

### 03. Management of capitals



## Criteria governing the Abengoa business model

The chapters which make up the Integrated Report describe how the company manages its capitals, which are divided into five major areas (financial, industrial, human, social-relationship and natural), as well as the strategic focus with regard to each of them. The aim is to report on results obtained and company performance in 2016 through the corresponding indicators based on the G4 Guidelines of the GRI.

Although every area is managed with a global focus, each one has its particular features which are described in the following chapters of the report.

The chapters that make up the Integrated Report have been prepared with special attention to the identified material issues, in order to provide more detailed information on those aspects that have been critical to stakeholders. In a year of transparency, efforts have been made to improve the understanding of the Report in those areas that may be technically more complex.

**Abengoa manages its capitals in accordance with sustainability criteria** covered under its [CSR policy](#).

The chapters which follow show specific information on the management of the issues that were most relevant in 2016:



## Mission, vision and values *G4-56*

The philosophy that determines the organisation's mission, vision, values and hallmarks is based on the solutions Abengoa brings to its environment in order to achieve a more sustainable development, directly linked to the business objectives set by the company.

The process of restructuring in which Abengoa is presently involved will entail redefining these aspects in order to adapt to the new company structure. Accordingly, Abengoa's mission, vision and values are also being updated as the guidelines for the new structure are introduced.

Further information is accessible on the [corporate website](#).

## Corporate Social Responsibility policy

In 2015, the Corporate Social Responsibility policy was unanimously approved by the Board of Directors.

[The Policy](#), which is available for consultation on the corporate website, establishes the guidelines to be followed throughout the organisation in this area and the manner in which **CSR is integrated into all company areas and serves** as a leverage for businesses, to achieve their business objectives.

Additionally, owing to the Board of Directors' commitment to Corporate Social Responsibility, this Integrated Report was presented at the General Meeting of Shareholders held on 30 June 2017.

With the publication of this policy and oversight thereof by the Audit Committee, Abengoa upholds principles 24<sup>1</sup> and 53<sup>2</sup> of the Unified Good Governance Code of Listed Companies.

Note 1 Principle 24: The company should deploy an appropriate corporate social responsibility policy, as a non-delegable board power, and report transparently and in sufficient detail on its development, application and results.

Note 2 Principle 53: Oversight of compliance with rules of corporate governance, internal codes of conduct and policy on corporate social responsibility should be delegated to one committee or distributed among various committees of the Board of Directors, which may be the Audit Committee, the Appointments Committee, the Committee on Corporate Social Responsibility, if there is one in place, or a specialized committee the Board of Directors decides to set up for this purpose in exercising its powers of self-organization.

The Corporate Social Responsibility department, which reports directly to the chairman's office, is responsible for managing the company's non-financial information. The CSR department meets every week with the chairman of the executive commissions to review and analyse all issues concerning social, economic and environmental matters. *G4-36*

## Strategic Corporate Social Responsibility Plan (SCSRP)

Due to the complex restructuring process carried out in the last period, the company had to temporarily suspend the Strategic Corporate Social Responsibility Plan (approved in 2015) until the new structure and scope of the group's activities was defined.

This strategic plan, which defined the CSR framework and guidelines through a set of actions that identify specific targets and design specific actions that contribute to a closer relationship with society, will be updated according to the new structure and reality of the company to define realistic targets that allow us to integrate the CSR strategy into the new business model.

**The supreme governing body's commitment with the CSR area**, especially during the complex situation that the company has experienced in recent months, has allowed the company to intensify its efforts to continue with the systematic reporting and analysis of established indicators, to study the evolution of the company's CSR information and ensure traceability of its content. This will enable the implementation of effective improvement measures adapted to the circumstances of the organization.



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## United Nations Global Compact

*G4-15, G4-16*

Since 2002, Abengoa has maintained its commitment to the United Nations Global Compact, by means of which the company undertakes a commitment to abide by and implement its 10 principles into the company's operations, business model and strategy. Accordingly, since 2005 the company has published its annual Progress Report, through which it informs stakeholders about the activities conducted during the past year in relation to implementation of the principles.

## Responsible Management Balance Sheet

In 2011, the Responsible Management Balance Sheet (RMBS) was devised with the aim of grouping together the CSR-related indicators which, due to their relevance, are critical for the company and for its stakeholders.

Given their importance, the company carries out more exhaustive continuous monitoring of these data in order to ensure greater reliability in managing and reporting the information.

This scorecard is verified by an independent third party and is published twice a year on the Abengoa website, for the purpose of reporting to stakeholders on developments in company performance.

As in the previous year, the structure of the RMBS has been adapted to the capitals-based scheme set out in the <IR> framework published by the International Integrated Reporting Council (IIRC), to reflect the connectivity of financial and non-financial information.

<b>Financial capital</b>	<b>2016</b>	<b>2015</b>	<sup>(2)</sup>
Revenue (€M)	1,510	3,647 <sup>(1)</sup>	
Significant financial support received from governments (€k)	12,031	81,747	
<b>Intellectual capital</b>	<b>2016</b>	<b>2015</b>	<sup>(2)</sup>
Investment in R&D and innovation (€M)	4.8	345.2	✓
Employees dedicated to R&D and innovation	232	797	
Granted patents accumulated	294	332	
Investment effort in R&D and innovation (R&D and innovation investment / Sales)*100 (%)	0.32	6	
<b>Natural capital</b>	<b>2016</b>	<b>2015</b>	<sup>(2)</sup>
<b>Energy</b>			
Energy consumption (GJ) (primary, electrical, thermal)	33,692,874	55,602,638	✓
Energy consumption intensity (GJ) / Sales	22.3	9.7	
<b>Emissions</b>			
Direct emissions (tCO <sub>2eq</sub> )	1,044,098	2,135,808	✓
Direct emissions from biomass (tCO <sub>2eq</sub> )	2,025,292	3,289,005	✓
Indirect emissions (tCO <sub>2eq</sub> )	2,725,577	4,713,618	✓
GHG emissions intensity (tCO <sub>2eq</sub> ) / Sales	3.8	1.8	
<b>Water withdrawal</b>			
Desalinated water produced (m <sup>3</sup> )	154,690,622	105,346,138	✓
Seawater withdrawal (m <sup>3</sup> )	336,653,375	221,199,378	✓
Water withdrawn from other sources (m <sup>3</sup> )	8,648,659	21,028,296	✓

<b>Human capital</b>	<b>2016</b>	<b>2015</b>	<sup>(2)</sup>
Job creation (%)	(31.1)	(9.82)	✓
Total voluntary turnover (%)	18.22	9.09	✓
<b>Female staff members</b>			
In senior management positions (%)	10.38	10.77	✓
In middle management positions (%)	21.97	22.2	✓
Training (number of hours over the average number of employees)	6.21	53	✓
<b>Work-related accident rate</b>			
Frequency rate	14.22	11.76	✓
Severity rate	0.23	0.13	✓
<b>Social capital</b>	<b>2016</b>	<b>2015</b>	<sup>(2)</sup>
Number of countries where the company operates and carries out CSR activities or actions	20	20	

(1) Economic figures restated based on Note 7 of the economic and financial information.

(2) Indicators audited by an independent external.

*G4-DMA, G4-9, G4-EC1, G4-EC4, G4-LA1, G4-LA6, G4-LA9, G4-SO1, G4-EN3, G4-EN5, G4-EN8, G4-EN15, G4-EN16, G4-EN17, G4-EN18, G4-ID1, G4-ID2, G4-ID3, G4-ID4*