

Regulatory compliance

Goals set forth in the 2019-2023 SCSR

Compliance



- › Consolidate Abengoa's culture of compliance and integrity by reinforcing the training tools and safeguarding the procedures already in place.
- › Obtain UNE-ISO 19601 certification.
- › Progressively extend Abengoa's compliance culture to suppliers and subcontractors.
- › Coordinate the implementation of legal compliance requirements in areas such as tax, labour and the environment.

Abengoa promotes an ethical culture in all its activities and in all the countries in which it operates. As a result, in 2013 it implemented the **Corporate Compliance Programme (CCP)**, aimed at preventing, identifying and penalising conduct that may lead to corporate or employee liability.

The CCP revolves around the recommendations and the model protected by the Open Compliance and Ethics Group (OCEG), as a concept of excellence in the management of key processes of corporate governance, risk management and compliance.

This programme, which is led by the **Corporate Compliance Officer (CCO)**, includes self-regulatory programmes voluntarily adopted by Abengoa to adapt to legal requirements, showcase its ethical aspects and prevent or detect unlawful conduct.

Self-regulatory programmes adopted

- |             |                 |            |                  |  |
|-------------|-----------------|------------|------------------|--|
| Competition | Data Protection | Corruption | Criminal matters | Money laundering and terrorist financing |
|-------------|-----------------|------------|------------------|--|

The **CCP** along with the specific programmes are directly integrated into the company's management model through the **code of conduct**, the rules of **good corporate governance** and a specific **risk analysis**, in addition to their implementation through training and supervision in a **process of continuous improvement**.

## Programme for the regulation of competition, consumers and markets

Abengoa operates in a freely competitive market with transparent conditions in each of the jurisdictions in which it operates.

The **whole workforce**, without exception, is **responsible for compliance with applicable standards** in this area. Employees are not entitled to engage in, authorise or tolerate conduct that violates antitrust rules or Abengoa's antitrust policy.

Similarly, employees must always take reasonable steps to ensure that other employees under their authority and/or responsibility are aware of and comply with this policy.

## Data protection programme

Following the entry into force of the European Regulation on the protection of personal data, in 2018 the company adapted its internal regulations to the new provisions of the aforementioned regulation, including the appointment of a **Data Control Officer**.

## Anti-corruption programme

Abengoa voluntarily complies with the principles established by the U.S. Foreign Corrupt Practices Act (FCPA) and implements these principles through its Code of Conduct, as well as internal manuals for the performance of contracts for third parties.

The company shares and subscribes to each of the points of the United Nations anti-corruption document, the objectives of which are, inter alia, the following:

- › Promote and strengthen **measures to efficiently prevent and combat corruption**;
- › **promote**, facilitate and support **international cooperation and technical assistance** in preventing and combating corruption, including asset recovery; and
- › **promote integrity**, accountability and proper management of public affairs and public property.

Abengoa requires all of its employees to comply with applicable anti-corruption regulations to ensure the trust that customers and authorities place in the company, thereby protecting its businesses from any non-compliance and the liability that this entails and thus safeguarding its reputation.

## Criminal enforcement programme

Under this standard, both the company and the natural person may be liable for crimes that are perpetrated. In this regard, all employee actions must therefore be governed by **rigour, order and responsibility**.

The associated programme is aimed at **detecting, preventing and punishing those forbidden conducts that violate the law** that could lead to any type of liability for Abengoa. Thus, it includes the self-regulation programmes to which the company voluntarily adheres in order to adapt to legal requirements and showcase the ethical aspects that characterise it, as well as to prevent and detect any unlawful conduct that may occur.

This standard is mandatory for all employees. In the same way, ensuring its implementation is the responsibility of management and directors, without exception.

## Money laundering and terrorist financing programme

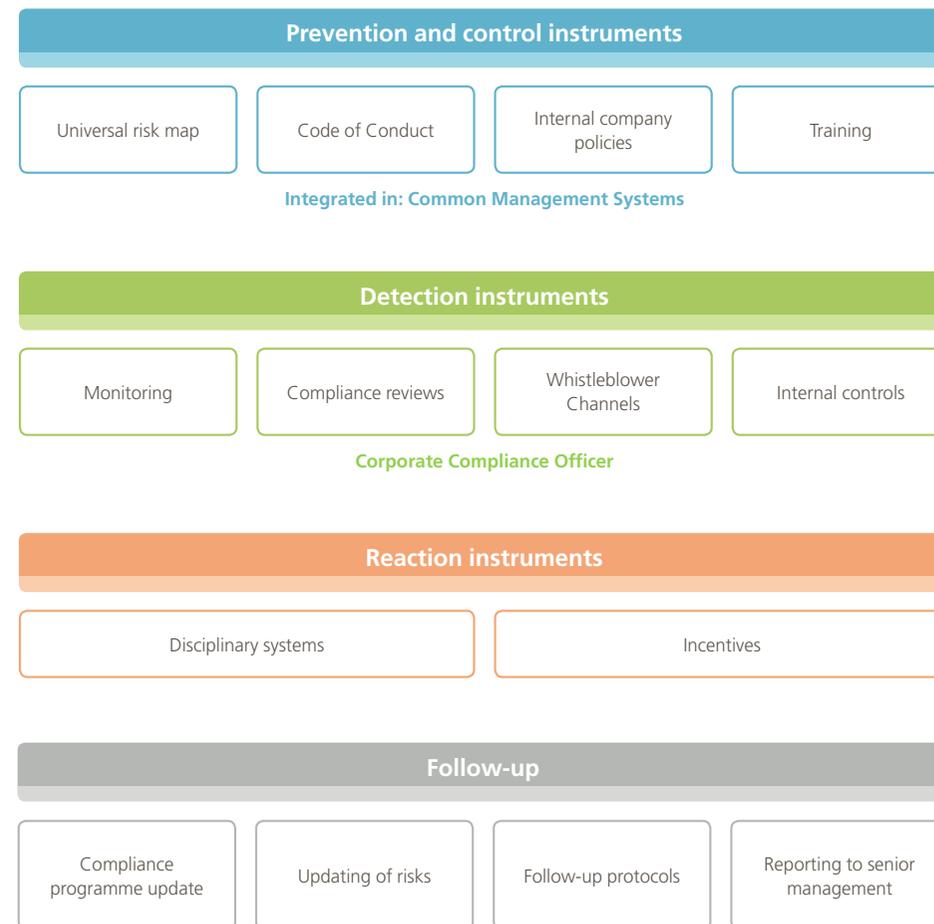
Abengoa voluntarily assumes the principles and obligations established by the applicable regulations on the **prevention of money laundering and terrorist financing**<sup>1</sup>. In addition, the obligations arising in each region for economic transactions carried out abroad and/or with non-residents are included.

This programme is aimed at the implementation of procedures and controls that verify, prevent and hamper collaboration with persons who carry out money laundering activities or are used by them for such purposes, and is mandatory for all employees, as well as supervision and control by the managers, without exception.

## Geographic and functional scope

The CCP is applicable in all companies controlled by Abengoa, regardless of the country or the activities carried out. In the same way, it is obligatory for all employees, both its own and those who act for or on behalf of the organisation or its managers. All of them must comply with the regulations and their non-compliance can lead to civil or criminal liability as well as damage to its reputation.

The CCP was created to promote the consolidation in Abengoa of an ethical culture that marks the behaviour of all employees, as well as those agents with whom the company establishes contractual relationships. In this regard, the programme establishes and develops the main actions of identification, detection, prevention, vigilance and control of risks and, to this end, has efficient instruments that oversee conduct in the performance of the activity, as well as disciplinary measures, in accordance with applicable local legislation, which punish those conducts contrary to the company's standards or self-regulatory policies.



Note 1 Directive 2005/60/EC of the European Parliament and of the Council; Commission Directive 2006/70/EC; EEC Regulation No. 1781/2006 of the European Parliament and of the Council; Law 10/2010 of 28 April, and Royal Decree 304/2014 of 5 May of the Regulations of the previous law, both of the Kingdom of Spain, and other similar laws such as Law 27693 of 2002 of Peru; the Money Laundering Control Act of 1986 of the United States of America; the United Nations Convention against Illicit Traffic in Narcotic Drugs and Controlled Substances, among others.

On the basis of Abengoa's different branches of activity and cross-referencing these with the set of rules, both mandatory and voluntarily assumed, the risks of non-compliance that the organisation may incur are analysed, weighing up the importance against the likelihood of their occurrence and thus obtaining a risk map.

This process of continuous improvement, which periodically receives feedback through supervision, audit and review, is shared with the organisation's employees through training, which serves to inculcate and consolidate the corporate culture of legality.

The six pillars on which the programme is articulated are:



The company is carrying out an extensive review of its compliance systems to adapt its tools to the requirements of the standard and the recommendations of international compliance standards, as a result of publication of the UNE-ISO 19600 Compliance Management Systems standard, in April 2015, and the International Standard Anti-Bribery Management Systems ISO 37101, in October 2015, as well as the publication in the current consultation phase of the PNE 19601 Criminal Compliance Management Systems (and its forthcoming publication as a UNE 19601 standard).

The application of the CCP to suppliers, subcontractors and other stakeholders is being carried out gradually.

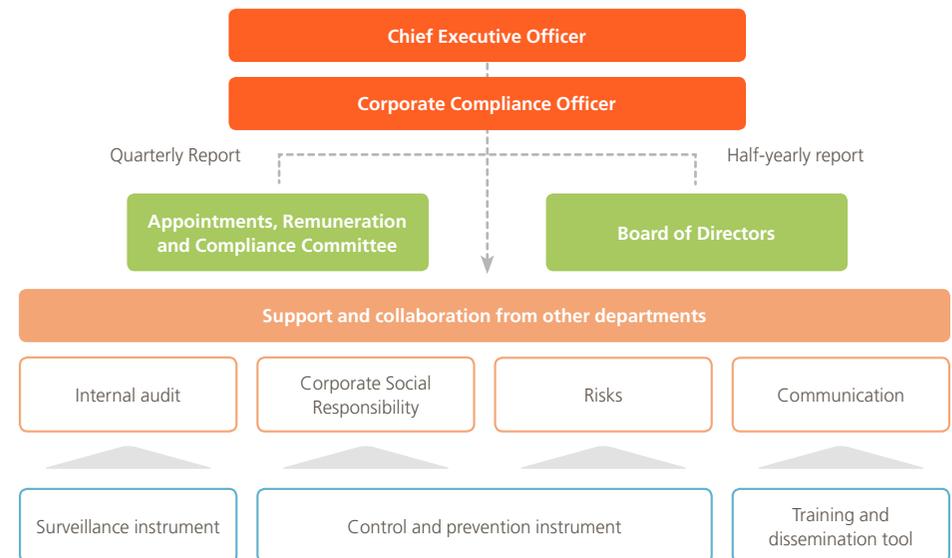
## Internal organisation and resources

The area of Regulatory Compliance is spearheaded by the Corporate Compliance Officer, who is responsible for having full knowledge of the applicable legal regulations at Abengoa, as well as for promoting the upright conduct of all company employees, disseminating the necessary knowledge in legal matters among those to whom it applies. However, each area is directly responsible for compliance with the regulations applicable to its activity (tax, labour, QA, etc.).

The CCO reports directly to the Chief Executive Officer, quarterly to the Appointments and Remuneration Committee, and half-yearly to the Board of Directors.

The Board of Directors is the body that guarantees the actions of all employees, through each level of command or management. To control this, it expressly approves the CCP, intervening in the definition of the scope and content of each area and the control of the common management systems. It is also responsible for setting an example and transmitting the same values to its subordinates, supervising their application in the development of the activity.

The cross-cutting nature of the subject matter and its repercussion on the company's activity requires support and collaboration with other departments that serve as tools for control, prevention, detection, monitoring and dissemination or training.



## Main activities in 2018

- › **Adaptation to the European regulation on the processing of personal data.**  
Review of new features and adaptation of internal processes regarding personal data and associated computer security systems to ensure their protection (employees, suppliers and customers, banks, etc.).
- › **Law 27401 which establishes the criminal liability of legal entities in Argentina.**  
Analysis for implementation, with a local office, of those elements of this law that are not included in Abengoa's compliance system and its implementation.
- › **Supplier control: approval process.**  
Establishment of the necessary reporting requirements and conditions for suppliers (identification, origin of funds, etc.).



- › **Procedure for conflicts of interest and related-party transactions for directors and employees.**  
Establishment of a non-discretionary written procedure on the processing and resolution of conflicts of interest and related-party transactions for directors, senior management and employees.
- › **Confidential information security procedure.**  
Establishment of a physical security procedure for emails and files subject to a confidential process.
  - Four levels of confidentiality with their respective security and processing measures.
  - Using the One Drive virtual storage platform instead of sending files.
  - Prohibitions on certain uses (forwarding, prohibition, etc.), some of them automated and, in any case, traceable.
- › **Coordination with the Internal Audit Department in the review of all internal policies to adapt them to Abengoa's new structure, level of activity and geographical areas, and in the simplification of internal approval and decision-making processes.**  
One of the goals set forth for 2019 is the establishment of a tax compliance programme that adapts the internal mandatory regulation to the requirements of validity as criminal evidence, pursuant to the content of the UNE 19602 on tax compliance systems management.
- › **Review of the risk map, adapting it to the company's size and operational level.**
- › **Specific program for compliance in tax matters.**  
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