

03. Strategy and sustainable business model

03.1

Commitment to sustainable development



30

internal sustainability standards within the Common Management Systems



13

years requesting adherence to the Supplier Sustainability Code



11

years with Sustainability Management System (SMS)



5

years horizon Strategic Sustainability Plan



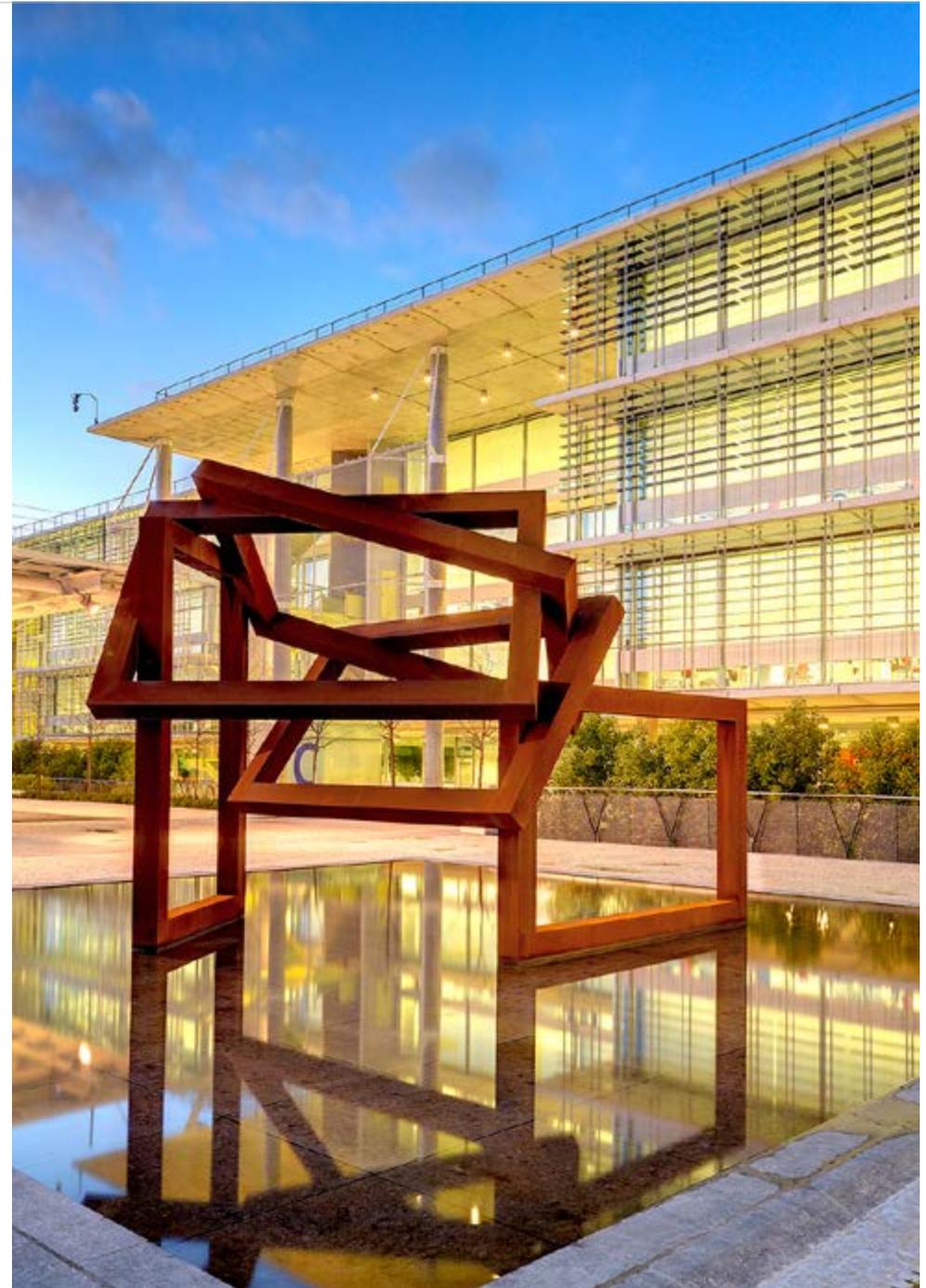
11

years IT tool consolidating all non-financial information



12

years conducting internal audits of non-financial information



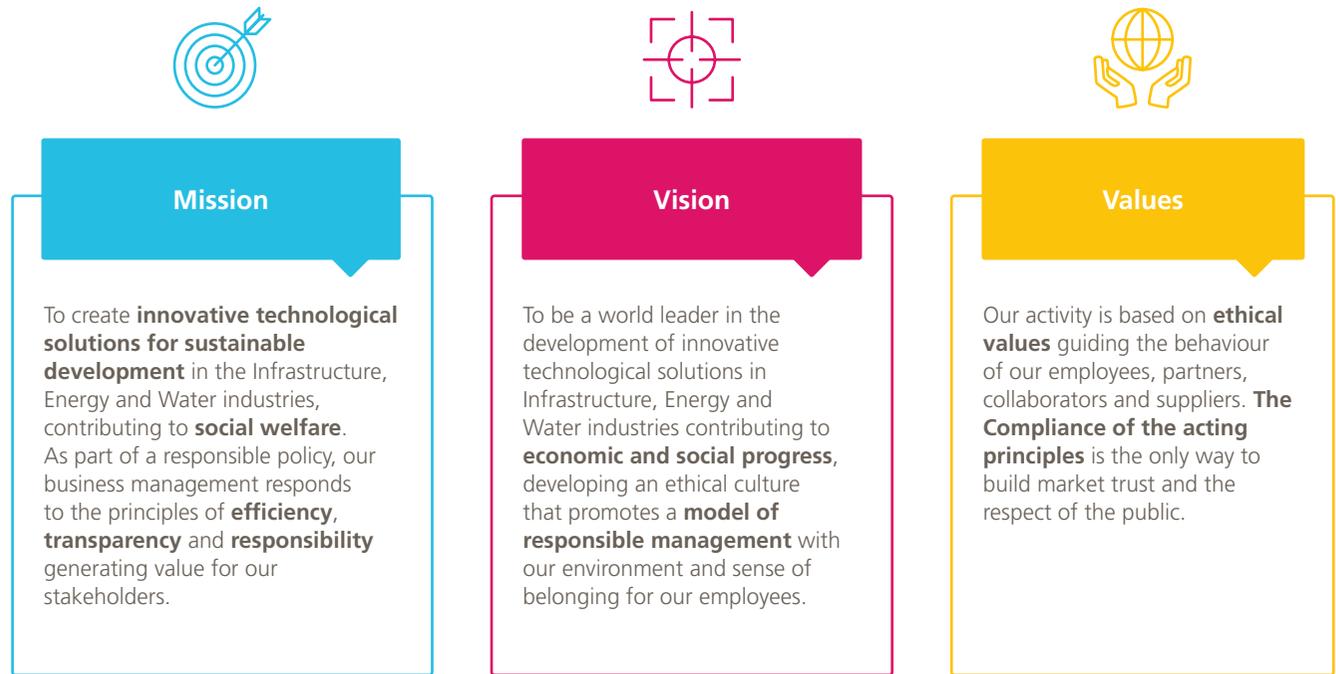
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For Abengoa, sustainability is a key value and the backbone of its strategy, as reflected in the development of a sustainable business model and a culture of corporate responsibility.



Mission, vision and values 102-16

The philosophy determining the mission, vision, values and hallmarks of the organization's identity is based on the solutions provided by Abengoa to its environment in order to achieve more sustainable development.



The firm commitment to these values by the entire company enables the generation of value and contribution to social welfare, as can be seen in each of the chapters of the Integrated Report.

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Sustainability Policy

Abengoa has implemented a sustainability policy that defines and establishes the management and control principles and guidelines to be followed by the entire group in terms of sustainable development.

This policy was unanimously approved in 2015 by the Board of Directors and is available on the [company website](#).

The Sustainability area reports directly to the Executive Chairman and periodically holds committees to follow up on all related issues.

The Audit Committee's functions include supervising compliance with the Sustainability policy, ensuring it is aimed at creating value, monitoring the objectives set out in the Strategic Sustainability Plan (PES, for its acronym in Spanish), supervising and evaluating the relationship processes with the different stakeholders, evaluating the corporate non-financial risks and supervising and approving the report of non-financial and diversity information in accordance with applicable regulations. *102-20*



Social dimension

To strengthen anti-corruption mechanisms and promote a **culture of ethics and integrity**.

To promote the use of reporting channels to detect conduct contrary to the values of the organisation.

To provide **transparent and truthful information** regarding its activity and impacts.

To **promote economic development in communities** through collaboration with local suppliers and employees.

To update the Global Risk Management System to ensure **excellence in management and decision-making**.

To drive technological development and constant innovation to promote **value creation and increased competitiveness**.

Social dimension

To guarantee Health and Safety (own staff / subcontractors): **zero accident objective**.

To ensure the protection of Human Rights: **company and supply chain**.

To promote gender diversity and equal opportunities: women in management positions, discrimination, inclusion of people with disabilities.

To promote the development of the company's own employees and subcontracted employees through **training**.

To promote social development of communities: **economic, cultural and social progress**.

To promote corporate volunteer actions: **social development**.

To drive CSR culture, promoting communication.

Environmental dimension

To efficiently manage impacts through **management systems**.

To protect the environment **beyond current legislation**.

Encourage the efficient use of resources and promote the acquisition and use of recycled or certified materials.

Proper waste management: reduction at source and promoting its revaluation.

To promote the fight against climate change: reduction of its effects and setting a domestic price for carbon.

To sensitize and raise awareness regarding **environmental protection** and sustainability.



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Strategic Sustainability Plan (SSP)

Abengoa has carried out a process of strategic reflection to be duly adapted to the major trends that are changing the world. As a result of this work, in February 2019, the Board of Directors approved the Strategic Sustainability Plan, hereinafter SSP, for financial years 2019-2023.

This plan sets forth the company's action framework and strategic lines, defining specific objectives and actions in accordance with the principles set out in the Sustainability policy and the **Sustainable Development Goals (SDGs)** that will address many current challenges, mitigating risks and

strengthening stakeholder confidence and showcasing corporate responsibility to be used by businesses as commercial leverage.

Preparing the Strategic Plan is a mature process involving all areas of the company and including the following stages:

01 Commitments acquired

Based on the previous PES, adapted to commitments made to the Sustainability policy and aligned with the SDGs

02 Mega trend analysis

Meetings with CODIR members to analyse trends

- Global megatrends. Thirty-year prospects.
- Climate change
 - Population growth
 - Natural resource stress
 - Technology
 - Urban growth

- Sustainability Trends:
- Non-financial Information Act
 - Equal Pay Act
 - Public Procurement Act
 - Spanish Circular Economy Strategy
 - Sustainability Indexes (DJSI, CDP, etc.)
- Business trends

03 Strategic lines design

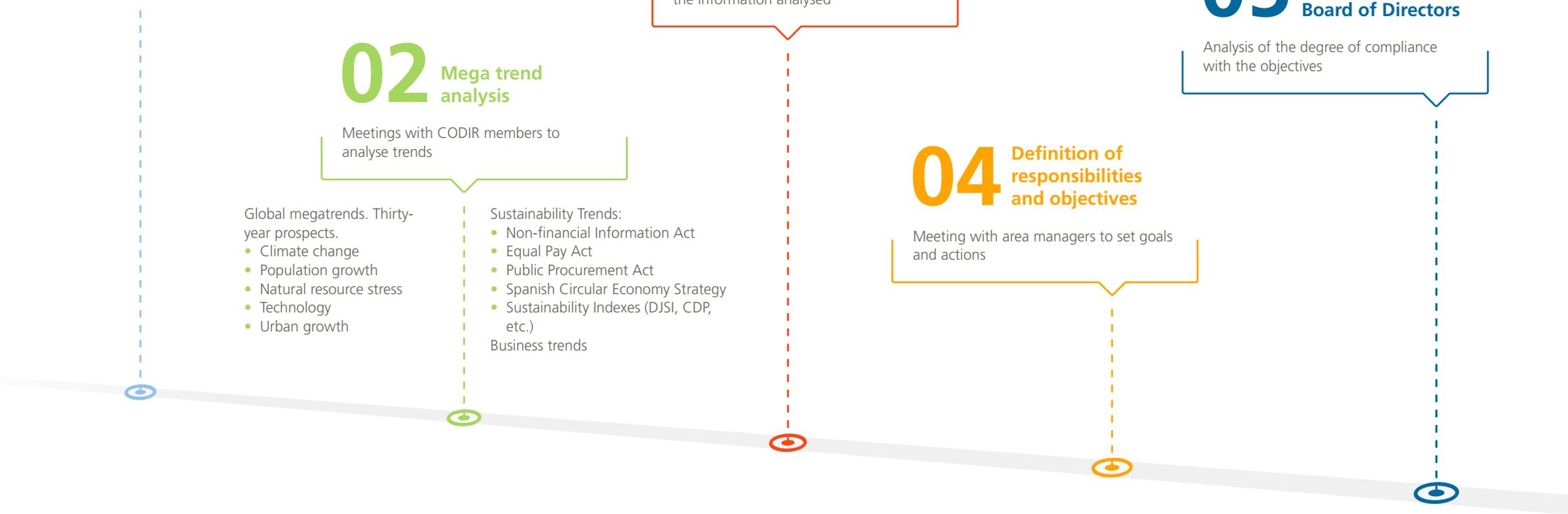
Definition of strategic lines according to the information analysed

04 Definition of responsibilities and objectives

Meeting with area managers to set goals and actions

05 Approval by the Board of Directors

Analysis of the degree of compliance with the objectives



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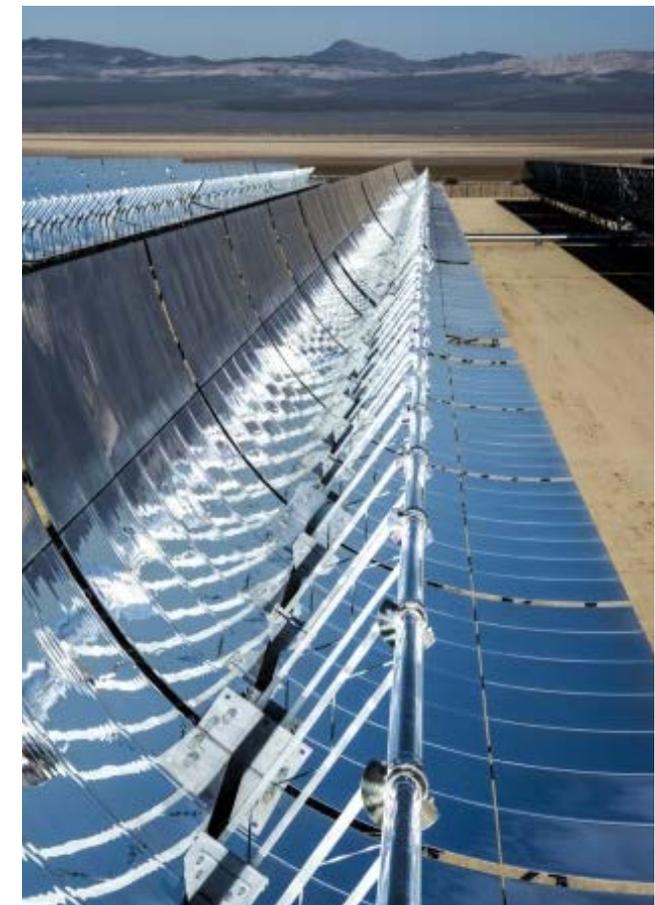
As a result of this process, the following lines of action and strategic lines were defined:

Axes of the SSP 2019-2023



Meetings are held every six months with the directors of the different areas to review the actions carried out during the period and evaluate the impact of the different strategic lines. Likewise, the progress and degree of progress in the objectives set in the Strategic Plan are monitored as stated at the beginning of each chapter of the Integrated Report.

This progress is likewise evident in the different chapters of this report, as an exercise in transparency and accountability to stakeholders.



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Contribution to the Sustainable Development Goals

The SDGs, included in the **2030 Agenda for Sustainable Development** and approved by the UN in 2015, represent the most ambitious programme in history to address the major economic, social and environmental issues faced by mankind

Abengoa, aware of the importance of the private sector involvement in overcoming these challenges, has incorporated the SDGs into its actions and business strategy, constituting the driving force of its SPS.

The organisation, as a company that applies innovative technological solutions for sustainable development in the infrastructure, energy and water industries, plays a key role to, through its businesses and business activity, have a greater contribution and ability to influence the following sustainable development goals:

For a more sustainable future

6
CLEAN WATER AND SANITATION

Ensuring availability of water and its sustainable management and sanitation for all

Abengoa offers products and services to manage the comprehensive water cycle, guaranteeing the availability of resources through an efficient approach.

4.3 million m³/day
desalination capacity



1,100 km of hydraulic lines

Desalinated water for more than **20 million** people

7
AFFORDABLE AND CLEAN ENERGY

Ensuring access to affordable, secure, sustainable and modern energy for everyone

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.

9 GW of installed power of conventional generation, in simple or combined cycles



Construction of the **largest plant** capable of hybridising solar and gas energy in the world (Waad Al Shamal)



For a more thriving society

11
SUSTAINABLE CITIES AND COMMUNITIES

Make cities and human settlements inclusive, safe, resilient and sustainable

Abengoa provides solutions aimed at sustainable urbanisation, the supply of adequate basic services and safe transportation systems, focusing its business on clean energy generation and water management, the construction of energy transmission infrastructure and railway lines and traction substations, as well as unique buildings, such as hospitals or prisons.

70 years of experience in transmission and distribution lines, railway electrification, installations and infrastructures



330 electrical substations

+27,000 km of transmission and distribución lines

9
INDUSTRY, INNOVATION AND INFRASTRUCTURE

Build resilient infrastructure, promote inclusive and sustainable industrialisation and foster innovation

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.

1.9 GW in developed, designed, built and/or operated solar thermal plants



480 MW of wind energy

500 MWp installed photovoltaic solar energy

1.1 GW de energía solar en construcción

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However, the company rolls out actions in the strategy lines and goals established in the SSP to move towards the achievement of all other sustainable development goals.

The company's compliance in the performance of the rest of the goals is shown below:

	<p>Abengoa contributes to reducing the poverty of the population through the local employment of the communities in which it is present, reinforcing the local network, as well as through social action that helps the most vulnerable groups.</p>
	<p>Abengoa considers the health and welfare of workers throughout the value chain to be a priority. Accordingly, through its policies and actions, it ensures safe working conditions as well as the necessary training for the performance of its activity.</p>
	<p>Through its social action programmes, the company carries out training actions for local communities.</p>
	<p>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. The SPS has set a strategic line of equality with multiple objectives to make progress in this area.</p>
	<p>The company fosters local employment in the communities in which it is present, promoting social inclusion through employment to local suppliers, reducing poverty and fostering local employability through education.</p>

	<p>Contribution in communities where the company acts through education to ensure professional training in order to foster equal opportunities.</p>
	<p>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.</p>
	<p>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. Abengoa focuses its activity on offering solutions aimed at mitigating emissions and energy efficiency throughout the supply chain.</p>
	<p>During the projects construction and operation, Abengoa promotes the use of techniques and equipment to contribute to the organic regeneration of the soil and consequently to the reduction of fire risk. Additionally, it provides for flora and fauna protection plans and restoration and damage repair initiatives, if necessary.</p>
	<p>Strengthening the company's code of ethics with the compliance area and consolidation of the whistleblowing channels through its internal and external channels.</p>

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Sustainability Management System

Since 2009, Abengoa has implemented a Sustainability Management System (SMS) mainly aimed to control non-financial information to prevent and mitigate risks and to promote responsible management seeking to prevent and minimise the negative impacts associated with the corporate activity, as well as to increase positive impacts.

This mature and efficient system facilitates the alignment and compliance with the current legislative requirements (Law 11/2018), regarding the need for companies to reach a level of reporting of non-financial information similar to the one already existing for the financial area, developing a model of internal control of non-financial information that guarantees the reliability of the information reported to the markets.



(1) Integrated Sustainability Management System: IT tool consolidating all non-financial information; (2) Greenhouse Gas (GHG) Management System: manages the GHG emissions associated with Abengoa's products and services; (3) Environmental Management System: manages the environmental impact of Abengoa's activity, at facilities level; (4) System of sustainability indicators: includes relevant indicators for the company in the three dimensions making up CSR environmental, social and economic; (5) People Centre: internal computer tool that manages all the information related to payroll and employee contracts; (6) C@mpus: internal computer tool used to manage Abengoa's training; (7) Abengoa Easy Management (AEM): internal computer tool containing information regarding health and safety and hours worked by employees.

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The system is based on the mission, vision and values and is based on corporate policies, as well as on the public commitments acquired throughout its history.

Abengoa has a **broad framework for action** including different good governance rules, policies and procedures committed to sustainable development and corporate responsibility. The **Common Management Systems** highlight the following sustainability standards or policies of mandatory compliance for all employees.

In order to measure the impact and manage and consolidate performance indicators, Abengoa has different computer tools to capture information from different areas (social, environmental and economic) which is uploaded through interfaces in the **Integrated Sustainability Management System (ISMS)**. This tool, which compiles the non-financial information of the entire organisation, provides a robust internal control system in terms of capture, validation and consolidation by different users to ensure the reliability of the information.

As an action plan to **provide responses to the needs and expectations of stakeholders**, Abengoa has defined various actions and objectives included in the strategic lines of the SPS 2019-2023.

As a result of this work, adequate and transparent accountability is carried out with stakeholders, through the **publication of the different non-financial information reports** (Statement of Non-Financial Information, Integrated Report and Responsible Management Balance Sheet) which are audited by an independent external party to ensure the reliability of the information. All these reports are available on the [company's website](#).

This **system has been designed in accordance with** international standard **ISO 26000:2010**, an international standard compiling performance guidelines for all types of organizations in areas related to social responsibility, the environment, human rights and consumer rights and in accordance with the **standard AA1000 (2018)** and the **principles of inclusiveness, relevance, responsiveness and impact**.



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Responsible Management Balance Sheet (RMBS)

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

Since 2011, Abengoa has had a Responsible Management Balance Sheet (RMBS) with the aim of compiling non-financial indicators related to sustainability which, due to their importance, are critical for the company and for its stakeholders. Due to their importance, the organisation implements a more exhaustive and continuous monitoring of this data, in order to ensure greater reliability in its management and communications.

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.

Financial capital	2020	2019	2018	(1)
Revenue (M€)	1,253	1,493	1,303	✓
Payment to Public Administrations (€k)	130,577	155,457	138,223	✓
Significant financial aid received governments (€k)	166	268	-	✓

Natural capital	2020	2019	2018	(1)
Material				
Steel (Kg)	29,001,555	71,680,622	4,859,709	✓
Wood (Kg)	18,132,394	11,561,806	23,266,223	✓
Cement (Kg)	1,167,640	6,223,113	2,565,775	✓
Concrete (Kg)	443,585,526	630,025,264	102,361,584	✓

Natural capital	2020	2019	2018	(1)
Energy				
Energy consumption (GJ) (primary, electric and thermal) (2)	32,790,926	29,999,874	24,579,329	✓
Energy consumption intensity (GJ) / Sales (€k)	26.2	20.1	18.9	✓
Emissions				
Direct emissions (tCO _{2eq})	1,346,195	1,125,206	738,458	✓
Direct emissions from the biomass (tCO _{2eq})	1,082,979	1,211,686	1,331,008	✓
Indirect emissions (tCO _{2eq})	225,622	236,236	313,746	✓
GHG emissions intensity (tCO _{2eq}) / Sales (€k)	2.1	1.7	1.8	✓
Other atmospheric emissions:				
CO (t)	1,724	1,621	1,471	✓
NOx (t)	2,657	2,410	1,871	✓
SOx (t)	153	149	224	✓
PM (t)	1,631	1,644	1,909	✓
VOC (t)	128	122	114	✓
Water withdrawal				
Desalinated water produced (m ³)	116,471,390	119,954,889	133,079,325	✓
Seawater intake (m ³)	283,125,187	296,601,351	324,125,592	✓
Withdrawal withdrawn from other sources (m ³)	5,446,430	6,446,170	7,687,386	✓

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Natural capital	2020	2019	2018	(1)
Waste				
Waste (t)	29,200	84,803	93,462	✓

Human capital	2020	2019	2018	(1)
Job creation (%)	(18.87)	4.28	7.88	✓
Total voluntary turnover (%) ⁽³⁾	6.03	5	7.69	✓

Female staff members				
In senior management positions (%)	10.89	11.94	11.52	✓
In middle management positions (%)	18.84	19.62	17.34	✓

Industrial accident rate				
Frequency rate ⁽⁴⁾	9.17	8.77	10.88	✓
Severity Rate ⁽⁴⁾	0.10	0.06	0.11	✓
No. of fatal accidents	1	1	–	✓
Occupational illnesses, per gender	–	–	–	✓

Training				
No. of hours of training, per employee	30.92	30.24	35.69	✓

Social and relationship capital	2020	2019	2018	(1)
Suppliers				
Purchases to local suppliers (%)	70.3	77.5	77.4	✓

Compliance	2020	2019	2018	(1)
Analyses conducted to meet FCPA compliance	349	400	446	

(1) KPIs audited by an independent external auditor.

(2) 3.52 % of the electricity used comes from renewable energy sources.

(3) Calculation of turnover excludes interns and operators.

(4) Rates refer to own employees and the number of accidents with and without sick leave are included.