



Global Sustainable Energy Developer

Sustainability Report 2020

www.x-elio.com

#PositiveEnergy



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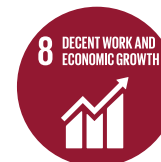
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1

X-ELIO
AT A GLANCE

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1.1 A WORD FROM THE PRESIDENT AND CEO



Lluís Noguera
President and CEO of X-ELIO

Dear reader,

It is an honour for me to present X-ELIO's Sustainability Report for 2020. I invite you to continue reading to gain a better understanding of the work we have been doing over the last twelve months. **2020 was a year of momentum in terms of sustainable development and the fight against climate change at a global level.** X-ELIO, as a key player in this transformative challenge, responsibly assumes its leading role and intervenes in a way that is friendly to the natural environment and communities. In this report, we reflect our progress, as well as the mission that guides our actions geared towards a zero-emission energy system.

2020 was profoundly marked by COVID-19 and the need to adapt to a new context arising from the pandemic. **During this time, the team at X-ELIO prioritised the health and safety of our employees and stakeholders,** taking decisive measures and ensuring an agile response, promoting a positive impact on society. The company excelled when it came to optimisation capacity, adapting and staying resilient in such unsettling times, and this was all possible thanks to the outstanding professionals that make up X-ELIO.

This year we have implemented our roadmap, which seeks to build and develop 5 GW over the coming five years by **developing, engineering, building and financing sustainable energy projects, alongside our talent and communities.** To do so, we will continue to champion our ambition for the transformation towards sustainability by implementing new policies in the organisation. **We are determined to align the strategy and business processes with the technology transition and with X-ELIO's mission, vision and values.**

In 2020, we reached significant milestones in the energy transition that inspire us to keep improving. For instance, we activated all the plants allocated to the power awarded in the 2017 renewable energy auction in Spain. We started construction of our largest solar farm in Australia; and we appointed our new Country Manager in Japan, Toshiaki Isoi.

We firmly believe that our business model is the best driving force to foster economic recovery based on the highest sustainability criteria.

This transformation process that X-ELIO has been embarking on is also in line with the transformation process that our society as a whole is experiencing. It is calling for an energy transition that promotes a fair and inclusive decarbonised economy, and X-ELIO has a key role to play in this challenge. To be able to spearhead this change, our company seeks to strike a balance between the development of our activities and investment in ESG (environmental, social and governance) criteria. The goal of this is to develop our business model by optimising investments and delivering value in a sustainable way.

Likewise, at X-ELIO we are deeply committed to the communities where we are carrying out our projects, which is essential to guaranteeing an inclusive transformation process. With that in mind, we work to ensure a positive impact on the areas in question, including environmental, social and economic factors. Our commitment is evident through our renewal of X-ELIO's commitment to the Global Compact initiative and its Ten Universal Principles **in the fields of human rights, labour, environment and anti-corruption**, which members since 2016, and a stance from which we intend to continue developing strategies based on the Sustainable Development Goals (SDGs).

Further on in this report, you can find information on our business model, our key figures, and X-ELIO's milestones and achievements in what proved to be an unexpected 2020. You will also find detailed information on how we work on a daily basis to bring the perspective of sustainable development into all of our strategies.

During this time, the team at X-ELIO prioritised the health and safety of everyone who forms part of our value chain, taking decisive measures and ensuring an agile response to the changing circumstances.



1.2 MAIN FIGURES IN 2020

[GRI 102-4, 102-6, 102-7]

Our activity in 2020

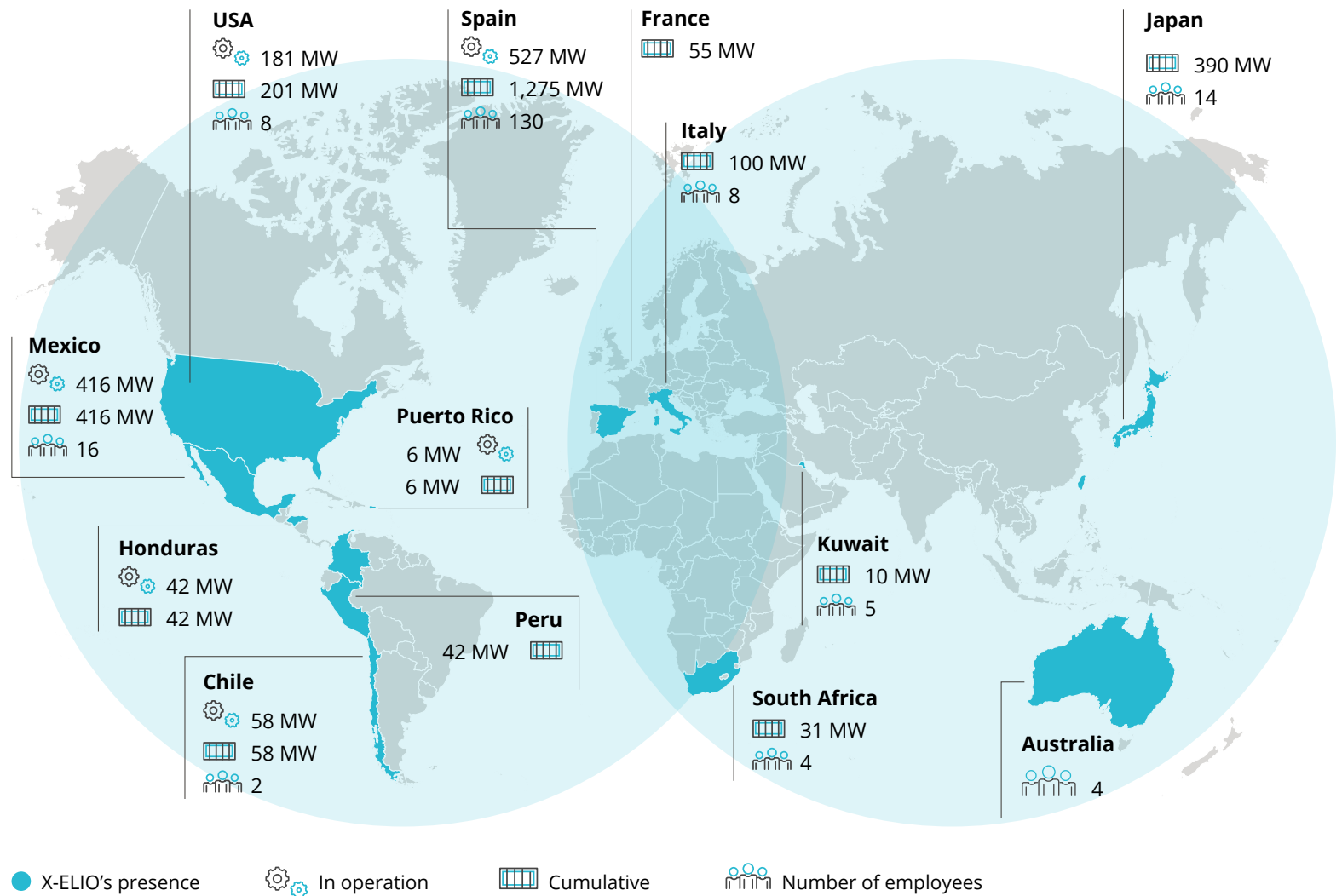
X-ELIO is a company specialised in the design, development, construction, financial control, maintenance and operation of solar photovoltaic power plants and is present in the USA, the Middle East, Japan, South Africa, Latin America (Mexico and Chile, among others), Australia, Southeast Asia, and Europe (Italy and Spain). It is a leader in renewable and sustainable energy, and is strongly committed to reducing greenhouse gases and fighting climate change.

The Group is a leader in renewable and sustainable energy, and is strongly committed to reducing greenhouse gases and fighting climate change through its activities, supplying affordable electricity to businesses and homes alike.

Cumulative: 2,5 GW¹

In operation: 1.2 GW

Total employees: 191



All data as of December 2020

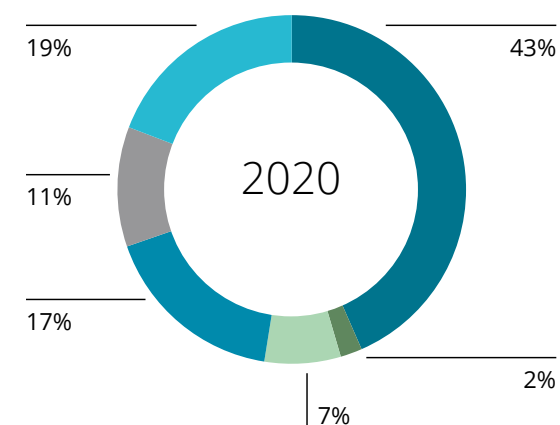
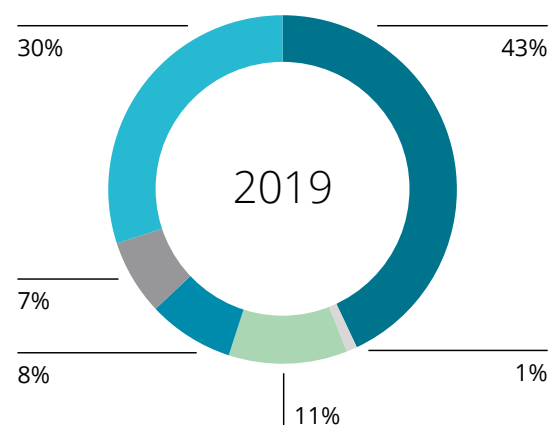
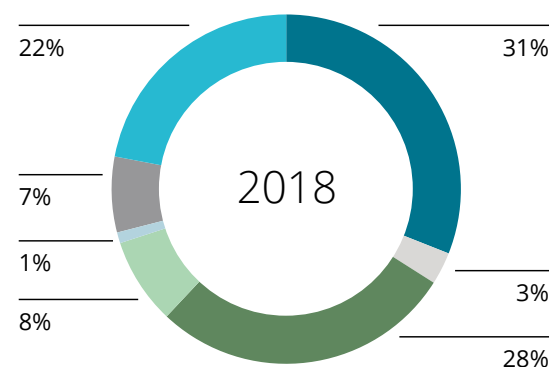
¹ The cumulative figure considers photovoltaic plants in operation and sold

Financial indicators (thousands of euros)

	2018	2019	2020
Net sales	74,684	55,620	75,747
EBITDA	197,307	48,455	249,038
Finance income	2,021	2,120	3,733
Total investment	295,889	729,966	201,583
Net income	115,352	-21,386	147,518



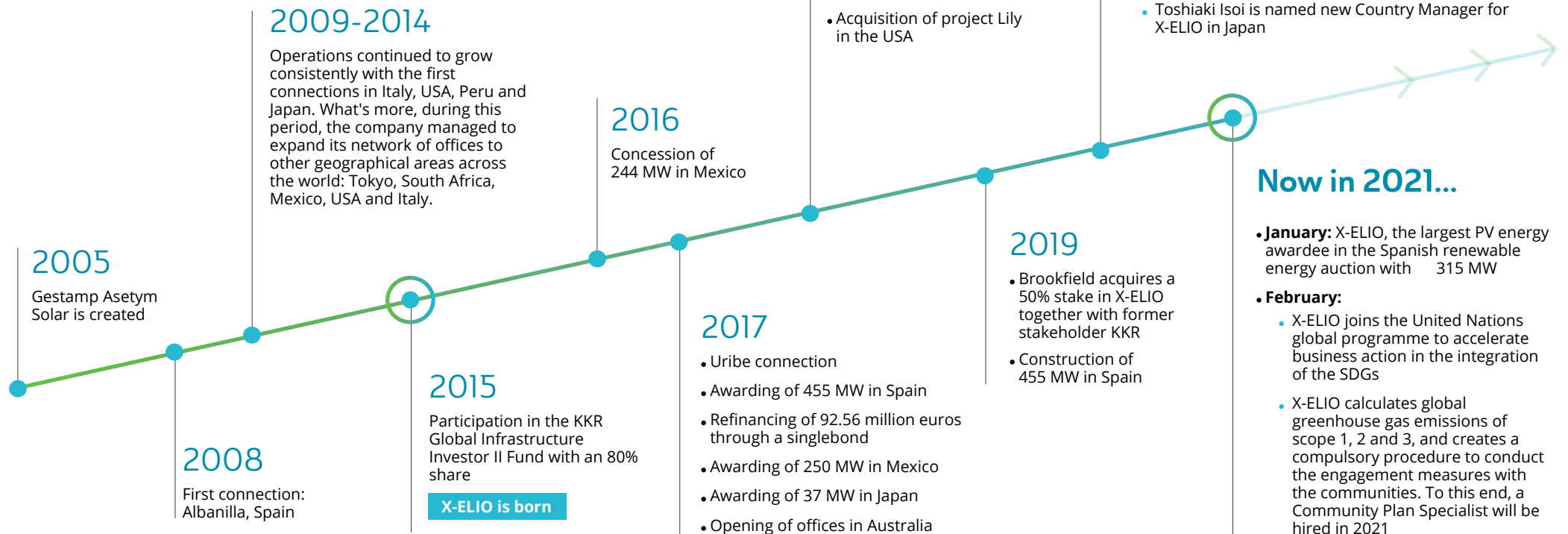
Geographical areas served based on income (% of net sales)



● Spain
 ● Italy
 ● Japan
 ● Chile
 ● Mexico
 ● Others in LatAm
 ● USA
 ● Other countries

X-ELIO's evolution and growth

X-ELIO has developed and accomplished an ambitious international plan due to its flexible business model, the efficient use of technology, and its commitment to sustainability. Since operations began, X-ELIO has gained extensive experience in developing, constructing and operating solar PV plants in different countries using a variety of technologies.



1.3 X-ELIO'S HANDLING OF COVID-19

The year 2020 has been shaped globally by COVID-19. In the case of X-ELIO, the economic, health and social crisis brought about by the pandemic has also impacted the company and its stakeholders.

To deal with the health situation that arose at the beginning of the year, **X-ELIO set different mitigating measures in motion, always seeking to protect the interests of its environment**, guaranteeing a service for customers, protecting employees and their families, and acting responsibly in the communities where it is present.

The company reacted quickly and efficiently when the pandemic first hit, establishing various measures and protocols for action that enabled it to adapt to the new context and keep its activity going.

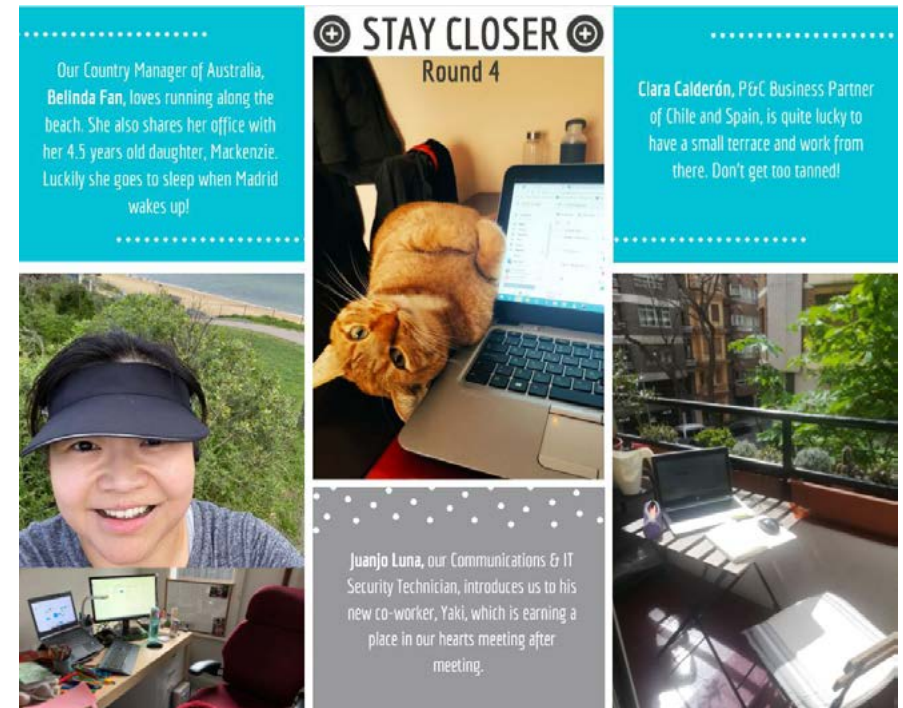
During 2020, X-ELIO set up a **protocol for action against COVID-19** at the main offices, which was drawn up by the HSSE department and approved by the CEO. In fact, **this procedure is AENOR-certified**, further proof of just how well the best practices for dealing with the pandemic were implemented, and offering stakeholders the guarantees and assurance necessary in terms of its management.

With regard to the coming months, the company aims to continue mitigating the weaknesses that the pandemic has exposed, helping to build an environment that is stronger in the face of the challenges and opportunities that the energy transition poses.

People have been the focal point in how we have managed the situation arising from COVID-19. During this time, the company has made a major effort in an attempt to help and curtail both the physical and emotional consequences caused by the pandemic, through more than a dozen initiatives. These initiatives, implemented in 8 countries, are split into 4 blocks:

Stay Closer

Through this initiative, actions were launched aimed at maintaining ties and strengthening internal communication, inviting employees to share their routines and home work spaces with other employees, and encouraging the little ones to showcase their creativity by taking part in a drawing contest, as well as other activities.



Communication & Feedback

This initiative boosted communication with 1:1 feedback sessions among workers, managers, directors, and the company's President and CEO.

Health & Safety

Adequate material was provided to correctly implement teleworking (ergonomic chairs and IT equipment), as well as regular notifications with tips to boost safety when teleworking.

Support, awareness and training

Throughout the pandemic, the organisation accompanied employees with initiatives related to managing emotions, managing the online work structure, as well as the return to normal with appropriate safety conditions.



With the end of lockdown, an employee survey was conducted to check the overall satisfaction with the initiatives undertaken: 96% of employees were satisfied or very satisfied with X-ELIO's handling of COVID-19.

X-ELIO **also did its bit by contributing to different social collaboration actions**, seeking to mitigate the effects the pandemic was having on society, for instance by entering into a collaboration agreement with the Red Cross.

96%

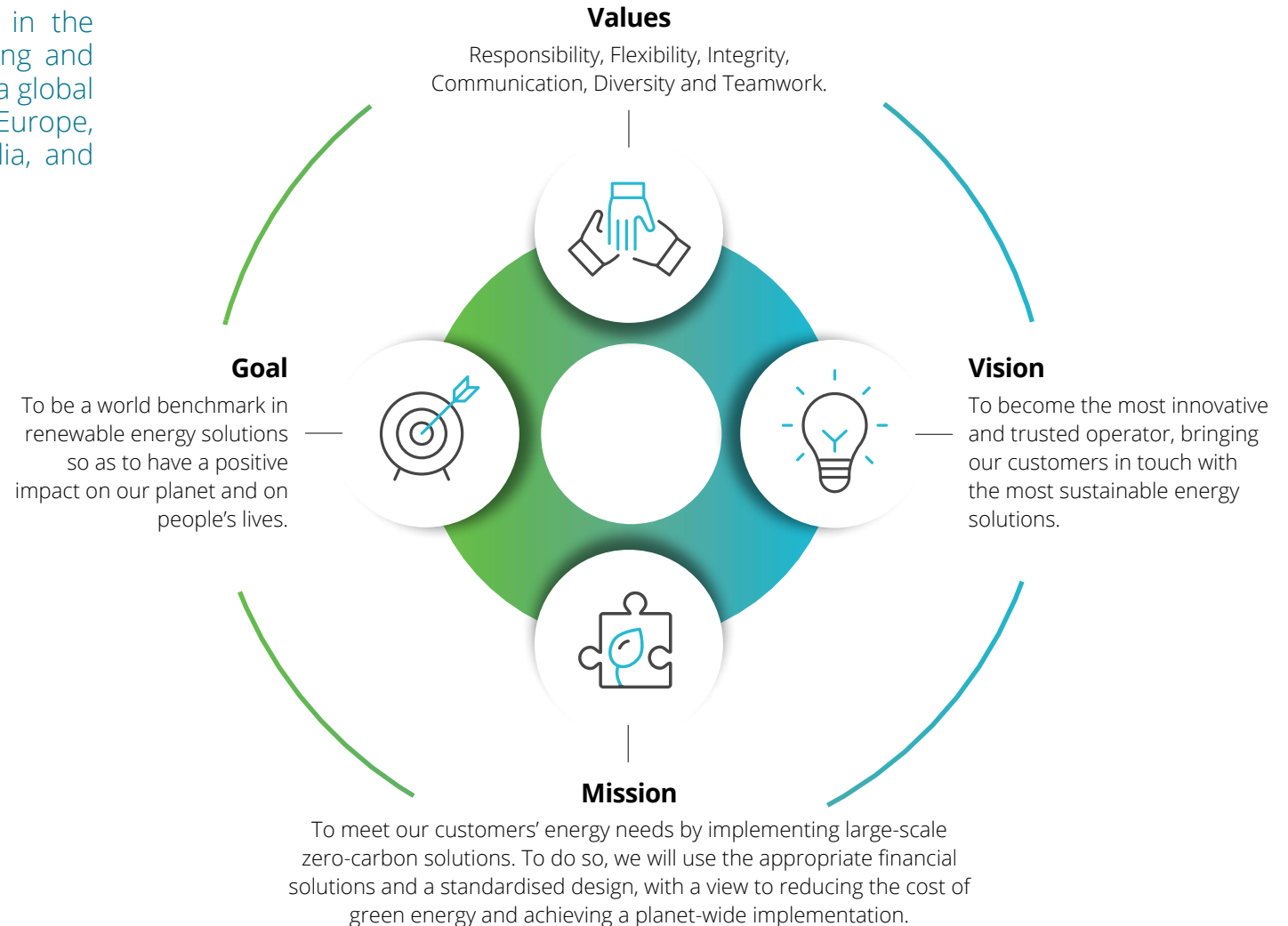


of employees were satisfied or very satisfied with X-ELIO's handling of COVID-19.

1.4 RENEWABLE ENERGY AND VALUE CREATION

X-ELIO is a leading company specialised in the design, development, construction, financing and operation of renewable energy projects on a global scale. It currently has a presence in the USA, Europe, Latin America, Japan, South Africa, Australia, and South Asia.

The company has 15 years of experience in the sector, with over 2.5 GW built and 25 photovoltaic plants in operation.



Our business model

The company develops solar photovoltaic energy projects in different countries and regions, adapting to the specific needs of each environment. The company seeks to develop renewable projects in a sustainable, cost-effective way, and is making considerable headway, doing its bit for the economy, environment and society of the areas in which it operates.

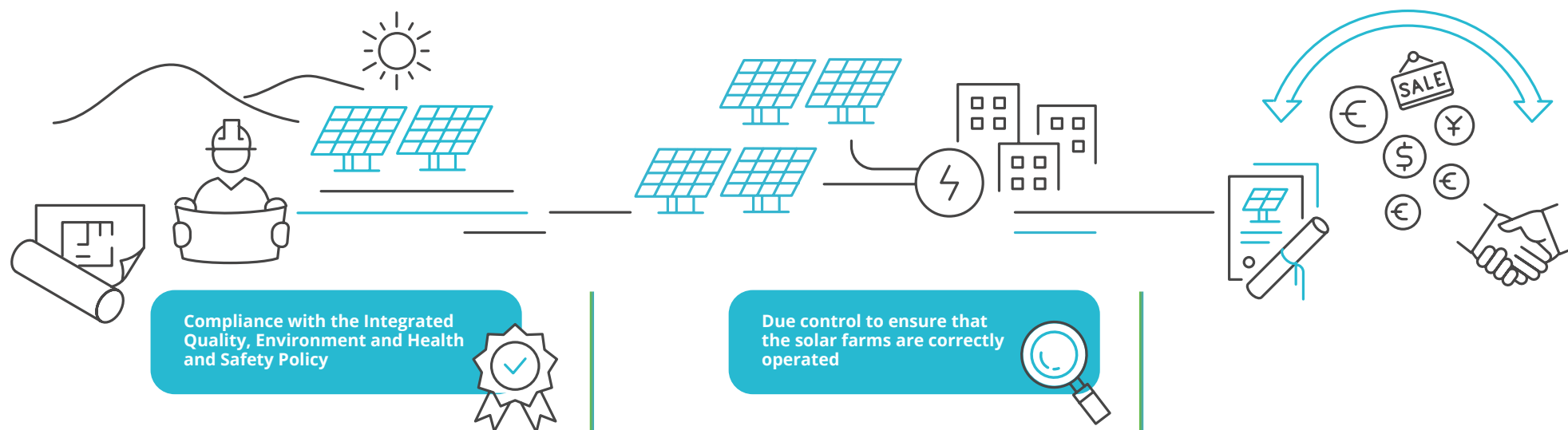
X-ELIO's activity is constantly evolving and is involved in the entire solar energy cycle: exploring opportunities, construction, maintaining and operating the installations, as well as activities related to the purchase and sale of plants.

The first step consists of scouting for, identifying and analysing business opportunities. This stage involves identifying and assessing the technical and financial opportunities, and getting the Board's final decision. This is

followed by the process of building the installations, which involves preparing the land, supplying the structures and equipment, carrying out the civil works, and the assembly and connection processes, etc. Then they are connected to the grid, which is when the maintenance and operation phase begins, involving general monitoring to ensure that the installations are working properly.



What do we do?



Construction

During the plant construction phase, tasks range from site planning to supervising the work carried out by the EPC (Engineering, Procurement, and Construction) contractors, who are in charge of the final construction. This way, any construction risk can be mitigated, including environmental and social risks, by establishing cooperation agreements with external collaborators. While the latter are in charge of carrying out the project, X-ELIO applies its knowledge to examining and overseeing daily operations.

X-ELIO's activities are based on its Integrated Quality, Environment and Health and Safety Policy, which must be followed by all members of the organisation. This framework is certified by the following standards: ISO 9001, ISO 14001 and ISO 45001.

Maintenance and operation

Once the plant is connected to the grid, X-ELIO's role as operator of the installation begins. This entails all activities necessary to ensure that the plants operate with the best results possible. During the plant's initial years of useful life, the EPC contractor is responsible for operating and maintaining it, while X-ELIO continues to supervise the project.

In this phase, the solar farms are monitored in operation to ensure that they are working correctly from both an operational point of view (expected power production based on the given climatic conditions) and from a financial standpoint (controlling any possible deviations in the plant operations that could affect the budgeted costs).

Purchase and sale of solar farms

X-ELIO buys and sells plants at any point during the energy cycle. Strategic purchasing may involve plants under construction or plants that are already operational.

Creating sustainable value

Sustainability is key at X-ELIO. It is entrenched in the origins and in the mission of the company: implementing zero-carbon solutions. X-ELIO's business model means that the company is contributing to the necessary reduction of emissions to curb climate change.

The company is also highly committed to the communities where it operates. With this in mind, it is currently developing a plan to provide necessary resources to different local initiatives focused on education, health and the environment.

X-ELIO is working to include the Sustainable Development Goals (SDGs) in its business strategy and in its activity, as a demonstration of its commitment to sustainable development. **This commitment was made more evident after the company became a signatory to the United Nations Global Compact, as well as the SDG Ambition programme which will materialise in 2021.** The Global Compact calls for companies and organisations to bring their strategies and operations in line with Ten Universal Principles related to human rights, labour, environment and anti-corruption. X-ELIO is deeply committed to the values established in the United Nations Global Compact, and its mission is to continue to find ways of improving its roadmap.

Meanwhile, the **SDG Ambition** programme gives companies the chance to transcend the progress already achieved with the SDGs, helping them establish ambitious corporate objectives while speeding up the integration of the SDGs in their business activities.



WE SUPPORT

1.5 MARKET TRENDS, CHALLENGES AND OPPORTUNITIES

Social trends are profoundly changing the playing field. The energy transition brings with it challenges and opportunities that need to be addressed in the coming years.

And that is why society expects transformational companies like X-ELIO to lead this transition towards an inclusive, decarbonised economy. The trends that will have the biggest impact on the sector in the coming years are as follows:



Fighting climate change and contributing to the energy transition

This concern has intensified in recent years and has gained prominence in the post-COVID-19 recovery strategies devised by institutions, which have a strong sustainability component, particularly at a European level. Therefore, **the need to tackle climate change and drive the decarbonisation of the economy is calling for the renewable energy sector to take a leading role.**

The shift to renewable energy is strongly supported by different initiatives at both national and European level. The European Union put forward the [European Climate Law](#). It also launched the [European Green Deal](#), which is set to invest 500 billion euros in sustainable projects by 2027. On a country level, Spain recently approved the Law on [Climate Change and Energy Transition](#). This new law is accompanied by the [Integrated National Energy and Climate Plan](#) (PNIEC in Spanish) 2021-2030, which plans to achieve up to 42% consumption of renewable energies out of the total energy use by the year 2030 (up from the 17% recorded in 2019). The PNIEC backs the push towards renewable energies to achieve the objectives set out in the Plan. With that in mind, its goal for 2030 is to achieve a total installed capacity in the electricity sector of 157 GW, of which 50 GW will be from wind energy and 37 GW from solar photovoltaic energy.



Sustainable financing

Sustainable financing plays a crucial role in the pursuit of the goals aligned with the energy transition. In this regard, the European Commission published the Sustainable Finance Action Plan in 2018, which seeks to redirect capital and investment flows towards economic activities that are in line with the environmental goals of the European Union. The Commission also brought out its [taxonomy for sustainable finance](#), which is designed to be a tool for helping companies and investors define which activities should be considered as such. **Investing in projects and activities that are aligned with the environmental objectives set by the European Union means making a significant contribution to the energy transition and the decarbonisation of the economy.**





Innovation and digitalisation

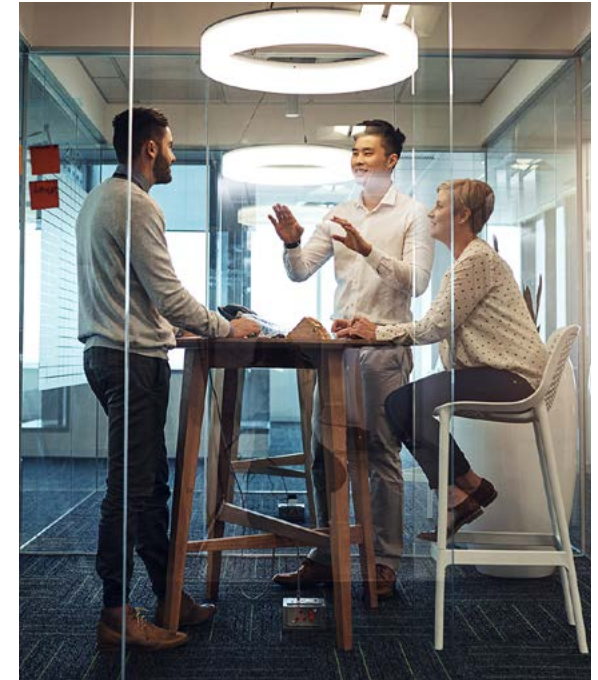
Innovation is a constant in the development of renewable energies. Technological progress will pave the way for greater efficiency for this type of energy, which has already advanced rapidly in recent years, in addition to the integration of new activities. In this context, the European Union is seeking to [integrate energy systems](#) with a view to supporting a more integrated, efficient and digitalised energy infrastructure.

Digitalisation has a prominent role to play. It was remarkable to see how the health crisis accelerated the digitalisation process in organisations, giving rise to great advances being made in the development of their digital culture and in the search for new opportunities.



Human capital and diversity

Human capital has a major role to play in the renewable energy sector and in the challenges arising in the midst of the energy transition. Companies will require new profiles and skills. It will no longer be enough to attract the best talent, but rather efforts to retain that talent and invest in training and development will be crucial. In such a scenario, **collaboration tools, retraining, health and safety of all people, and diversity and inclusion will all be key.**



2

RESPONSIBLE
GOVERNANCE

- > X-ELIO's governance
- > Ethical conduct and compliance
- > Risk management
- > Responsible supply chain
- > Tax information



2.1 X-ELIO'S GOVERNANCE

[GRI: 102-14, 102-18, 202-2]

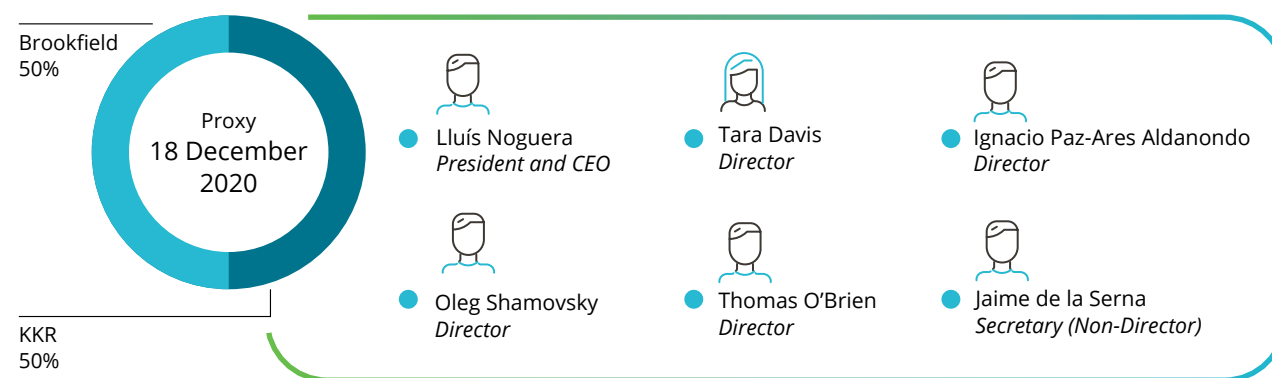
X-ELIO bases its model of governance and sustainable strategy on applying ESG aspects when integrating sustainable criteria as cornerstones in decision-making. The company strengthens these principles by drawing up a governance system that champions trust among its stakeholders, and based on a high level of transparency when undertaking its activities.

In order to strengthen this goal, X-ELIO provides its employees and collaborators with the **Code of Ethics and Business Conduct**, reflecting its commitment to the organisation's evolution and growth, and the fulfilment of its strategic objectives, based on a sustainable and ethical business model.

Structure of governance and its responsibilities

The Board of Directors is the foremost decision-making body, and the main issues on which it decides notably include ensuring the company's social interest, designing and managing the business strategy, approving budgets, monitoring risk and identifying business opportunities. The commitment of the decision-making bodies is a guarantee of success and, first and foremost, one of their core goals is to become established among the best practices in good governance.

The composition of the Board of Directors and its Committees is structured based on the principles of transparency and independence, championing aspects such as diversity and certifying its members' professionalism. The current representation on the governing bodies is as follows:



C-Suite representation



X-ELIO has local management teams in some of the markets in which it operates, seeking to improve organisational capacity in these places:



The functions and responsibilities of these Committees strengthen X-ELIO's responsible governance.

X-ELIO has recently set up a matrix of authorisations to supplement the internal approval processes of the Board of Directors. This strengthens internal communication between the Board and the Steering Committees, seeking to achieve **more effective collaboration throughout the organisation**.



Board Meetings

The body responsible for any matter requiring approval of the Board of Directors, such as updating the business plan and other financial and non-financial matters.



Management Committee

Responsible for managing the organisation's financial activity and ensuring that it is well managed in order to achieve the foreseen results.



Executive Committee

Coordinates the management of activities and projects of the Board of Directors.



Health & Safety Committee

Organisational unit and ultimately responsible for the development and implementation of health and safety control measures.



FID Committee

The body responsible for organising and preparing aspects related to final decision-making on investments.



People & Culture Committee

Responsible for talent development within the company, as well as strengthening and providing transformation in order to achieve long-term strategic goals.



Procurement Committee

The committee responsible for tender processes and developing proposals in this field.



Compliance Committee

The team responsible for the development, implementation, ongoing monitoring and dissemination of international good practices in the field of regulatory compliance and integrity.

Sustainable governance

X-ELIO is committed to sustainability as a framework for growth and promotes operational transparency, ethical and responsible conduct as the basis for the operation of its corporate governance structure and of each of its business units.

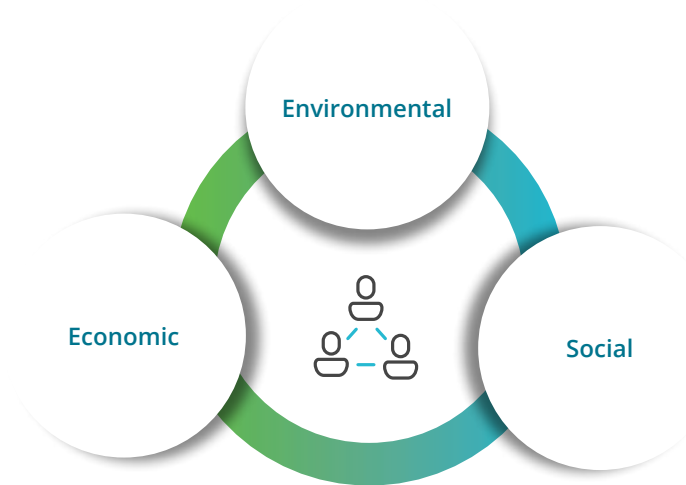
In that regard, all members of the governing body are responsible for decision-making on environmental and social economic matters. Similarly, this goal lays the guidelines for X-ELIO's strategy, and for this reason, it works to consolidate initiatives that foster sustainability management and to adapt the most advanced practices in good governance.

Furthermore, the company has highly relevant professionals and managers worldwide. One example of testament to this is the award received this year by Lluís Noguera, President and CEO of X-ELIO, named "Best CEO in the Solar Power Industry in Western Europe" at the European Entrepreneur of the Year Awards 2020.

This type of measures and acknowledgements highlight X-ELIO's current good positioning in the renewable energy sector through outstanding management and a global team of excellent professionals.

This year's key governance measures include —within X-ELIO's consolidation in international markets— the appointment of a new Country Manager in the Japan office.

X-ELIO took part in the Council for Inclusive Capitalism, an international association that fosters partnerships between executive directors and world leaders in order to benefit from the private sector to create a more inclusive, sustainable, and reliable economic system.



"It is a great honour for me and, of course, for our company. I would like to extend this award to the team of excellent professionals who form part of X-ELIO worldwide. Without their work, we would not have been able to reach our current position on the renewable energy market. This award is a major driver for continuing to work with even more passion and resolve towards our goals and strategic plan for the coming years"

Lluís Noguera,
X-ELIO President and CEO

2.2 ETHICAL CONDUCT AND COMPLIANCE

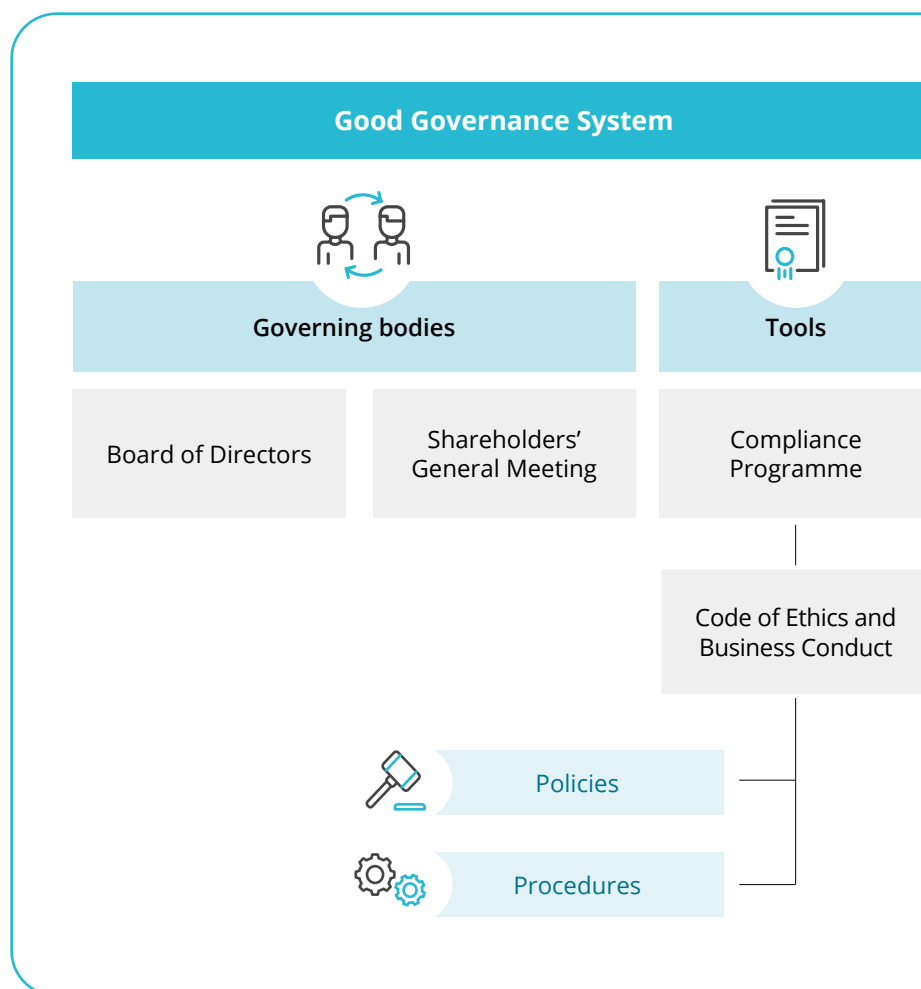
[GRI: 102-16, 205-1, 205-2, 415-1, 419-1]

X-ELIO displays a **solid commitment based on the alignment with the declared purpose, strategy and values**, as well as compliance with the main international standards for risk management, considering the guidelines set by the internal regulations for development.

Throughout this year, **X-ELIO has focused its efforts towards improving its compliance system**, by linking financial performance to legal matters that cover all the organisation's activities.

In 2020, an employee training programme was conducted on all internal regulations for compliance development, and a crime prevention programme was implemented with scope for Spain and Italy.

Furthermore, we have implemented the **Conflicts of Interest Policy**, which seeks to establish a set of principles to manage potential conflicts affecting managers or employees in their relations with the company, and any other conflicts in relation to customers and other stakeholders.



The X-ELIO good governance system also has a number of programmes, policies and procedures, notably featuring its Compliance Programme. The values contained in this programme are promoted by X-ELIO's governing bodies through X-ELIO's implementation of the Code of Ethics and Business Conduct, and the Compliance Policies on anti-corruption, protection of competition, international trade sanctions and conflicts of interest, among others.



Compliance Programme at X-ELIO

X-ELIO has a comprehensive Compliance Programme specifically designed for the company, which **meets the highest international standards of business integrity**.

The Compliance Programme serves as a guide for how the people who make up X-ELIO conduct themselves in the performance of their duties. The goal of this programme is to verify compliance with this regulation by the company and its suppliers, on the basis of a risk analysis in each of the sectors and locations where X-ELIO is active.

The body in charge of promoting the Company's values is the **Compliance Committee, which ensures that ethical conduct is maintained**, while disseminating and monitoring compliance with policies under the Code of Ethics and Business Conduct. This body comprises diverse members and integrates some of the company's most relevant areas:



Moreover, **X-ELIO regulates its commitment to ethics, integrity and legislative compliance** through the Code of Ethics and Business Conduct, and also has policies on anti-corruption, trade sanctions and anti-monopoly, which are supplemented by other specific procedures.

The Code of Ethics and Business Conduct is one of the core documents applied at X-ELIO and is binding on all its employees. The document lays down the guidelines for conduct that must be followed by the members of the company, and even applied to relationships with customers, suppliers, agents, distributors and outside partners.

The Code stems from X-ELIO's Board of Directors, which expresses its commitment and that of the entire company **to the highest international standards of business integrity and ethical and responsible conduct**, in each of the company's business activities and in every market in which it operates.

For X-ELIO, it is crucial to raise awareness of the existence of these policies and procedures among its personnel, and it has therefore strengthened its communications in 2020 and boosted awareness-raising actions in this regard compared to previous years.

The company has set up the X-ELIO's Ethics Channel through which it is possible to confidentially (and anonymously) report possible breaches of the standards contained in the Code of Ethics and Business Conduct and the Compliance Policies. The channel is freely accessible and is available to employees, partners or anyone who maintains a contractual relationship with X-ELIO, as well as to stakeholders with whom the company may have an impact by undertaking its operations. **No complaints have been received through this channel in 2020.**

The Board of Directors is responsible for determining goals and approving management procedures and models, as well as receiving monthly reporting on reported or detected incidents.

Regulatory compliance



Functions

The **Compliance and Legal** teams are in charge of effectively monitoring and regularly verifying compliance, as well as classifying risks on the basis of their likelihood of occurrence and impact, and mitigating any breaches caused by the activities carried out.



Crime Prevention Programme

In 2020, **X-ELIO has conducted a national and international criminal risk assessment** with a resulting risk and control matrix, approved by the Board of Directors, and the heads of controls have been certified for compliance in their business areas.



Risks in management

As a result of the changes in criminal matters, **X-ELIO itself exercises a crucial line of defence for compliance with the Group's internal and external regulations**, which include commercial regulations, accounting regulations, tax regulations, financial regulations, and information security, etc.



Socioeconomic compliance

The company has not made donations or contributions to political parties during 2020, nor have there been any violations of social and economic law and regulation.

Furthermore, a compliance monitoring and control model has been set up, and a compliance ambassador has been appointed in each country.



Anti-corruption Policy

In 2020, X-ELIO approved the update of its Anti-corruption Policy, which notably features the **ethical and legal commitments and standards** with which it fully complies and which it applies to all employees both in their daily activity and in their relations with third parties. X-ELIO undertakes corruption risk assessments in each of the countries in which it operates and performs ongoing monitoring of its third parties.

This year, the company has trained 100% of its employees in the fight to combat corruption, and also makes policies and procedures available through its website and Intranet.

With a view to ensuring due diligence and raising awareness on these aspects, X-ELIO encourages its employees to report and notify any anti-corruption concerns related to their own activity or the activity of others.

100 % of X-ELIO employees have completed their anti-corruption training programme at the time of this report. The governing bodies that have received this training are the C-Suite and CEO/President of the Board of Directors.



Commitment to respect human rights

[GRI: 406-1, 407-1, 408-1, 409-1]

The company is firmly committed to **respecting human rights and non-discrimination in the workplace** in all the locations in which it operates, strictly complying with the applicable labour regulation and respecting the right to collective bargaining, in addition to the provisions of the applicable labour agreements. X-ELIO remains vigilant in this type of situations, and no cases of discrimination or violation of human rights have been detected this year.

The core principles and clauses of the X-ELIO Procurement Policy establish compliance with applicable legislation for the protection of human rights, non-discrimination and prohibition of forced and child labour.



2.3 RISK MANAGEMENT

[GRI: 102-15, 102-30]

X-ELIO has a **Risk Management System** that enables it to conduct a **regular assessment of its operational risks** in line with international risk management standards and best practices of corporate governance.

Being aware of the importance of the regulatory environment in terms of risk management, as well as the various social and environmental challenges, the company's commitment is based on upholding legality and social responsibility.

Risk management by X-ELIO is subject to ongoing reflection, trying to adapt and anticipate the continuous changes in the sector and involving all areas of the company. X-ELIO's Compliance and Legal departments play a key role by

implementing and monitoring risk management policies and procedures. Joint management of these departments encourages efficiency and speeds up the actions executed by X-ELIO, including:

- Identifying the challenges it faces and assessing the risks that may affect X-ELIO in the achievement of its goals.
- Establishing a defence model for the identification and management of social, environmental, health, financial and cybersecurity risks that the company faces.
- Involving all areas and departments in monitoring possible actions or activities that represent a potential risk.

In that regard, and based on an approach of ongoing improvement in all its risk detection processes, X-ELIO has **updated the risk matrix in 2020**, taking as a starting point the type of risks outlined by the company in previous years.

The company fosters **the creation of long-term value** for all its stakeholders, and therefore involves them in the detection of ESG risks. Accordingly, communication channels have been opened, and that enables the organisation to maintain a direct relationship with its stakeholders, and to complement this dialogue by studying and listening to their needs and expectations. Thus, X-ELIO can **align its operations** with the rest of its core stakeholders' opinions by understanding their key concerns and the impact the company has on them.

+360 Compliance Risk Prevention Methodology



- New Global Compliance Manager
- Commitment to ethics, integrity and compliance with legislation
- Compliance culture, strengthened with yearly training (*Tone at the Top+Middle+Bottom*)

As part of the efforts and commitments it has made to boost sustainability within the organisation, X-ELIO has focused on non-financial risk management. In that regard, the company has considered the influence of these impacts internally, and assesses environmental, social and good governance risks according to their incidence, degree of control and analyses the results obtained.

Operational risk

There are other types of risks inherent to X-ELIO's activity, for which the company develops various mechanisms and tools that enable it to understand the risk level, and for which it has provided processes for each of its business and operations managers in order to prevent such risks within the organisation. These risks are as follows:



Legal risk

This arises from current and future regulations, standards and protocols. New regulatory pressures require X-ELIO to conduct regular law enforcement in order to monitor possible risks.

These regulatory changes are assumed by the organisation, since they can affect work execution plans. For this purpose, **X-ELIO limits investments in regions with high legal uncertainty and has resources such as the Environmental Impact Statement** and the Safety and Prevention Plan.

One example of the supplementary measures that have been taken by X-ELIO in order to strengthen the prevention of these risks includes the creation of a new regulatory department to monitor risks related to changes in national legislation where the company operates.



Environmental risk

Environmental compliance is one X-ELIO's biggest demands, thus, the detection of possible breaches in the natural environment where the company operates is a priority for the organisation. Consequently, it implements procedures seeking to identify possible negative impacts on the environment arising from its activity. Due to the geography of the places in which X-ELIO operates, it has been estimated that it is necessary to take out cover against natural disasters, in addition to calculating the unavailability factor of the network for its production projections, in order to address risks of restricted access to the electricity grid.



Job security risk

X-ELIO fosters a preventive culture of safety for its personnel, O&M, external personnel and other offices. In other words, **the company focuses on the care and monitoring of possible safety risks**, especially when undertaking works and, to this end, the company has EPC liability clauses. Furthermore, X-ELIO has a safety system based on the ongoing management of risks to the safety of its personnel, contractors, subcontractors, members of the public and all its assets.

Among the measures taken to address this type of risk to environmental and occupational safety, X-ELIO also hired a local specialist during the construction and O&M stages, in order to ensure knowledge of and familiarity with local regulations and to adapt each project to local cases.



Financial risk

X-ELIO's financial department is **responsible for spearheading the analysis of operations and control systems** that allow controls to be properly executed. Typical cases of financial risk include fluctuations in the price of raw materials and exchange rates.

2.4 RESPONSIBLE SUPPLY CHAIN

[GRI: 102-9, 204-1, 308-1, 308-2, 414-1]

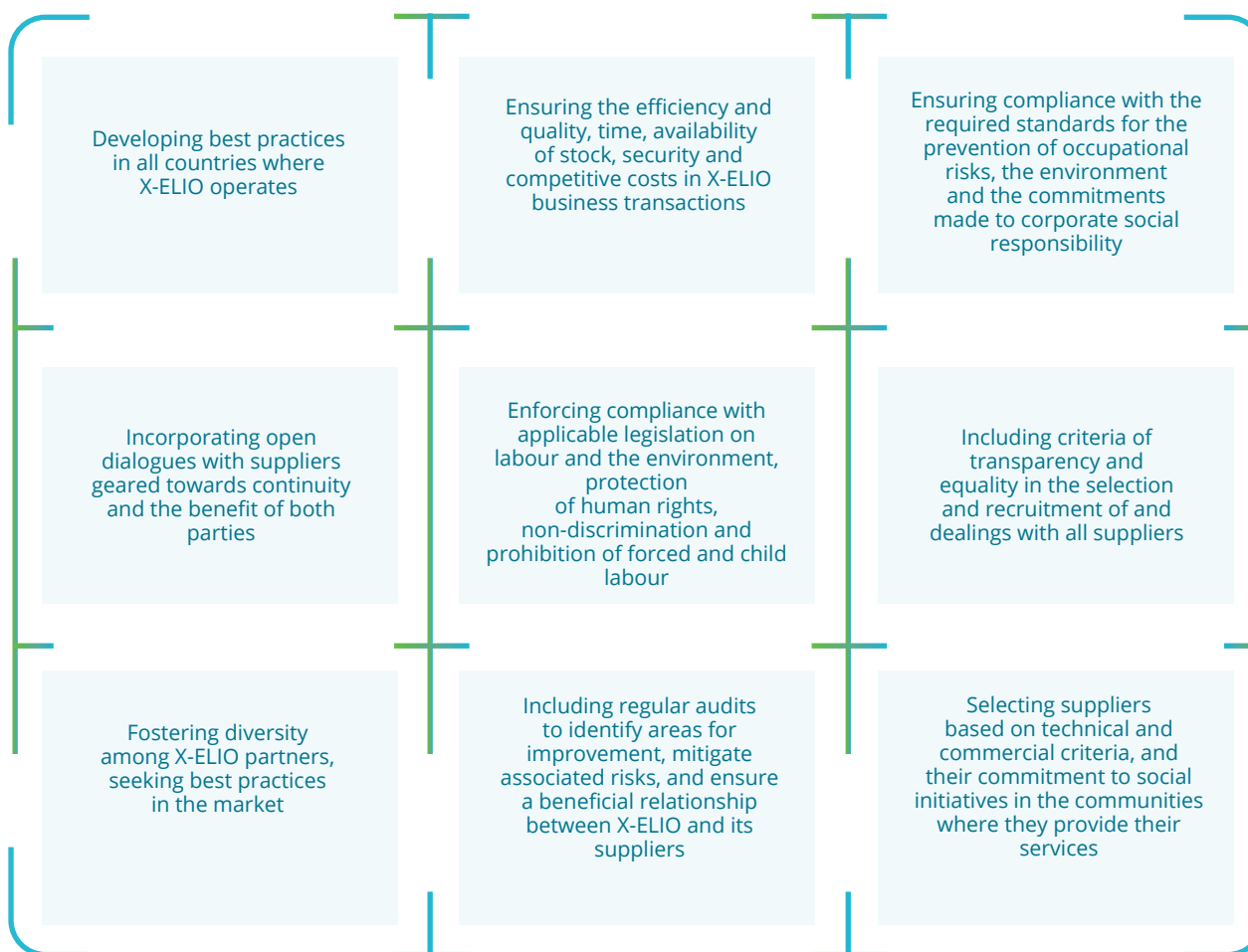
Main supplier management tools at X-ELIO

- Procurement Policy
- Procurement Procedure
- Procurement Catalogue
- User Guide Business (Jaggaer)
- Process Sourcing X-ELIO

X-ELIO participates in the value chain of renewable energy generation, and is present at each of its stages, from promotion to construction, through production, storage, operation and supply. As for X-ELIO's suppliers, by way of this collaborative approach, they are considered to be a core part of the company's production fabric, but they also become key agents in supporting and **committing to sustainability and the ecological and fair transition**.

The company undertakes its operations with the clear strategic priority of having a responsible supply chain and considers its suppliers to be a key element in value creation. The company's supply chain is governed by the **Procurement Policy** of X-ELIO. This policy seeks to lay down the principles and guidelines on managing the procurement of goods and services, in order to meet the needs of the Procurement Unit and Business Units in terms of efficiency and quality, thus supporting the fulfilment of the strategies and goals of X-ELIO and its subsidiaries.

Goals of the Procurement Policy



In order to transmit the commitment to the entire value chain, X-ELIO has a set of tools, notably featuring the **procurement procedure, the procurement catalogue, and the certification processes and final assessments of suppliers**, which seek to foster the correct operation, sustainability and transparency among its partners. In other words, X-ELIO suppliers must ensure that the requirements are met and that the activities are conducted under the principles of these procedures, which include abiding by the law, strengthening and protecting the company's brand image and respecting working conditions and confidentiality.

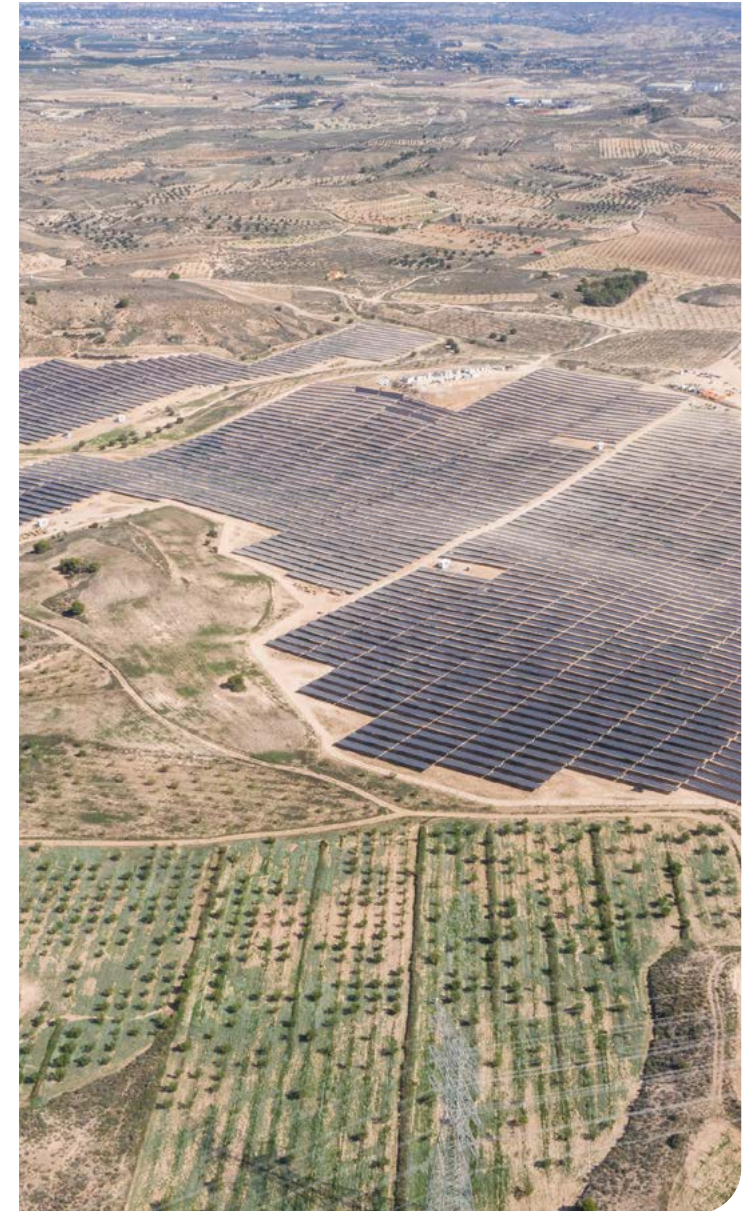
Similarly, in 2021, **X-ELIO intends to develop a new procurement management model** based on the re-design of the processes that cover the complete process of managing the company's procurement. This new model represents a radical shift in the way X-ELIO procurement is managed because it has been implemented on integrated technology solutions (*Procure-to-Pay* and *Sourcing*), thus obtaining an improvement in the user experience and traceability, auditability and security of the procurement process.

The milestones in the supply chain are:

- 1 | Setting up a recruitment strategy
- 2 | Market analysis and selection of previously approved suppliers
- 3 | Launch of a complete process up to awarding through JAGGAER©



The Procurement Committee has been active in X-ELIO since 2019. This body comprises the CEO, C-SUITE members and the head of the Procurement Unit. This Committee is responsible for overseeing the effective implementation of procurement procedures and procurement-related policies.



Progress in supplier assessment

In relation to its suppliers, the company complies with the required standards for the prevention of occupational risks, the environment and the commitments made to corporate social responsibility.

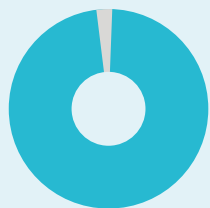
In line with the principles laid down in its Procurement Policy, **X-ELIO promotes the assessment of its suppliers pursuant to social responsibility criteria**. In particular, in 2020, 2% of the total number of new employees with whom the company has started working have been selected on social criteria.

Strengthening local X-ELIO partners

Given that X-ELIO's business model depends largely on producers and local communities, since its operations are carried out locally, **the organisation encourages hiring collaborators located in its own territory**. This commitment also results in a reduction in travel-associated greenhouse gas emissions.

Spending on suppliers (thousands of euros)

	Item	Spain	Chile	Mexico	Other LatAm	USA	Italy	Japan	Australia	Other countries	Total
2019	Total spending on suppliers	399,994	1,999	231,766	200	69,119	1,233	22,259	4,866	1,661	733,047
	Spending on local suppliers	199,173	1,999	231,766	200	69,119	1,233	22,259	4,866	1,661	442,276
	% Local suppliers	27%	100%	100%	100%	100%	100%	100%	100%	100%	-
2020	Total spending on suppliers	90,053	28,018	29,162	38	21,365	2,079	30,353	25,652	1,837	228,557
	Spending on local suppliers	69,879	28,018	29,162	38	21,365	2,079	30,353	25,652	1,837	208,383
	% Local suppliers	78%	100%	100%	100%	100%	100%	100%	100%	100%	-



With respect to the total spending by X-ELIO on suppliers in 2020,

97.56% corresponds to local suppliers

2.5 Tax information

[GRI: 207-1 Approach to tax]

The tax strategy of X-ELIO is linked to business development and it is committed to fulfilling its tax obligations in all the jurisdictions where it operates.

All employees who perform duties or have responsibilities in this area are committed to acting pursuant to tax laws, relevant internal regulations or specific policies, as outlined in X-ELIO's Compliance Policy.

	2019	2020
Economic value generated	61,865	83,793
Turnover	55,620	75,747
Finance income	2,120	3,733
Other income	4,125	4,313
Economic value distributed	853,237	285,305
CAPEX	726,973	199,824
Payment to capital providers	92,987	58,378
Tax	17,212	14,302
Personnel	16,065	12,801
Economic value withheld	22,637	39,766

*In thousands of euros

Table of taxes paid by country

	2018	2019	2020
Spain	€21,358,539.00	€6,502,703.63	€8,932,033.79
Argentina	€47,612.00	-	€255.17
Costa Rica	€362.00	-	-
Chile	€502,626.00	€1,108,956.34	€1,048,510.65
Australia	€37,356.00	€43,489.71	€105,326.59
USA	€3,001,407.00	€157,914.22	€22,724.84
Colombia	€13,498.00	€825,299.44	-
Honduras	€18,368.00	€80,269.60	-
Italy	€6,413.00	€144,115.00	€200,613.83
Mexico	€1,297,951.00	€4,197,487.29	€1,070,259.80
Kuwait	€146,255.00	-	-
Japan	€3,079,581.00	€7,735.92	€18,202.60
South Africa	€2,726,310.00	€4,096,582.96	€2,902,630.88
Puerto Rico	€3,220.00	€4,266.19	€427.55
Peru	€1,817.00	€398.25	€1,352.97
TOTAL	32,241,315	17,169,219	14,302,339

3

KEY PLAYERS IN
THE SUSTAINABLE
TRANSITION

- > Climate strategy
- > Protection of biodiversity and natural capital
- > Circular economy



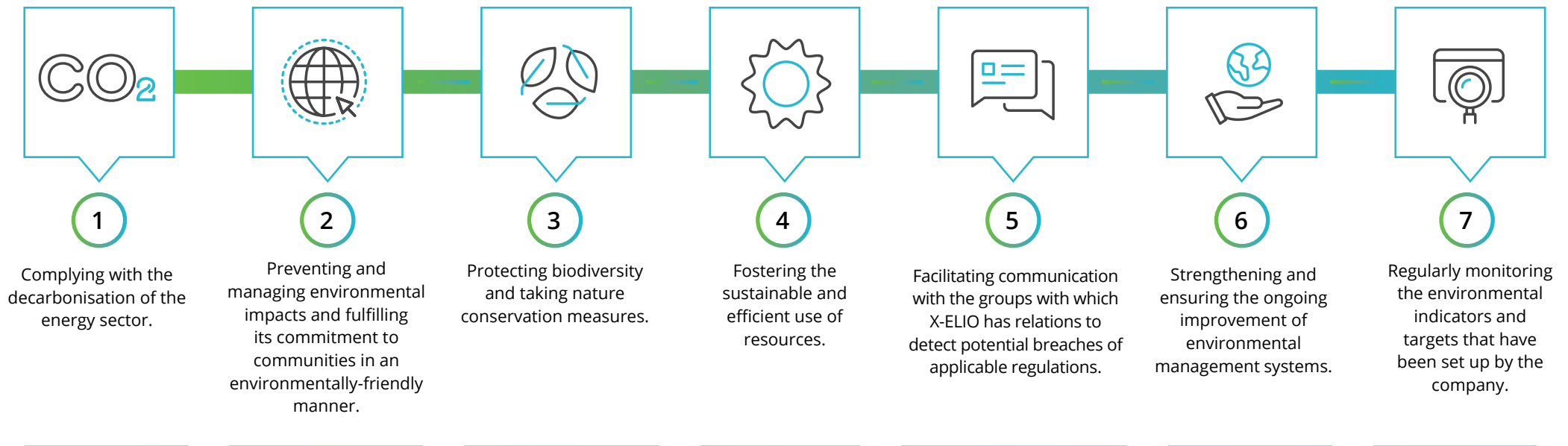
3.1 CLIMATE STRATEGY

[GRI: 302-1, 305-5]

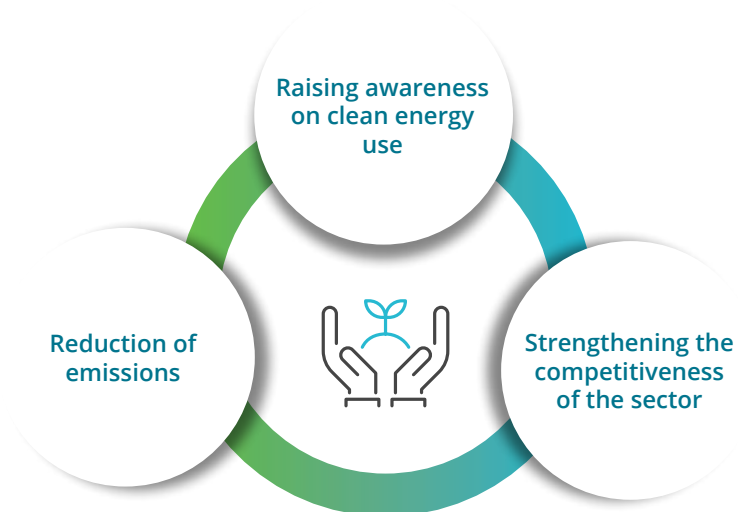
One of the cornerstones of X-ELIO's climate strategy is to reach a balance between the environment and the undertaking of its activities, gearing its efforts towards the implementation of initiatives and plans to improve its environmental footprint, basing its principles on HSSE Policy.

In particular, the company seeks to act in a sustainable, transparent manner and pursuant to the legal and environmental regulations in each of the countries where it operates. To this end, X-ELIO has tools and control mechanisms to manage and mitigate all risks and impacts related to operations, with an overall goal of ongoing improvement.

The goals of X-ELIO's climate strategy are as follows:



On the basis of these commitments, **X-ELIO works thoroughly on actively contributing to the ecological and fair energy transition**, with the clear target of creating value and undertaking its business sustainably.



The company's purpose is to be a global benchmark for the development of sustainable energy solutions, in order to make a positive impact on the planet and people's lives.

Accordingly, the company continuously undertakes solar photovoltaic energy projects in various countries and regions, always with the goal of benefiting the economies and societies in which it operates. Furthermore, X-ELIO carries out its production activity with the task of showcasing to third parties the organisation's commitments to reduction of emissions, climate risk mitigation and the transition to a low-carbon economy.

It has adequate management systems that respond to changing environmental conditions, in balance with socio-economic needs. The progress made by monitoring and controlling these management systems —at all levels of the organisation— results in a commitment to the sustainable development of all the territories in which the company's facilities are located. The measures set out in the Environmental Impact Statement (EIS) are taken for each specific project, which are ultimately geared towards controlling the environmental impact arising from X-ELIO projects.

Energy and commitment to the environment

X-ELIO is committed to addressing the challenges of climate change and works to ensure that its activities contribute to reducing greenhouse gas emissions. In that regard, X-ELIO is aligned with international negotiations and with the goals set for making electricity generation fully renewable.

In 2020, the company consumed 2,150,839.70 kWh, generating a total of 1,915,731,923 kWh through its facilities.

Country	Electricity consumed (kWh)
Spain*	1,108,126
Mexico	241,902
Chile	22,500
Honduras	560,110
Japan	38,702
Italy	6,253

Country	Energy generated (kWh)
Spain	900,842,497
Mexico	574,315,816
Chile	157,819,232
Honduras	78,771,827
Japan	7,127,820
USA	113,240,197
South Africa	61,280,265
Kuwait	22,334,269

* The data collected for Spain includes electricity consumption in the offices of Madrid and Murcia.

Note: The scope of the environmental indicators reported in the above tables on energy consumption and production correspond to the projects that are active in 2020 and on which X-ELIO has information. The company is working to consolidate the calculation methodology of this indicator for the years to come.

The company has resolved to make a decisive contribution to the **Ecological Transition**. To this end, it uses various tools and methodologies in order to detect areas of improvement. Accordingly, it provides differential value with the goal of maximising the efficiency of all its key environmental management processes, including:

- Collaborating with an **external consultancy firm** to calculate X-ELIO's global greenhouse gas emissions. A footprint calculation tool has also been implemented internally to standardise and monitor this process.
- Establishing the **certification of its environmental footprint as a future goal** for improvement and to verify how the calculation has been carried out and to detect possible errors to be corrected.

Greenhouse gas emissions

SCOPE 1

0.00
t CO₂

Scope 1 emissions are those produced from the combustion of fuel. In the case of X-ELIO, by subcontracting the operation/ construction of the plants and not having its own vehicles, nor having boilers in offices, these indicators may be non-significant with respect to the total emissions generated.

SCOPE 2

46.14
t CO₂

Scope 2 emissions originate from X-ELIO's direct consumption, in other words, the offices in Madrid, Murcia, Japan and Italy.

SCOPE 3*

39,344.48
t CO₂

Scope 3 emissions are those that are under the control of a third-party emitter. In the case of X-ELIO, by subcontracting the operation/ construction of the plants, the consumption of fuel, electricity, water and materials of EPC contractors during the reporting year is covered under its Scope 3.

* The calculation includes only those plants that have full information. This methodology is undergoing review.

Total Emissions (t CO₂): 39,390.61

The energy generated by X-ELIO is **100% renewable and sustainable**, therefore its activity is itself a way of reducing greenhouse emissions.

Country	Tonnes of CO ₂ avoided
USA	47,674.12
Mexico	273,948.64
Spain	259,442.64
Chile	68,651.37
Honduras	24,813.13
Japan	3,720.72
South Africa	55,152.24
Kuwait	13,288.89

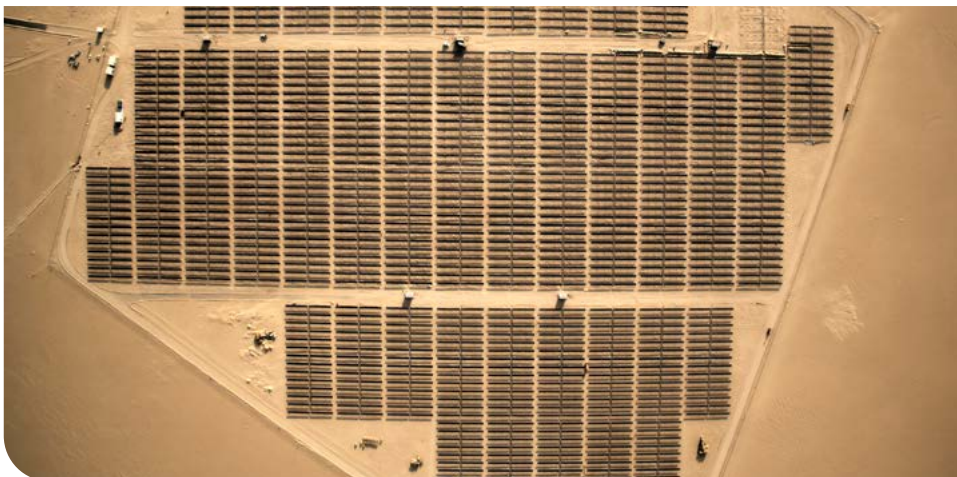
Emissions
Avoided
(t CO₂eq):



746,691.75

Furthermore, X-ELIO also presents **solutions internally by implementing a mobility programme** through which it provides financial support to employees to help them in the transition to a more sustainable and responsible form of mobility. In addition, X-ELIO has set up a sustainable travel policy, ensuring that travel by X-ELIO staff minimises its carbon footprint emitted to the planet and prioritising more responsible and sustainable means of travel. The use of hybrid and plug-in electric vehicles has also begun to be introduced at the company.

Based on its environmental strategy, **X-ELIO is also committed to improving the data collection process** by encouraging upgrading measures and more efficient actions that contribute to identifying opportunities for cost savings and to achieving the goals set by the organisation.



Environmental assessment and compliance

The company sets goals and monitoring indicators through local collaborators, whose specific knowledge of the areas of operation **guarantees compliance with all the environmental legal requirements**.

What is more, X-ELIO's corporate area of Health, Safety, Security, Environment and Quality (HSSE-Q) is in charge of monitoring compliance with the requirements of the regulatory framework and provides technical guarantees to adapt each project to environmental standards.

Through this commitment, **the company has the vision of becoming a leading energy provider in the industrial transformation and services sector**, ensuring that the energy transition is fair and generating green and quality jobs through ancillary measures.

Throughout this year, work has continued on improving the maintenance of the Environmental Management System implemented at X-ELIO pursuant to **ISO 14001**

This year, X-ELIO has implemented new environmental policies among its companies and projects undertaken in America and Latin America, managing the correct fulfilment of the commitments and obligations in this field, and ensuring that projects meet the performance standards of the Equator Principles that are necessary for disbursements.

3.2 PROTECTION OF BIODIVERSITY AND NATURAL CAPITAL

[GRI: 304-3]

X-ELIO is committed to respecting, protecting and caring for biodiversity in the areas where it conducts construction, operation and maintenance. On the basis of the analysis conducted by X-ELIO in partnership with the various stakeholders, conservation of biodiversity and the ecosystem is one of the most pertinent matters.

Therefore, **the organisation has set a goal to combat adverse effects on ecosystems that may arise from the construction and implementation of X-ELIO solar installations**, and thus foster biodiversity conservation. All projects executed by the company are pursuant to the framework of the Integrated Quality, Environment and Health and Safety Policy, and which forms the basis of all its activities.

X-ELIO is aware of the challenge and is working on integration projects to conserve, protect, restore and foster the sustainable use of natural capital and terrestrial ecosystems.

Furthermore, the following **tools and control mechanisms are available** to address biodiversity impacts arising from plant construction and implementation projects:

RISK/IMPACT	CONTROL MECHANISMS
Impact on the environment	<ul style="list-style-type: none"> ■ Immersion in areas with reduced visibility ■ Integrating the photovoltaic installation into the surrounding landscape through revegetation of park boundaries
Noise and dust generation	<ul style="list-style-type: none"> ■ Caring and controlling particles and dust using soil irrigation ■ Planning and adapting the timetables of heavy machinery to avoid noise during the daytime
Impact on soil and water conditions	<ul style="list-style-type: none"> ■ Conserving and subsequently using topsoil during land movement ■ Applying sustainable soil drainage measures and working in periods of intense rain reducing surface run-off and, consequently, the risk of erosion and flooding
Impact on flora and fauna	<ul style="list-style-type: none"> ■ Choosing suitable sites in areas of reduced biological value to curb the impact on protected species and prevent biodiversity loss ■ Reforestation and wildlife monitoring pursuant to local government criteria ■ Setting up animal monitoring and control methods based on collaboration and local government guidelines
Social and archaeological impact	<ul style="list-style-type: none"> ■ Building a constructive and open dialogue with the local community and other stakeholders at all sites prior to development ■ Fulfilling requirements and conducting social studies in the areas that require as such ■ Analysing the area in advance to verify the existence of archaeological remains of interest

In 2020, X-ELIO has taken part in restoration and reforestation works with native species of the region as mitigation and compensation measures, as well as undertaking other preventive and corrective actions for local fauna and flora.



Habitats: Bushes

Size of the restored or
protected area: 50 hectares

Thus, X-ELIO guarantees minimal impact on its surroundings during the construction of a new plant and does so individually by implementing the Environmental Impact Statement (EIS). The EIS functions as a diagnosis and mitigation tool, and is used to identify the possible effects that X-ELIO projects may have on the environment. Similarly, another of the cornerstones of its environmental strategy is to conduct its activity and that of its partners with the least possible impact on natural capital, which comprises all the natural resources surrounding the company: plants, minerals, animals, water, air, etc. In that

regard, X-ELIO is committed to contributing by boosting the ongoing improvement of the environment with each of its projects.

A strategic priority of the company is the protection of these natural resources, supported by each of the key agents of its value chain. Thus, they collectively apply this environmentally friendly approach in the process of manufacturing, use, marketing or completion of the company's products and services.



3.3 CIRCULAR ECONOMY

[GRI: 301-1, 303-5, 306-1, 306-3]

This year, X-ELIO has continued to identify environmental aspects both at its offices and in its operations, with a view to **developing and consolidating measures to achieve a major reduction in its use of natural resources**.

Thus, X-ELIO is making positive progress in managing its consumption and minimising the impact it has on the environment. In that regard, the main materials that X-ELIO consumes originate from its construction activities, including steel, silicon, aluminium and bischofite.

The company seeks to maximise effectiveness and efficiency in the consumption of resources, using them sustainably, efficiently and responsibly. That is why it is committed to enabling circular economy processes as a development strategy, curbing its environmental impact.

Sustainable use of resources

X-ELIO also works continuously to choose recycled and sustainable materials. Its actions notably include the **elimination of plastic bottles and cups**, which have been replaced with reusable glass bottles, as well as starting another recycling project with coffee capsules. Furthermore, **X-ELIO has eliminated the use of paper in its offices and has a LED lighting system** that reduces power consumption and provides better lighting.

X-ELIO deems raising awareness on the importance of the sustainable use of resources to be essential. For this purpose, **awareness-raising activities** are regularly conducted, including actions to reduce electricity and the consumption of other materials, initiatives for correct waste management, and also through the involvement of a contact from the X-ELIO HSSE, department before starting meetings. The purpose of these meetings is to address concerns such as environmental incidents, spills, and incorrect waste separation methods, etc.

New measures are also foreseen to be implemented in the coming year, such as recruiting volunteers to take part in environmental actions and increasing environmental

initiatives in the company to create a more sustainable office. The company's water consumption is mainly concentrated in the construction stage, when roads must be watered frequently to curtail the inconvenience of dust. In that context, water use is split into the categories of non-potable irrigation water, own consumption and sanitation, with the consumption figure for 2020 standing at 5,082 m³ among the countries of Spain, Chile, Mexico and Honduras.



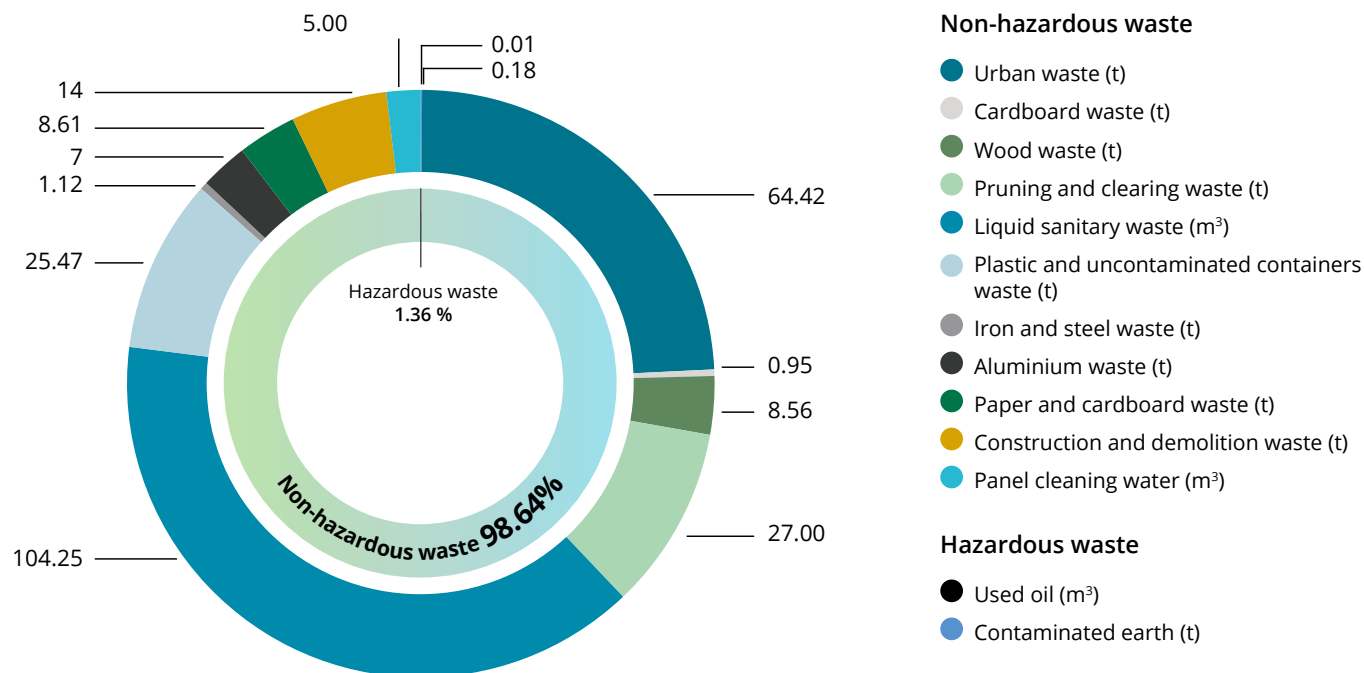
Waste management

Forestry operations during the construction stage are the main source of the waste generated by X-ELIO. In that regard, it is worth noting that one of the most significant procedures provided for in the Environmental Impact Statement (EIS) is the action plan for managing this impact, which lays down the guidelines for the production, separation, monitoring and measurement of the waste produced. The company also has waste management programmes for all projects during their useful life.

The company contractually instructs correct waste management to be carried out, requiring monthly proof, and it also partners with an authorised management firm to correctly manage water discharges and their subsequent treatment in sewage treatment plants. X-ELIO's management is also committed to undertaking measures to combat waste and sets specific goals for improving waste disposal.

In 2020, 246 tonnes of waste were generated, of which 98,64 % were non-hazardous.

Hazardous and non-hazardous waste (t)



X-ELIO is committed to improving waste management and extending the useful life of solar panels. This year, the company has collaborated with an NGO to donate waste electrical and electronic equipment. In particular, 4,912 defective solar panels have been recycled, resulting in a total of 123 tonnes of aluminium, steel and other electronic materials originating from these panels.

4

PEOPLE ALWAYS
AT THE FOREFRONT

- > Talent at the company
- > The value of diversity
- > Employee health and safety
- > Employee well-being

5

GENDER
EQUALITY

10

REDUCED
INEQUALITIES

8

DECENT WORK AND
ECONOMIC GROWTH

4.1 TALENT AT THE COMPANY

In its efforts to foster relationships and communication between people and teams that allow it to have the **best talent**, X-ELIO applies a number of principles in the field of people management:

Invest in outstanding people

Ambition, flexibility, a global mindset, and commitment to the energy transition are the main values of the people comprising the organisation.



Apply ethical management principles

People management is based on equal opportunities, **meritocracy** and working actively to detect and tackle any biases that may arise.



Make a difference

Having the ambition to generate a positive impact on the lives of the company's employees and society in general by offering them knowledge, means, and the flexibility to **live better**.



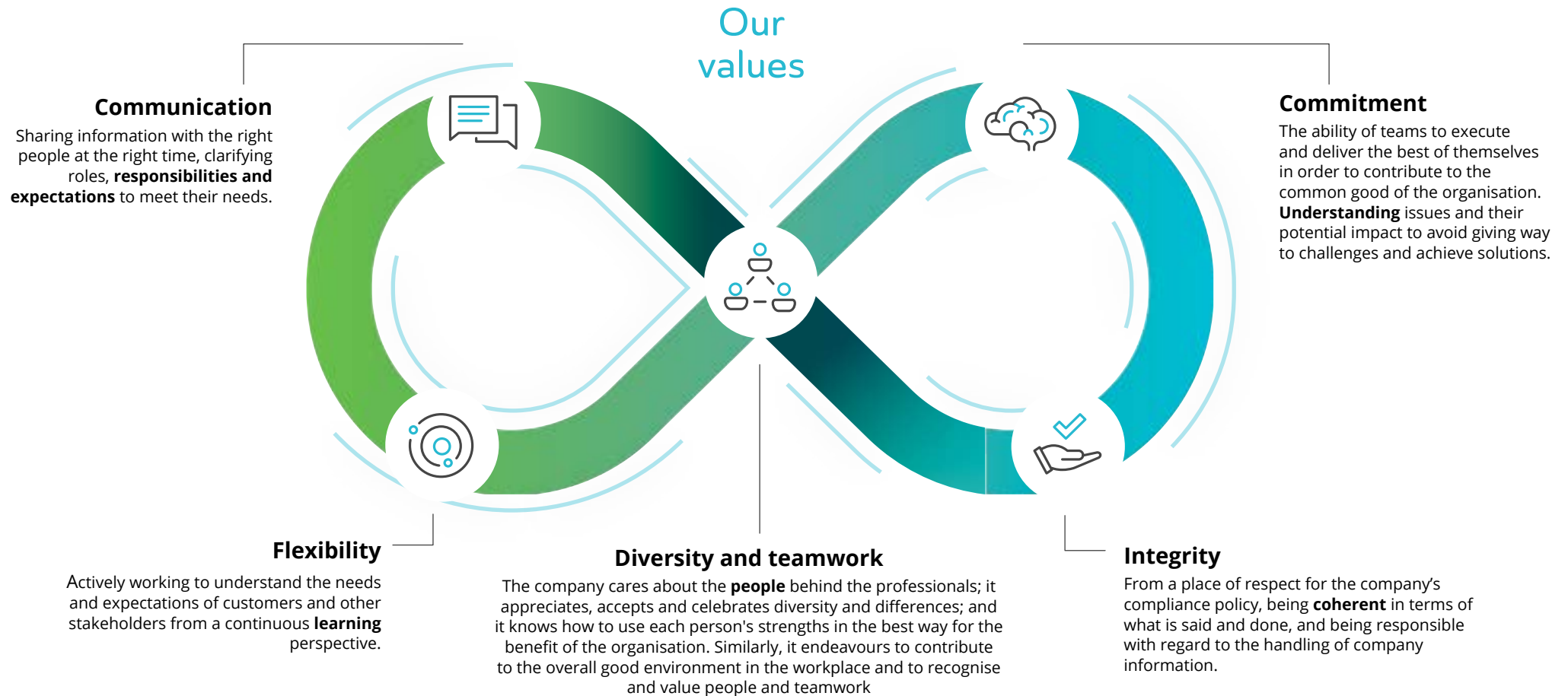
Encourage people to succeed

Offering opportunities to grow and evolve to those who are **committed** to their own development and that of the company.



X-ELIO currently finds itself in a context of growth and expansion, in which its employees are its greatest asset and a key component to ensuring its objectives are achieved in the short, medium and long term. With that in mind, X-ELIO is actively working to provide them with a **motivating** workplace where they can develop, in addition to **quality** working conditions, as can be seen in the various projects and initiatives that the organisation has come up with in this regard.



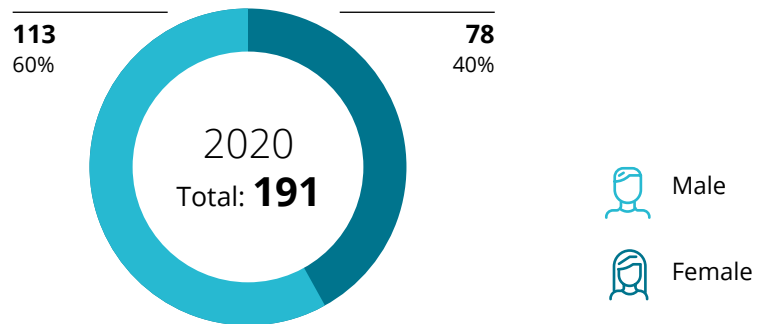


These values are X-ELIO's moral compass and the cornerstones on which the company's culture is based. Culture is a key part of the organisation and a tool for transformation, development and growth.

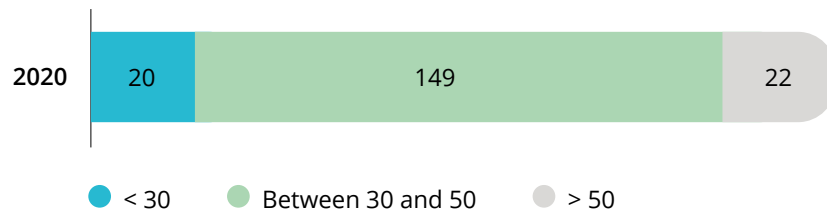
X-ELIO workforce

[GRI: 401-2, 401-3, 405-1]

Distribution of total staff by gender



Distribution of total staff by age and gender



X-ELIO workforce is made up of **191** professionals spread out across the different countries where the company operates, with **113** men and **78** women in 2020

Training and knowledge exchange

[GRI: 404-1, 404-2]

X-ELIO approaches the training process from a **dual perspective**. On the one hand, the aim is to give its professionals the necessary knowledge to improve their skills and attitudes, helping to contribute to their development and **career path**. And on the other hand, having a well trained team of professionals helps to position the organisation as an industry leader.



Onboarding Session

All employees that join the organisation take part in these sessions where they are introduced to the company's **values and culture** and given the necessary information about health and safety, compliance, and other matters to be able to get started.



Brown Bag Sessions

These are internal sessions given by X-ELIO employees to their workmates. This initiative has enabled improved collaboration between departments, creating synergies, and fostering the exchange of knowledge among workers for disciplines as varied as long-term Power Purchase Agreements (PPAs), development of projects in the different regions in which X-ELIO operates, Excel or financing, among others. A total of **11 sessions** were held throughout the year.



Training: technical, languages, and new working methodologies

Given the importance of languages when operating on a **global scale**, a total of **72 employees** took part in English lessons. Likewise, given the importance of technical training in this sector, several other training actions were held, including: Agile Methodology, Mitnick Security, Azure AZ-103, SAP, NIIF/NIC, Project Finance, Taxation, International, among others.

Data on hours of training received by employees, demonstrating their positive evolution over the last 3 years:

	Unit	2018	2019	2020
Total training hours	Hours	2,500	3,317	6,420
Average yearly training hours per employee	Hours	13	16	33



Performance of X-ELIO professionals

X-ELIO has a system for assessing the performance of its professionals from an objective standpoint, identifying and highlighting their strengths and achievements and also actively contributing to their individual development. This assessment is based on a system of targets which are annually defined with their team, and are structured as follows:

Business goals

These are **corporate targets** that are linked to the organisation's strategy and to which all staff are contributing.



Alignment with the organisation's values

The company attaches major importance and value to goals, how they are achieved and how they align with the organisation's culture.

Given how important the matter is to the organisation, starting in 2021, **sustainability targets** will be included, incorporating them individually into the management of each worker.

Individual goals

These are defined depending on the role each person occupies in the organisation, and whose **individual achievement** impacts the overall progress towards reaching the targets mentioned above.

4.2 THE VALUE OF DIVERSITY

[GRI: GRI: 406-1]

In line with its commitment to having a **diverse and dedicated team**, X-ELIO helps its professionals to develop regardless of their gender, culture, sexual orientation, age, or anything else. Similarly, it has the means to ensure that situations of inequality do not arise.

X-ELIO does not tolerate gender-based discrimination in the workplace and ensures pay equity in the organisation. It also promotes paternity and maternity protection for the company's employees. In 2020, 6 women and 6 men exercised that right, and all of them returned to their positions at the end of their leave, except for one.

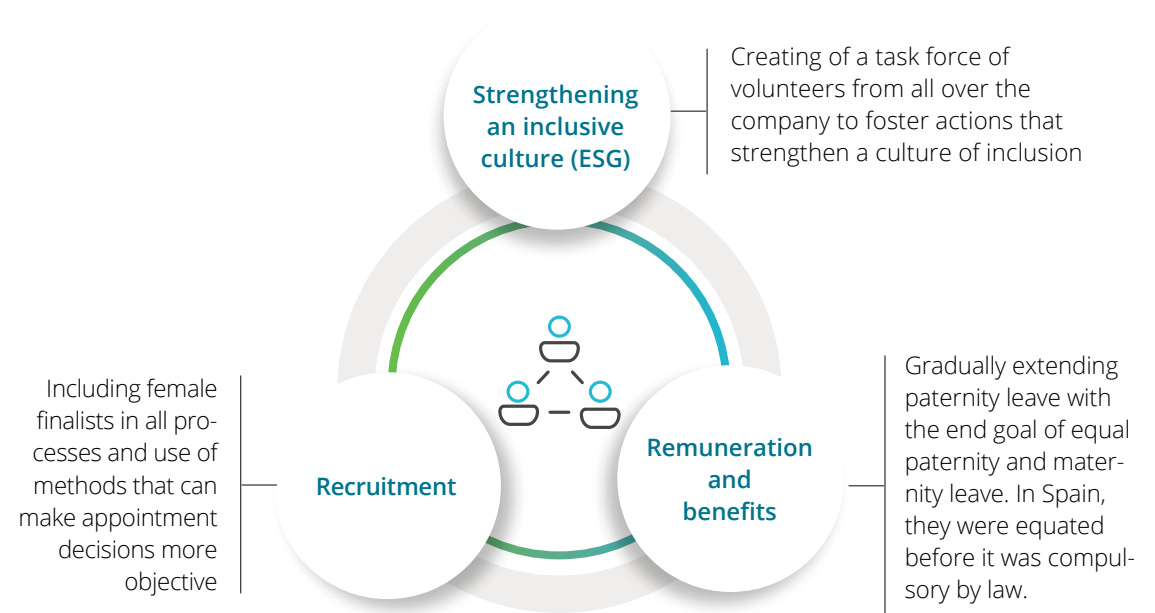
As a sign of the organisation's commitment to diversity and inclusion, in 2020, the company deployed systematic measurement and improvement of KPIs/ diversity indicators in both total numbers and management positions.

In order to improve these indicators sustainably over time, a roadmap was drawn up with a series of specific steps to progress in each of the parameters identified. The roadmap has the backing and commitment of all levels of the organisation, starting with the shareholders and the C-Suite that approved the roadmap.

X-ELIO has reinforced its commitment to equal opportunities and diversity through its collaboration with Fundación Alares.



The roadmap is split into three cornerstones:



The commitment will be demonstrated not only in specific efforts but in the commitment to link the company's corporate objectives and, thus, a portion of variable pay to the specific improvement of diversity indicators.

4.3. EMPLOYEE HEALTH AND SAFETY

[GRI: 403-1, 403-2, 403-3.403-4, 403-5, 403-6, 403-7, 403-8, 403-9]

X-ELIO is firmly committed to the health, safety and well-being of its workers.

The company promotes a preventive culture through its HSSE Policy in order to provide safe and healthy conditions to prevent any incidents at all of its facilities. In 2020, **it intensified its health and safety strategy**, focused primarily on the development and implementation of all actions necessary for providing the appropriate conditions for incident prevention, establishing control mechanisms to correctly manage the company's risks at a global level. This system applies to all X-ELIO work centres and is there to protect both direct and indirect workers who perform their jobs at such centres.

It has an external prevention service which is in charge of assessing the risks and planning the preventive activity in order to propose corrective measures to eliminate any risk. All necessary resources are deployed to guarantee that any **health and safety risks are properly controlled** and that, should

they materialise, they have as little impact as possible. With this in mind, during 2020, X-ELIO developed and implemented new procedures in this regard, such as emergency preparedness and response, contractor management, incident investigation and reporting, work planning, LOTO (lockout-tagout), work permits, risk management and assessment, and preventive safety observations.

Furthermore, as part of the HSSE policy and strategy, it is working to integrate a broader vision of this subject to clearly and objectively show the company's commitment to **health and safety, the environment and sustainability** to reduce as much as possible the likelihood of any incidents occurring in any of its processes.

X-ELIO holds AENOR's EN **ISO 45001** certification, providing a safe working environment for all stakeholders, minimising risks and improving process efficiency.



The workers are consulted, they get to participate and are then notified of any relevant information that the external prevention service draws up for X-ELIO. Furthermore, a specific consultation is carried out with the actions derived from the certification as a **healthy workplace** so that the workers can take stock of the activities and propose new actions depending on their preference.

Training provided in 2020 on health and safety:



100 % of employees

- General and specific training on occupational risk prevention in line with the risks associated with the work station
- Training on occupational risk prevention when working from home
- Training on occupational risk prevention relating to COVID-19

15 % of employees

- Managing emergency situations
- First aid
- How to use a defibrillator

In order to deal with the exceptional circumstances surrounding the pandemic, X-ELIO came up with contingency and de-escalation plans on a global scale to mitigate the potential risks for the company and its employees.

To demonstrate the correct implementation of **best practices** in the handling of the coronavirus, the company's COVID-19 protocols are certified by AENOR in order to offer its customers, consumers and workers the necessary guarantees to build a safe environment of trust in the workplace.

During the year, a total of 7 accidents requiring medical leave were recorded; no occupational diseases, deaths or accidents with serious consequences were recorded.

As part of its commitment to strengthening the areas of health and safety within X-ELIO, the company has a specific Committee on this topic that meets bimonthly. The main aim of this is to **guarantee due diligence** in these areas and encourage activity in this regard.

In addition to this, a preventive culture is encouraged at all levels of the organisation, and all employees are made aware of the need for them to get involved so they too can detect anything that could be a risk to health and safety. At the moment, any observations can be reported by email to the HSSE department. However, the plan for the coming year is to define a detailed procedure for dealing with such situations and to develop a specific software to better manage this.

Commitment from all perspectives

With the aim of extending this health and safety commitment to the companies it collaborates with, X-ELIO has developed and implemented a specific contractor management procedure within its integrated management system. This allows it to analyse the degree of compliance of the contractors' management systems during the initial stages of the project to ensure **they are correctly aligned with the internal management standards** at the company. Should any gaps be detected, these can then be remedied as quickly as possible. These requirements must be met by the contractors and are included in the collaboration contracts drawn up for that purpose.

X-ELIO goes beyond the regulations and hires an external, independent consultant specialised in occupational safety while the works are being carried out. This is to guarantee that the **necessary safety standards** are being met, and the external auditor also monitors the team as a whole who is working on the construction. The Corporate Health and Safety area, based in Madrid, is in charge of selecting the health and safety coordinator for each project.

Safety abroad

X-ELIO operates worldwide and is committed to providing a **safe working environment** to all employees, wherever they are based. To do so, X-ELIO collaborates with a specialised service provider who gives ongoing, specific advice on the geographical areas where there is a certain risk of a security threat. These services include:

Ongoing advisory service on the security situation in the countries of interest provided to the Management and employees together with the information on security at the destination, prior to travel. The application is updated on a daily basis via monitoring carried out by a specialised consultant.



Security advisory in high-risk locations, including, but not limited to, the following services:

- Escort
- Risk analysis
- Safety audit
- Employee training
- Development of security protocols
- Monitoring of the local security situation
- Employee geolocation

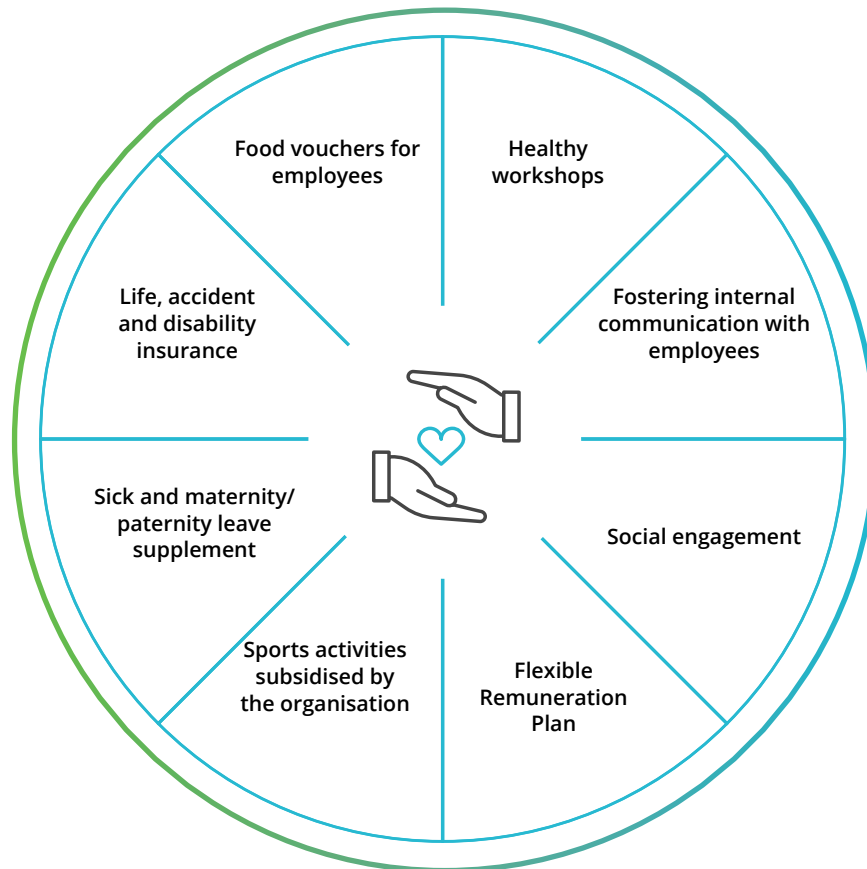


The security consultant supports X-ELIO on specific crisis management and resolution cases, either from an operational or informative perspective.



4.4. EMPLOYEE WELL-BEING

X-ELIO promotes an organisational culture that is committed to the health and well-being of its employees and other stakeholders as key components to **fostering the best possible environment**. The right balance between work life and personal life, properly managing work schedules, and incorporating healthy habits into the company's day-to-day, are all essential to achieving this objective.



X-ELIO: healthy workplace



The company is actively working to promote **healthy habits** among its employees, helping to care for their physical health and emotional well-being through different activities.

Pillars of Healthy X-ELIO

Nutrition



Emotional well-being



Sport



Despite the current circumstances in the wake of the pandemic, which restricted us to a certain degree with regard to the activities we could carry out, the company and employees made a major effort to continue to back healthy initiatives in 2020, adapting them to the present-day scenario.

Charity run

Fruit day at the
offices

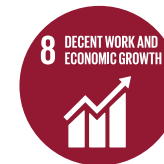
Online yoga
classes

Emotional
management

X-ELIO is certified by AENOR as a Healthy Company, demonstrating its commitment to a safe, healthy and sustainable organisational culture that evolves towards greater health, motivation and pride for its employees and other stakeholders.



5

COMMITTED TO
THE COMMUNITY

X-ELIO is a company that, by its very nature, is an active player in the fight to combat climate change. However, the company endeavours to go further, demonstrating its commitment not only to the environment but also to the communities which it becomes a part of: for this reason, we have founded the *Community Plan*, a set of actions that seek to **improve the standards of living of local people** and promote the cornerstones of **education, the environment, health and community**.

[GRI: 201-1, 203-1, 203-2, 413-2]

5.1 SUPPORTING LOCAL COMMUNITIES

This commitment by X-ELIO involves **fostering social development**, and promoting the consumption and development of **local** activity. For this reason, the Community Plan initiatives are geared towards the locations where we create projects, with flexible initiatives, heedful of the local situation, and which seek to make an effective and consistent contribution to the regions in which we operate.

X-ELIO is aware of the importance of combining the exercise of decarbonisation and serving the interests of the community. This is why it takes on this challenge of adapting to the specific needs of each project and putting forward a plan of actions that will ensure the best interest.

Benefits in the environment

X-ELIO's guiding principles are mutual benefit and respect, relationship-building, authenticity, suitability, transparency and responsiveness. The company is also especially committed to strengthening its relations with various local authorities by championing **sustainable economic development through Community Plan actions**.

This collective work enables X-ELIO to identify and outline areas of action aligned with its business where its social impact is most beneficial. In short, the company fosters social development by seeking togetherness among communities and cultures in order to achieve satisfactory levels and an overall improvement in standards of living.

Each of these actions seeks to transfer X-ELIO's benefits to society. To this end, the company identifies and prevents possible social impacts that may exist as a result of the construction and development of the plants, in order to obtain a more comprehensive view of these actions and to prevent possible negative impacts. This analysis enables X-ELIO to choose specific projects for each community, since its approach is studied with the social players that are most relevant to the company, identifying the comparative advantages of each of the regions, and selecting projects which may be most beneficial to local populations. These include, but are not limited to, **support for local education and training, energy and technological transition, conservation of local flora and fauna**, and other challenges shared by X-ELIO and the community.

These investments contribute to improving standards of living and long-term wealth creation in regions, they are noteworthy for their holistic, sustainable approach and they are conducted in partnership with experts.

Requirements arising from the Equator Principles



Active dialogue and listening to the local community



National legislation



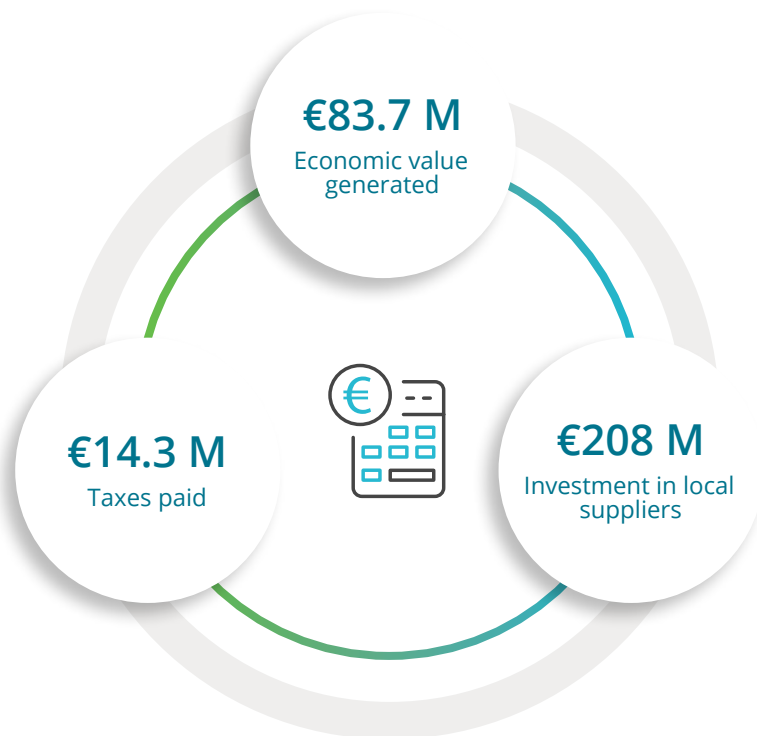
Socioeconomic impact assessment

Positive impact on the community

It is worth noting that in several of the municipalities where X-ELIO has undertaken projects, the recruitment of local labour and women has been prioritised to generate a positive economic impact on the community

To facilitate communication with local communities and their families, X-ELIO provides them with a communication box to identify the needs and concerns of people outside the project more efficiently. In that regard, in 2020, the company has held a total of **17 meetings with local communities**.

Based on the monitoring and assessment processes available to the company, in 2020, **X-ELIO has not detected any negative impacts on the local communities in which it operates.**



X-ELIO's key commitments to the local community notably feature the **coordination of its business model through actions and initiatives that generate shared value**, not least the development of such local territories. It is worth noting that X-ELIO does not neglect certain major challenges in the sector, such as depopulation and inequality in underprivileged areas. Therefore, it has a **major commitment pursuant to the UN's Agenda 2030** and works to develop measures in this regard.

COVID-19 has highlighted the world's vulnerabilities and inequalities. We have a unique opportunity to develop business strategies based on fully integrating the Sustainable Development Goals. At X-ELIO, we are fully committed to sustainability and the fight to combat climate change



Social and voluntary initiatives

In the area of social responsibility, X-ELIO engages with local communities, **fostering ongoing participation and good relations with the civilian population, public administrations and suppliers**. In consonance with this commitment, in 2020, X-ELIO has implemented a Donations and Sponsorships Policy containing the company's general lines of action, which takes into consideration the needs of these communities and the various associations linked to these territories.

The initiatives undertaken in this regard by X-ELIO in 2020 are as follows:

It has created a total of 12 km of road in the projects Mexsolar, Xoxocotla, Navojoa and Perote.

The route from the project entrance to the main road was repaired, encouraging its use by local communities.



Constructing the Communal Hall: a community meeting room fitted with all the basic material to make it a benchmark space in the area for holding community meetings, cultural meetings, and any other type of initiatives. **In addition, other educational initiatives were conducted** through social services in the Perote area.



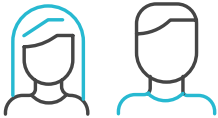
Maintaining cultural activities and developing measures for the prevention of damage to communal lands in Xoxocotla. Furthermore, support was offered by X-ELIO for the conservation of local traditions in San Isidro Labrador.



Other actions have also been conducted in the Xoxocotla area, such as **rectifying the channel in Éjido de Ayala and repairing the Nopalera-Anenecuilco road.**



Work on **raising awareness around gender equality actions** in the La Cruz area.



Donating material for the construction of a multi-purpose room in the community of Clavellinas and setting up a well in the community of San Antonio Limón.



This year, due to the health emergency arising from COVID-19, X-ELIO Spain has also **reached an agreement with the Red Cross** to combat the effects of the pandemic by providing funding for health supplies. Furthermore, donations were made to the Red Cross in Spain and also in Mexico to assist in the campaign to combat the pandemic, both by employees, by donating working days, and by X-ELIO. The sum of the total collected by the two countries was **45,131.67** euros.

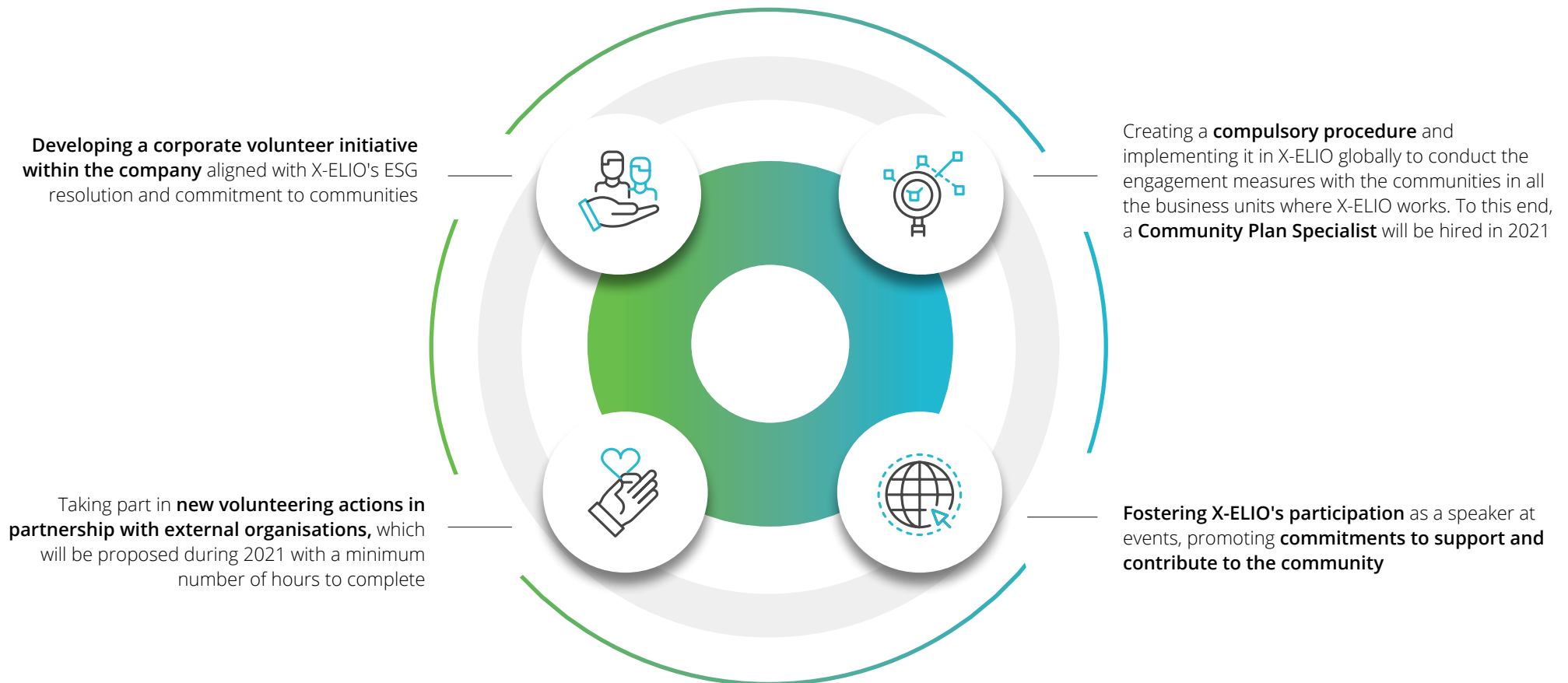
Amounts donated (€)

	Spain	Mexico
Employees	14,396.89	388.20
X-ELIO	28,793.78	1,552.80

In Japan, X-ELIO employees also participated through donation actions by selecting various non-profit associations to which they donated €2,372.66. Concurrently, X-ELIO raised €1,921.81 for the purchase of masks for a Shiroishi school.

A goal for future years is to **expand the geographical range of locations** where the company provides its services to support the community and, thus, continue to positively impact a greater part of society.

The various social initiatives the company has proposed to undertake over the coming year notably include the following:



6

DIGITALISED
ENVIRONMENT

- > Digital transformation
- > Cybersecurity



6.1 DIGITAL TRANSFORMATION

Through innovation, companies can and must contribute to creating better products and services that meet customers' changing needs and aspirations, bringing both economic and social value.

X-ELIO expects companies to play a key role in creating and marketing solutions to complex and challenging problems, especially in environmental advances, supply chains, and a fair social transition.

Commitment to innovation and digitalisation

X-ELIO deems it essential to foster innovation and digitalisation throughout its value chain, and to do so it has decided to continually search for new technologies that encourage the sustainable energy transition. Specifically, it encourages **the attraction of a new range of digital solutions** to transform the energy sector and to boost its use among customers and partners. X-ELIO's position vis-à-vis these challenges is to improve and accelerate the development and adoption of new innovative solutions, encouraging the identification of new digitalisation opportunities throughout the value chain.

The company works unendingly to adapt to new technologies and market trends in digital evolution. Thus, X-ELIO endeavours to allocate its resources to achieving the same goal: meeting the customer's needs by offering a service in the **most efficient, agile and transparent** way possible and optimising how its operations are undertaken to the extent possible, upholding the highest quality standards.

X-ELIO fosters the ongoing improvement of its processes by locating needs in business areas to provide a solution through the most appropriate platforms.



Digitalisation:



Strengthening the availability of communications and information storage infrastructures

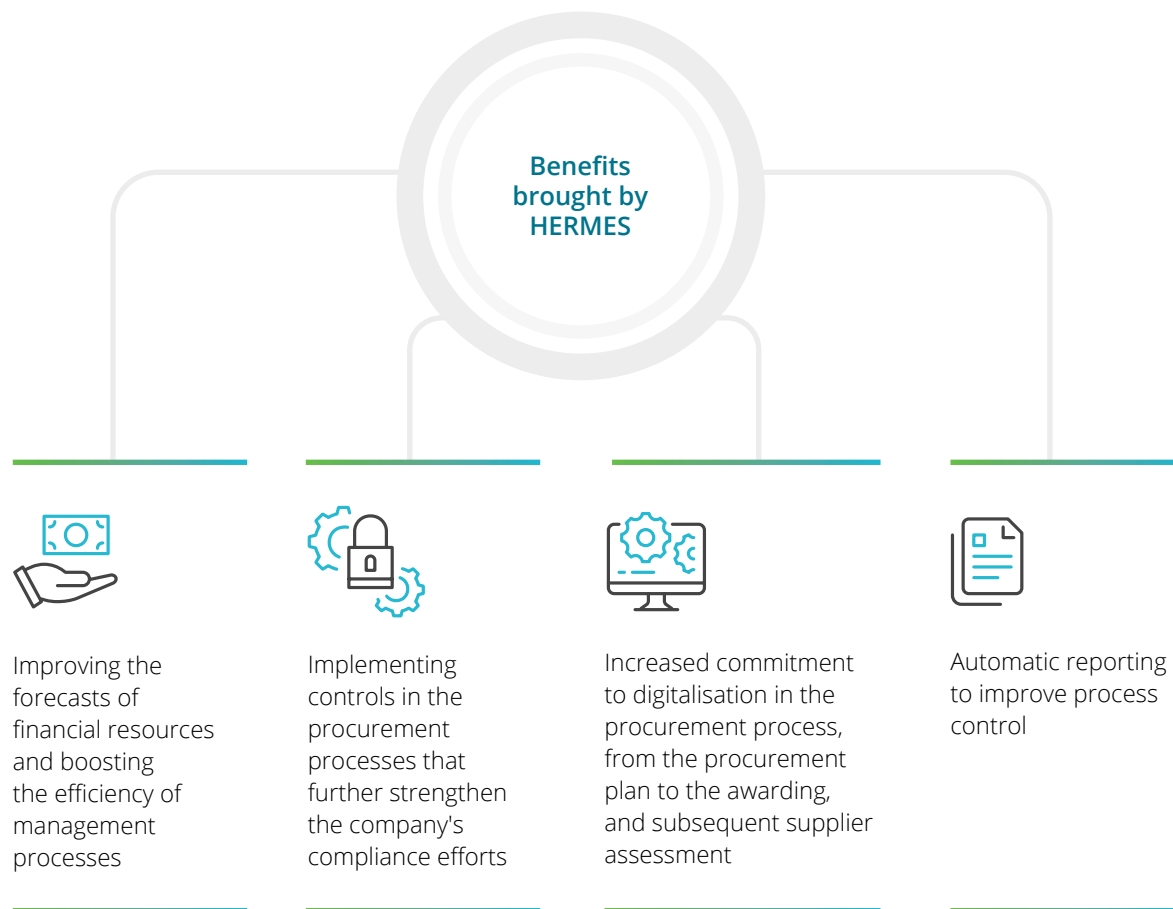
Expediting decision-making processes

Fostering greater transparency and participation at all levels

Raising awareness on information security

Improving information security management

One of the most noteworthy actions in 2020 was the implementation of the “*HERMES Project*”, designed to define and digitalise all supplier procurement and compliance processes. As a result of the importance the company attaches to creating this new process, it has set up **direct communications with its employees this year to provide more details about this project** in order to facilitate its use and understanding for its implementation.



X-ELIO has also set in motion for the coming year an evolution process by which it has decided to move the company's digital business operations to the *cloud*, which has required a prior analysis of the industry's digital best practices. Thus, **one of this strategy's core features is to take advantage of market trends, creating a digital culture and values in the organisation, increasing the speed of developing and constructing digital assets and infrastructures**, and contributing to smarter and more digital energy generation and management.



6.2 CYBERSECURITY

As mentioned above, X-ELIO is committed to cybersecurity and protecting any information related to its employees, collaborators and customers.

Accordingly, being a strategic area in the company, it has boosted this work in the last year by putting into place procedures, processes and platform improvements seeking to strengthen the network, and transforming technological capabilities, as well as its operational model.

As a consequence of the relevance of the risks of cyberattacks, the company has geared its efforts towards diagnosing its security, and developing digital devices to know how to act correctly to prevent system damage.

The core measures and actions taken in 2020 by X-ELIO in its information security strategy include:

Complying with new regulations and drawing up policies

Creating a new IT/OT security standard for solar plants in Chile. A GAP analysis has also been conducted on regulation in Chile, in which the National Electrical Coordinator (CEN) has launched new cybersecurity requirements on the basis of the NERC-CIP standard that X-ELIO is required to fulfil for facilities in this country. The tasks performed in 2020 and the company's goals in this regard are as follows:

- A *GAP analysis* has been performed in order to identify the current situation and needs to comply with the new regulations.
- In light of this analysis, an action plan has been identified to be implemented during 2021.
- The purpose is to extrapolate the actions to the rest of the company's facilities in the rest of the countries.

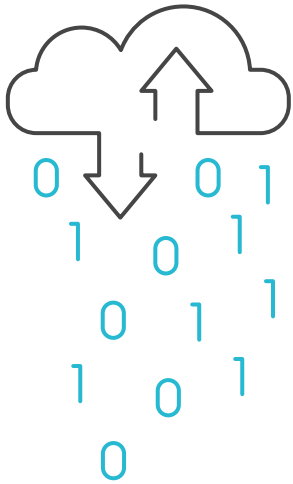
Setting up an Awareness Plan to inform employees and minimise the risks of potential cyberattacks

In particular, in 2020, a platform was launched for the design, implementation and monitoring of awareness plans geared towards technical knowledge and the duties and obligations in this area, enabling the following:



Commitment to improving infrastructure and networks

By enabling an ongoing initiative to strengthen infrastructure and security in the company's networks (offices and solar plants). Over the past year, a *Security Information and Event Management* (SIEM) tool has been implemented to monitor network traffic and for early identification of potential security risks. In this manner, besides compliance with existing regulations, potential vulnerabilities in X-ELIO's private network technology are identified and examined, and corrective action plans are conducted, establishing measures to prevent their consequences.



GRI] 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data

This year, X-ELIO received an average of 60 security alerts each month. These alerts include malware on computers, attack attempts, restricted applications, and malicious web-sites, etc. None of them proved to be critical or serious. No cybersecurity breaches have been reported in 2020 and, thus, no complaints have been received in this regard.

This year, X-ELIO has drawn up an *IT Disaster Recovery* procedure that involves the possible recovery or preservation of vital infrastructure and technology systems after a natural disaster.



7

ABOUT
THIS REPORT

- Materiality approach
- Scope of reporting
- Compliance with reporting standards
- Commitment to the Equator Principles
- GRI Contents

7.1 MATERIALITY APPROACH

[GRI 102-40, 102-44, 102-21, 102-42, 102-43, 102-12, 102-13]

In anticipation of outlining and improving the contents contained in this report, X-ELIO has reviewed its materiality analysis this year.

As a result, this report has been drawn up in response to the issues identified in the materiality analysis conducted by X-ELIO in 2020. This materiality process is intended to include the information identified as relevant by stakeholders. Furthermore, this materiality process features an internal analysis based on the strategy, business practices, risk maps and all of the corporate procedures available to X-ELIO.

On the basis of these criteria, X-ELIO identifies as its main stakeholders its partners, employees, contractors, public administration, electric utilities, consumers, financial institutions and local community. X-ELIO fosters the ongoing improvement approach to actively identify the most relevant stakeholders, in keeping with the implementation of its sustainability strategy.

The company upholds a direct and indirect relationship with these groups and deems them to be a core component of its business strategy.



Materiality analysis

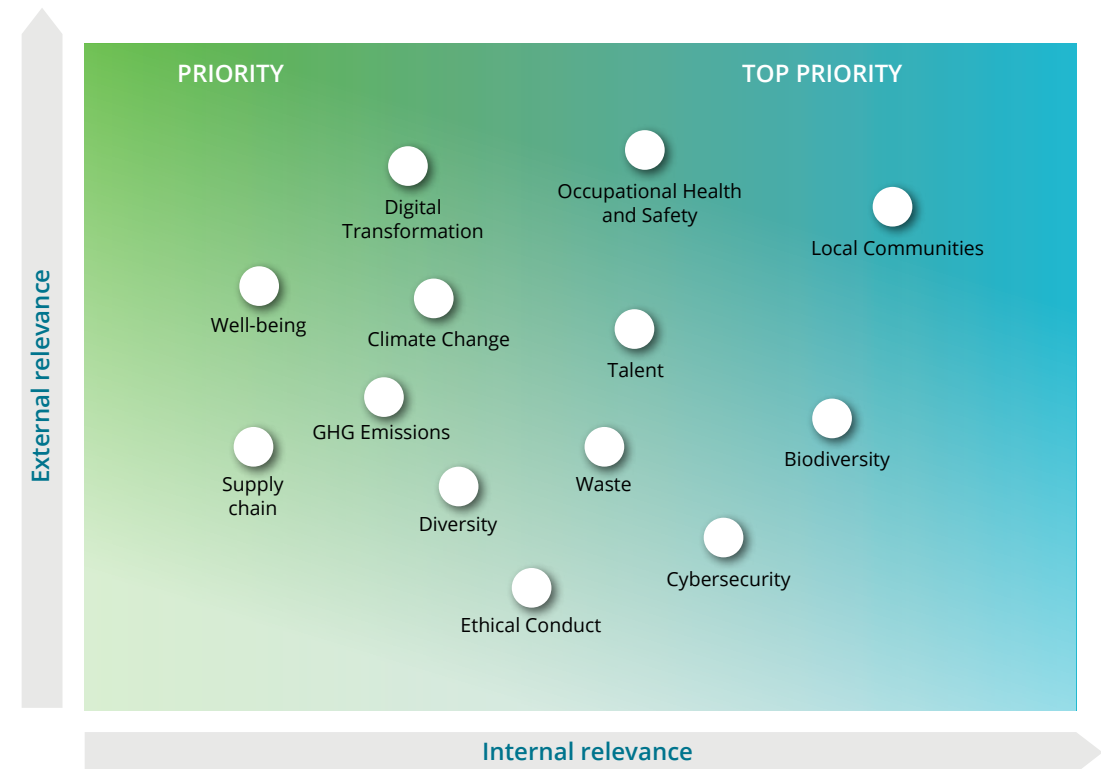
The materiality process methodology begins with the identification of an initial list with the most relevant and priority matters for the company in environmental, social and governance matters. This methodological development has been approached from a twofold standpoint, considering the following scopes:

- **internal**, considering how each matter affects the company's correct performance and the achievement of its goals
- and **external**, seeking to gain an understanding of the priorities of its stakeholders, considering their expectations and the context in which they operate. Stakeholders were selected based on their experience and relevance and/or their knowledge of the business of X-ELIO.

Based on previous assessments, the 13 matters listed below have been named priorities. Given the priority for the company, these matters have been specifically addressed in the document in order to provide sufficient information on how to manage them.

- | | |
|----------------------------------|---------------------------|
| 1 Local Communities | 7 Supply chain |
| 2 Occupational Health and Safety | 8 Well-being |
| 3 Talent | 9 Cybersecurity |
| 4 Biodiversity | 10 Waste |
| 5 Climate Change | 11 Digital Transformation |
| 6 Diversity | 12 GHG Emissions |
| | 13 Ethical Conduct |

X-ELIO materiality matrix



List of partnerships

The main associations with which X-ELIO partners in the field of sustainability nationally or internationally are as follows:



**Pacto Mundial
Red Española**

Spanish Global Compact Network: An initiative that champions the implementation of the Ten Universal Principles of the Global Compact, with the goal of raising awareness among the private sector to contribute to the goals of the United Nations.



Extremadura Energy Cluster: It fosters cooperation between companies and institutions within the energy sector value chain.



Mexican Solar Energy Association (ASOLMEX): It fosters the development of solar photovoltaic power generation nationally and comprises upwards of 100 companies in the sector.



Italia Solare: A social engagement association that advocates for environmental conservation and human health by promoting smart and sustainable ways of producing, storing, managing and distributing energy.



Spanish Photovoltaic Union (UNEF): A solar photovoltaic energy sector association in Spain, comprising more than 500 companies and entities from throughout the technology value chain, representing more than 85% of the sector's activity in the country.



Clean Energy Council: It encourages collaboration between companies that work and support the clean energy sector.



Chilean Association of Renewable Energy and Storage (ACERA AG): It represents all the renewable technologies present in Chile and contains around 140 partners, including developers, generators and suppliers of products and services.



Schneider Neo Network: A community of organisations and market intelligence environment for cleantech solutions.



SER Colombia Renewable Energy Association: Comprising more than 70 companies committed to the implementation and development of renewable energy in Colombia.



American Council on Renewable Energy (ACORE): A partnership that fosters the transition to a renewable energy economy and includes players from virtually the entire market: developers, manufacturers, financial institutions, energy buyers, technology suppliers, companies and academics.



BRC: A platform that seeks to accelerate corporate procurement of large-scale wind and solar energy and storage.

7.2 SCOPE OF INFORMATION

The scope of the information in the report extends to the countries where X-ELIO is present and includes all the company's activities in the field of social responsibility in 2020. It also includes the goals and milestones achieved with regard to its commitment to the principles of the United Nations Global Compact and the Sustainable Development Goals (SDGs).

The data contained in the report correspond to 2020, however, to help understand the progress of some of these data, information from previous years has been provided. Other measures foreseen to be developed and achieved in the coming years have also been included.

7.3 COMPLIANCE WITH REPORTING STANDARDS

The report has been prepared on the basis of guidelines from major sustainability reporting standards such as the Global Reporting Initiative (GRI), known as GRI Standards, and other relevant sustainability reporting frameworks, such as the Sustainability Accounting Standards Board (SASB).



7.4 COMMITMENT TO THE EQUATOR PRINCIPLES

The Equator Principles constitute a risk management framework, adopted by financial institutions to guarantee the responsible management of Project Finance, which is the core formula of funding used in X-ELIO for our projects.

Currently, 124 financial institutions of 37 different nationalities have adopted the principles, used to determine, assess and manage the environmental and social risks associated with possible financed projects and, therefore, the operations undertaken by X-ELIO.

The Equator Principles		Application
1	Review and categorisation of projects	The Equator Principles Financial Institution (EPFI) assesses the project and adjusts due diligence to its nature, magnitude, and stages.
2	Environmental and social assessment	Once the project has been categorised, the project developer must conduct a risk and impact assessment (e.g., the Environmental Impact Statement).
3	Applicable environmental and social standards	The EPFI monitors and requires compliance with the country's regulations.
4	Environmental and social management system and Equator Principles Action Plan	The EPFI requires the development of an Environmental and Social Management System (e.g., the Environmental Impact Statement).
5	Stakeholder engagement	The EPFI requires evidence that the project developer has promoted participation and information among affected communities in linguistic and cultural characteristics appropriate to the location (community consultation processes).
6	Grievance mechanism	The EPFI requires the project developer to implement communication channels to receive claims and complaints (Whistleblower Channel).
7	Independent review	Solely for projects with high environmental impact, the EPFI requires the hiring of external consultants for documentary review (X-ELIO sends an external environmental consultant and a health and safety consultant to all its construction sites).
8	Covenants	The project developer contractually undertakes to comply with all of the above requirements.
9	Independent monitoring and reporting	Monitoring reports are required to assess whether the project complies with the Equator Principles.
10	Reporting and transparency	The EPFI requires regular reporting of the Environmental and Social Impact Assessment.

7.5 GRI CONTENTS

GRI code	Indicator description	Reference / Response	SDG
GENERAL CONTENTS			
Profile of the organisation			
102-4	Location of operations	1.2 Main figures in 2020 Page 6	7, 8 and 9
102-6	Markets served		
102-7	Size of the organisation		
102-8	Information on employees and other workers	4.1 Talent at the company Page 41	
102-9	Supply chain	2.4 Responsible supply chain Page 27, 28 and 29	5 and 16
102-10	Significant changes in the organisation and its supply chain		
102-11	Precautionary principle or approach		
102-12	External initiatives	7. Materiality approach Page 64	
102-13	Membership of associations	7. Materiality approach Page 64	
Strategy			
102-14	Statement of senior decision-makers	1.1 A word from the President and CEO Page 4	5 and 16
102-15	Main impacts, risks and opportunities	2.3 Risk management Pages 25 and 26	
Ethics or integrity			
102-16	Values, principles, standards and rules of behaviour	2.2 Ethical conduct and compliance Page 21	5 and 16

GRI code	Indicator description	Reference / Response	SDG
Governance			
102-18	Governance structure	2.1 X-ELIO governance Page 18 and 19	5 and 16
102-30	Effectiveness of risk management processes	2.3 Risk management Page 25 and 26	
102-31	Assessment of economic, environmental and social matters	2.1 X-ELIO governance Page 20	
Stakeholder engagement			
102-21	Consultation to stakeholders on economic, environmental and social matters	7.1 Materiality approach Pages 63 and 64	
102-40	List of stakeholders		
102-41	Collective bargaining agreements		
102-42	Identification and selection of stakeholders		
102-43	Stakeholder engagement approaches		
102-44	Key matters and concerns raised		
ECONOMIC MATTERS			
GRI 201 - Economic performance			
201-1	Direct economic value generated and distributed	5.1 Support to communities Page 51-52	1, 2, 8 and 9
GRI 202 - Market presence			
202-2	Proportion of senior management hired from the local community	2.1 X-ELIO governance Page 17	5 and 16

GRI code	Indicator description	Reference / Response	SDG
GRI 203 - Indirect economic impacts			
203-1	Infrastructure investments and services supported	5.1 Support to communities Page 52-56	1, 2, 8 and 9
203-2	Significant indirect economic impacts		
GRI 204 - Procurement practices			
204-1	Proportion of spending on local suppliers	2.4 Responsible supply chain Page 27, 28 and 29	5 and 16
GRI 205 - Anti-corruption			
205-2	Communication and training about anti-corruption policies and procedures	2.2 Ethical conduct and compliance Page 24	5 and 16
GRI 207 - Tax			
207-1	Approach to tax	2.5 Tax information Page 30	5 and 16
ENVIRONMENTAL MATTERS			
GRI 301 - Materials			
301-1	Materials used by weight or volume	3.2 Circular economy Page 38	12, 13 and 15
GRI 302 - Energy			
302-1	Energy consumption within the organisation	3.1 Climate strategy Page 32 and 33	12, 13 and 15
GRI 303 - Water and effluents			
303-4	Water discharge	3.2 Circular economy Page 39	12, 13 and 15
303-5	Water consumption	3.2 Circular economy Page 38	

GRI code	Indicator description	Reference / Response	SDG
GRI 304 - Biodiversity			
304-2	Significant impacts of activities, products and services on biodiversity	3.2 Protection of biodiversity and natural capital. Page 36 and 37	12, 13 and 15
304-3	Habitats protected or restored		
GRI 305 - Emissions			
305-1	Direct (Scope 1) GHG emissions		
305-2	Energy indirect (Scope 2) GHG emissions		
305-5	Reduction of greenhouse gas emissions	3.1 Climate strategy Page 34	12, 13 and 15
305-7	Nitrogen oxides (NOX), sulfur oxides (SOX) and other significant air emissions		
GRI 306 - Waste			
306-1	Waste generation and significant waste-related impacts	3.2 Circular economy Page 39	12, 13 and 15
306-3	Waste generated		
GRI 307 - Environmental compliance			
307-1	Non-compliance with environmental laws and regulations	3.1 Climate strategy Page 35	12, 13 and 15
GRI 308 - Supplier environmental assessment			
308-2	Negative environmental impacts in the supply chain and actions taken	2.4 Responsible supply chain Page 27, 28 and 29	5 and 16

GRI code	Indicator description	Reference / Response	SDG
SOCIAL MATTERS			
GRI 401 - Employment			
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	4.4 Employee well-being Page 49	5, 8 and 10
401-3	Parental leave		
GRI 402 - Labour/management relations			
402-1	Minimum notice periods regarding operational changes	4.1 Talent at the company Page 41	5, 8 and 10
GRI 403 - Occupational health and safety			
403-1	Occupational health and safety management system		
403-2	Hazard identification, risk assessment and incident investigation		
403-3	Occupational health services		
403-4	Worker participation, consultation and communication on occupational health and safety		
403-5	Worker training on occupational health and safety	4.3 Employee health and safety Page 46-48	5, 8 and 10
403-6	Promotion of worker health		
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relations		
403-8	Workers covered by an occupational health and safety management system		
403-9	Work-related injuries		

GRI code	Indicator description	Reference / Response	SDG
GRI 404 - Training and education			
404-1	Average hours of training per year per employee	4.1 Talent at the company Page 43	5, 8 and 10
404-2	Programs for upgrading employee skills and transition assistance programmes		
GRI 405 - Diversity and equal opportunity			
405-1	Diversity of governance bodies and employees	4.2 The value of diversity Page 45	5, 8 and 10
GRI 406 - Non-discrimination			
406-1	Incidents of discrimination and corrective actions taken	2.2 Ethical conduct and compliance Page 23	5 and 16
GRI 407 - Freedom of association and collective bargaining			
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	2.2 Ethical conduct and compliance Page 23	5 and 16
GRI 408 - Child labor			
408-1	Operations and suppliers at significant risk for incidents of child labor	2.2 Ethical conduct and compliance Page 23	5 and 16
GRI 409 - Forced or compulsory labor			
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	2.2 Ethical conduct and compliance Page 23	5 and 16
GRI 411 - Rights of indigenous peoples			
411-1	Incidents of violations involving rights of indigenous peoples	2.2 Ethical conduct and compliance Page 23	5 and 16

GRI code	Indicator description	Reference / Response	SDG
GRI 412 - Human rights assessment			
412-1	Operations that have been subject to human rights reviews or impact assessments		
412-2	Employee training on human rights policies or procedures	2.2 Ethical conduct and compliance Page 23	5 and 16
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening		
GRI 413 - Local communities			
413-2	Operations with significant actual and potential negative impacts on local communities	5.1 Support to communities Page 51-52	1, 2, 8 and 9
GRI 414 - Supplier social assessment			
414-1	New suppliers that were screened using social criteria	2.4 Responsible supply chain Page 26, 27 and 28	5 and 16
GRI 415 - Public policy			
415-1	Political contributions	2.2 Ethical conduct and compliance Page 22	5 and 16
GRI 416 - Customer health and safety			
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	6.2 Cybersecurity Page 59	

GRI code	Indicator description	Reference / Response	SDG
GRI 418 - Customer privacy			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	6.2 Cybersecurity Page 59	16
GRI 419 - Socioeconomic compliance			
419-1	Non-compliance with laws and regulations in the social and economic area	2.2 Ethical conduct and compliance Page 22	5 and 16

Contents of the Global Compact

Principles	Report section
Human rights	
1. Businesses should support and respect the protection of internationally proclaimed human rights.	Responsible governance and commitment to communities
2. And make sure that they are not complicit in human rights abuses.	Responsible governance
Labour	
3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	Responsible governance
4. Businesses should support the elimination of all forms of forced and compulsory labour.	Responsible governance
5. Businesses should support the effective abolition of child labour.	Responsible governance
6. Businesses should support the elimination of discrimination in respect of employment and occupation.	Responsible governance and the company's talent
Environment	
7. Businesses should support a precautionary approach to environmental challenges.	Responsible governance and key players in sustainable transition
8. Businesses should undertake initiatives to promote greater environmental responsibility.	Key players in sustainable transition
9. Businesses should encourage the development and diffusion of environmentally friendly technologies.	Key players in sustainable transition
Anti-corruption	
10. Businesses should work against corruption in all its forms, including extortion and bribery.	Responsible governance



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