



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

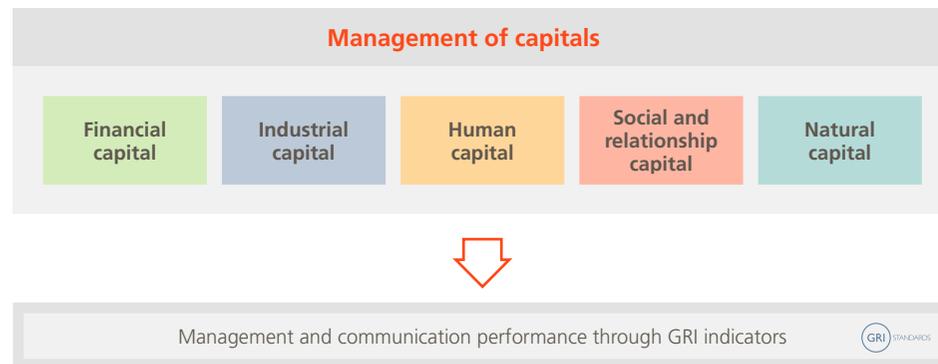
03.5 Natural capital

Criteria governing the Abengoa business model

Abengoa wants to be a company that all stakeholders can trust. In this regard, this report aims to clearly communicate all information related to our business model and the **creation of value**, not only **informing** about the matters identified as material, but also those which, **because of their relevance, are critical for stakeholders.**

The accompanying chapters describe how the company manages its capitals, which are divided into **five major areas (financial, industrial, human, social-relationship and natural)**, as well as the strategic focus with regard to each of them.

The aim is to report on results obtained and company performance during 2017 through the corresponding indicators, based on the GRI Standards.



Once again, Abengoa has carried out a process of analysing issues that have been most relevant, both for the company itself and for its stakeholders. This is for the purpose of giving the report a proportionate and objective view of those issues that have affected the company most significantly.

Material issues	Addressed in
Financial restructuring	Financial capital
Attracting and retaining talent	Human capital
Situation with key suppliers of the organisation	Social capital_suppliers
The organisation's risk management	Governance, transparency, risk management and compliance
Transparency and good governance	Financial capital

Mission, Vision and Values

Over the latest period, the company has been immersed in a major crisis that has involved a complicated process of financial restructuring. This fact, together with the need to adapt to a new business model due to the sale of important assets that involve the disassociation of certain business groups, made it appropriate to review the company's foundations.

Accordingly, during 2017 the company has **updated its mission, vision and values** with the aim of **reinforcing** the message of **transparency, commitment and good governance**.

102-16

Mission: our mission is 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.

Vision: 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.

Values: 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.

- › Health and Safety
- › Integrity
- › Transparency and good governance
- › Professional rigour
- › Trustworthiness
- › Focus on the client
- › Innovation
- › Social contribution
- › Respect for the environment
- › Cultural diversity and equal opportunities

Corporate Social Responsibility Policy

Abengoa manages its capitals in accordance with sustainability criteria covered under its CSR policy. In 2015, the Corporate Social Responsibility policy was unanimously approved by the Board of Directors and is available at the [company's website](#).

This policy establishes the guidelines to be followed throughout the organisation in this area and the manner in which CSR is integrated into all corporate areas and serves as a leverage, to achieve their business objectives.

The Corporate Social Responsibility area reports directly to the chairman's office and regularly sits on committees to **monitor all issues related to sustainability**. Furthermore, the **Audit Committee** is also tasked with **reviewing compliance** of the strategic lines set out in the **CSR policy**. 102-20

Strategic Corporate Social Responsibility Plan (SCSRP)

Due to the complex restructuring process carried out in the last period, the company had to temporarily suspend implementation of the Strategic Corporate Social Responsibility Plan until the new structure and scope of the group's activities was defined.

This strategic plan, which defines the company's CSR framework and guidelines, identified specific objectives and actions that contribute to a closer relationship with society. **Currently the CSR area is working towards the replanning of its SCSR as well as its subsequent implementation,** in order to introduce a homogeneous action plan in all spheres.

United Nations Global Compact 102-12, 102-13

Abengoa has maintained its commitment to the United Nations Global Compact since 2002. Through this Global Compact, the company undertakes to abide by and implement its 10 principles related to human rights, employment, the environment and the fight against corruption.

Sustainable Development Goals (SDGs)

In 2015, the UN approved the 2030 Agenda on Sustainable Development, a new opportunity for both countries and their societies to develop a new path through which to improve the current world.

This Agenda has 17 Sustainable Development Goals divided into five areas: people, prosperity, peace, planet and partnerships. For the first time, companies are invited to be protagonists of this transformation as a key agent in achieving these goals, which include issues ranging from the

eradication of poverty to the fight against climate change, education, gender equality, as well as the defence of the environment or the redesign of our cities.

Abengoa has incorporated the Sustainable Development Goals (SDGs) into its actions and business strategy. Below, the company's compliance in the performance of each of the principles is shown.

SDG	Description of the goals	Areas	Description	Addressed in
	Goal 1: End poverty in all its forms everywhere	People	Abengoa contributes to reducing the poverty of the population through the local employment of the communities in which it is present, reinforcing the local fabric, as well as through social action that helps the most vulnerable groups	Industrial Capital, Community
	Goal 3: Ensure healthy lives and promote well-being for all at all ages	People	For the company, and especially for the highest level of the organization, the health and well-being of the workforce and supply chain is a priority. Accordingly, through its policies and actions, it ensures safe working conditions as well as the necessary training for the performance of his activity.	Human capital, Suppliers
	Goal 4: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	People	Through its social action programmes, the company carries out training actions for local communities	Community
	Goal 5: Achieve gender equality and empower all women and girls	People	The company has mechanisms to ensure gender equality in any area of the company. To do this, in addition to having its own Equality Framework plan, the organisation has its own quarterly committees that involve the highest level of the organisation, for the purpose of correcting deviations that may occur in this matter	Human capital
	Goal 6: Ensure availability and sustainable management of water and sanitation for all	Planet	Abengoa offers products and services for the management of the full water cycle, ensuring the availability of resources in an efficient manner.	Natural capital, Human capital
	Goal 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 its own business -being a world leader in the development of thermoelectric, photovoltaic and hybrid technology plants with storage, as well as in the 'Biomass to Energy' sector- as well as in the way of doing business, promoting efficiency measures in all its activities.	Natural capital

SDG	Description of the goals	Areas	Description	Addressed in
	Goal 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	Prosperity	The company fosters local employment in those communities where it is present, encouraging social inclusion through the employment of local suppliers, reducing poverty as well as fostering local employability through education.	Community, Suppliers, Human capital, Financial capital
	Goal 9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	Prosperity	The organisation contributes to the growth and development of society through the construction, operation and maintenance of sustainable infrastructures with the environment and with society.	Industrial capital
	Goal 10: Reduce inequality within and among countries	Prosperity	Contribution where the company acts through education to ensure professional training that is capable of promoting equal opportunities	Community
	Goal 11: Make cities and human settlements inclusive, safe, resilient and sustainable	Prosperity	Abengoa provides solutions for sustainable urbanisation, the provision of adequate basic services and safe transport systems, focusing its business on the generation of clean energy and water management, the construction of energy transmission infrastructure and railway lines and traction substations, as well as singular buildings, such as hospitals or prisons.	Natural capital
	Goal 12: Ensure sustainable consumption and production patterns	Planet	In accordance with its environmental policy, Abengoa encourages the efficient use of natural resources and proper waste management, thus ensuring its commitment to the environment and aligning its activity towards a model of green growth.	Natural capital
	Goal 13: Take urgent action to combat climate change and its impacts	Planet	Abengoa focuses its activity on offering solutions aimed at mitigating emissions and energy efficiency throughout the supply chain. In addition, the company has developed strategies for analysing risks associated with climate change in projects and facilities, especially in high-risk areas.	Natural capital
	Goal 15: Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss	Planet	During the construction and operation of projects, Abengoa promotes the use of techniques and equipment that contribute to the organic regeneration of the soil and consequently to the reduction of fire risk. It also establishes flora and fauna protection plans and restoration and damage repair initiatives, if necessary.	Natural capital
	Goal 16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	Peace	Strengthening of the company's code of ethics with the compliance area as well as the consolidation of the whistleblowing channels through its internal and external channels.	Regulatory compliance, Transparency and anti-corruption

Responsible Management Balance Sheet (RMBS)

Below we show the RMBS, which was created in 2011 with the aim of having a scorecard that allows you to manage and to improve monitoring. Reliability is obtained by establishing intermediate controls in the information collection and consolidation system.

The balance sheet is published on the [company's website](#) and is structured on the basis of the capitals-based scheme set out in the <IR> framework, published by the International Integrated Reporting Council (IIRC), to reflect the connectivity of 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

Abridged responsible management balance sheet

Financial capital	2017	2016	2015	(2)
Revenue (€M) ⁽¹⁾	1,480	1,510	3,647	✓
Payment to Public Administrations (€k)	153,187	ND	178,651	✓
Significant financial support received from governments (€k) ⁽¹⁾	4,882	12,031	81,747	✓
Intellectual capital	2017	2016	2015	(2)
Investment in R&D and innovation (€M)	0.62	4.8	345	✓
Employees dedicated to R&D and innovation	25	232	797	✓
Granted patents accumulated	395	294	332	✓
Investment effort in R&D and innovation (R&D and innovation investment/Sales)* 100 (%)	0.04	0.32	6	
Natural capital	2017	2016	2015	(2)
Energy				
Energy consumption (GJ) (primary, electrical, thermal)	24,853,762	33,692,874	55,602,638	✓
Energy consumption intensity (GJ) / Sales	16.8	22.3	9.7	✓
Emissions				
Direct emissions (tCO _{2eq})	652,332	1,044,098	2,135,808	✓
Direct emissions from biomass (tCO _{2eq})	1,103,015	2,025,292	3,289,005	✓
Indirect emissions (tCO _{2eq})	315,286	418,938	637,810	✓

Natural capital	2017	2016	2015	(2)
Other indirect emissions (tCO _{2eq})	589,825	2,306,639	4,075,808	
GHG emissions intensity (tCO _{2eq}) / Sales ⁽³⁾	1.8	3.8	1.8	✓
Other atmospheric emissions:				
CO	1,479	ND	9,399	✓
NOx	1,882	ND	11,968	✓
SOx	223	ND	899	✓
PM	1,923	ND	2,731	✓
VOC	114	ND	7,917	✓
Water withdrawal (m³)				
Desalinated water produced	146,444,617	154,690,622	105,346,138	✓
Seawater withdrawal	356,538,188	336,653,375	221,199,378	✓
Water withdrawn from other sources	6,351,911	8,648,659	21,028,296	✓
Waste (t)				
Waste	45,474	41,645	120,913	✓
Human capital	2017	2016	2015	(2)
Job creation (%)	(21.97)	(31.1)	(9.82)	✓
Total voluntary turnover (%)	8.69	18.22	9.09	✓
Female staff members				
In senior management positions (%)	10.04	10.38	10.77	✓
In middle management positions (%)	18.24	21.97	22.20	✓
Training (number of hours over the average number of employees)	20.6	6.21	53	✓
Work-related accident rate				
Frequency rate	13.31	14.22	11.81	✓
Severity rate	0.12	0.23	0.13	✓
Social and relationship capital	2017	2016	2015	(2)
Suppliers				
Purchases from local suppliers (%)	87.3	ND	73	✓
Compliance	2017	2016	2015	(2)
FCPA compliance screenings performed ⁽⁴⁾	539	1,412	5,108	✓

⁽¹⁾ Economic figures restated based on Note 7 of the consolidated Annual Accounts.

⁽²⁾ Indicators audited by an independent external.

⁽³⁾ The data reported includes the GHG emissions of Scope 1, 2 and 3, while in the RMBS only emissions of Scope 1 and 2 were considered.

⁽⁴⁾ US Foreign Corrupt Practice Act (FCPA).