

Compliance Program

The Compliance Program is based on the recommendations and the model supported by the Open Compliance and Ethics Group (OCEG), as a concept of management excellence for key corporate governance processes, risk management and compliance, integrated in the Governance, Risk and Compliance (GRC) model.

The six pillars on which the Program is based are:

➤ Leadership

the Board of Directors and the management, together with employees, apply and employ an ethical and effective methodology to business activities (good governance) with a systematic approach by the organization to assess and manage risks, as well as to ensure that the organization and its employees comply with prevailing legislation, regulations and rules and with the company's rules of conduct (compliance).

The Compliance Unit has the following functions:

1. Create a comprehensive framework that supports the company's strategic objectives and that quickly reacts to regulatory changes.
2. Promote a culture that encourages ethical behavior and understands the risks caused by committing an offence.
3. Establish regulations and procedures for preventing and detecting illegal conduct.
4. Ensure that the Board of Directors appropriately supervises the ethical compliance program.
5. Take due diligence measures.
6. Arrange effective training programs for senior managers, middle managers, employees and other company agents.
7. Ensure that the program is being applied, including supervision and audit; periodically evaluate its effectiveness.

➤ Risk assessment

Abengoa's methodology is the Universal Risk Model it has implemented, based on the list of risks identified by the company, classified into categories and sub-categories, in which each risk is associated with indicators to enable its probability and impact to be measured, and which define the company's degree of tolerance towards them.

➤ Standards and controls

Abengoa has analyzed the main conducts for which non-compliance could create risks for the company and/or the employee. The control processes described do not represent an exhaustive list and are continually reviewed in order to adapt them to the most recent applicable legislation or best market practices.

➤ Training and Communication

It is essential to provide employees with training about liability and legal compliance, which content will be coordinated with the department for human resources, communication and audit or the person that is assigned to this function, whether written in manuals or orally by means of courses.

➤ Penalization proceedings

Employees shall be deemed to have committed an offence when they fail to perform their obligations in a negligent or fraudulent way; especially their employment obligations that include the professional performance of their duties in a lawful way. The sanctioning system will depend on the local labor regulations applicable to the employee in question.

➤ Oversight

Audits will be carried out periodically; with the objective of detecting potential crimes as well as supervision and control.