



05. About this report

Principles governing this report *102-1, 102-50, 102-51, 102-52 y 102-54*

Abengoa has published its Corporate Social Responsibility Report for 15 consecutive years. For the last three years, it has done so in conjunction with the activity report, combining business and sustainability information and once again this year making an effort to move towards an integrated report.

This report seeks to respond to the expectations of its stakeholders and to the issues that most concern society through its analysis of materiality, from an internal and external perspective.

The Report shows the main activities and impacts of the company, describing its strategy, its business model, its targets, its challenges, as well as the changes in its perimeter and its organisational structure.

Abengoa publishes an Integrated Report, which gathers the information previously published in the Activity Report (AR) and the Corporate Social Responsibility Report (CSRR), thus advancing towards the full adoption of the guidelines and contents of the framework published by the International Integrated Reporting Council (IIRC). Likewise, the report has been prepared in accordance with the Sustainability Reporting Standards of the Global Reporting Initiative (GRI Standards), in its comprehensive option. Furthermore, Abengoa remains committed to the principles of the AA1000 Accountability Principles Standard - APS (2008) and provides information on progress in fulfilling the 10 principles of the United Nations Global Compact, which govern the company's activity and strategy.

102-40, 102-41, 102-42, 102-43 and 102-44

Principle	Who defines it?	How is it defined?	How does Abengoa apply it?
Principles governing report contents			
Inclusion/ Engagement of stakeholders	AA1000 (APS) / GRI standard / IR	First, the company must identify its stakeholders and explain how it has responded to their expectations and interests.	Abengoa considers stakeholder engagement to be of key interest in defining its strategy, in the course of company activity and through the different communication channels available. To respond to the demands of its stakeholders, the company has analysed the internal and external information demands that are required of the organisation. These include communications through the mailboxes, interviews with relevant people in the organisation, information gathered through press analysis, as well as internal communications.
Context of sustainability / Strategic focus and future orientation	GRI standard / IR	This report should present the organisation's performance in the wider context of sustainability. As well as present the performance of the organisation with a strategic focus based on a future orientation, in the context of Sustainability.	Abengoa focuses its report so that it explains how the company has responded to the global challenges and the company's present situation in issues of sustainability. The report also describes how, through company activity and performance, the organisation seeks to minimise the negative impacts and maximise the positive impacts.
Materiality/ Relevance	AA1000 (APS) GRI standard / IR	The Report should address the issues that reflect the significant economic, environmental and social impacts of the reporting organisation; and which substantially influence the valuations and decisions of stakeholders and have an impact on its business.	Through its communication channels, as well as through external sources (press analysis, benchmarking, request for information), Abengoa analyses the most relevant issues that concern its stakeholders in order to respond through the communication channels available. In addition, the company has proceeded to carry out an exhaustive procedure of materiality through the analysis of both internal and external information, to give a clear and concise answer about what concerns its stakeholders.

Principle	Who defines it?	How is it defined?	How does Abengoa apply it?
Completeness	GRI standard	The report must include the achievement of material issues and the coverage of these, which must be sufficient to reflect the significant economic, environmental and social impacts and allow stakeholders to evaluate the performance of the reporting organisation in the reporting period.	Since 2012, Abengoa has conducted an exercise to identify relevant issues and their level of coverage, considering each one of these impacts throughout its entire value chain.
Responsiveness	AA1000 (APS)	This refers to the way an organisation addresses stakeholder issues that affect the organisation's sustainability performance.	In addition to the responses provided to stakeholders through the channels the company has in place for this purpose, Abengoa considers its Integrated Report as a channel of dialogue in addressing stakeholder concerns. The report covers the most relevant issues for stakeholders, and includes the Responsible Management Balance Sheet (RMBS), which contains the indicators of particular relevance.
Principles governing the quality of the report			
Accuracy	GRI standard	The reported information should be sufficiently accurate and detailed for the stakeholders to be able to assess the reporting organisation's performance.	The independent review this report has undergone ensures the accuracy of the quantitative and qualitative data.
Balance	GRI standard	The reported information should reflect positive and negative aspects of the organisation's performance to allow a reasoned assessment of the overall performance.	Abengoa strives to ensure that all the information provided in this report is transparent and truthful as a consequence of its management. This report has attempted to provide in-depth information on the company's present situation and the changes that are taking place to achieve the solidity indexes that the organisation has enjoyed in recent years. Furthermore, special attention has also been paid to the language used in each chapter, reducing technical descriptions to facilitate the reader's understanding.
Clarity	GRI standard	The reporting organisation must present the available information in a way that is understandable and accessible to the stakeholders that use this information.	Given the complexity of Abengoa's activity, particularly in the last two years, the company has directed efforts at showing its activity in an illustrative manner, using simple, clear and understandable language.
Comparability and consistency	GRI standard / IR	The reporting organisation must select, collect and communicate the information in a consistent way. The information reported must be presented in a way that allows stakeholders to analyse changes in the organisation's performance and the information must support the analysis relative to other organisations.	This report reveals the indicators deemed most relevant by the company for the purpose of enabling information to be comparable with other companies. In addition, the report presents data from the last two years (2016 and 2015) to make historical information on the company's performance available to the reader. The complicated situation that Abengoa has experienced in recent times has led us to restrict the scope of the report to the essential conformity option, which includes the relevant indicators, based on the analysis of materiality carried out.
Reliability and completeness	GRI standard / IR	The reporting organisation must gather, record, collect, analyse and report the information and processes used to prepare the report, so that they can be reviewed and that they establish the quality and materiality of the information.	The company has a CSR management system that brings together all norms, policies and performance regarding non-financial information.

Principle	Who defines it?	How is it defined?	How does Abengoa apply it?
Timeliness	GRI standard	The reporting organisation must prepare the reports according to a regular schedule, so that the information is available in time for the stakeholders to make informed decisions.	Since 2002, Abengoa has published its Annual Report every year, setting out the information concerning CSR (CSR Report), the annual accounts and corporate governance. Likewise, through publication of relevant facts and publications in a specific section of its website, the company informs stakeholders of relevant information on the company.
Connectivity of information	IR	The report should show the interrelatedness and dependencies between the components that affect the organisation's ability to create value over time.	The report reveals how the different social, environmental and economic aspects increase the company's capacity to generate long-term value.
Conciseness	IR	The report should be concise.	During this year, a special effort was made to publish the contents of the report in a clear and concise manner.

Scope of the information 102-10, 102-45, 102-46, 102-48

Unless specified otherwise in the text or in the data reported in this report, all information and performance indicators refer to activity conducted in 2017 by the companies under the control of Abengoa (reflected in the Annual Accounts Report) and which have a social, environmental and economic impact both within and outside the organisation's perimeter.

With the aim of facilitating comparability in the information reported, also included are data pertaining to the two previous years (2015 and 2016).

Due to the divestitures carried out over the course of the year, **the consolidation perimeter differs to that of 2016**. The main differences lie, among others, in the sale of the bioethanol business in Europe, (Abengoa Bioenergy France, Ecocarburantes Españoles, Castilla y León Biofuels, Bioethanol Galicia and Ecoagrícola), the Norte III combined-cycle power plant in Mexico, the Torrecuellar companies (Spain), Tianjin (in China) and SDI (in Chile). In addition, the sale of Abengoa's stakes in the Ashalim solar plant, the Tajo Hospital, Aguas de Navarra, the Caiso transmission line (California) and Hygear (Netherlands) as part of the divestments foreseen in Abengoa's Feasibility Plan.

Focusing the report on materiality 102-47,103-2

The company carries out its materiality analysis to know which are the most important issues for its stakeholders and thus be able to delve deeper into these issues and design and establish a corporate responsibility strategy.

This process allows the company to comply, once again this year, with the **principles of inclusiveness, relevance and responsiveness** set out under the AA1000 standard.

Based on this process, the report will provide a detailed response to each of these issues and will help to incorporate the expectations of its stakeholders into the organisation's strategy.

In 2017, the company paid special attention to carrying out its restructuring plan and following the steps established for its viability.

The materiality analysis for this report was developed on the basis of four inputs: 2016 materiality, external assessment, press analysis and internal assessment of relevant issues.

1. Analysis of 2016 materiality: based on the five material issues from the previous year, the GRI standard and the indicators defined by SASB.¹

- › Financing
- › Attracting and retaining talent
- › Capacity to adapt to change
- › Transparency in market communities
- › Business ethics and anticorruption

2. External assessment of relevant issues: through identification of those issues that have been repeated the most number of times and which have required most attention through the two mailboxes available:

- › Investor relationship mailbox
- › Communications mailbox

In addition the main managers of both mailboxes were interviewed: the Director of Communications and the Director of Investor Relations.

Total of 5,032 requests were dealt with through the **Investor Relations mailbox**. The most relevant topics were:

- › Effect of the restructuring for investors
- › Dilution for existing shareholders and issuance of warrants
- › New debt instruments issued
- › Strategic plan and financial results throughout the year
- › Progress in the sale of assets: stake in Atlantica Yield and A3T cogeneration plant in Mexico
- › Information on the different consents requested from financial creditors

Through the **Communication mailbox**, 36,944 consultations were carried out, which may be summarised in the following topics:

- › Closing date of restructuring and entry of new money
- › Doubts concerning the company's situation in Mexico
- › Consequences of the admission to processing of the challenges to the company's Restructuring Plan

- › Doubts regarding the sale of Atlántica Yield
- › Doubts regarding visits and tours to solar plants

3. Press analysis

The press analysis carried out throughout the year was taken into account, and may be grouped into the following issues:

- › Shareholders
- › Aliances
- › Clients
- › Communities
- › Consumers
- › Compliance
- › Claims
- › Donations
- › Employees
- › R&D
- › Illegal
- › Native
- › Lobby
- › Environmental
- › Monopoly
- › Fines
- › Awards and recognitions
- › Suppliers
- › Complaints
- › Regulations
- › Corporate Social Responsibility
- › Penalizations
- › Sentences
- › Trade Unions
- › Society
- › Child labour
- › Spills

Visits to the different sections of the website were also taken into account, to have a clearer vision of the topics that most interest readers.

During 2017, the company received a total of 1,341,275 visits, which represented a 10 % decrease compared to the previous year.

Section	Visits		(%)	
	2017	2016	2017	2016
Compañía	21,970	28,464	1.64	1.92
Company	29,721	41,657	2.22	2.81
Innovación	8,673	7,700	0.65	0.52
Innovation	6,459	2,052	0.48	0.14
RSC	7,023	10,644	0.52	0.72
CSR	5,248	6,763	0.39	0.46
Accionistas e Inversores	59,695	62,068	4.45	4.19
Shareholders and investors	41,788	75,880	3.12	5.12
Sala de prensa	19,047	17,233	1.42	1.16
Press room	13,321	20,266	0.99	1.37
Total website visits	1,341,275	1,481,428		

Note 1 Sustainability Accounting Standards Board is a non-profit entity which has developed a guide about the presentation of sustainability-related information for companies, including the prioritisation of relevant indicators for certain sectors.

4. Internal assessment of the relevant issues: as with last year, for the compilation of the information that will be published in the Report, besides the contribution of the financial and non-financial information systems, Interviews have been conducted with each manager involved in each of the most relevant areas of the organisation.

The main issues considered as relevant show similarities with the results of 2016, justifying the continuation of the feasibility plan, the dismissals produced through the redundancy schemes (EREs/ERTEs) and the doubts regarding the company's viability.

The value chain is updated annually in order to take into account structural changes or changes in company strategy and to progressively supplement any processes or geographies deemed to pose greater risk. [102-49](#)

Accordingly, taking into consideration the internal prioritisation performed by company managers and the external prioritisation with regard to the different stakeholders, the issues identified as most important in 2017 were as follows:

Relevant issues 2017	Why do we consider it material?
Financial restructuring	The process of financial restructuring is one of the priority aspects for all stakeholders. This process, which has required injections of liquidity as well as the necessary debt restructuring, will enable us to re-establish the patrimonial balance of Abengoa and furnish the organisation with the liquidity required to recover market confidence. In turn this will enable the company to continue with its activity in a competitive and sustainable way.
Attracting and retaining talent	The human team is the main source of talent for the company, and so attracting and retaining this talent after a difficult period of restructuring is one of the organisation's core missions. The company's objective is to have the best talent to successfully achieve the targets proposed in the plan, as well as to reposition the company at the previous levels of competitiveness.
Situation with the organisation's key suppliers	Abengoa considers its suppliers and subcontractors to be essential and vital for business development and to successfully compete in the market. The organisation is aware of the difficult situation that contractors have experienced in recent times, maintaining their loyalty and making huge efforts to enable Abengoa to continue with its activity, which is why management of these suppliers and subcontractors is a priority aspect.
Management of the organisation's risks	The company believes that having a robust risk management system integrated into the businesses represents a competitive advantage that acts as a key tool in helping us to achieve the goals, as well as compliance with the quality standards required by customers, minimising any emerging risks that could arise.
Transparency and good governance	Abengoa considers it essential to transmit rigorous and truthful information in an ongoing dialogue flow with our stakeholders, responding to the needs of our environment. The compliance policies and programmes lay down the guidelines of our business strategy, and guarantee compliance with the law and respect for business ethics.

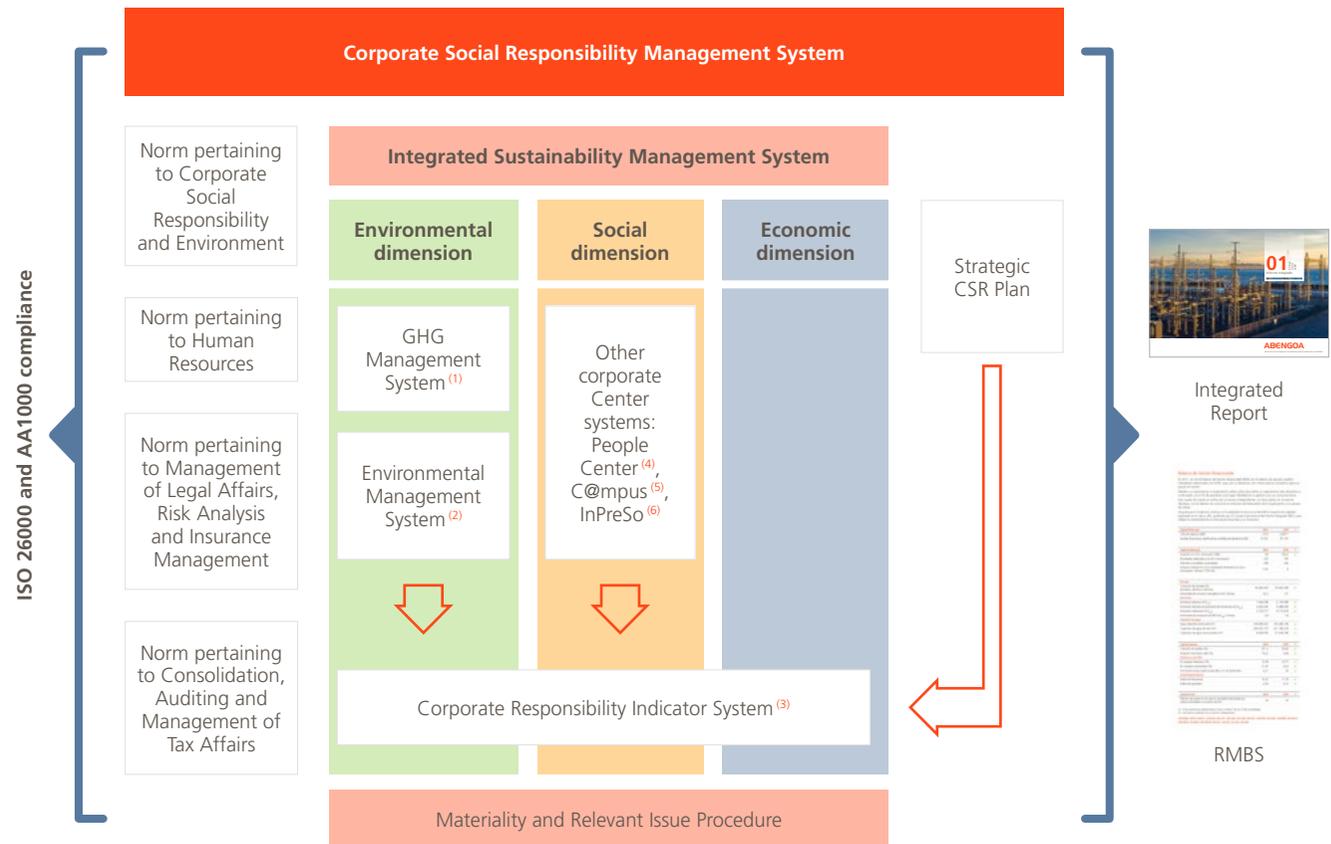
Corporate Social Responsibility Management System

The main purpose of Abengoa's Corporate Social Responsibility Management System is **to control non-financial information to facilitate responsible management** that seeks to prevent and minimise negative impacts associated to the company's activity and to increase positive impacts. The System considers those relevant indicators for management of the company's performance in the main areas of CSR (social, environmental, economic and governance).

The system reflects the mission, vision and values of Abengoa, redefined during 2017, and is based on the policies defined by the company, as well as the public commitments that have been acquired throughout its history. In addition, this system has been designed pursuant to the ISO 26000:2010, an International standard that sets out the action guidelines for all types of organisations in areas related to social responsibility, the environment, human rights and the rights of consumers.

The company has a software tool called: **Integrated Sustainability Management System**, that brings together the non-financial information of the entire organisation, facilitating its management and affording the company a **robust internal control system that ensures its reliability**.

Illustrated below are the different components that provide input to the system:



- (1) Greenhouse Gas (GHG) Management System: managing the GHG emissions associated with Abengoa products and services, including supplier emissions.
- (2) Environmental Management System: managing the facility-level impact of Abengoa operations on the environment.
- (3) Corporate Social Responsibility (CSR) Management System: covering indicators that are relevant for the company in the three dimensions comprising CSR: environmental, social and economic.
- (4) People Center: computer tool that manages all of the information pertaining to employee contracts and payroll.
- (5) C@mpus: used to manage training at Abengoa.
- (6) InPreSo: contains information relating to employee health and safety and hours worked.

How does Abengoa ensure information quality?

It is essential for Abengoa to have **reliable and rigorous information** readily available, to enable the company to accurately determine the impact of its activity. To this end, Abengoa has devised a set of internal controls that are part of the CSR management system applied to the different tools used for reporting and consolidating the non-financial information.

Since 2009, a **plan** has been drawn up by the CSR department for **internal auditing of non-financial information** that covers, according to a materiality analysis, the tasks to be performed during the period. It also defines the risks and controls that are inspected by the non-financial internal audit function, dedicated to verifying the information related to the three aspects of CSR.

Due to the difficult and exceptional situation the company has experienced over the last period and given that in 2017 the scope and the frequency of reporting have been reduced, the exhaustive or remote audits have been temporarily suspended and will be reactivated in 2018 to comply with the goal of ensuring the quality of non-financial information. *102-56*

Moreover, Abengoa submits its Integrated Report to an **independent external verification** with a limited level of assurance on certain indicators of the Responsible Management Balance Sheet or contents in the index in accordance with the ISAE 3000 Standard, Assurance Engagements other than Audits or Reviews of Historical Financial Information, with the Standard ISAE 3410, Assurance Engagements on Greenhouse Gas Statements, issued by the International Auditing and Assurance Standard Board (IAASB); and with the Action Guide on works of review of Corporate Responsibility Reports issued by the Institute of Chartered Accountants of Spain (ICJCE).