

Abengoa establishes new internal prices on carbon

- For the third year running the company sets prices for carbon dioxide emissions, thus showing its commitment to climate change.

17 August, 2016 – Abengoa (MCE: ABG.B), the international company that applies innovative technology solutions for sustainability in the energy and environment sectors has, for the third year running, set internal prices for carbon dioxide emissions. Therefore, the company makes further progress to address climate change and demonstrates its commitment, spurred on by the Paris Agreement, in following recommendations of sustainability indices, rating agencies and international institutions.

Abengoa's internal carbon pricing is a company initiative to transfer the risk of the climate change policies to CO₂ prices in the different locations where it operates. It therefore reflects the existence or absence of carbon taxing schemes or carbon dioxide markets, as well as the anticipated implementation timetable. Consequently, pricing differs in countries with plans to implement taxes or markets prior to 2020, compared to those that are not expected to join these schemes or comply with regulations.

Abengoa's internal carbon pricing incorporates equally, in its preliminary analysis, the costs of targeted actions that the company undertakes to lower emissions and ensure that its activities are more efficient so that the cost per ton of abatement is lower. Additionally, it allows for price developments in implemented and mature carbon dioxide markets.

This year, for the very first time, Abengoa sets down two internal carbon prices: one to be applied in locations where mature systems are in place to tax GHG emissions, and another for countries where there are no mechanisms of this type. Therefore, the internal price on CO₂ that encompasses Abengoa's activities in Europe is set at 6€/tCO₂ and at 0.1€/tCO₂ for the company's activities in the rest of the world.

The internal price for Europe has been calculated within the context of lower risks and impact from the company's activities compared to 2015, driven primarily by the lowering of prices by the EUA and the EU-ETS.

In the same vein, the reduction of the company's annual emissions comes into play which contemplates a 2.5 million tCO₂ reduction of CO₂ by 2020 compared with the greenhouse gas inventory for 2013 and, which totals an accumulative volume of 701,164 tCO₂ for the past three years. Therefore, by calculating each year on

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the basis of fewer emissions, the company's activity is more efficient and the economic cost of carbon credits is mitigated by activities that are under emission trading schemes.

Internal carbon pricing makes up a part of Abengoa's strategy and active commitment to address climate change, thus enabling the company to calculate the amount of CO₂ produced as a result of its activities and also to assess the efficiency of its own reduction actions, linking the cost per ton of abatement with the internally established prices.



You can consult all the information relating to the Restructuring Process in the new section at www.abengoa.com

About Abengoa

Abengoa (MCE: ABG.B/P SM /NASDAQ: ABGB) applies innovative technology solutions for sustainability in the energy and environment sectors, generating electricity from renewable resources, converting biomass into biofuels and producing drinking water from sea water (www.abengoa.com).

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