

05.4

Human capital



It is undeniable that 2015 has been a hard year for Abengoa and its human team. The approach of the [viability plan](#) to recover value of the company, has demanded complicated and demanding decisions to be adopted that have required a great effort by all of the company's employees.

At present, Abengoa is **facing an important transformation process**, to become a more efficient organization, which is flexible and able to compete successfully in the market, generating value for all its stakeholders.

In this context of change, it is necessary to carry out some measures entailing an organizational readjustment, which shall allow the company to adapt to the new reality and to tackle a new future on a solid base.

The strong limitation of financial resources of the last few months has meant a slowdown in activity, which has forced Abengoa to reduce its structure in different projects and geographies. Furthermore, the persistence of these circumstances and, what is most important, **the need to adapt to a new situation** shall lead the company to consider a reduction of its organizational structure, which could affect up to 10 % of the workforce in Spain.

It is a difficult decision, but absolutely necessary to be more efficient and move towards a new structure, more adapted to the turnover foreseen in the viability plan.

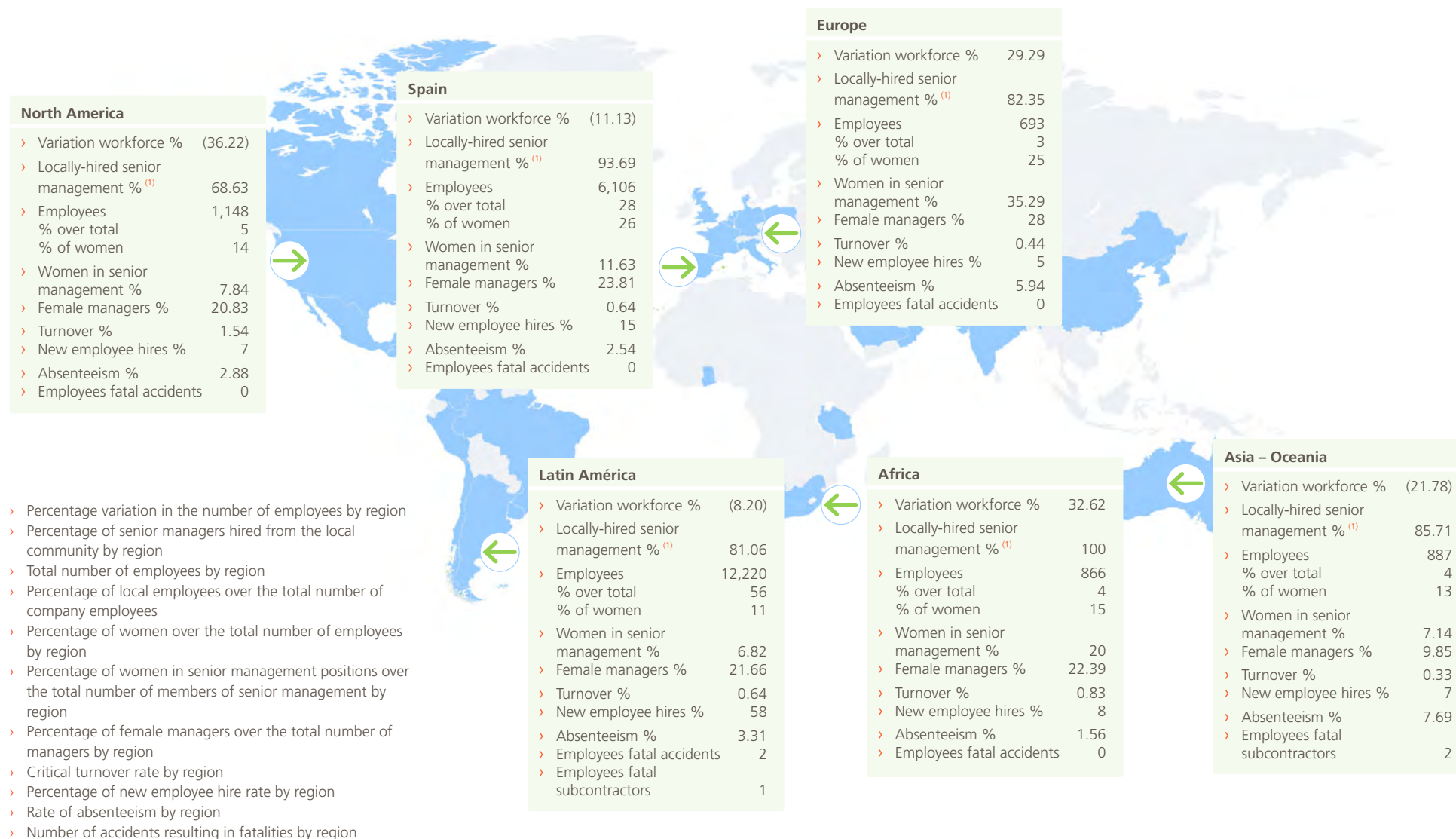
In addition, as part of these organizational changes, a series of adjustments are being carried to radically reduce our general expenditure and move towards a more effective, efficient and transparent organization. Among the measures adopted, it is worth highlighting the following making progress in the simplification process, minimizing corporate advice and managerial positions, promoting synergies between the different businesses, streamlining the support functions in the various regions, optimizing travel expenses, adjusting IT systems and mobile infrastructure, as well as possibly relocating various company offices and facilities in several countries where it operates. All these actions shall lead to a more efficient organization.

In a very competitive and changing environment like the current one, full of challenges, it is essential that the company focuses on the retention of its talent, as well as maintaining the key competencies, which are those that provide the company a **specialized and competitive know-how**, therefore we are developing an employee retention plan that will be implemented as soon as the financial restructuring process comes to a close.

All the people who make up the organization are demonstrating **exceptional professionalism, commitment and loyalty**, in these moments of uncertainty. Fortunately Abengoa continues to have an **excellent, motivated, committed and capable human team**, whose contribution is and shall remain the differential element of this organization, as well as the basis of our future.

Our team in figures

G4-EC6, G4-LA1, G4-LA6, G4-10



(1) Local executives are those executives whose nationality coincides with the regulatory region of the Company to which they belong.

In 2015 the workforce has decreased 9.82 % compared to 2014, having finished the year with 21,920¹ employees. The geographical areas most affected by this reduction in the workforce have been North and South America². On the date that this report was completed, the consolidated number of employees stood at approximately³ 17,500 employees. **G4-9**

The organization promotes local employment, which allows its capacity to be improved to adapt to the challenges that arise in each one of the 55 countries where it is present. The distribution of the Abengoa workforce by gender, activity areas, category of employees and type of contract has been the following⁴:

Categories	Groups	Male			Female			Total		
		2015	2014	2013	2015	2014	2013	2015	2014	2013
Employee category	Executives	464	507	506	56	62	74	520	569	580
	Managers	1,379	1,668	1,382	393	466	415	1,772	2,134	1,797
	Engineers and graduates	2,649	3,120	3,460	1,188	1,392	1,311	3,837	4,512	4,771
	Assistants and Professionals	1,742	1,531	1,407	960	1,111	1,079	2,702	2,642	2,486
	Operators	12,032	13,045	13,844	748	791	772	12,780	13,836	14,616
	Interns	185	366	268	124	247	230	309	613	498
	Total	18,451	20,237	20,867	3,469	4,069	3,881	21,920	24,306	24,748
Area of activity	Engineering and construction	379	16,120	16,421	131	3,262	3,028	510	19,382	19,449
	Concessions	13,847	298	366	2,731	164	138	16,578	462	504
	Industrial Production	4,225	3,819	4,080	607	643	715	4,832	4,462	4,795
	Total	18,451	20,237	20,867	3,469	4,069	3,881	21,920	24,306	24,748
Type of contract	Indefinite	8,561	9,260	9,252	1,570	2,084	1,884	10,131	11,344	11,136
	Temporary	9,705	10,610	11,347	1,775	1,739	1,767	11,480	12,349	13,114
	Interns	185	366	268	124	247	230	309	613	498
	Total	18,451	20,236	20,867	3,469	4,070	3,881	21,920	24,306	24,748

G4-10, G4-LA12

The distribution of the workforce by age groups and gender, the average age and its evolution over the past three years has been:

- Note 1** The workforce calculations reported in this section include interns.
- Note 2** The reduction in the workforce is due to the completion and the standstill of projects due to the exceptional situation that the company has experienced during 2015.
- Note 3** Correspond to data at April 30, 2016, the latest consolidated figure available before the publication of this report on May 25, 2016.
- Note 4** The data broken down by region of 2015 and the evolution over the past three years can be found in the Appendix B.

	Male			Female			Total			
	2015	2014	2013	2015	2014	2013	2015	2014	2013	
Age	> 60	564	639	647	31	41	36	595	680	683
	51 - 60	1,975	2,137	2,062	191	218	209	2,166	2,355	2,271
	41 - 50	4,007	4,124	4,179	543	562	520	4,550	4,686	4,699
	31 - 40	6,547	7,272	7,744	1,597	1,713	1,640	8,144	8,985	9,384
	20 - 30	5,358	6,066	6,234	1,107	1,534	1,477	6,465	7,600	7,711
	Average	37.8	37.0	36.8	35.2	33.9	33.8	36.5	36.4	36.3

G4-10, G4-LA12

The average age of the Abengoa workforce in 2015 was 36.5 years, maintaining ratios similar to previous years.

Age ranges	20-30	31-40	51-50	51-60	>60
2015 (%)	29.5	37.2	20.8	9.9	2.7
2014 (%)	31.3	37.0	19.3	9.7	2.8
2013 (%)	31.2	37.9	19.0	9.2	2.8

G4-10, G4-LA12

During 2015 the number of women in workforce fell by 14.7 % compared to the previous year, going from 16.7 % in 2014 to 15.83 % in 2015.

In the category of employees⁵ women represent 29.41 % of the workforce, compared to 30.75 % in 2014. However, the percentage of female executives and middle management is maintained with respect to last year.

The presence of women in executive posts and middle management was of 19.6 %.

Presence of women in executive posts and middle management	2015	2014	2013
Total of executives and middle management	2,292	2,703	2,377
Women executives and managers	449	528	489

G4-10, G4-LA12

Employee commitment

Abengoa is aware that the future of the company and the international prestige of its projects are based on the work and the commitment of its team. The **human capital** is one of the fundamental levers **to supply the expectations of growth and new business opportunities that are presented**, which shall require trained professionals which are geared to the demands of the market.

The importance that Abengoa attaches to talent makes it pay particular attention to the rotation indicators.

In 2015 the non-critical rotation was 9.09 %, compared to 6.9 % in 2014. Of these, the contract terminations considered critical were 0.69 %, against 0.9 % for 2014.

The critical rotation⁶ indexes by gender and age range were the following:

	Groups	2015 (%)	2014 (%)	2013 (%)
Gender	Male	0.8	1.0	0.8
	Female	0.5	0.5	0.4
Age	> 60	0.0	0.3	0.0
	51 - 60	0.06	0.0	0.8
	41 - 50	0.13	0.7	0.9
	31 - 40	0.35	1.1	0.9
	20 - 30	0.16	1.0	0.4
Voluntary rotation index		9.09	6.9	4.0
Critical rotation index		0.69	0.9	0.7

G4-LA1

In cases of voluntary contract terminations, questionnaires and interviews were carried out to find out the reasons why the worker was leaving the company and thus detecting possible areas of improvement.

Note 5 There are two major categories: employees and operators.

Note 6 Critical rotation is considered the contract termination of people considered to be key to the organization by their job or post.

Despite the difficulties that the company has undergone this year, during 2015 there was also recruitment, mainly in the first half of the year and in the category of operators in the different regions.

Recruitment rate table by gender and age range were the following:

	Groups	2015 (%)	2014 (%)
Gender	Male	9.13	14.63
	Female	18.39	16.73
Age	> 60	7.39	5.29
	51 - 60	5.68	7.64
	41 - 50	7.45	10.37
	31 - 40	11.36	11.33
	20 - 30	13.80	28.61

In relation to the return of workers after enjoying the maternity or paternity leave, it is noted that the percentage of employees who returned to their jobs was kept at 99 %, a similar figure to that of previous years. **G4-LA3**

	Male			Female		
	2015	2014	2013	2015	2014	2013
No. employees who exercised their right to maternity or paternity leave	475	466	513	213	187	179
No. employees reinstated after maternity or paternity leave	474	466	512	206	184	177
Retention rate after 12 months following the reinstatement (%)	91	79	–	80	80	–

Training

Abengoa operates in a competitive sector and industry, where knowledge and skills of the employees have to be **constantly reinforced** with **specialized training** to achieve the professional targets and cover the business' needs.

Training plans

In order to have the best team of professionals, Abengoa annually carries out **individualized training plans, resulting from the analysis of the competences** of each employee and framed in the scheme of Organization's Strategic Plan.

Abengoa's training plan incorporates all the materials required to have a **team of highly qualified professionals that are committed** to the company culture, and it does so by combining on-line and classroom methodologies to suit the requirements of the workers.

During 2015 2.2 M hours of training were given, 6 % less than in 2014, reaching an average of 53 h⁷ per employee and a direct investment of € 6.14 M, with the average investment being € 223 per person. **G4-LA9**

The variation of the hours of training in the last three years was the following:

	2015	2014	2013
Training hours	2,228,520	2,376,850	1,864,251
% Change	(6.2)	27.5	

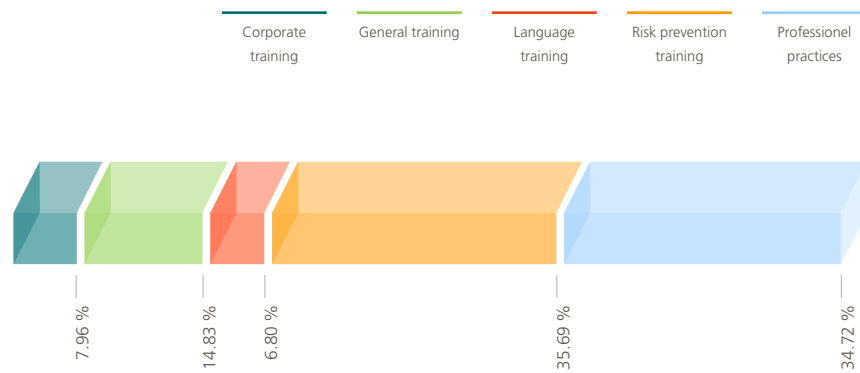
The decline in the investment in training and the number of hours worked is mainly due to the exceptional circumstances that the company has experienced in the last quarter.

Note 7 In order to calculate the average hours of training per employee, the hours of professional practice have not been taken into account and the data of the average workforce has been taken without interns

The training provided within the company comprises both general subjects and specific training plans geared to the different categories and professional duties⁸.

G4-LA9

The distribution of hours of training per category in 2015 was as follows:



All the training done is subject to a regular evaluation of its effectiveness both from the point of view of improving the performance as well as the results of the business.

Abengoa University

From 2012 Abengoa University constitutes the center of the development of the strategic capabilities of Abengoa executives. In the more than **110 editions** of the different face to face and blended learning programs that have been held, an example of the field of training in business has been created. Thus, it has collaborated with **18 universities**, around **3,400 employees** have participated in its programs and more than **250,000 h of training** have been accumulated.

During 2015 a new edition of the redesigned Program for Management Development Abengoa PDDA was started, with a blended learning format that is more oriented to the global reality of the company. There has also been a new edition of the Technological Management Program, also in this same format, which has had three residential stages (two in Seville and a third in Washington). Also launched, with this same format, were new editions of the program for Project Management DPA, as well as the Program for Managerial Skills (PHDA) and Managerial Communication (PCDA). **G4-LA10**



Signing of the agreement with the National Autonomous University of Mexico. Juan Manuel Romero Ortega, coordinator of Innovation and Development of UNAM, and Joaquín Fernández de Piérola Chief Executive Officer of the company and Vice President of its Board of Directors.

Note 8 More information about the hours of training on Appendix B.

Attracting and retaining talent

Abengoa believes that the key to its success and of its business is to **attract, develop and retain** the best talent. During these months of crisis and uncertainty, Abengoa has worked with a specialized team to retain talent and knowledge of the great professionals with which the company works.

The company has three tools for the assessment of performance, through which it assesses each of the people who are part of it:

Evaluation tool	For whom is it intended?	What does it involve?
Performance management	To all employees	Based on a previously defined competency profile, by position and duty, every employee is evaluated annually by his or her direct superior.
360° Feedback	Executives Development Program (EDP) personnel	Participants include superiors, colleagues, collaborators and the individual being evaluated, and the review is carried out by having all participants complete identical questionnaires.
Executive Intercommunication Program	Executives and managers	Program for ascertaining staff perception of personal and career development.

During 2015 more than 9,000 processes of performance management have been completed. The Managerial Intercommunication Program, PID, has had more than 1,200 participants. With regards to the Feedback 360° program, the assessment is postponed to 2016, once the restructuring process that the company is going through has passed. **G4-LA11**

Every two years Abengoa carries out the **Employment Climate Survey** to monitor the satisfaction of its employees, through which the company obtains valuable information in order to understand the perception that employees have of the organization and its management⁹.

Note 9 The last edition was held in 2014, as published in the CSRR2014.

Protection of Human Rights

In order to ensure the protection of the rights of its employees, all the people who are part of the company are under the scope of cross-company labor regulations, regardless of the nature of their activities or the countries in which they are performed. In addition to the legal protection of each country, regulatory protection takes on special significance thanks to collective agreements in the sector, the territorial or own covenants of company signed with workers and representatives or the trade unions, as appropriate. **G4-LA8, G4-11**

Abengoa also guarantees its employees, as a basic labor right, which they shall be informed in advance of any structural or organizational change that occurs in the company, either individually or through their representatives, according to the notice periods set out in legislation and collective agreements. **G4-LA4**

Throughout 2015, 117 claims involving labor practices ended up in lawsuits¹⁰. Claims derived from collective proceedings were grouped together.

In order to avoid incidents related to the violation of human rights (HR), the company has been carrying out training courses based on this matter, as well as in matters aimed at the fight against corruption. During 2015 **more than 16,738 h of training** were given based on these subjects for own employees and subcontracted personnel.

Categories	2015		2014		2013	
	Hours carried out	Attendees	Hours carried out	Attendees	Hours carried out	Attendees
Training in HR Employees	10,619	9,210	10,438	8,122	11,453	8,727
Anti-corruption training for employees	6,119	6,375	7,348	7,467	9,602	8,727

G4-HR2, G4-SO4

Note 10 Only matters registered in Spain are reported.

Diversity and equality

Abengoa promotes equality between men and women, and rejects any form of direct or indirect discrimination on the grounds of gender. Therefore it applies this principle in all its human resources management policies (recruitment, selection, training, performance measurement, promotion, remuneration, working conditions, reconciliation of family and working life, communication and prevention of harassment, etc.).

In order to ensure **equal treatment and equal opportunities** in terms of gender, as well as to avoid any situation that might be constitutive of direct or indirect employment discrimination, in 2008 Abengoa developed its own **Equality Framework Plan**, to be implemented throughout the company and whose compliance is assessed, in addition to the established channels, in the annual visits that are made to the companies to verify compliance with the guidelines of the SA 8000.

In the framework of this plan, the organization has a **protocol for complaints of harassment in the workplace** in order to deal with any situation that might be considered discriminatory. The Commission of Equality was also created, whose duty is to follow up on a global scale the issues related to gender equality.

During 2015 the **Equality Commission** met twice in order to analyze and evaluate the situation of the organization.

Creation of business opportunities for people with disabilities

The labor insertion of people with disabilities, and therefore the equality of opportunities for this group, is a firm commitment of Abengoa.

The company works so that people with disabilities are incorporated into the social and working life, promoting employment, integration and accessibility. To do this it promotes initiatives aimed at integration into the labor framework of those groups that for different reasons suffer exclusion and prioritizes the person above its limitations.

In Spain, as at December 31, 2015, there were 94 people with disabilities on the workforce.

Remuneration policy

On the basis of the principle of equality, the remuneration system of the company ensures equity in remuneration and equality of treatment and opportunities between men and women by not making differences in any of the professional categories or geographical areas, in accordance with the legal regulations and with the commitments and principles contained in the policies of the company.

The remuneration of employees is fixed on the basis of the salary level and legal regulations of each of the geographies where Abengoa carries out its activity.

The following table shows the male/female wage ratio in the countries where the company has a greater presence.

Average monthly salary ^(1,2,3)	Female/male salary ratio in the categories of graduate (%)
Brazil	98
Chile	92
Spain	100
US	99
Mexico	98

G4-LA13

- (1) Data obtained from a representative sample of companies in significant geographical areas.
- (2) Contracts in practices have not been taken into account in the calculation of salary ratios.
- (3) The staff of the graduate category has been considered for the calculation without taking into account differences by level of responsibility or post.

The following table shows the percentage paid above the minimum wage (MW) taking into account the categories of graduate, administrative and operator as indicative of the competitiveness of the salaries offered.

	Percentage on MW (%)		
	Graduate	Administrative assistant	Operator
Brazil	439	300	116
Chile	449	258	270
Spain	378	218	282
Mexico	351	320	217
US	293	239	188

G4-EC5

The remuneration policy for some employees sets out a variable complementary remuneration that rewards professionals of the company on the basis of the performance of their activities and of the level of achievement of their personal targets. 30 % of employees¹¹ have a variable remuneration based on targets.

Health and Safety at work

Ensure the optimum working conditions in the area of occupational health and safety is a priority for the organization. That is why Abengoa has implemented systems for the prevention of occupational hazards, which are regularly audited by accredited entities that certify the degree of adaptation to the legal regulations and their level of efficiency. These systems are based on four pillars:

- > **Principles of the Occupational Risk Prevention Policy (ORP)** of Abengoa.
- > **Legal provisions** applicable in the country where it carries out its activities.
- > **Contractual specifications** of the customers of the company in this area.
- > Requirements of **Standard OHSAS 18001¹²**, regulation of an international nature for management systems of health and safety at work.

Certified companies based on sales volume (%)	2015	2014	2013
OHSAS 18001 certificates	93	85.64	92.81

The companies of the firm have **health and safety committees** which meet regularly to monitor and warn on those aspects which may pose risks to the health and safety of workers, analyze the accident ratios and implement the measures needed to achieve the targets in this area. These committees are composed of responsible executives and ORP and they represent almost all of the staff of the company. **G4-LA5**

Note 11 This data has been calculated on the category of employees.
Note 12 OHSAS 18001: International certificate relating to systems for the management of health and safety at work.

A fundamental part of the achievement of these objectives is the training of all the company's employees with specific courses in ORP. These courses are extended to subcontracted personnel that work on activities or facilities of Abengoa.

	2015	2014
Abengoa staff <i>G4-LA9</i>	795,454	877,556
Subcontracted staff given by Abengoa	266,986	235,457
Total hours of training in ORP	1,062,440	1,113,013

Abengoa continues increasing the means and resources to achieve the targets set out in its policy of "zero accidents".

The company puts special interest in the evolution of the accident rate and absences from work, with special attention to all those companies and professional areas in which works are carried out.

	Overall frequency rate	Frequency rate with sick leave	Severity rate	No. of work accidents with sick leave
2015 ⁽¹⁾	11.81	6.6	0.13	336
2014	14.22	8.56	0.23	416
2013	15.41	9.02	0.26	440

(1) The accident data provided correspond to its own personnel.

	Working days lost due to accidents	% total of absenteeism due to illness	% total of absenteeism due to occupational accidents
2015	6,477	1.28	0.27
2014	11,731	1.15	0.20
2013	12,033	1.13	0.17

G4-LA6

Among specific diseases with high incidence in certain geographies, malaria, cholera and tuberculosis are those that pose the greatest risk for employees. To prevent them, Abengoa carries out vaccination of staff moving temporarily or permanently to countries with risks in these and other diseases, performed tests and specific medical examinations, and training is provided on the prevention and the spread of disease. *G4-LA7*

"Zero accidents" policy

The objective of Abengoa is zero fatal accidents in all its works, projects and facilities. To achieve this it promotes supervision, monitoring and training as essential tools.

	No. fatal accidents	
	2015	2014
Own	2	2
Subcontract	3	6

G4-LA6

Despite the efforts made by the company in the field of prevention and in the implementation of its policies and procedures, in 2015 there were two fatal accidents of its own staff and 3 of subcontractors. Abengoa is committed to continue strengthening its ORL policies and to reducing the accident rate in the company.