



Since 2013, Abengoa has had its own **Corporate Compliance Program (CCP)** with the aim of **preventing, detecting and sanctioning any conduct that might result in company or employee liability**.

The Abengoa Regulatory Compliance program and the subject-specific programs are directly integrated into the company's management model through: the rules of good corporate governance; a specific risk analysis; its implementation through training and supervision in a process of continuous improvement.

The CCP has the following self-regulatory programs voluntarily put in place by the company to adapt to legal requirements, to underscore its commitment to ethical practices and to prevent and detect unlawful conduct.

#### 1. Anti-corruption program

Abengoa voluntarily complies with the principles established by the US Foreign Corrupt Practices Act, FCPA and implements these principles through its own code of conduct, as well as internal manuals for employees when performing contracts for third parties.

The company also shares and subscribes to each point of the document of the United Nations Convention against Corruption, which was approved by the General Assembly of the UN on 31 October 2003 and which aims, *inter alia*, to:

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

It requires all employees to act in full compliance with the anticorruption laws or standards applicable or undertaken to ensure that Abengoa maintains the trust of customers and authorities, to protect its businesses from any breach and the responsibility that entails and thus safeguard its reputation.

## 2. Money-laundering

Abengoa voluntarily accepts the principles and obligations set out in the regulations applicable in issues of prevention of money laundering and terrorist financing<sup>1</sup>. This program is mandatory for all employees, as well as supervision and control by managers, without exception.

## 3. Antitrust

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

All staff, without exception, are responsible for compliance with the rules applicable to the same. Employees are not entitled to carry out, authorise or tolerate conduct that would violate the anti-trust rules or Abengoa's policy on the matter. Employees must take reasonable steps to ensure that other employees under their authority and/or responsibility are aware of and comply with this policy.

## 4. Criminal compliance

Under this program of compliance, both the company and the individual may be responsible for the offences perpetrated. Criminal liability of the artificial person also requires the subordinate to have been able to perpetrate the crime through a lack of supervision and control.

The purpose of the Compliance program is the implementation of sufficient control methods to exercise proper control. This regulation is mandatory for the entire workforce, and the management and directors are responsible for supervision and control of its proper application, without exception.

All actions of employees must therefore be governed by rigour, order and responsibility.

## Geographical and functional scope

The CCP is instrumented through the company's Common Management Systems, and is therefore an **integrated element that is compatible** with the remaining **internal policies and controls**. It is coordinated, inter alia, with the Universal Risks Map (URM) the SAP controls and with the internal authorisation management system.

The CCP defines the main actions involving detection, prevention, surveillance and control that are subsequently carried out by the Compliance Unit. Led by the Regulatory Compliance director, who reports quarterly to the Board of Directors and answers directly to the CEO, it is instrumented through control processes introduced by the organisation to prevent any unlawful conduct that might occur.

The Compliance Program **applies to all companies controlled by Abengoa**, regardless of the countries or the activities performed, including employees, middle management, senior management, and third parties acting directly and expressly on behalf of the organisation or its directors.

All of these individuals, without exception, must comply with the regulations that the company has assumed and where breach could result in economic or administrative sanctions, leading to civil or criminal liability or otherwise tarnish the company's reputation.

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

The scope of the program is gradually being extended to include suppliers, collaborators and other stakeholders.

The CCP was developed based on the model proposed by the Open Compliance and Ethics Group (OCEG), as a means of attaining excellence in managing key processes involved in corporate governance, risk management and compliance.

As a consequence of publication of the UNE-ISO 19600 on Compliance Management Systems of April 2015 and the International Standard Anti-Bribery Management Systems ISO 37101 of October 2015, as well as the publication currently under consultation of the PNE 19601 on Criminal Compliance Management Systems (and its forthcoming publication as UNE 19601), the company is undertaking a thorough review of its compliance systems to adapt its tools to the requirements of the standard and the recommendations of the International standards on compliance.

The whistleblowing channels are a fundamental part of Abengoa's commitment in its fight against corruption in all those practices that contravene the voluntarily assumed laws or standards, as they represent a mechanism through which all stakeholders of the company can anonymously report any irregular conduct they detect during the performance of their professional tasks.

## Internal organisation and resources

The aim of the CCP is to spearhead the consolidation of an **ethical culture** in the organisation that marks the conduct of all employees, as well as those agents with whom Abengoa establishes contractual relations. Accordingly, the CCP has efficient instruments of prevention and control that safeguard the conduct in the performance of the activity, and disciplinary measures, pursuant to applicable local legislation, that punish any conduct contrary to the standard or the self-regulatory policies of the company.

Prevention instruments			
Risk Map	Code of Conduct	Company policies	Training
Number of risks identified	Notifications received	Number of policies	Hours of training on the program
From the different business areas of Abengoa, in conjunction with the set of cross-cutting applicable regulations, both of a mandatory and voluntary nature, possible risks of non-compliance are analyzed, weighing the importance with the probability of its occurrence, prompting a risk map <sup>(1)</sup> or matrix. Afterwards, current controls and/or those which should be implemented or completed are analyzed with the aim of ensuring the company is equipped with the adequate processes to properly control situations of risks and the factors that may lead to them			This process, subject to ongoing improvement thanks to the feedback obtained through monitoring and regular audits, is shared with employees through training courses where respect towards legality is promoted
Detection instruments			
The control instruments are intended to provide continuous oversight of compliance with established regulations in order to forestall the occurrence of unlawful acts or any other illicit conduct within the company and to evaluate the existence of new risks			
Compliance Officer		Whistleblowing channels	
Disciplinary measures			
Disciplinary measures are intended to ensure compliance with the norms of conduct established by Abengoa. An internal sanctions system has therefore been implemented and encompasses all members of the company, including both officers and employees, upholding applicable local labor law in each case			

(1) Further information in the section on [Risk management](#).

The key instruments of prevention that the company employs are the **Universal Risks Map** (URM), **Code of Conduct**, internal **policies and procedures**, **Mandatory Rules** and **training**, all of which are integrated into the Common Management Systems and the whistle-blower channel.

The Regulatory Compliance Program and Unit focus their activity through the **Regulatory Compliance director**, who has access to all sources of internal company information (audits, reports or internal reporting, contracts, accounting information, etc.) necessary for the performance of his duties.

The director also is responsible for having **full knowledge** of the **legal rules of application** at Abengoa, and to **encourage the upright conduct** of all company employees, disseminating the necessary legal knowledge among those to whom it applies. However, each area is directly responsible for compliance with the rules applicable to them in their activity (tax, labour, quality etc).

The Board of Directors is responsible for ensuring the actions of all employees through every management level. To control this, it expressly approves the Compliance Program, and intervenes in the definition of the scope and content of each area as well as control of the common management systems. **Senior management** is responsible for **leading by example and for transmitting** the same **values** to its subordinates, **monitoring** the implementation thereof in the performance of the activity.

## Main activities carried out in 2016

As a consequence of the standstill agreement period that the company has been involved in since 2016, a large part of the organisation's activity has been targeted at guaranteeing the restructuring process and at preserving the organisation's assets.

In this regard, Compliance management has taken part in reviewing the processes undertaken during this stage to check that they are adapted at all times to prevailing legality and in particular to ensuring that directors and senior management maintain **due diligence** in social management. So, for example, we have reviewed the significant processes of selling assets, recruiting outsourced advisers, take-up of corporate resolutions, official requests for information from regulatory authorities, etc.

Furthermore, the Compliance Unit has intensified supervision of those activities that within the restructuring stage have been more sensitive, or which have had a **higher risk rating** with regard to potential effects on the company, while other controls have been reduced through ceasing the activity for which they were designed to protect (business, operations).

One of the objectives set in **2017** has been the **review of the company's Code of Conduct**, **adapting** it to **Abengoa's new situation** and to the commitment shown by the new administration and supported by senior management in issues of compliance and transparency.

This review will lead to the **creation of a Committee to Monitor the Code of Conduct** to report regularly to the board of directors or executive committee with regard to the issues at hand.

Taking into consideration the final resolution of the restructuring that took place in March 2017, among the key principles of the Compliance Unit is that of reviewing the risk map, where appropriate adapting this to the new operational level of the company; geographical areas and business lines.