

03. Management of capitals

03.1. Financial capital

03.2. Industrial capital

03.3. Human capital

03.4. Social and relationship capital

- _ Clients
- _ Suppliers
- _ Community

03.5. Natural capital



Criteria governing Abengoa's business model

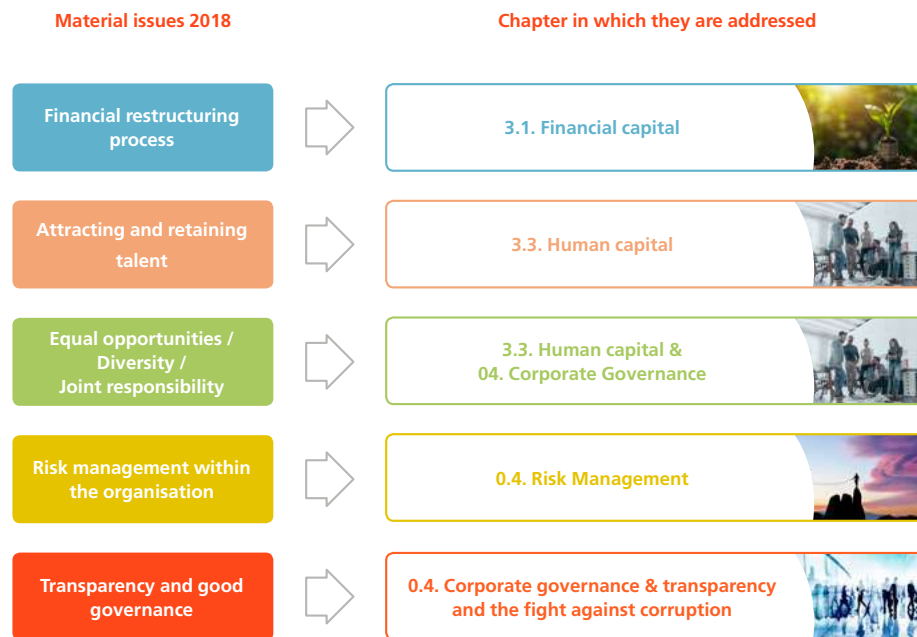
The organisation's corporate social responsibility strategy is based on a **basic pillar: the relationship with its stakeholders**. That's why it is essential to guarantee a relationship based on trust with all of them.

This report is one of the main **transparency** and **communication** tools used in Abengoa's **business model and value creation**. Its purpose is to provide information about the most relevant aspects, while taking into account the main concerns of its stakeholders.

The chapters below include a detailed description of **Abengoa's capital**, divided into five main areas: financial, industrial, human, social-relational and natural. Detailed information is provided for each area, **in relation to management and strategic approach**, as well as on the company performance during 2018 through different indicators, based on the GRI Standards.

A year on, Abengoa has analysed the most relevant matters for the company itself and for its stakeholders, with the purpose of providing an objective and well-balanced opinion on the matters that have affected the company the most.

The chapters below include specific information about how the company has managed the most relevant issues throughout 2018:

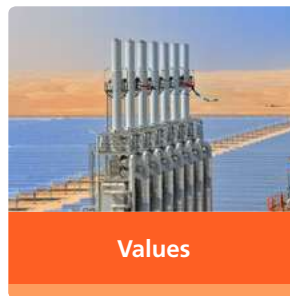
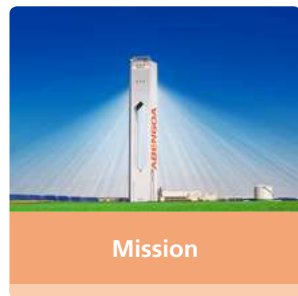


Mission, vision and values

The extraordinarily complex and adverse scenario of the past few years, in addition to the need to adapt to a new business model after the sale of important assets leading to an interruption of the operations in some business groups led to an in-depth review of the company's foundations. Therefore, Abengoa updated its mission, vision and values in 2017 with the purpose of adapting them to the company's new situation, while strengthening the transparency, commitment and good governance message.

The company's mission, vision and values have been **designed according to its corporate sustainability and responsibility culture**. The company's firm commitment to these values is the key to generating value in time and to make a positive contribution to social well-being.

102-16



To create **innovative technological solutions** for sustainable development in the Infrastructures, Energy and Water sectors that contribute to **social well-being**. Our business management is part of a responsible policy framework and responds to the principles of **efficiency, transparency and responsibility**, generating value for all of our stakeholders.

To be a world leader in the development of innovative technological solutions in the Infrastructures, Energy and Water sectors, in a way that contributes to **economic and social progress**, developing an ethical culture which enhances a **model of responsible management** with our environment, and a sense of pride of belonging among our employees.

Our activity is based on **ethical values** that guide the behavior of our employees, partners, collaborators and suppliers. The **Compliance of principles of actions** is the only way to build market trust and the respect of the public.



Corporate Social Responsibility Policy

Abengoa's CSR policy **establishes the main guidelines of the social, financial and environmental areas**, which must be followed by the entire organisation, **ensuring CSR is integrated across all areas of the company**, acting as a lever to ensure it achieves its business goals. Likewise, the organisation manages its capital according to the sustainable criteria included in its CSR policy.

This policy was unanimously approved in 2015 by the Board of Directors and can be found at the [company's website](#).

The Corporate Social Responsibility area reports directly to the Chairman's office and holds regular meetings to monitor all matters relating to sustainability. Furthermore, the Audit Committee is responsible for reviewing compliance with the strategic lines set forth in the CSR policy. 102-20

Strategic Corporate Social Responsibility Plan (SPCSR)

During 2018, Abengoa updated its Strategic plan of CSR (SPCSR), which had to be temporarily interrupted until the structure and scope of the group's activities were defined. This plan was approved by the Board of Directors in February 2019 and is designed for a five-year period: 2019-2023.

The SPCSR defines the company's framework and guidelines with a series of actions that can **integrate the expectations of stakeholders into the organisation's strategy**, identifying concrete goals and designing specific actions that help develop a responsible business fabric to create a sustainable and global development model.

This plan will allow Abengoa to **develop its distinguishing activities** in an environment of innovation and sustainable development, so it can anticipate to new business challenges associated with sustainability **and mitigate the risks inherent to its activity**. Likewise, it will allow the company to roll out its CSR strategy in each vertical and region, with specific actions adapted to the actual social situation of each community in which Abengoa is present.

To update the plan, the company used the previous strategy plan, adapting it to the **commitments established in the CSR policy and in the Sustainable Development Goals (SDGs)**.

Global macro trends have a direct impact on the business and the activity of companies. Therefore, the potential impact of these mega trends on the businesses of Abengoa in the short, medium and long-term were analysed with all members of the management committee to identify the potential risks and opportunities. Some of these aspects taken into account in the analysis include climate change, population growth, stress on natural resources, deforestation, promotion of technology, urban growth, etc.

Likewise, the **mega trends on sustainability** were taken into account, considering the future challenges or laws that the company must abide by, such as the Equal Remuneration Law, the new Public Procurement Law or the Spanish Strategy for the Circular Economy.

Moreover, the company has also held meetings with key employees of the organisation to design the strategy lines and establish specific goals, actions and indicators that allow us to monitor the progress of the Plan.

Three main pillars of action were defined with this work:

Main pillars of the 2019-2023 SPCSR



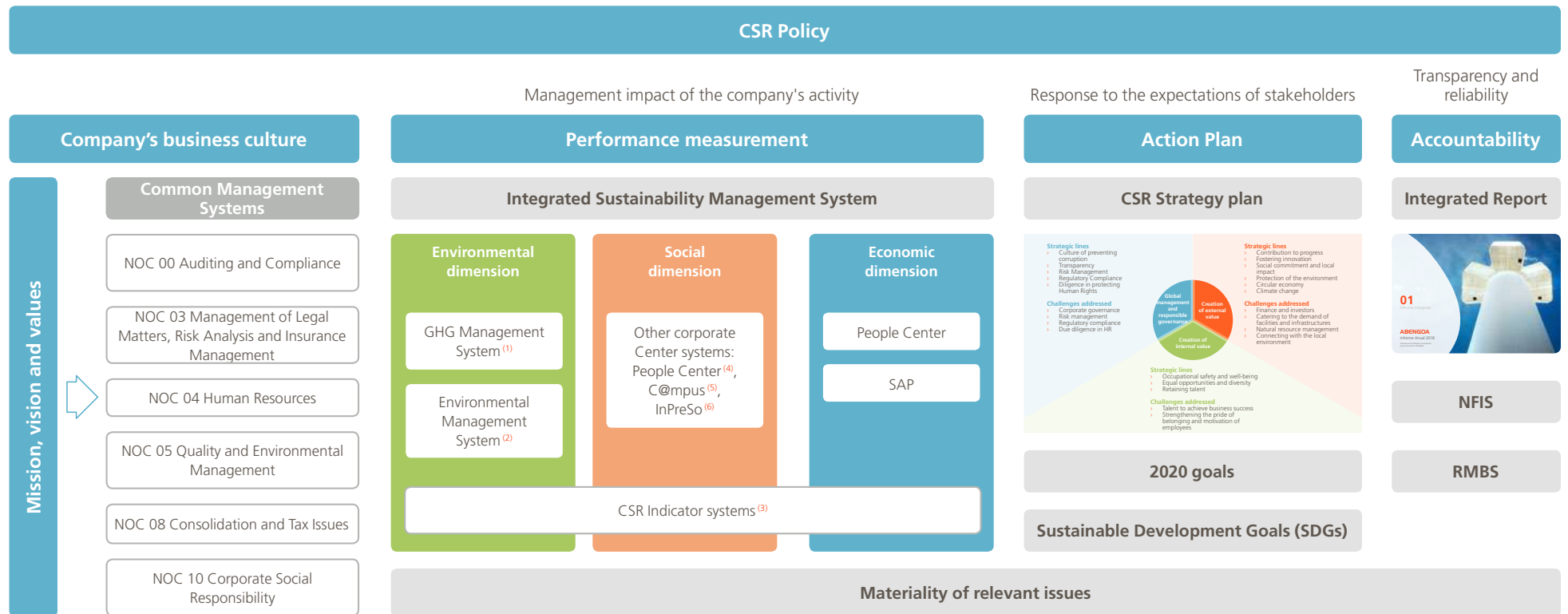
Corporate Social Responsibility Management System

Abengoa's Corporate Social Responsibility Management System (CSRMS) is **aimed at controlling non-financial information**, with the purpose of ensuring a responsible management approach that seeks to minimise the negative impacts associated with the company's activities, while increasing its positive impacts.

The CSRMS is based on the mission, vision and values of the company, as well as the public commitments acquired throughout its history. The system is designed according to the ISO

26000:2010 international standard, which includes the guidelines for all organisations in areas relating to social responsibility, the environment, human rights and the rights of consumers.

The company uses its "Integrated Sustainability Management System", a computer-based tool designed to manage and consolidate the performance indicators of the main CSR areas (social, environmental, financial and governance), which gathers non-financial information across the organisation and allows the establishment of a robust internal control system that guarantees its reliability.



(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.



UN Global Compact *102-12, 102-13*

Since 2002, Abengoa is committed to the United Nations Global Compact. Such a commitment is based on guaranteeing that it shall implement the ten goals associated with human rights, employment, the environment and the fight against corruption in its activity, business model and strategy.

Sustainable Development Goals (SDGs)

Abengoa has incorporated the Sustainable Development Goals (SDGs) into its activities and business strategy, as the common theme of its Strategic CSR Plan.

As a company that applies innovative technological solutions for sustainable development in the infrastructure, energy and water sectors, the organisation is in a key position to achieve a higher contribution in the following sustainable development goals through its businesses:



However, the company rolls out actions in the strategy lines and goals established in the SCSRP to make progress in the achievement of all other sustainable development goals. Below is a description of how the company contributes to the achievement of the applicable goals.

SDGs	Description of the goals	Areas	Description	Chapters in which it is addressed
	Goal no. 1: end poverty in all its forms everywhere	People	Abengoa is present in the local business and industrial fabric, providing its support and social action initiatives to help the most vulnerable groups.	Employees, Suppliers and Community
	Goal no. 3: ensure healthy lives and promote well-being for all at all ages	People	The health and well-being of its staff and all players in its supply chain are a priority for the company and, in particular, for its senior management. To this end, it rolls out different policies and actions to guarantee safe working conditions and appropriate training for all of its personnel.	Human capital, Suppliers
	Goal no. 4: ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	People	The company rolls out training actions for the local communities with its social action plans.	Community
	Goal no. 5: achieve gender equality and empower all women and girls	People	The company uses its own mechanisms to guarantee gender equality in any area. To achieve this, it has its own Equality Framework Plan and the Equal Opportunities and Treatment Office, aimed at ensuring gender equality and equal opportunities for men and women. The SCSR has established a strategic gender equality line with many different objectives to make progress in this area.	Human capital, Regulatory compliance
	Goal no. 6: Ensure availability and sustainable management of water and sanitation for all	Planet	Abengoa offers products and services to manage the comprehensive water cycle, guaranteeing the availability of resources with an efficient approach.	Natural capital
	Goal no. 7: Ensure access to affordable, reliable, sustainable and modern energy for all	Prosperity	Renewable energy is one of the pillars of Abengoa's business, both in the business itself -being a global leader in the development of thermoelectric, photovoltaic and hybrid power plants with storage systems, and in the 'Biomass to Energy' sector-, and on how it conducts business, fostering the implementation of efficient measures in all of its lines of activity.	Natural capital
	Goal no. 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	Prosperity	The company fosters local employment in the communities in which it is present, promoting social inclusion through employment to local suppliers, reducing poverty and fostering local employability through education.	Community, Suppliers, Human Capital, Financial Capital
	Goal no. 9: Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation	Prosperity	The organisation contributes to the growth and development of society through the construction, operation and maintenance of sustainable infrastructures that protect the environment and society.	Industrial Capital
	Goal no. 10: Reduce inequality within and among countries	Prosperity	Helping the communities in which the company operates with education, guaranteeing professional training is provided to everyone with the purpose of fostering equal opportunities.	Community

SDGs	Description of the goals	Areas	Description	Chapters in which it is addressed
	Goal no. 11: Make cities and human settlements inclusive, safe, resilient and sustainable	Prosperity	Abengoa provides solutions aimed at sustainable urban development, the supply of the most suitable basic services and safe transport systems, focusing its activities on the generation of clean energy and water management, building energy transmission infrastructures and railway lines and traction substations, as well as singular buildings, such as hospitals or prisons.	Natural capital and Community
	Goal no. 12: Ensure sustainable consumption and production models	Planet	In accordance with its environmental policy, Abengoa promotes the efficient use of natural resources and effective waste management, thus guaranteeing its commitment to the environment, focusing its activity on moving towards a green growth model.	Natural capital
	Goal no. 13: Take urgent action to combat climate change and its impacts	Planet	Abengoa focuses its activities on offering solutions aimed at reducing emissions and at energy efficiency throughout the supply chain. Likewise, it has developed different strategies to analyse the risks associated with climate change in all of its projects and facilities.	Natural capital
	Goal no. 15: Sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss	Planet	Abengoa promotes the use of techniques and equipment that are beneficial to the organic regeneration of soils and thus reduce the risk of fire during its construction work and when operating its projects. It also establishes plans for the protection of fauna and flora and initiatives for the restoration and repair of any damage, if needed.	Natural capital
	Goal no. 16: Promote fair, peaceful and inclusive societies	Peace	Strengthening the company's code of ethics with the compliance area and consolidation of the whistleblowing channels through its internal and external channels.	Regulatory compliance, transparency and the fight against corruption

Responsible Management Balance Sheet (RMBS)

The Responsible Management Balance Sheet (RMBS) was created in 2011, aimed at grouping the **indicators associated with CSR** with enough relevance to be assessed as **critical to the company and for its stakeholders**. Given its importance, the organisation ensures this information is monitored more comprehensively and on an on-going basis, with the purpose of ensuring more efficient management and communications.

The balance sheet is published on the company's website and it is structured according to the organisation of its capital, set forth as part of the framework of the Integrated Report and published by the International Integrated Reporting Council (IIRC) to show the link between financial and non-financial information.

102-7, 103-1, 103-2, 103-3, 201-1, 201-4, 302-1, 302-3, 303-1, 305-1, 305-2, 305-3, 305-4, 305-7, 306-2, 401-1, 403-2, 404-1, 413-1, ID1, ID2, ID3_4

Responsible Management Balance Sheet

Financial capital	2018	2017	2016	(1)
Turnover (€M)	1,303	1,480	1,510	✓
Payments made to Public Administrations (€k)	138,223	153,187	ND	✓
Significant financial support received from governments (€k)	–	4,882	12,031	✓
Intellectual capital	2018	2017	2016	(1)
Investment in R&D and innovation (€M)	1.42	0.62	4.8	✓
Employees dedicated to R&D and innovation	19	25	232	✓
Total number of patents granted since 2008	342	395	294	✓
Investment effort in R&D and innovation (Investment in R&D&i / Sales)*100 (%)	0.10	0.04	0.32	✓
Natural capital	2018	2017	2016	(1)
Materials				
Steel (Kg)	1,033,499	ND	ND	✓
Wood (Kg)	23,266,223	ND	ND	✓
Cement (Kg)	2,565,775	ND	ND	✓
Concrete (Kg)	1,889,046,331	ND	ND	✓
Energy				
Energy consumption (GJ) (primary, electrical and thermal) ⁽²⁾	24,579,329	24,853,762	33,692,874	✓
Energy consumption intensity (GJ) / Sales (€k)	18.9	16.8	22.3	✓

Natural capital	2018	2017	2016	(1)
Emissions				
Direct emissions (t CO _{2eq})	738,458	652,332	1,044,098	✓
Direct emissions from biomass (t CO _{2eq})	1,331,008	1,103,015	2,025,292	✓
Indirect emissions (t CO _{2eq})	313,746	315,286	2,725,577	✓
Intensity of GHG ⁽³⁾ emissions (t CO _{2eq}) / Sales (€k)	1.8	1.4	3.8	✓
Other atmospheric emissions:				
CO (t)	1,471	1,479	ND	✓
NOx (t)	1,871	1,882	ND	✓
SOx (t)	224	223	ND	✓
PM (t)	1,909	1,923	ND	✓
VOC (t)	114	114	ND	✓
Water withdrawal				
Desalinated water produced (m ³)	133,079,325	146,444,617	154,690,622	✓
Seawater withdrawal (m ³)	324,125,592	356,538,188	336,653,375	✓
Withdrawal withdrawn from other sources (m ³)	7,687,386	6,351,911	8,648,659	✓
Waste				
Waste (t) ⁽⁴⁾	93,462	45,474	41,645	✓

Human capital	2018	2017	2016	(1)
Job creation (%)	7.88	(21.97)	(31.10)	✓
Total voluntary turnover (%) ⁽⁵⁾	7.69	8.69	18.22	✓
Female staff members				
In senior management positions (%)	11.52	10.04	10.38	✓
In middle management positions (%)	17.34	18.24	21.97	✓
Occupational accident rate				
Frequency rate ⁽⁶⁾	10.88	13.31	14.22	✓
Severity rate ⁽⁶⁾	0.11	0.12	0.23	✓
No. fatal accidents	–	–	1.00	✓
Professional illnesses, by gender	–	–	–	✓
Training				
Average hours of training per employee	35.69	20.60	6.21	✓

Social and relational capital	2018	2017	2016	(1)
Suppliers				
Purchases made to local suppliers (%)	77.4	87.3	ND	✓

Compliance	2018	2016	2016	(1)
Analysis conducted to comply with the FCPA	446	539	1,412	✓

(1) Indicators audited by an independent entity.

(2) 5.7 % of the electrical energy used comes from renewable energy sources.

(3) The emissions intensity include scope 1 and 2.

(4) Of the total waste generated, 2.05 % is hazardous waste.

(5) The turnover calculations do not include interns and operators.

(6) The indices refer to own employees and the number of accidents with and without sick leave are included.