

03.3 Human capital



2016 has undoubtedly been the year in which Abengoa has faced the **most demanding** and complex **challenges** of its entire history: challenges in **financial** terms and their **implications on the company's employees**.

The restructuring process in which the company has been immersed since the end of 2015 has involved the adoption of complex decisions concerning all stakeholders and, especially, in relation to the human team of professionals.

In the last year there has been a deconsolidation of some of the company's main businesses, a fact that has inevitably led to changes in personnel. Abengoa, in all cases, has tried to obtain the subrogation of employees in the event of selling companies.

Moreover, the uncertainty and lengthy duration of the restructuring process have led to a significant increase in voluntary rotation rates.

At the same time, the limitation of financial resources has implied the paralysis of some projects, with the consequent decrease in the contracting and renewal of temporary contracts, interns and work experience, as well as the execution of measures of collective adjustment.

In an environment as competitive and changing as the current one, full of challenges, it is essential that the company **invests significant efforts in retaining its talent, as well as in maintaining the key skills**, which are those that will equip the company with specialised and competitive know-how. Accordingly, this year we have worked on a talent retention plan to retain key personnel.

During these difficult times of uncertainty, all the people who make up the organization have demonstrated an exceptional professionalism and commitment to the organization. Fortunately, Abengoa continues to have an **excellent, motivated, committed and capable staff** whose contribution is and will continue to be the distinguishing element of Abengoa and is the basis on which the company's future will be built.



Our team in figures

Abengoa currently comprises 15,979 persons¹, which represents a 27 % workforce reduction with regard to the close of the previous year. **G4-9**

Distribution of the workforce **G4-10, G4-LA12**

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

Groups	Males			Females			Total		
	2016	2015	2014	2016	2015	2014	2016	2015	2014
Executives	328	464	507	38	56	62	366	520	569
Managers	945	1,379	1,668	266	393	466	1,211	1,772	2,134
Engineers and graduates	1,740	2,649	3,120	753	1,188	1,392	2,493	3,837	4,512
Assistants and professionals	1,413	1,742	1,531	630	960	1,111	2,043	2,702	2,642
Operators	9,175	12,032	13,045	605	748	791	9,780	12,780	13,836
Interns	44	185	366	42	124	247	86	309	613
Total	13,645	18,451	20,237	2,334	3,469	4,069	15,979	21,920	24,306

24 % of the workforce is in Spain, while 76 % is among the United States, Latin America, Europe, Africa and Asia.

	Number of workers	% over the total
USA	357	2
Latin America	10,002	63
Europe	307	2
Spain	3,903	24
Africa	846	5
Asia	564	4
Total	15,979	100

Note 1 At 31 December 2016.

Considering the nature of their employment relationship, the overall index of permanent employees is 54.5 %.

Contract type	Males			Females			Total		
	2016	2015	2014	2016	2015	2014	2016	2015	2014
Indefinite	7,328	8,561	9,260	1,373	1,570	2,084	8,701	10,131	11,344
Temporary	6,273	9,705	10,610	919	1,775	1,739	7,192	11,480	12,349
Interns	44	185	366	42	124	247	86	309	613
Total	13,645	18,451	20,236	2,334	3,469	4,070	15,979	21,920	24,306

G4-10, G4-LA12

The average number of people employed during the year with a disability greater than or equal to 33 % is 59 disabled persons, representing a decrease of 46.5 %.

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

Age	Males			Females			Total		
	2016	2015	2014	2016	2015	2014	2016	2015	2014
20 - 30	3,176	5,358	6,066	547	1,107	1,534	3,723	6,465	7,600
31 - 40	5,027	6,547	7,272	1,129	1,597	1,713	6,156	8,144	8,985
41 - 50	3,262	4,007	4,124	478	543	562	3,740	4,550	4,686
51 - 60	1,640	1,975	2,137	149	191	218	1,789	2,166	2,355
> 60	540	564	639	31	31	41	571	595	680
Total	13,645	18,451	20,238	2,334	3,469	4,068	15,979	21,920	24,306

G4-10, G4-LA12

Age ranges of the workforce

Age ranges	20 - 30	31 - 40	41 - 50	51 - 60	> 60
2016 (%)	22.9	38.7	23.5	11.3	3.6
2015 (%)	29.5	37.2	20.8	9.9	2.7
2014 (%)	31.3	37	19.3	9.7	2.8

G4-10, G4-LA12

Due to the complicated situation that the company has experienced this past year, the number of females on the staff has decreased by 33 %, a percentage similar to the decrease in the male category.

As a result of this change in workforce, the presence of women in executive positions and middle managers decreased by 32 % compared to 2015.

Presence of women in executive posts and middle management	2016	2015	2014
Female executives and managers	304	449	528
Total of executives and middle	1,577	2,292	2,703

Employee commitment

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

The importance that Abengoa attaches to talent makes it pay particular attention to the rotation indicators. In 2016, voluntary rotation was 18.22 %, versus 9.09 % in 2015.

G4-LA1

Total voluntary rotation indexes

Type of rotation	2016	2015	2014
Total voluntary rotation (%)	18.22	9.09	6.9

	Groups	2016	2015
Gender (%)	Man	18.84	9.8
	Woman	16.65	9.75
Age (%)	20 - 30	25.07	12.52
	31 - 40	20.55	10.09
	41 - 50	13.47	7.65
	51 - 60	6.97	6.11
	> 60	6.14	4.09

2016 total voluntary rotation indexes by geography

Geography	Rotation (%)
Africa	18.37
Asia / Oceania	24.21
Spain	18.19
Europe (except Spain)	14.68
Latin America	16.10
North America	25.52

Protection of Human Rights

Abengoa is **firmly committed** to **respect for human rights**, both within the organization and in its catchment area.

However, to ensure these rights are effectively respected and protected, the company assumes the principles of the United Nations Universal Declaration of Human Rights, the SA8000 standard and the principles of the Global Compact, and integrates them into its Common Systems Of Management, mandatory for all members of the organization.

To ensure protection of the rights of its employees, said employees fall within the scope of supra-business employment regulations, regardless of the nature of their activities or the countries where they are performed. In addition to the legal protection of each country, the regulatory coverage takes on special importance thanks to the collective bargaining agreements in the sector, the territorial ones or the company's own agreements signed with its workers, the unitary representatives or unions, as appropriate. As well as an internal regulation that protects and guarantees the rights of employees.

G4-11, G4-LA8

In accordance with the social responsibility commitments acquired through its adherence to the United Nations Global Compact and the Code of Conduct itself, Abengoa is committed through its own Labour-related Social Responsibility (LRSR) policy, which establishes a management system of social responsibility in accordance with the SA8000 model.

Diversity and equal treatment and equal opportunities

Abengoa maintains an explicit commitment to equal opportunities and non-discrimination on grounds of sex, race, colour, religion, opinion, nationality, economic position or any other circumstance.

These principles are expressly declared in the various policies of the organization (recruitment, selection, training, performance evaluation, promotion, remuneration, working conditions, reconciliation, prevention of harassment, etc.).

To ensure these values, in 2008 Abengoa created its **Framework Equality Plan** and the "Equal Opportunity and Treatment Office", the purpose of which is to seek gender equality throughout the organization, driving, developing and managing both this plan as well as associated ones.

Within the framework of this plan, the organization has a protocol for reporting harassment at work in order to address any situation that may be considered discriminatory. In addition, there is an **Equality Commission**, tasked with the global follow-up of issues related to gender equality.

Due to the company's complex situation of restructuring, during 2016 there were no meetings of the Commission, but in the short term it is expected to continue its normal activity.

Occupational health and safety

Abengoa is firmly **committed** to the **prevention and improvement of occupational health and safety**, both in its own premises and in the areas where subcontracted activity takes place. That is why all sessions of the Executive Committee and the Steering Committee begin with the area of Health and Safety.

The company's businesses have **health and safety committees** that meet regularly to monitor and draw attention to those aspects that may pose risks to workers' safety, analyse accident rates and implement the necessary measures to achieve the goals set in this matter. These committees are made up of executives managers and ORP managers and almost all of the company's staff are represented on these committees. **G4-LA5**

The company believes it is critical to eliminate the levels of workplace accidents and integrate OHAS management into the daily activity of the organization. With a **goal of zero accidents** in all its facilities and projects, the commitment extends to both own staff and subcontracted staff, with all personnel linked to the organization required to adhere to the same levels of responsibility.

In 2016, a new internal tool, the **Abengoa Incident Report (AIR)**, was implemented to homogenize the investigation of incidents that occur and to identify and quantify their causes and consequences in the personal, material or environmental spheres. The tool provides a homogeneous model for managing and analyzing a case for any process or hierarchical level of the organization through reports that describe all aspects of the incident, linking it with its consequences and corrective actions.

The tool allows links to be established with another internal company application: Abengoa Easy Management (AEM), a corporate platform for the management of tasks which, in the area of risk prevention, allows management of corrective actions and action plans arising from the incident.

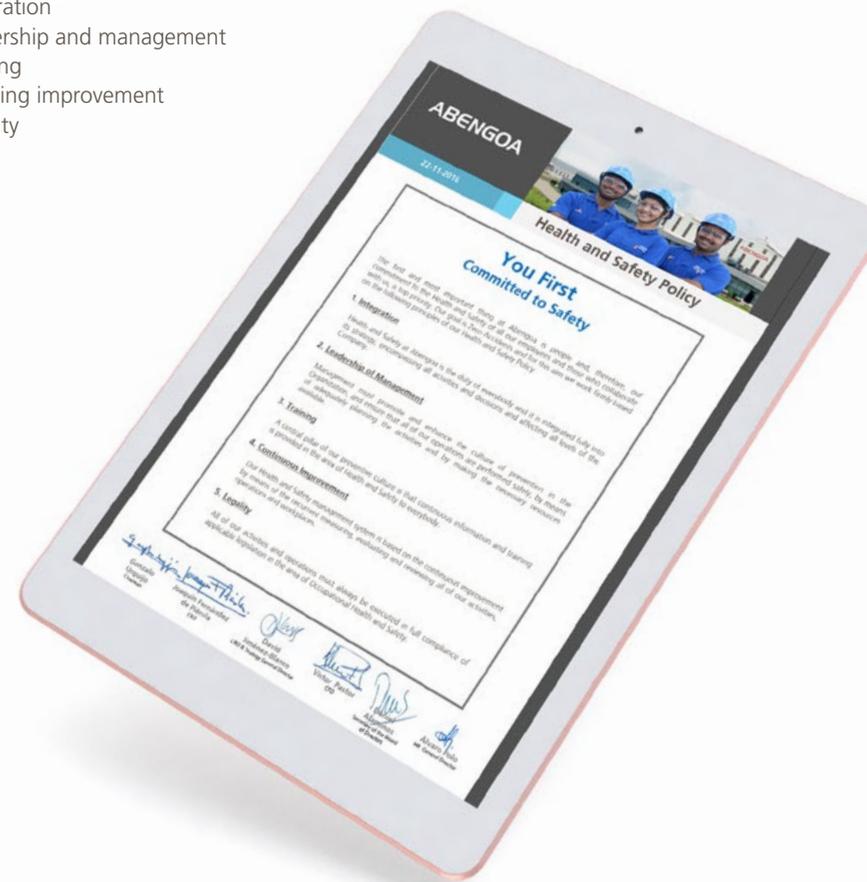


This system enables us to optimise management of incidents and maximize the usefulness of preventive knowledge in all activities. **G4-LA6**

Fatal accidents	2016	2015	2014
Own personnel	1	2	2
Subcontracted personnel	–	3	6

In 2016, Abengoa, with its Executive Committee, launched its new **Health and Safety policy**, which consolidates and reflects the principles on which the company's activity is carried out and works firmly on the basis of the principles of:

- › Integration
- › Leadership and management
- › Training
- › Ongoing improvement
- › Legality



Evolution of the accident rate

The company places **special emphasis** on the **evolution of the accident rate** and **absenteeism**, with special attention paid to all those companies and professional spaces where works are carried out.

G4-LA6

	Overall frequency rate	Frequency rate with sick leave	Severity rate	No. of work accidents with sick leave
2016	14.22	8.76	0.23	286
2015	11.76	6.60	0.13	336
2014	14.22	8.56	0.23	416

The accident data provided correspond to own personnel.

In 2016, Abengoa received the "I Promote Safety" award from the company "Metro de Santiago", in Chile. This recognition has been awarded for good health and safety practices in the electricity supply project for metro lines 3 and 6 of the Chilean capital, which will have a 20-year maintenance period.

This recognition is in addition to others already granted in terms of health and safety and places on record the high standards of quality and safety in labour matters that Abengoa applies in all projects that it carries out.

Training

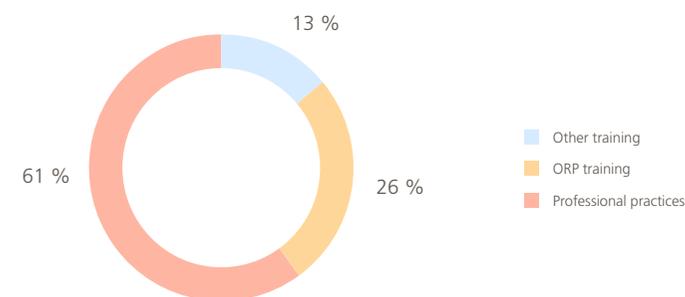
Abengoa has always promoted **personalized training** to maximize the company's talent by tailoring training plans to the individual needs of each employee. The limitation of resources during the restructuring process that the company has experienced in 2016 has involved the temporary suspension of the plans originally put in place for the workforce, adapting these to the circumstances of the organization.

In 2016, 98,733 training hours were given to a total of 8,886 employees, 93.2 % less than in 2015, resulting in a direct investment of € 194,458. In addition, the professional practices reached 155,925 hours, for a total amount of 246 interns. G4-LA9

Variation in hours of training over the last three years

	2016	2015
Training hours	98,733	1,454,798
Professional practices	155,925	773,722

Distribution of training hours by category



Executive development programme G4-LA10, G4-LA11

Irrespective of the specific training plans, Abengoa has introduced a **programme** for people with **special managerial potential**, to ensure compliance with the strategic plan in this new stage and to guarantee that the organization is prepared in the event of any key personnel being off work. Currently **more than 500 employees** are included in this programme.

Flexible salary *G4-EC3, G4-LA2*

The company's headquarters, in Seville (Spain), showcase the company's commitment to a model based on the reconciliation between personal and professional life, making the following benefits available to employees:

- › Nursery in the work centre: 124 students enrolled in 2016
- › Breastfeeding room
- › Gym with group classes and a bodybuilding room. More than 600 employees enrolled in 2016
- › Food and beverage areas, with an average of 1,339 daily users
- › Rest home: Abengoa has a rest home in Huelva (Spain), available for employees and their families, with capacity for 360 people. 1,939 people enjoyed these facilities in 2016

Aware that currently it is not so much the remuneration and economic incentives that retain the best professionals but rather the “**emotional salary**”, the company is working on the **analysis** and **design** of different measures of **work-life conciliation**. These would be at no extra cost to the company and **would improve employee satisfaction** as well as **greater productivity, commitment** and involvement in the performance of their work, and which would undoubtedly be reflected directly on the company's balance sheet.