpose, we have undertaken a number of changes, including a new HR management team and reinforcing such department with new joiners that allow us to develop several initiatives related to, among others, performance evaluation, travel policies and labor mobility.

In terms of communication, I would like to highlight X-ELIO's new intranet, which responds to the needs from our global team, accustomed to making frequent business trips. It is designed to target the needs from all employees and management, aiming to enhance internal communication channels and, thus, to create a better work environment.

Our IT department has also been strengthened at the time of segregating and adapting the company systems to the new work policy, without altering the staff's daily work.

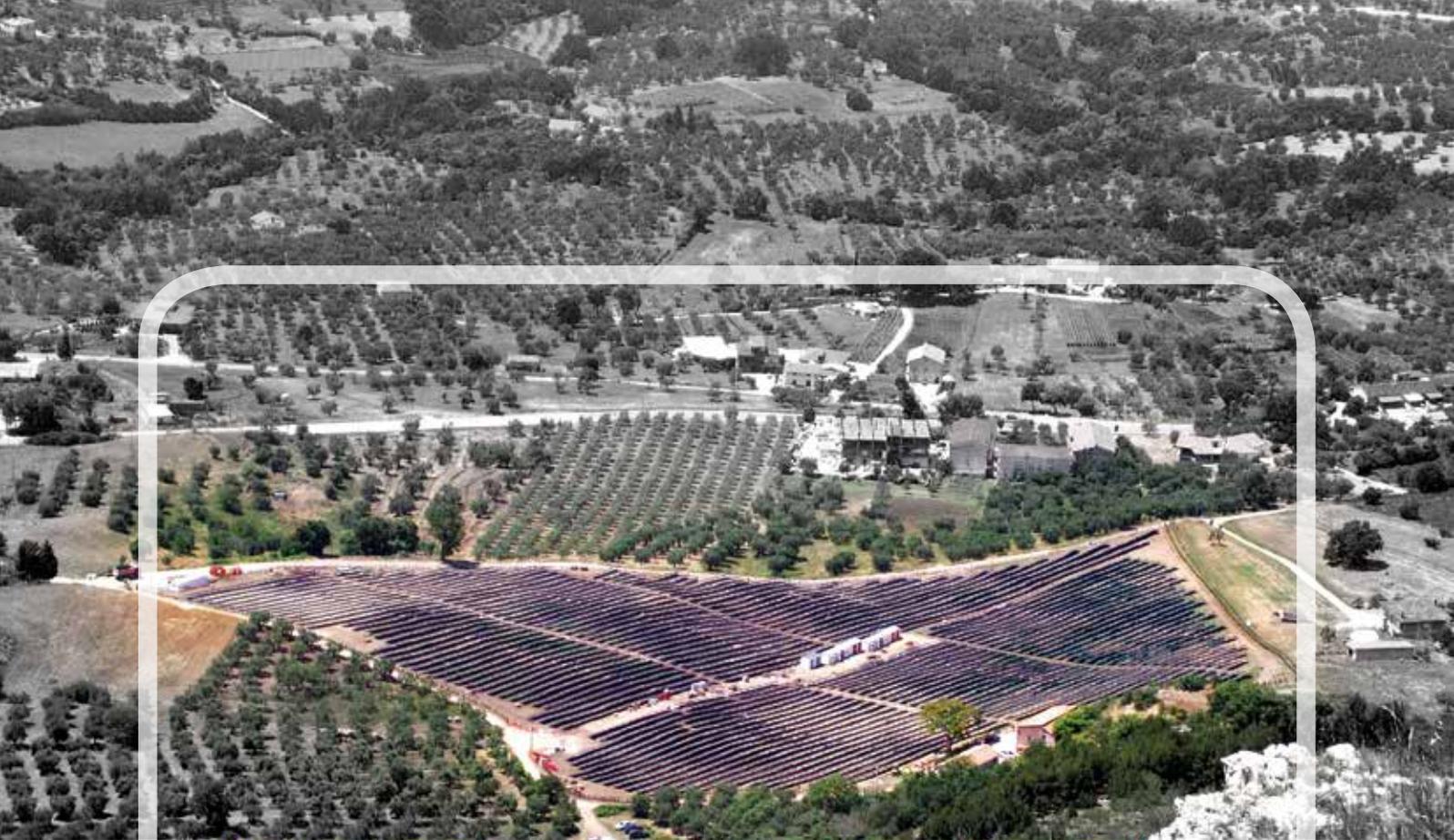
Regarding Health and Safety, we have performed an exhaustive tracking of the accident-related indicators, both internal and within subcontractors. In 2016, we only had one accident with leave of absence; therefore, our indicators are far below the industry average. This reflects our commitment to our staff safety.

At X-ELIO, we consider that creating value for the society is an obligation within the environment in which we operate. Access to renewable energy is affordable, reliable and sustainable and it is critical to boost it in order to end extreme poverty, supply remote areas, increase social equality and contribute to fighting climate change.

Therefore, through our activity, our social action initiatives and the development of the communities where we are present, we demonstrate our commitment to society beyond financial profitability and we contribute to achieve the Sustainable Development Goals.

Lastly, I would like to invite you to read this report to discover our activity and our results for the 2016 financial year, and I acknowledge the work and support from everyone at X-ELIO.

Jorge Barredo
CEO



+ STRATEGY AND ANALYSIS

G4-2

Main effects, risks and opportunities

AT X-ELIO, WE CONTINUE MOVING FORWARD WITH A STABLE AND SUSTAINABLE GROWTH IN MULTIPLE COUNTRIES. THIS IS WHY WE ARE EXPOSED TO SEVERAL INHERENT RISKS DERIVING FROM THE CULTURAL AND LEGAL COMMITMENTS IN THE COUNTRIES WHERE WE OPERATE.

In our activity we consider the possible risks that may arise, adopting the principle of precaution and incorporating the risk management into the business strategy. Below we highlight the most relevant ones:

Operational and reputational risks

Associated to new operations

Under this heading, we consider the possible risks derived from any operation, transaction or inadequate association that may result in a reputational damage to the Company.

Therefore, in order to minimize this risk, at the start of any operation we analyze and identify the possible background, operational and financial risks of the potential partners or collaborators which whom we interact in the process.

This is performed through a deep internal investigation, with the help of "World-Check" tool by Thomson Reuters, which allows us to a detailed access to all public information associated to the companies/persons resulting of interest. The results from this analysis provide a first approach.

In case we finally close an operation with any third party, we conduct a reputational due diligence through a specialized external company. In the execution of this phase we request a formal and firm commitment, which is inserted into the agreements, which includes the acceptance of our Anticorruption Policy.

Derived from Malpractice

In 2015, X-ELIO launched an ambitious Compliance Programme, which develops policies and codes considering the requirements and idiosyncrasy of our American shareholder.

In this context, the Board of Directors approved the Anti-Corruption Policy, the Trade Sanctions Policy, the Competition Code and the new Code of Ethics. Furthermore, the communication channels to attend the complaints and conflicts that may arise are fully operational.

The Anti-Corruption Code, the Trade Sanctions Policy and the Competition Code were fully accepted by the employees. This process was completed with the distribution of the Code of Ethics among all employees. To reinforce these aspects, a staff training process is planned to be launched, which allows us to keep improving.

Besides, for the viability analysis and development in the different countries where we operate or intend to operate, our business mode establishes the methodology to follow to have the information required about the potential development and investment risks.

Mainly for the investment in development countries, when the loans required represent a capital cost of US\$ 50 million or higher, Equator Principles must be fulfilled and we are compelled to inform about the social and environmental impact and risks. In 2016, we have not executed any project that required meeting Equator Principles.

In 2016, according to the type of our services and the companies we subcontract, there was no risk identified related to child labor, threats to the freedom of association or forced labor. (G4-HR4, G4-HR5 and G4-HR6).

Operational risks

For example, competition risks with other renewable and/or conventional technologies, technological or quality failures, management issues, security, etc.

Against these risks, the technological advancement and the increase of power per unit, allow generating more energy with fewer solar panels, while being more versatile, adapting to different surfaces and climatic conditions, therefore reducing its impact. This fact, together with a remarkable reduction in the costs in the last years, makes solar energy even more competitive.

On the other hand, the performance of the solar plants directly depends on the weather conditions, mainly on the quantity and quality of the sun, which cannot be influenced. To minimize this risk, before building any park, detailed area weather studies are undertaken in order to design and direct our facilities.

Likewise, due to its ability to be installed in remote areas, solar energy is an attractive investment to meet the United Nations Sustainable Development Goal (SDG) number 7, on energy and its contribution to the sustainable development in the 2030 Horizon.

Regulatory frame and investment

We operate in those markets that offer a stable regulatory frame, although there is always some uncertainty in this area, regulatory stability is key to attract large investors' interest.

This category encompasses those risks derived from regulatory changes made by different governments, such as the retribution changes for regulated activities, required supply conditions, environmental regulation, tax regulation, etc.

At X-ELIO we minimize this risk by focusing on those markets with a strong energy demand and a more stable and attractive regulatory frame, through a project portfolio in different countries, with access to long-term financing.

This approach allows us to balance these changes, both for operational parks and for the pipeline of future projects. Besides, a number of procedures and controls have been established that allow identifying, measuring and managing the risks derived from the activity with financial instruments.



Financial Risks

To manage risk, X-ELIO uses the business plan review, the study of the relationship between the exposure and the current value of the cash flow projected for an investment, as well as the accounting view that allows the evaluation of the status and the evolution of the different risk situations.

For this purpose, we have established a number of procedures and controls which enable us to identify, measure and manage risks derived from the activity with financial instruments. For the viability analysis and development in the different countries where we operate or intend to operate, the business model establishes the guidelines to follow and the distribution of the required tasks to retrieve all the needed information about the potential development and investment risks.

Below, according to the current accounting regulations, we inform about the financial risks to which the Group activity is exposed to, which mainly are:

Market Risks

Risk of currency exchange fluctuation

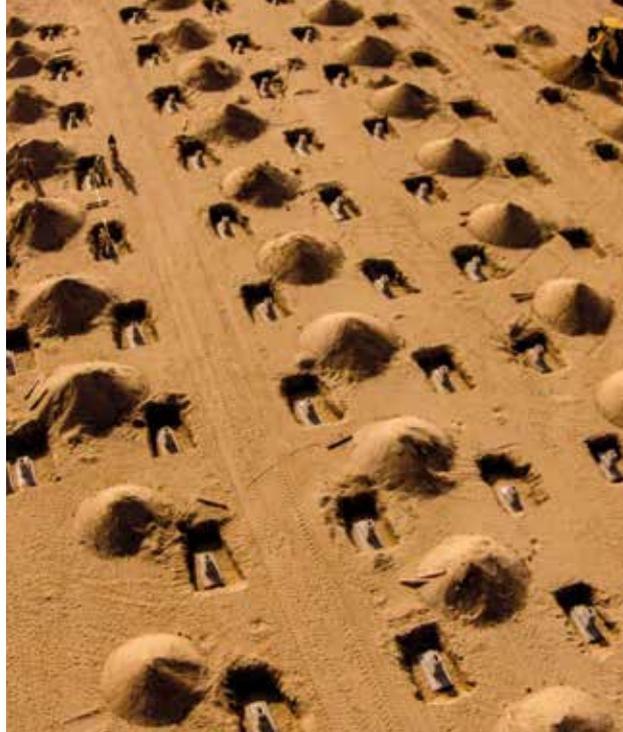
Parity swings of the currency in which a specific operation is made against the accounting currency may impact positively or negatively on the financial year results, specifically impacting on the financial management of the debt. Throughout the 2015 financial year, the impact of the currency swings has not been significant.

The Group operates mainly in Euro currency, although it also does in another number of currencies according to the countries where it is present. The Group financing policy is based on financing its operations in the same currency as the revenue is generated.

To manage the currency exchange fluctuation risk, the Group incorporates the use of a number of financial instruments that in some cases allows for some flexibility; basically, these instruments are the following:

- + **Forward purchase / sale of foreign currency:** This sets a known exchange on a specific date, which can also have a time adjustment to adapt and apply to the cash flows.
- + **Other instruments:** Other derivative hedging instruments may be used, mainly those guaranteeing a maximum and minimum exchange rate (collar or tunnel) on a specific settlement date.

The impact of the currency swings above mentioned during the 2016 and 2015 financial years has not been significant.



Interest rate fluctuation risk

The Group faces a risk regarding its financial indebtedness at variable interest rate, as far as the market fluctuations affect the cash flows. The Group mitigates such risk through the use of interest rates derivative financial instruments, which mainly consist in executing interest rate Swap agreements, which converts the variable interest rate reference in the Group's loans into a fixed reference, either for the full amount or for a partial amount of the loan, and related to the full loan tenor or a part of the loan tenor.

The debt is almost fully issued at variable interest rate and referenced to Euribor/Libor.

Credit Risks

The credit risk is derived from the possible loss caused by the breach of the contractual obligations by the Group counterparts, i.e., the possibility of not recovering the financial assets for their carrying amount within the established timeframe.

Throughout the financial year for which information is presented, the credit limits were not exceeded, and the management does not expect any losses to be incurred due to insolvency.

Liquidity risk

The liquidity risk is defined as the inability for a Company to meet its commitments, as a consequence of adverse situations in the debt and/or equity markets that hinder or prevent the required financing.

The Group manages the liquidity risk by maintaining enough cash available to negotiate in the best possible conditions the replacement of operations approaching their maturity for new ones and face the treasury needs in the short term, therefore avoiding the need to obtain funds under unfavorable conditions.

Environmental risks

The solar parks construction and operation have an environmental impact, mainly on the landscape and the soil condition (vegetation and water conditions).

To minimize this impact, we act from three sides:

- + **Innovation and technological advancement**, as new X-ELIO facilities have a significantly higher power, its rotating modules allow better adapting to the solar position and using less space, with a higher energy generation.
- + **EDuring the construction**, phase, we use a certified Integrated Management System, which allows monitoring and minimizing the environmental impact in this phase, including all required measures to minimize it.
- + The fulfillment of the resolutions in the **environmental impact studies** and the compensation measures for those plants where they are required.

In any case, these impacts are balanced by the generation of energy with very low emissions, the ecosystems restoration plans, the pollution preventions and the adequate waste management.

Safety and health risks

Safety and health is a primary objective for the Company. The model is based on the Integrated Policy for Safety and Health, Environment and Quality, with compulsory compliance and applicable to all professionals, as well as on the achievement of the requirements and obligations set under the Integrated Management System, which includes certification under the OHSAS 18001 standard for the activities of "Design, construction and commissioning".

Security, confidentiality and privacy

After KKR entry at the end of 2015, a carve-out process was started, to separate X-ELIO from Gestamp Renewables, in order to operate as an independent company. Therefore, we have undertaken a number of projects aimed to provide continuity and stability to the information systems, so that the systems detachment would not affect the company day-to-day work.

The IT department undertook several projects for the transfer and takeover for the management of X-ELIO systems at three different levels:

- + **Organizational**: create a new systems department recruiting the required profiles to manage the service.
- + **IT Infrastructure**: acquire and install the required infrastructure to keep offering the different services.
- + **Migration**: execute the Project to transfer the applications and services from the previous infrastructure to the new X-ELIO infrastructure. Additionally, the activity management is gradually transferred to the new organization.

As part of this strategy, there were several improvements, among which stand out: the email service migration together with the cloud platform "Google Apps for Work", the implementation of "SAP Business Planning and Consolidation" module, the development of "SAP Roll outs" in Chile and Japan and the establishment of the commercial software "Mercatus".

In 2017, the main lines of work will focus on continuing the support, through the improvement of the different business lines processes, on strengthening the technical infrastructure for the systems and on the improvement of the protection level of X-ELIO information against cybersecurity risks. All these initiatives are developed in Part 2: Economic Dimension.

Situation in 2016

In 2016, X-ELIO activity faced different risks derived from the countries where it operates, which globally have not had any relevant impact on the financial year results, thanks to the diversification in different markets, among others:

- + The high uncertainty regarding the changes that will arrive with the new United States Government in their policies related to climate change, besides the impact of such policies on Mexico.
- + The volatility of the energy prices, which is reflected on a significant reduction of investments in renewable energy, mainly in the first half of 2016.
- + The high financing costs for private sector investors in developing countries, which requires a high return rate to compensate for these risks.
- + The difficulties to collect the incentives for renewable energy generators in Honduras.
- + The global context of recession, particularly the deceleration in China in the last months.
- + The uncertainty derived from the United Kingdom decision to leave the European Union (Brexit).



+ ORGANIZATIONAL PROFILE

G4-3 & G4-4

Name, brands, most outstanding products and services

WE OPERATE GLOBALLY UNDER THE NAME AND BRAND "X-ELIO".

Our activity is to perform investments in assets and projects aimed to the generation of energy from renewable sources. Therefore, our main product is the solar energy generated by the plants for subsequent sale and commercialization, in the countries where we are present.

The energy generated is injected into the grid to which it is connected. In compliance with good industrial sector practice and the local regulations of the countries where we operate, the operation includes the maintenance of

the evacuation infrastructures: high voltage lines (aerial or underground) and of the substations (transforming or connecting)

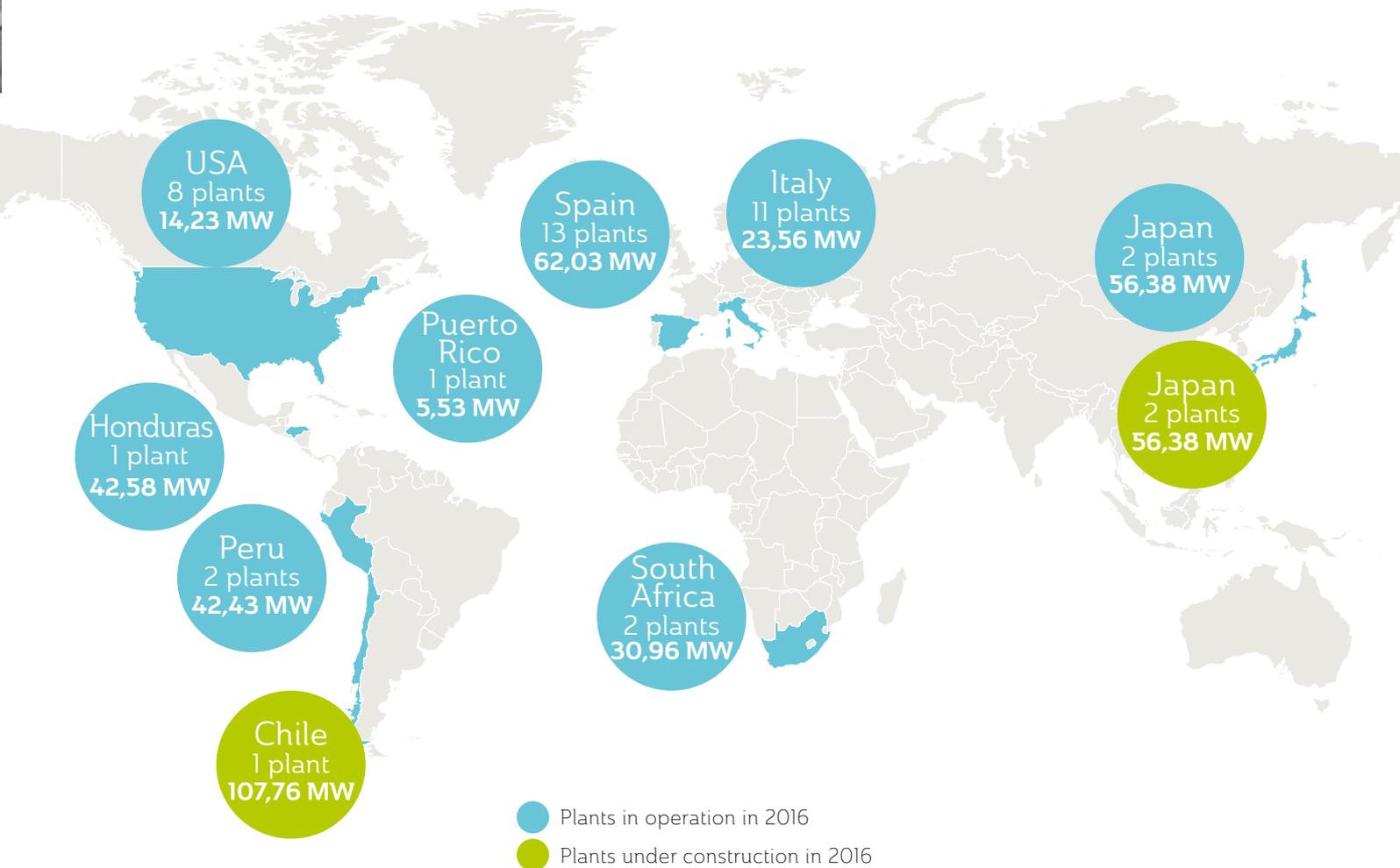
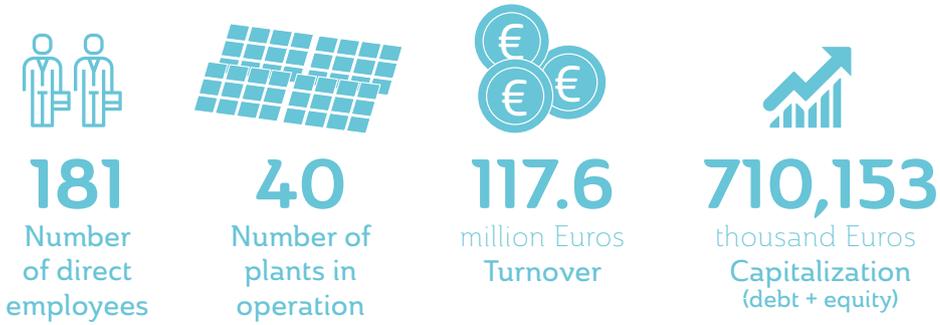
To improve the operation and control in our projects, we have an Integrated Management System (IMS) for the construction activity, certified under ISO 9001, ISO 14001 and OHSAS 28001 standards. Through this IMS, the company measures and monitors its activities and services with several indicators, controlled periodically by the local teams and O&M Engineering.

Likewise, through our Solar Control Center (SCC), we can read in real time more than 10,000 devices, generating more than 9,000 alarms per month (on average, 300 alarms per day) and more than 3.5 daily registers that are archived in our databases every two minutes.

As of 31st December 2016, we have 277.5 MW installed with an energy production of 1,638,006 GJ, which allows to avoid emissions of 193,930 tons of CO₂ into the atmosphere.

G4-4, G4-6 & G4-9

Global presence and main magnitudes



G4-5 & G4-6

Corporate headquarters, presence and relevance

X-ELIO main corporate address is at:
3, Ombú Street, 2nd Floor.
28045 Madrid - Spain

In 2016, we have 40 operational plants spread among Spain, USA, Italy, Peru, South Africa, Honduras, Chile, Puerto Rico and Japan, and we manage the maintenance of 9 plants (3 in Spain and 6 in Italy). We also started the construction for 3 new plants (2 in Japan and 1 in Chile).

In terms of activity, Spain remains to be the most important country regarding installed power, production and number of staff.



G4-7

Shareholding structure and legal form

X-ELIO's corporate structure is summarized below:

80%
AURORA
ENERGY
HOLDING, S.L

20%
GESTAMP
SOLAR, S.L.



G4-8 & G4-9

Markets

X-ELIO generates solar energy in the 9 countries where it operates. Its activities, services and global presence is shown under headings G4-4 and G4-6.

The profile of the customers purchasing the energy produced is mainly made up of electricity generation or distribution companies ("utilities"), energy traders, government or local entities, and large final consumers, who execute long-term bilateral agreements.

Almost all production is directly sold to local government entities (distribution network), except in the USA, where we have some sale agreements directly with final consumers.

G4-10

Staff headcount

Direct employment

In 2016, the staff headcount is made up of 181 professionals scattered in 9 countries. 59% of which are in Spain, where the headquarters are located. Compared to the previous fiscal year, the headcount increased by 17.1%.

The adjoining graph shows the staff spread by country and by gender.

Country	Men	Women	Total
Chile	1	3	4
Spain	70	37	107
Italy	21	4	25
Japan	16	8	24
Mexico	3	2	5
Peru	4	0	4
South Africa	1	4	5
USA	5	2	7

Job security is very important for X-ELIO. During 2016 financial year, 89.5% of staff is under permanent contract and 98.9% is under full-time contracts.

Indirect employment

The indirect employment is mainly related to the construction and maintenance activities, which are performed through subcontractors.

- + **Maintenance:** The staff required for plants maintenance is stable, as these tasks are defined and scheduled throughout the year and are similar for all plants. An average of 30 staff / year for each plant is estimated for the operation and maintenance phase.
- + **Construction:** The construction of the plants is uneven. On one hand, it changes according to the phase of each project. And on the other hand, according to the size of the plant and its location. It is worth noting that the plant construction is performed through EPC contracts (Engineering, Procurement and Construction), therefore the subcontractor is responsible for managing their staff.

Nevertheless, at X-ELIO we consider the subcontractor's wellbeing and safety as a key item, so we monitor them. In 2016, the indirect employment average for the 3 plants under construction (2 plants in Japan and 1 plant in Chile) is 338 staff.

G4-11 & G4-HR4

Staff under collective bargaining agreements

Collective bargaining agreements

100% of professionals in Spain, Italy, Mexico, Chile and Peru are covered by sectorial bargaining agreements or similar agreements according to the local law, customs and practices. This represents 80% of total staff.

Handbook

Professionals in countries such as South Africa and USA have the corresponding Handbook. These guidelines gather the work conditions, contain behavior rules which adapt to the context and to the legal requirements for each location, indicating the staff rights and obligations in matters related with recruitment processes, schedules, leave, remuneration, social benefits, vacation, etc. This represents 7% of total staff.

Others

In case of Japan, their conditions are contractually collected in the Company Policies, according to the specific labour law in the country. This represents the remaining 13% of total staff.



G4-12

Supply chain

We understand that supply chain is a key element: therefore we keep a fair and trusting relationship with subcontractors and suppliers in order to achieve the objective of maximum quality.

Suppliers management

In the advancement of our projects, the main purchases are related to the photovoltaic modules and solar structures. We only operate with "Tier 1" technology solar modules, to ensure the best performance of the plants. This is the reason why we only work with suppliers that have this technology available.

It is important to highlight that we implement our projects under the EPC structure (Engineering, Procurement and Construction), under which, except for the solar modules, the subcontractor is directly responsible for the purchases and suppliers management. Therefore, in the contracts we include a standard clause stipulating the commitment to comply with the Code of Ethics and Conduct, as an integral part to it.

Local purchases

X-ELIO fosters local purchasing and agreements with local suppliers, aiming to create value in the places where it operates, considering as local the ones located in the same country as our facilities. This commitment is reinforced in those countries where their respective governments promote this practice through incentives.

For this purpose, 100% of the subcontractor and suppliers budget in 2016 corresponds to local companies, except in Spain. This is because Spain centralizes large orders, mainly solar panels, for its subsequent dispatch to the corresponding countries and, in most cases, the origin is not local.

In 2016, the local supplier expenditure rose to 29,730 million Euros and represents 54% of the total expenditure. The following graph summarizes its allocation (in thousand Euros) per country. (G4-EC9).

Country	Total supplier expenditure million Euros	Local supplier expenditure million Euros	% Local suppliers
Chile	137	137	100%
Spain	36,029	10,494	29%
Costa Rica	18	18	100%
Dominican Rep.	7	7	100%
Italy	3,694	3,694	100%
South Africa	1,629	1,629	100%
Japan	7,139	7,139	100%
Honduras	2,553	2,553	100%
Mexico	384	384	100%
USA	3,677	3,677	100%
	55,266	29,730	



Note: suppliers within the country are considered as local

Subcontractors

We demand the same safety requirements for our subcontractors as for our employees. It is an absolute requirement that all of them, before starting any work, have all documents and safety requirements according to the local regulations and the ones established by X-ELIO.

Likewise, during the construction and maintenance works, we hold coordination meetings to detect, among others, possible incidents.



+ IDENTIFIED MATERIAL ASPECTS AND BOUNDARIES

G4-13

Significant changes

Compared to 2015 financial year, there are two significant changes:

- Related to its activity, we have some new plants under full operation: Marcovia, in Honduras, with 42.4 MW; Fukuroda and Iwate in Japan, with 31.6 MW and 24.78 MW respectively; and we have finished construction at the Kuwait plant, which is under third-party ownership and management.
- We have started construction of three new plants: two in Japan (S13 and Hayato) and one in Chile (Uribe), with total combined power of 107.76 MW, which will be operational in 2017.

G4-14

Principle of caution

The Company embodies the principle of caution through the Code of Ethics and the Integrated Policy for the Environment, Quality, Health and Safety, which include the commitment to protect the environment and continuous improvement. Besides, we mitigate our environmental impact through the appropriate assessments and studies, the adequate maintenance and control of the plants and the management systems.

Finally, through training and awareness-raising, we foster among our staff habits and behaviors that contribute to minimize this impact.

G4-15 & G4-16

External initiatives, associations and organizations

United Nations Global Compact

Since January 2014, we are signatories to the United Nations Global Compact, meeting all requirements in order to renovate our commitment in the 2017 financial year.

The Company target is to promote and implement the 10 universally accepted principles in the areas of human rights, work regulations, environment and business strategy.

Tripartite Foundation

This is a state foundation with the objective of contributing to the improvement of the competences and the access to quality free training for all workers.

Spanish Photovoltaic Association (UNEF)

Presided by our CEO, Jorge Barredo, its mission is the institutional representation and the support of the photovoltaic sector at a national and international level.

Within the association strategic lines, the "recovery of legal certainty as a priority, as well as promoting self-consumption and the internationalization of the member companies" stands out

Spain and Southern Africa Renewable Energy Consortium

This consortium aims to promote the Spanish Brand in the field of renewable energies and support the activities of the renewable industry in the Southern region of Africa, although recently it is expanding its activities to the North of Africa and the Middle East.

South African Photovoltaic Industry Association (SAPVIA)

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

Japan Photovoltaic Energy Association (JPEA)

The association aims to contribute to the growth of the Japanese economy and the life quality improvement through the establishment, deployment and generation of photovoltaic solar energy.



G4-17

Extent Perimeter

This Report gathers the information and data corresponding to the financial year 2016 (from 1st January to 31st December).

If any reference is made outside this financial year, it will be clearly indicated in the corresponding section.

Companies included in the Report

The Report includes all the information referred to X-ELIO, the brand that groups together all the companies included thereto. A list of such companies is included as an annex.

X-ELIO⊕

Limitations of information

For those indicators for which no information is available for some of the companies, will be indicated as "not available".

G4-18

Content, scope and principles

The Sustainability Report and the Materiality Study have been prepared following the directives established within the Guide for the sustainability report drafting under the Global Reporting Initiative (GRI), version G4, and all X-ELIO activities have been considered when defining its contents and scope.

Throughout the Materiality Study 2016, we identify the most important issues for the interest groups. The second part to the Report expands the information for these material matters.

The Report has been prepared according to the "Principles" established by GRI to determine the report contents, as summarized below:

- + **Participation by the interest groups:** this section identifies the interest groups and shows the reply from the company.
- + **Sustainability context:** the Report presents the company performance within the most ample sustainability contexts.
- + **Materiality:** the Report gathers and develops in its second Part the material aspects that reflect the significant economic, environmental and social effects.
- + **Comprehensiveness:** the Report addresses the organizational performance in all its material aspects and its coverage.

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

Process for conducting the materiality study

Identification of the relevant aspects

The internal and external context of the company was examined. For the external context, we used a benchmark of the sector companies that allowed to detect sustainability trends, as well as the energy sector section under the "Sustainability Topics for Sectors: What do stakeholders want to know?" document (GRI, 2013), which considers the opinions from sectorial associations, the third sector, authorities and international agencies, large enterprises and analysts, apart from the results from the Materiality Report 2015. We have received no external feedback about such Sustainability Report.

The identification was performed out of 25 themes. After this first analysis, the 22 most relevant ones were selected.

Prioritization

These 22 topics were weighted according to their importance and impact on sustainability through an analysis which assessed their importance from a double perspective, including the company internal and external perspective. For its prioritization, the relevant information and the main interest groups were considered, as summarized below:

Within the company:

- Analysis of X-ELIO content and objectives.
- Contractual commitments acquired by the Company and internal management policies and tools.
- Internal prioritization of the different matters performed by the Management (directors / heads of the main departments).

Outside the company:

- Online survey for employees to evaluate the material aspects, filled in by a significant portion of the staff.
- Most relevant issues for the associations and companies within the sector in the main regions where we operate.
- Appearance of the identified issues in the press.
- Analysis of the information and requirements from the main customers and suppliers related to sustainability.

Validation

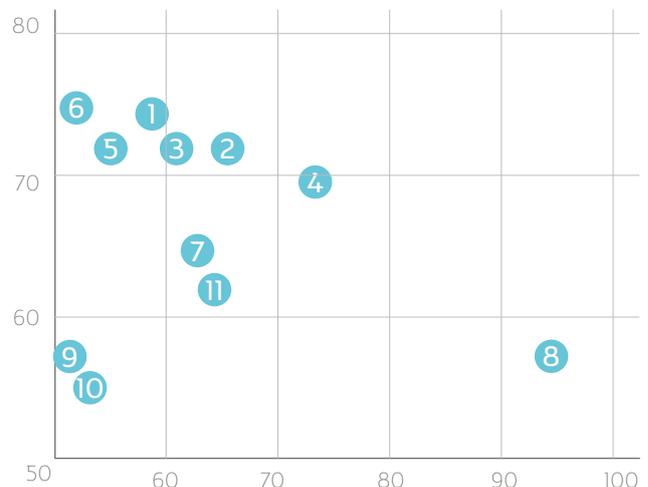
The issues identified were finally reviewed and approved by the CEO.

Review

Additionally, we will establish adequate mechanisms to obtain feedback about this Report, after its publication.

After this process, 11 material issues were defined, as summarized below:

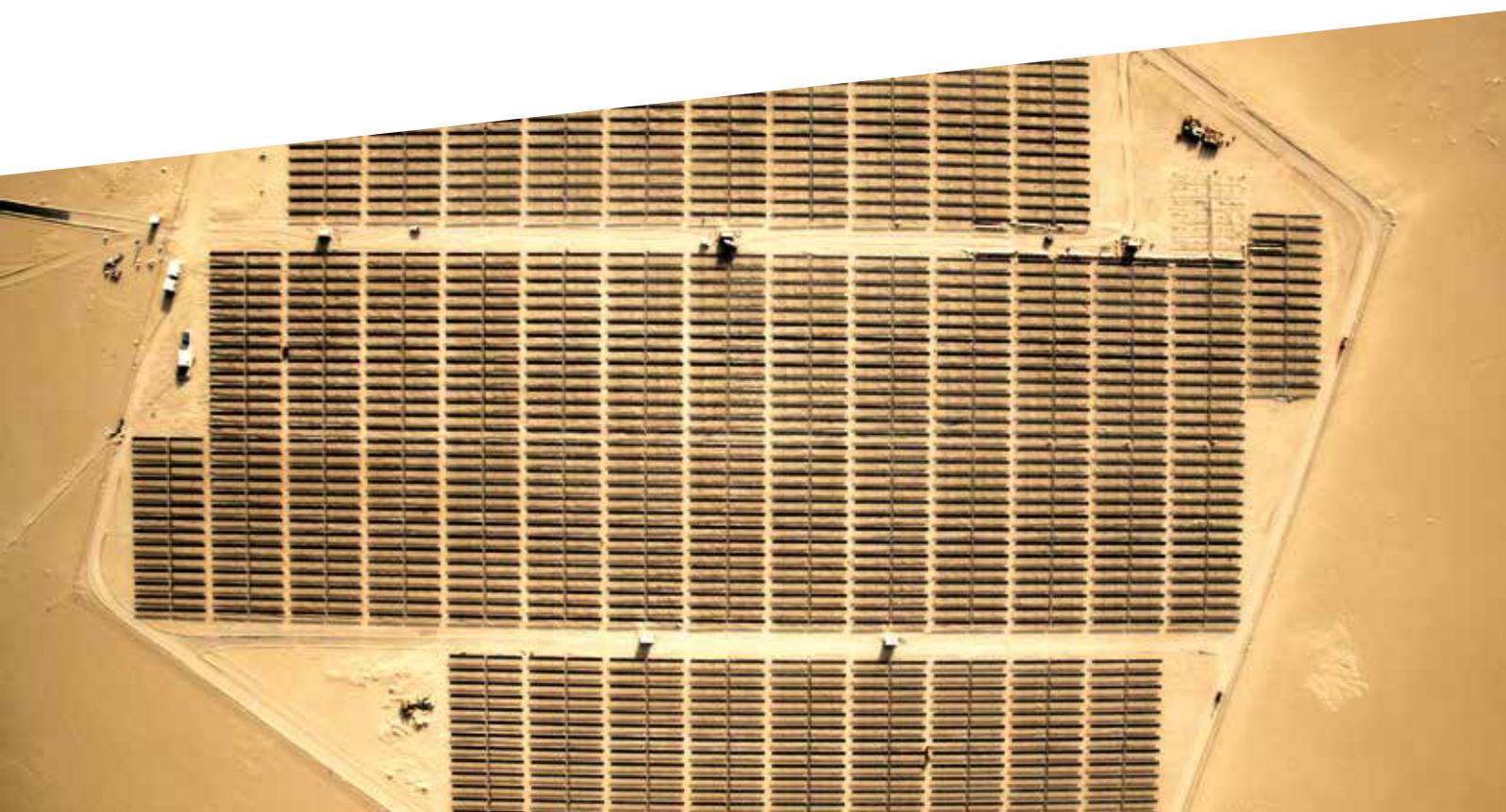
ECONOMIC DIMENSION	
1	Ethics, anticorruption, integrity, regulatory compliance
2	Risk management
3	Development, financial strength
ENVIRONMENTAL DIMENSION	
4	Environmental management and environmental impact
5	Energy: consumption and efficiency
6	CO ₂ and climate change. Carbon footprint
7	Nature conservation. Biodiversity and landscape
SOCIAL DIMENSION	
8	Talent attraction and retention. Training
9	Human Rights in general
10	Job Health & Safety
11	Social impacts on the local community.



The following table describes each material issue identified in detail and its impact for the interest groups:

Material aspects (G4-20, G4-21 & G4-27)	Importance	What interest groups consider this issue as more important?	Answer
ECONOMIC DIMENSION			
Ethics, anticorruption, integrity, regulatory compliance	Currently, companies are required not only to comply with the applicable legislation, but also be managed fulfilling ethical and integrity standards. Failing to do so implies significant risks for their competitiveness, reputation and possible sanctions.	Management - Policies, commitments and business tools Industry - Employees - Customers and suppliers	Part 1: General information Part 2: Economic dimension
Risk management	Companies are exposed to different kind of risks (financial, environmental, regulatory, etc). Under this situation, it is important to develop mechanisms to prevent and, if necessary, fight against corruption and inform the interest groups in a clear and transparent manner.	Management - Policies, commitments and business tools Industry - Employees - Customers and suppliers	Part 1: General information Part 2: Economic dimension
Development, financial strength	The company economic management and development in new locations are key for a stable and solid growth. Likewise, the indirect economic impacts, the value creation (job creation, supplier expenditure, taxes, investment, etc) and their effect over the local economy, as a catalyst for socioeconomic change allow a profitable and sustainable development.	Policies, Commitments and business tools Industry - Press - Employees - Customers and suppliers	Part 2: Economic dimension
ENVIRONMENTAL DIMENSION			
Environmental management and environmental impact	Good business practice involves operating in an efficient and responsible way. Environmental management systems that include controlling and tracking environmental performance indicators allow the detection of opportunities to improve and to reduce the environmental impact.	Management - Policies, commitments and business tools Industry - Employees - Customers and suppliers	Part 2: Environmental dimension
Energy: consumption and efficiency	Companies concerned about the environment fully implement energy efficiency measures for their own benefit, both from the economic perspective (cost reduction) as well as from the environmental perspective.	Management - Policies, commitments and business tools Industry - Employees - Customers and suppliers	Part 2: Environmental dimension
CO ₂ and climate change. Carbon footprint	Climate change is more and more relevant. As far as companies are concerned, most of these objectives are tied to emissions of greenhouse gasses. Therefore, it is necessary to contribute to its mitigation through counter actions and renewable energy generation.	Policies, commitments and business tools Industry - Employees - Customers and suppliers	Part 2: Environmental dimension
Nature conservation. Biodiversity and landscape	Installing solar panels has an impact on the environment where they are located. Therefore, this section refers to the nature conservation initiatives, maintenance of biodiversity and landscape.	Management - Policies, commitments and business tools Employees - Customers and suppliers	Part 2: Environmental dimension

Material aspects (G4-20, G4-21 & G4-27)	Importance	What interest groups consider this issue as more important?	Answer
SOCIAL DIMENSION			
Talent attraction and retention. Training	Para mantener y mejorar su posición competitiva, las compañías necesitan atraer nuevos talentos y personal especializados que les permitan innovar y mejorar su operatividad, pero también es necesario desarrollar medidas para conservar los equipos y mantener el know-how.	Management - Policies, commitments and business tools Employees - Customers and suppliers	Part 2: Social dimension
Human rights in general	Respect for human rights is a risk factor in several countries. Therefore, companies play a key role in their protection and work conditions improvement through their human resource policies and supplier requirements.	Policies, Commitments and business tools Industry - Employees - Customers and suppliers	Part 2: Social dimension
Job Safety and health	Although there is a deeply rooted culture related to prevention, it still is a strategic issue due to its importance. It is essential to identify and mitigate the different risks that may arise, raise awareness and reinforce the measures to prevent accidents and improve health.	Policies, Commitments and business tools Employees - Customers and suppliers	Part 2: Social dimension
Social impact on the local community	The activity linked to renewable energy has a strong repercussion over the local communities due to its social (job creation) and economic (fees, local purchases, etc.) impact and because of its product: renewable energy. On the other hand, the development of social action programmes promotes life quality improvements for the local population.	Management - Policies, commitments and business tools Industry - Employees - Customers and suppliers	Part 2: Social dimension





+ STAKEHOLDER'S ENGAGEMENT

G4-24, G4-25 & G4-26

Collaboration between the interest groups and X-ELIO

The identification and selection of the interest groups was carried out through an internal reflection process by the sustainability department, supervised by the management team, identifying as interest groups all parties and organizations that may influence or be influenced in a significant manner by the company. This process commenced with the first Sustainability Report in 2014 and is reviewed annually.

The relationship between X-ELIO and those parties affected by its activities (interest groups) is developed two-fold: from the social responsibility point of view, responding to their expectations and needs; and from the reputational point of view, managing the perception that these groups have regarding the company.

For each interest group, there are established mechanisms to facilitate an active dialogue, enabling a faster and more efficient response to the trends and their needs.



The defined categories are described below, as well as the most important dialogue channels (G4-26):

<p>Shareholders</p> <ul style="list-style-type: none"> • Ordinary and extraordinary Board Meetings. • Common and informative communications about different interest matters. • Reply to information requests. 	<p>Employees</p> <ul style="list-style-type: none"> • Corporate Intranet. • Annual information events with the CEO. • Compliance Committee. 	<p>Electricity companies</p> <ul style="list-style-type: none"> • Channels established by the regulations in each country. • Information and communication requirements defined by the electricity companies. • Network connection terms. 	<p>Suppliers and sub-contractors</p> <ul style="list-style-type: none"> • Bidding specification documents. • Subcontractor selection criteria. • Follow up and measurement. • Periodic meetings.
<p>Public administrations and regulatory entities</p> <ul style="list-style-type: none"> • Periodic meetings. • Licenses, permits and authorizations. • Sovereign guarantees 	<p>Banks and financial institutions</p> <ul style="list-style-type: none"> • Meetings. • Financial Facilities Agreements. • Periodic reports. 	<p>Energy consumers and local community</p> <ul style="list-style-type: none"> • Consultation periods in the environmental / social impact assessments for the plants. • Participation in the social development programmes. • Customer satisfaction survey. 	<p>Media</p> <ul style="list-style-type: none"> • Press room (available on the web page). • Sending press releases. • Social media.

In this section we stress the internal communication performed through the new Intranet; and the external communication, through the social networks and X-ELIO web page.

The new Intranet started operating by the end of 2016, so we only have partial information. The Intranet received 7,211 visits in this short period.

On the other hand, X-ELIO web page has a remarkable increase in number of pages visited visitors, around 6%, compared to the previous financial year.

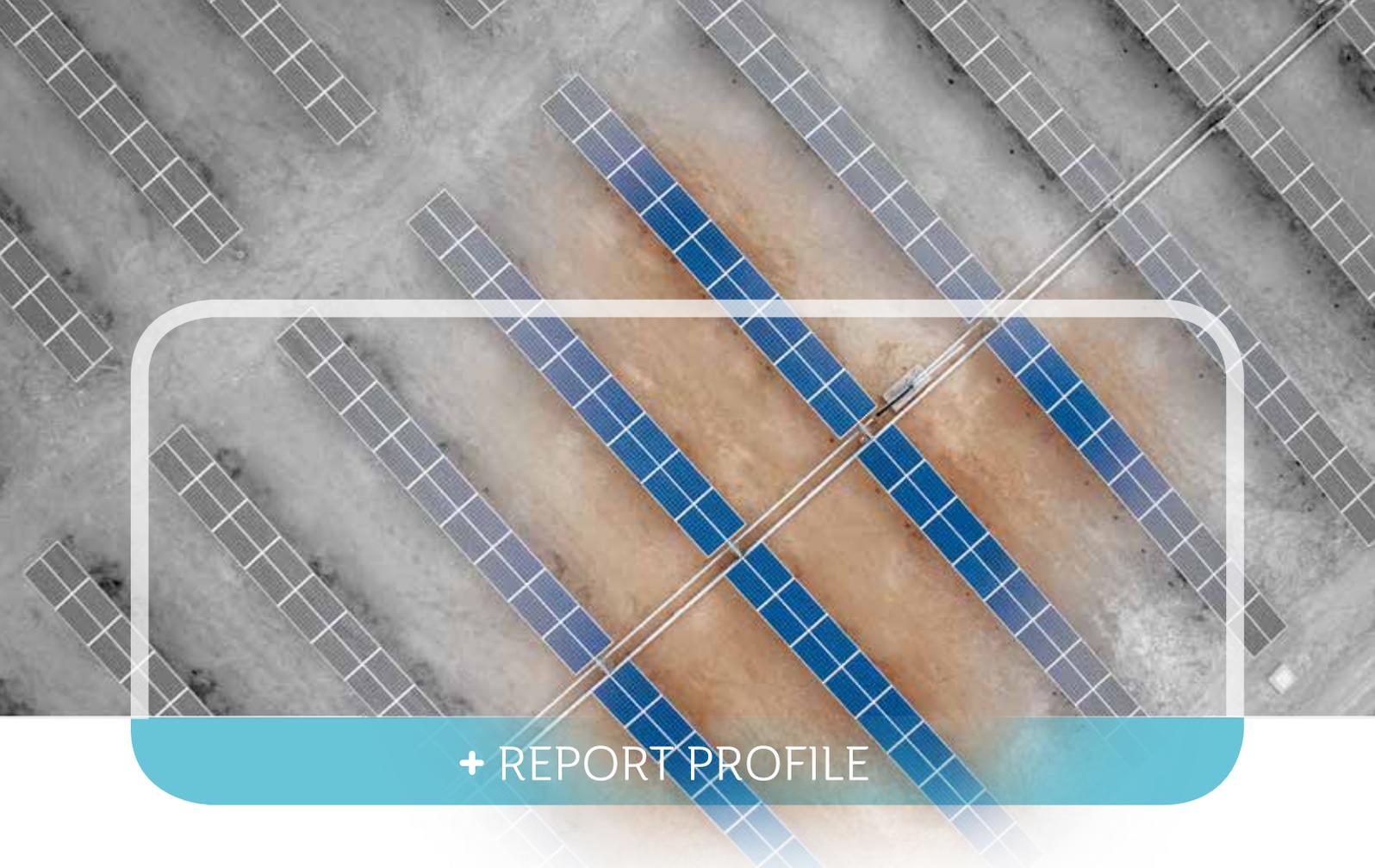
X-ELIO web page	2015	2016
Number of visitors to X-ELIO web page	49,608	48,286
Number of pages visited	148,672	157,568

In social networks, our largest presence is in LinkedIn, where there is a notable increase in visits and followers, around 18.2% compared to the previous financial year.

X-ELIO social networks		
Number of LinkedIn followers	4,963	6,072
Number of LinkedIn displays	2,522	4,501

The key issues that arose from the interest groups participation are developed under indicators G4-18 to G4-21, G4-27 and under Part 2 to this Report.





+ REPORT PROFILE

G4-22 & G4-23

Reformulations and significant changes in respect to previous reports

Section G4-13 summarizes the relevant changes in respect to financial year 2015. The minor changes are indicated in their respective sections.

G4-28, G4-29 & G4-30

Period, date and reporting cycle

The Report period is from 1st January 2016 to 31st December 2016.

The Report is issued annually: the previous one corresponds to financial year 2015.

G4-31

Contact

For general inquiries about this report, you may contact:

X-ELIO
3 Ombu Street, 2nd Floor
28045 Madrid - Spain
RSC@gestampren.com

Full electronic copies of this document, both in English and Spanish, are available on the web page: <http://www.x-elio.com/es/sostenibilidad>.

G4-32 & G4-33

Compliance with GRI and external verification

The Sustainability Report is prepared "in accordance with" the GRI 4 Guide – comprehensive option. The GRI Contents Index can be found in an Annex.

X-ELIO has the independent external verification made by EY Company. Also, the individual annual accounts Report and the consolidated Report are audited by EY. The external verification report is included in the Annex.



+ GOVERNANCE

G4-34

Governance structure

THE COMPANY GOVERNING BODIES ARE THE SHAREHOLDERS' GENERAL MEETING AND THE BOARD OF DIRECTORS, THE HIGHEST GOVERNING, SUPERVISION, DECISION AND CONTROL BODY, WITHOUT MORE SUBSTANTIAL LIMITS THAN THOSE ESTABLISHED BY THE LEGAL REGULATIONS AND THE CORPORATE BYLAWS.

One of the Board of Directors key functions is to promote the general interest, representing the entity and its shareholders in the assets administration, the trade management and the business administration.

The Board of Directors is composed of five members, who, as of 31st December 2016, are:

Board of directors	Position held from
President Mr. Juan María Riberas Mera	16/12/2015
Board Member 1 Mr. Jesús Olmos Clavijo	16/12/2015
Board Member 2 Mr. Guido Lucio Mitrani	16/12/2015
Board Member 3 Mr. Oleg Shamovsky	16/12/2015
Board Member 4 Mr. Jorge Barredo López	16/12/2015
Secretary (not a Board Member) Mr. Jaime de la Serna Gould	16/12/2015

The current Board Member was designated on the 16th December 2015, within the frame of operation that saw KKR Group entering into the company as its new majority shareholder, incorporating into the Board of Directors three persons designated by the subsidiary company designated as company shareholder by KKR Group.

The Board of Directors does not have a delegated Executive Committee with general decision powers, so that any decision is adopted within the Board.



G4-35

Delegation of the upper governing body

The Board of Directors is responsible for making the most important business decision and delegates, where appropriate, their executions upon the employees or appropriate advisors for its effective execution.

Likewise, the Board of Directors has the capacity to delegate its powers with general and special faculties, according to the company requirements and the issues that are being addressed.

With the aim, among others, of favoring and facilitating the company activity and business, the Board of Directors appointed a general attorney with delegated powers required to adopt the day-to-day decisions to guarantee the business operation and continuity.

G4-36

Economic, environmental and social responsibilities

The company integrates its economic, social and environmental responsibilities into the Technical Directorate and the Financial and Control Directorate, whose top managers raise any decisions to be made to the Board of Directors, as summarized below:

- Environmental and social matters are coordinated and executed under the Technical Directorate, with the Chief Operating Officer (COO) as responsible and accountable to the Board of Directors.
- Economic matters are managed through the Financial and Control Directorate, with the Chief Financial Officer (CFO) as accountable to the Board of Directors.

Apart from the foregoing, the top managers within those directorates appear before the Board of Directors when required.

Among other matters, the Board has final decision on the Business Plan, the annual targets and budgets, the Investment and Financing Policy, the risk analysis and generally all policies affecting the company.

G4-37

Consultation processes between the interest groups and the upper governing body

The process to exchange information with the interest groups is performed through the different staff in charge and area directors, who are responsible for raising matters of special importance to the Board of Directors.

Through the Technical Directorate and the Financial and Control Directorate at a centralized level, the HR Directorate at a centralized level and the Business Managers in the different countries where we are present, we exchange information with the interest groups (suppliers, staff, the society, etc.)

Likewise, the "Leadership Meeting" is held annually, a multi-day event in which company staff actively participates in order to share the thoughts and proposals to continue and improve all aspects of the company, and where a Board Member communicates the company global target to staff.

G4-38

Composition of the upper governing body and its committees

As summarized under G4-34, the Board of Directors is composed by five members and a secretary (not a Board member), all of them with non-executive roles.

The members to the Board of Directors participate in the discussion and decision taking in the economic, social and environmental areas; and they are in charge of approving the Code of Ethics.

X-Elio Energy is not a public company, whose Board of Directors members represent all shareholders, and there is no legal requirement to have representation from any other interest group.

G4-39

Executive function of the President

The President does not hold any executive position.



G4-40

Appointment and selection processes

The competences to appoint the board members exclusively sit on the General Meeting, which represents the interests of all company shareholders (see G4-34). Nevertheless, the number of board members appointed on proposal from each of the shareholders is determined by the Shareholders Agreement executed by them which complements the company Bylaws.

The bylaws include the operation of the Board of Directors, the requirements and timeframes established to convene a General Meeting and the functions of the President. Likewise, it establishes the causes of incompatibility for members, which are always subject to the applicable corporate law. The Board of Directors may delegate executive powers through agreements reached at the seat of the Board of Directors.

G4-41

Conflict of interests

A shareholder may not exercise the right to cast a vote corresponding to its shares if he fits into any of the conflict of interest cases established under article 190 of the Royal Legislative Decree 1/2010, dated 2nd June, which approves the Refunded Text for the Capital Companies Law, as well as any other legislation applicable in this matter.

The communication with other interest groups is directly performed through the different company directorates.

G4-42 & G4-43

Functions and knowledge of the sustainability governing body

One of the Board of Directors functions is the approval and commitment to comply with the normative within the Compliance Programme, which includes the Anti-Corruption Code, the Trade Sanctions Policy, the Competition Code, the Code of Ethics and Conduct and the principles that govern the company from the three perspectives, economic, environmental and social.

The Board of Directors members are constantly informed about the economic, social and environmental matters through the different mechanisms for internal communication, such as: periodic meetings with the directors from the different areas, the drafting and approval of the Sustainability Report and the different actions and initiatives from E-Elio Energy, the intranet and various other communications.

It is worth noting that the Compliance Committee was appointed on December 2015. In first instance, it will be in charge of analyzing that all those circumstances arising within the framework of the development of the company's activity and made known to it, respect or are resolved according to the different Policies and reference Guidelines related to Compliance.

G4-44

Performance of the upper governing body

As far as the Board of Directors members are appointed by the General Meeting, there is no specific procedure to evaluate the performance of their functions.

The Board of Directors, in compliance with the applicable legal regulations, meets with the legally required periodicity, with competences including the formulation of the company annual accounts within the first quarter in each financial year.

In addition to this meeting, this body holds meetings according to the operational, business and project approval needs. Specifically, during 2016 it held eight meetings to discuss different matters related with the projects that X-Elio Energy promotes, builds and operates in the different countries through direct and indirect participation in local companies.

On the other hand, the General Meeting is responsible, among others, to approve or not approve the company participation and/or execution of the different operations that are presented over time as business opportunities for the company.

During the previous financial year 2015, specifically on December, the Board of Directors members were replaced as a consequence of the KKR Group entry through its subsidiary AURORA ENERGY HOLDING, S.L with the shareholding currently being comprised by GESTAMP SOLAR, S.L (20%) y AURORA ENERGY HOLDING, S.L (80%).

G4-45, G4-46 & G4-47

Upper governing body functions in risk management

At X-Elio Energy, for the development and execution of new projects, the different company directorates perform a detailed study to assess and analyze the potential risks for each project, as a previous step before taking any decision.

In the initial phase of project definition and analysis, we gather information about the energy policies in the country, the expected profitability, as well as the regulatory and local government stability. Likewise, we undertake a research and analysis of the climate conditions (radiation, sun hours, etc), the environmental, landscaping, urban, archeological and property management restrictions. Considering the outcome of this phase, a decision is made to proceed with the proposed project or not.

In case the project is approved, a second phase starts to evaluate strategic issues to obtain financing, location of land, processing of permits and licenses for the project.

Once the project has the necessary promotion, we proceed with the selection and appointment of the company in charge of building the plant, through EPC-type contracts (Engineering, Procurement and Construction), with specialized companies that meet the established requirements and the applicable legal regulations, until the plant commissioning.

During the plant construction phase, as well as during the plant operation, the compliance with all environmental, work and socialization measures and regulations play a crucial role, so we firmly focus on its strict compliance and on applying the best practices.

Finally, during the plant's useful life, we perform the appropriate operation and maintenance works. The plants are monitored in real time, so any incident is immediately detected and managed. Likewise, to improve the plants performance, we carry out predictive and preventive maintenance and, only if necessary, corrective maintenance.

All these actions and the possible risks deriving from them are continuously analyzed by the X-ELIO management and teams, allowing to detect risks and implement any required corrective measures in a fast and efficient manner.





G4-48

Sustainability Report review and approval

Sustainability organization is coordinated through the sustainability team, which forms part of the Corporate Directorate for Communication, Marketing and Sustainability.

The Report and the Materiality Analysis are drafted by part of this team, in collaboration with the different areas and departments involved at X-ELIO. The drafting is followed by a supervision and review process by the Communication Directorate, to be finally approved by the CEO.

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

G4-49

Communication with the senior governance body

The heads for the different areas maintain a fluent and constant communication with the Board members. Any relevant matter is conveyed to the Board by the different area heads.

Likewise, periodic meetings are held, involving all X-Elio Energy professionals. These are two-way meeting, on one side the Board delegated member shares with all staff the relevant aspects related to the management and situation of the company and receives feedback from personnel regarding these matters and any other issues of their interest.

G4-50

Nature and number of issues raised at the Board of Directors

During the 2016 financial year, different issues were addressed at the eight meetings held by the Board of Directors. The majority of them are related to the growth and financing of the company, both regarding the new projects developed in 2016 as well as those planned in 2017 and the fulfillment of the future targets.

G4-51, G4-52 & G4-53

Remuneration and incentives for the Board of Directors

The members of the Board of Directors do not receive any retribution for their work as Board members, therefore indicators G4-51, G4-52 and G4-53 are not applicable.

G4-54 & G4-55

Remuneration and remuneration increase

Indicators G4-54 and G4-55 are not reported for this financial year. We do not have a homogenous methodology to obtain results adjusted to the indicator requirements and the information is considered, in some cases, confidential.



+ ETHICS AND INTEGRITY

G4-56

Values, principles and code of ethics

AT X-ELIO, WE WORK TO GROW AS A SOLID AND RESPONSIBLE COMPANY, ACTING IN A SUSTAINABLE MANNER IN ALL COUNTRIES WHERE WE ARE PRESENT, WHILE ALSO EXPANDING OUR ACTIVITY IN ALL THOSE COUNTRIES WITH THE SAFETY, CLIMATE AND GROWTH CONDITIONS REQUIRED FOR OUR PROJECTS IN THE LONG TERM.

Our efforts are focused on the generation of ecological and highly profitable solar energy projects, offering tailor-made solutions according to the needs. We strive to be the main renewable energy supplier, devoted to mitigate climate change and the emission of greenhouse gasses.

Thus, sustainability has become a key cornerstone to our company, to fulfill our mission and the expectations from our interest groups.



Compliance Programme

In 2015, after the entry of KKR as a company shareholder, we start an ambitious Compliance Programme.

This Programme collects and conveys the ethical framework required to operate in an honest and transparent manner, and in accordance with the endorsed commitments. Furthermore, this Programme encompasses researching and responding to the issues raised to the Compliance Committee through the established mechanisms for consultations and complaints.

Within this context, in the first half of 2016, the Board of Directors has approved the Anti-Corruption Code, the Trade Sanctions Policy, the Competition Code and the new Code of Ethics and Conduct. Besides, new communication mechanisms have been enabled to respond to grievances and conflicts that may arise in this area, which are analyzed and responded by the Compliance Committee. These policies have been communicated in an open and transparent manner to all staff, which commit to them and undertake to fulfil them.

In order to reinforce these matters, it is also planned to start a staff training process, which allows us to keep improving.



G4-57 & G4-58

Compliance Committee and complaint mechanisms

The Compliance Committee is an internal body, in charge of promoting company values and ethical conducts within, as well as of the monitoring, tracking, communication, dissemination and surveillance of the Policies and Codes related to compliance. Similarly, it solves any queries that employees may have in this area and responds to the possible incidents or complaints that might arise. The Committee guarantees that the information will be handled with the due confidentiality, discreetness and safeguard to those staff or external persons who convey, on good faith, alleged breaches to the Compliance Programme.

Complaint channels are available to facilitate communication, both by email address: compliance@x-elio.com and by post mail.

Since its inception in 2016, the Compliance Committee has received 6 queries so far; the majority related with the acceptance of presents or invitations from third parties and has received no complaints either from employees or from third parties, (G4-LA16) regarding discrimination (G4-HR3) or other human rights (G4-HR12).

02

Specific Standard Disclosures

- 38** Economic Dimension
- 45** Social Dimension
- 64** Environmental Dimension







+ ECONOMIC DIMENSION

Material Aspects	Contents
Development, financial stability	Current DMA scenario
Ethics, anticorruption, integrity and compliance Risk management	Ethics, anticorruption, risk management and compliance

DMA

Current scenario

CURRENTLY, THERE IS A BROAD CONSENSUS THAT RENEWABLE ENERGIES WILL DOMINATE THE FUTURE, AND GRADUALLY, INTERNATIONAL CORPORATIONS ARE CHOOSING TO INVEST IN THIS SECTOR (SOURCE: REN21 REPORT).

This fact, together with a strong support for energy policies in the different countries, the ease of installation in vulnerable and remote areas, the investment costs reduction and the risk-adjusted returns, leads us to hope for a very optimistic future for the development of renewable energy in the world.

On the other hand, there are some uncertainties in the political environment at the international level caused, amongst others, by the possible change of direction in energy policies with regards to climate change with the new United

States government and the United Kingdom's decision to abandon the European Union (Brexit), which can both affect global growth prospects. 2016 stands out as the year with the largest increase in energy generation from renewable sources and technologies, with a global increase of 161 GW, which allowed reaching 2,006 GW worldwide (Source: International Renewable Energy Agency, IRENA).

Within this context, 58% of new renewable facilities were concentrated in Asia, reaching a total of 812 GW, where China continues to be the world leader.



USA continues to occupy second place, with 14 GW installed by the end of 2016 and an estimated 13 GW solar photovoltaic to be installed in 2017. This means doubling global solar power capacity in just two years (Source: Mercom Capital).

India and Japan came next, incorporating 8.6 and 4.5 GW, respectively. In addition, India is expected to increase its global demand for solar photovoltaics by 14%, in order to achieve its ambitious goal of 100 GW of solar capacity in the 2020 Horizon (Source: EnergyTrend).

In Africa, 4.1 GW of new capacity was installed, doubling the capacity installed by 2015.

European countries installed around 6.9 GW of solar power in 2016, a 20% decrease compared with the 8.6 GW installed in the previous year (Source: Solar Power Europe). This growth was mainly driven by the United Kingdom, Germany, Turkey and France.

On the other hand, Spain is one of the few developed countries in which the implementation of renewable energy remained virtually stagnant in 2016.

However, even so, if the objectives set by the Paris Agreement on climate change (COP 21) are to be met, investment in new facilities around the world must be increased and accelerated.

Development and financial strength

Our commitment

At X-ELIO, we consider that the creation of value in society is an obligation in the environment in which we operate. Access to renewable energy sources is reliable, affordable, sustainable, and its momentum is essential to put an end to extreme poverty, to provide supply in remote areas, to increase social equity, and to contribute to the fight against climate change.

Therefore, through our activity, social action initiatives and the development of the communities in which we operate, we show our commitment to society, beyond the financial profitability. Following the adoption in 2015 of the Sustainable Development Goals (SDGs) and the climate agreement (Paris-COP 21), we have developed several initiatives in line with these objectives, focusing mainly on:



- + **Goal 7:** Ensure access to affordable, reliable, sustainable and modern energy for all.

At X-ELIO we consider that it is our duty to help ensure universal access to affordable electricity by 2030 and to increase the percentage of renewable energy in the total of energy mix, through our activity, the generation of clean, renewable solar energy, which allows us to generate power in remote locations.

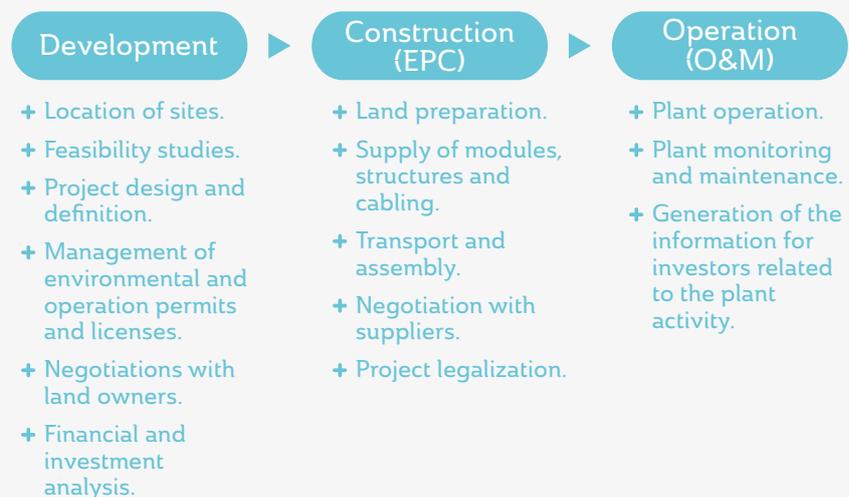


- + **Goal 13:** Take urgent action to combat climate change and its impacts

The effects that greenhouse gas emissions are having on the planet and the consequences of climate change are well-known. Therefore, through solar energy generation at X-ELIO, we contribute to their mitigation.

Our business

Our business is the development, design, construction, maintenance and operation of solar plants to generate renewable energy.



+ **Our goal:** To be a global leader in the industry with outstanding financial performance, as well as a provider of sustainable renewable energy, dedicated to helping reduce greenhouse gasses and combat climate change.

Our growth

Our industry is an essential driving force to the economy, to which it contributes through important investments aimed at generating clean energy, in a safe and stable way and at competitive and sustainable prices. Having this in mind, X-ELIO continues growing in various countries through the development of a long-term solid and profitable plan.

In 2016, we reached 277.5 MW of power when the facilities at Marcovia (42.4 MW), in Honduras, Fukuroda (31.6 MW)

and Iwate (24.7 MW), both in Japan, became fully operational. We have also completed Kuwait Park (10.6MW) which is third-party owned and managed. All this, within a well-diversified portfolio, according to size and region, and with the support of long term power purchase agreements, enabling us to continue to grow in a sustainable way.

In addition, this financial year we have started the construction of 3 new plants, as summarized below:



+ Uribe (Chile)

Uribe plant came into operation in January 2017. With an investment of around 106 million dollars and with a peak power of.

57.6 MW.



+ S13 (Japan)

S13 plant will start commercial operation in November 2017. With an investment of 81.7 million dollars and a peak power of.

33.4 MW.



+ Hayato (Japan)

Hayato plant will start commercial operation in December 2017. With an investment of around 37.8 million dollars and a peak power of.

16.7 MW.

This has been possible thanks to the development of an integral business model that offers flexibility for the value creation within the full cycle and that will allow us to achieve the objective of surpassing the 2GW ownership by 2020.

In 2017, among other things, we will begin the construction of 4 solar plants; three of them located in Japan: Tsurusu (38 MW), Shiroishi (28.3 MW) and Atami (14.4 MW); and the fourth one in Mexico: Guanajuato (73.4 MW). This will allow us to increase our installed capacity by 154.1 MW.

Our goal is to continue to grow and expand our portfolio with greenfield projects in new markets with strong potential such as: Japan, USA, Australia, Vietnam, Argentina and Uruguay, among others, and increase our investment in brownfield projects, ensuring in any case the availability of long-term tariffs. Also, we analyze the possible divestment in countries at risk where the gap between our rate and the cost of energy in the market appears to be large.

G4-EC1 & G4-EC4

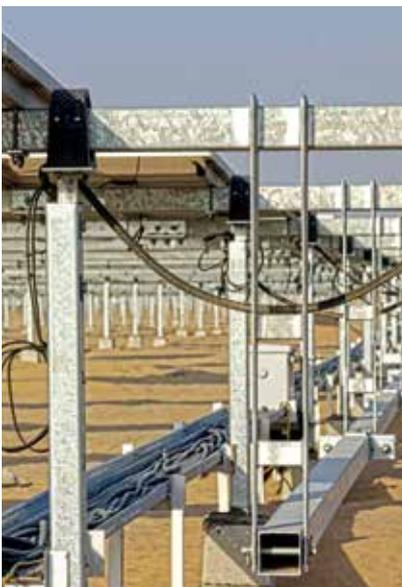
Balance: 2016 results

X-ELIO continues to make progress towards the goal of increasing its international presence and creating value in the communities where it is implanted. This is possible thanks to a positive balance and proper funding.

From a global perspective, X-ELIO has continued generating value in its portfolio of projects incorporating 25 MW in Japan, and has completed the construction of 58 MW in Chile in January 2017. In this regard, it has increased its energy sales by 20% in 2016, partly due to the commissioning of these new plants as well as to the good performance of the plants which were already operational.

At the same time, we began activities for promotion and development of new projects in all five continents, and therefore it is worth noting that the net amount of cash flows earmarked for investment within the Group has doubled. In this sense, the most significant item under 2016 investments was the purchase of fixed assets for the construction of solar plants in South America and Asia. These investments were financed through project finance with very favorable terms.

By 2016 year-end, our revenue rose to 117.66 million Euros, with an EBITDA of 54.89 million Euros.



The main X-ELIO's consolidated financial figures are summarized below:

Economic Value Generated (EVG) total of **126,950 thousand Euros**, with the following breakdown:

Economic Value Generated (EVG)	Thousand Euros
Turnover	117,659
Financial income	1,422
Other income	7,869
Total EVG	126,950

Economic Value Distributed (VED) total of **191,778 thousand Euros**, with the following breakdown:

Economic Value Distributed (VED)	Thousand Euros
CAPEX	137,216
Payment to capital providers	36,148
Taxes	8,542
Personnel	9,872
Total EVD	191,778

Economic Value Retained (VER) total of **26,072 thousand Euros**.

During the financial year 2016, we did not receive any additional amount as subsidies.

Regarding the remaining accounting obligations, companies comprised within X-ELIO are mostly obliged to perform annual audit reports on their individual annual accounts due to the total volume of their assets, turnover and the average number of employees. There are no audit qualifications in such reports.

Following their approval by the relevant body, these reports are submitted in due time and manner to the Commercial Registry every accounting year, for the legalization of its official Accounting Books and the lodging of their annual Financial Statements. In addition, X-ELIO companies are up-to-date regarding their payments to the Social Security General Treasury and their tax obligations.

Finally, as per the Code of Ethics, we do not provide any financial support to Governments (G4-EC4).



Our integration

With the entry of KKR as our partner at the end of 2015, we began a process of emancipation from Gestamp Renewables, in order to operate as an independent company.

This process affected the organization of the company, mainly the corporate functions (financial, HR, IT, legal, etc.), which had their procedures and reporting systems modified and adjusted to the new requirements. In this area, the segregation, adaptation and improvement of all existing company information and reporting systems stand out due to their complexity.

For this adaptation, numerous projects were launched, focused on providing continuity and stability to the information systems, so that the systems segregation would not affect the day-to-day business operation.

The IT Department was tasked with the execution of these projects through the transfer and takeover of X-ELIO management systems on three different levels:

- + **Organization:** a new "Systems Department" was created, recruiting the required staff profiles to adequately manage of the service.
- + **IT infrastructure:** the necessary infrastructure was purchased and installed in order to provide continuity to the different services.
- + **Migration:** the applications and services transfer project from the previous infrastructure into the new X-ELIO infrastructure was implemented. Additionally, the management of our activity was gradually transferred into the new organization.

Among the main tasks, the Solar Control Center transfer into the new infrastructure of the center of Solar Control and the SAP platform services stand out, both successfully achieved within the prescribed timeframe. Subsequently, we proceeded to integrate the headquarters and the IT service was started in a completely independent way. Finally, external service operation and maintenance of infrastructure systems were adapted.

Also, during this financial year, different initiatives were launched, aimed at processes improvement, primarily within the corporate area, as summarized below:

- + Implementation and migration to "Google Apps for Work" cloud platform was performed. This platform provides X-ELIO, not only with an e-mail service, but also with a series of productivity applications that complement and enhance the possibilities and services for each user.
- + Implementation of "SAP Business Planning and Consolidation" (BPC) module, which allows us to address information and reporting needs to our shareholders, as well as a greater agility in the periodical accounting closings.
- + Along with the above, we launched "SAP Roll out" in Chile and Japan, which will allow harmonizing the processes and information within the administration department and the services internalization and their efficiency improvement. Both projects were launched in 2016 and its completion is estimated at the beginning of 2017.
- + Implementation of commercial "Mercatus" cloud software for the energy sector investment lifecycle management. Along with the features included, we have developed and implemented others related to "project management". This will allow us to integrate all the information at a single repository. Configuration was completed in September and will become operational by year-end.

In 2017, X-ELIO goals aimed at the processes improvement, the strengthening of systems technical infrastructure and, primarily, at the protection level improvement of the company's information against cyber-security risks, as one of the most critical risk areas we face, through the strengthening of vulnerabilities, both technical and organizational, to ensure an adequate level of protection.

DMA, G4-SO4& G4-SO5

Ethics, anticorruption, risk management and compliance

IN RECENT YEARS, WE HAVE WITNESSED A GROWING GLOBAL CONCERN FOR ALL ASPECTS RELATED TO CORRUPTION, ETHICS AND INTEGRITY ISSUES, AS WELL AS A DEMAND FOR INFORMATION, COMMUNICATION AND TRANSPARENCY FROM BUSINESSES, GOVERNMENTS AND SOCIETY.

In addition, with the entrance of our partner KKR by the end of 2015, a period of adaptation and improvement in all areas has started. Among others, we approved an ambitious "Compliance Programme" which encompasses all the policies, guidelines, codes and complaint mechanisms, in the area of ethics and compliance, including the existing bans and the consultation and complaint mechanisms through the Compliance Committee.

Below we summarize the policies, codes and relevant commitments in 2016:

Anticorruption Code: The Anticorruption Code and the internal controls established are designed to prevent irregular conducts among employees and/or associates (suppliers, customers, Governments, etc.). It defines and establishes the general guidelines on aspects such as: the offering or acceptance of gifts, meals, entertainment or any action which may imply a bribe or any unlawful practice either directly or through third parties. The code was formally approved on 18th February 2016.

Trade sanctions policy: This Policy aims to ensure compliance with the applicable regulations in the field of trade sanctions, preventing contracting with any person or legal entity subject to trade sanctions, and to quickly and effectively respond to any information which is contrary to this policy. This Policy was formally approved on 18th February 2016.

Competition Code: Through the implementation of this code, we intend to prevent actions that may jeopardize the maintenance of free and open competition in domestic and international markets.



X-ELIO requires full compliance with all legislation related to competition which may be applicable to its activities and does not tolerate any conduct, either voluntary or negligent, that involves, or may reasonably lead to, a breach of such legislation. The code was formally adopted on 27th June 2016.

It is worth mentioning that, as a binding requirement, in 2016 all staff must personally adhere to the Competition Code, the Trade Sanctions Policy and the Anticorruption Code.

Code of Ethics and Conduct: The Code reflects the requirements of ethics, integrity and compliance, particularly in the areas of conflict of interests, human rights, equality, safety and health, local community support, environment, data protection, information management, healthcare as-

sets and external communication and is applicable to all X-ELIO employees in their daily activities and in their relations with clients, suppliers, Governments and other partners. Hence, we formally approved the Code of Ethics and Conduct within the Compliance Programme on 28th July 2016.

Quality, Environment and Health and Safety Integrated Policy:

X-ELIO is aware of the importance to respect the environment in the performance of its design, construction and commissioning activities for its solar energy photovoltaic facilities, as well as the safety and health of its employees and subcontractors.

For this reason, we have a mandatory Quality, Environment and Health and Safety Policy, under which the Integrated Management System sits, certified under ISO 9001, ISO 14001 and OHSAS 18001 standards

United Nations Global Compact:

X-ELIO is signatory to the Global Compact, therefore we are committed to promoting and implementing the 10 universally accepted principles in the areas of human rights, labor regulations, environment and fight against corruption.

The Company meets all compulsory requirements to renovate its commitment in the 2017 financial year.

It is worth noting that X-ELIO was runner-up in the "Iberian Lawyer Gold Awards 2016" awards. They recognize the excellence among professional lawyers and compliance areas. The award is divided into 10 categories and X-ELIO was runner-up in the "Compliance Team" category.

G4-SO3, G4-SO7, G4-SO8, G4-EN34, G4-LA16, G4-PR9 & G4-HR12

Compliance Committee

In 2016 the Compliance Committee was created. It is responsible for defining and communicating the ethical framework to operate in a transparent and integral manner and according to the commitments made, for promoting the values and ethical behaviors, as well as for establishing the consultation or complaint mechanisms or to denounce, investigate and respond to the matters that may be of interest to employees and/or third parties.

The Compliance Committee is authorized to solve queries or interpretations that may arise and to gather the information and investigate in relation to any infringement of the Policies and Codes that conform the Compliance Programme, guaranteeing the due confidentiality, discretion and protection to those employees or external parties that communicate alleged breaches in good faith.

To facilitate the communication, there are different channels through which any employee or third party, who wishes to raise a query or observes any breach or violation, may communicate or denounce it. Below is a summary of the whistle-blowing channels (G4-SO4):



By electronic mail:
compliance@x-elio.com.



By Postal mail:
Compliance Committee
X-ELIO Energy, S.L.
3 Ombú Street. 2nd floor
28045 Madrid. Spain.

Since its inception, the Compliance Committee has received 6 queries, mainly related to the acceptance of presents or invitations from third parties.

In 2016, corruption related risks were not assessed (G4-SO3). Neither did we receive any claims related to the environment, work practices, or human rights. (G4-EN34, G4-LA16 and G4-HR12). We have also not received, and are not subject to, any process related to unfair competition, monopolistic behavior (G4-SO7), breach of any legislation or regulation (G4-SO8), nor have we been imposed any sanctions for breaches related to product supply and use (G4-PR9), the Marketing communication and our customer's data privacy protection.

G4-HR1

Project financing

In 2016, there has been no behest, clauses or commitments related to human rights and anticorruption practices regarding the financing for our two new plants in Japan and the plant in Chile. (G4-HR1)





+ SOCIAL DIMENSION / PEOPLE

MATERIAL ASPECTS	CONTENTS
Talent attraction and retention. Training	Management focus Talent attraction and retention Next steps...
Human rights in general	Human rights

DMA

Management focus

2016 WAS A PERIOD OF CHANGE AT X-ELIO BECAUSE, HALF WAY INTO THE YEAR, HUMAN RESOURCES MANAGEMENT WAS SEGREGATED FROM GESTAMP RENEWABLE. THIS MEANT THE NEED TO ADAPT TO THE NEW ENVIRONMENT AND THE REQUIREMENTS OF OUR NEW SHAREHOLDER KKR

In this sense, there were a number of management changes. Among others, a new HR department was upheld, incorporating a new HR director and expanding the department, redefining its functions and scope.

As a starting point for this process, there was a deep review of existing information, practices, policies and procedures, to allow the drafting and definition of a "Human Resources Strategic Plan".

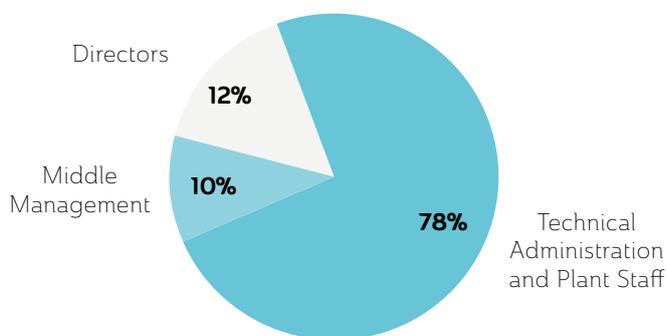
The human resources objective is to become a strategic partner to the Company to ensure the implementation of the Human Resources Policies to pursue attraction, integration, development and retention of our professionals and contribute to achieve X-ELIO business targets.

G4-LA12 & G4-EC6

Our team

In 2016, our team is formed by 181 professionals (119 males and 62 females). Out of them, 59% is located in Spain, where our headquarters sit. Compared to the previous financial year, the staff headcount increased by 17.1%.

Our headcount is balanced regarding experience and dynamism. The majority of staff, 84.5% is within the age range between 30 and 50 years old; 6.1% is younger than 30 years; and the remaining 9.4% is older than 50 years.



The following tables show the breakdown by country, position, age and gender:

Directors

Country	Male			Female		
	≤30	>30 <50	>50	≤30	>30 <50	>50
Chile	0	0	0	0	0	0
Spain	0	15	2	0	2	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
TOTAL	0	17	3	0	2	0

Middle management

Country	Male			Female		
	≤30	>30 <50	>50	≤30	>30 <50	>50
Chile	0	0	0	0	0	0
Spain	1	10	0	0	1	0
Italy	0	2	0	0	0	0
Japan	0	2	0	0	1	0
Mexico	0	0	0	0	0	0
Peru	0	0	0	0	0	0
South Africa	0	0	0	0	0	0
USA	0	1	0	0	0	0
Total	1	15	0	0	2	0

Plant staff

Country	Male			Female		
	≤30	>30 <50	>50	≤30	>30 <50	>50
Chile	0	1	0	0	3	0
Spain	4	32	6	5	28	1
Italy	1	16	1	0	3	1
Japan	0	7	5	0	8	0
Mexico	0	1	0	0	3	0
Peru	0	4	0	0	0	0
South Africa	0	1	0	0	4	0
USA	0	4	0	0	2	0
Total	5	66	12	5	51	2

Regarding governance members, 16.7% is over 50 years old and the remaining 83.3% is between 30 and 50 years old. Further, 66.7% holds local nationality and all are males. (G4-EC6).

DMA

Talent attraction and retention

G4-LA1

Hiring and internal promotion

X-ELIO is aware that the company future development depends upon, the commitment and work from its team. Therefore, internal promotion is a core tool to achieve employees' satisfaction through the development of their careers and their talent recognition.

Internal promotions

In order to internally fill a specific position, the communication was through email which described the vacant position requirements and characteristics.

This communication was addressed to the "target population", which according to their qualities, would meet the required conditions. Employees within this population interested in such vacant position would follow the established processes until their final approval.

In 2017, this process will be streamlined through the corporate Intranet. The job offer will be published internally on the Intranet announcement board, called "Job Posting", which will contain information about the available vacancies so that any interested employee may access, in an efficient and easy manner, both the job description and the process to follow to submit their application.

The job offer is made public only if, after some time, which depends on the urgency, it is not filled by internal candidates.

Hiring

Currently, the external hiring process for new professionals who meet the job requirements include the use of computer and job seeking tools, presence in employment forums and ad-hoc collaborations with specialized advisors.

In 2017, our target is to design a "Centralized Procedure to Hire" new professionals. This includes the design and implementation of a global space in X-ELIO webpage that allows for the orderly collection of CVs. To expand the hiring frame, we will also redesign the company website in certain job seeking and social networks pages with the aim to reinforce our presence in this type of forums and to improve the company visibility.

International mobility

We are global Company in constant growth, which implies the existence of international career paths that allow our staff a greater professional development.

In this sense, the kick-off of international projects, as well as the market exploration in other countries or specific geographies, offers the company staff both professional development opportunities through long-term international careers, and temporary overseas assignments linked to specific projects.

G4-LA11

Performance assessment

The Performance Assessment or evaluation is a key process within Human Resources, whose mission is to define the main pillars in the staff management to achieve a high performance.

In 2016 financial year, we have been working on the design for the Performance Assessment, which be progressively put in place throughout the 2017 and 2018 financial years, and aims the following general targets:

- I Facilitate the staff and the managers a work methodology that ensures a dynamic, continuous, clear and efficient process showing the performance evolution and the employees development at any time throughout the year;
- II Create a uniform process that applies to the full organization, on the same dates and with the same criteria;
- III Create an effective communication channel between the employees and their managers;
- IV Facilitate the information that allows a consistent management for the variable remuneration calculation, the salary review and the talent identification.

DMA, G4-HR2, G4-HR7, G4-LA9 & G4-LA10

Training

At X-ELIO, our priority is to count with the mechanisms to allow us to know our staff training needs so that we can adapt the training to the different levels and profiles within the company.

In 2016, 3,142 training hours were delivered, which means an average of 17 training hours per employee, mainly focused on languages and health and safety. The following table details their breakdown by country (G4-LA9):

Plant staff	
Country	Training hours
Chile	19
Spain	2,986
Italy	21
Japan	30
Mexico	58
Peru	2
South Africa	24
USA	2
Total	3,142

The communication effort related to ethics, anticorruption and human rights stands out in 2016. In this sense, staff was informed about the approved policies and codes related to Compliance, including: the Trade Sanctions Policy (formally accepted by 128 employees), the Anticorruption Policy (formally accepted by 123 employees) and the Competition Code (formally accepted by 58 employees). Furthermore, this training was reinforced in some countries.

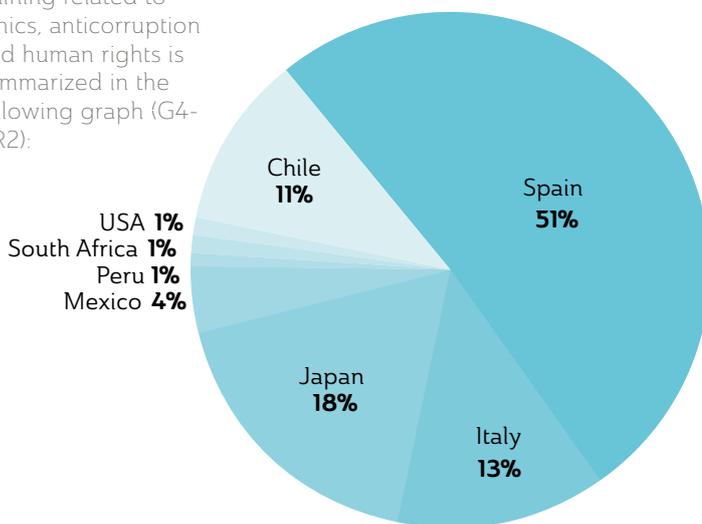


To analyze the quality and usefulness of the training received, in most cases staff attending fills in feedback surveys and evaluates if their expectations were met. In general, in light of the surveys received, we may conclude that the result was satisfactory. At X-ELIO there is no training oriented to manage the career end within the teams, because there are no employees close to retirement age. (G4-LA10).

At X-ELIO we consider it is very important to help the new professionals that incorporate into the job market. To this extent, we have kicked-off a "studentship Programme" managed through agreements with leading universities, business schools and study centers, in order to get young professionals to make practices in our company and gain experience. Once the term is over, if their performance was satisfactory and according to the production needs, they are presented with the opportunity to continue growing their career in our company.

Usually, our activity does not require hiring physical staff for the security of our facilities. In any case, the subcontractors for the physical security of our company are legally regulated and recognized, so their training on human rights is not considered necessary (G4-HR7).

The percentage distribution for training related to ethics, anticorruption and human rights is summarized in the following graph (G4-HR2):



DMA

Communication

X-ELIO's internal communication model responds to the needs of a global team used to make regular international travels.

Under this premise, in 2016 we designed and commissioned the new X-ELIO intranet, which enables an internal communication channel between the company and the staff. The human resource department is in charge of the intranet management.

New X-ELIO Intranet

By the end of 2016, X-ELIO launched its new Intranet.

The objective is to have a communication tool according to the needs of all staff and the management with the aim to promote the internal communication channels, thus creating a better work environment.

An external specialized company was engaged for its design, which also involved the collaboration of a team of 15 to 20 X-ELIO professionals, named "promoters", scattered among Spain and the other countries where the company is present, with the aim of achieving a fast implantation process and making all users aware of the change that the Intranet launch implies.

The promoters were tasked with collaborating with the Intranet design, participating in working groups, which channeled their feedback as users of the different trials and development of the different spaces, as well as its accessibility. Once the Intranet final design reached a consensus between the promoters and X-ELIO management, it was formally introduced to the rest of the company.

The new Intranet is conceived as an internal communication channel and, for this purpose, it contains numerous sections, as summarized below:

Company: this section includes information of general interest about the Company and information about all our facilities.

Directory: it is one of the most frequently used contents. It gathers basic data for each employee (department, phone numbers, electronic mail, etc). This allows to contact and search for the appropriate persons in a fast manner.

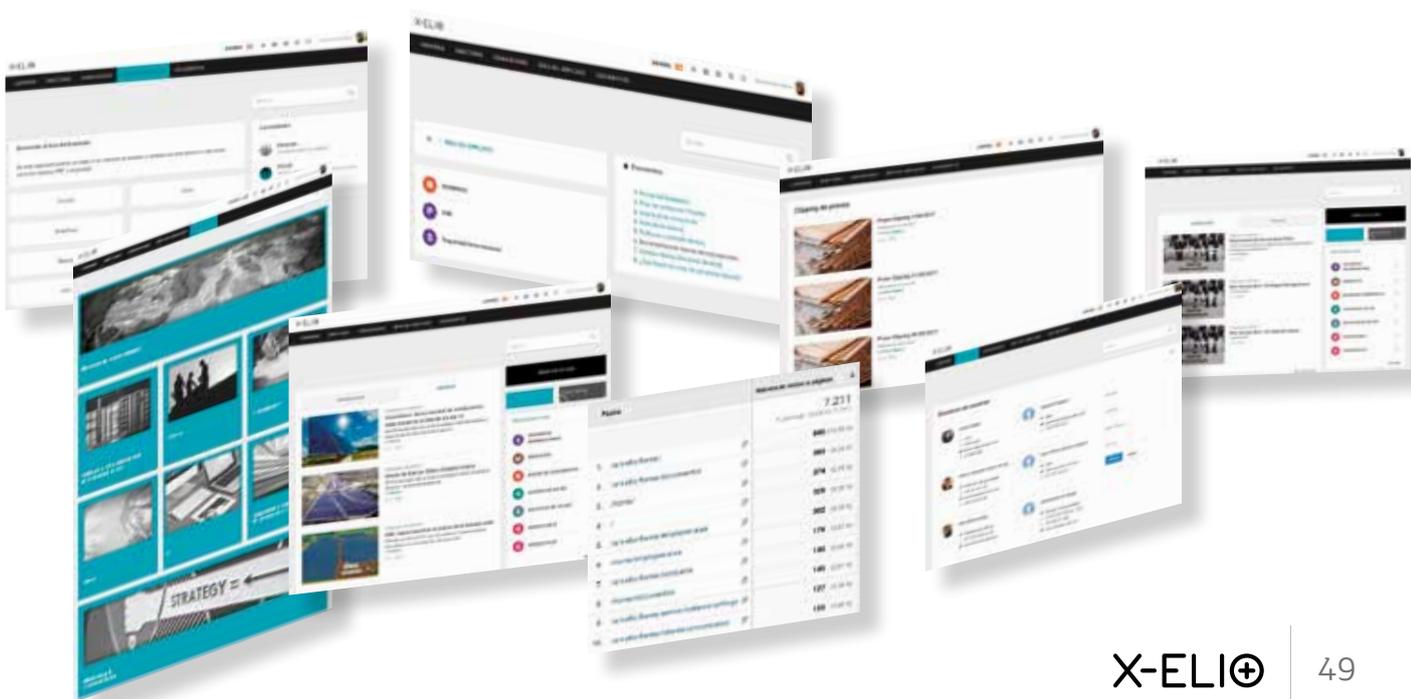
Releases: this section periodically includes the news, organizational changes or notifications which are relevant for all employees.

News: this publishes the most outstanding news, both from X-ELIO and from the industry, which are considered relevant to all employees.

Press Clipping: it publishes a daily summary containing a news selection both from domestic and international media related to the photovoltaic industry and anything related to X-ELIO and KKR.

Employee area: this section includes numerous applications such as access to payroll, to the program to submit travel and vacation requests, the travel security platform, and the fringe benefits, through the Flexible Remuneration Plan, among others. Each employee may have access, besides the general information and resources within this section, to a country specific section which includes information related to such country.

Documents: this section incorporates different contents grouped into folders which include all documents and procedures related to Administration, Quality, Environment, IT, HR, etc, as well as the most relevant information about Compliance and Sustainability.



G4-10 y G4-LA3

Employment stability

For us, maximizing employment stability is one way to show the trust in our team, in the long-term relations and in their experience.

In the 2016 financial year, 89.5% of staff are under indefinite contracts and the remaining 10.5% a temporary contract. Further, 98.9% of staff have full-time Jobs and the remaining 1.1% are part-time.

The breakdown by gender and country is shown below:

Country	Type Of Contrat				Length Of Workday			
	Indefinite		Temporary		Full-Time		Part-Time	
	M	F	M	F	M	F	M	F
Chile	1	3	0	0	1	3	0	0
Spain	61	33	9	4	70	36	0	1
Italy	21	4	0	0	21	4	0	0
Japan	12	6	3	3	14	9	1	0
Mexico	2	3	0	0	2	3	0	0
Peru	4	0	0	0	4	0	0	0
South Africa	1	4	0	0	1	4	0	0
USA	5	2	0	0	5	2	0	0

In 2016 we had the following maternity and paternity leaves: 5 male and 1 female, and 100% are reinstated and remain in the company. Furthermore, 80% of males and 100% of females who took maternity/paternity leaves in 2015 remain in the company.

G4-LA1

Staff turnover and mobility

The average staff turnover rate at X-ELIO (considering the number of employees leaving our organization is 9%. Within 2016, 43 new professionals have joined the Company: 23 males and 20 females. On the other hand, 16 employees have left the company: 13 males and 3 females.

The table shows the breakdown by gender, age and country:

Country	Joiners						Departures					
	Males			Females			Males			Females		
	30	> 30 50	> 50	30	> 30 50	> 50	30	> 30 50	> 50	30	> 30 50	> 50
Chile	0	0	0	0	2	0	0	0	0	0	0	0
Spain	1	9	3	4	5	0	1	3	1	0	0	0
Italy	0	0	0	0	0	0	0	0	0	0	0	0
Japan	0	4	1	0	5	0	1	3	0	0	1	0
Mexico	0	0	0	0	1	0	0	0	0	0	1	0
Peru	0	1	0	0	0	0	1	0	0	0	0	0
South Africa	0	1	0	0	0	0	0	0	1	0	0	0
USA	0	3	0	0	3	0	0	2	0	0	1	0

G4-EC5

Remuneration

X-ELIO is aware that remuneration is an important factor for our professionals. Therefore, and also because of our staff average profile, our lowest salary is always higher than the one established in the local legislation.

The table below shows the ratio between the annual initial salary in the company and X-ELIO lowest salary in those countries with a significant number of employees:

Country	Ratio Male	Ratio Female	Overall Ratio
Spain	1.64	1.64	1.64
Italy	nd	nd	nd
Japan	1.72	1.72	1.72

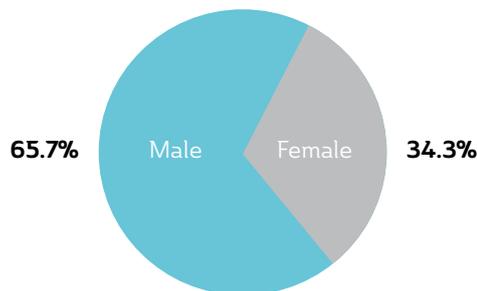
G4-HR3, G4-HR5, G4-HR6 & G4-HR9

Human rights

Diversity

At X-ELIO, we consider that the perspective and the way of thinking from professionals with different origins help us achieve positive changes in the organization, in the work methods and increments our innovation capacity responding to a demanding market with high quality standards such as the current one.

The headcount in 2016 is made up of 65.7% males and 34.3% females.



Additionally, we uphold local employment as it contributes to reinforce the dialogue with the local communities and allows for a more exact knowledge of their culture, thus improving integration. Thus, 96.7% of staff are of local origins, out of which 66% are males and 34% females.

The following table shows the breakdown by gender, position and country:

G4-EC6 Local nationality	Male			Female		
	Director	Middle Mgr	Plant	Director	Middle Mgr	Plant
Chile	0	0	1	0	0	2
Spain	16	10	41	2	1	34
Italy	1	2	18	0	0	3
Japan	1	2	12	0	1	8
Mexico	0	0	1	0	0	3
Peru	0	0	4	0	0	0
South Africa	0	0	1	0	0	4
USA	0	1	4	0	0	2

At X-ELIO we have not identified in any plant or office, nor in suppliers, any risks related to children work and/or forceful work or breaches related to human rights. In 2016 the Compliance Committee has not received any related complaints (G4-HR3, G4-HR5 and G4-HR6), nor have our facilities been inspected or evaluated related to human rights, as it is not considered an important risk due to the activity developed (G4-HR9).

Mobility

To enhance the professional development opportunities, X-ELIO promotes the international mobility among its staff. That is why, when the market strategy requires so, there is the possibility to take on greater responsibilities or develop new projects in other countries or regions, which boosts the development of their professional careers.

In 2016, the number of company expatriates is 5 (4 males and 1 female). Besides, due to our activity and presence in a number of countries, every year there are multiple short-term business trips linked to specific projects within the company strategic plan.

Within the international mobility plan, we may highlight the training effort made related to "Security in international travel". In this sense, in collaboration with an external supplier, a number of training sessions were held both in our central offices as well as in some of the company offices in other countries, in which, as a precautionary measure, some practical aspects have been addressed related to basic security to be taken into account in international trips.

This initiative has been reinforced with the launch of an electronic platform where staff making international trips may find specific and updated information on the country they travel to.

Likewise, the Intranet contains information for travel insurance, which besides general information, includes an emergency telephone number to call in case any incident takes place in order to get directions on the fastest way to solve it.

G4-LA2

Work-life balance and fringe benefits

The balance between staff's work and personal life is important for their health and well-being, therefore flexible working hours were introduced in 2016, which allows adapting the check-in and check-out times to the personal situation of each employee in Spain. In the other countries, where the staff headcount is much lower, the flexibility requirements are managed individually, attending local legislation and the uses and customs in each country.

X-ELIO aspires to improve the life quality of its staff, and therefore there are a number of fringe benefits adapted to the needs of each location. Below are summarized some examples:

Life, accident and inability insurance: all workers in Spain and Italy are covered by a life and accident insurance with a higher coverage than established by local legislation. Further, in 2016, the travel insurance coverage was notably increased, which is consistently applicable to all countries.

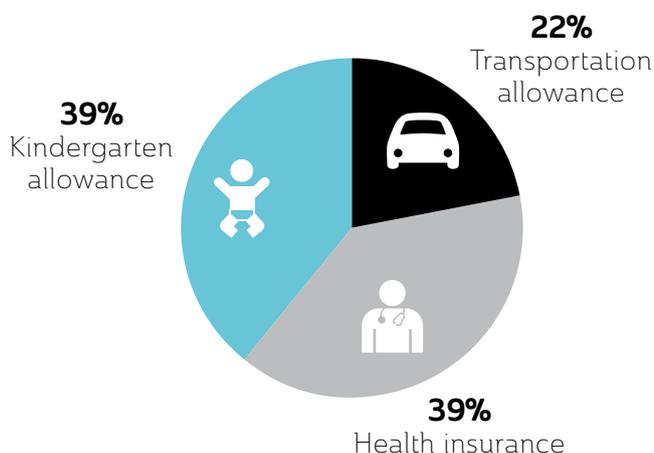
Meal allowance: all staff in Madrid office receives restaurant vouchers.

Retirement plan and pension funds: both the retirement plans and the pension funds are applied in those countries where required by local legislation, such as: the retirement plans in Japan, the voluntary pension funds in USA, etc.

Transport allowance: In Japan some economic help is provided as "commutation allowance" to cover transportation cost to the workplace.

Flexible Remuneration Plan: Staff in Spain has a Flexible Remuneration Plan (FRP) that presents the opportunity to adapt each employee's remuneration package to his personal situation through a number of products included in the plan.

Currently, the offered services are: kindergarten allowance, transportation allowance and health insurance. In 2016, the FRP had 23 requests, distributed as summarized below:



Next steps

Currently, the Company is working on the design and implementation of a number of projects that, focusing on the human team, have the main objective of aligning the company with the new market trends in the human resources area.

The energy that moves

X-ELIO+



is the people

In this sense, we plan to expand and improve the information contained in the intranet so that it becomes into a backbone channel for internal communication within the company and the "Employee Section" gather more and more complete and updated information in each of the countries.

After its launch, in the following years we will work to consolidate the "Healthy X-ELIO" programme, which will count with monthly initiatives and will address different issues aimed at enhancing healthy life habits among our staff.

Additionally, the company staff performance management programme will materialize which, together with the launch of a competence management programme called "X-ELIO ADN" will form the base for the company human resource management.





+ SOCIAL DIMENSION / HEALTH AND SAFETY

MATERIAL ASPECTS

Healths and safety at work

CONTENTS

Management focus
Measurement, communication and training

DMA

Management focus

X-ELIO PRIORITIZES THE HEALTH AND SAFETY OF ITS STAFF AND ALL EXTERNAL WORKERS PRESENT IN THE WORK ENVIRONMENT.

Our organizational culture demands an exemplary performance from each member. It concentrates on fostering good habits and behaviors, consultation and participation from everyone for continuous improvement and ZERO tolerance with recklessness or any type of breach in general.

The health and safety management is organized following the guidelines established under the Quality, Health, Safety and Environment (QHSE) Policy, the Code of Ethics and Conduct and the Management System, which also fulfills the OHSAS 18001 regulation for the "Design, construction and commissioning" activities.

Through manuals, procedures and instructions, the system formally collects personal protection equipment (PPE) specifications, training, and accident notification and complaint channels, among others. Besides, X-ELIO makes an accurate tracking of the health and safety of its operations in order to improve its management.

Responsibilities and organization

Prevention organization at X-ELIO is coordinated at a corporate level through the Health and Safety and Environment Directorate which establishes the guidelines, plans and programs to develop.

In each country or facility there is a Health and Safety Responsible, who is in charge of implanting the established plans and programs and controlling and monitoring the commitments arising from the Management Integrated System and the applicable legal requirements, both for our staff and for subcontractors.

Likewise, in all countries we have the support from a specialized local external consultant, with the objective of helping us not only with the identification of all applicable legal requirements but also during the Project execution phase.



Project management

Before the start of works and the project execution, a Health and Safety Plan or Programme must be prepared.

In this document, the contractor identifies plans, organizes and controls each activity to be undertaken from a preventive point of view, as well as the applicable work procedures. Besides, it will inform on any risks related to the activities to undertake and the preventive measures to take in each case to avoid or mitigate them.

The subcontractors tracking and control is performed through "UBYQUO" platform. It aims to be a common workplace so that subcontractors and Health and Safety staff interchange documents within a unified environment integrating all documents in an efficient, fast and simple manner.

Through this tool, all subcontractors, workers and machinery documentation are identified and checked, fulfilling the legal requirements from the country.

The duties of the Head of Occupational Risks Prevention include reviewing, checking and approving all documentation. From that point, UBYCUO automatically generates an access document authorizing entrance to companies, workers and machinery.

Health monitoring

For X-ELIO, staff health is a key factor because it is fundamental to their well-being and their work performance. The health monitoring and control related to workers risk exposure in their respective jobs is externalized, relying on the different medical services according to the local legislation dispositions at the time.

Besides, the company understands that worker's good health translates into a higher performance, either physical or intellectual, and into absenteeism reduction due to illnesses derived from bad eating habits or lack of physical exercise. Therefore, we foster staff participation in healthy habits campaigns.

In this line, in 2017 we plan to launch a "Healthy X-ELIO" campaign, which will monthly deal with issues focused on improving eating behaviors and healthy life habits among our staff.

G4-LA7

Risk identification and control mechanisms

In order to define the adequate preventive measures, X-ELIO carries out the "Risk Assessment", which is periodically updated, as well as whenever there is any change to the work conditions that implies the identification of new damages or risks, or when the implanted measures are not sufficient.

The risk assessment follows probability/impact criteria evaluating aspects related to:

- Physical safety (falls, bumps, ...).
- Hygiene (exposure to contaminants, noises,...).
- Ergonomics (excessive loads, inadequate tools,...).
- Psychosocial factors (mental load, work contents,...).

This assessment considers the presence of especially sensitive workers, both for their personal characteristics as well as for their biological status (for example, pregnant workers) indicating if there are specific risks for this workforce for each job position.

The assessment results conclude that workers do not have jobs presenting a high risk/incidence of getting specific diseases; therefore it is not necessary to establish related preventive measures.

G4-LA5

Measurement, communication and training

AT X-ELIO, WE HAVE ESTABLISHED DIFFERENT COMMUNICATION CHANNELS TO FACILITATE A TWO-WAY FLOW, ALLOWING INFORMATION AND PARTICIPATION FROM ALL IN-HOUSE AND EXTERNAL STAFF IN AREAS RELATED TO HEALTH AND SAFETY.

Risk communication and health and safety instructions are made through internal memos, training and the announcement board. Besides, the heads of the contractors/sub-contractors receive written copies of the health and safety instructions for the activities they will perform in the plants.

Likewise, there are periodic coordination meetings to follow up safety issues. These meetings are attended by staff in charge of X-ELIO health and safety as well as the competent staff from contractors/subcontractors.

On the other hand, contractors and subcontractors report on a monthly basis the accidents, incidents and work hours for each of them. These measures allow for an accurate tracking and regulation of the health and safety conditions in the operations, as well as a precise identification and solving of the possible failures in the management system so that pertinent measures can be adopted.

On top of direct communication, there are other channels that encourage consultation, such as the intranet. The Intranet integrates, collects and standardized the policies, initiatives, indicators and other documentation of interest related to work Health and Safety.

Notification of accidents

The internal communication of accidents is performed first by reporting to the site manager and, subsequently, to the head of health and safety who will be in charge for the accident investigation and reporting through an "Incident/Accident Investigation Report".

The notification of accidents to the corresponding labor authority is performed according to the timeframes and mechanisms established for such purpose.

For accidents or leaves of absence of external staff, the responsible company is in charge of initiating the required procedures to notify them to the labor authority and submit the accident report to X-ELIO, so that we can proceed with its investigation and keep an updated record of the accidents occurring.

Training and awareness-raising

Before joining the company or incorporating into a new job position, all workers receive training related to risk prevention tailored to their position and functions, so that they are aware of their related obligations and responsibilities. This requirement also applies to subcontractors which, before starting any plant construction activity, must have the regulatory training to ensure quality standards and minimize the accident/incident risks.

Besides, staff receives additional training to strengthen and update their knowledge related to risk prevention. In 2016, we held 460.5 training hours related to health and safety.



Inspection

In order to assess the compliance with all the established obligations and guidelines related to Health and Safety, "Inspections" are made with the aim of measuring and controlling the activities to monitor the health, control the personal protection equipment, technical / competent health and safety staff and safety inspections.

These inspections are carried out at least monthly at construction sites to accurately identify, on-site, the practices or habits that may pose a risk, determine the training needs and check whether working methods are adequate and the results are included in a report, for the sake of continuous improvement and prevention.

In 2016, there were a total of 89 reports, mainly corresponding to Uribe Project (Chile) which gathers a total of 86. The remaining 3 are distributed among Hayato and S13 projects, both in Japan.

G4-LA6

Tracking indicators

X-ELIO performs an exhaustive tracking of the indicators related to accidents, both internal and within subcontractors. This allows us to establish adequate measures and, thus, continue improving the safety and work environment for our professionals.

In 2016 there was only one accident with leave of absence corresponding to a female within our own staff. This accident represented the loss of 67 work days. We have not had any accidents without leave of absence, neither within our staff nor within subcontractors.

In 2016, there are no records of fatal accidents, nor is any occupational disease, therefore the average rate per employee in both cases is 0.00.

Below is a summary for cumulative frequency and severity for the full financial year:



Country	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Cumulative frequency index *	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.4	1.3	1.2
Cumulative severity index **	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.03	0.05	0.05

*Rate: Number of accidents implying leave of absence for every 1,000,000 worked hours.

**Rate: Number of workdays lost due to contingency for every 1,000 hours.



Lost days due to absenteeism

In 2016, we had a total loss of 640 workdays due to absenteeism from our own staff.

The average rate of lost days per employee and country is shown in the following table:

Country	Internal staff rate
Spain	258.2
Chile	20.8
Mexico	58.1
South Africa	53.8
Japan	198.1
Italy	207.3
USA	51.2
Peru	27.4

Rate: (number of days lost due to other causes + days lost due to accidents) / 1,000,000 hours worked.



+ SOCIAL DIMENSION / SOCIETY

MATERIAL ASPECTS

Social impact on the local community

CONTENTS

Management focus
Social catalyst
Relations with public administrations

DMA, G4-EC7, G4-EC8 & G4-EC9

Management focus

Generating value for the local community

At X-ELIO, we generate wealth through different approaches such as employment, purchases from local suppliers and tax payment that contribute to reinforce and consolidate the socioeconomic fabric of the communities where we operate.

To this purpose, below is a summary of our key figures for 2016:

- + 191,8 million Euros of economic value distributed.
- + 181 professionals under headcount, including 43 new hires.
- + 9.9 million Euros destined to remuneration and other fringe benefits.
- + 29.8 million Euros for local suppliers.
- + 8.5 million Euros in taxes.

Contribution to a more sustainable energy model

Renewable energies are now the first choice to expand and modernize energy systems worldwide. Renewable energies are winning the race, in which solar photovoltaic systems have reached network parity in many countries.

The sun is our main source of energy. An inexhaustible, independent resource that does not produce emissions to the atmosphere and fuels a sustainable energy model, capable of meeting current needs without compromising the future resources and possibilities. (G4-EC8)

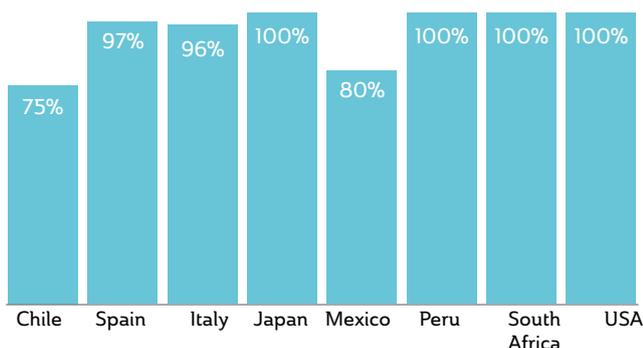
Besides, the thrust in the renewable energy deployment will nourish the economic growth, create new employment opportunities, improve human well-being and contribute to a safe future for the climate.

Job creation

Renewable energies are already an important source of job creation, with an estimated 9.4 million employments in 2015 (including hydroelectric energy). Asia is the leading region and the major developed technologies are: photovoltaic and bioenergy. If renewable energies reach 36% by 2030, it is estimated that employment will reach 24.4 million (Source: IRENA).

Within this frame, solar energy is an employment source throughout all the chain value: development, manufacturing, construction, operation, maintenance and recycling. Depending on the technology used, for each MW produced it is calculated to create between 15 and 27 direct and indirect jobs. (EPIA 2012, SUSTAINABILITY OF PHOTOVOLTAIC SYSTEMS: Job Creation).

At X-ELIO, we consider that local job creation is a significant boost for the economy in the area that fosters integration between the company and the local communities. As summarized under "People" chapter, in 2016 our headcount grew by 17% reaching 181 staff, out of which 96.7% correspond to local employees. The percentage breakdown by country is summarized in the adjoining graph.



Regarding local hiring, **Uribe Solar Photovoltaic** Project stands out, as part of our voluntary commitments under the Environmental Impact Assessment, indicated that "within the construction phase of the project, we will prioritize the hiring of workers from Antofagasta community for non-qualified tasks", so that the construction company subcontracted for the project prioritized the local hiring in the area.

Land Lease

Another source for local wealth are the land lease and concession agreements that X-ELIO executes with the Administration and the owners of the land where the plants are located, through long-term agreements, with a duration longer than 20 years.

One example of such benefits is the leasing of the land where the South African plants are located, where the rental fee is a percentage of the gross revenue of the plants. This is performed through a family Trust, which ensures high incomes for the families for the next 20 years, extendable according to the plant life cycle. (G4-EC8)

Contributions to the local community

The municipalities or regions where X-ELIO plants are located receive income in the form of taxes that contribute to the improvement of the life quality and services for the residents in the neighborhood.

The amount paid in 2016 as local taxes and fees ascends to 8,543 thousand Euros, as detailed below:

Country	Taxes and fees (thousands of Euros)
Brasil	1
Chile	112
Spain	3,397
USA	551
Honduras	149
Italy	436
Japan	2,173
South Africa	1,724
Total	8,543

Local suppliers

At X-ELIO, we are committed with the economic and social progress of the countries where we are present. In 2016, the expenditure on local suppliers rose to 29,730 thousand Euros and represents 54% of total expenditure.

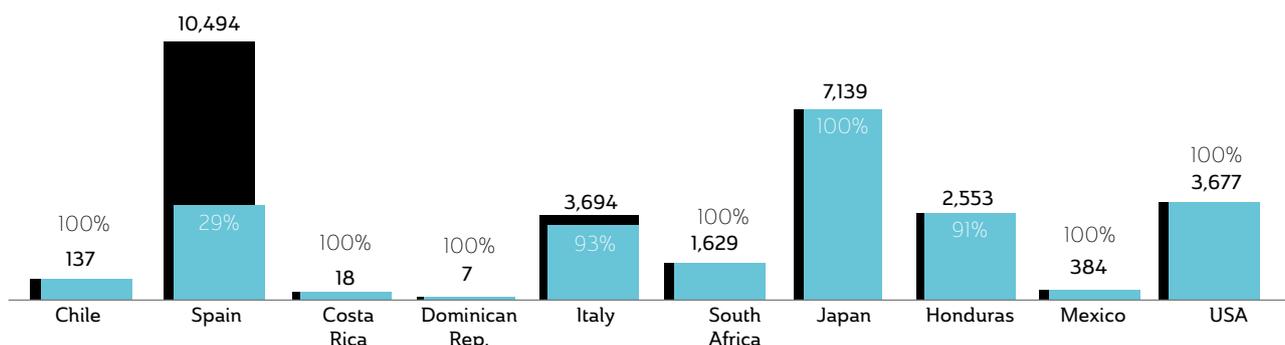
Its distribution is uneven, as local suppliers expenditure is 100% of expenditure in all countries, except in Spain, where it only reaches 29%.

The following graph summarizes its breakdown (in thousand Euros) by country (G4-EC9).

Country	Total Suppliers expenditure thousands of Euros	Local suppliers expenditure thousands of Euros	% Local Suppliers
Chile	137	137	100%
Spain	36,029	10,494	29%
Costa Rica	18	18	100%
Dominican Rep,	7	7	100%
Italy	3,694	3,694	100%
South Africa	1,629	1,629	100%
Japan	7,139	7,139	100%
Honduras	2,553	2,553	100%
Mexico	384	384	100%
USA	3,677	3,677	100%
	55,266	29,730	54%

Suppliers expenditure (thousands of Euros)

- Local suppliers expenditure
- Percentage of spending on local suppliers





G4-SO1, G4-SO2 & G4-SO11

Social catalyst

Local development support

With its activity, X-ELIO enables a larger and better development in rural or isolated areas through clean energy generation, as it suits areas where electrical network does not reach or its implantation is costly and complicated. Besides, its useful life is greater than 30 years and the technological costs have significantly reduced.

Depending on their location and characteristics, X-ELIO plants consider and incorporate the economic, social and environmental impacts from its start, through various mechanisms such as the environmental impact assessments, the commitments established by investors (Equator Principles), the obligations derived from the

energy plans in each country and/or through the different mechanisms established by local regulations.

We also carry out different consultation projects, which enable the local communities to participate in the process and also allow the company to identify their needs.

These studies contribute to design strategies to prevent and/or mitigate the possible impacts perceived, including the undertaking of commitments with the local communities and monitoring programs to track the different issues identified, which assists in the safeguarding of the community rights as the relevant issues are incorporated into the projects.

With the aim of reinforcing the company's contribution to society, different collaboration agreements have been established with non-profit organizations (see indicator G4-15), to jointly perform corporate actions. Additionally, we implement initiatives in order to improve the life quality for the local community.

It is worth noting we have received nor solved any claims about social impacts in 2016 (G4-SO11).

Below, we summarize the main local programmes and initiatives undertaken in 2016 in 33.3% of the countries where the company is present (G4-SO1).



South Africa

Education

Back to School

The project started in 2015 and is aimed at improving the life quality for the least privileged children from Siyathemba municipality, providing shoes for primary school students.



In this manner, we hope to increase the positive attitude and pride among the beneficiaries and foster their development, as most of these students come from unemployed families and depend on government subsidies.

In 2016, thanks to company disbursement, we could hand out school shoes to 40 students across 6 primary schools.

Award of iThemba Prieska scholarships

In 2015, X-ELIO started a project to award scholarships for vocational training and higher education in the municipality of Siyathemba for youngsters from disadvantaged backgrounds coming from unemployed families and dependent on government subsidies.

The previous financial year, 14 youngsters received scholarships to pursue further studies and in 2016 the scholarships expanded to 19 new students. These scholarships include both the tuition fees and book costs as well as accommodation costs.

Sports and health

Dreamfields

The Project started in 2015 and aims to promote the creation of children's football and basketball teams, encouraging their participation in sports leagues, mainly in rural areas, in collaboration with the South African Department of Education and the local primary schools.



To this extent, in 2016 we made donations to 6 local schools in Siyathemba municipality to contribute to the purchase of sports equipment and the sport fields' maintenance. This municipality presents a high risk of drug and alcohol abuse, therefore it is essential to promote sports so that children are kept active and busy, while also providing them with future opportunities.



Medical supplies

Health systems at Siyathemba face numerous challenges, so that they require the support from local organizations that contribute to help a growing number of persons who suffer from terminal illnesses.

Our objective was to support these organizations through donation of medical supplies, as they receive little funding from the government. The beneficiary organizations were: Moeder Theresa Hospice, which looks after over 30 patients with HIV and cancer, and Huis Pickard asylum, which looks after over 50 elderly people.

Small businesses development

From X-ELIO, we contribute to the development of small local businesses through funding support, training and consultancy.

Support for small and medium micro enterprises (SMME's)

For this project, we hired an accountant to help 10 small and medium micro enterprises (SMME's) with their financial management and submission of compulsory reports.

His purpose was to reduce the financial load over these businesses so that they could concentrate on the business development and growth. Besides, within this financial year we have collaborated with 3 SMME with their purchase of support equipment that facilitate their progress.



Mama Mimi's Bakery

Given the high unemployment rate at Siyathemba, the Mamma Mimi's Project is focused on providing participating women with the necessary knowledge and tools to become owners of small businesses, such as bakeries, which can operate from their homes at a competitive price.

The Project is divided into 3 phases that will finalize within the first quarter of 2017:

- **Phase 1:** Includes manufacturing, purchase and assembly of all bakery components and accessories, up to the pre-delivery phase.
- **Phase 2:** Entails the organization for product commercialization and distribution, by searching and training a person in charge among other tasks.
- **Phase 3:** This phase encompasses the training and capacitation of 20 female bakers and assistants. For its proper distribution, includes a "Mamma Mimi's" branded vehicle. Finally, we will promote the project communication in different media and the product commercialization at local events.



Chile

In 2016, Uribe (Chile) solar plant was built and, simultaneously, numerous social initiatives were undertaken to benefit its environment in the region of Antofagasta, Chile.

In this environment, the Gen Community stands out, formed by professionals and nature lovers who search to create self-sustainable life. We summarize below the main collaborations made with this community:



Photovoltaic facility: as a support for the electricity consumption with the GEN community enclosure, we have built an isolated photovoltaic facility made up by 16 modules with a power of 310W each, which represents a total of 4,960W. This energy provides support to the following facilities: the caretaker's home, the auditorium and the stage.

Besides, a user manual has been provided that makes it easier to understand and use, enabling the final user to take advantage of all the energy produced by the system.

Access and signage improvements: a new access has been built, adapted to the weather conditions of the environment that will enable and facilitate the entry to larger vehicles to the existing facilities. Besides, new signs have been installed, providing greater visibility from the highway entrance and the road fork

Lookout: A lookout, integrated with the environment, was built with the aim of promoting the use of renewable energies, facilitating the plant view from its location.

Access porch and checkpoint shelter: A new access porch was installed at the entrance that facilitates the access to all kind of vehicles, providing a better image to the environment. This new access includes a checkpoint shelter.

Internal roads and fencing: in line with the new access, a new road was built within the GEN community, similar to the outside road and new fencing was installed.



Honduras

In view of the population growth experimented by Marcovia municipality, X-ELIO collaborates with the Municipal Hall in financing two important projects that will mainly benefit the youngsters in the area.



Improvements to Lobo Soccer Field

Given the importance of sports for youth, X-ELIO and the Municipality Hall are financing the implementation of different improvements to the "Lobo" soccer field, focused on: construction of the perimeter fencing, installation of new grandstands and adaptation of the fast soccer field and the recreational plaza. The project was kicked-off on 20th December 2016 and will be completed in 2017.



Villa Marco Institute

As the facilities where the institute currently operates are not owned and belong to a primary education school, there are frequent conflicts, so that municipal authorities saw the need to endow the area with an adequate and independent facility for the institute.

Thus, X-ELIO and the Municipality Hall are financing the construction of an educational building for secondary education, which can be used in different schedules, including weekends, through an agreement with the Autonomous National University of Honduras and other private institutions.

Within the first year from its inception, the institute achieved registration of 60 students and it is expected to increase by 40 students in the two next years.

G4-SO6

Relations with public administrations

X-ELIO selflessly collaborates with public bodies, establishing relations with regional and local administrations with total transparency, following the guidelines under the Code of Ethics.

Besides, the company considers important its participation in associations and organizations, as it allows being up to date with the trends, participating in consultations, industry studies and work groups and contributing to establish a reference framework. The industry associations it belongs to are listed under indicator G4-16.



Iwate (Japan) plant inauguration

On 26th May 2016, an inauguration ceremony was held for X-ELIO's new solar photovoltaic plant in Iwate, Japan.

This is the second Project that the Company completes in the country. The plant has a power of 24.78 MW, occupying a total area of 40 hectares on a former golf course.

The ceremony was attended by representatives from the government, as well as from the Spanish Embassy in Japan and several companies that participated in the project construction. Jorge Barredo, CEO, and Keji Yasuoka, Country Manager for Japan & Asia, attended representing X-ELIO.



+ ENVIRONMENTAL DIMENSION

MATERIAL ASPECTS	CONTENTS
Environmental management and environmental impact	Environmental performance
Energy and efficiency	Energy consumption
CO ₂ and climate change. Carbon footprint	X-ELIO and the climate change
Nature conservation. Biodiversity and landscape	Nature conservation, biodiversity and landscape

DMA

Environmental performance

X-ELIO IS COMMITTED TO THE RESPECT AND CONSERVATION OF THE ENVIRONMENT. THEREFORE, IT HAS THE SUITABLE MEANS TO OPERATE IN AN EFFICIENT AND RESPONSIBLE MANNER, GENERATING CLEAN AND RENEWABLE ENERGY PROJECTS.

Besides, it has a rigorous integrated system, which contains the environmental management under UNE-EN ISO 14001:2004 standard for the activities of “design, construction and commissioning” for solar photovoltaic energy facilities. It also complies with the obligations derived from the regulations in force, the environmental impact assessments and the environmental and activity licenses.

Therefore, the management system applies in 2016 to the plants under construction: Uribe in Chile, and S13 and Haya-to in Japan. Likewise, Iwate plant was commissioned during this financial year, so it is partially within the scope.

Through the system, we measure and analyze consumptions, emissions, waste and spills in the maintenance and construction activities in order to analyze their efficiency and, thus, establish periodic improvement targets that contribute to minimize our environmental impact. In parallel, we collaborate with administrations and local communities in the areas where we are present offering our support in different social and environmental issues.

Below is a summary of the main environmental performance indicators, related to Uribe plant (Chile), S13 and Haya-to plants (Japan) under construction and partially to Iwate plant (Japan):

Water consumption

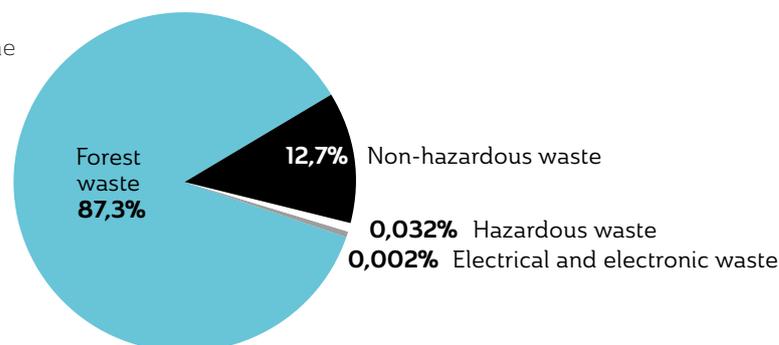
During construction phase, water is mainly used for watering the roads and, to a lesser extent, for sanitary use.

In 2016, the corresponding consumption rises to a total of 12,133 m³. Its breakdown is 1% for human consumption and sanitary and the remaining 99% for watering and maintenance of tracks and cleaning.

Waste

The management system includes within its procedures the guidelines to follow for production, segregation, tracking and measurement of the waste produced by the plants.

In total, 3.975 tons of waste were generated, the majority of which (87.3%) is forest waste. The following graph shows the percentage by waste type:



DMA, G4-EN3 & G4-EN5

Energy consumption

X-ELIO's activity has a very low energy consumption, mainly used for plant maintenance and Company offices.

Internal energy consumption

In 2016, X-ELIO consumed a total of 16,402 GJ of energy generated from non-renewable sources.

The adjoining table shows its breakdown by countries:

Energy consumption (GJ)	
X-ELIO Spain	4,692
X-ELIO Italy	2,362
X-ELIO Japan	1,662
X-ELIO South Africa	2,754
X-ELIO USA	516
X-ELIO Honduras	2,075
X-ELIO Peru	2,341
Total	16,402

Energy intensity

X-ELIO considers that measuring its energy intensity is a good way to know the efficiency and impact of its activity.

The resulting annual ratio is calculated dividing the energy consumption (G4-EN3) by the total weight of energy sold in each country.

The following table summarizes the results:

Energy intensity GJ consumed/GJ produced	
X-ELIO Spain	0,013
X-ELIO Italy	0,018
X-ELIO Japan	0,014
X-ELIO South Africa	0,012
X-ELIO USA	0,005
X-ELIO Honduras	0,007
X-ELIO Peru	0,006
Total	0,010

Renewable energy generation

At X-ELIO, we are aware that climate change is one of the main environmental issues for the planet, as well as a relevant matter for the interest groups. Therefore, our activity, the generation of renewable energy, contributes to this fight.

In 2016, we generated a total 1.638.006 GJ of energy from renewable sources, with a country breakdown as summarized below:

Energy generation (GJ)	
X-ELIO Spain	373,073
X-ELIO Italy	129,604
X-ELIO Japan	121,978
X-ELIO South Africa	226,198
X-ELIO USA	114,426
X-ELIO Honduras	309,907
X-ELIO Peru	362,819
Total	1,638,006

X-ELIO and the climate change

DMA, G4-EC2, G4-EN15, G4-EN16, G4-EN17,
G4-EN18, G4-EN19, G4-EN20 & G4-EN30

Risks and opportunities

Climate change is increasingly relevant, being one of the major challenges we face which humanity will need to address in the 21st century. Therefore, it represents an urgent threat with potentially irreversible consequences for the planet. It is a given fact that in order to tackle this burst we need to implement all available mechanisms and to obtain the cooperation from all countries.

2016 has been a very relevant year due to decisions taken in the international arena in the fight against climate change. After holding in Paris the 21st United Nations Summit related to Climate Change (COP 21), the approval of the work agenda at COP 22 in Marrakech for the implementation of the targets approved in Paris allows us to advance in the world objective to reduce the CO₂ emissions no later than between 2020 and 2025 and reach half by 2050.

In 2016 this becomes especially relevant as the carbon dioxide levels in the Earth atmosphere consistently exceed the symbolic mark of 400 ppm of CO₂. Although this threshold had already been surpassed in specific planet places for some months, it had never before been the annual average and in a global manner.

In this same line, we positively note the current transformation of the global energy markets, as the photovoltaic energy has become, for the first time, the cheapest way to produce electricity.

As developers and generators of photovoltaic energy, we contribute to mitigate the causes for climate change, as we practically do not generate CO₂ emissions. Besides, photovoltaic energy is inexhaustible and does not rely on other finite resources such as fossil fuels, fosters social and economic development, improves access to energy and ensures supply in remote areas.

Therefore, from our commitment to sustainability and in accordance with our activity, X-ELIO wants to contribute to the mitigation of these impacts and to the achievement of the Sustainable Development Goals (SDG), related to adopting urgent measures to fight climate change and its consequences:



Goal 7: Ensure access to affordable, reliable, sustainable and modern energy for all.



Goal 13: Take urgent action to fight climate change and its impacts, in particular, incorporating measures related to climate change in the national policies, strategies and plans.

At X-ELIO, we consider that the main options to fight climate change from our industry are focused on the use of modern and efficient technology, to generate renewable energy throughout its useful life, on the development and implantation of innovation and efficiency measurements that improve the performance of our plants and on staff training and awareness- raising.

Below is a summary of the main indicators of emissions in the climate change area.

Direct emissions (scope 1)

Solar radiation is the source for X-ELIO's production process, so it has no direct emissions related to it

Regarding harmful substances to the ozone layer, they are present at electrical substations allowing X-ELIO plants to evacuate energy, which use SF₆ gas as insulator. This gas is within confined circuits and strictly supervised to avoid leaks. In 2016 there was no SF₆ recharge (G4-EN20).

Indirect emissions (scope 2)

This chapter includes the emissions from the electricity generation plants as a consequence of the consumption in our plants and offices.

Country	Emissions generated tons of CO ₂
X-ELIO Spain	379
X-ELIO Italy	264
X-ELIO Japan	229
X-ELIO South Africa	665
X-ELIO USA	72
X-ELIO Honduras	214
X-ELIO Peru	193
Total	2,016

The estimate of its CO₂ emissions is based on the Green House Gas Protocol (GHG Protocol) standard, taking as a reference the emission factors from the International Energy Agency (2013).



Other indirect emissions (scope 3)

The emissions included under the scope 3 cover the consumption in staff commuting and work travel and rise to a total of 1,549.3 tons of CO₂, distributed as shown below:

- Staff commuting to work centers*. As a result of this, emissions are estimated at 132.3 tons of CO₂.
- Emissions derived from corporate travel by plane: 1,397.4 tons of CO₂.
- Train trips: 1.2 tons of CO₂.
- Use of rental cars for work travel: 18.4 tons of CO₂.

*The calculation is based on a transport survey made in 2014 and the number of employees in 2016.

Avoided emissions

Due to our activity, we generate energy without direct release of CO₂ into the atmosphere, so that this activity is, in itself, a way of contributing to the reduction of greenhouse gas emissions.

In 2016, we generated 1,638,006 GJ of renewable energy, thus avoiding the emission of 193,930 tons of CO₂ to the atmosphere (G4-EN19). The breakdown by country is shown below:

Country	Avoided tons of CO ₂
X-ELIO Spain	30,157
X-ELIO Italy	14,472
X-ELIO Japan	16,840
X-ELIO South Africa	54,602
X-ELIO USA	15,988
X-ELIO Honduras	31,938
X-ELIO Peru	29,933
Total	193,930

Clean Development Mechanisms

X-ELIO participates in the development of projects in countries under development in cooperation with developed countries, contributing to the objective of reducing CO₂ emissions and transfer of clean technologies to other countries under the scheme of "Clean Development Mechanisms" (CDM).

As of 31st December 2016, the following solar plants, with shareholding participated by X-ELIO, have been registered under United Nations.

UN registered Plants

Country	Plant	Power	tCO ₂ 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

Emissions intensity

X-ELIO considers that measuring the emissions intensity is a good way to track its facilities efficiency and impact (G4-EN18).

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

The following table shows the results obtained:

Country	tCO ₂ /GJ generated
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
Total	0.118

DMA, G4-SO2, G4-EN1, G4-EN2 & G4-EN3

Nature conservation, biodiversity and landscape

At X-ELIO, we are aware that there are or there may be certain aspects within our activity with a negative impact on the environment and the local communities. To mitigate and prevent them, in addition to meeting the obligations established under the environmental impact assessments, we have defined numerous prevention/mitigation measures, as described below. (G4-SO2 and G4-EN2);

Regarding the projects undertaken within the 2016 financial year, the plants in Japan did not require environmental impact assessments nor environmental control measures. Both of them were performed following the guidelines established in our integrated management system and good environmental practices.

However, Uribe plant in Chile did require the corresponding environmental impact assessment and the environmental license which collects the environmental tracking and measurement reports according to the country legislation.

Impact (potential or real)	Preventive / corrective measures (G4-EN2)
Impact on landscape	<ul style="list-style-type: none"> + Selection of locations with reduced visual basins. + Replanting at plants boundaries, to integrate the photovoltaic facility into the surrounding landscape.
Dust and noise generation (only during construction phase)	<ul style="list-style-type: none"> + Particles and dust control by watering the soil. + Concentrate the heavy machinery use during daytime to reduce inconveniences.
Impact on soil and water conditions	<ul style="list-style-type: none"> + Conservation of the top soil during earth movement works, and subsequent use for its conditioning. + Erosion control: measures to keep the soil natural drainage and work in periods of intense rain to reduce sediment trawling.
Impact on fauna and flora	<ul style="list-style-type: none"> + Site selection in locations of low biological value, reducing the impact on protected or special interest species. + Replanting and wildlife tracking according to local administration criteria.
Social and archaeological impact	<ul style="list-style-type: none"> + Conduct social studies in the required areas, establishing an open dialogue with the local community. + Previous analysis of the area to verify the existence of archaeological remains of interest.

We monitor and measure wildlife as established under the environmental impact assessments, the commitments arising from our Environmental Management System, and the requirements established by administrations for their licenses and/or authorizations

Out of the areas where our plants are located, only De Aar and Prieska plants, both in South Africa, have some presence of endangered birds. No impact on them caused by our facilities has been identified.

Environmental tracking at Uribe PV

The solar plant construction project at Uribe contemplates installing 235,200 polycrystalline silicon photovoltaic panels with 245 Wp each of them, projecting a total generation of 50 MWn.

Therefore, we contribute to achieving the objective of the State of Chile of having 20% of electrical energy generated within the Chilean energy mix, coming from renewable sources within the 2025 horizon.

The project is located in Atacama Desert, in the Antofagasta region. The project was implemented according to the appropriate environmental processes and the previous studies performed in the area conclude that "this project will not affect archaeological, cultural, anthropologic, historical, folkloric, tourism or scenic sites. Such area presents neither vegetation nor wildlife under conservation status, nor water resources, because it sits on Atacama Desert, the driest one in the world".

Thus, the Environmental Impact Assessment (EIA) declaration provides a "Favorable" environmental rating.

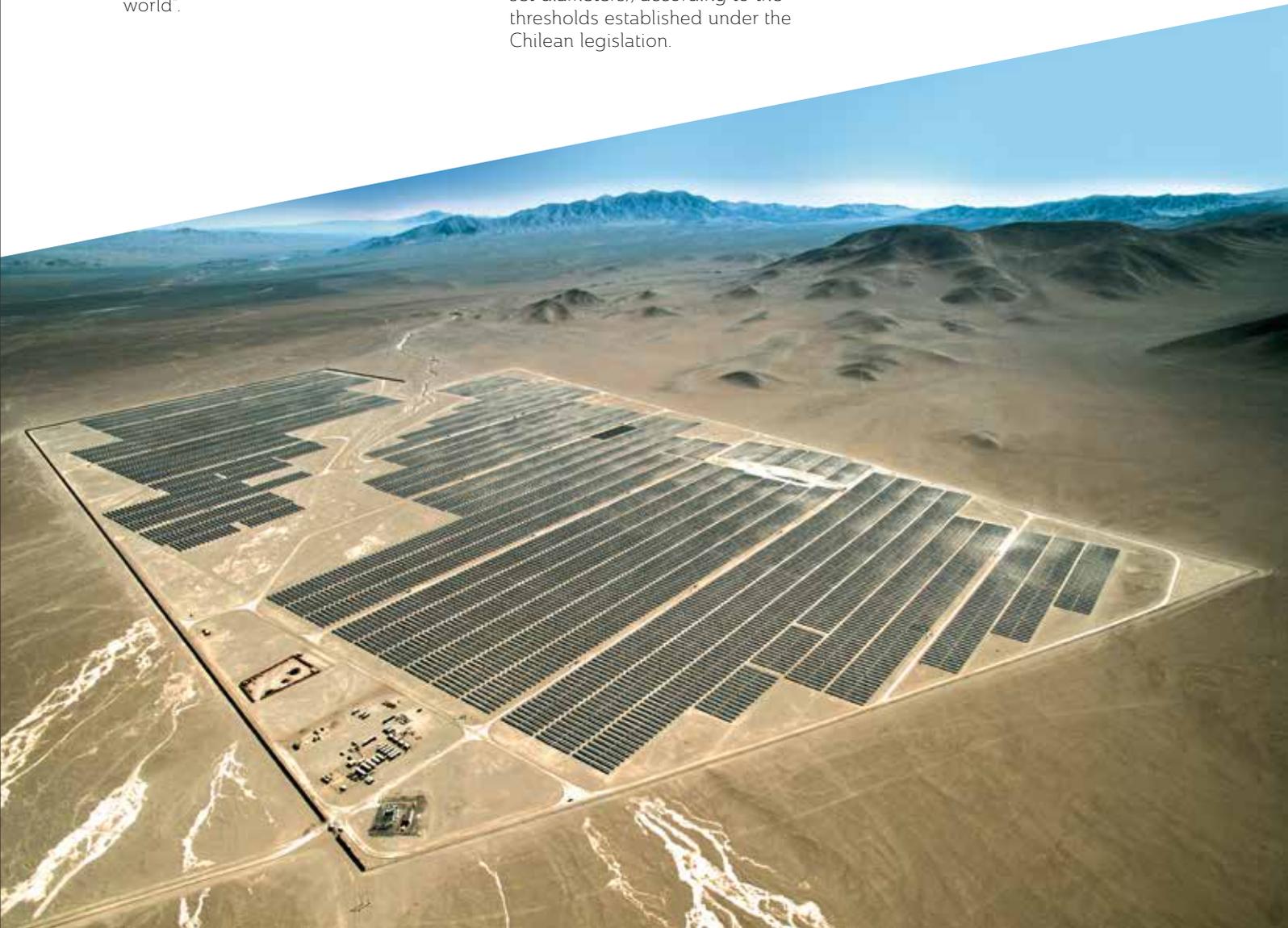
Within the voluntary commitments established under the EIA, we delivered induction lectures about environmental matters to all personnel who worked in the project, prior to its commencement.

Besides, during the project construction phase, the corresponding monthly environmental tracking and measurement reports were issued as established under the EIA and the Environmental License, through companies with expertise in the area, which weekly collect the measurements taken, as summarized below:

- "Monitoring of air quality and weather parameters at Uribe station" reports. These reports conclude that the particle limits have not been reached (for all set diameters), according to the thresholds established under the Chilean legislation.

- Visitor report – archaeological supervision: aimed at supervising the possible appearance of Heritage findings, archaeological and/or historical, present within the project coverage area, which had not been previously identified, according to provisions under the regulatory framework of law number 17,288 from the National Monuments of Chile Council. The periodical reports issued do not show any anthropogenic evidence and/or cultural findings.

- Noise monitoring within the plant construction area, as set out under Supreme Decree number 38/11 from the Ministry of Environment related to acoustic pollution. The reports show that the noise thresholds established under the legislation of reference have not been exceeded.



X-ELI⊕

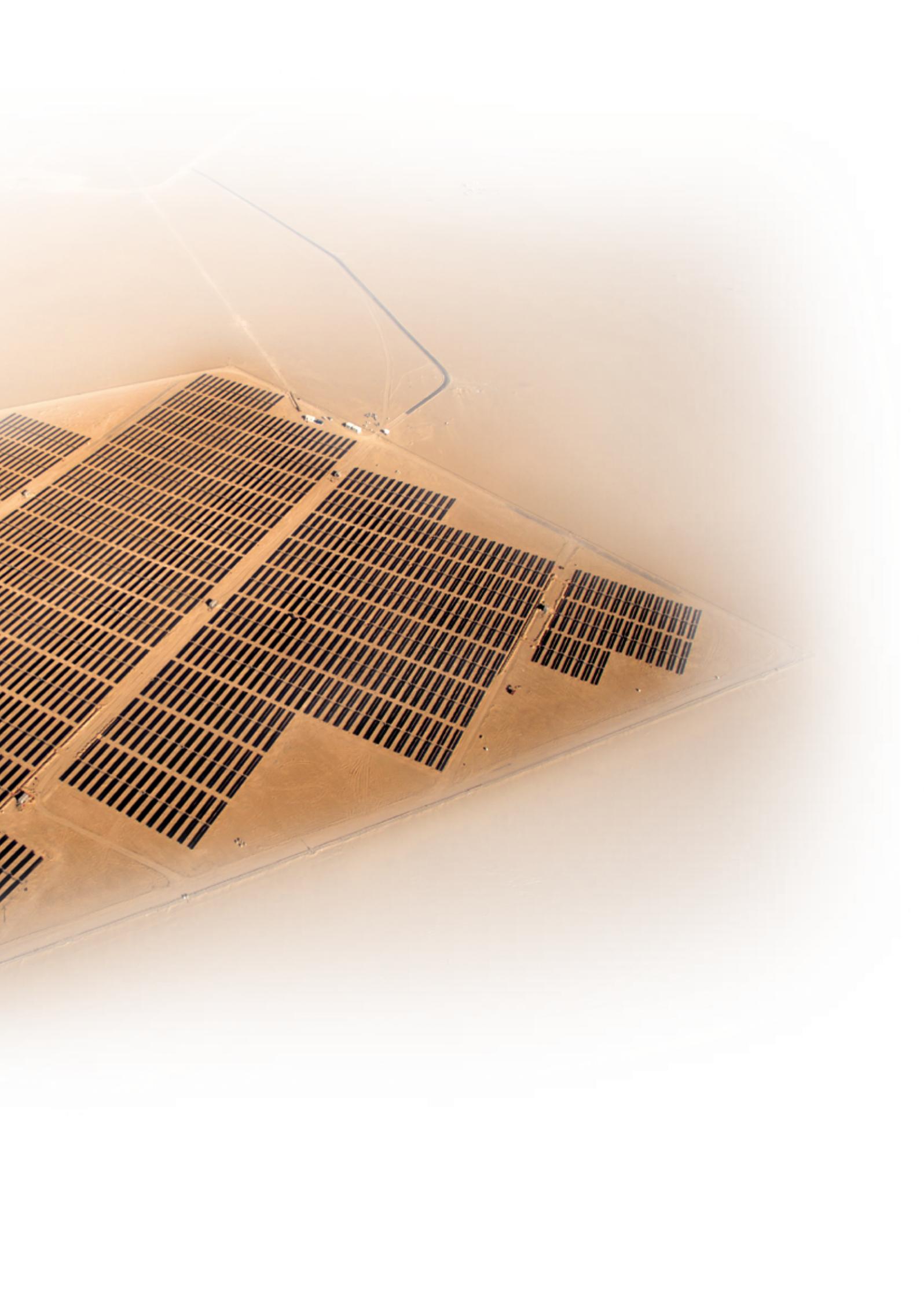
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Annexes

- 72** Independent Review Report
- 73** GRI G4 Content Index
- 79** Contents based on the Principles United of the Nations Global Compact
- 80** List of consolidated subsidiaries companies





Independent Review Report



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INDEPENDENT REVIEW REPORT ON X-ELIO 2016 SUSTAINABILITY REPORT

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 2016 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 (Revised), "Assurance Engagements Other than Audits or Reviews of Historical Financial Information," issued by the International Auditing and Assurance Standard Board (IAASB) of the International Federation of Accountants (IFAC), with a limited level of assurance.

Applied Procedures

Our review consisted in requesting information from 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:

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

- Checking, through review tests based on a selection of both qualitative and quantitative information samples of the indicators included in the Content Index and GRI G4 indicators in Appendices, and its adequate compilation from the data provided from different information sources. The review tests have been defined to provide assurance levels in line with the criteria described in this report
- Verification on the fact that the financial information included in the Report has been audited by independent third parties.

These procedures were performed on information published in X-Elio's 2016 Sustainability Report and in the "GRI G4 Contents and Indicators" in Appendices, with the above mentioned perimeter and scope.

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

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

Independence & QA

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

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

Conclusions

As a result of our review of X-Elio's 2016 Sustainability Report, within the previously described scope, we conclude that no matter came to our attention that would lead us to believe that the Report was not prepared, in all its significant aspects, according to Global Reporting Initiative (GRI) Preparation Guide for Sustainability Reports version 4 (G4), as it is stated in the Report, having reviewed the "GRI G4 Content Index" included as an 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.

(Free translation from the Original Report on Independent Review in Spanish dated September 22nd, 2017. In case of any discrepancy, the Spanish version always prevails.)

GRI G4 Content Index

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	18	
G4-6	17-18	
G4-7	18	
G4-8	18	
G4-9	17-18	
G4-10	19	
G4-11	19	
G4-12	20	
G4-13	21	
G4-14	21	
G4-15	21	
G4-16	21-22	



3. Identified material aspects and boundaries

	Page	Omissions
G4-17	22	
G4-18	22	
G4-19	23-25	
G4-20	23-25	
G4-21	23-25	
G4-22	28	
G4-23	28	

4. Stakeholders Engagement

	Page	Omissions
G4-24	26-27	
G4-25	26-27	
G4-26	26-27	
G4-27	23-25	

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	30	
G4-36	30	
G4-37	30	
G4-38	31	
G4-39	31	
G4-40	31	
G4-41	31	
G4-42	31	
G4-43	31	
G4-44	32	
G4-45	32	
G4-46	32	
G4-47	32	
G4-48	33	
G4-49	33	
G4-50	33	
G4-51	33	
G4-52	33	
G4-53	33	
G4-54	33	Not available. Confidential information.
G4-55	33	Not available. Confidential information.

7. Ethics and integrity

	Page	Omissions
G4-56	34	
G4-57	35	
G4-58	35	

Part II. Specific Standar Disclosures

Economic Dimension

1. Economic Dimension

Basic specific performance	Information about management approach and indicators	Page	Omissions
Economic performance	DMA	38-40	
	G4-EC1	41	
	G4-EC2	66	
	G4-EC3	NA	Not available
	G4-EC4	41	

2. Ethic, anti-corruption, risk management and compliance

Basic specific performance	Information about management approach and indicators	Page	Omissions
Fight against corruption	DMA	43	
	G4-SO3	44	
	G4-SO4	43	
	G4-SO5	43	
Anti-competitive Behavior	DMA	43	
	G4-SO7	44	
Compliance	DMA	43	
	G4-SO8	44	
	G4-HR1	44	
	G4-PR9	44	
Mechanisms for environmental claim, labor practices and human rights	DMA	43	
	G4-EN34	44	
	G4-LA16	44	
	G4-HR12	44	

Environmental Dimension

1. Environmental management

Basic specific performance	Information about management approach and indicators	Page	Omissions
Environmental compliance	DMA	64-65	
	G4-EN29	65	
General	DMA	64-65	
	G4-EN31	65	

2. Energy and energy efficiency

Basic specific performance	Information about management approach and indicators	Page	Omissions
Energy	DMA	65	
	G4-EN3	65	
	G4-EN4	NA	Not available
	G4-EN5	65	
	G4-EN6	65	
	G4-EN7	NA	Not available

3. Emissions and climate change

Basic specific performance	Information about management approach and indicators	Page	Omissions
Emissions	DMA	66	
	G4-EN15	66	
	G4-EN16	66	
	G4-EN17	67	
	G4-EN18	67	
	G4-EN19	67	
	G4-EN20	67	
	G4-EN30	67	Information on transportation of personnel is included.

4. Biodiversity

Basic specific performance	Information about management approach and indicators	Page	Omissions
Biodiversity	DMA	68	
	G4-SO2	68	
	G4-EN11	68	
	G4-EN12	68	
	G4-EN13	68-69	

Social Dimension

1. Talent attraction and retention

Basic specific performance	Information about management approach and indicators	Page	Omissions
Employment	DMA	47	
	G4-LA1	47	
	G4-LA2	52	
	G4-LA3	50	
Diversity and Equal Opportunity	DMA	51	
	G4-LA12	46	
	G4-EC6	51	
Training and Education	DMA	48	
	G4-LA9	48	
	G4-LA10	48	
	G4-LA11	47	

2. Labor conditions and human rights

Basic specific performance	Information about management approach and indicators	Page	Omissions
Non-discrimination	DMA	51	
	G4-HR3	51	
Child labor	DMA	51	
	G4-HR5	51	
Forced or compulsory labor	DMA	51	
	G4-HR6	51	
Security practices	DMA	48	
	G4-HR7	48	
Assessment	DMA	51	
	G4-HR9	51	
HR Training	DMA	48	
	G4-HR2	48	

3. Health and Safety

Basic specific performance	Information about management approach and indicators	Page	Omissions
Occupational Health & Safety	DMA	53	
	G4-LA5	55	
	G4-LA6	56	
	G4-LA7	54	
	G4-LA8	NA	Not applicable. There is no legal obligation to hold a formal health & safety committee. All questions/suggestions of employees are collected and studied.

4. Local Communities

Basic specific performance	Information about management approach and indicators	Page	Omissions
Indirect economic consequences	DMA	57	
	G4-EC7	57	
	G4-EC8	58	
Purchasing practices	DMA	57	
	G4-EC9	59	
Local Communities	DMA	60	
	G4-SO1	60-62	
	G4-SO2	60	
Grievance Mechanisms for Impacts on Society	DMA	60	
	G4-SO11	60	
Collaboration with public authorities	DMA	63	
	G4-SO6	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' progress concerning these principles by the following this table:

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

Scope considered for the elaboration of this Sustainability Report

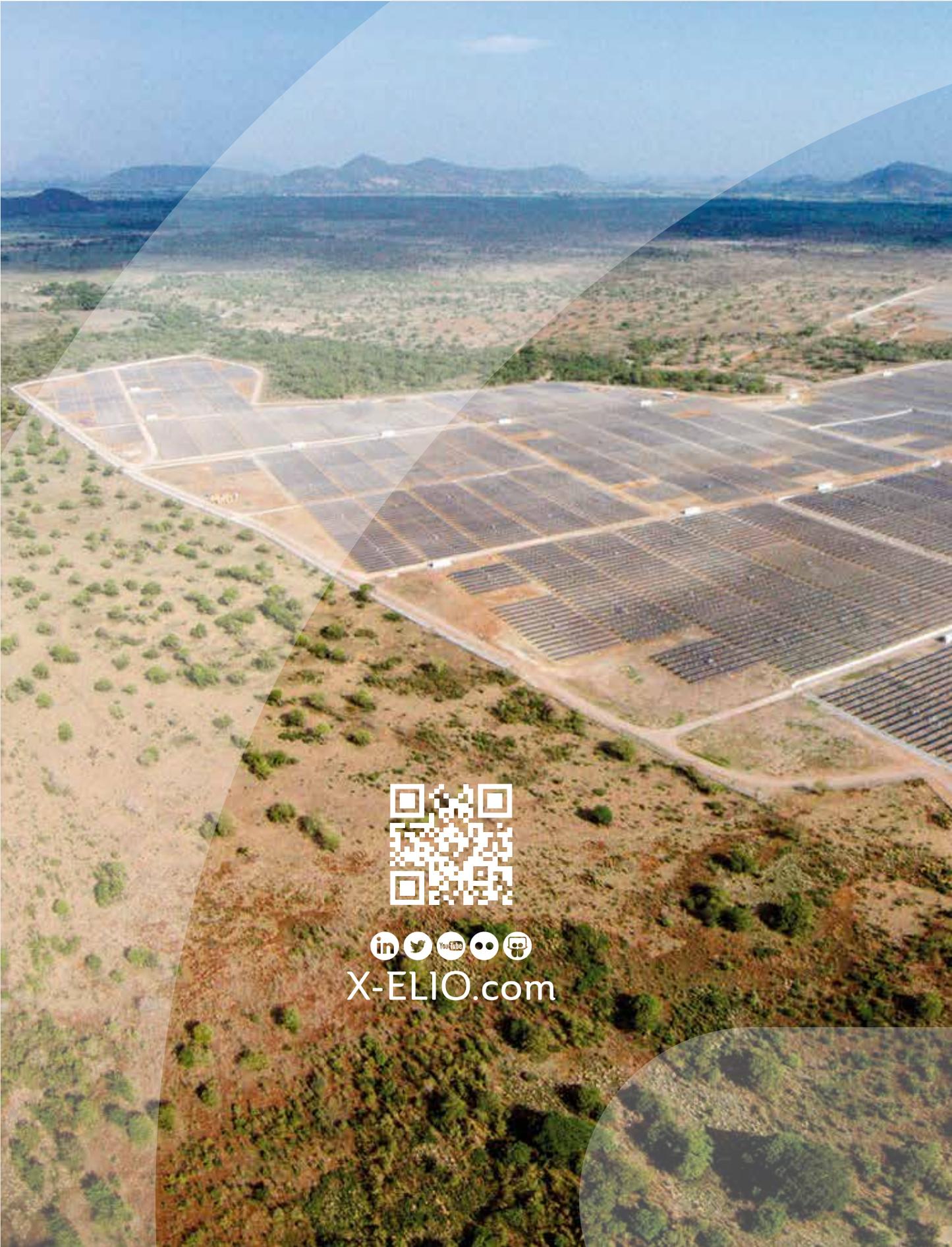
The scope considered by X-ELIO for the elaboration of this Sustainability Report 2016 matches the financial consolidation scope, which includes the following companies:

Subsidiary/ Associated company	Country
SPAIN	
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
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
Calasparra Sol De Murcia, S.I.	Spain
Huerto Solar La Mudarra, S.a.	Spain
Mursolar 6, S.I.	Spain
Mursolar 14, S.I.	Spain
Mursolar 17, S.I.	Spain
Mursolar 19, 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
Planning Business Green, S.I.	Spain

Subsidiary/ Associated company	Country
CHILE	
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
DOMINICAN REPUBLIC	
San Cristobal Solar Ev Sa	R. Dominicana
FRANCE	
X - Elio France, Sas	France
Gestamp Solar France 1, Sas	France
ITALY	
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
INDIA	
Gestamp Solar India, Plc	India
SOUTH AFRICA	
Mulilo Renewable Energysolar Pv Prieska (Pty) Ltd	South Africa
Mulilo Renewable Energy Solar Pvde Aar (Pty) Ltd	South Africa
X - Elio South Africa , Ltd	South Africa
X - Elio Contracting, Ltd	South Africa

Subsidiary/ Associated company	Country
JAPAN	
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
AMATERAS SOLAR, G.K.	Japan
HAYATO HOLDCO, K.K.	Japan
Shiroishi HoldCo, G.K.	Japan
Tsurusu HoldCo, G.K.	Japan
X-Elio HoldCo Sol, G.K.	Japan
X-Elio HoldCo Sun, G.K.	Japan
USA	
X - Elio North America, Inc.	USA
Gasna 5, Llc (Red Bluff)	USA
Gasna 7, LLC	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
BRAZIL	
Lagoa Energía Solar S.A.	Brasil
MEXICO	
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
X-Elio FV Conejos Medanos, SAPI de CV	Mexico
X-Elio FV Xoxocotla, SAPI de CV	Mexico
COSTA RICA	
Renocaste Solar Fv, Sa	Costa Rica
Guanacaste Fotovoltaica Renovable Solar Fv, Sa	Costa Rica
EL SALVADOR	
Tencoluca Solar S.a. De C.v.	El Salvador
San Nicolas Solar S.a. De C.v.	El Salvador
HONDURAS	
Constructora Solar Centroamericana	Honduras
EGYPT	
X - Elio, S.a.e	Egipto
PERU	
Energia Fv Peru S.a.c	Peru



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