

03.5

Ethics and regulatory compliance



10

compliance programmes



4

communications sent to employees regarding legal compliance in 2020



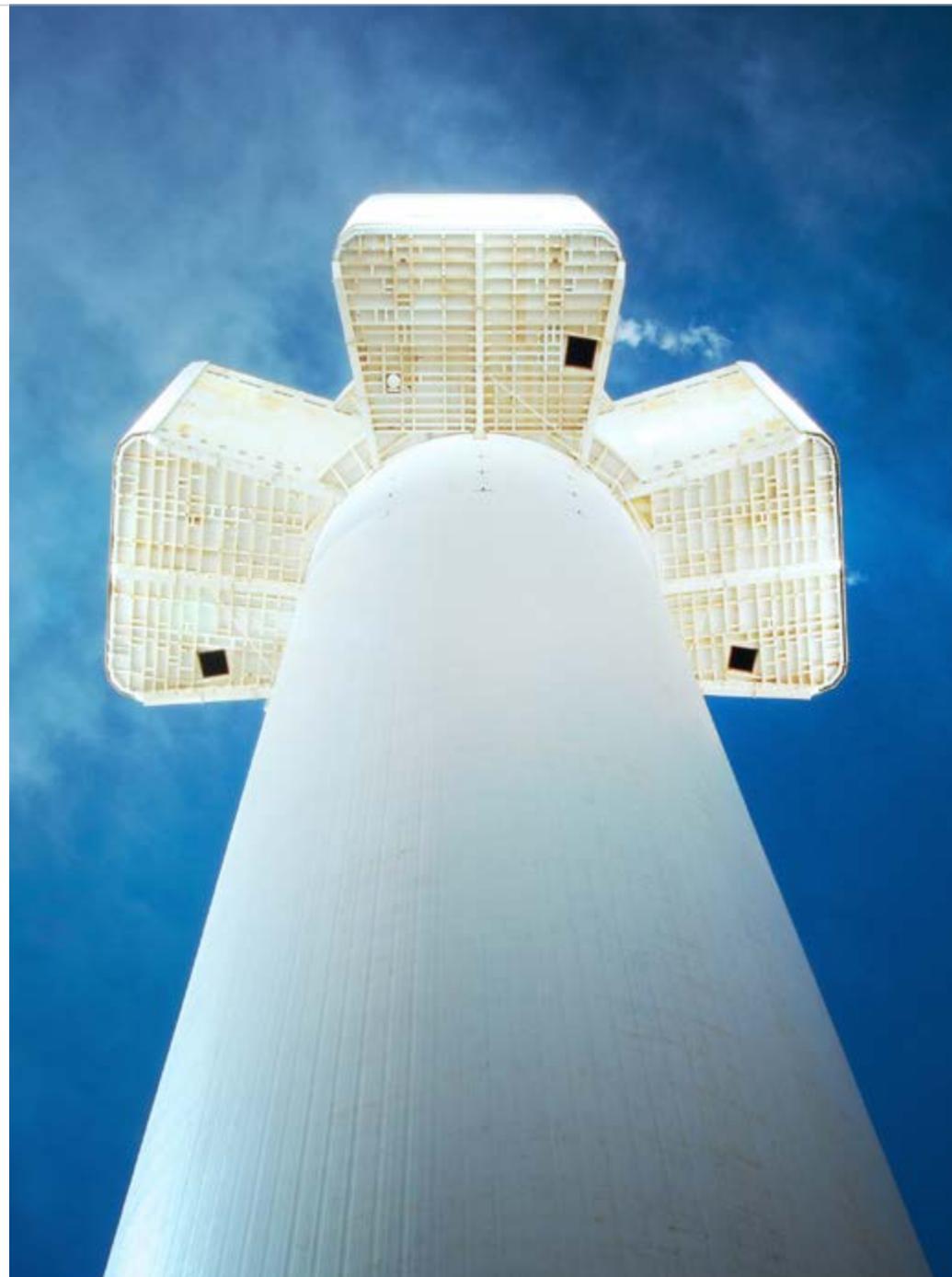
4

new self-regulation programmes



63

new employees trained in the crime prevention model



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Goals set forth in the SSP 2019-2023



To consolidate Abengoa's culture of compliance and integrity by reinforcing training tools and safeguarding procedures already in place.



To obtain the UNE-ISO 19601 certification.



To gradually roll out Abengoa's compliance culture to suppliers and subcontractors.



To coordinate the implementation of legal compliance requirements in tax, labour and environmental areas.



Abengoa considers ethics and compliance to be fundamental pillars to develop business activities. Therefore, Abengoa is fully committed to an ethical and responsible professional development, in all activities and countries in which it operates, as well as in its relationships with all stakeholders.

As a result of this commitment, in 2013 the Board of Directors created and implemented the Regulatory Compliance role as a basic and fundamental support to ensure compliance with both current regulations and Abengoa's internal policies and regulations by its employees, managers and administrators.

During 2020 the company continued strengthening the current regulatory compliance system, by approving the Compliance Policy regarding Criminal Prevention (PPP, for its acronym in Spanish), updating the Mandatory Compliance Standard (NOC, for its acronym in Spanish) and creating four new compliance programs. Likewise, it was granted the UNE 19601 certification: 2017 Criminal compliance management systems.



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Criminal Prevention Compliance Policy

On July 27, the Board of Directors unanimously approved the Criminal Prevention Compliance Policy (PPP, for its acronym in Spanish). This policy is aimed to consolidate the culture of compliance, business ethics, transparency and social responsibility in the group, by integrating in a public and accessible system the criminal prevention duties of the entire Abengoa group, with the proper dissemination, understanding and acceptance by employees.

The **tolerance level is zero**. Abengoa does not accept any fraudulent professional conduct or any conduct contrary to current legislation, jurisprudence and international practices and principles willingly and expressly adopted and assumed by Abengoa.

The PPP is applicable to all administrators, managers and employees of Abengoa and its controlled companies, specifically in Spain and in the rest of the geographies as it is part of the internal regulations of mandatory compliance of the company and its common management systems. This policy applies to both fundamental and incidental activities directly or indirectly carried out by Abengoa's employees and by persons subject to their control, either due to legal, contractual or specific duty of care. The management and the Board of Directors shall duly monitor and control compliance thereof.

Criminal Compliance System

Abengoa's Criminal Compliance System involves the Mandatory Regulatory Compliance Standard (NOC, for its acronym in Spanish), as a corporate policy and integrated into common management systems; the Compliance or Criminal Prevention Programme, including specific Compliance Programs; the

Criminal Prevention Policy; and the Code of Professional Conduct.

The main actions for the application of the Criminal Compliance System are as follows, but not limited to the following:



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Regulatory Compliance Programme

Abengoa has a **Regulatory Compliance Programme (PCC**, for its acronym in Spanish) aimed at **preventing, detecting and sanctioning practices which could result in the company's or its employees' liability**, including **self-regulation programmes willingly adopted** by the company to comply with legal requirements, value its ethical aspects and prevent or detect illegal practices.

In this regard, the programme has **efficient tools** which safeguard the practices in the performance of the activities, as well as disciplinary measures, in accordance with applicable local legislation, which sanction practices contrary to the company's standards or self-regulatory policies.

The PCC and specific programmes **are directly integrated into the company's management model through the code of conduct**, the **standards of good corporate governance** and a specific **risk analysis**, in addition to its implementation -by means of training- and its supervision in a process of continuous improvement.



Code of professional conduct

Abengoa is fully committed to conducting its activities with **honesty, integrity and pursuant to the laws**, whether in the relationship with its employees or with other stakeholders. These behavioral guidelines are embodied in the code of conduct, a fundamental and mandatory rule for administrators, management and employees, integrated into the Common Management Systems, under the premise of zero tolerance. It includes the principles and **values which should guide the behavior** of employees, as well the behavior of suppliers, clients, distributors, external professionals and representatives of public administrations.

No action contrary to the code shall be tolerated and it formally sets forth its disapproval of any form of corruption and its firm commitment to comply with the law.

 [Code of professional conduct](#)



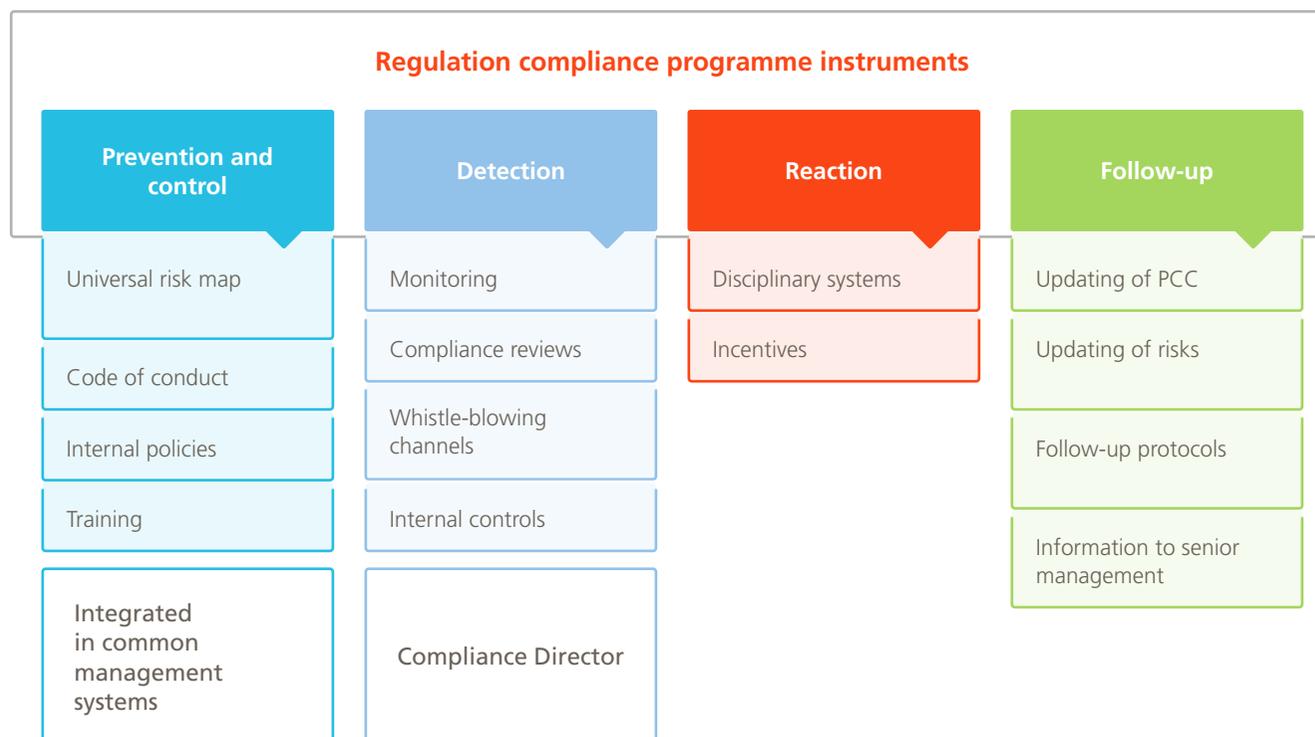
Regulatory compliance programme key instruments

The PCC is articulated through the **control processes implemented** by the organisation to avoid any unlawful conduct that may occur. In this regard, the PCC constitutes an **element integrated and compatible with the rest of the internal policies and controls** and is coordinated, among others, with the universal risk map, the SAP controls and the internal authorisation management.

Taking into account the set of internal regulations and the diversity of activities carried out by the company, **the non-**

compliance risks that may be incurred into are analysed, weighing the importance with the likelihood of occurrence thus **generating a risk map**.

This continuous improvement process, with periodical feedback through supervision, audit and review, is shared with the organisation's employees by means of training, aimed to instil and consolidate the corporate culture of legality.





Complaints channel

The Complaints Channel is the written procedure to submit complaints or issues, but not limited to, related to all kinds of allegedly illegal behaviors committed by an employee, either by violating a legal regulation or a standard willingly accepted by the company, as well as non-compliance with Abengoa's Code of Conduct.

The company firmly recommends to employees and third parties that any bona fide suspicion of illegal or potentially illegal practices be reported through this channel. In accordance with the Code of Conduct, it is the obligation of all employees to ensure correct lawfulness in the company and, therefore, any improper conduct shall be reported.

The company guarantees the non-adoption of any type of retaliation, discrimination or express or implicit sanction against any bona fide complainant. Good faith is always presumed.

Commitment to continuous improvement and periodic review

Abengoa is firmly committed to ethics and compliance in all its actions. Therefore, the Director of Regulatory Compliance or Chief Compliance Officer (CCO) is in charge of continuously monitoring and supervising the compliance system. At least one annual and rotating audit shall be carried out between the different points identified with the highest risk of commission of professional malpractices, according to the country-risk indicator included in Abengoa's risk map or in those places in which there is the suspicion that a regulatory violation may occur.

The assessment, control and supervision tasks will be carried out complying with the procedure set forth in the Criminal Compliance System. The Internal Audit Department shall review the suitability and effectiveness of the internal control measures related to criminal law compliance, evaluating compliance with the PPP and effectiveness thereof.



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Compliance, organization and resource role

Managing ethics and the criminal prevention model are the responsibility of the Director of Regulatory Compliance through the Appointments and Remuneration Committee of the Board of Directors. The main duties thereof are as follows:

1. The **promotion** and comprehension of the **compliance culture** guaranteeing, in collaboration with all areas and departments, the transmission of the concept of effective and real knowledge of the applicable regulations, pursuant to the Code of Professional Conduct framework and of the Compliance Policies and the supporting programs and procedures.
2. **Risk management** of regulatory compliance, setting forth as a priority the identification, analysis and evaluation of criminal risks, maintaining an efficient preventive and responsive attitude.
3. **Guidance and evaluation** of the baseline regulatory framework, transferring to the administration body any necessary consideration regarding the criminal regulatory framework, regarding compliance thereof and the impact of any modification of the above mentioned criminal framework on the activities thereof, in collaboration with the Legal Department.
4. **Responsive control** of failure to comply or non-compliance, based on efficient management of the Code of Professional Conduct and the definition of corrective systems and procedures for illegal actions coordinated with the Human Resources area.
5. **Reporting to the administrative body** the management activities carried out, annually reporting any relevant situation affecting regulatory compliance, regarding the general situation and important aspects of the compliance function, as well as on a timely basis regarding any issue required by the administrative body.

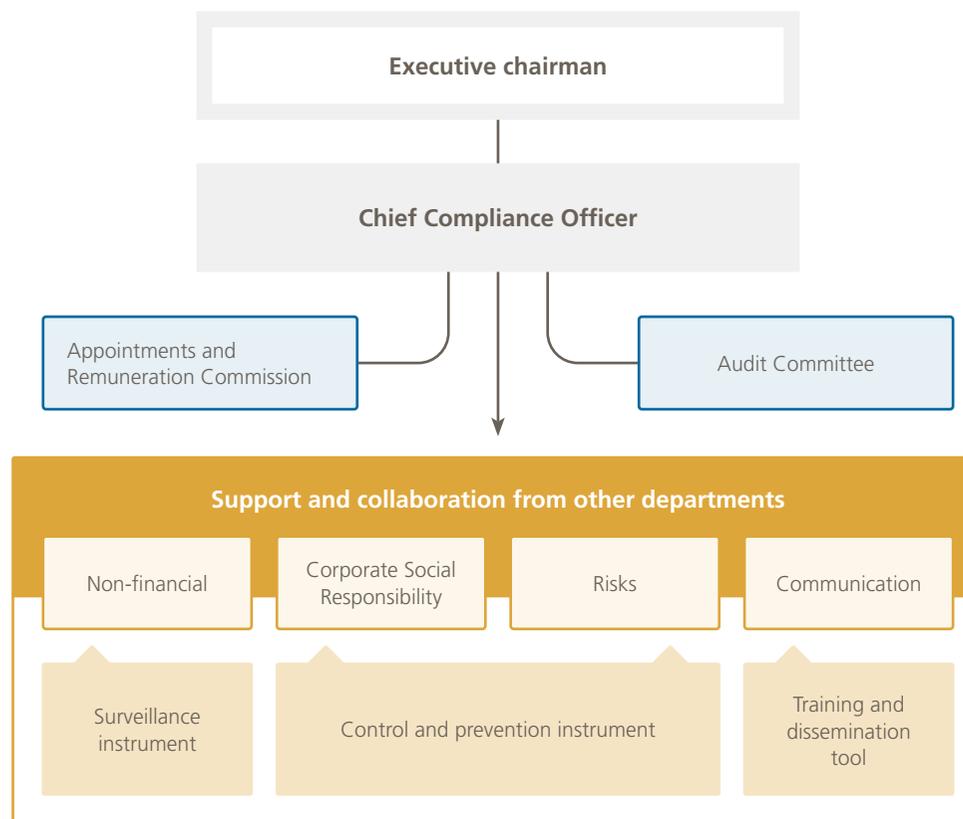
However, **each area is directly responsible for compliance** with the rules applicable thereof in their activity (tax, labour, quality, etc.).

The CCO **reports directly to the CEO** and reports, on a quarterly basis, to the Appointments and Remuneration Committee and, every six months to the Board of Directors.

The Board of Directors is the body that guarantees the performance of all employees, through each level of command or management. For the control thereof, the PCC is expressly approved, **taking part in the definition of the scope and content** of each area **and the control of the common**

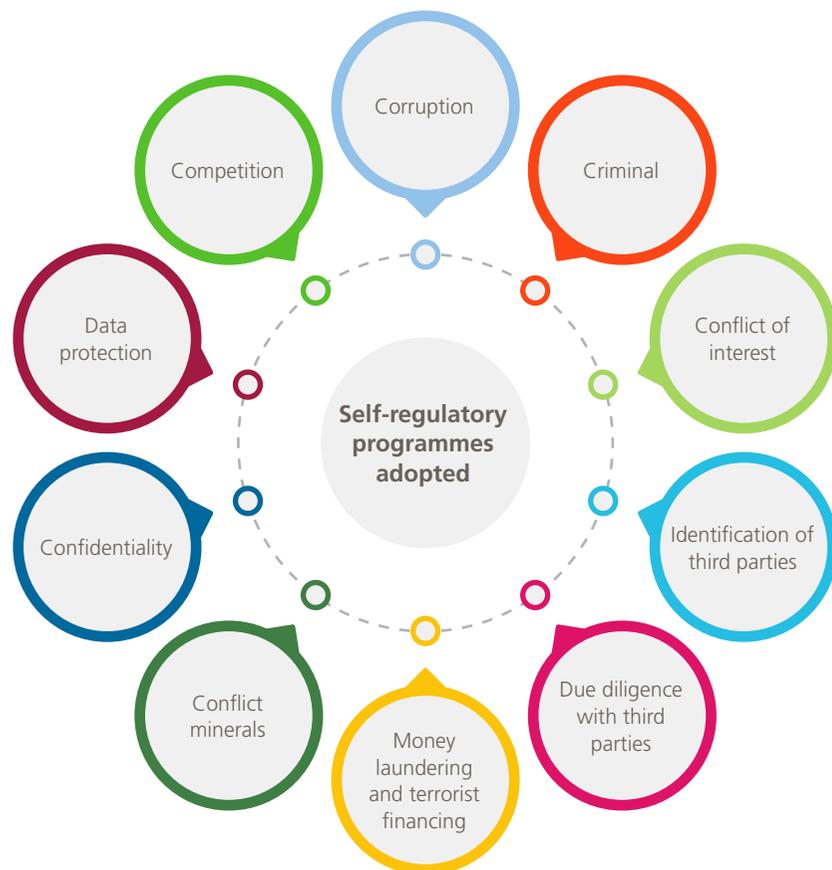
management systems. Likewise, the above mentioned is responsible for setting an example and transmitting the same values to its subordinates, supervising the application thereof in the development of the activity.

The cross-cutting nature of the subject and its impact on the company's activity require the support and collaboration of other areas that serve as control, prevention, detection, monitoring and dissemination or training tools.



Adopted self-regulatory programmes

Abengoa has implemented the following self-regulation programmes voluntarily adopted to highlight its ethical considerations and to prevent and detect any unlawful conduct.



Anti-corruption

Abengoa implements the principles established by the **U.S. Foreign Corrupt Practices Act**, FCPA, through its Code of Conduct and internal manuals for employees when setting up contracts with third parties.

In the same way, the company subscribes to each of the points contained in the **United Nations anti-corruption document**, passed by the UNO General Assembly of 31 October 2003. Its objectives are as follows:

- **Promote and strengthen** measures to efficiently prevent and combat corruption.
- **Promote and support** international cooperation and technical support in the prevention and the fight against corruption, including the recuperation of assets.
- **Promote** integrity, the obligation of accountability and proper management of public affairs and public property.

In view of the above, and in order to ensure the trust of clients and the authorities, Abengoa requires all its employees to comply with the applicable anti-corruption regulations, thereby protecting its business from any non-compliance and the liability it entails, and safeguarding its reputation.



Regulation of competition, consumers and markets

The company **operates in a freely competitive market with transparent conditions** in each of the jurisdictions in which it operates.

The entire workforce, without exception, **is responsible for compliance with applicable standards** in this area and may in no case carry out, authorise or tolerate any conduct which violates antitrust rules or Abengoa's policy in these regards.

Similarly, employees shall always take reasonable steps to ensure that other employees under their authority and/or responsibility are aware of and comply with this policy.

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Money laundering and Terrorist Financing

Abengoa **voluntarily accepts the principles and obligations** established by the applicable regulation **in the area of prevention of money laundering and terrorist financing.**

Likewise, it takes into account the obligations in force in each country for **economic transactions carried out abroad and/or with non-residents.**

This programme, which shall be complied with by all employees, as well as the supervision and control by managers, is aimed at developing procedures and controls to verify, prevent and deter collaboration with persons engaged in, or used for, money laundering activities.



Criminal compliance

All company employees **shall be governed by rigour, order and responsibility.** Under this internal standard, both the company and the natural person may be liable for crimes that are perpetrated.

This programme was developed with the aim of **identifying preventing and sanctioning prohibited conduct for violating the law** that could result in any type of liability for Abengoa, and includes the self-regulation programmes to which the company voluntarily adheres in order to adapt to legal requirements and enhance the ethical aspects that characterise it, as well as to prevent and detect any unlawful conduct that may occur.

This standard is mandatory for all employees. Similarly, ensuring its implementation is the responsibility of management and directors, without exception.



Identification of third parties

In accordance with the Money Laundering Act, which Abengoa, although not an obliged subject, voluntarily adheres to, it has implemented a **procedure for identifying** the real owner of third parties, mainly **potential partners and clients**, who are going to enter into a legal relationship with the company, in order to verify the absence of requirements which, in accordance with the Act, may generate a position of risk.



Data Protection

Abengoa is a company which **operates in a freely competitive market with transparent conditions** in each of the jurisdictions in which it operates.

The entire workforce, without exception, **is responsible for compliance with applicable standards in this area** and may in no case carry out, authorise or tolerate any conduct which violates antitrust rules or Abengoa's policy in these regards.

Similarly, employees **must always take reasonable steps to ensure** that other employees under their authority and/or responsibility are aware of and comply with this policy.



Conflict minerals prevention

The aim of the programme **is to control the provenance of minerals and their application** at Abengoa's facilities, as well as **to explain the obligations to which all companies are subject** by Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act. This Act prohibits any commercialised product from containing a "war mineral", viz., minerals and metals originating in the Democratic Republic of the Congo or bordering countries. If they have this origin, or the source cannot be established, in order to market these products in compliance with prevailing legislation, the source and chain of custody **must be subject to due diligence**, to ensure that the procurement or sale of said minerals did not benefit any armed group.

This programme applies to all of the company's companies with manufacturing capacity that incorporate these minerals into their chain, either directly or indirectly in products that are subsequently distributed to third parties.

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Confidentiality procedure

A regulated and non-discretionary procedure, mandatory for all employees with regards to the use of common practices related to the **processing of confidential information, with the aim of avoiding, controlling and remedying situations of potential non-compliance** of any standard, mitigating the associated risks to these non-compliances, both economic and reputational, including the area of criminal responsibility.



Procedure for the prevention of conflicts of interest and related operations

A procedure applied to all administrators, senior management and employees which establishes a **non-discretionary method to follow prior to situations in which they may enter into conflict, both real or potential**, directly or indirectly, the interest of the Company or of any of the companies belonging to the group and any type of private, individual, direct or related interest, as well as in the transactions that such persons carry out with the companies of the group, in order to adopt the appropriate measures to ensure that such transactions are carried out, where appropriate, with full transparency and knowledge.



Due diligence with third parties

A **due diligence procedure** that Abengoa carries out on third parties, mainly **potential partners and suppliers**, with the aim of checking the non-concurrence of requirements that may generate a position of risk.

Criminal compliance management system

During the 2020 financial year, Abengoa carried out the verification process by an independent third party of its criminal compliance and prevention system, having obtained at the end of the process the UNE 19601: 2017 Criminal compliance management systems certification, for its criminal compliance and prevention model in Spain in 2020. The standard sets forth the requirements to implement a criminal compliance and prevention management system in accordance with the provisions set forth in the Spanish Criminal Code, including the review, supervision, continuous improvement thereof and the evaluation of the performance of the model and the person responsible thereof. The certification includes the scope of the following companies: Abengoa SA, Abengoa Energía SA, Abengoa Agua SA, Instalaciones Inabensa SA and Abenewco1 SA.

The audit was conducted by AENOR, as an entity accredited by the National Accreditation Entity (ENAC) for the UNE 19601: 2017 certification and endorses the correct implementation in the above mentioned perimeter of Abengoa of the criminal compliance and prevention management system thereof. Its purpose is to consolidate in Abengoa the culture of compliance and respect for the legislation in force, in order to reduce criminal risk, to prevent the commission of crimes within the legal entity, and promote the training of employees, management and administrators in compliance beyond the letter of the standard.



Having been granted this certification allows Abengoa to deploy greater control regarding due diligence procedures, both in internal processes affecting personnel in particularly exposed positions, as well as in external processes, strengthening collaboration with business partners, suppliers and customers and increasing monitoring regarding financial and non-financial controls of Abengoa's management system.

Main activities carried out in 2020

Development of fiscal compliance procedures

As set out in the objectives of the Strategic Sustainability Plan with regards to coordinating the implementation of legal compliance requirements in areas such as taxation, Abengoa is establishing a **taxation programme** to adapt the mandatory internal standard to the **requirements for validity as criminal evidence**, based on the content of the UNE 19602 regarding tax compliance systems management.

The internal fiscal management and consolidation standard has been revised under several premises, including the identification of tax obligations, the non-compliance-related risks, the methods for preparing tax returns and the controls or reviews thereof and the reporting of tax policies to the Board of Directors.

The process is being carried out in several phases:

- Identification of **applicable laws**.
- Identification of the fiscal **decision-making process** at Abengoa.
- Identification of **conducts of assigned personnel** which could violate the regulations (aggressive tax policy, improper application of standards and the like); risk analysis and weighting.
- Identification and updating of **existing controls**.
- **Traceability of the entire process**, including the preparation of information to the Board, for its subsequent approval.
- Designing **internal training circulars** in the form of precise instructions (accounting, offer processing proposals, country risk, related transactions and the like).
- Incorporation of **fiscal misconduct** in the **complaints channel**.

Improvement of the anti-corruption system

Update of anti-corruption procedures, especially in geographies with high activity, with the aim of **implementing a zero-tolerance criterion for corruption**.

During 2020 the internal due diligence questionnaires were reviewed and updated and shared with all kinds of partners.

2021 Objectives and action plan

Apart from the objectives set forth in the strategic plan, Abengoa works to continuously improve the compliance system. Therefore, within the 2021 action plan, Abengoa is working on the following activities.

- To maintain specific training for employees, based on each specific activity, especially in anti-corruption and free trade areas. Therefore, training content is updated based on legislative or jurisprudential developments of interest to directors and personnel at higher risk.
- The relationship with suppliers, partners and clients is in progress, in order to coordinate the application of criminal prevention measures in their joint relationship.
- The objective to revise and renew the Criminal Prevention System by Aenor is ongoing.

