



X-ELI⊕

2018

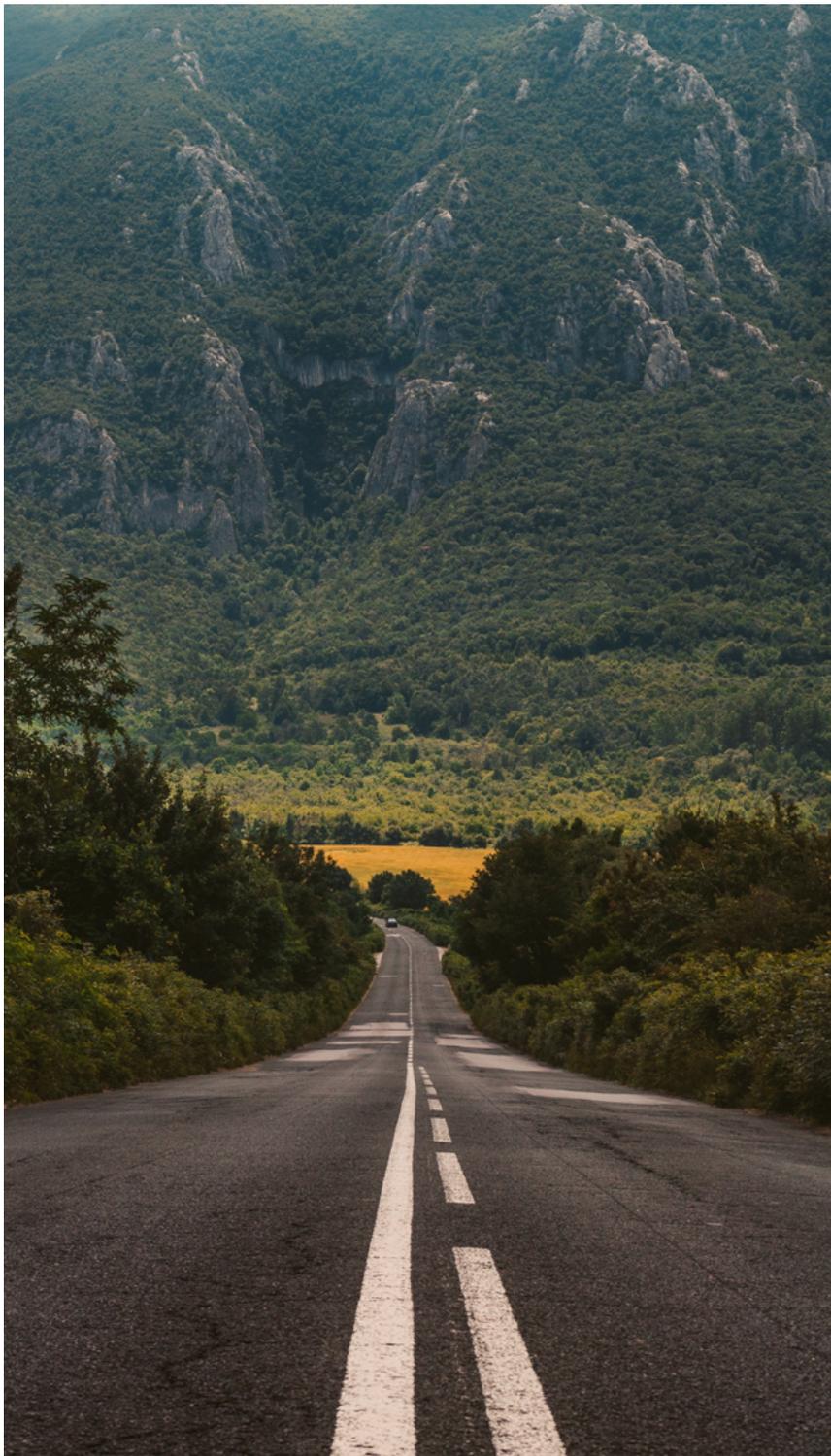
Sustainability  
Report



# 2018 Sustainability Report



X-ELIO.com



# INDEX

1

Chairman's letter

Page 05

2

CEO's letter

Page 06

3

Business environment

Page 08

4

Executive summary

Page 11

5

Our activity

Page 14

6

External dimension of our activity

Page 26

7

Internal dimension of our activity

Page 42

AI

Annex I  
Materiality

Page 59

AII

Annex II  
About this report

Page 62

AIII

Annex III  
Entities

Page 69

Mr. Jon Riberas Mera - Chairman

## A Word from the Chairman

Dear readers,

It is my honor to present X-ELIO's Sustainability Report for 2018, which demonstrates our renewed commitment to the values set under the Global Compact. Throughout these pages, we endeavor to address the concerns expressed by our various stakeholders and offer our view on the issues that affect the industry and especially, our Company.

Our primary contribution to the environment is our business model itself. Renewable energy is one of the most powerful tools in the fight against climate change and to decarbonize the economy. Thanks to X-ELIO's power generation facilities, we have avoided the emission of 322,141 tons of CO<sub>2</sub> into the atmosphere, equivalent to the annual volume generated by 64,817 people.

During 2018, our revenue has totaled 126.9 million euros and we have consolidated our presence in United States and Mexico. During 2018 we owned 41 operating solar plants with a total installed generation capacity of 531.35 MWp and an energy production of 721,429.8 MWh.

The talent of our people is the cornerstone on which we build our business. Therefore, I would like to thank the 187 professionals that make up

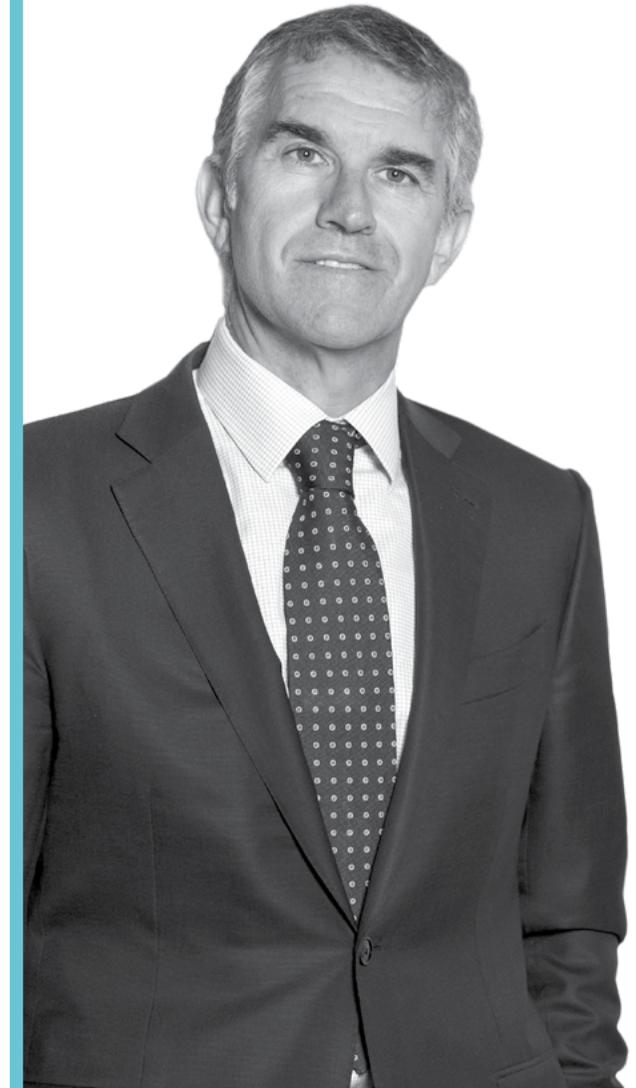
our Company for their commitment and hard work throughout the year. Their dedication has enabled us to position ourselves as one of the main players in the renewable energy sector, both globally and in Spain. In 2018, Human Resources team has been rebranded into People & Culture, becoming part of the Leadership Team as a key element in the achievement of strategic objectives.

Regarding corporate social responsibility, our mission is clear: we seek to instill into the communities where we operate the same values of diversity and equality that we uphold in our daily operations. In this line, we have launched in 2018 several aid projects aimed at having a positive impact on the local community.

Before I close, I also wish to thank our shareholders for their commitment and support to the project we share, a road laden with future challenges. We are facing political instability and legal uncertainty in some countries. On the other hand, we have already achieved financial independence from state grants, thus becoming an efficient, sustainable Company in the long term.

To all those involved in X-ELIO's business in one way or another, I thank you.

Jon Riberas Mera  
Chairman





Mr. Jorge Barredo López - CEO

## A Word from the CEO

Dear readers,

For the fourth consecutive year, I invite you to read our latest Sustainability Report, now reporting on 2018. It provides information on progress, risks, achievements and areas for improvement regarding environmental, social, economic and governance areas.

Throughout the year, we have witnessed the greatest political boost to the clean energies in Spain. The new government established a concrete agenda around the Ecological transition, implemented by its own Ministry, first of its kind in Spain.

Moreover, 2018 has turned out to be a year of great achievements and consolidation for our industry sector: solar capacity installed reached 485,826 MW worldwide\*, the highest record so far. Solar power rose to record prominence in 2018, as the world installed 98 gigawatts of new solar power projects, more than the net additions of coal, gas and nuclear plants put together. This dynamism, together with the increasing success of photovoltaic technology in tenders and the remarkable reduction of manufacturing costs, has paved the way to increase the number and size of projects under construction or operation, within a framework of tougher competition for financing.

X-ELIO believes that this new situation means excellent news but, on the flip-side, it poses a great challenge. Since our inception, we have worked to prove that X-ELIO's activity is, by itself, the most powerful tool in the fight against climate change. Witnessing now the industry's conviction in this regard, is a great satisfaction for us. Likewise, the consolidation of our funding schemes, which does not depend on any government financial support, encourages us to uphold our approach. Thus, the improvement of our competitiveness, together with the market response, allows us to continue endorsing our business model as the cleanest and most efficient method to provide electricity to homes and businesses worldwide.

We have reached three significant milestones within 2018: firstly, the consolidation of our presence in the United States, through the acquisition of 103 MW solar project Lili in South Carolina, as well as the partnership with Sofos Harbert to boost projects in the country. Secondly, the PPA agreement with Nexus Energía to build 50MW projects in the south of Spain. And thirdly, the relocation of assets achieved through the divestment in Japan, USA and Italy non-estrategic plants. This landmark transaction underpinned X-ELIO's ability to successfully execute its strategy, recycling capital from solid and stable

Renewable Capacity Statistics 2019, IRENA

operating assets into its pipeline of projects, with secured tariffs for an aggregated capacity of 1.3 GW that are either in construction or in advance stage of development.

As a result of our commitment to Innovation, during 2018 we have developed and implemented improved efficiencies in our plant management, with the development of drone technology thanks to which now they can conduct topographic survey during construction phase. Furthermore, four operating laboratories are Working in the development of string inverters, bifacial panels technologies and other fields which will impact to X-ELIO's efficiency ratios.

Our positive results in 2018 would not have been achieved without the constant effort and high quality work carried out by X-ELIO's team. We aim to offer them all avenues for their professional and personal development. To demonstrate how tactical the human capital is to X-ELIO's strategy, the People & Culture leader has entered the Leadership Team.

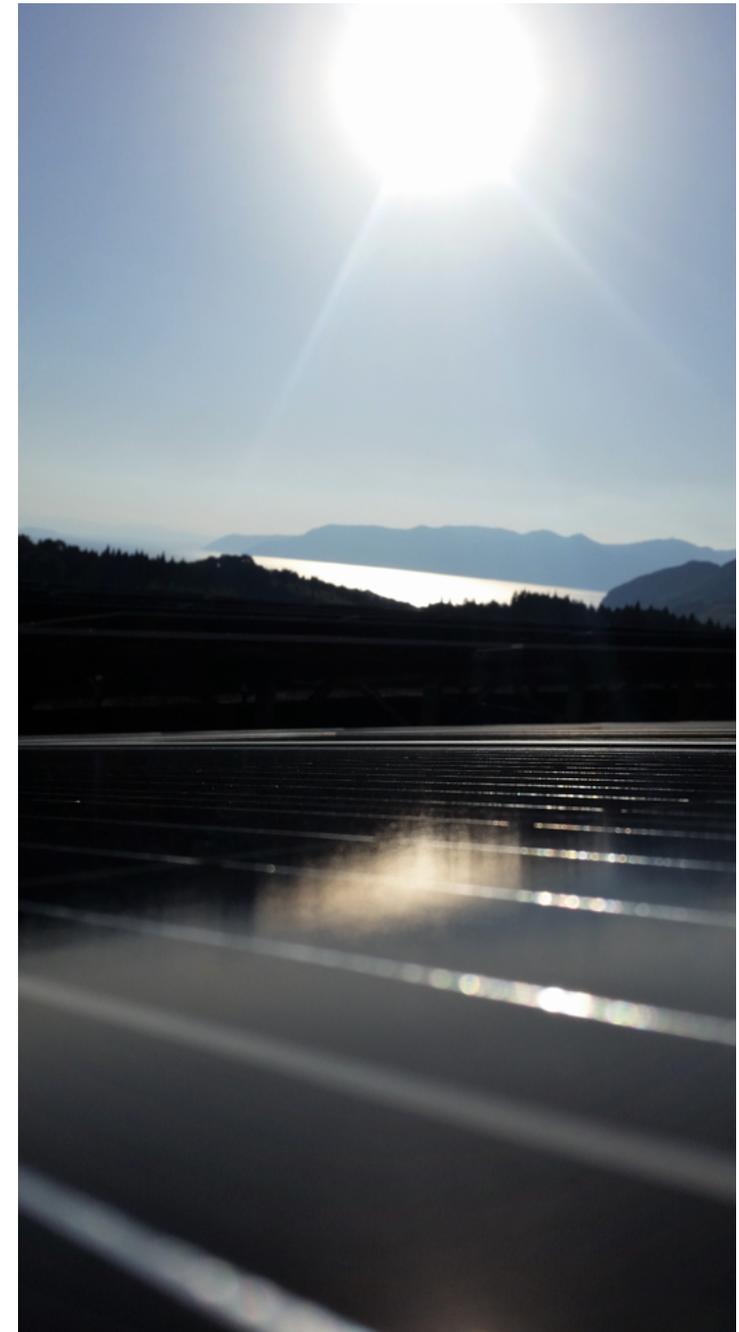
In order to strengthen ethics and integrity as inherent attributes of X-ELIO's activity, we have devoted much of our effort during this year to train our team in the Compliance culture.

Due to the nature of our activity, we operate in countries at different levels of development, which presents us with a unique opportunity to provide value beyond the creation of employment and the generation of clean energy: we work hand in hand with the local community, promoting open dialogue and making them part of the different projects. In 2018, because of this dialogue, we supported socio-economic development projects in Mexico, in the field of social construction.

With these initiatives, together with our own activity of clean energy generation, we contribute decisively to the Sustainable Development Goals (SDGs) and the 10 Principles under the Global Compact. Through them, we are contributing to build a more sustainable, productive and responsible world.

I invite you to delve into all these initiatives described in the pages to follow, where you can discover our results for 2018 together with our future objectives, which we face with enthusiasm and with the invaluable support and dedication from our team. To all of them, thanks, once again, for being part of X-ELIO.

Jorge Barrero López  
CEO





03

Business  
environment

# Business environment

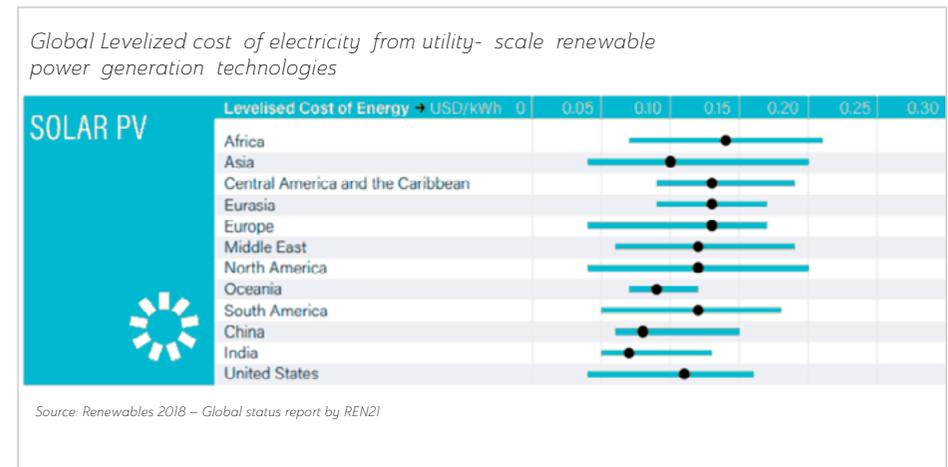
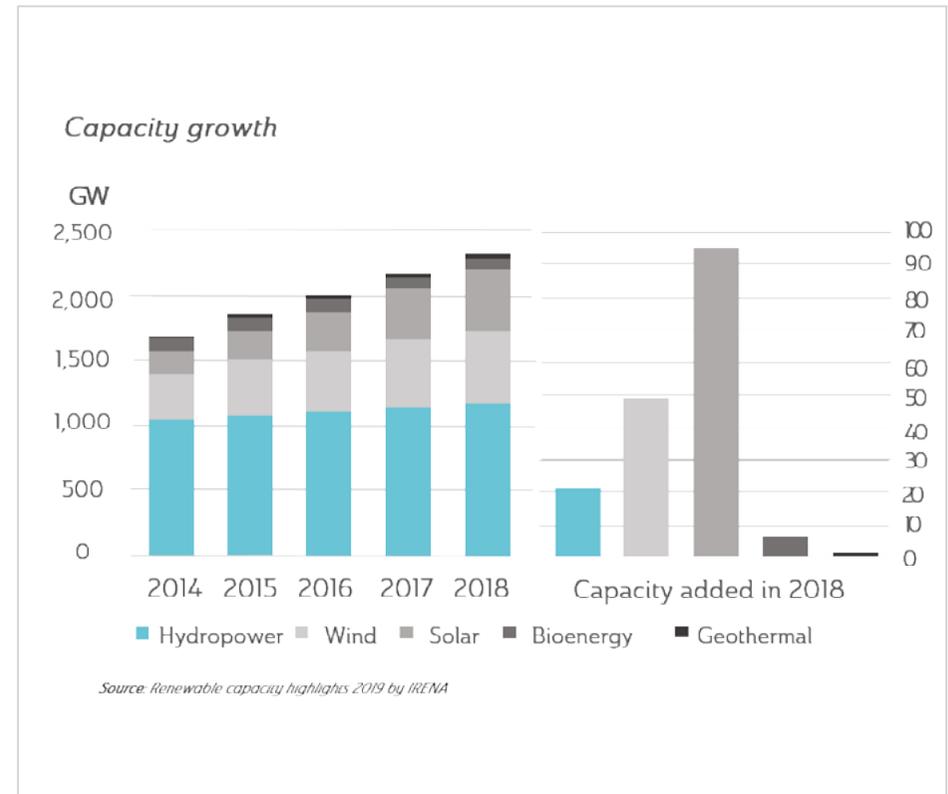
Climate change continues to pose an important threat to the future of life on Earth. Its impact is predicted to increase over time. Some of those consequences are related to risks to human health or to the environment, which imply high costs on society. In this perspective, the Sustainable Development Goals (SDG's) have established the objective of taking urgent action to combat climate change and its impacts through its integration into national policies, strategies and planning or the development of technologies that contribute and strengthen mitigation and adaptation mechanisms.

*Global clean energy investment totaled \$332.1 billion in 2018, the fifth in a row in which investment exceeded the \$300 billion mark. Total investment in solar however dropped 24% thanks to declining capital costs already consolidated trend\*.*

At the end of 2018, global renewable generation capacity amounted to 2,351 GW\*\*, being 486GW of those solar energy capacity, 20.7% in total. Asia continued to dominate the global solar capacity expansion with a 64 GW increase. Other major increases were in the USA (+8,4 GW), Australia (+3.8 GW) and Germany (+3.6 GW). Other countries with smaller markets while significant expansions in 2018 were Brazil, Egypt, Pakistan, Mexico, Turkey and the Netherlands.

\*Source: Clean Energy Investment Trends, 2018

\*\*Source: Renewable capacity highlights, 2019 by IRENA



## 03 - Business environment

The rapid deployment of solar PV has led to significant cost declines in the last 10 years. As of IRENA's calculations, crystalline silicon PV module prices have fallen by more than 80% since 2010, driving reductions in installed costs. Therefore, utility-scale solar PV projects can now provide electricity that is competitive with other grid supply options, finally without financial support.

Although current costs are high due to the low levels of deployment, cost reduction potential is high and the ability to incorporate low-cost energy storage will make them more important as the share of variable renewables in total power generation rises. The average levelised cost of electricity of concentrating solar power plants could fall to around USD 0.09/kWh by 2025, as IRENA's estimations.

### Challenges

With the rapidly falling costs of solar power technologies, increasing shares of variable renewable energy will become the norm. This need to accommodate variable energy supply while providing uninterrupted output in the electricity sector has highlighted the significant potential and crucial relevance of electricity storage to facilitate the desired decarbonisation.

Electricity storage based on rapidly improving batteries and other technologies will permit greater system flexibility, a necessary asset as the share of variable renewables increases. Electricity storage will make possible, among others, a transport sector dominated by electric vehicles; enables effective, 24-hour off-grid solar home systems; and supports 100% renewable mini-grids.

A recent study conducted by IRENA shows that battery electricity storage systems offer enormous cost-reduction potential. By 2030, total installed costs could fall between 50% and 60% (and battery cell costs by even more), driven by optimisation of manufacturing facilities, combined with better combinations and reduced use of materials\*.

### Financial trends

Energy investment has a strong link with country-level financial conditions. Deep availability of capital from private institutions, liquid capital markets, and access to domestic and foreign sources, complemented by limited public finance, are hallmarks of a supportive enabling environment.

About 85% of power investments in 2018 were financed on the balance sheets of utilities\*, independent power producers, and consumers (for distributed generation). The use of project finance for financing new projects has grown in recent years, with its largest contribution now in the utility-scale renewable power sector. The average debt-to-equity ratio in project finance has generally been around 80:20.

In the other hand, financial PPAs with corporations have boosted renewables spending though investment is still small compared to total power needs. Scaling up corporate PPAs will tap into a much greater volume of buyers. In fact, corporate PPAs have emerged as the largest, and their investment grew by one-third in 2018 to nearly USD 15 billion, now accounting for over 5% of global solar PV and wind spending.



\*Source: Electricity storage and renewables: Costs and markets to 2030 by IRENA

\*Source: World Energy Investment 2019, IEA

# 04

## Executive summary



## 04 - Executive summary

### X-ELIO at a glance

Presence  
in **10**  
countries

**187**  
Employees

**311 MWp**  
Installed  
generating  
capacity  
12/31/2018

During 2018, X-ELIO owned 41 facilities (531.5 MW) in ten countries and operated three more. Total installed generating capacity during 2018 was 38,3% higher than previous year.



### Key figures in 2018

**721,429.8 MWh**  
produced

**322,141 Tn**  
CO<sub>2</sub> Avoided

**126.9M€**  
turnover

1,200 MW are currently under construction in Spain, Japan and Mexico.



X-ELIO acquired Lily, a solar facility in South Carolina (USA) as a step forward of an ambitious growth plan in the United States.

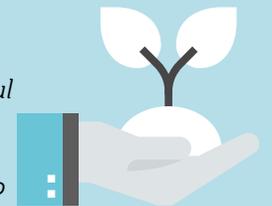
### Value generation for stakeholders

**132.6M€**  
Economic Value Generated

**32.2M€**  
Taxes paid

**90%**  
Local employees

Renewable energy sector keeps on demonstrating its confidence in X-ELIO's business model by successful partnerships with relevant players as Sofos Harbert and Nexus Energía thanks to which X-ELIO consolidates its position as a facility operator in USA and Spain.



## Building a culture of Compliance

During 2017, X-ELIO's comprehensive Compliance Program has been consolidated under the highest standards of integrity in order to ensure ethical business conduct. In fact, during 2018 online training has been provided by an specialized consultant to employees in two topics: anti-bribery and corruption and antitrust competition laws.policies.

### Policies

*(Anti-corruption, Trade Sanctions and Antitrust)*



### Code of Ethics and Conduct



### Compliance Committee

*(Legal Department)*



## Compliance Program



A group of people are seated around a long, dark wooden table in a meeting room. The scene is captured from a low angle, focusing on the hands and forearms of the participants. In the foreground, a person is writing in a yellow notebook with a silver pen. Other participants are visible in the background, some with their hands clasped or resting on the table. The room has large windows in the background, letting in natural light. The overall atmosphere is professional and collaborative.

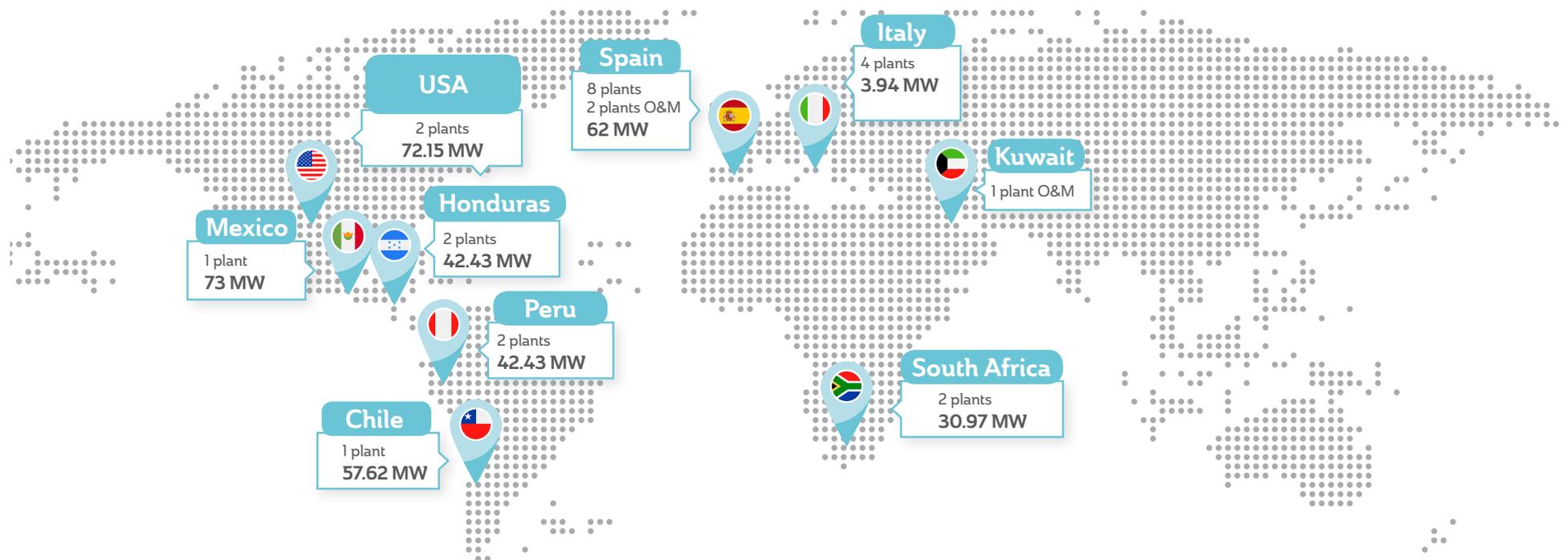
■ 05  
Our  
activity

One of X-ELIO's key drivers is to provide affordable electricity to homes and businesses while addressing climate change issues derived from the use of non-renewable energy sources. Thus, responsible business practices are at the cornerstone of our strategy and our value chain.

X-ELIO is a global Company specialized in the development, design, construction, maintenance and operation of solar photovoltaic energy plants. At the end of the year 2018 it was present in 10 countries, with an installed generating capacity higher than 311 MW in 20 owned plants. Throughout the year X-ELIO operated 41 solar plants in total, which produced an output of 721,429.8 MWh solar energy. Furthermore, X-ELIO carries out operation and maintenance works in 3 plants not owned. Both fixed-structure panels (52%) and solar trackers (48%) are installed in these facilities. During 2018 21 non-core assets with a total generating capacity amounting around 219 MW were divested due to strategic purposes.

Apart from identifying opportunities and designing, developing and implementing our own solar facilities, X-ELIO also operates some facilities that have been transferred to third-parties, providing our know-how and expertise throughout the operation and maintenance process.

### Global presence and main magnitudes at the end of 2018

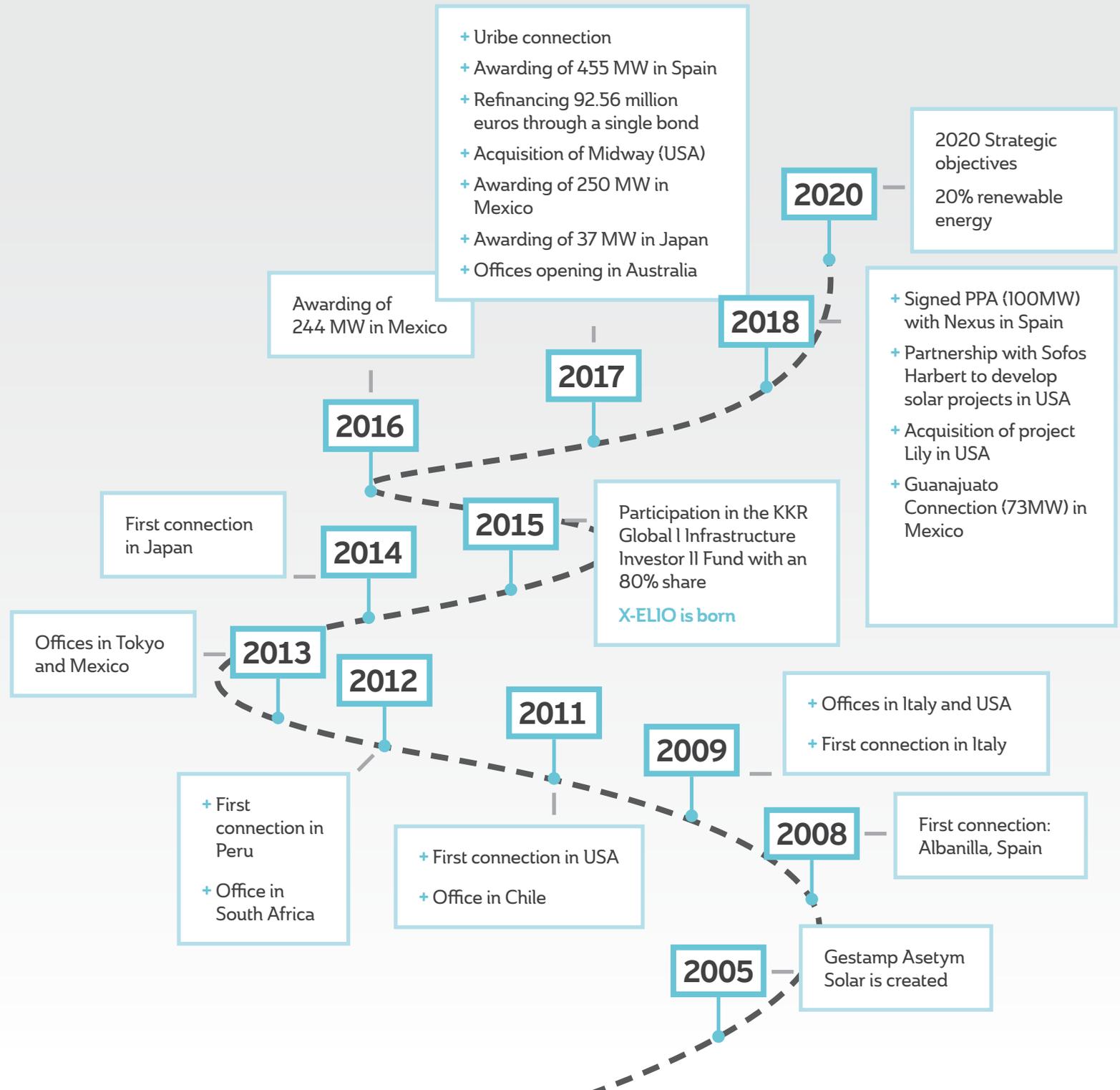


# 05 - Our activity

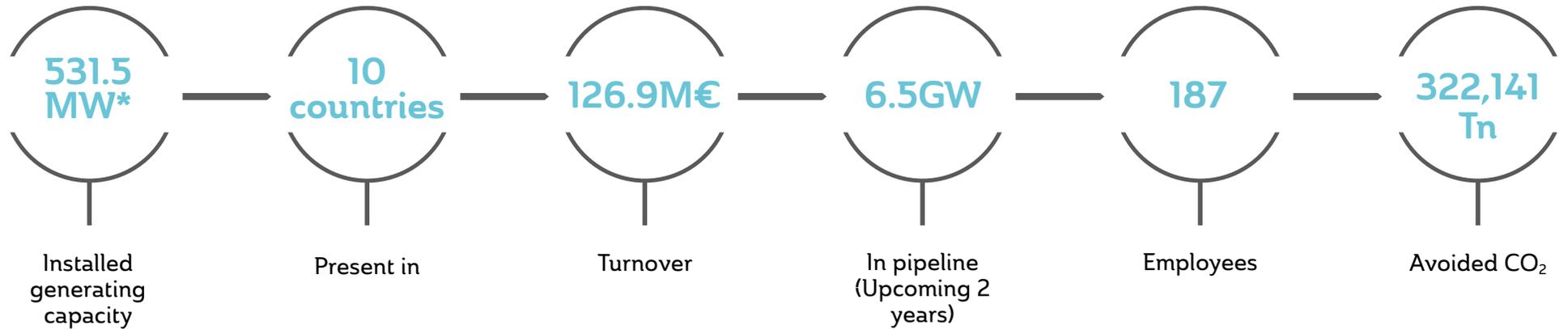
## Evolution and growth of X-ELIO

X-ELIO has developed and accomplished an ambitious international development plan due to, among other reasons, a flexible and solid business model, an ability to achieve strategic cost reductions and the development of relevant technology that serves to increase efficiency and long-term sustainability. This position has allowed X-ELIO to evolve and become a global leader of the industry.

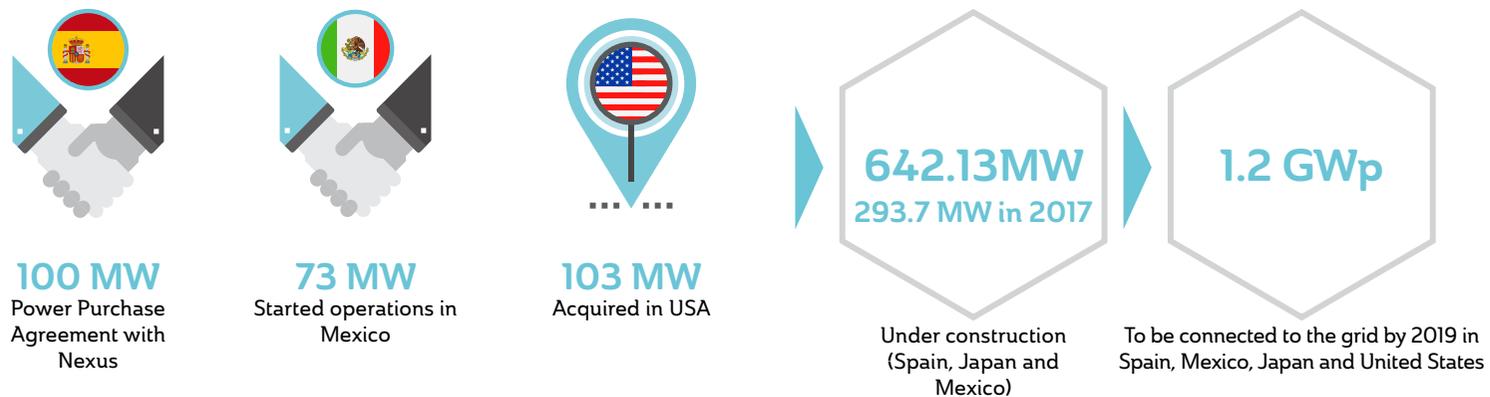
Since the beginning of its operations, X-ELIO has gained experience in developing, constructing and operating solar PV Plants in different countries with different technologies and together with different original equipment manufacturers. X-ELIO's participation in different projects since its inception amounts more than 800 MW of installed capacity projects.



## X-ELIO's Performance in 2018



During 2018, X-ELIO focused in the four geographies where the potential growth is the highest both through PPA schemes and future public tenders. In these four countries, Spain, United States, Mexico and Australia X-ELIO develops ambitious strategies of expansion due to their stability and political commitment to renewable energies. To boost project development and construction phases, X-ELIO undertook a divestment process in non-core assets located in Japan and United States (14 and 187 MWs of generating capacity installed respectively). The revenue arised by these operations was applied mainly to the construction projects undergoing in Spain and Mexico.



\* Includes energy generated by all plants, including those sold during the year

## 05 - Our activity

### X-ELIO's business activity

X-ELIO's endeavors encompass the overall solar energy cycle: from the opportunities' exploration passing through construction to the final operation of facilities. The Company's projects are tailored to specific needs taking into account the characteristics of each environment. In this sense, the first step consists of searching, identifying and analyzing business opportunities that can derive from three specific sources: Feed-In Tariffs (FITs)<sup>3</sup>, Power Purchase Agreements (PPAs)<sup>4</sup> and public or private tenders.

In order to develop a project, we conduct assessments of locations' conditions as well as regulatory and feasibility evaluations. In parallel, the team specialized in public tenders identifies and analyzes solar energy auctions issued by government bodies. Simultaneously, financial and investment schemes are explored.

Upon identification of ideal opportunities and satisfactory evaluation of financial options, the Board decides whether or not to continue with the next steps of the project.

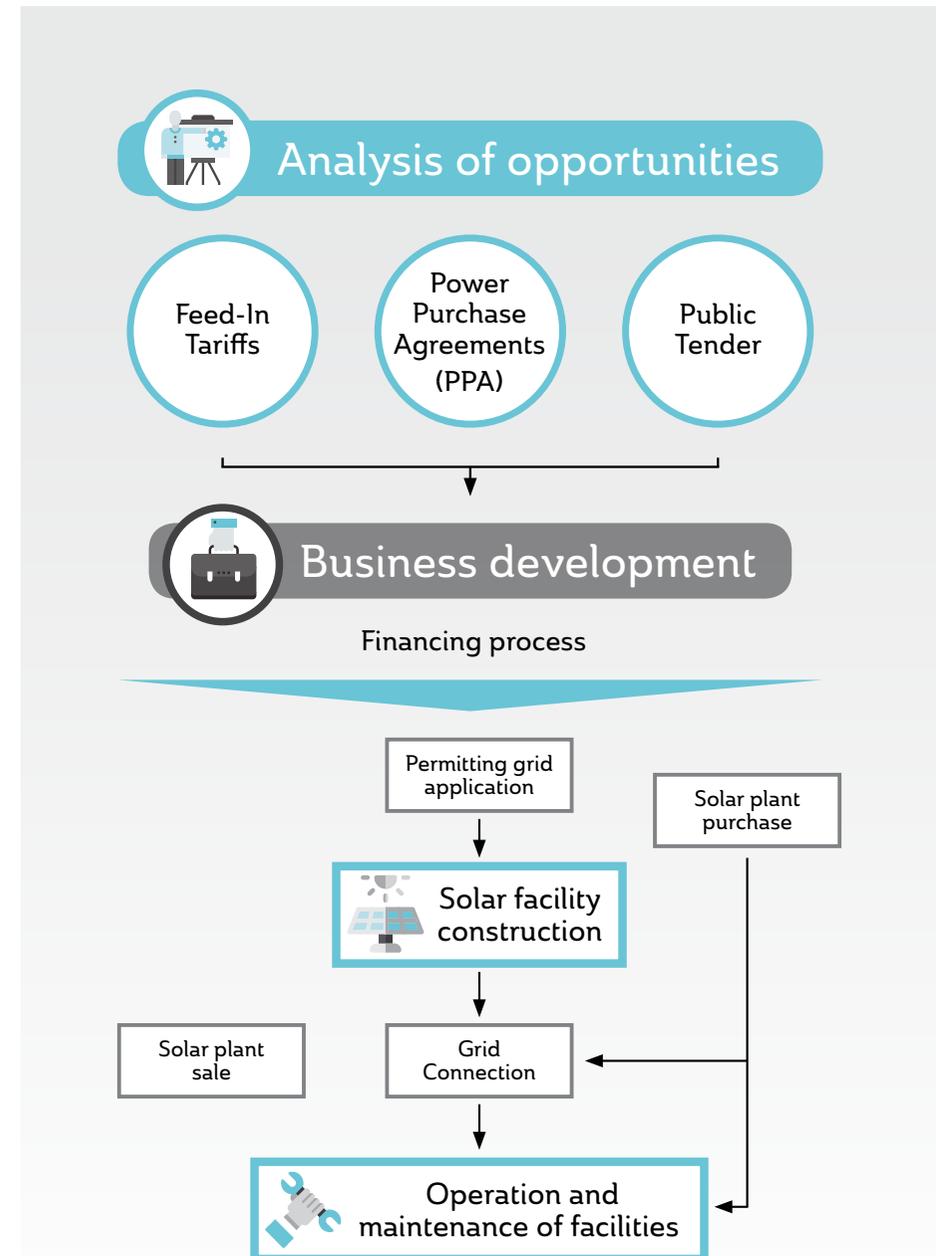
After technical and economic viability of a project are verified, financial sources are obtained and the approval of the Board is confirmed, X-ELIO starts construction of the solar plant.

The construction process entails different aspects such as land preparation, modules supply, structure and equipment supply, civil works, assembly processes, cabling and connection, testing, implementation of monitoring setups, etc. Upon construction, and after ensuring that the appropriate conditions are established, the next step is the connection to the grid. Finally, the phase of maintenance and operation starts, which includes overall monitoring of its smooth functioning as well as data generation, required for preventive maintenance and decision-making processes.

At any stage of this cycle, another path to procuring assets is the strategic purchase of plants, which can be under construction or already operational. Besides that, the sale of plants is sometimes an option for X-ELIO as well.

<sup>3</sup>Tariff setting procedure carried out by Governments that ensures the compensation of costs and boosts the use of renewable technologies through certain return.

<sup>4</sup>Contract between two parties to regulate the direct sale and purchase of electricity usually from the producer to the final consumer or retailer or any other market participant.



## X-ELIO's strategy

The market in which X-ELIO competes faces increasingly demanding challenges: solar energy production currently has a maturity level that has allowed the reduction of retail energy prices and producers need to adjust to this new scenario. Hence, this drop in sales prices makes access to financing more challenging.

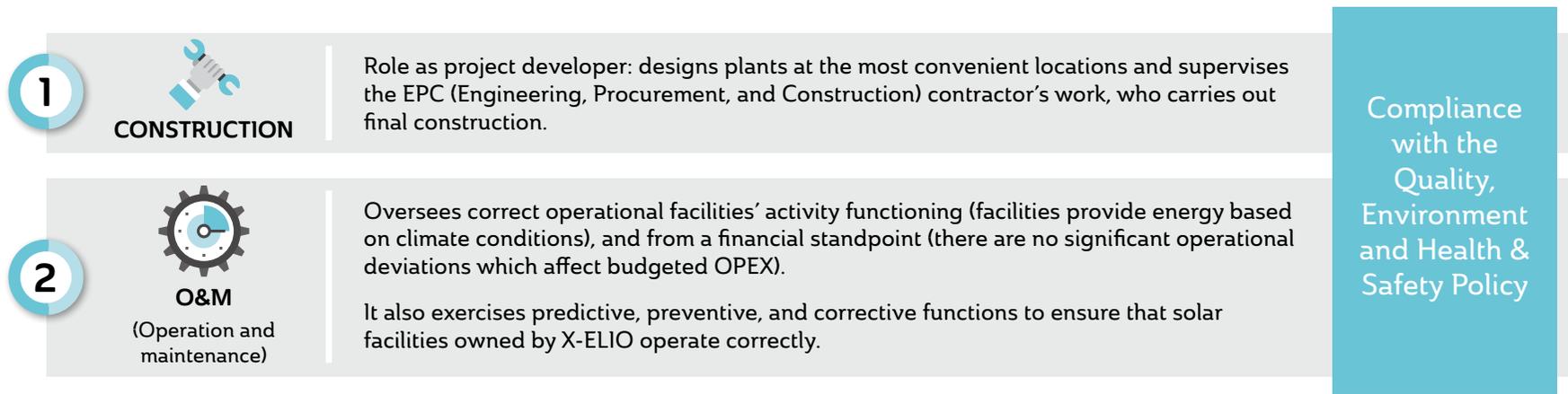
In spite of this context, X-ELIO's continuous growth levels are helping it to adapt and meet its key strategic objectives and transform its challenges into strengths.

<b>Challenges</b>	 <b>Competition for financing</b>	 <b>Adaptation to technology</b>	 <b>Top professionals recruitment</b>
<b>Strategic Pillars</b>	 <b>Competitiveness to attract investment</b>	 <b>Develop in-house innovations</b>	 <b>Attract and retain talent</b>
<b>Main goals</b>	 <b>Construction and operation of 1,2 GJ of the portfolio</b>	 <b>6.5 GW from projects currently in the analysis phase (greenfield projects and auctions)</b>	 <b>Access to financing at any stage of the project lifecycle</b>

## 05 - Our activity

### Solar facilities: construction, operation and maintenance

As soon as the development process is concluded, the design of the plants and the subsequent operation and maintenance are addressed. These phases are key to the Company and, for this reason, different plans are undertaken in order to develop a reliable and efficient operation, control risks and maximize profits.



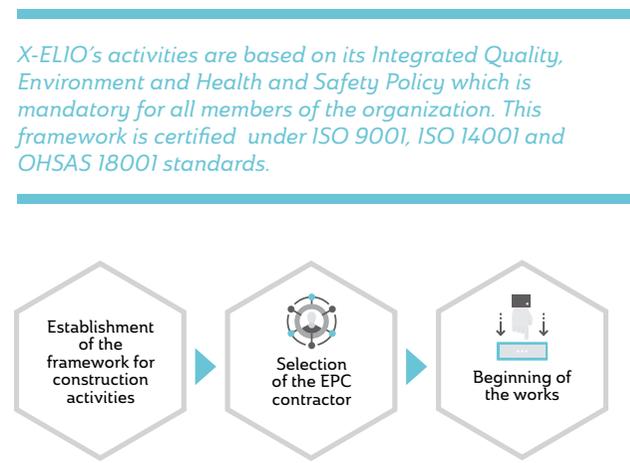
#### X-ELIO as construction supervisor

The Company's role during the plant construction phase ranges from projecting the site to supervising work carried out by the contractor, thanks to the efforts of the Project Manager and other supervisors. In this perspective, X-ELIO mitigates any construction risks by establishing collaboration agreements with external Engineering Procurement and Construction (EPC) contractors. The latter are in charge of the realization of the project while X-ELIO applies its know-how by examining and controlling day-to-day works.

Apart from executing the project, the contractor usually oversees the plant's operation and maintenance over the EPC warranty period, the first years after commissioning.

Construction activity is divided into three phases: the establishment of the framework for the construction activities, the selection of the EPC contractor and, finally, the actual construction work. This process is designed to obtain direct control over every possible project risk and deviation and to gain a wider scope for action.

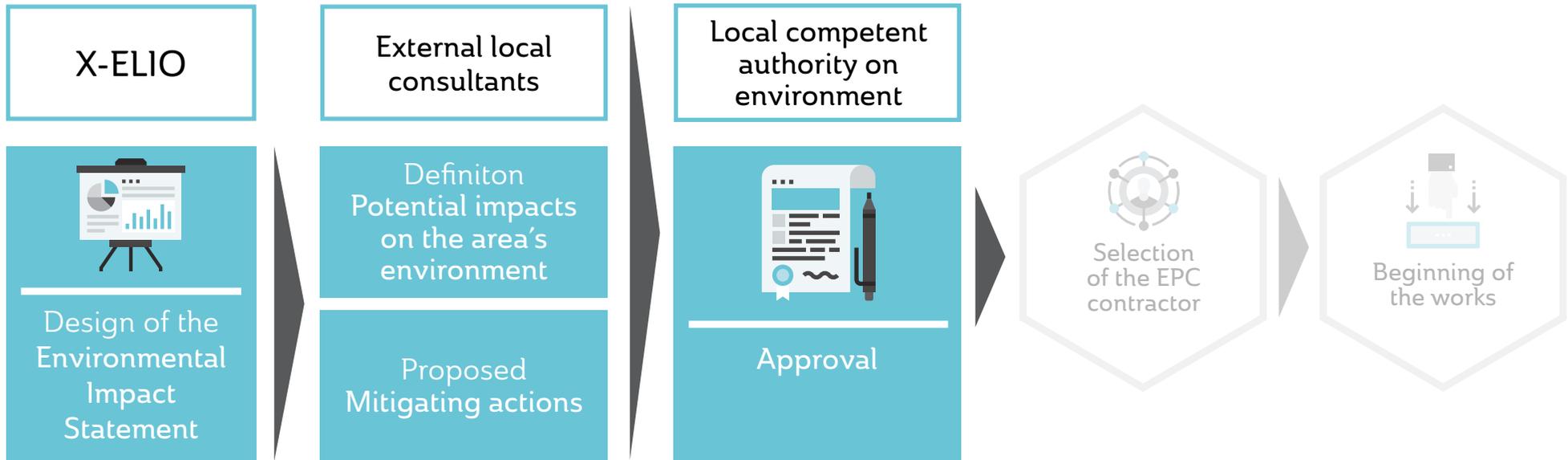
The framework for operations may vary according to the applicable national legislation in each country, but in general, it is structured as of the following steps:





## Establishment of the framework for construction activities

Prior to projecting the X-ELIO confirmation project, an Environmental Impact Statement (EIS) is prepared with the assistance of a local external consultant.



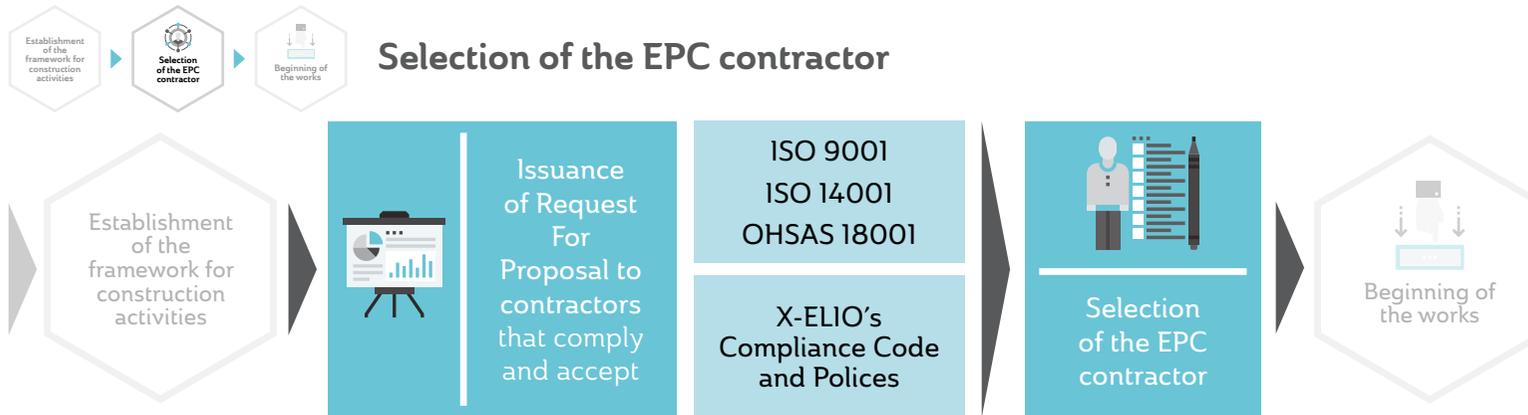
This is a legal document in which the promoter (in this case, X-ELIO) identifies any potential effects of the facility on the area's environment and proposes individualized mitigating actions for each.

This document is then submitted to the local competent authority for approval. Demands by the competent authority vary depending on certain legislation, and therefore, X-ELIO is always in full compliance with and respectful of the environment and area biodiversity.



One of the key effects of construction works executed by X-ELIO is related to land movement. Depending on the terrain, this phase of the project can be fairly intense. Still, we always try to avoid adding or removing soil overall. In other words, we balance the land, trying to flatten out the uneven terrain. In rare cases where excess of soil is unavoidable, it is taken to an authorized landfill site.

## 05 - Our activity



As soon as all bids have been received, solely corresponding to suppliers successfully passing the double audit, X-ELIO contrasts them to decide which it considers most beneficial.

*In 2018, X-ELIO operated as an EPC contractor in the construction projects ongoing in Spain. Spanish team accumulates deep construction expertise and national market knowledge, both making it an optimal solution to reduce costs and ease risk control. No deviations neither risk were identified during the process.*





Considering that legislation differs from one country to another, X-ELIO goes beyond regulatory stipulations in safety, health, and environmental protection matters during the whole project, by hiring external observers specializing in these three matters.



X-ELIO designates a Project Manager and two site managers to oversee requirements established by the Company and the financing entity, such as deadlines, quality and safety standards, as well as the respect for the environment during execution of the project.



Thanks to the combined work performed by X-ELIO's personnel and external consultants, weekly reports are prepared and sent to management featuring comments from the building team on any of the more relevant events and project status.

After this process has been completed, the grid connection represents the last step before the activities included in the Operation & Maintenance phase can start running.

## X-ELIO as solar facility operator

When the plant is connected to the grid and all its components are correctly functioning, X-ELIO starts its role as a facility operator. This phase covers all aspects and activities necessary to run the solar plant with the best performance outcomes. Over the first years of the plant's life, the EPC contractor is responsible for its operation and maintenance, although X-ELIO continues to oversee the project. Maintenance tasks performed at a solar facility include: monitoring data and production output, cleaning mowing vegetation, visual inspections and services to correct any deviations. Monitoring and control tasks are performed remotely from the Control Centre located at X-ELIO's Madrid headquarters.

Regarding technical maintenance, 2018 represented a year of consolidation and development of several process improvements. The growing expertise is key to X-ELIO as its knowledge of the maintenance activities makes it a leading actor of the industry which boots the research and development together with its technical partners.



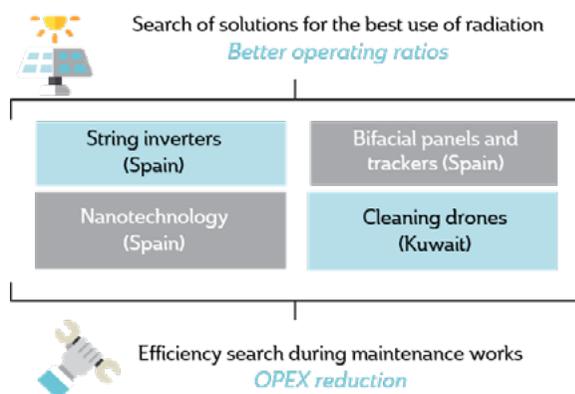
The use of drones has been an area of research for X-ELIO over the years: after the creation of internal designs within the O&M area to cover the Company's particular needs, in 2018 a new technology has been incorporated to the drones that allows the topographic survey.



During 2018, robots which automatically clean off the layer of dust accumulated on panels have been in place in 2018 in Kuwait and will be extended to all plants. This robots use energy batteries so that they can work overnight.

## X-ELIO's efforts on Research and Development

*The race for financing makes X-ELIO to find the ways to improve efficiency in its operations. Several developments have taken place throughout the years. As a result of this evolution, technical partners, academic institutions and facility providers collaborate with X-ELIO in the pursue of new developments to boost the industry. Nowadays X-ELIO holds four operating laboratories where technical partners work together in four different fields, applying X-ELIO expertise and partners' technical skills.*



*The industry evolves towards new forms of use of radiation that allow a much higher gain than the one achieved so far. Bifacial panels achieve the incidence of radiation reflected in the ground, so that energy production increases in the same radiation conditions.*

*On the other hand, the installation of String inverters instead of power stations, as usual, has facilitated their installation in the photovoltaic plant, as they do not require a crane to transport them.*

## 05 - Our activity

### The contribution of technology to X-ELIO's business model

The new paradigm based on increased competition for financing and prices during auctions is exerting a huge effect on the operation of X-ELIO's plants, whose OPEX has dropped over recent years to meet the desirable profitability thresholds. To meet these targets, X-ELIO aims to perfect its tools for forecasting potential events and accurately controlling the daily activity of our plants. To this end, X-ELIO has implemented a number of different innovation projects which take advantage of data and IT applications enabling increasingly efficient operations and making it possible to predict outcomes.

*X-ELIO collaborates with Madrid Polytechnic University in the research and implementation of innovation in plants characterization, remote control tools and predictive analysis and I/V curve plotters.*



#### Batteries

The maturity of the market is fostering the appetite for solar energy, demonstrated as the most efficient technology. In the short term, it will be necessary to provide clean energy all day, rather than solely during daylight hours. To meet this need, X-ELIO is preparing pilot projects in Puerto Rico for energy storage batteries designed to stabilize energy supply all day.



#### DIT

In 2018, after two years immersed in the development of the project, X-ELIO has definitely launched Data Integrity Tool (DIT) to be used as a platform for integrating, storing, using, and reporting operating information. Thanks to the DIT, X-ELIO is able to issue periodic reports to management in a manner which is efficient and safe. The tool has been originally designed to be used by the Control Center but it has been well expanded to any area of the company



#### Predictive tools

Regarding the predictive tools, it consists on a collaboration with a startup originated in one of the IES work groups of "Universidad Politécnica de Madrid", with which X-ELIO's IT team has been working for more than a year. The tool consists of the extraction of massive data from Control Center and further treatment of those datasets for predictive analysis. There are already 2 pilot plants in the system, with positive results and the aim for the next year is to have all the plants integrated in the platform.

## Information security

---

During 2018 several initiatives related to information security have been carried out, standing out among them the vulnerability audit, the periodic audit, the General Data Protection Regulation implementation and the standardization of communications requirements and plant infrastructure based on safe design.

X-ELIO implemented the actions required by the new GDPR which promotes the proactivity of companies in terms of information privacy, establishing a monitoring committee on these matters

## Processes improvement and efficiency

---

One of the main tasks of the IT department is to improve processes through the implementation of new business tools (normally software). Main fields of development in 2018 were:

- Document management: during 2018 a new commercial software was installed for the documentary management of the company. Thanks to that, project information is now homogeneously structured, centrally stored and globally available. As a result, information sharing is now faster both internally and externally.
- Project management: Project-related risk planning and management have been improved by the implementation of a new software.
- Travel & Expenses: A new application has been developed thanks to which a more complete monitoring of the travel expenses is feasible while eases management.
- Evolution of the SAP platform: A new functionality has been implemented that allows the calculation of real cash flows.



# 06

External  
dimension  
of our  
activity



## 6.1 X-ELIO's effort to fight climate change

X-ELIO's main objective is to provide homes and businesses with affordable electricity while tackling climate change issues with the promotion and development of renewable energy. The source for the generation of this energy is solar radiation, a non-polluting and unlimited resource, harvested in plants whose construction and operation has limited environmental impact. X-ELIO's activities do not generate emissions or significant waste. Potential effects on biodiversity are foreseen and mitigated prior to construction.

X-ELIO's business model contributes to leverage our activities to fight against climate change, which is critical in order to comply with the Paris Agreement and the 2020 Strategy designed to reduce emissions and to increase the proportion of renewable energy in the energy mix.



## 06 - External dimension of our activity

### Energy efficiency: output and consumption

X-ELIO operated during 2018 41 facilities, which produced a total of 721,429.80 MWh, with total consumption of 5.690,47 (less than 1% of production). This ratio is also known as energy intensity and demonstrates that solar energy is the most efficient and clean energy source.

MW	2018 (KW)	2018 (MWh)	2017 (MWh)	2018 (MWh)	2017 (MWh)	2018 Intensity **	2017 Intensity
 Spain	62,026	99,693.399	107,203.740	1,257.906	1,303.185	0.013	0.012
 Italy	22,350	9,916.909	39,454.281	234.453	695.070	0.024	0.018
 United States	86,390	150,743.857	19,178.944	701.131	129.809	0.005	0.007
 Peru	42,434	99,843.449	95,446.308	66.064	664.263	0.007	0.007
 South Africa	30,967	62,144.186	62,703.040	740.290	748.553	0.012	0.012
 Honduras	42,382	82,873.317	82,594.856	578.062	589.686	0.007	0.007
 Japan	187,175.5	62,968.448	67,066.988	639.637	845.630	0.010	0.013
 Chile	57,623.8	153,246.240	109,012.300	872.922	680.766	0.006	0.006

\* It does not include not-owned plants where O&M Works are carried out. Generating capacity refers to year 2018 long, although 21 plants were divested

\*\* Energy intensity = MW consumed/MW produced

X-ELIO's energy output in Spain in 2018 is equivalent to the total energy consumption of 18,500 persons in Spain over the full year<sup>5</sup>. The total output of all X-ELIO plants around the world is equivalent to the energy consumed by 230,674 persons<sup>6</sup>.

<sup>5</sup> Calculated from electric power consumption (kWh Spain average per capita). World Bank Data. Last updated 2014.

<sup>6</sup> Calculated from electric power consumption (kWh World average per capita). World Bank Data. Last updated 2014.

## Avoided emissions

According to the International Energy Agency, global energy-related CO<sub>2</sub> emissions grew by 1.7% in 2018 (33.1 gigatonnes). The increase in emissions was driven by higher energy consumption resulting from a robust global economy, as well as from weather conditions in some parts of the world that led to increased energy demand for heating and cooling. In this scenario, as two-thirds of the total greenhouse emissions are produced by the energy industry, the fight against climate change involves all the players in the sector in order to achieve long-term goals in our path to a sustainable future.

As energy generation in X-ELIO produces no direct release of CO<sub>2</sub> to the atmosphere, our activity is in itself a path to reduce greenhouse emissions. In total, the generation of 2,597,147.28 GJ of renewable energy in 2018 prevented the emission of 293,130 tons of CO<sub>2</sub> as shown in the chart below:

Avoided tons of CO <sub>2</sub>								
Spain	Italy	United States	Peru	South Africa	Honduras	Japan	Chile	TOTAL
29,011	4,026	75,824	29,654	54,003	30,746	31,295	67,582	293,130

<sup>7</sup> See: International Energy Agency <http://www.iea.org/topics/climatechange/>

## Environmental management

The Company's Integrated Quality, Environment and Health and Safety Policy represents our central framework determining the activities performed over all our stages, ranging from identifying potential projects to their maintenance and operation. This policy is widely implemented and encompasses activities performed in offices and solar facilities.

The Quality, Health, Safety and Environmental corporate area (QHSE) is in charge of overseeing compliance with regulatory framework requirements and provides technical assurance to adapt each project to the environmental standards. Besides, Project Managers detect the environmental demands inherent to each project and design any necessary measures to mitigate potential impacts within the applicable national legislation framework.

In 2018, X-ELIO achieved the renewal of the following certifications: UNE-EN ISO 9001:2015 (Quality management), UNE- EN ISO 14001:2015 (Environment management) and OHSAS 18001:2007 (Health and Safety management) with zero non-conformities.

Moreover audits were carried out in Xoxocotla Project (Mexico) following those three standards procedures and the project was successfully certified. An investment of €266,700 was allocated in 2018 for the conduction of 99 supervising and audit activities along the company.

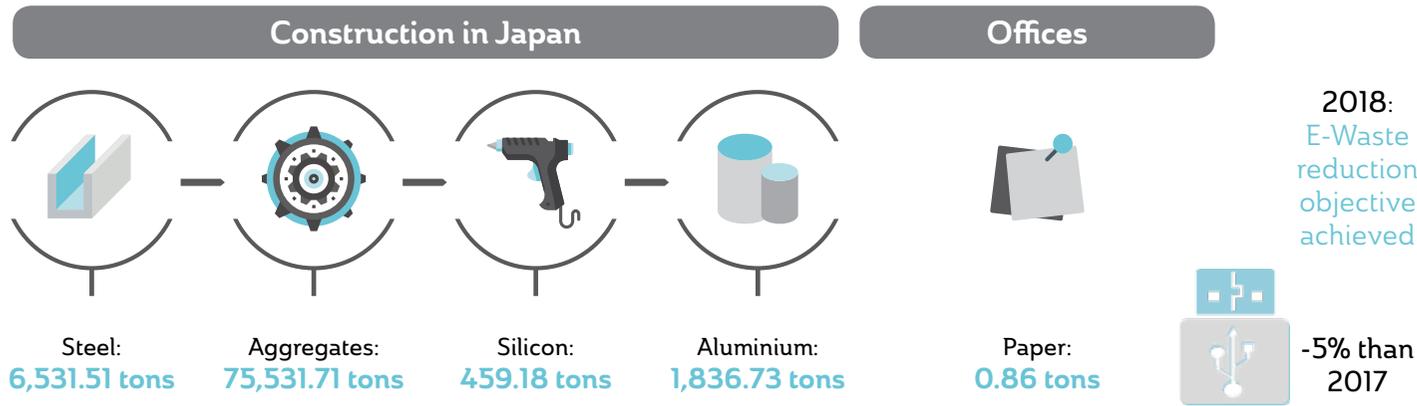
*The Integrated Policy's key objective is to minimize the environmental impact caused by the Company's activities, based on reduced consumption and waste. In addition, another important goal is to regulate the performance of activities in the most efficient way and to contribute to the fight against climate change, thereby protecting biodiversity and ecosystems, which could potentially be affected by the construction and installation of the solar facilities.*



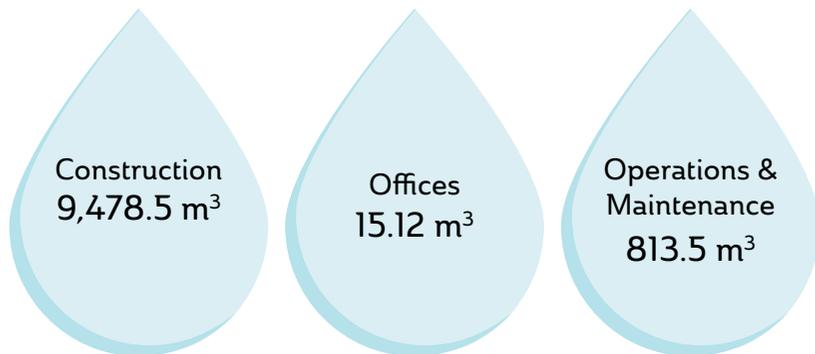
*Thanks to compliance with the Integrated Policy and international standards, in 2018 X-ELIO did not face any penalty or monetary sanctions for environmental legislation or regulation breach.*

## 06 - External dimension of our activity

In 2018, X-ELIO consumed the following materials, intended both for construction activities and office work:



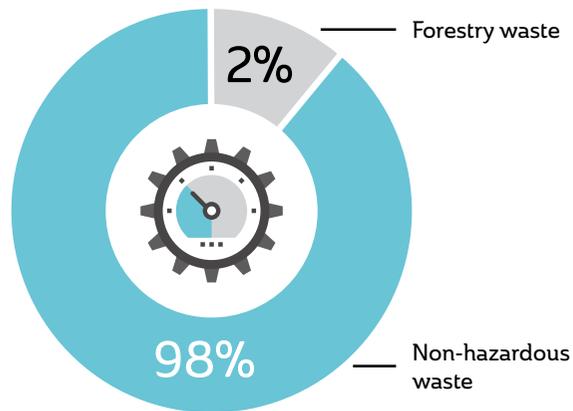
Water consumption is mainly concentrated in the construction phase, when the roads need to be irrigated frequently in order to minimize dust inconvenience. In this context, water use during 2017 is distributed as follows:



*During the phase of O&M, X-ELIO tries to find and implement water saving schemes in order to minimize consumption, especially in countries that are affected by water scarcity, as demonstrated in the Kuwait project.*



Forestry operations during the construction phase is the main source of waste for X-ELIO. In this sense, it is important to note that one of the most significant procedures contemplated in the Environmental Impact Statement (EIS) is the action plan for the management of this impact. Thus, the management system includes guidelines to follow for production, segregation, tracking and measurement of the waste produced



In 2018, 2,899.19 tons of waste were generated from which only 0.50 were hazardous (0.017%) and 1.79% corresponded to forestry waste. X-ELIO's management is committed to continuous improvement and sets specific goals around minimizing waste.



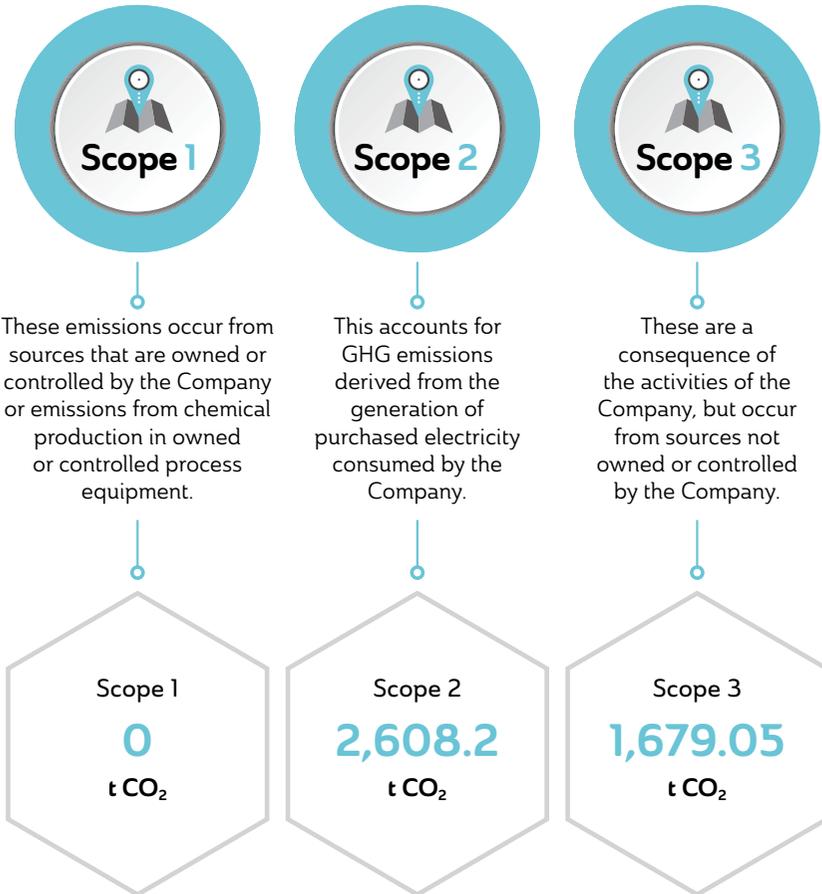
*Part of the equipment installed in two plants in Spain was renewed during 2018.*

*The old components were collected, handled and processed by an authorized waste manager.*



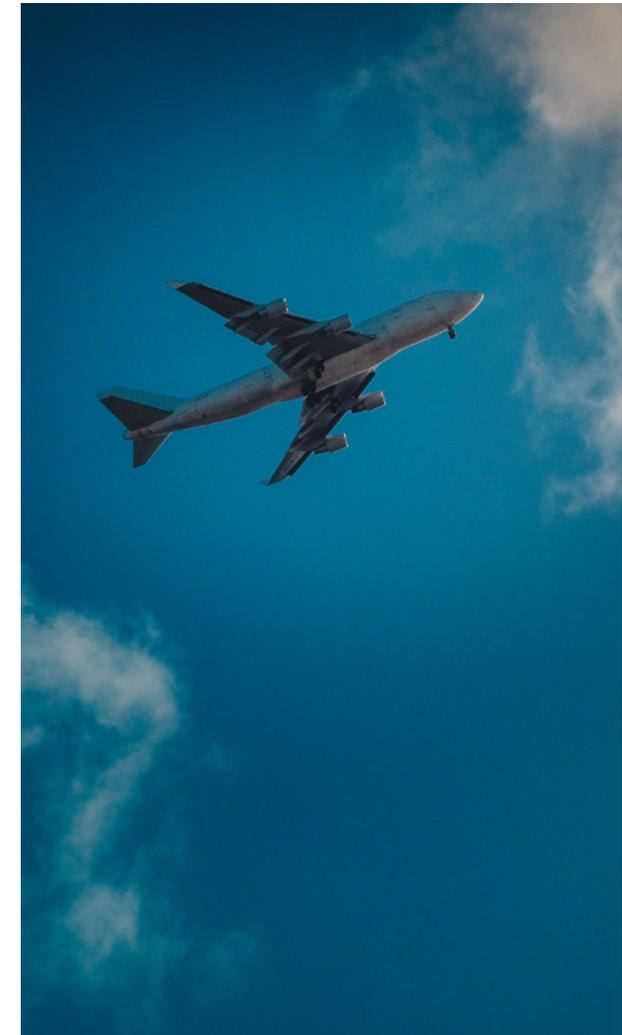
# 06 - External dimension of our activity

## Greenhouse gas emissions



*X-ELIO avoids GHG emissions since its activity is the generation of clean energy.*

-  **Business trip, plane:** 1,510.38 t CO<sub>2</sub>
-  **Commute:** 124.91 t CO<sub>2</sub>
-  **Rent cars:** 36.76 t CO<sub>2</sub>
-  **Business trip, train:** 6.99 t CO<sub>2</sub>



Furthermore, in order to help developed countries fulfill their commitments to reduce emissions and to assist developing countries in achieving sustainable development, the Kyoto Protocol defined the Clean Development Mechanism (CDM). This mechanism represents the main source of income for the UNFCCC Adaptation Fund, established in 2001 to finance specific adaptation projects and programs in developing countries that are particularly vulnerable to the adverse effects of climate change. X-ELIO takes part in four solar facilities projects under CDM requirements located in Peru and South Africa.

## Impact on the landscape and biodiversity

Each and every X-ELIO project falls under the Integrated Quality, Environment and Health and Safety Policy framework, which is the basis for all our activities. From the start of the construction of a new plant, its environmental impact is individually managed based on the Environmental Impact Statement (EIS). The EIS is a diagnostic and mitigation document in which X-ELIO identifies any potential effects that its projects may have on the environment. The document serves as a plan that includes diverse mechanisms to tackle those impacts, with an integral approach, both preventive and corrective.

The impact of a photovoltaic generation plant on a plant's surroundings varies greatly depending on the location. In certain cases, such as Fukuroda, installations are not visible thanks to previously-conducted land studies designed to completely block their visibility. In general, the most likely impacts arising from the construction and implementation of plants are:

*During 2018, as part of construction process in Mexico, a 28 hectare re-forestation programm was launched.*

*Mexican law NOM- 059- SEMARNAT identifies edangered species that were not affected by these construction works.*

	<b>Impact on surroundings</b>	<ul style="list-style-type: none"> <li>Selection of locations with reduced visibility</li> <li>Integration of photovoltaic installations in surroundings based on re-vegetation of plant limits</li> </ul>
	<b>Noise and dust generation</b>	<ul style="list-style-type: none"> <li>Control of particles and dust through land watering</li> <li>Organizing the use of heavy machinery during the daytime to reduce inconveniences</li> </ul>
	<b>Soil impact and hydration conditions</b>	<ul style="list-style-type: none"> <li>Conservation and subsequent use of top soil during land movement</li> <li>Conservation measures involving natural soil draining and work during periods of intense rainfall to reduce sediment dragging and erosio</li> </ul>
	<b>Impact on flora and fauna</b>	<ul style="list-style-type: none"> <li>Select locations in areas with low biological value to reduce the impact on protected species or those of special interest</li> <li>Reforestation and monitoring fauna based on local administration guidelines</li> </ul>
	<b>Social and archaeological impact</b>	<ul style="list-style-type: none"> <li>Establish an open dialogue with the local community at all development locations</li> <li>Preparation of social studies in necessary areas</li> <li>Background studies to verify the existence of archaeological remains</li> </ul>

## 06 - External dimension of our activity

# 6.2 Generation of value for local communities

X-ELIO operates in some developing countries and we are committed to their development and improvement. One of the ways to do so is through direct and indirect employment resulting from local procurement practices that are guided by the strict principles established by our Code of Ethics and Conduct, ensuring responsibility and integrity in our value chain.



In addition to being a signatory to the Global Compact, X-ELIO exercises direct control over our contribution to the Sustainable Development Goals and complies with the Equator Principles in a large number of our projects, as we are mainly financed by financial entities that are members of the World Bank. In this triple way, we control our social and environmental risks, as well as promotes the socioeconomic well-being within its area of influence, both internally and externally.



Sustainable Development Goals	Global Compact Principles	Initiatives implemented by X-ELIO
3 – Good health and well-being		Healthy X-ELIO
5 – Gender equality		20% female directors
8 – Decent work and economic growth	Elimination of all forms of forced and compulsory labor	Signatory to the Global Compact
	Effective abolition of child labor	Signatory to the Global Compact
	Elimination of discrimination in respect of employment and occupation	Code of Ethics and Conduct
10 – Reduced inequalities	Respect of freedom of association and the effective recognition of the right to collective bargaining	Rights recognition and protection Acceptance of any initiative undertaken by employees in this area
7 – Affordable and clean energy	Support a precautionary approach to environmental challenges	Environmental Impact Statements (EIS)
13 – Climate change	Encouragement of initiatives to promote greater environmental responsibility	Generation of clean energy as business model
9 – Industry, innovation and infrastructure	Development and diffusion of environmentally friendly technologies	Generation of clean energy as business model Dry cleaning technology in Kuwait
16 – Peace, justice and strong institutions	Fight against corruption in all its forms, including extortion and bribery	Anti-corruption policy Reputational Screening Process
	Protection of Human Rights in the organization	Code of Ethics and Conduct
	Protection of Human Rights among providers	Providers signatories to the Global Compact

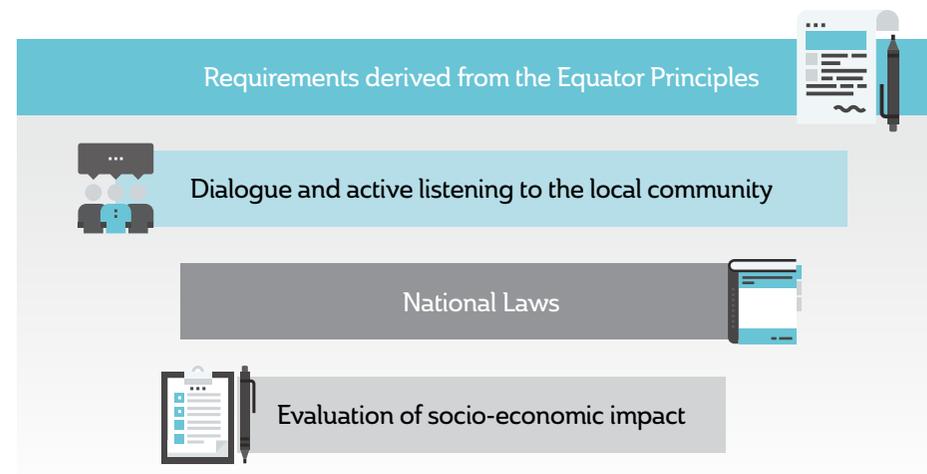
## 06 - External dimension of our activity

The Equator Principles constitute a risk management framework, adopted by financial institutions to ensure a responsible management of the Project Finance, which is the main financing formula used by X-ELIO for our projects. Currently, 92 financial entities of 32 different nationalities have adopted the principles, used for determining, assessing and managing environmental and social risk associated to potential financed projects and therefore, to the operations that X-ELIO implements.

The Equator Principles 	Application
Review and categorization of projects	The financial institution will, as part of its internal environmental and social review and due diligence, categorize it based on the magnitude of its potential environmental and social risks and impacts.
Environmental and Social Assessment	The financial institution will require the client to conduct an assessment process to address, to the financial institution's satisfaction, the relevant environmental and social risks and impacts of the proposed project (for example, the Environmental Impact Statement).
Applicable Environmental and Social Standards	The financial institution will require that the assessment process evaluates compliance with the applicable national Standards.
Environmental and Social Management System and Equator Principles Action Plan	An Environmental and Social Management Plan (ESMP) will be prepared by the client to address issues raised in the assessment process and incorporate actions required to comply with the applicable standards (for example, the Environmental Impact Statement).
Stakeholder Engagement	The financial institution will require the client to demonstrate effective Stakeholder Engagement as an ongoing process in a structured and culturally appropriate manner with Affected communities and, where relevant, other stakeholders.
Grievance Mechanism	The EPFI will require the client, as part of the ESMS, to establish a grievance mechanism designed to receive and facilitate resolution of concerns and grievances about the project's environmental and social performance (for example, X-ELIO's Whistleblower Channel).
Independent Review	Only for projects with high environmental impact, the financial institution will require the hiring of external consultants for the documentary review (X-ELIO hires for all its projects, an external consultant for environment related matters and another for Health and Safety subjects).
Covenants	For all projects, the client will covenant in the financing documentation to comply with all relevant host country environmental and social laws, regulations and permits in all material respects.
Independent Monitoring and Reporting	Only for projects with high environmental impact, the financial institution will require the appointment of an independent environmental and social consultant, or require that the client retain qualified and experienced external experts to verify its monitoring information which would be shared with the financial institution (X-ELIO hire for all its projects, an external consultant for environment related matters and another for Health and Safety subjects).
Reporting and Transparency	The financial institution will require a periodic report of the Environmental Impact evaluation.

## Proactive dialogue with communities

FX-ELIO aims to be close to all our stakeholders (shareholders, employees, contractors, public administration, electricity companies, consumers, financial institutions and local community) by informing on its current activity, projects and future plans. To that purpose X-ELIO has established several communication channels such as the website, the annual report and the whistleblower channel.



## Local communities

From the early stages of any project, X-ELIO considers and incorporates economic, social and environmental impacts depending on the location and characteristics of each eventuality. The mechanisms needed to monitor, control and mitigate impacts vary depending on the country regulations where the project is being developed or if the financing entity is a signatory to the Equator Principles. In general terms, all procedures should follow the provisions established in the Environmental Impact Statement, the requirements of financial entities and the obligations derived from the energy plans of each country and/or the different mechanisms established by local regulations.

Beyond the above-explained structure, X-ELIO carries out consultation procedures with the local community, through which its members, both institutional and individuals, have the opportunity to be duly informed and participate in the decision-making process. Thanks to the meetings held, X-ELIO can identify the needs and demands of community members near the plants. In this way, X-ELIO designs and executes long-term development and engagement programs that can respond to the concerns of the community.

## 06 - External dimension of our activity

# Social projects

Helping the development of the indigenous communities where X-Elio is present is one of its intentions. To this end, it currently has projects in different parts of the world, such as South Africa and Mexico



### South Africa

Mulilo Bursary Program developed by X-ELIO in the surrounding areas of South African projects was provided in 2018 with more than 200,000 euros and works in the following fields of action:

- Opportunity creation for students from disadvantaged backgrounds to access tertiary education by providing funding, career guidance and holistic support to students whilst studying.
- Young talent in sports and recreation development through giving young people the opportunity to participate in higher professional bodies. 97 students have benefitted from this program in 2018, whose fields of study include disciplines such as maths, science or law, among others.



Mulilo ECD Practitioner Skills Development focuses on providing a qualification to practitioners at an entry level. This qualification will provide means to give recognition to practitioners at an entry level, thus making it possible for practitioners to increase their employment prospects, and at the same time provide the field with suitably qualified practitioners.

Beyond education, sports and childhood development, X-ELIO supports small business development in the community and woman empowerment.

- Mulilo SMME Accounting Service Assistance provides accounting services to 15 small entrepreneurial projects driven by Prieska residents.
- Mulilo Empowerment of 100% Black Women Owned Small Business focuses on empowering back women to start their own businesses.





## Mexico

More than 500 cubic meters of wood were donated during 2018 to Guanajato community. Grubbing and cleaning process were conducted in a certain way that ensured that forestry waste would be after that used by locals.

X-ELIO helped the Clavelinas community to purchase construction materials for the construction of a new conference hall. This facility will be used by all members of Clavelinas community.



## Japan

Opening ceremony of two plants was carried out with the presence of X-ELIO's CEO, the mayor of the city and all business partners involved in the project.

In the framework of the Zao project, X-ELIO carried out two different social actions. Firstly, sponsored the football team Vegalta and secondly, donated school materials for children of the surrounding area.

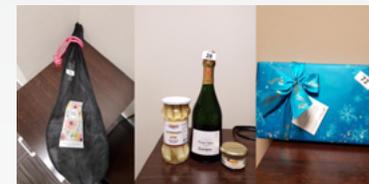


## Spain

*At Madrid headquarters, a raffle was held to distribute gifts received by the employees, who can not accept them following the provisions of the Compliance policy.*

*All the recipients donated their gifts and, among themselves, bet for them in auction. X-ELIO donated as a Company, the same amount gathered among workers and the collected money was transferred to the NGO Aldeas Infantiles.*

*Thanks to this activity three objectives were met: local community development, poverty eradication, quality training and Anti-Bribery.*



## 06 - External dimension of our activity

### Local Employment

In the execution of our projects, X-ELIO gives priority to materials, services and employment sourced from the local community. The main supplier of services is the contractor that hires and trains local personnel, supervised by X-ELIO staff.

In summary, at all stages of the construction lifecycle and the operation and maintenance activity of a solar plant, local employees are hired and play a relevant role in X-ELIO's business activity.

In addition to the personnel working on the solar facility, the proportion of national employees in offices is of 89%.

	Total suppliers expenditure*	Local suppliers expenditure**	% Local Suppliers
 Chile	2,149	2,149	100%
 Spain	87,411	26,288	30%**
 Colombia	66	66	100%
 Italy	1,437	1,437	100%
 South Africa	1,674	1,674	100%
 Japan	70,778	70,778	100%
 Honduras	455	455	100%
 Mexico	160,192	160,192	100%
 EEUU	15,040	15,040	100%
 Peru	34	34	100%
 Australia	1,019	924	100%
 Argentina	112	112	100%
<b>TOTAL</b>	<b>340,367</b>	<b>279,244</b>	

\*Thousand Euros

\*\*The largest supply item for X-ELIO is solar panels, whose management and billing is centralized in Spain.



## Economic and tax contribution

X-ELIO contributes directly to the economy through the payment of salaries and wages, the contracting of suppliers and the payment of tax obligations in all countries where we operate. Since the establishment of our presence in a country, X-ELIO is already adding value to the local communities and contributing to their growth and development. In this context, one of the most important contributions is the payment of taxes directly to the local administration upon start of operations.

The trend towards the maturity of the sector has implied a double effect: the application of technology to operate with greater efficiency and, consequently, the competitiveness increase of solar energy without access to public support or subsidies. X-ELIO is, therefore, financed without accessing government incentives, leaving those amounts to be used for other public needs.

	2017 *	2018 *
<b>Economic Value Generated</b>		
Turnover	120,134	126,910
Financial income	1,604	2,021
Other income	6,965	3,654
<b>TOTAL</b>	<b>128,703</b>	<b>132,585</b>
<b>Economic Value Distributed</b>		
CAPEX	164,883	288,922
Payment to capital providers	45,73	62,840
Taxes	15,392	32,241
Personnel	10,859	12,988
<b>TOTAL</b>	<b>299,758</b>	<b>396,991</b>
<b>Economic Value Retained</b>		
<b>TOTAL</b>	<b>30,264</b>	<b>29,357</b>

\*Thousand Euros

Total tax contribution summed up to 32,2 million euros, distributed as follows:

	2018 *
 Spain	21,358,539
 Argentina	47,612
 Costa Rica	362
 Chile	502,626
 Australia	37,356
 USA	3,001,407
 Colombia	13,498
 Honduras	18,368
 Italy	6,413
 Mexico	1,297,951
 Kuwait	146,255
 Japan	3,079,581
 South Africa	2,726,310
 Puerto Rico	3,220
 Perú	1,817

\* Euros

A group of people are gathered around a large wooden table in a meeting. They are looking at and pointing to various documents and charts. The documents include pie charts, bar graphs, and line graphs. One person is holding a pen over a document. A smartphone is on the table. The scene is brightly lit, suggesting an indoor office environment.

# 07

Internal  
dimension  
of our  
activity

# 7.1 People and Culture

2018 has been a truly transformational year for our Human Resources activity. To start with, the function has been reshaped and rebranded to People and Culture (P&C). The new P&C function entails a new, more strategic approach to the human dimension in the organization, that places people at center stage. The leader that joined the organization, the Chief People Officer, entered the Leadership Team, that is formed by the top 5 executives of the organization to align and support the business objective of scaling up the organization to become a 5.3 GW key global solar PV platform.

In this context of growth, X-ELIO understands corporate culture as the backbone of the organizational development in order to successfully meet the strategic objectives. First task to face this new challenge was listening our workforce's voice. This drove to a consultation that gave a valuable input to P&C team on which areas people asses as most important, and therefore, where to work the hardest. According to these results, X-ELIO's P&C team designed the new strategy based on three critical pillars to maximize value through People and Culture capabilities.

After talks among all areas of activity, X-ELIO concluded that people value the most the double concept of ownership and flexibility.

Facing new professional responsibilities while having the flexibility to keep a good profesional and personal life balance.



## STRONG CULTURE

- Improved internal communications
- Deployed individual objectives and KPIs.
- Provide leaders with full P&L accountability and visibility
- Provided individuals and teams with tools for better self management
- Upgraded middle manager's people skills



## DIGITALIZATION

- Efforts in 2018 mainly on HRIS System and collective intelligence mining system
- Provided managers with data for better, data based decision making
- Accelerated processes and decision making
- Increased transparency and participation at all levels



## STRIVE FOR BEST GLOBAL TEAMS

- Reinvigorated local commercial engine in key geographies
- Reinforced teams by injecting new talent from diverse backgrounds to home-grown talented teams
- Promoted best performers
- Focus today: PPAs, people management and ability to execute globally.
- Focus tomorrow: storage, digitalization of asset management, energy trading

## 07 - Internal dimension of our activity

# People & Culture values

One of the most important levers of growth for X-ELIO is the attraction and retention of the best talent as the only way to become a reference in the solar energy market. In order to be an attractive Company for the most qualified professionals and to build a shared corporate culture, X-ELIO bases its activity on five values that base the day-to-day activities:



### Excellence

New strategy is based in employee's ownership as cornerstone. This approach, together with high performance rates has led to higher accountability and responsibilities for our people.



### Commitment

In 2018, People & Culture team undertook a consultation with the workforce in order to drive its activity towards shared demands and requests.



### Integrity

During 2018 several online training programs have been provided to employees. These programs went through topics such like anti-bribery and corruption and antitrust competition laws.



### Diversity and teamwork

X-ELIO is a global company that succeeds worldwide thanks to the talent of its diverse workforce: nearly 40% of workers are based in international operations and 60% in Madrid headquarters.

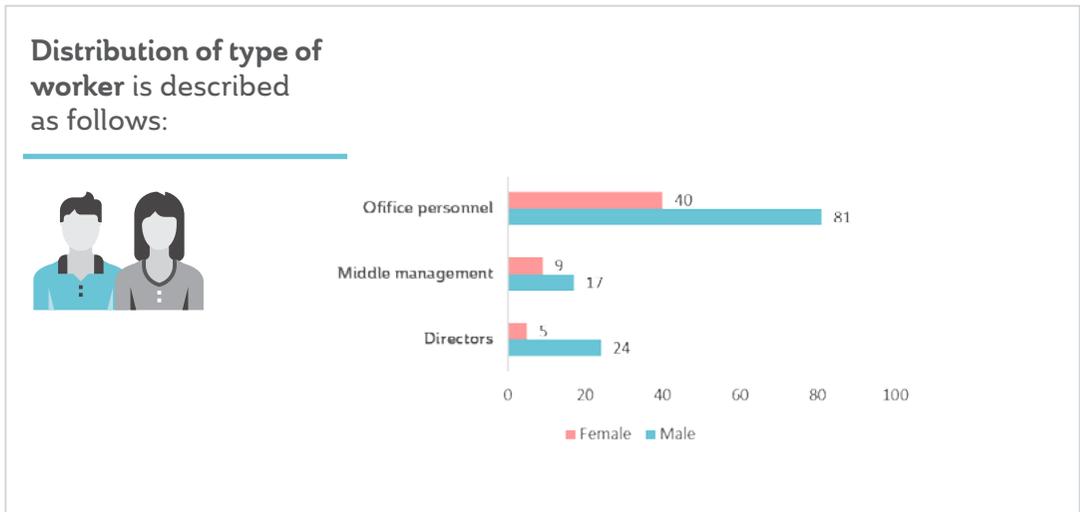
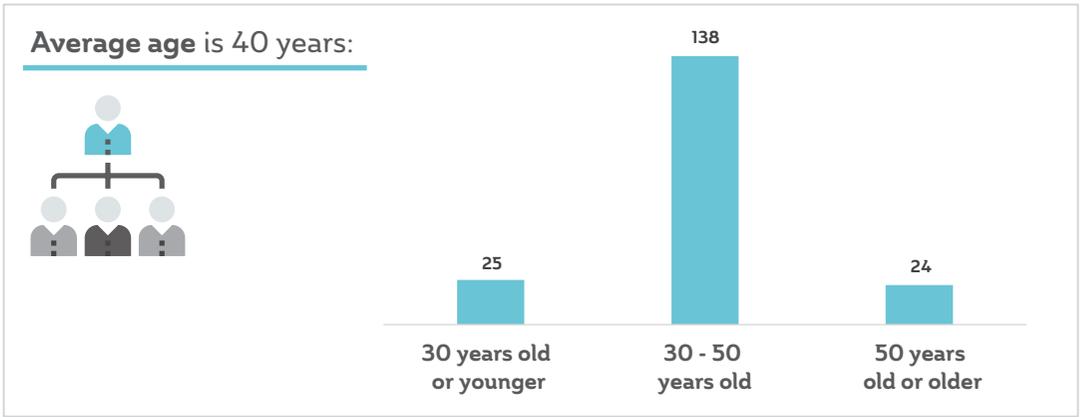
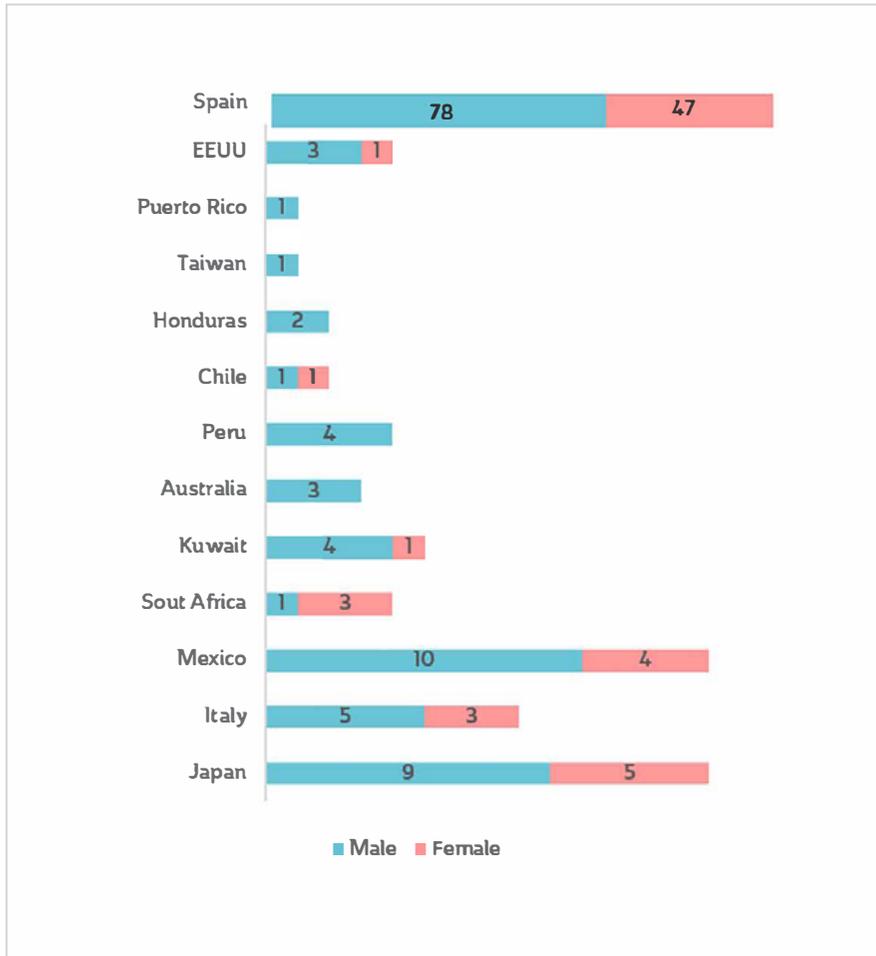


### Innovation

During 2018 Research & Development activities have been carried out in four laboratories. Each of them investigates particular technologies that will be implemented in the Company's activities. Innovation is also visible beyond technology and shows in P&C aspects too. As an example we have been piloting innovative flex time options from which we can pick and choose depending on our particular needs

## Workforce distribution

The staff of X-ELIO is composed of 200 professionals from around the world: 122 men and 65 women. At the end of 2018, the staff was distributed as follows:



## 07 - Internal dimension of our activity

### Career Plan at X-ELIO

X-ELIO is essentially a global Company that works to offer both career opportunities and benefits to talented people forming it. Opportunities are mainly translated into growing responsibilities, promotions, quality employment and accountability; benefits are understood as the means to balance both, professional and personal lives such as flexibility, training and internal communication among others.

Driven by these values, X-ELIO shows great figures on promotions and quality employment. During 2018, 18 people were promoted, 168 out of the 187 total collaborators (90%) have indefinite contracts and 176 (94%) full time contracts.

### Working abroad

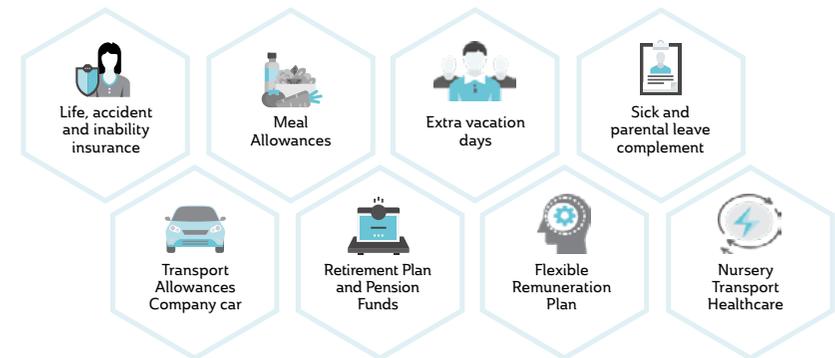
As X-ELIO has deployed operations in 10 countries, a fully diverse team has been made up of local staff and employees from corporate headquarters. Among those based out of headquarters, there are two mobility systems within the Company depending on the length of their stay.

### Ownership and flexibility

In the effort to reinforce meritocracy and recognize extraordinary performance, X-ELIO has assigned key performance indicators to all of the employees as part of their performance assessment. This clarifies expectations of performance and allows people to understand how their contributions align to the company's overall results. This, together with growing accountability for all employees and better information sharing reinforces the employee ownership as a key value driver.

The compensation system derived of this, values the effort of the team through the distribution of a variable complement. The Company has developed a policy that serves to set the objectives and components of this bonus which is applicable to employees of X-ELIO, depending on their level and responsibility.

X-ELIO works to offer its employees the right conditions for growth both, personally and professionally. For this reason, it studies the particular needs of each work unit, derived among other things from the local market practices and makes available to the staff a series of perks and benefits that complement their monetary compensation.



*To promote international mobility and knowledge sharing, Bubble assignments were piloted in 2018. It consists of a secondment experience for selected employees to have the opportunity to develop certain projects at any other country different to their nationality. This is a way to share best practices, boost international experience and ease growth opportunities while enhancing the corporate culture and belonging feeling.*

*In 2018 Flex Time project has been launched as a pilot aiming to ease collaborators' conciliation. Flex time offers the opportunity to customize working hours so that entry and exit times may vary within 5 hours according to each collaborator's needs, who can even get one Friday off a month.*

## Training and knowledge sharing

To attract, empower and retain the best talent, it is necessary to establish solid motivation channels. For this reason, the training is a vehicle of double benefit: on the one hand it builds competitive advantage for the Company, on the other, it creates an attractive value proposition. During 2018 X-ELIO has provided training in a wide range of fields at most levels in the Company.

In 2018, a total of 2,500 hours of training were taught in the fields of languages, financial products, local project development, leadership, Compliance, ISO 45001 and occupational risk prevention amongst others, which means that, in average, every employee has received 13.40 training hours.

A special mention needs to be done to knowledge sharing by means of our Brown Bag sessions through which our people share their expertise in particular areas such as excel, financing and project development best practices amongst many other topics.

## Diversity and Equality

X-ELIO considers the creation of equal opportunities for all its employees, current and potential, of paramount importance.

In the area of gender equality, in 2018 a woman has entered the senior leadership team and two female have become as well country managers (out of a group of 6 country managers overall). X-ELIO strives to support and accompany employees along all of the stages of their lives, trying whenever possible to accommodate their life circumstances.

Proportion of local employees



16 out of 20 (80%) area directors are hired from the local community



*As a tool for functional knowledge sharing, the new initiative Brown Bag Sessions was launched in 2018. They consist of informal, informative and voluntarily taught sessions by one of X-ELIO's members to all colleagues interested in attending it. The aim of the initiative is to share the particular topics expertise some of the employees have due to their career or academic background.*

## 07 - Internal dimension of our activity

### Freedom of association and collective bargaining

Throughout its years of activity, X-ELIO has promoted the freedom of association among its employees. For the moment there has been no formalization of works committees, neither in offices nor among maintenance personnel.

Employee Handbooks are made available to workers, functioning as a guide that lists the working conditions for each position and containing behavioral guidelines adapted to the local context and legal requirements. It also indicates the rights and duties of employees.

### Internal Communication

In 2018, X-ELIO undertook an internal consultation within the Company under the name “#everyone matters”. As a conclusion, Internal Communication arised as a material topic for all employees and a strategy was designed in accordance to that purpose. The aim is to improve communications from top to bottom and bottom-up, within departments and community management.

X-ELIO believes that a strong internal communication system improves the performance from Headquarters to country offices, boost the expertise and belonging felling, aligns employees with the strategy and creates a better working environment. Internal communication makes a positive effect in efficiency, which generates greater opportunities of investment, in savings, creativity, innovation, development and differentiation in the markets.

The internal communication system includes not only communication channels but activities that gather team members and allow constructive conversations among them.

Within the different activities performed in order to improve internal communication the following eight stand out.



### X-ELIO's Annual meeting

Since 2011, X-ELIO has been organizing the “Leadership Annual Meeting”, a space where all members of the organization have been presented with first-hand knowledge about the results of the previous year, the current situation and future goals of the organization. This meeting works as an internal communication tool that fosters engagement and open dialogue to make a stronger and more efficient X-ELIO. Professionals from all X-ELIO offices in the world attended the 2018 event. Ten working teams gathered professionals belonging to all activity áreas with the aim of finding solutions to the current strategic matters of the Company.

## Healthy X-ELIO

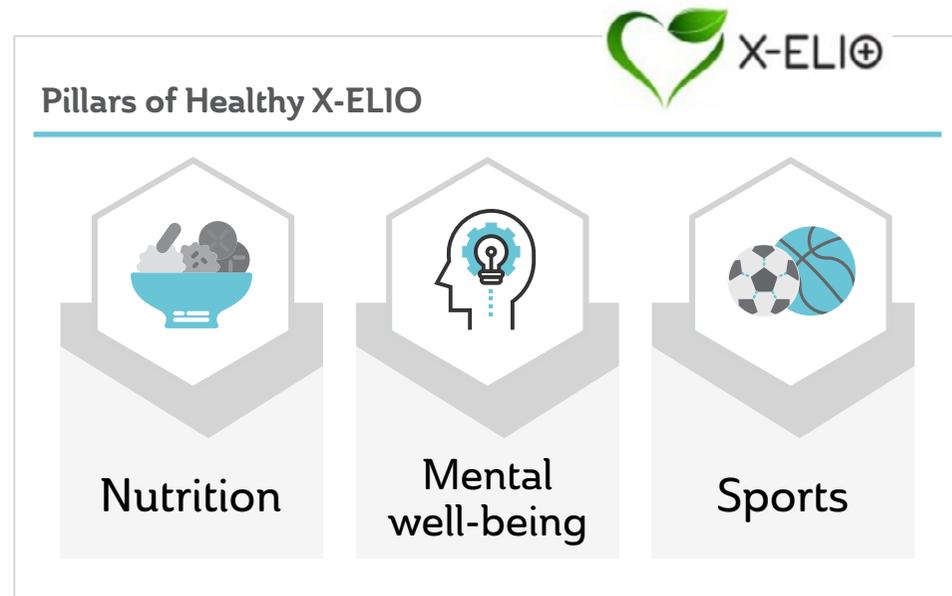
One of the key elements among engagement activities is “Healthy X-ELIO: 12 months, 12 changes” program. It is intended for all of its employees with the objectives of addressing matters related to healthy lifestyles and as a guide for good habits. It was launched in 2017 and during 2018 it continued to be very well valued by team members.

The fundamental pillar of the program during the year 2017 was nutrition, while in 2018 it was focused on mental well-being, in addition to initiating activities related to sports and physical activity.

Employees are asked to share their opinions and desires on how to develop further the program. Thanks to their insights, Healthy X-ELIO continues to grow in parallel to employees’ wellbeing and needs.

During 2018 several activities have been developed, such as the fruit day, which has just been implemented in all the offices, as well as discounts in daily menus. Those have been designed according to several daily diet options and may be completed with dinner package so that balanced diet goes beyond office to home.

X-ELIO has also participated in sports activities, such as popular races and marathons, such as the Rock and Roll marathon or the Women’s Race. Several mindfulness talks have also been given, with both practical and theoretical sessions.



*The goal for 2019 is to expand the pilot program and start developing it in all offices so that it reaches 100% of X-ELIO employees, so it will be necessary to adapt it to different countries and cultures.*



## 07 - Internal dimension of our activity

### Health and Safety

The Integrated Quality, Environment and Health and Safety Policy is the general framework that determines the Company's activities in all its phases: from the selection of projects to be developed, through the construction phase, to the operation and maintenance.

The Integrated Policy has a wide field of application that covers all activities related to the design, construction and commissioning of photovoltaic solar power facilities. The corporate area of Quality, Safety and Health and Environment monitors the compliance with the requirements of the framework regulations and provides technical advice to adjust each project to the necessary standards and requirements.

Furthermore, each country delegation of X-ELIO has autonomy for the application of the Integrated Policy, which will be adapted to the current local regulations, as well as to the phases of development of each project.

In 2018 X-ELIO achieved the renewal of the Occupational Safety and Health Certification (OHSAS 18001:2007) with zero non-conformities. Xoxocotla installation was certified as well under this standard for first during 2018. For the year ahead, X-ELIO will adapt its Quality, Environment and Health and Safety Policy to certify under the new standard ISO 45001.

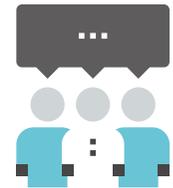
Moreover, to achieve the objective of zero accidents, X-ELIO believes that a strong training program is key. To this purpose, the Company has developed a procedure for all new employees that include informative dossiers on occupational risk prevention with on-line training courses to prevent commuting accidents and security in different areas of the world, among others.

In addition, the Company values the enrollment of the worker in other trainings deemed necessary for the safe performance of their Work. In 018 two defibrilators were installed in Madrid headquarters and part of the team was trained to use them. Those workers are now included in the emergency team.

The area of Health and Corporate Safety, based in Madrid, is responsible for selecting the Health and Safety Coordinator. In addition, it is in charge of monitoring the correct development of the coordinator's work, in line with the Health and Safety Plan created for each project.

*X-ELIO has various mechanisms to promote the health of its employees and prevent occupational risks. Hence, the Company identifies and evaluates the risks associated with its activity and establishes adequate preventive and corrective measures. In addition, X-ELIO complies with the European regulations on Personal Protective Equipment and has specific procedures for its correct use.*

*The main objectives of the policy are to promote the training and awareness of employees for the efficient performance of their duties and to comply with legal and regulatory requirements, as well as all commitments voluntarily signed by X-ELIO on Health and Safety.*



In matters of Health and Safety, as well as in all those related to the environment, X-ELIO goes beyond the simple compliance with the legal requirements. Accordingly, the Company hires an independent external consultant on

Occupational Safety during the development of the work. The Company staff supervises the contractor compliance on safety matters and, at the same time, an external auditor oversees the work being carried out during the construction phase.

Also, when an accident occurs during work execution, the procedure requires immediate direct communication with the Health and Safety areas and due notification to all concerned parties.

X-ELIO has outsourced its Employee Health Prevention Service which is responsible for assessment of the scale and nature of risks related to the safety and health of workers, as well as proposing the necessary control measures to reduce or eliminate them. From this evaluation, the conclusion was that at current time, positions at X-ELIO do not carry significant risks in terms of occupational safety.

During 2018, X-ELIO achieved a reduction in incidence index to half the proportion registered in 2017. Furthermore, frequency and severity indexes have dropped to zero during 2018.

Year	2017	2018
Incidence Index	0.42	0.2
Frequency Index	1.78	0
Severity Index	0.05	0

## Safety abroad

X-ELIO, operates globally and is committed to provide a safe work environment to all of their employees, in order to achieve this goal in areas of the world where there are higher security threats, X-ELIO collaborates with a specialized service provider that delivers permanent advice on the subject. Some of those services include:



Permanent country security risks advisory consisting on information on the characteristics and security level of the destination before travel. This data is updated on a daily basis through the monitoring and intelligence research made by the provider.



Security advisory in high-risk locations, including among others, the following services:



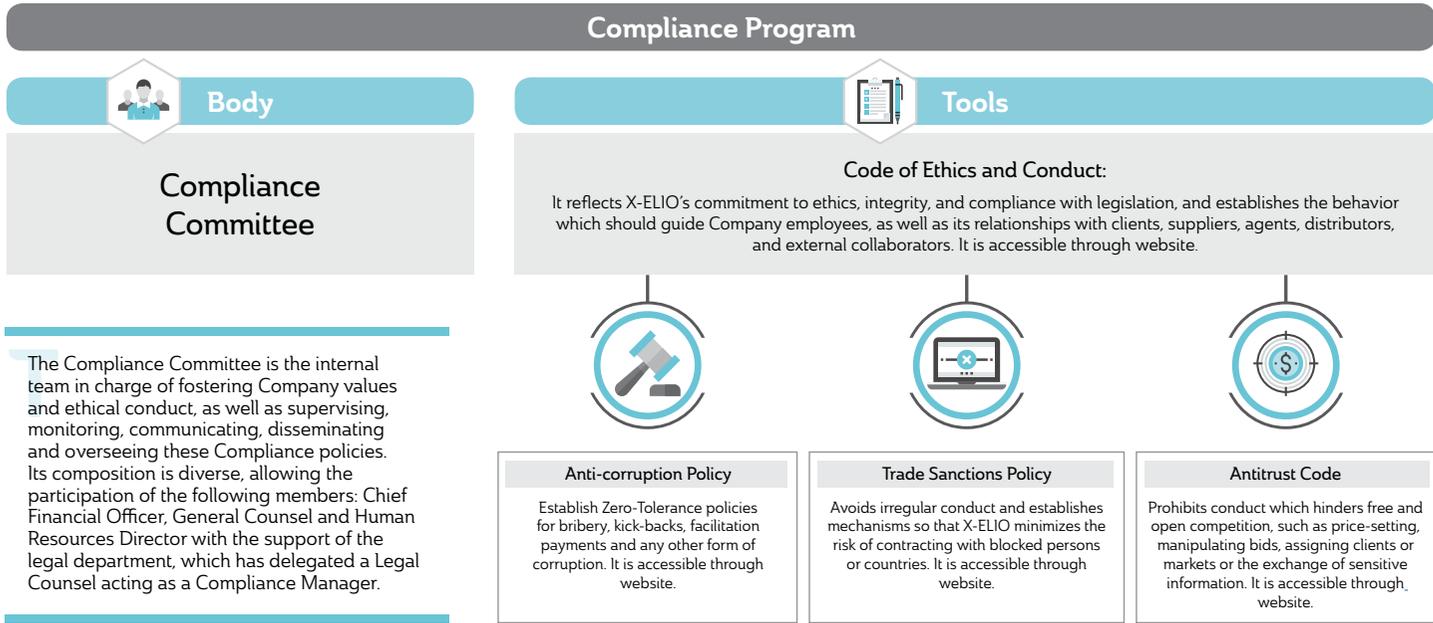
The security consultant supports X-ELIO on specific crisis management and resolution cases, either from an operational or informational perspective.

# 07 - Internal dimension of our activity

## 7.2 Compliance

X-ELIO is committed to meeting the highest standards of integrity and to ensure ethical business conduct. As a result of this commitment, a comprehensive Compliance Program has been implemented at all levels in the organization. In fact, efforts are geared towards ensuring that the entire Company and business partners share the same ethical corporate culture.

The Program encompasses the Compliance Committee and the Code of Ethics and Conduct under which, thus far, three policies set the framework of the Company's activities.



*The Sponsorship and Donations procedure has been designed during 2018 under the Anti-corruption Policy. It sets the framework which ensures that these voluntary payments do not entail any risk of corruption.*

The Committee maintains continuous and fluid contact with its KKR counterpart, thereby fostering a perfect alignment with the most demanding standards imposed by US practice and those in charge of their implementation in X-ELIO.

---

*The main vehicle by which X-ELIO regulates its commitment to ethics, integrity and legislative compliance are the Code of Ethics and Conduct and the Policies on Anti-Corruption, Trade Sanctions and Anti-Trust, which are complemented with specific procedures.*

---

The Compliance Program serves as a guideline for the personnel's behavior in the execution of their functions. The Company has also created a whistleblowing channel through which doubts or infringements of the Company's Compliance Program may be communicated. The hotline is open to the public and during 2018 one external complaint was received and successfully solved.

## Risk management

---

X-ELIO has established the three lines of defense model to identify and manage risk. Both business areas and corporate departments act as observers of the Company's day-to-day activities and may detect any action or activity that represents a potential risk. Beyond this, the Compliance Area together with the Legal Department, play a key role as a line of defense, implementing and monitoring the above-mentioned policies.

X-ELIO conducted in 2018 a Risk Assessment process to allow the identification of potential Company corruption risks and developing the correct prevention process for criminal offenses. The specialized provider developed a risk assessment methodology which comprised first of all an analysis of the inherent bribery and corruption risks of X-ELIO and key subsidiaries within the Group; an analysis of the effectiveness of existing anti-bribery and corruption ("ABC") controls; and lastly calculation of residual bribery and corruption risks.



---

*A new proceeding has been implemented during 2018 under the anti-corruption policy which ensures that Sponsorship and Donations do not entail any Compliance Risk.*

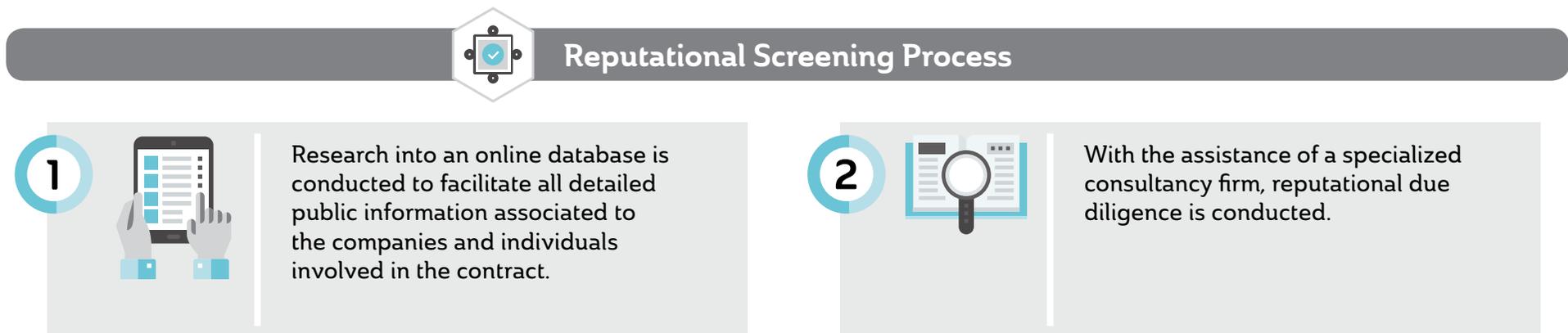
---



## 07 - Internal dimension of our activity

### Third-party reputational risks

X-ELIO has designed an anti-corruption tool it applies to all the individuals or corporate entities with which it enters into agreements in order to mitigate Compliance and reputational risks. The process is divided in two phases:



During 2018 were conducted several Third Party Due Diligence processes through the tolos World Check One and TDI Reports. No third party risk was materialised during the year.

## Operational risks

Although there are no significant risks inherent to the development of X-ELIO's activities, beyond those derived from the construction of the plants, risks related to Compliance and Ethics matters may arise, which are mitigated by the Compliance Program and the supervision of the Legal Department.

Moreover, the execution of projects encompasses a series of factors that can lead to risks that are not foreseen and therefore, cannot be neutralized in advance. These risks are related to legal, financial, environmental and occupational safety matters.



### Legal Risks

Legislative instability can lead to involuntary non-compliance with the regulations if they are not previously planned.

X-ELIO assumes the risks of changes in regulations that may affect work execution plans such as the Environmental Impact Statement or the safety and prevention plan. For this reason, the Company has a powerful legal team that monitors these possible changes and foresees the different ways that X-ELIO can face them.



### Environmental risks

The negative impacts on the environment derived from construction work.

The drafting and approval of the Environmental Impact Statement is in itself the process of identifying and mitigating risks to the environment. For all the markets where X-ELIO operates and deems it necessary, an insurance policy against natural disasters has been contracted.



### Occupational safety risks

The inherent risks of the construction industry.

The same collaboration agreements with the EPC contractor that mitigate the financial risk, include responsibility clauses for the EPC contractor on the safety of its workforce.



### Financial risks

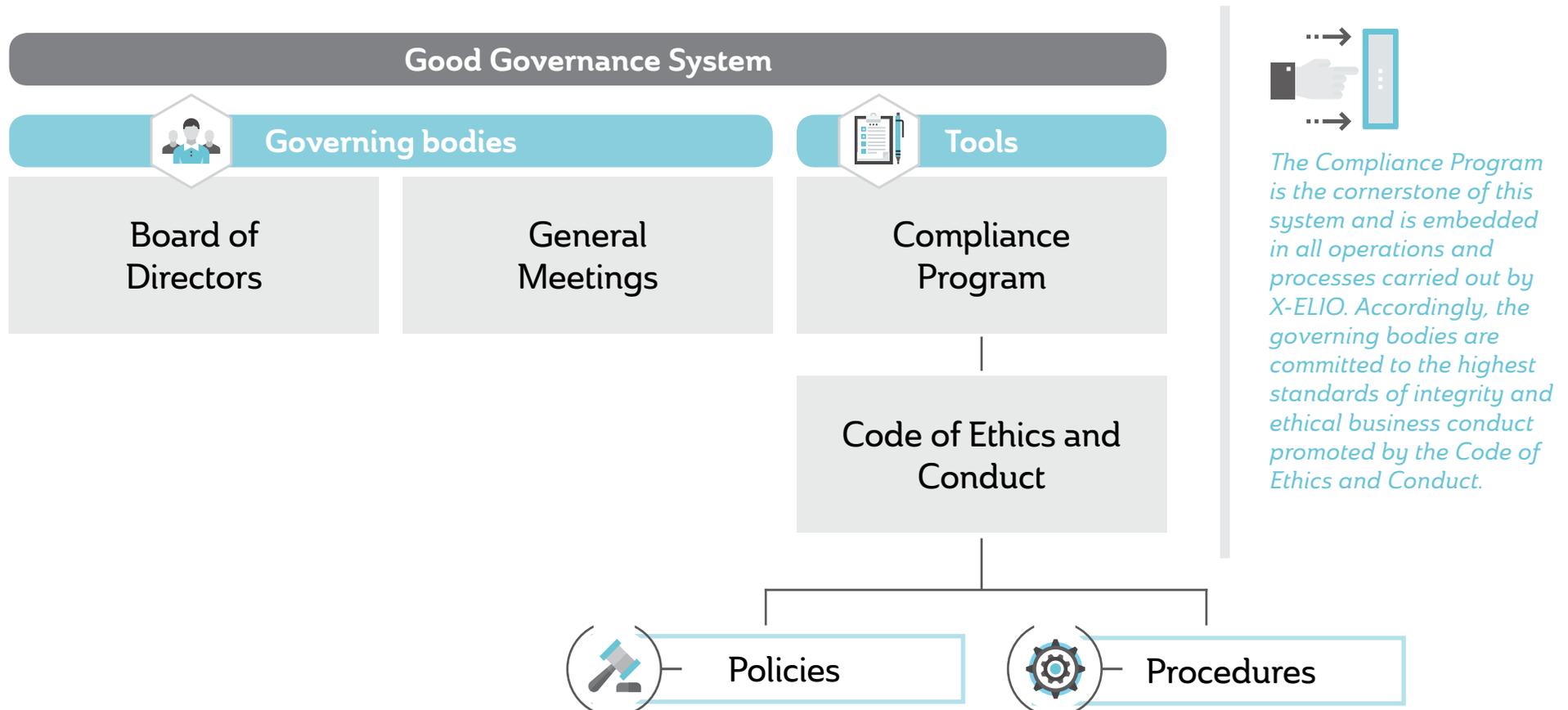
Fluctuations in the price of raw materials and exchange rates.

X-ELIO signs collaboration agreements with the EPC contractor through which it is protected against this type of situation, which is assumed in its entirety by the construction company.

## 07 - Internal dimension of our activity

# 7.3 Corporate Governance

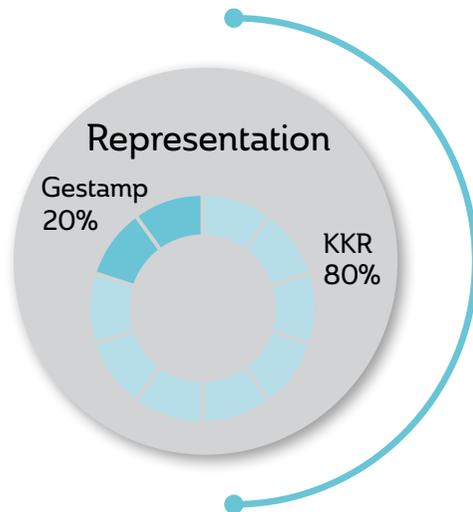
X-ELIO has adapted its governance structure and standards to the strictest international ethical and anti-corruption standards. To ensure compliance with commitments agreed upon with the shareholders and general good governance standards, X-ELIO has designated the appropriate bodies and tools that form the Company's Good Governance System.



## Governing bodies and decision-making

X-ELIO's two main governing bodies are the Shareholders' General Meeting and the Board of Directors, in charge of managing the most relevant business decisions or delegating their execution to specific employees and/or advisors. In general, the Board of Directors' key functions are to foster interest in the Company and manage the smooth flow of business activities and commercial opportunities.

### Board composition



**Juan María Riberas Mera**  
Chairman and Board member



**Jorge Barredo**  
CEO and Board member



**Tara Davis**  
Board member



**Vincent Policard**  
Board member



**Oleg Shamovsky**  
Board member



**Jaime de la Serna Gould**  
Secretary Non-Board member

## 07 - Internal dimension of our activity



Due to its business model, X-ELIO's corporate transactions are capital intensive and the majority of corporate activities require special powers, which are beyond the responsibilities of the area's heads, hence the Board approval is needed. During 2018, the Board of Directors met 28 times and approved significant decisions such as the purchase of the US Lily Facility the acquisition of Nobojoa project in Japan and the launch of PPA with Nexus.

In 2018, Mr. Guido Lucio Mitrani resigned as Board member and was replaced by Mr. Vincent Policard. The shareholders appoint the Board members. Moreover in 2018, Board Members did not receive any retribution for their attendance to Board meetings and no performance evaluations were carried out.

### Shareholders' General Meetings

---

Among many other responsibilities, Shareholders' General Meetings are in charge of controlling and monitoring the overall management of the Company and making decisions related to the increase or reduction of shared capital. Furthermore, when the Board cannot approve due to strategic or price circumstances, the final decision on investment agreements needs to be approved within a General Meeting. A minimum of one General Meeting per year is mandatory, although the Shareholders held five General Meetings in 2018. Some of the main resolutions approved were the divestments applied to non-core assets in Japan and capital contributions made by the shareholders.

Due to its nature and characteristics, X-ELIO has not formally established an Audit Committee or Management. In order to ensure correct communication between functional areas, a series of meetings and de facto committees are held, permitting to reach a consensus on activities and developing specific action plans.

### Conflict of interest management

---

The Corporations Law, as amended by Royal Legislative Decree 1/2010 of June, is the main legal body regulating the structure and functioning of companies in Spain. This regulation stipulates, as a general rule, that members may not exercise the right to vote corresponding to their shares when there are certain types of the conflict of interest. At X-ELIO, we apply this legislation to our activity.

### Attorney powers

---

Jorge Barredo, as CEO has broad powers of attorney in the Company. Apart from Jorge Barredo, also the CFO, COO, General Counsel, Head of Accounting and Administration and the Chief People Officer have limited power of attorney within their scope of functions.



# A1

## Materiality



# AI - Annex I: Materiality

In order to prepare this Sustainability Report, X-ELIO developed an update of its materiality analysis of 2018 involving internal stakeholders and documents produced by industry leaders and opinion makers. This analysis updates the research conducted in previous years and identifies the key issues in which the Company's strategy must be based on.

The materiality matrix underpinning the content of this report was created in two stages:

## 1

Analysis of the state of the solar energy sector, through examination of relevant documents, future trends and peers' reporting information and methods. These initial steps are intended to flag relevant issues that are already affecting the sector in which X-ELIO conducts its operations.



22 sources of information were screened and a full-year press analysis was conducted



The outcome of this stage was the identification of 27 topics

## 2

These initial issues were then prioritized internally according to their impact on X-ELIO's business activity.

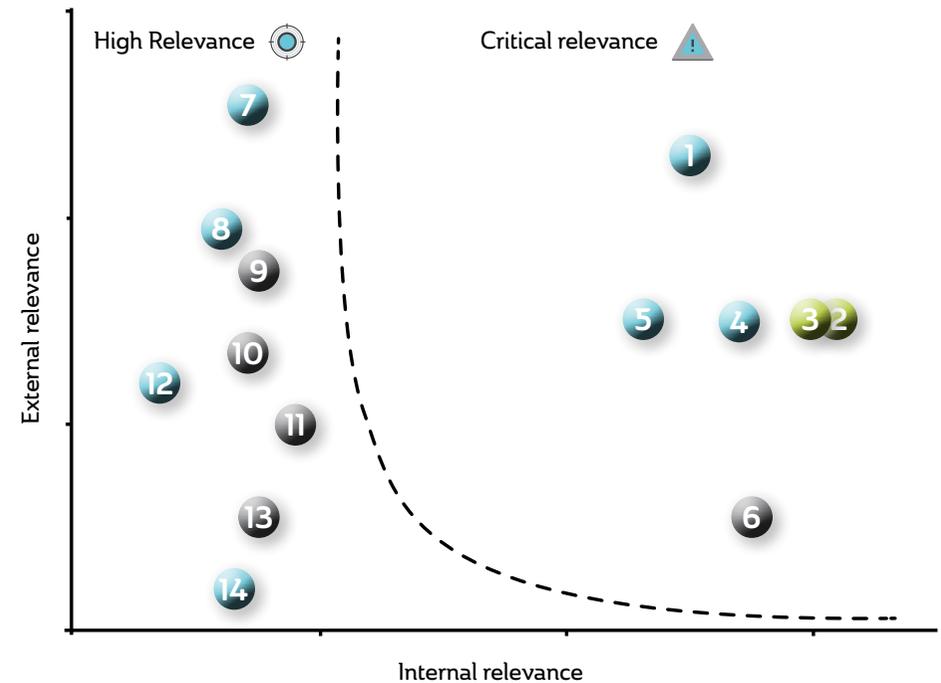


19 employees from middle and top management answered the questionnaire



The outcome of this stage was the prioritization of 14 material issues

Once those 14 material issues were prioritized, they were categorized according to the relevant dimension: external, internal and contextual.



Item	Dimension	Issue	Content of the report
1	External	Climate change and carbon footprint	6.1 X-ELIO's work to fight climate change
2	Internal & Contextual	Company's Compliance Programme and Regulatory compliance	7.2 Compliance
3	Contextual	Regulatory Framework	3. Business environment 7.2 Compliance
4	External	Technology and digitalization	5. Our activity
5	External	People's education on renewable energies	5. Our activity
6	Internal	Good Governance	7.3 Corporate Governance
7	External	Local community impact, dialogue and collaboration	6.2 Generation of value for local communities
8	External	Environment impact and management	6.1 X-ELIO's work to fight climate change
9	Internal	Ethics, Antibribery, Integrity	7.2 Compliance
10	Internal	Risk management	7.2 Compliance
11	Internal	Stakeholders	7.2 Compliance
12	External	Preserving biodiversity and landscape	6.1 X-ELIO's work to fight climate change
13	Internal	Health and Safety	7.1 People & Culture
14	External	Diversity and equality	7.1 Human Resources



# All

## About this report



This is now X-ELIO's third Sustainability Report, providing key information on the Company's results and performance on matters relating to sustainability from a financial, social and environmental standpoint.

This Sustainability Report has been drawn up in accordance with prevailing reporting requirements and practices, following the new standards contained in the guidelines on preparing integrated reports of the Global Reporting Initiative.

1



**Coverage and scope:** for the second time in 2018, the report follows the new standards of the Global Reporting Initiative (GRI) released in the year. The report covers the period running from 1 January 2018 to 31 December 2018 and covers the business activities of the different companies that compose X-ELIO and is presented in accordance with the consolidation principles applied in the financial statements.

Any departures from the scope and coverage of the information are duly noted under the corresponding section of the report. Likewise, any changes to the formulas used to calculate the data included in the report have been duly reported.

2



**Materiality:** the information contained in the report has been obtained from a materiality assessment of the Group and no material content has been deliberately omitted.

The materiality of the content of this report has been determined from the in-house and external consultation process described under "Materiality Annex". All relevant material aspects have been analyzed to identify how they relate to the specific content and indicators included in the new GRI Standards. X-ELIO has selected those disclosures that truly respond to the interests of stakeholders and its own strategy.

## A11 - Annex 11: About this report

Standard	Chapter	Chapter	Material Topic
<b>GRI 102: General disclosures 2016</b>			
<b>Organization profile</b>			
102-1	Name of the organization	Our activity	
102-2	Activities, brands, products, and services	Our activity	
102-3	Location of headquarters	Our activity	
102-4	Location of operations	Our activity	
102-5	Ownership and legal form	Corporate Governance	
102-6	Markets served	Our activity	
102-7	Scale of the organization	Executive summary	
102-8	Information on employees and other workers	People & Culture	
102-9	Supply chain	Our activity	
102-10	Significant changes to the organization and its supply chain	About this report	
102-11	Precautionary Principle or approach	Compliance	
102-12	External initiatives	Generation of value for local communities	
102-13	Membership of associations	Generation of value for local communities	
<b>Organization profile</b>			
102-14	Statement from senior decision-maker	Chairman's and CEO's letter	
102-15	Key impacts, risks, and opportunities	Compliance	Risk management
<b>Ethics and integrity</b>			
102-16	Values, principles, standards, and norms of behavior	Compliance	Company's Compliance Program and Regulatory compliance
102-17	Mechanisms for advice and concerns about ethics	Compliance	

Standard	Chapter	Chapter	Material Topic
<b>Governance</b>			
102-18	Governance structure	Corporate Governance	Corporate Governance and Shareholders
102-20	Executive-level responsibility for economic, environmental, and social topics	Corporate Governance	
102-22	Composition of the highest governance body and its committees	Corporate Governance	
102-23	Chair of the highest governance body	Corporate Governance	
102-25	Conflicts of interest	Corporate Governance	
102-26	Role of highest governance body in setting purpose, values, and strategy	Corporate Governance	
102-29	Identifying and managing economic, environmental, and social impacts	Corporate Governance	
102-30	Effectiveness of risk management processes	Corporate Governance	
<b>Stakeholder engagement</b>			
102-40	List of stakeholder groups	Generation of value for local communities	
102-41	Collective bargaining agreements	People & Culture	
102-43	Approach to stakeholder engagement	Generation of value for local communities	
102-44	Key topics and concerns raised	Materiality	
<b>Reporting practice</b>			
102-45	Entities included in the consolidated financial statements	Entities	
102-46	Defining report content and topic boundaries	Materiality	
102-47	List of material topics	Materiality	
102-48	Restatements of information	About this report	
102-49	Changes in reporting	About this report	
102-50	Reporting period	About this report	

## A11 - Annex 11: About this report

Standard	Chapter	Chapter	Material Topic
102-51	Date of most recent report	About this report	
102-52	Reporting cycle	About this report	
102-53	Contact point for questions regarding the report	About this report	
102-55	GRI content index	About this report	
<b>Economic</b>			
<b>GRI 201: Economic performance 2016</b>			
201-1	Direct economic value generated and distributed	Generation of value for local communities	Local community impact, dialogue and collaboration
<b>GRI 202: Market Presence 2016</b>			
202-2	Proportion of senior management hired from the local community	People & Culture	Diversity and equality
<b>GRI 203: Indirect economic impact 2016</b>			
203-1	Infrastructure investments and services supported	Generation of value for local communities	Local community impact, dialogue and collaboration
<b>GRI 205: Anticorruption 2016</b>			
205-1	Operations assessed for risks related to corruption	Compliance	
205-2	Communication and training about anti-corruption policies and procedures	Compliance	Ethics, Anti bribery, Integrity
205-3	Confirmed incidents of corruption and actions taken	Compliance	
<b>GRI 206: Anticompetitive behavior 2016</b>			
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	Compliance	Ethics, Anti bribery, Integrity

Standard	Chapter	Chapter	Material Topic
<b>Environment</b>			
<b>GRI 304: Biodiversity 2016</b>			
304-2	Significant impacts of activities, products, and services on biodiversity	Environment	Preserving biodiversity and landscape
<b>GRI 305: Emissions 2016</b>			
305-1	Direct (Scope 1) GHG emissions	Environment	Climate Change and Carbon Footprint
305-2	Energy indirect (Scope 2) GHG emissions	Environment	
305-3	Energy indirect (Scope 2) GHG emissions	Environment	
305-5	Energy indirect (Scope 2) GHG emissions	Environment	
<b>GRI 307: Environmental compliance 2016</b>			
307-1	Non-compliance with environmental laws and regulations	There have not been significant fines neither sanctions for non-compliance with environmental laws and/or regulations	Environment impact and management and Regulatory framework
<b>Social</b>			
<b>GRI 403: Occupational Health and Safety 2016</b>			
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	People & Culture	Health & Safety
<b>GRI 405: Diversity and equal opportunity 2016</b>			
405-1	Diversity of governance bodies and employees	Corporate Governance People & Culture	Diversity and equality

## A11 - Annex 11: About this report

Standard	Chapter	Chapter	Material Topic
<b>GRI 413: Local Communities 2016</b>			
413-1	Operations with local community engagement, impact assessments, and development programs	Generation of value for local communities	Local community impact, dialogue and collaboration
<b>GRI 419: Socioeconomic compliance 2016</b>			
419-1	Non-compliance with laws and regulations in the social and economic area	There have not been significant fines neither sanctions for non-compliance with environmental laws and/or regulations	Company's Compliance Program and Regulatory framework

<sup>(\*)</sup> For material issues Technology and digitalization and People's education on renewable energies, X-ELIO has reported specific information on chapter 5. Our activity.

■ A111  
Entities



## A111 - Annex III: Entities

The scope considered by X-ELIO for the elaboration of this Sustainability Report 2018 matches the financial consolidation scope, which includes the following companies:



### Spain

TEQUI SOLAR 2, S.L.	EXELIO ENERGY SALVADOR, S.L. UNIPERSONAL
PARQUE SOLAR PARAMO, S.L.	X - ELIO ANDALTIA MURCIA, S.L.
CALASPASOL 1, S.L.U.	MURSOLAR 28, S.L.
FUENTE ÁLAMO ENERGÍA SOLAR 1, S.L.	MURSOLAR 30, S.L.
FUENTE ÁLAMO ENERGÍA SOLAR 2, S.L.	PLANNING BUSINESS GREEN, S.L.
X - ELIO MANTENIMIENTOS, S.L.	X-Elio EOS, S.L.
CALASPASOL ENERGÍA 2, S.L.	X-Elio Energy Finance, S.A.
EXELIO ENERGY TRADING, S.L.	HUERTO SOLAR LA ALCARDETEÑA, S.A.
X - ELIO ZENER, S.L.	PLANTA SOLAR VILLARDETE 1, S.L.
SAELICES EL CHICO SOLAR, S.L.	PLANTA SOLAR VILLARDETE 2, S.L.
MUELAS DEL PAN SOLAR, S.L.	PLANTA SOLAR VILLARDETE 3, S.L.
PHOTOSOLAR MEDINA 3, S.L.	PLANTA SOLAR VILLARDETE 4, S.L.
PHOTOSOLAR MEDINA 4, S.L.	PLANTA SOLAR VILLARDETE 5, S.L.
CALASPARRA SOL DE MURCIA, S.L.	PLANTA SOLAR VILLARDETE 6, S.L.
MURSOLAR 6, S.L.	PLANTA SOLAR VILLARDETE 7, S.L.
MURSOLAR 14, S.L.	PLANTA SOLAR VILLARDETE 8, S.L.
MURSOLAR 17, S.L.	PLANTA SOLAR VILLARDETE 9, S.L.
MURSOLAR 19, S.L.	PLANTA SOLAR VILLARDETE 10, S.L.
MURSOLAR 24, S.L.	PLANTA SOLAR VILLARDETE 11, S.L.

## Spain

PLANTA SOLAR VILLARDETE 12, S.L.	Marpani Solar 7, S.L.
PLANTA SOLAR VILLARDETE 13, S.L.	Marpani Solar 8, S.L.
PLANTA SOLAR VILLARDETE 14, S.L.	Marpani Solar 9, S.L.
PLANTA SOLAR VILLARDETE 15, S.L.	Marpani Solar 10, S.L.
PLANTA SOLAR VILLARDETE 16, S.L.	Clarkson Investments, S.L.
PLANTA SOLAR VILLARDETE 17, S.L.	Cavalier Directorship, S.L.
PLANTA SOLAR VILLARDETE 18, S.L.	Coega Investments, S.L.
PLANTA SOLAR VILLARDETE 19, S.L.	Florián Directorship, S.L.
PLANTA SOLAR VILLARDETE 20, S.L.	Gadoni Directorship, S.L.
Maristella Directorship, S.L.	Magno Directorship, S.L.
Pordoi Investments, S.L.	Agrícola las Monas, S.L.
Cresia Directorship, S.L.	TERMOSOLAR MAYORGA*
Mesola Directorship, S.L.	XXI CONTSOLAR, S.L.*
Arbatax Investments, S.L.	SOLARGES PERÚ, S.L.*
Cercena Investments, S.L.	* Sociedad Participada
Martin Directorship, S.L.	
Rabida Investments, S.L.	
Marpani Solar 1, S.L.	
Marpani Solar 2, S.L.	
Marpani Solar 3, S.L.	
Marpani Solar 4, S.L.	
Marpani Solar 5, S.L.	
Marpani Solar 6, S.L.	

## A111 - Annex III: Entities

### USA



X - ELIO NORTH AMÉRICA, INC.	X-Elio Energy Midway I, LLC
GASNA 5, LLC	Midway I Solar Holding, LLC
GASNA 7P, LLC	Boomerang I, LLC
GASNA 8, LLC	Imperial Boomerang I,
GASNA 12, LLC	83WI 8ME LLC
GASNA 12P, LLC	X-Elio North América Development Holdco., LLC
GASNA 14, LLC	X-Elio North América Land Co., LLC
GASNA 16, LLC	Bracey Solar Project, LLC
GASNA 18, LLC	Claxton Solar Project, LLC
PRCC Solar Holding, LLC	X-Elio Energy NC Yadkin, LLC
GASNA 18P, LLC (Convention Center)	X-Elio Energy SC York, LLC
GASNA 19, LLC	X-Elio Energy Lily, LLC
Morovis Solar, LLC (Greenfield)	Lily Solar Holding, LLC
GASNA 40, LLC	Lily Solar LLC
GASNA 51, LLC	
GASNA 51P, LLC	
PALM VALLEY SOLAR CALIFORNIA I, LLC	
GASNA 58, LLC	
X - ELIO DEVELOPMENT PUERTO RICO, LLC	
X-Elio Energy USA, Inc.	
83WI Acquisition HoldCo, LLC	
X-Elio Energy BA Holdco, LLC	
X-Elio Energy Boomerang I Holdco, LLC	

### ARGENTINA



Clean Energy, S.A.

### CHILE



X - ELIO CHILE, S.P.A

X - ELIO CHILE I, S.P.A

Fotovoltaica Norte Grande I SPA

Fotovoltaica Norte Grande 4 SPA

Fotovoltaica Norte Grande 5 SPA

## ITALY



X - ELIO ITALIA S.R.L.

GASI 7, S.R.L.

GASI 8, S.R.L.

GASI 11, S.R.L.

GASI 22, S.R.L.

GASI 41, S.R.L.

GASI 53, S.R.L.

GASI 54, S.R.L.

GASI 57, S.R.L.

GASI 59, S.R.L.

X - ELIO EMENA, S.R.L

X-Elio Italia 1, S.r.l.

X-Elio Italia 2, S.r.l.

X-Elio Italia 3, S.r.l.

GASI 52, S.R.L.\*

GASI 56, S.R.L.\*

\* Sociedad Participada

## INDIA



GESTAMP SOLAR INDIA, PLC

## SOUTHAFRICA



MULILO RENEWABLE ENERGYSOLAR PV  
PRIESKA (PTY) LTD

MULILO RENEWABLE ENERGY SOLAR PVDE  
AAR (PTY) LTD

X - ELIO SOUTH ÁFRICA , LTD

X - ELIO CONTRACTING, LTD

## EL SALVADOR



TENCOLUCA SOLAR S.A. DE C.V.

SAN NICOLÁS SOLAR S.A. DE C.V.

## JAPAN



X - ELIO JAPAN, KK

GASJA 5, G.K.

GASJA 8, G.K.

X - ELIO 9, G.K

X - ELIO 13, G.K.

X - ELIO 14, G.K.

X - ELIO 15, G.K.

Amateras Solar, G.K.

X-Elio 18 G.K.

X\_ELIO 17, G.K.

S-13 Holdco, G.K.

X - ELIO 16, G.K.

## AIII - Annex III: Entities

### MEXICO



X - ELIO MÉXICO, SA de CV  
 FV MEXSOLAR I, SAPI de CV  
 FV MEXSOLAR II, SAPI de CV  
 FV MEXSOLAR III, SAPI de CV  
 FV MEXSOLAR IV, SAPI de CV  
 FV MEXSOLAR V, SAPI de CV  
 FV MEXSOLAR VI, SAPI de CV  
 GESTORA DE ENERGÍA RENOVABLE DE MÉXICO  
 FV MEXSOLAR VII, SAPI de CV  
 FV MEXSOLAR VIII, SAPI de CV  
 FV MEXSOLAR IX, SAPI de CV  
 FV MEXSOLAR X, SAPI de CV  
 FV MEXSOLAR XI, SAPI de CV  
 Sol de los Manzanos, S. de R.L. de C.V.  
 X-Elio FV Conejos Medanos, SAPI de C.V.  
 X-Elio FV Xoxocotla, SAPI de C.V.  
 X-Elio FV Bacabachi, SAPI de C.V.  
 Kenergreen, SAPI de C.V.  
 X-Elio FV Bacabachi, SAPI de C.V.

### HONDURAS



CONSTRUCTORA SOLAR CENTROAMERICANA  
 ENERGÍA SOLAR CENTROAMERICANA S.A. DE C.V.\*  
 \* Sociedad Participada

### AUSTRALIA



X-Elio Australia PTY, LTD  
 X-Elio AusI PTY, LTD

### COLOMBIA



Sol Bochica, SAS

### EGYPT



X-ELIO, S.A.E.

### PERU



Energía FV Perú S.A.C  
 TACNA SOLAR, SAC\*  
 PANAMERICANA SOLAR, SAC\*  
 Gestión Solar Perú SAC\*  
 \* Sociedad Participada

# 2018 Sustainability Report



X-ELIO.com



X-ELIO.com