

# Sustainability report 2020\_

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# Contents

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<b>1. Letter from the CEO</b>	<b>3</b>
<b>2. About Eolia</b>	<b>5</b>
<b>3. Eolia and the SDGs</b>	<b>25</b>
<b>4. Governance</b>	<b>28</b>
4.1 Corporate Governance	29
4.2 Compliance structure	31
4.3 ESG Framework	32
4.4 UN Global Compact	32
<b>5. Environment</b>	<b>34</b>
5.1 Generation of waste	35
5.2 Conservation of Biodiversity	36
5.3 Carbon Footprint	37
Emissions avoided	38
5.4 Environmental incidents	38
<b>6. People</b>	<b>39</b>
6.1 Our employees	40
6.2 Health and Safety	40
6.3 Our contractors	42
6.4 Our stakeholders	42
<b>7. Commitment to green finance and investment</b>	<b>43</b>
7.1 Eolia's Green Finance Framework	45
<b>8. About this report</b>	<b>46</b>
<b>9. Materiality analysis</b>	<b>48</b>
<b>Annex I: KPIs</b>	<b>50</b>

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1\_



# Letter from the CEO





# Letter from the CEO

In 2020, this very special and different year for all of us, we are pleased to present **our first ESG** (Environmental, Social and Governance) **report** as part of our commitment to reporting, transparency and presenting our track record and activity in favour of sustainability.

During 2020, we have concentrated our efforts on structuring our sustainable activity, by designing a new framework for our business: an ESG framework that **reflects the integration of environmental, social and governance commitments and actions** into our organisation, policies and procedures.

In essence, our activities contribute to the fight against climate change, as well as to the Spanish and European climate neutrality objectives. Eolia's more than 860 MW of operational renewable energy projects have made it possible to avoid the emission of 725,839 tonnes of CO<sub>2</sub> into the atmosphere this year.

Also in this report, **we present –for the first time– the carbon footprint of its business**, with the aim of continuing to improve and promote actions to reduce it.

At Eolia we are very familiar with the United Nations Sustainable Development Goals (SDG), and our most direct contribution is to Goal 7 (Affordable and Clean Energy), 12 (Responsible Consumption and Production) and 13 (Climate Action).

We have secured three sustainable lines of finance this year for a substantial part of our assets, mainly concentrated in the Atlas, Cronos and Albatros portfolios, largely as a result of the integration of sustainability into our projects, their management and the associated reporting and transparency commitments.

This year also saw the definition of a new policy that reflects the company's commitments to its people: the employees who make up Eolia, which is embodied in the ten principles for the management of its staff, with a focus on building relationships based on trust and respect.

We have made progress in the development of Eolia's compliance model, including a review and extension of the scope of our Internal Code of Conduct, in order to adapt it to the new ESG framework.

Our business involves working and collaborating with third-party construction companies, operators and other providers. For this reason, we have deemed it necessary to establish procedures to govern these relationships, offering them specific communication channels and conveying to them the need to adopt ESG commitments that are aligned with our own.

I cannot end this presentation without reporting one final action. I am pleased to announce that, in the initial months of 2021, Eolia has joined the United Nations Global Compact, the world's largest corporate sustainability initiative. In doing so, we commit to internally implementing the universally accepted Ten Principles of the UN Global Compact in the areas of human rights, labour standards, the environment and combating corruption, and to take measures that contribute to achieving the Sustainable Development Goals.

With this report, we aim to demonstrate our commitment to sustainability and to continue to renew it every year.



**CEO**  
**Cristóbal Rodríguez Aguirre**

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# About Eolia





## About Eolia

The formal incorporation of Eolia Renovables de Inversiones, S.C.R., S.A. (hereinafter, Eolia) was entered on 14 September 2007 in the Administrative Register of Venture Capital Companies of the Spanish National Securities Market Commission (CNMV) under registration number 148.

Eolia is engaged in the development, construction and operation of power generation facilities, exclusively in the field of renewable energies. The company specialises mainly in wind farms and solar photovoltaic solar plants, through which seeks to contribute local value in the geographical areas where it operates, through projects that contribute to local development and improve people's quality of life.

**Eolia is currently one of Spain's leading renewable energy producers and the sixth largest fully-independent renewable energy producer in Spain.** The company has a portfolio with a total attributable capacity of 867.8 MW, of which 790 MW are wind assets and 77.8 MW are solar-photovoltaic assets. While the company has its entire portfolio in Spain, Eolia has investment experience in six countries, including Mexico, France, Germany, Poland and Canada.

Since 2019, AIMCo (Alberta Investment Management Corporation) has held a 97% interest in Eolia. AIMCo is a Canadian state-owned investor engaged in the management of public funds and pensions. The remaining 3% of the share capital belongs to minority shareholders.

In 2020, Eolia acquired 100% of the shares of the following facilities and portfolios:

- **Albatros Portfolio.** It is comprised by seven wind farms: Tahuna, Zorreras, Jaufil, Lecrín, Lomas de Lecrín, Lomas de Manteca and Xunqueira; and a photovoltaic plant: Vitigudina. The total installed capacity of the Portfolio is 74 MW.
- **The "El Valle" wind farm,** with a total installed capacity of 48.5 MW.

In this way, the company continues to consolidate its position in favour of power generation using only clean energy and is committed in the future to new technologies such as storage, hybridisation and the production of green hydrogen.

Eolia currently operates thirty wind farms (790 MW of attributable capacity) and fourteen photovoltaic solar plants (77.8 MW of attributable capacity). The table below shows the details of the wind farms in operation, including the name of the wind farm, the installed capacity, the percentage of shares owned by Eolia, the attributable capacity and the commercial operations date (COD).

**Eolia is a Spanish company that produces exclusively renewable energy and is committed to sustainable development.**



## Wind farms operational at 31 December 2020

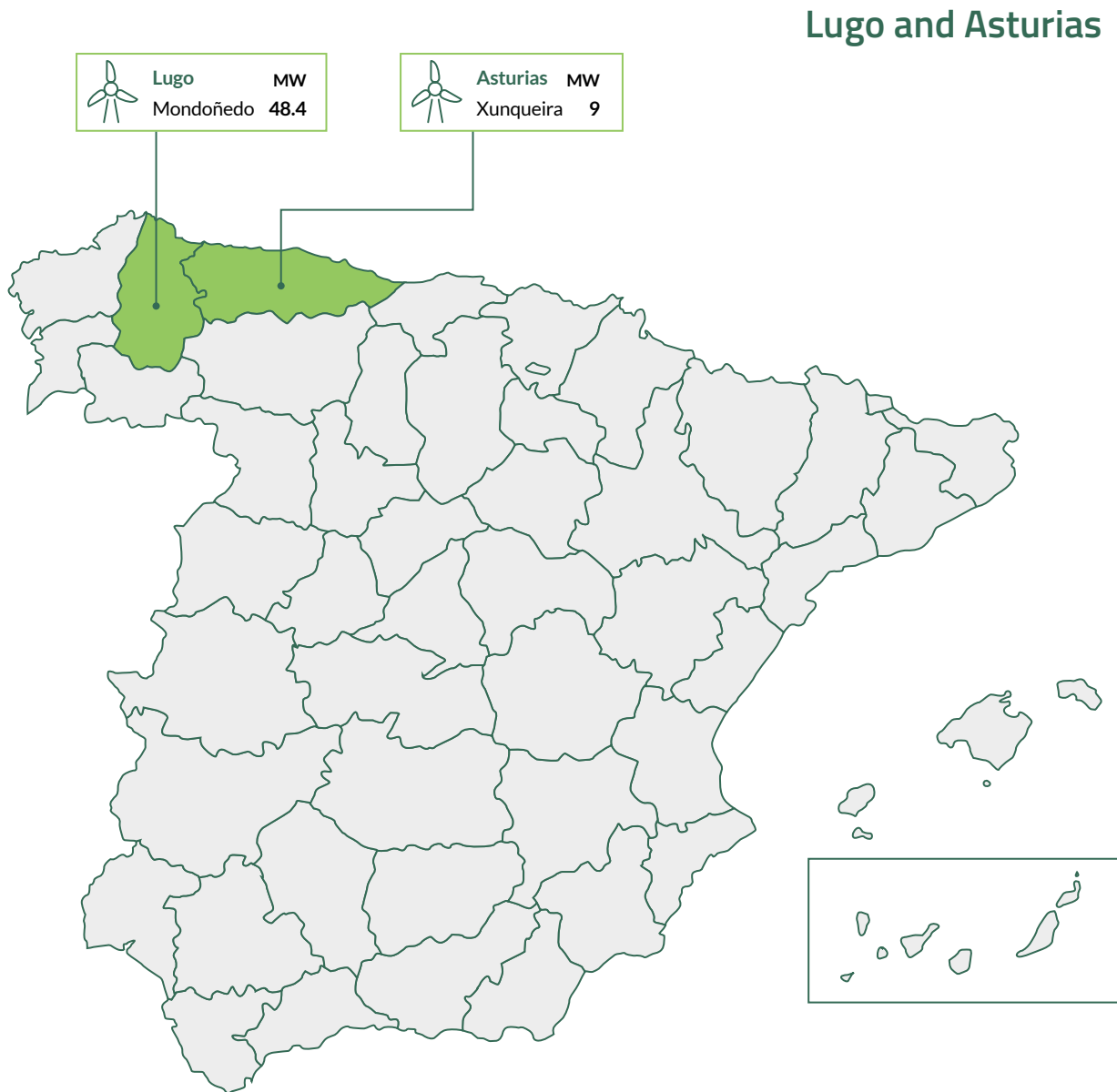
Table 2.1. Wind farms operational. Year 2020



Name	MW	% owned by Eolia	MW (Attributable)	COD	Portfolio
Negredo	18.0	100 %	18.0	2009	Cronos
Calzada	30.6	100 %	30.6	2008	Cronos
Carrascalejo	15.0	100 %	15.0	2009	Cronos
Caramonte	49.9	100 %	49.9	2009	Cronos
Páramo	24.0	100 %	24.0	2010	Cronos
Alentisque	46.5	100 %	46.5	2007	Cronos
Parideras	23.1	100 %	23.1	2020	-
<b>Total Castilla y León</b>	<b>207.1</b>		<b>207.1</b>		
Moral	40.0	75 %	30.0	2006	-
Moralejo	18.0	100 %	18.0	2006	Cronos
Cerro Oliva	9.0	100 %	9.0	2007	Cronos
Cerro Moreno	6.0	100 %	6.0	2007	Cronos
Cabeza del Conde	8.0	100 %	8.0	2006	Cronos
Guijo I	38.0	100 %	38.0	2008	Cronos
Guijo II	26.0	100 %	26.0	2008	Cronos
Majogazas I	28.5	100 %	28.5	2008	Cronos
Majogazas II	10.5	100 %	10.5	2011	Cronos
Majogazas III	10.5	100 %	10.5	2012	Cronos
<b>Total Castilla-La Mancha</b>	<b>194.5</b>		<b>184.5</b>		
El Pino	24.6	65,8 %	16.2	2006	-
Jerez	42.5	100 %	42.5	2008	Cronos
Tahuna	20.0	100 %	20.0	2007	Albatros
Zorreras	20.0	100 %	20.0	2007	Albatros
Lecrín	12.0	100 %	12.0	2009	Albatros
Lomas de Lecrín	2.0	100 %	2.0	2009	Albatros
Lomas de Manteca	4.0	100 %	4.0	2009	Albatros
Jaufil	4.0	100 %	4.0	2009	Albatros
<b>Total Andalusia</b>	<b>129.1</b>		<b>120.7</b>		
Xunqueira	9.0	100 %	9.0	2012	Albatros
<b>Total Asturias</b>	<b>9.0</b>		<b>9.0</b>		
Mondoñedo	48.4	100 %	48.4	2007	-
<b>Total Galicia</b>	<b>48.0</b>		<b>48.0</b>		
Juan Grande	20.1	44,8 %	9.0	2001	-
Alisio	10.0	100 %	10.0	2018	Cronos
<b>Total Canary Islands</b>	<b>30.1</b>		<b>19.0</b>		
Sant Antoni I	12.5	100 %	12.5	2010	Cronos
Sant Antoni II	35.7	100 %	35.7	2012	Cronos
Les Rotes	44.0	100 %	44.0	2012	Cronos
Monclues	30.0	100 %	30.0	2012	Cronos
Barbers	30.0	100 %	30.0	2012	Cronos
<b>Total Catalonia</b>	<b>152.2</b>		<b>152.2</b>		
Valle	48.5	100 %	48.5	2019	-
<b>Total Navarre</b>	<b>48.5</b>		<b>48.5</b>		
<b>Total wind energy</b>	<b>818.5</b>		<b>789.4</b>		

The geographical distribution of wind farms currently operational is shown below.

Figure 2.1. Geographical distribution of operational wind farms. Year 2020



**Lugo (Mondoñedo)**



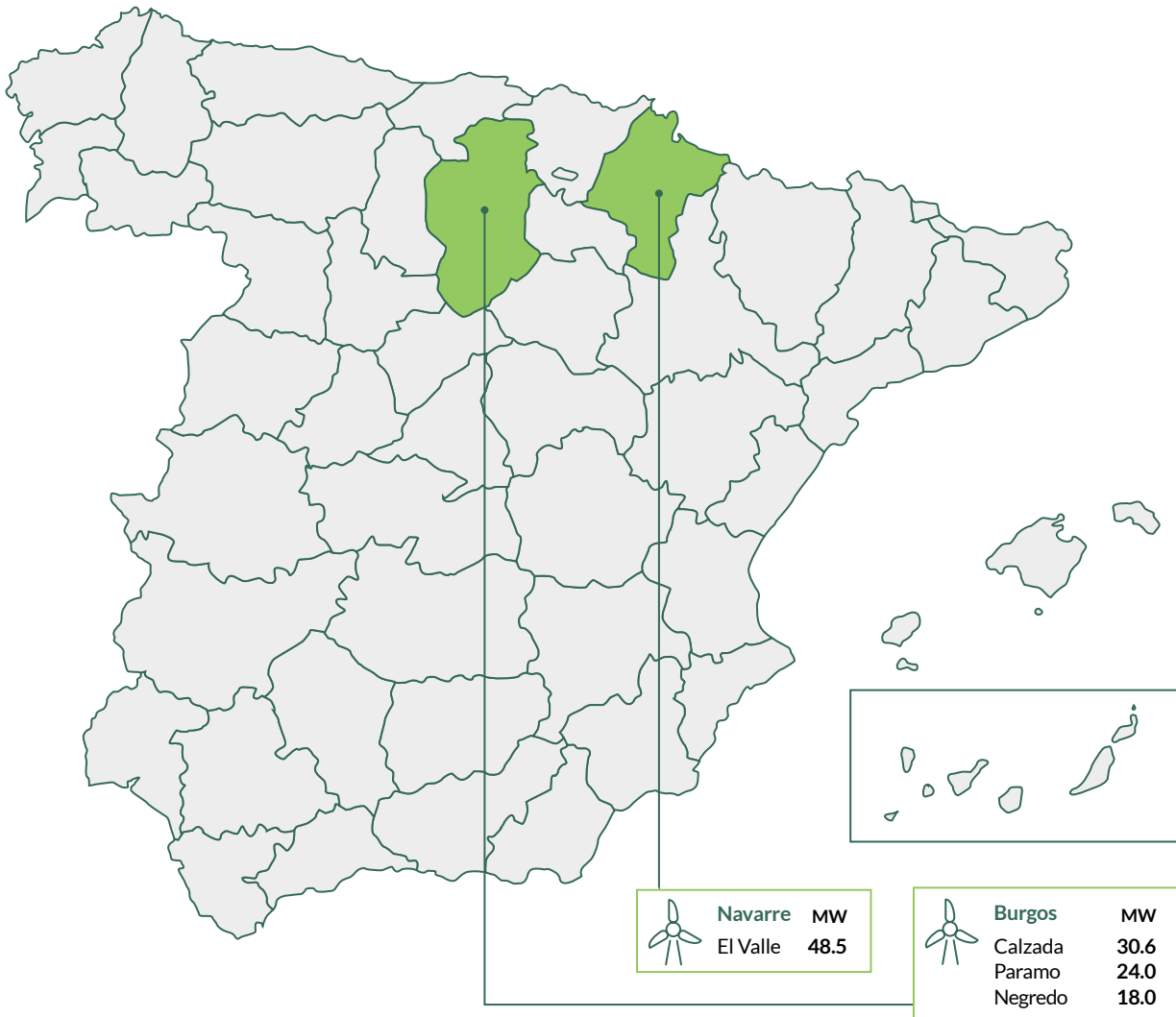
**Asturias (Xunqueira)**





Figure 2.1. Geographical distribution of operational wind farms. Year 2020

## Burgos and Navarre



**Burgos (Calzada)**



**Burgos (Páramo)**



**Burgos (Negredo)**

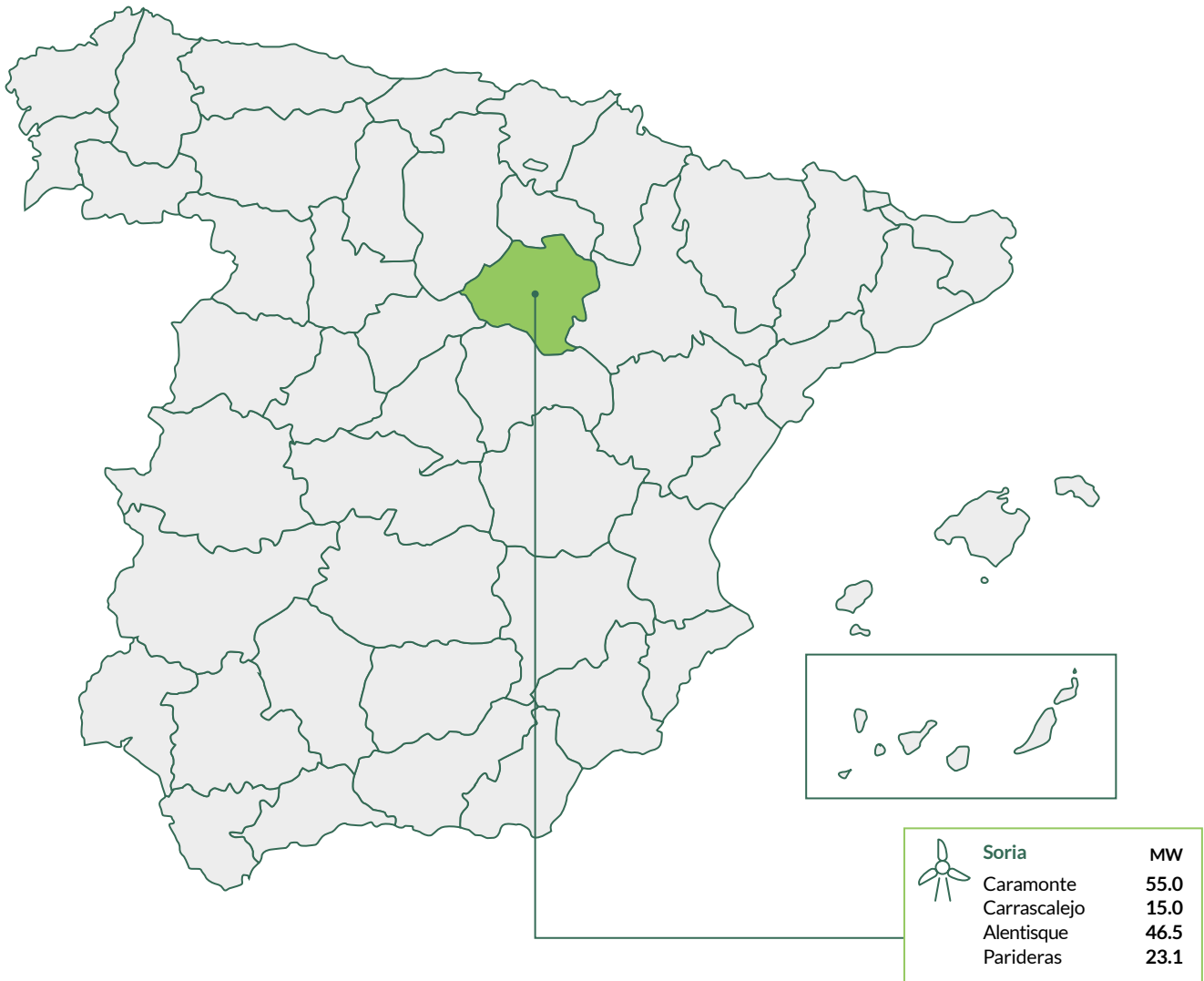


**Navarre (El Valle)**



**Figure 2.1.** Geographical distribution of operational wind farms. Year 2020

## Soria



**Soria (Caramonte)**



**Soria (Carrascalejo)**



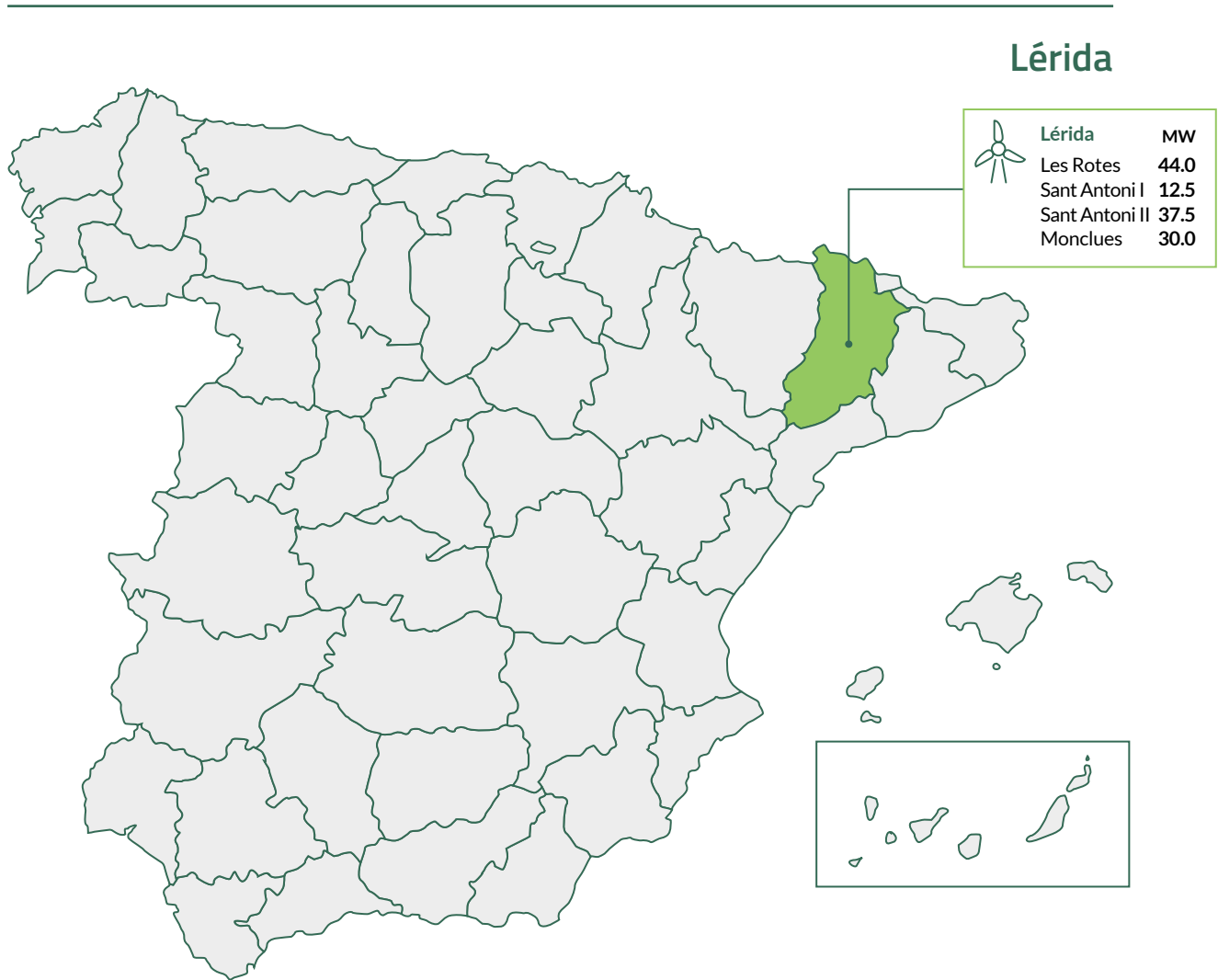
**Soria (Alentisque)**



**Soria (Parideras)**



**Figure 2.1.** Geographical distribution of operational wind farms. Year 2020



**Llérida (Les Rotes)**



**Llérida (Sant Antoni I and II)**

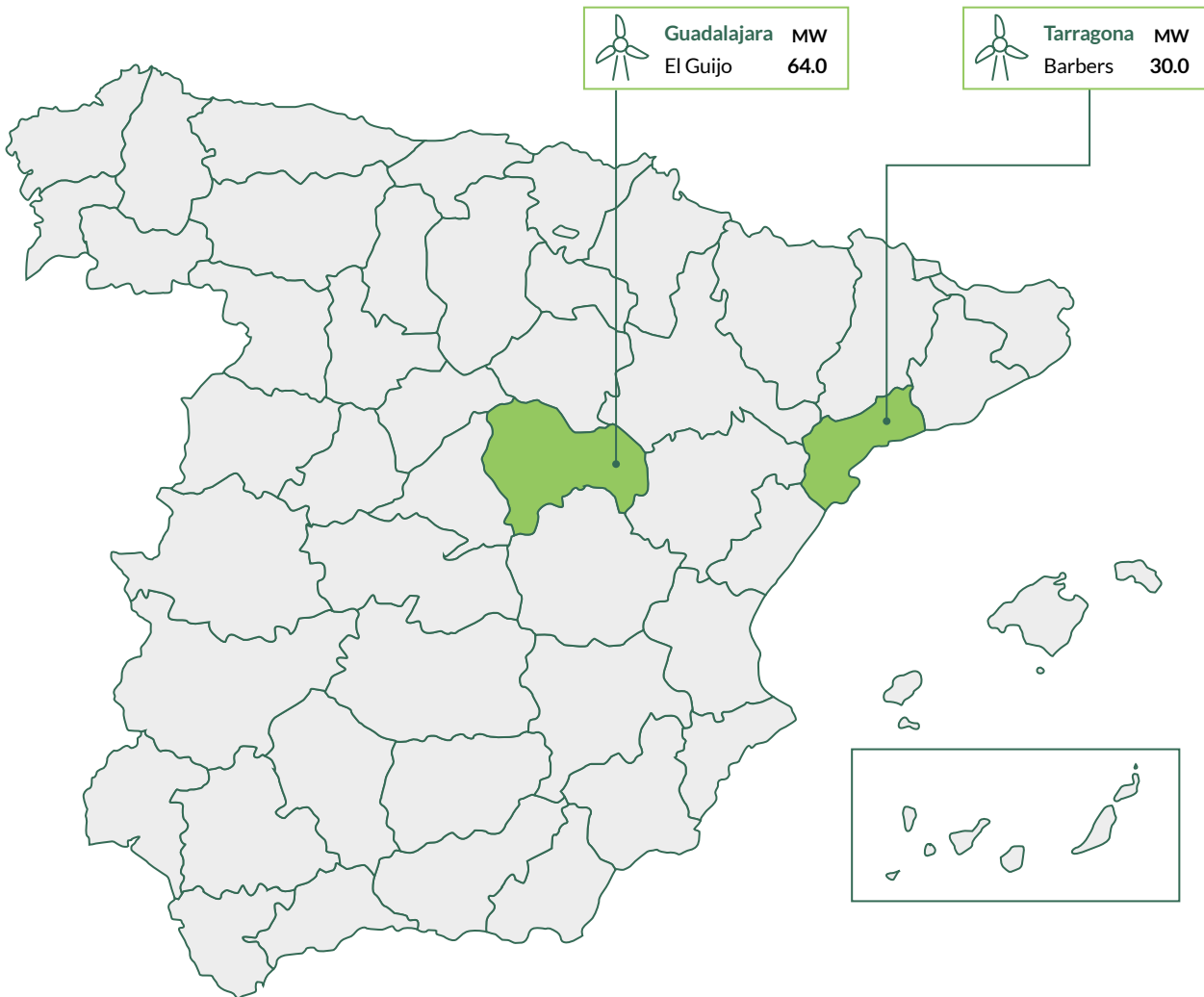


**Llérida (Monclues)**



Figure 2.1. Geographical distribution of operational wind farms. Year 2020

## Tarragona and Guadalajara



Tarragona (Barbers)

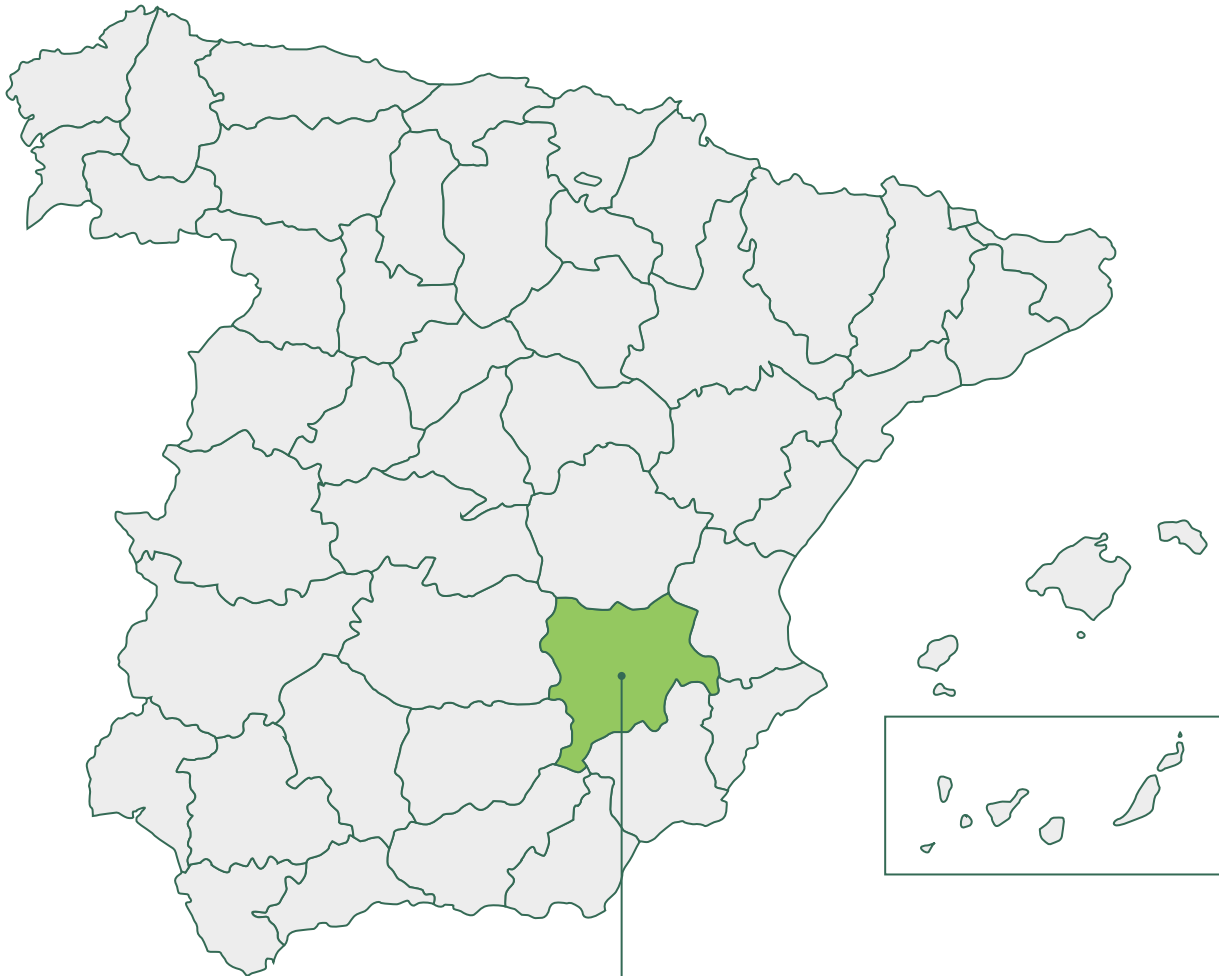



Guadalajara (El Guijo)



**Figure 2.1.** Geographical distribution of operational wind farms. Year 2020

## Albacete



	Albacete	MW
	Majogazas I	28.5
	Majogazas II	10.5
	Majogazas III	10.5
	Moralejo	18.0

### Albacete (Majogazas I, II and III)



### Albacete (Moralejo)



**Figure 2.1.** Geographical distribution of operational wind farms. Year 2020



**Granada (Jaufil)**

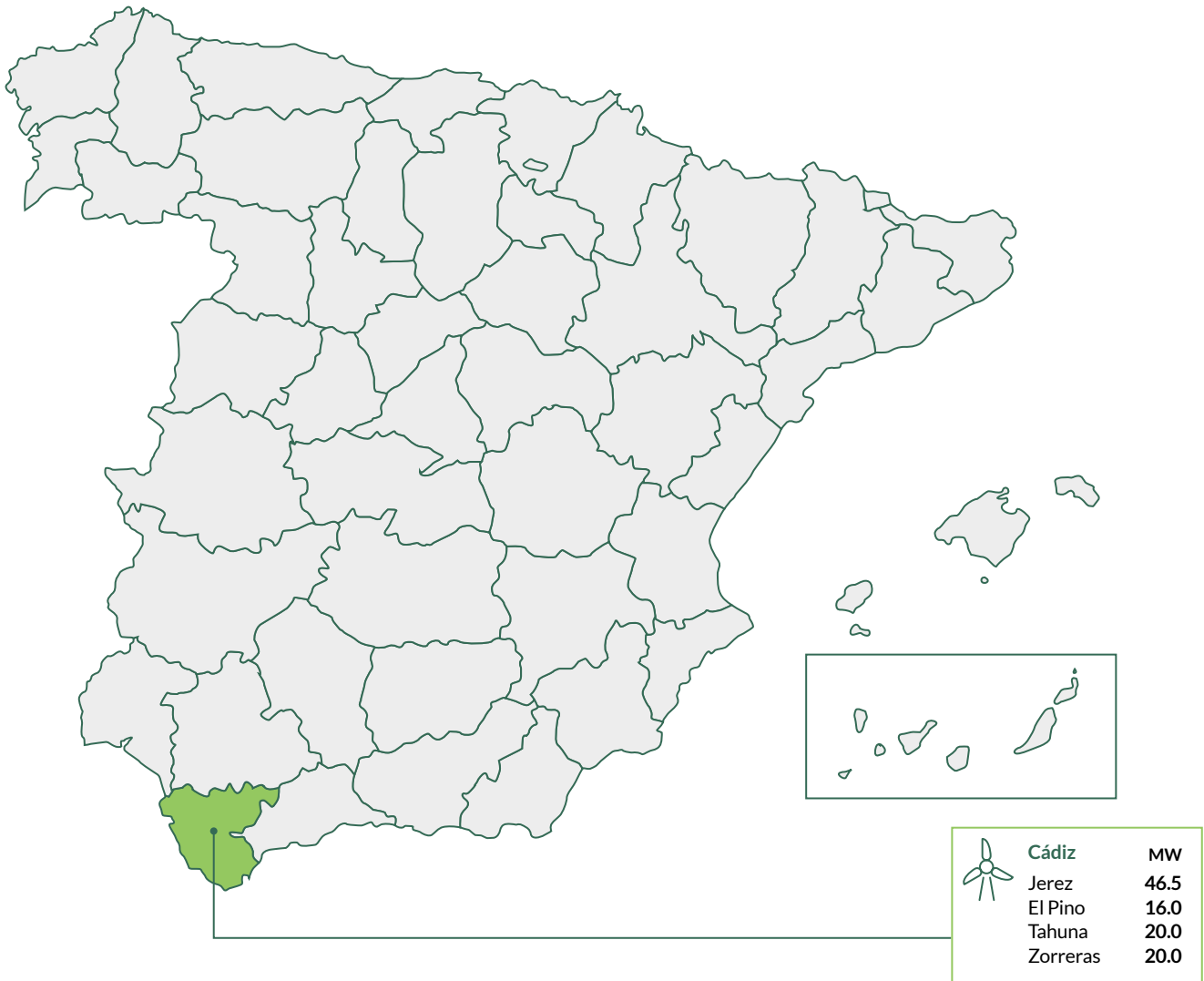


**Granada (Lecrin, Lomas de Lecrin and Lomas de Manteca)**



**Figure 2.1.** Geographical distribution of operational wind farms. Year 2020

## Cádiz



**Cádiz (Jerez)**



**Cádiz (El Pino)**



**Cádiz (Tahuna)**

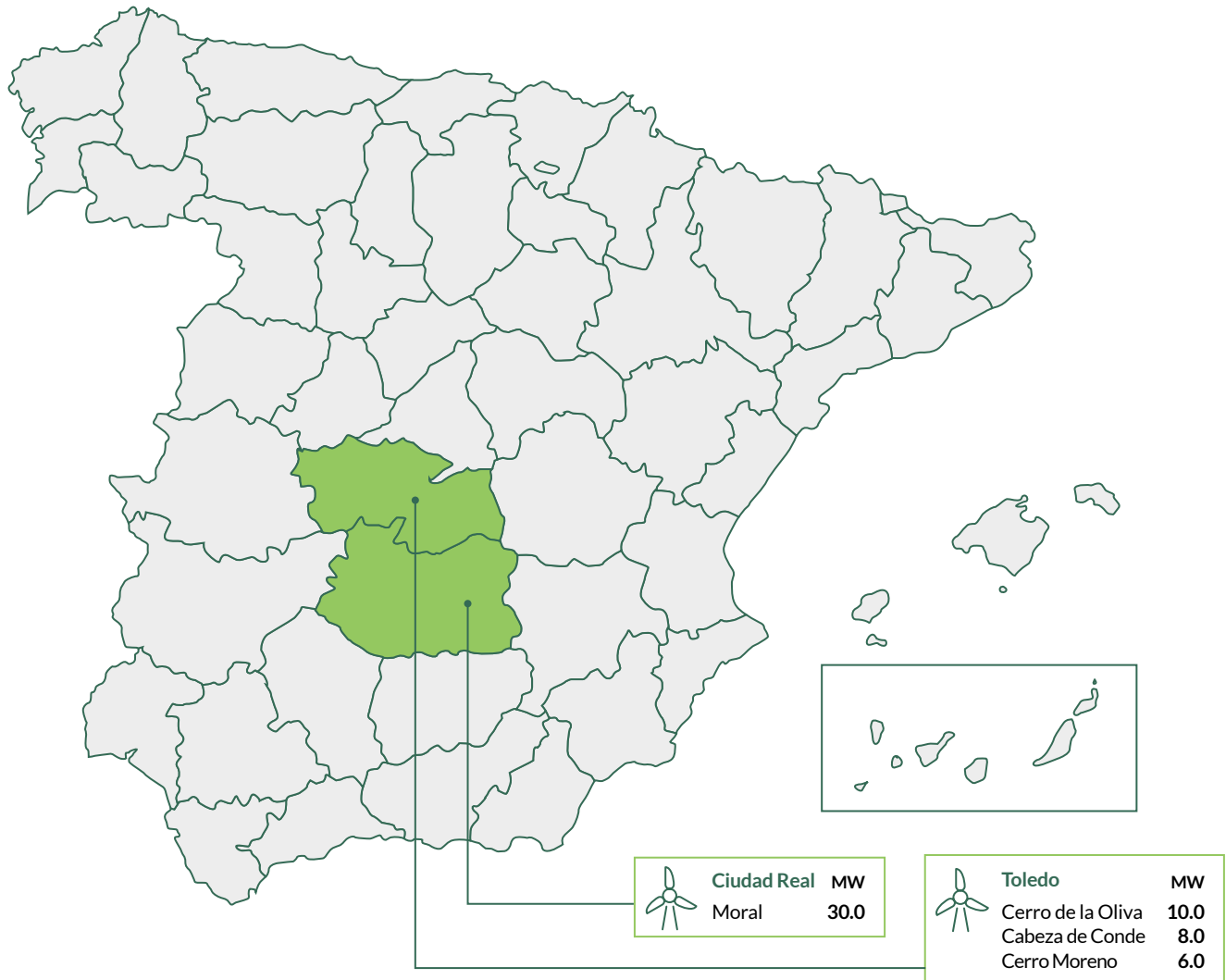


**Cádiz (Zorreras)**



Figure 2.1. Geographical distribution of operational wind farms. Year 2020

## Ciudad Real and Toledo



Ciudad Real (Moral)



Toledo (Cerro de la Oliva)



Toledo (Cabeza de Conde)



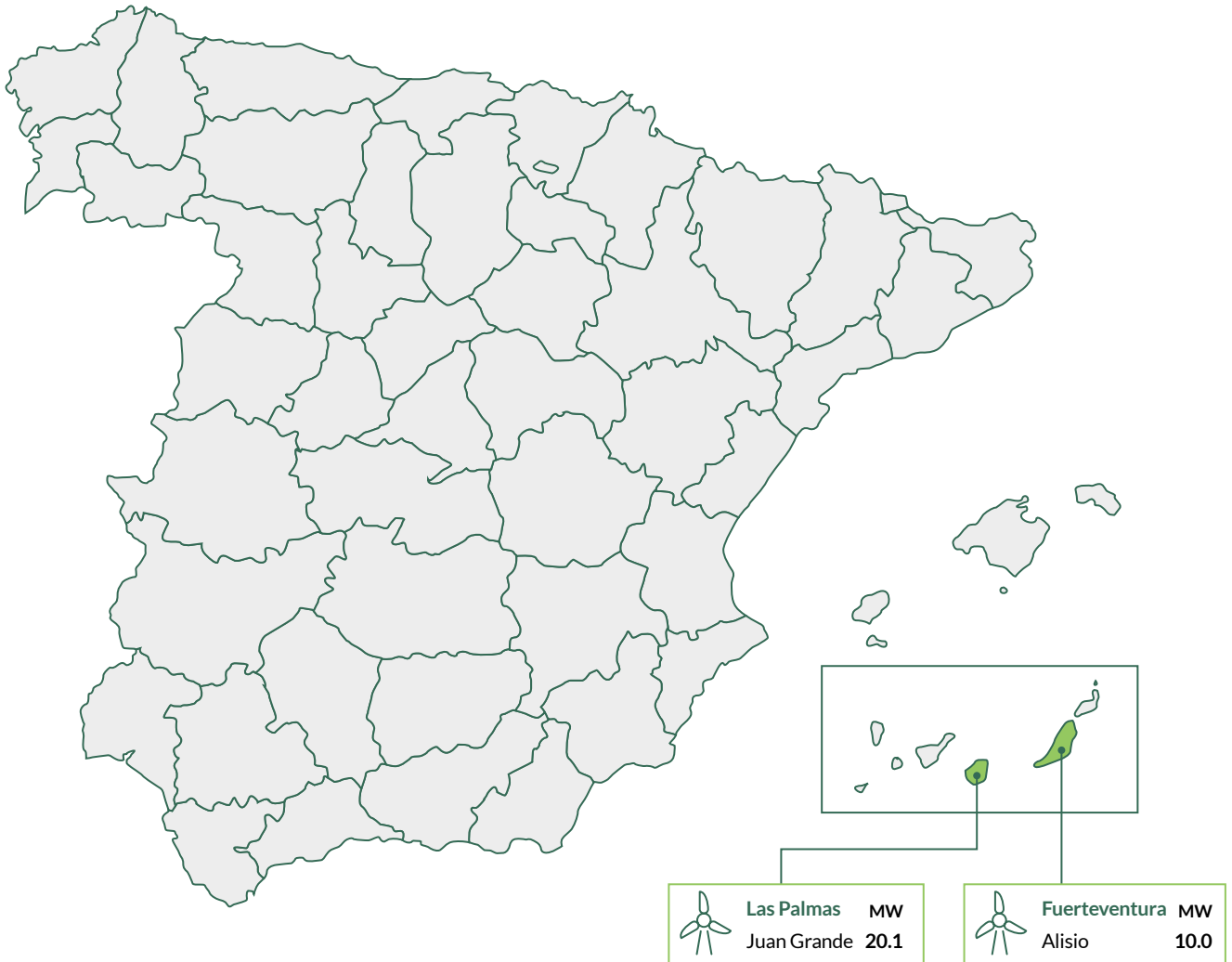
Toledo (Cerro Moreno)





Figure 2.1. Geographical distribution of operational wind farms. Year 2020

## Las Palmas and Fuerteventura



### Las Palmas (Juan Grande)



### Fuerteventura (Alisio)



As mentioned above, in addition to the wind facilities, Eolia has fourteen photovoltaic solar plants operational (77.8 MW of attributable capacity), as summarised in the table below.

## Solar plants operational at 31 December 2020

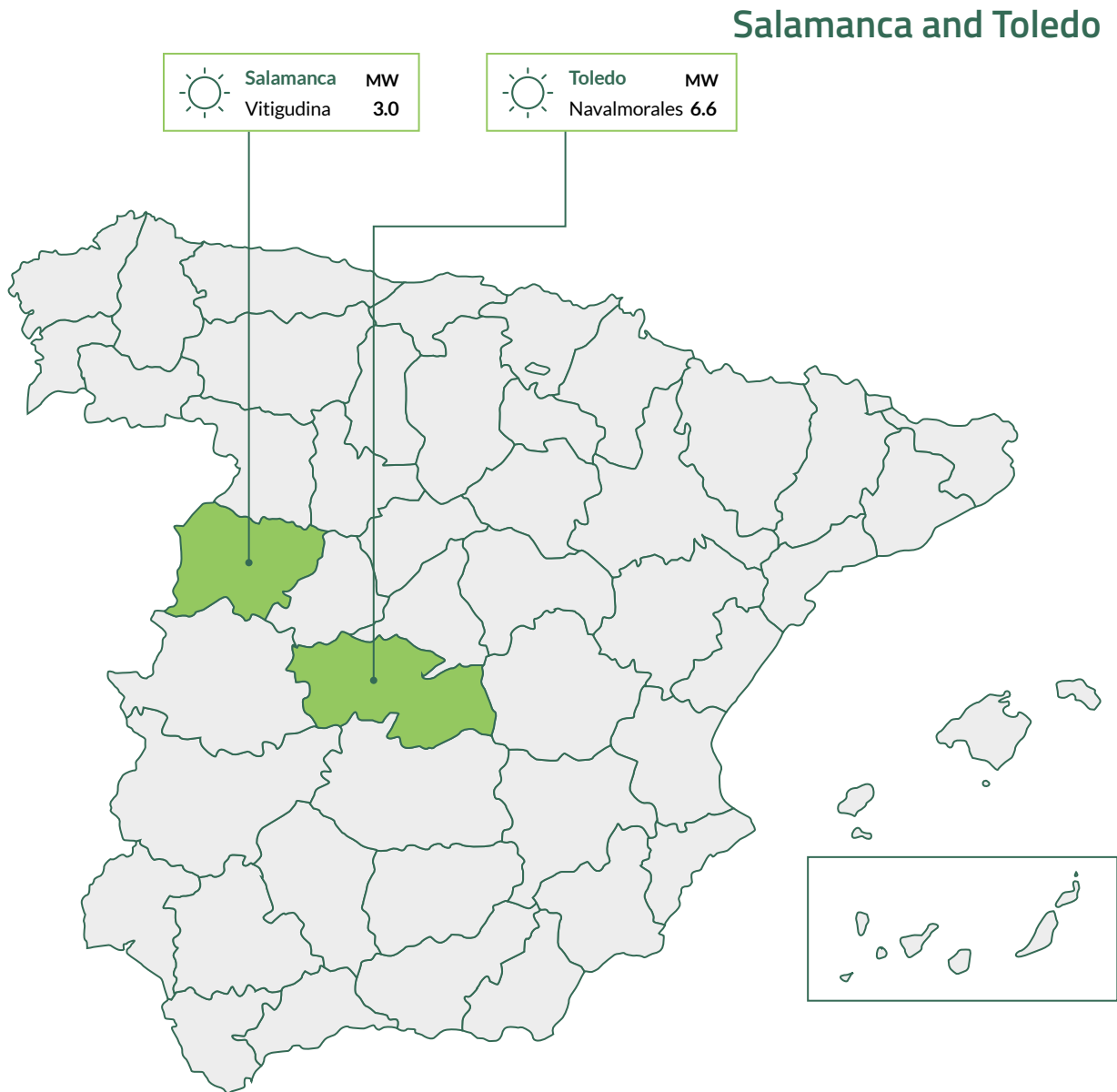
Table 2.2. Photovoltaic plants operational. Year 2020

Name of the plant	MW	% owned by Eolia	MW (Attributable)	COD	Portfolio
Beneixama	19.2	100 %	19.2	2007	Atlas
<b>Total Community of Valencia</b>	<b>19.2</b>		<b>19.2</b>		
Asetym	3.5	100 %	3.5	2008	Atlas
<b>Total Region of Murcia</b>	<b>3.5</b>		<b>3.5</b>		
Bonete	0.8	100 %	0.8	2007	Atlas
Argasol	10.0	100 %	10.0	2008	Atlas
Mahora	15.0	100 %	15.0	2008	Atlas
Navalmorales	6.6	100 %	6.6	2008	Atlas
Firstwave (4 projects)	5.7	100 %	5.7	2008	Atlas
<b>Total Castilla-La Mancha</b>	<b>38.1</b>		<b>38.1</b>		
Vitigudina	3.0	100 %	3.0	2008	Albatros
<b>Total Castilla y León</b>	<b>3.0</b>		<b>3.0</b>		
Alconchel	10.0	100 %	10.0	2008	Atlas
<b>Total Extremadura</b>	<b>10.0</b>		<b>10.0</b>		
Paradas	3.0	100 %	3.0	2008	Atlas
Osuna	1.0	100 %	1.0	2008	Atlas
<b>Total Andalusia</b>	<b>4.0</b>		<b>4.0</b>		
<b>Total Solar</b>	<b>77.8</b>		<b>77.8</b>		
<b>Total</b>	<b>896.3</b>		<b>866.8</b>		



The geographical distribution of photovoltaic plants currently operational is shown below

Figure 2.2. Geographical distribution of operational photovoltaic plants. Year 2020



Salamanca (Vitigudina)

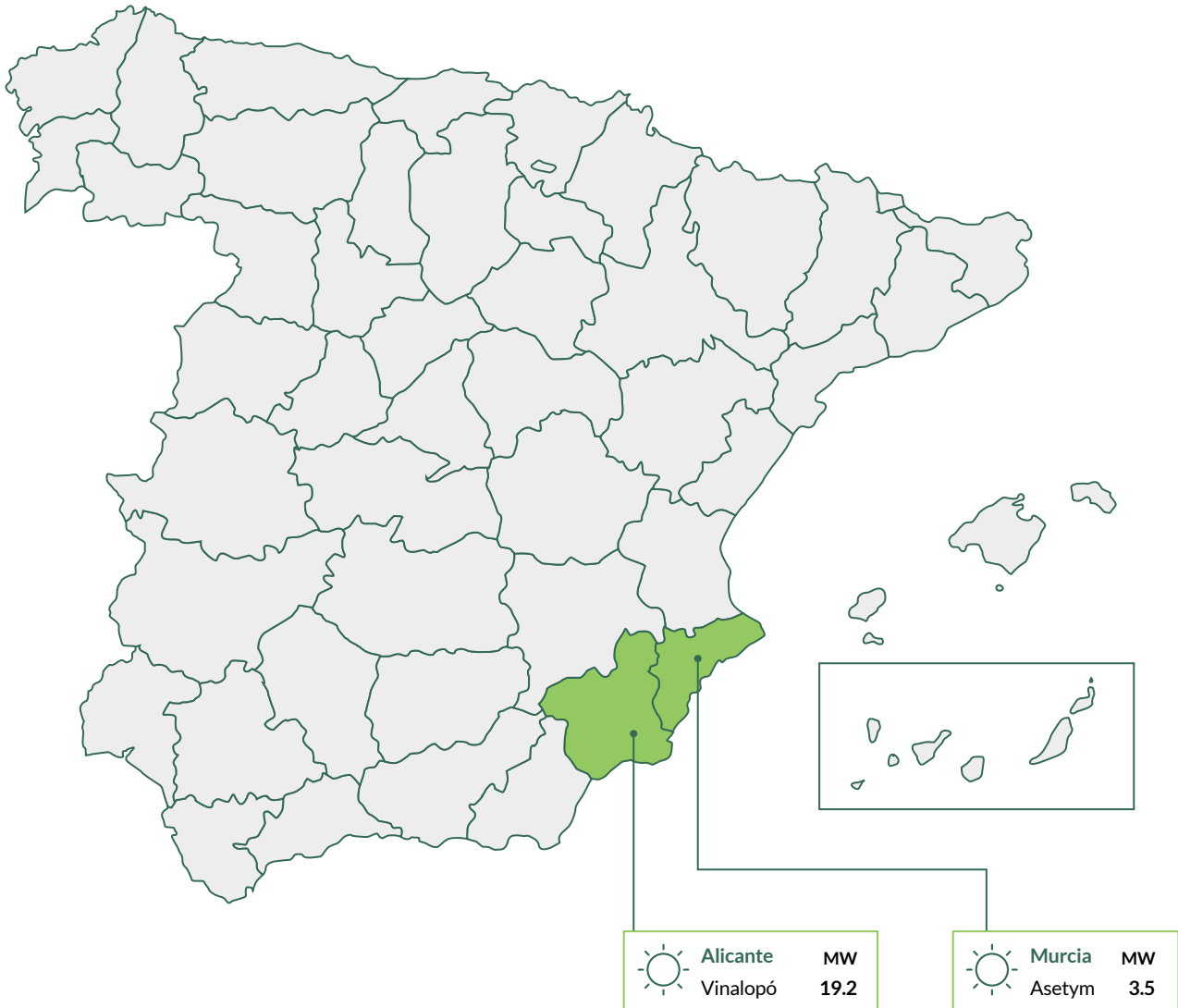


Toledo (Navalmorales)



Figure 2.2. Geographical distribution of operational photovoltaic plants. Year 2020

## Alicante and Murcia



### Alicante (Vinalopó)



### Murcia (Asetym)



Figure 2.2. Geographical distribution of operational photovoltaic plants. Year 2020



**Albacete (Villarrobledo)**



**Albacete (Mahora)**



**Albacete (Bonete)**

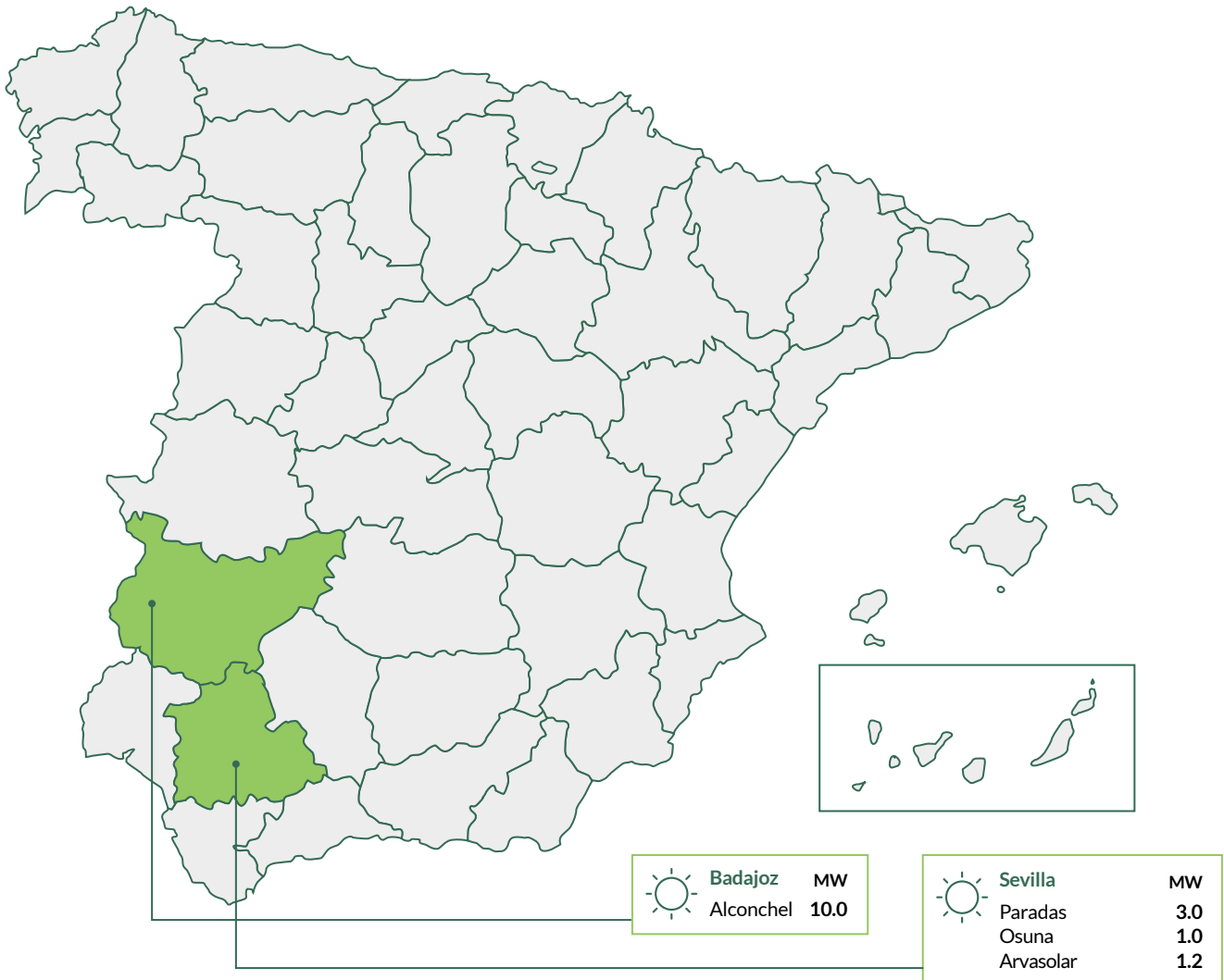


**Albacete (Peñas de San Pedro)**



Figure 2.2. Geographical distribution of operational photovoltaic plants. Year 2020

## Sevilla and Badajoz



Sevilla (Paradas)



Sevilla (Osuna)



Sevilla (Arvasolar)

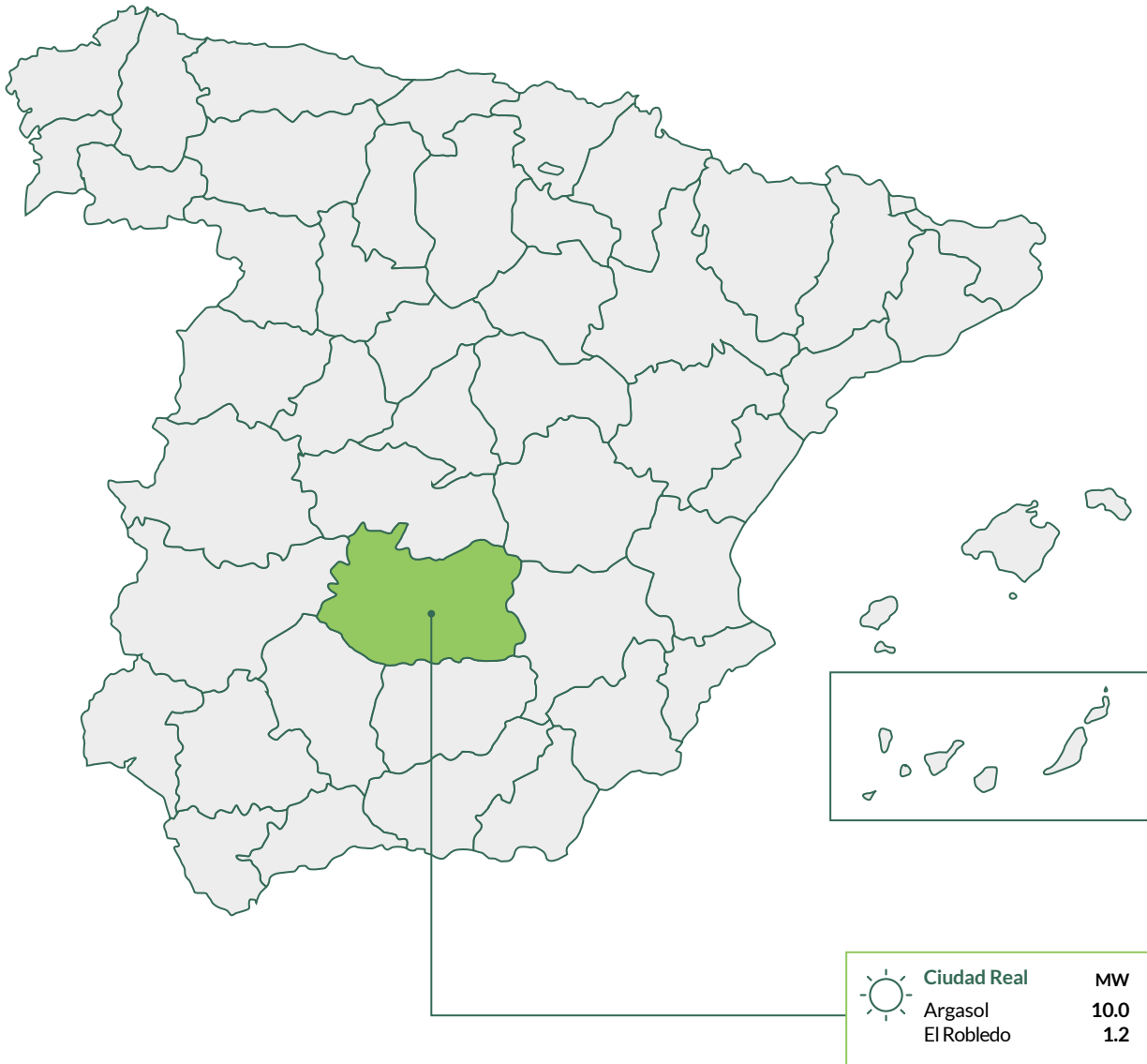


Badajoz (Alconchel)



Figure 2.2. Geographical distribution of operational photovoltaic plants. Year 2020

## Ciudad Real



### Ciudad Real (Argasol)



### Ciudad Real (El Robledo)





In 2020, the construction and commissioning of the 23.1 MW Parideras wind farm in Medinaceli (Soria) was completed. Eolia expects to start construction of a new wind farm with an installed capacity of 44 MW in 2021.

The company is currently promoting the development of wind farms and photovoltaic solar plants in Spain with a total installed capacity of more than 1,000 MW, with the different projects currently at various stages of development.

## 2.1\_

### Financial results

Eolia's turnover from the sale of power during 2020 amounted to EUR 159.07 million, through the generation of 1,623 GWh<sup>1</sup> of power from renewable sources. This year's production is higher than in previous years, as a result of the acquisitions of the Albatros Portfolio, the El Valle wind farm and the start of operations of Parideras wind farm, as well as the financing of other facilities owned by Eolia (the Atlas and Cronos Portfolios).



<sup>1</sup> The Albatros Portfolio was acquired on 22 December 2020



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# Eolia and the SDGs





## Eolia and the SDGs

In September 2015, the United Nations General Assembly adopted the 2030 Sustainable Development Agenda –a plan of action for people, the planet and prosperity–, which also aims to strengthen worldwide peace and access to justice.

The 2030 Sustainable Development Agenda sets out 17 Sustainable Development Goals with 169 integrated and indivisible targets covering the economic, social and environmental spheres.

**Eolia concentrates its efforts on contributing to Goal 7, Goal 12 and Goal 13. Specifically, this contribution focuses on the following targets:**

- **Affordable and clean energy:** in particular, Eolia is contributing to increasing the share of renewable energy within the total energy mix by 2030.
- **Responsible production and consumption:** in particular, through the adoption of sustainable practices and sustainability reporting.
- **Climate action:** implementation of urgent measures to combat climate change and its impacts. Eolia invests exclusively in renewable energy and produces clean energy from these renewable sources.



Eolia focuses all its efforts on contributing to enable the achievement of three Sustainable Development Goals.



## Local impact on the Sustainable Development Goals (SDGs) in 2020<sup>2</sup>

Table 3.1. Local impact on the Sustainable Development Goals (SDGs)

Geography	SDGs	Eolia activity	Local impact
Andalusia	7	2 wind farms and 2 solar plants	152,769 MWh in renewable energy
	13		68,587 M tCO <sub>2</sub> , 56.8 tNOx, 70.5 tSOx and 1 tPM10 avoided
Canary Islands	7	2 wind farms	86,588 MWh in renewable energy
	13		38,874 M tCO <sub>2</sub> , 32.2 tNOx, 40 tSOx and 05 tPM10 avoided
Castilla-La Mancha	7	7 wind farms and 8 solar plants	434,554 MWh in renewable energy
	13		195.095 M tCO <sub>2</sub> , 161,5 tNOx, 200,6 tSOx y, 2,5 tPM10 evitadas
Castilla y León	7	6 wind farms	411,249 MWh renovables
	13		184,632 M tCO <sub>2</sub> , 152.8 tNOx, 190 tSOx and 2.4 tPM10 avoided
Catalonia	7	4 wind farms	261,028 MWh in renewable energy
	13		117,190 M tCO <sub>2</sub> , 97 tNOx, 120.5 tSOx and 1.5 tPM10 avoided
Community of Valencia	7	1 solar plant	30,143 MWh in renewable energy
	13		13,533 M tCO <sub>2</sub> , 11.2 tNOx, 14 tSOx and 0.2 tPM10 avoided
Extremadura	7	1 solar plant	14,886 MWh in renewable energy
	13		6,683 M tCO <sub>2</sub> , 5.5 tNOx, 7 tSOx and 0.1 tPM10 avoided
Galicia	7	1 wind farm	114,314 MWh in renewable energy
	13		51,322 M tCO <sub>2</sub> , 42.5 tNOx, 52.8 tSOx and 0.7 tPM10 avoided
Murcia	7	1 solar plant	5,973 MWh in renewable energy
	13		2,682 M tCO <sub>2</sub> , 2.2 tNOx, 2.8 tSOx and 0.03 tPM10 avoided
Navarre	7	1 wind farm	105,224 MWh in renewable energy
	13		47,241 tCO <sub>2</sub> , 39.1 tNOx, 48.6 tSOx and 0.6 tPM10 avoided

**SDG 12:** Eolia is committed to sustainable management and efficient use of resources and the proper management of the waste produced by its activities. The company also transparently communicates its ESG performance to its stakeholders through its annual report.



<sup>2</sup> Albatros portfolio not included as it was acquired in December 2020

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# Governance





## 4\_

# Governance

## 4.1\_

### Corporate Governance

The General Meeting of Shareholders and the Board of Directors are the bodies that govern and manage Eolia as a company, as set out in the company's Articles of Association.

Eolia's General Meeting of Shareholders met three times in 2020: 26 May, 30 June and 9 December 2020.

As regards shareholding structure, AIMCo is the majority shareholder, holding 97% of Eolia's share capital. The remaining 3% of the shares belong to minority shareholders.

Eolia's Board of Directors is made up of five directors, three independent and two proprietary. Eolia's Board of Directors met on: 24 February, 24 March, 20 April, 22 May, 27 May, 15 June, 20 July, 22 October, 3 December and 9 December 2020.

#### ESG duties of the Board of Directors:

- Approve the ESG Policy and Framework.
- Ensure that Eolia's strategy and the ESG Policy are aligned at all times.
- Express its commitment, support and involvement with ESG.
- Approve an ESG structure with the appointment of the members of the ESG Committee for the daily management of ESG issues.
- Monitor the ESG Action Plan outlining the most important ESG issues.
- Supervise and control all incidents that may take place in relation to ESG issues.



The Eolia ESG Framework involves the entire organization with transparent, safe and sustainable procedures.



## The structure of Eolia's Board of Directors is shown below.

Table 4.1. Board Structure. Year 2020

Name	Board Position	Nature
Mr Nemesio Fernández-Cuesta	President	Independent
Mr Adam James Harbora	Vicepresident	Proprietary
Mr Francisco José Pérez Gundín	Director	Independent
Mr Javier Perea Sáenz de Buruaga	Director	Independent
Mr Syed Ahmed Mubashir	Director	Proprietary
Ms Lara Hemzaoui Rodrigo	Secretary Non-Director	-
Mr Ricardo José Pérez Fabra	Vice-Secretary Non-Director	-

Eolia's website ([www.eolia.com](http://www.eolia.com)) has a specific section dedicated to Shareholders and Investors, where you can review general, economic and financial information, corporate governance, notices of Meetings of Shareholders and other additional information. This specific section provides Eolia's contact details and the email address.





## 4.2\_

### Compliance structure

As a sign of Eolia's commitment to ethics and compliance, on 17 November 2017, Eolia's Board of Directors approved a Code of Conduct to guide its actions and those of Eolia, aligned with the latest developments in good governance practices. Following the entry of AIMCo into Eolia's shareholding, the Board took note of Eolia's internal policies, including the Code of Conduct, on 24 October 2019.

The Code of Conduct has recently been updated in order to ratify Eolia's stance on compliance with legislation, adherence to ethical standards and the Group's commitment to those coming into contact with it.

**Eolia demonstrates a strong commitment to regulatory compliance.**

Eolia has a criminal compliance programme described in the Eolia's Model of Organisation and Management for the prevention of crimes, which the Board of Directors acknowledged on 24 October 2019. The programme includes the identification and assessment of criminal risks in order to define the necessary preventive measures to be undertaken, including a training programme.

Within the framework of the above model, Eolia has set up a whistleblower channel to raise potential breaches, doubts or complaints related to activities suspected of being unlawful or of breaching the Code of Conduct.

A compliance control body has been set up to manage Eolia's crime prevention model as well as a whistleblower channel, a confidential line to report incidents and ensure investigation if necessary. The compliance control body reports at least annually to the Board of Directors on compliance matters. In 2020, no communication has been received through this channel.

In addition, an update of the Anti-Money Laundering Manual and the Security Document was approved in January 2019 in line with Eolia's compliance activity.





## 4.3\_

### ESG Framework

During 2020, Eolia designed and structured a good governance system with the aim of integrating ESG (Environmental, Social and Governance) aspects into its activity. The name given to this system is the ESG Framework.

During the first months of 2021, the ESG Framework was approved by the Board of Directors for implementation during the year.

The ESG Framework establishes a specific ESG policy, which defines the general commitments in this area, as well as the policies and procedural developments necessary for its implementation and those responsible for its application. Some elements of this system had already been developed and have been revised to give it overall coherence.

The ESG Framework, through its ESG Policy, defines the responsibilities for the approval, management and monitoring of the different environmental, social and corporate governance aspects at Eolia. The Board of Directors is responsible for the approval of the ESG Framework and the creation of an ESG Committee, which is responsible for the management and coordination of ESG activities.

Duties of the ESG Committee:

- Design the ESG framework, reflected in the ESG Policy and developed through specific policies and procedures.
- Define and review the ESG Action Plan, which will be submitted to the Board of Directors.
- Assigning of the necessary resources to ensure compliance with the Action Plan.
- Promoting ESG awareness and providing information for staff members and stakeholders.
- Ensure compliance with legislation and monitor incidents that occur in relation to ESG risks through the members of the Committee.
- Produce an annual ESG performance report for stakeholders.

- Periodically review and inform the Board of any changes to the ESG Policy, the ESG Framework and the Action Plan.
- Report to the Board of Directors on ESG issues on a regular basis and whenever there is any matter that is material to Eolia's business activities or operations.

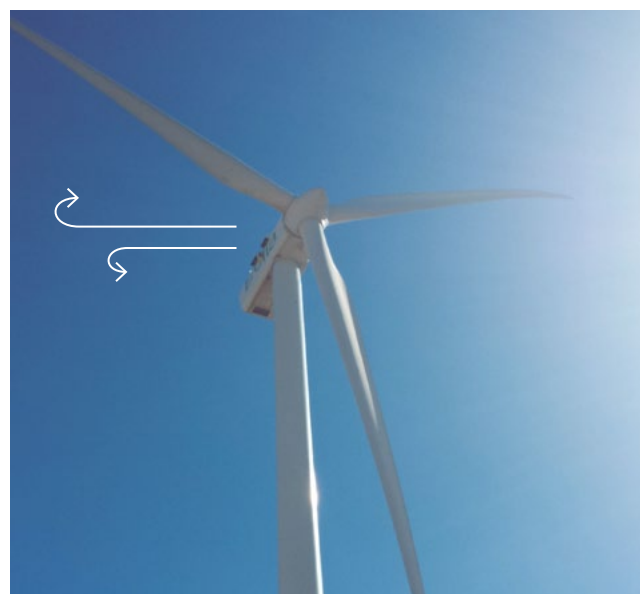
The initial design of the ESG Framework is shown in the figure on the next page:

## 4.4\_

### UN Global Compact

The UN Global Compact is a call for companies and organisations to align their strategies and operations with universal Ten Principles of Global Compact on human rights, labour standards, the environment and combating corruption. It is mandated by the UN to promote the Sustainable Development Goals (SDGs) in the private sector.

Eolia, through the development of its ESG Framework, is in the process of aligning its strategies and operations with the Global Compact Principles after adhering to them in 2021.







## ESG Policy

	Policies	General Procedures	Specific Procedures
ESG Policy	ESG Investment Criteria	ESG Organisational Procedure PG 0.1	Anual ESG Report PE 0.1.1 ESG Integration in Procurement PE 0.1.2
	Environmental Policy	General Management Plan PG 1.1	Waste Management Procedure PE 1.1.1 Bird Monitoring and Control Procedure PE 1.1.2 Carbon Footprint PE 1.1.3
	People Management Policy	Relation and communication PG 2.1 General ORP Procedure PG 2.2	Operating Procedures PE 2.2.1 Incident PE 2.2.2 Business Activities Coordination PE 2.2.3
	Code of Conduct	Financial Control PG 3.1 Crime Prevention Manual PG 3.2 Anti-Money Laundering PG 3.3 Security Document PG 3.4	Invoicing PE 3.1.1 Consolidation PE 3.1.2 Accounting Closure PE 3.1.3

- ESG
- Environmental
- Social
- Good Governance

5\_



# Environment





5\_

## Environment

The ESG Framework's environmental policy includes a commitment by Eolia **to integrate the environment into the business and to communicate environmental achievements transparently.**

This policy was approved by the Board of Directors in 2021, for implementation during that year.

Eolia integrates the environment as a key business element.

5.1\_

### Generation of waste

Since 2019, Eolia has had a specific waste management procedure in place at all its facilities. The aim of the procedure is to describe all tasks related to:

- the documentary, internal and external management of the waste generated at the facilities owned by Eolia,
- as well as audits and responsibilities, which guarantee the correct management and treatment of the waste generated.

The company monitors the amount of waste generated at its facilities on an annual basis. Accordingly, by 2020, its facilities had generated a total of 0.6 tn of non-hazardous waste and 58.8 tn of hazardous waste, which were managed by authorised waste management firms.

Eolia carries out periodic internal waste management audits at its facilities. The purpose of these audits is to analyse and ensure that all facilities undertake adequate storage and management of the waste generated, as well as documentary evidence of the correct outsourced management of the waste.

In 2020, a total of thirteen audits were carried out and eleven minor incidents were noted, all of which were properly remedied.





## 5.2\_

### Conservation of Biodiversity

Eolia is **strongly committed to the protection and conservation of biodiversity** and, in particular, birdlife.

For this reason, the ESG Framework includes a specific procedure for the monitoring, control, use of the environment, behavioural patterns and reporting of bird information. The procedure lays out the work methodology to be followed in wind farms and power evacuation lines during their operational stage.

The implementation of the procedure, although the actions have been carried out before, is planned for 2021. This procedure will allow for better recording and monitoring of birdlife, which will be reflected in future sustainability reports.

During the design and development stage of the facilities, biodiversity conservation is a key element, which is taken into account from the early stages of the development of Eolia's wind farms and photovoltaic plants. The environmental criteria considered when designing the projects are as follows:

- Not to affect protected natural areas.
- Select sites with the least impact on the existing vegetation of greatest ecological value for the layout of paths and the location of facilities.
- Design underground power lines for connecting wind turbines.
- Design the layout of roads to minimise earthworks and avoid steep slopes.
- Use existing roads as much as possible.
- Locate wind turbines outside the area of influence of streams and natural watercourses.
- Design the installations while respecting the minimum required distance to existing infrastructures and constructions.
- Minimise the impact on livestock trails.

#### Environmental approach starting in the design phase. Parideras wind farm

In the initial stages of the design of the Parideras wind farm, and with the aim of reducing the environmental impact on the surroundings, the initial situation was reconsidered and a series of preventive measures were implemented:

- Five wind turbines were removed, reducing the number of machines from sixteen to eleven.
- The general access road to the park was redesigned with respect to the original project.
- The occupied land area was reduced by 24.8% compared to that initially planned.

- The reduction of five wind turbines has led to an overall reduction of the occupied land and the impact on the landscape.

On the other hand, once the construction works were completed, the company carried out the activities of the restoration plan, the planting of native species in the park's surroundings, the removal and environmental recovery of the manoeuvring areas and the installation of a bird detection and collision prevention system (DTBird).



## Installation of bird detection software in wind farms

Eolia has implemented and commissioned DTBird (an autonomous real-time bird detection system) at the Parideras wind farm in the province of Soria. This system continuously and automatically detects and records (by means of video with sound and data) the presence and activity of birds where it is installed. It monitors

360-degree around view. This system incorporates a deterrent module with loudspeakers and a wind turbine shutdown control module.

This system will also be installed in the Alisio wind farm, in Fuerteventura, during the second half of 2021.

### 5.3\_

## Carbon Footprint

In 2020, Eolia calculated, for the first time ever, its carbon footprint. It includes all greenhouse gases emitted by direct or indirect effects of the company, resulting in a total of 402.3 tonnes of CO<sub>2</sub> equivalent<sup>3</sup>.

Scope 1, 2 and 3 emissions have been included in the calculation, including emissions from company-owned vehicles (Scope 1), indirect emissions generated by electricity purchased and consumed (Scope 2) and emissions generated by travel in rental cars, by train and by air (Scope 3).

The methodology used was based on the GHG Protocol, using the most recently published emission factor sources and those most comparable to our company's situation, mainly: the Intergovernmental Panel on Climate Change (IPCC); the IPCC Guidelines for greenhouse gas inventories; Red Eléctrica de España; the Ministry for Ecological Transition and the Demographic Challenge (MITECO); the National Markets and Competition Commission (CNMC) and the ICAO (International Civil Aviation Organisation).

### The result of the carbon footprint, broken down by scope, is as follows:

Table 5.1. Carbon footprint result (Scopes 1+2). Year 2020

Scope	Emissions (t CO <sub>2</sub> eq) year 2020
Scope 1	33.7
Scope 2	363

Table 5.2. Carbon footprint result. (Scope 3 - business travel). Year 2020

Scope	Emissions (t CO <sub>2</sub> eq) year 2020
Scope 3	5.57

Eolia's carbon intensity in 2020 stood at 2.5 tCO<sub>2</sub>e/€M in sales (Scopes 1 and 2).

Regarding the emission of other pollutants, the company emitted 0.35 tNO<sub>x</sub>, 0.0001 tSO<sub>x</sub> and 0.001 tPM<sub>10</sub>.

<sup>3</sup> CO<sub>2</sub> equivalent includes the emission of all greenhouse gases –carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), nitrogen oxides (NO<sub>x</sub>), hydrofluorocarbon compounds (HFCs), chlorofluorocarbon compounds (CFCs) and sulphur hexafluoride (SF<sub>6</sub>)– expressed by their CO<sub>2</sub> equivalent to generate the greenhouse effect.



## Emissions avoided

On the other hand, through its renewables activity, Eolia has made possible<sup>4</sup> the avoidance of the emission into the atmosphere of 725,839 tonnes of CO<sub>2</sub> equivalent, 604.3 tNO<sub>x</sub>, 750.7 tSO<sub>x</sub> and 9.4 tPM<sub>10</sub>. Thanks to its commitment to renewable wind and solar energy, the company has made possible the avoidance of gas emissions that would have been released into the atmosphere if such electricity had been obtained from fossil fuel sources, thus contributing to the fight against climate change.

### 5.4\_

## Environmental incidents

Eolia has a Near Miss technical procedure, which records incidents occurring at Eolia's facilities, both occupational and environmental. It defines, describes and records ongoing and completed corrective measures implemented and the parties responsible for carrying them out.

In 2020, four environmental incidents have been detected, all of which have been resolved and are summarised below:



Table 5.3. Summary of environmental incidents. Year 2020

Facility	Type	Description	Corrective measures
Mahora photovoltaic plant	Trenches	Unmarked open trenches for the repair of insulation defects.	Signpost the site entrance area.
	Frozen surface	Detection of ice slabs at the entrances to production warehouses.	Signpost for slippery ground danger and remove snow and ice with salt as it is a high traffic area
Mondoñedo wind farm	Cattle grid crossing and fallen trees	Detection of damaged cattle grid crossing and presence of fallen trees in the middle of the park road.	The damaged cattle grid crossing was repaired and the trees were removed from the road.
Alentisque wind farm	Oil	Detection of oil droplets at the Alentisque wind farm.  The environmental authorities initiated an infringement procedure and the wind farm was fined €1,200.	<ul style="list-style-type: none"> <li>· Cleaning of the area affected by the oil drip and turbine fine-tuning.</li> <li>· Increased O&amp;M audit tasks to check that proper maintenance is carried out to reduce/eliminate the risk of oil leakage.</li> <li>· Monthly environmental monitoring in order to detect new oil leaks.</li> </ul>
Guijo I and II wind farms	Waste pile-ups on the ground	Scrap dumped without a containment structure	Removal of all waste

<sup>4</sup> For the calculation of the emissions avoided, an emission factor has been considered based on the electricity generated by Eolia that would otherwise have been generated by a fossil electricity mix.

6\_



People



# People



In line with the ESG Framework mentioned above, Eolia has developed a People Management Policy, which emphasises the importance that its employees have for the company.

This policy addresses the company's people management, as well as transparently communicating its personnel management priorities. It is implemented through ten basic principles based, among others, on respect, equality, recognition, communication and transparency.

The People Management Policy describes the incentives received by employees at Eolia's companies, including life insurance paid by the company, health insurance and language classes financed 50% by the company, childcare tickets and a meal service.

This policy was also approved by the Board of Directors in 2021 and will be implemented during the year.

## 6.1\_

### Our employees

Eolia is made possible by its employees, both men and women. At 31 December 2020, Eolia had 25 employees, all of whom were on permanent contracts, with the following characteristics:

**Table 6.1.** Summary of Eolia employees. Year 2020

Education level	Men	Women	Total
Degree holders	10	5	15
Diploma holders	6	4	10
<b>Total</b>	<b>16</b>	<b>9</b>	<b>25</b>

**Table 6.2.** Summary of age groups of Eolia employees. Year 2020

Age range	< 30	31 to 50	> 50
Employees	3	14	8

The average length of service of Eolia's employees was 8.9 years at the beginning of 2019, highlighting the organisation's overall commitment to stable employment.

Between 2019 and 2020, Eolia also re-affirmed its commitment to overall growth, with a 32% increase in its workforce. This growth led to a decrease in the average length of service to 6.4 years in 2020.

During 2020, one Eolia employee exercised her maternity leave entitlement and returned to work at the end of the maternity leave period.

## 6.2\_

### Health and Safety

The **health and safety of all its employees and people involved in its projects is a priority** at Eolia. To this end, it has developed a general occupational risk prevention (ORP) procedure, which defines the tasks of the external prevention services contracted by Eolia. These tasks include training, risk assessment, emergency measures and medical examinations, among others.

**Eolia is possible thanks to its employees. It's Human Resources Management Policy recognizes their rights and guarantees their safety.**

Under the umbrella of this general procedure, Eolia has, in turn, established the following specific procedures related to health and safety: operational procedures, Near Miss technical procedure, and the Business Activities Coordination plan (BAC):

- The operational procedures: detail how to perform specific tasks at the photovoltaic plants,
- The Near Miss procedure: consists of a record of all incidents occurring at Eolia's facilities,
- Business Activities Coordination plan: Eolia monitors compliance by operators and their subcontractors with applicable safety legislation, as well as with the applicable procedures for carrying out work at the wind farms and solar plants that it owns, including specific work at substations.





In a year marked by the COVID-19 pandemic, Eolia has adapted to the new circumstances by carrying out the following activities:

- Implementation of face-to-face and remote work shifts, in order to ensure a reduced presence at the office.
- Training in prevention measures to be implemented when teleworking.
- Analysis and implementation of measures to mitigate the risk of contagion among workers and visitors to the Madrid offices.
- Training in protection measures to combat COVID-19.

- Testing and/or analysis of workers in order to detect possible infections.
- Provision of hydroalcoholic gels.

Over the past year, Eolia's staff received a total of 356 hours of training in occupational risk prevention through technical courses, both on-site and online, with an average of 14.2 hours of training per employee per year.

Among the training received, courses related to health and safety (fire extinguishing, first aid, working at heights) under the Global Wind Organisation (GWO) standard are worthy of note. Other specific courses were also held for work on solar facilities and wind turbines.

### In terms of general health and safety control activity through the BAC, the following table summarises Eolia's main ratios in this area in 2020:

Table 6.3. Main health and safety ratios at Eolia. Year 2020

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Coordination meetings	0	1	2	0	0	0	1	0	0	0	0	0
Training sessions	0	3	2	0	0	0	0	1	0	1	0	0
Emergency drills	0	3	2	0	0	0	0	1	0	0	0	0
Review of documentation for contract/subcontract entry	48	48	25	36	74	56	87	46	39	45	49	43
Inspections	1	1	3	0	0	1	2	1	0	1	0	2

In 2020, four coordination meetings, seven health and safety training sessions, six emergency drills and twelve inspections were carried out.

### The table below shows the accidents that occurred in 2020:

Table 6.4. Occupational accidents. Year 2020

Accidents	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Total hours worked by subcontractors	11,019	10,392	10,725	11,573	11,291	10,483	13,321	12,329	8,821	12,933	12,192	10,436
Accidents with sick leave (no.)	0	0	0	0	1	1	0	0	0	0	0	0
Accidents without sick leave (no.)	0	1	1	0	0	0	1	0	0	0	0	0
Days of sick leave per month	0	0	0	0	17	4	0	0	0	0	0	0



There were only two accidents with sick leave throughout the whole of 2020, for a total of more than 110,000 hours worked by subcontractors. The frequency rate<sup>5</sup> for subcontractors was 18.18. The most significant accident, which involved 17 days of sick leave and did not require hospitalisation, occurred in May 2020 in the Sant Antoni wind farm (Lérida). The severity index<sup>6</sup> for subcontractors stands at 0.19.

With regard to Eolia's employees, there were three sick leaves during 2020, none of them due to accidents at work, for a total sick leave duration of 127 days. The Eolia frequency and severity rates are therefore 0.

### 6.3\_ Our contractors

Eolia works with reputable contractors with extensive experience in the renewables sector, including Vestas, Siemens Gamesa, GE, Nordex (Acciona), Suzlon, Enercon and Valtalia. All of them have their own ESG frameworks in place and management systems certified to international ISO standards.

In turn, Eolia has developed an ESG requirement procedure for its contractors, which details the requirements necessary during the contractor selection process and the actions to be carried out by contractors before and during the development of the contracted work. These tasks include, among others, the completion of comprehensive and standardised environmental and social progress reports and the appointment of environmental, social and health and safety managers.

In addition, Eolia has defined the basic ESG requirements to be included in all contracts (EPC, O&M...) and has already implemented them during 2020. These requirements include obligations such as quality, safety and environmental management, implementation of emergency plans or waste management.

<sup>5</sup> The frequency rate has been calculated as the number of accidents with sick leave per 1,000,000 divided by the number of hours worked.

### 6.4\_ Our stakeholders

Eolia is committed to providing value to all its stakeholders, i.e. all parties directly or indirectly affected by the company's activities. It has therefore carried out an analysis of its stakeholders and the requirements of each of them in relation to Eolia.

The main stakeholders identified by Eolia are: employees, customers, partners, providers, contractors, public authorities and regulators, local communities, organisations, investors and analysts, financial institutions and the general public.

Through a specific procedure for relations and communications with third parties, Eolia establishes its internal communication with employees and external communication with all other stakeholders.

Eolia Renovables has also identified the most appropriate communication channels and information needs that may arise for each stakeholder. To this end, it defines performance indicators, which are laid out throughout this report.

During 2020, Eolia received no complaints related to environmental and social issues from any of its stakeholders.

<sup>6</sup> The severity rate has been calculated as the total number of days lost due to accidents with sick leave per 1,000 hours worked. A day is considered a lost day from the first day after the accident.

7\_

# Commitment to green finance and investment





7\_

## Commitment to green finance and investment

### ESG, key in Eolia's investment processes

In 2020, Eolia strengthened its commitment to green investment and financing. Although all of Eolia's activities fall within the framework of sustainable activity since they involve the development, construction and operation of renewable energy facilities, since 2020 this aspect has been subject to analysis in financing operations through recognised market standards, specifically the Green Loan Principles (GLP) developed by the Loan Market Association.

In particular, in 2020 the purchase and green financing of the Albatros portfolio and the green financing of the Atlas and Cronos portfolios were undertaken. All of them aligned with the Green Loan Principles. The Atlas portfolio comprises thirteen photovoltaic plants with a total installed capacity of 74.8 MW. The Cronos portfolio comprises 23 wind farms, with an overall capacity of 560.9 MW; while the Albatros portfolio has seven wind farms, totalling 71 MW, and a 3-MW photovoltaic plant.

In total, in 2020, more than €1,016 million of green finance has been received for 709.7 MW of capacity. The following table shows the breakdown of these amounts:

Table 7.1. Green finance. Year 2020

Green finance	Portfolio	Amount (thousands of €)	Capacity (MW)
Financed wind assets	Cronos	499,072	560.9
Financed solar assets	Atlas	443,296	74.8
Financed wind assets	Albatros	55,500	71.0
Financed wind assets	Albatros	18,262	3.0
<b>Total</b>		<b>1,016,129</b>	<b>709.7</b>

All three financing operations were rated as green through a Second Party Opinion report by G-Advisory, an independent sustainability expert.





## 7.1\_ Eolia's Green Finance Framework

Eolia has designed this green finance framework to facilitate Eolia's transparency, disclosure and reporting on financing operations and to set out the terms and conditions for future green financing.

The green finance framework is aligned with the overall ESG framework and Eolia's commitment to renewable energy.

The framework defines the conditions necessary for a financing process at Eolia to be considered green and aligned with market standards – in particular, the Green Loan Principles<sup>7</sup> –, while also taking into consideration the contribution to the UN Sustainable Development Goals.

The conditions defined below have already been applied in the financing of the Atlas and Cronos projects during 2020.

Based on the four main components of the Green Loan Principles, Eolia proceeds as follows:

### Use of Proceeds:

- The funds from the financing will be earmarked for projects deemed eligible by the GLPs.
- In particular, the following projects are considered eligible by Eolia under this Green Finance Framework: development, construction and maintenance of renewable energy infrastructures (mainly wind and photovoltaic), including auxiliary infrastructures.
- The projects considered eligible are aligned with those set out by the GLPs, and also with the European Union Taxonomy for Sustainable Finance, and contribute to SDGs 7 and 13.

### Project Evaluation and Selection:

- In order to ensure that funding is directed towards eligible projects, Eolia relies on the collaboration of the ESG Committee.

- The ESG Committee's actions in the evaluation and selection process are as follows:
  - Ensure that the selected projects are considered eligible under the abovementioned categories.
  - Analyse the positive impacts of eligible projects.
  - Perform environmental impact reporting for projects associated with GLP requirements over the lifetime of the funding.

### Management of Proceeds:

- Eolia will monitor the use and allocation of funds to eligible projects in an appropriate and transparent manner. This process is managed by Eolia's finance department, which will keep track of the allocation of funds to green projects.

### Reporting:

- On an annual basis and for the lifetime of the funding, Eolia will prepare a report on the use of the funds and their traceability with respect to the eligible projects funded.
- In addition, Eolia will provide information on the environmental impacts of the projects financed, through the following indicators:
  - Annual renewable energy generation in MWh (electricity)
  - Annual GHG emissions avoided in tonnes of CO<sub>2</sub> equivalent
  - Capacity of built renewable energy facilities in MW (capacity).

<sup>7</sup> GLP version v04, 2021.

8

# About this report





8\_

## About this report

This Sustainability Report sets out Eolia's sustainability results and performance in 2020, as well as its management approach and objectives for the coming years. The aim of this report is to offer, in a clear and rigorous manner, relevant company information regarding the most significant positive and negative impacts on its various stakeholders.

This report also describes Eolia's commitment to the implementation of the Ten Principles of the UN Global Compact in the areas of human and labour rights, the environment and combating corruption, as well as Eolia's contribution to the local achievement of the Sustainable Development Goals.

Finally, this report describes and analyses the sustainable financing and investment commitments acquired by Eolia and implemented in 2020, as well as commitments for future years.

The information published in this document is supplemented by the content of other company reports: Consolidated Annual Accounts and Consolidated Directors' Report.

This report is Eolia's first sustainability report, which will serve as a starting point for analysing the evolution of the company's ESG performance in the future.

The scope of the report covers all group companies.

The scope of each of the indicators shown is specified throughout the report. Likewise, data from previous years are provided whenever it has been considered necessary.

9



# Materiality analysis







## Materiality analysis

As a starting point for defining the scope of this sustainability report and in line with Eolia's ESG Framework, a preliminary materiality analysis has been carried out.

The analysis has enabled Eolia to identify those issues that are particularly relevant to the sustainability of the organisation and substantially influence the assessments, decisions and perceptions of its stakeholders.

For the materiality analysis, external sources were consulted, including non-financial reporting standards, competitors, stakeholders from the investment community; and internal sources, mainly company management.

The result was the identification of **thirteen issues of critical importance to the company** and its stakeholders. Two in the operational dimension, one in the financing dimension, one in the governance dimension, four in the environmental dimension and five in the social dimension.

Table 9.1. Preliminary Materiality Analysis. Year 2020

Category	Relevant issue	Description in this report	Indicator
Operations	Energy Transition	2. About Eolia	Operational Facilities
	Integration of renewable energies into the electricity system		Facilities under Construction and Development
Green investment and financing	Green investment and financing	7. Commitment to sustainable investment and financing	Green financing received
Good Governance	Compliance with regulations preventing corruption, money laundering, etc.	4. Governance	Complaints received
Environment	Waste Management	5.2. Generation of waste	Non-conformities in waste management audits
	Biodiversity Protection	5.3 Conservation of biodiversity	Projects in protected spaces
			Areas recovered
	Climate change	5.4 Carbon footprint	Emissions generated
5.5 Fight against climate change		Emissions avoided	
Environmental compliance	5.6 Environmental incidents	Recorded environmental incidents	
Managing third party expectations and complaints	Dialogue with local communities and transparency	6.5 Our stakeholders	Meetings with third party stakeholders presenting project
	Local economic development		Resolved and open claims
			Social benefits
Employee management	Human capital development	6.1 People Management Policy 6.2 Our employees	Employee details (no., gender, time at company, category, training)
	Employee health and safety	6.3 Health and safety	Incidents in the field of ORP
Contractors' management	Control over the supply chain	6.4. Our contractors	ESG commitments made by contractors  Own and contractors' occupational accidents (severity rate, occupational disease)

# Annex I: KPIs

KPI	GRI	Page of Report
Location of operations	102-4	6
Operational facilities	102-7	6-23
Facilities under construction and development (size of organisation)	102-7	24
Information on employees and other workers	102-8	39-42
Resolved and open claims (assessment mechanisms and ethical concerns)	102-17	31, 42
Complaints received (assessment mechanisms and ethical concerns)	102-17	32
Governance structure	102-18	28
Composition of the senior governing body and its committees	102-22	29-31
Meetings with third party stakeholders presenting project (key issues and concerns mentioned)	102-44	29
Green financing received	Management approach (103-1 and 103-2)	43-44-45
ESG commitments made by contractors	Management approach (103-1 and 103-2)	42
Direct economic value generated	201-1	24
Areas recovered	304-3	6-23
Direct GHG emissions (Scope 1)	305-1	37
Indirect GHG emissions (Scope 2)	305-2	37
Other indirect GHG emissions (Scope 3)	305-3	37
GHG emission intensity	305-4	37
Nitrogen oxides (NO <sub>x</sub> ), sulphur oxides (SO <sub>x</sub> ) and other significant air emissions	305-7	37
Emissions avoided	-	38
Waste generation and significant waste related impacts	306-1	35
Waste generated	306-3	35
Recorded environmental incidents (non-compliance with environmental laws and regulations)	307-1	38
Social benefits	401-2	40
Occupational health services	403-3	40-41-42
Worker training on occupational health and safety	403-5	41
Promotion of workers' health	403-6	39-40-41-42
Work related injuries	403-9	41-42
Occupational diseases and illnesses	403-10	41-42