

Non-Financial Information Statement

**Urbaser S.A.U.
2019**

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1. ABOUT THIS NON-FINANCIAL INFORMATION STATEMENT

This Statement is aimed at meeting the requirements set out by Law 11/2018 of the 28th of December, regarding the submission of a non-financial statement (hereinafter NFIS) that includes the necessary information to understand the company's evolution, results, and current circumstances, as well as the impact of its activities on the environment and on society, and any issue regarding workforce management, compliance with human rights, and combating corruption and bribery.

In June 2019, the company published the 2018 Non-Financial Information Statement, corresponding to the 2018 financial year, which included non-financial information.

The information included in this NFIS refers to the activities and services provided by Urbaser S.A.U. and its joint venture subsidiaries (hereinafter "Urbaser" or "the entity" during 2019).

Urbaser S.A.U is a subsidiary of the URBASER Group. Therefore, throughout this NFIS, reference is made repeatedly to policies, procedures and documentation of the URBASER Group that, at all times, are applicable to Urbaser S.A.U.

This statement has been developed under GRI (Global Reporting Initiative) Standards, with a focus on the management practices and indicators that address the requirements established by Law 11/2018 of the 28th of December 2019 ([NFIS 2019 Table of Requirements](#)).

All information contained in this Non-Financial Statement has been externally verified by PricewaterhouseCoopers Auditores S.L.

1.1 Scope of the information

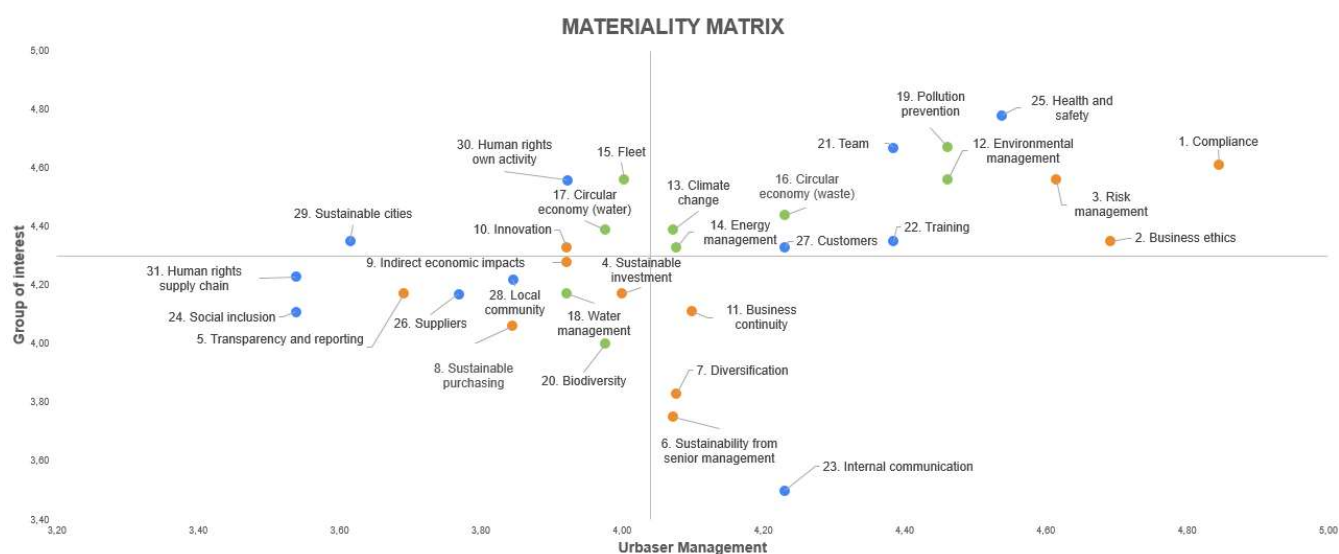
The scope of the financial and non-financial information corresponds to the perimeter used in the financial consolidation. It covers all companies in which URBASER is the main shareholder or has management control.

A verification and consolidation process for all collected data has been performed by URBASER's central departments.

1.2 Materiality and stakeholder engagement

This study enables the company to understand the importance of matters related to the business strategy and identify the expectations and needs of stakeholders. It combines the internal and external vision of the stakeholders, according to the "Principles for defining report content" of the Global Reporting Initiative (GRI) according to the GRI 101: Foundation standard.

During 2019, URBASER updated its materiality study based on on-line surveys sent to internal stakeholders as well as on leading sources of information of the sectors in which URBASER operates, with the aim to identifying and prioritizing economic, social and environmental issues that are considered of high impact and relevance (so-called "material").



Material issues	Associated GRI Indicator
Compliance (Economic dimension)	<p>GRI 103: Management approach.</p> <p>GRI 205-2: Communication and training about anti-corruption policies and procedures</p> <p>GRI 205-3: Confirmed incidents of corruption and actions taken.</p> <p>GRI 413-1: Operations with local community engagement, impact assessments, and development programs</p>
Risk management by the company (Economic dimension)	<p>GRI 103: Management approach.</p> <p>GRI 102-15. Key impacts, risks, and opportunities</p>
Business ethics (Economic dimension)	<p>GRI 103: Management approach.</p> <p>GRI 102-16: Values, principles, standards, and norms of behaviour</p> <p>GRI 102-17: Mechanisms for advice and concerns about ethics</p>
Health and safety management (Social dimension)	<p>GRI 103: Management approach.</p> <p>GRI 403-1. Workers representation in formal joint management–worker health and safety committees</p> <p>GRI 403-2. Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities</p>

	GRI 403-3. Workers with high incidence or high risk of diseases related to their occupation
Pollution prevention (Environmental dimension)	GRI 103: Management approach GRI 102-11. Precautionary principle or approach
Environmental management system (Environmental dimension)	GRI 103: Management approach
Workforce (Social dimension)	GRI 103: Management approach GRI 102-8. Information on employees and other workers GRI 405-1 Diversity of governance bodies and employees GRI 405-2 Ratio of basic salary and remuneration of women to men
Training and development of talent (Social dimension)	GRI 103: Management approach GRI 404-1. Average hours of training per year per employee
Promotion of circular economy in the management of treated waste (Environmental dimension)	GRI 103: Management approach GRI 306-2. Waste by type and disposal method
Customer management (Social dimension)	GRI 103: Management approach
Energy management, efficiency and generation (Environmental dimension)	GRI 103: Management approach GRI 302-1. Energy consumption within the organization GRI 302-3. Energy intensity GRI 302-4. Reduction of energy consumption
Climate change and CO₂ emissions (Environmental dimension)	GRI 305-1. Direct (Scope 1) GHG emissions GRI 305-2. Energy indirect (Scope 2) GHG emissions GRI 305-3. Other indirect (Scope 3) GHG emissions GRI 305-4. GHG emissions intensity GRI 305-5. Reduction of GHG emissions GRI 305-7. GRI 305-7. Nitrogen oxides (NO _x), sulfur oxides (SO _x), and other significant air emissions

Business continuity plans (Economic dimension)	GRI 103: Management approach GRI 102-10. Significant changes to the organization and its supply chain
Internal communication (Social dimension)	GRI 103: Management approach GRI 102-43. Approach to stakeholder engagement
Diversification of markets and services (Economic dimension)	GRI 103: Management approach GRI 102-6. Markets served
Senior Management engagement in sustainability management (Economic dimension)	GRI 103: Management approach
Efficient fleet management (Environmental dimension)	GRI 103: Management approach
Promotion of circular economy in the management of the treated water cycle (Environmental dimension)	GRI 103: Management approach GRI 303-1. Water withdrawal by source GRI 303-3 Water recycled and reused
Risks of human rights violations in our activity (Social dimension)	GRI 103: Management approach GRI 102-16. Values, principles, standards, and norms of behaviour GRI 102-17. Mechanisms for advice and concerns about ethics GRI 406-1. Incidents of discrimination and corrective actions taken GRI 408-1 Operations and suppliers at significant risk for incidents of child labour GRI 409-1. Operations and suppliers at significant risk for incidents of forced or compulsory labour

Promotion of the innovation (Economic dimension)	GRI 103: Management approach
Contribution to the development of sustainable cities (Social dimension)	GRI 103: Management approach

Derived from the materiality study, some issues were classified as being of very low materiality for the company, as they were deemed to have “very little significance” for the strategy of URBASER, both by external and internal stakeholders. These issues are, therefore, reported very superficially or not reported at all in this NFIS.

From the additional requirements provided by Spanish Law 11/2018 of December 28, there are aspects which do not apply to our activity such as “Food waste” and also “Consumer complaint procedures” since, taking into account the company's main business activity, there is no direct contact with the consumer. Customers have specific methods for making claims in their contractual conditions and Urbaser S.A.U. has channels for claims like the “Ethical Hotline” that is available for its stakeholders.

For URBASER, stakeholders are those groups or individuals that are affected by the present or future actions of the company. This definition includes internal and external stakeholders, depending on whether or not they are part of the URBASER value chain.

A stakeholder analysis has been carried out following the Stakeholder Engagement Manual of the organization AccountAbility, which defines five dimensions for the analysis of stakeholders: responsibility, influence, proximity, dependence and representation.

The importance of including stakeholders in decision-making derives from the dynamics of the environments in which the company operates, allowing us to respond to the needs of each moment and environment.



Participation in COP25, Madrid (Spain)

Through its participation in COP25, URBASER represented its sector before the authorities, as an expert in the use of renewable gas (biomethane) as a substitute for natural gas, both for pumping into the network and for its use in vehicles.

Its membership of the Renewable Gas ministerial round table, the participation in the European Committee for Standardization on the quality of natural gas and biomethane – CEN/TC 234 and CEN/PC 408 – the representation in the Technical Specification Group for Guaranteeing the Renewable Origin of Biomethane – UNE GET 25 – as well as in numerous conferences and technical sessions, resulted in URBASER being the only company in the sector to participate in COP25 during a conference on renewable gases together with the main actors in the gas sector.

1.3 Sustainable Development Goals (SDGs)

In an effort to meet the global challenges mentioned throughout this Non-Financial Statement, during 2016 the United Nations (UN) published its 17 Sustainable Development Goals (SDG), which cover 169 specific objectives to guide countries, citizens and companies towards minimizing a series of globally occurring social, economic, and environmental problems.

Urbaser S.A.U. has undertaken a firm commitment towards supporting 7 of these goals, and throughout this Non-Financial Statement we will show the different achievements reached for each one during this year.

Through the services it provides and the activities it performs, Urbaser S.A.U. directly contributes towards meeting some of these goals. In particular, the SDGs related to gender equality (SDG5), access to clean water (SDG6), decent work and economic growth (SDG8), reducing inequalities (SDG10), sustainable cities and communities (SDG11), sustainable production and consumption (SDG12) and marine life (SDG14). Up to a certain point, the company is also contributing towards meeting the rest of the SDGs through the initiatives listed in its Corporate Social Responsibility Action Plan.

This Non-Financial Statement will show the company's achievements on each one of these objectives over the last year.



Raising awareness of the SDGs among employees

URBASER has transmitted this commitment to its employees through the dissemination of several news items published on its intranet to aimed at raising awareness. Throughout 2019, the company has implemented social responsibility campaigns specifically connected to the SDGs.

2. ABOUT Urbaser S.A.U

Carbon footprint: 1.42 million tCO₂ e (in 2018, 1.64 million tCO₂ e)

Investment in safety and health: €1.64 million (in 2018, €1 million)

Amount allocated to corporate citizenship: €655,496.53 (in 2018, €538,498.13)

Employees: 14,424 (en 2018, 12,945)

Turnover: €740.01 million (in 2018, €751.26 million)

Public subsidies received in 2019: €471,547.37 (in 2018, €276,368.95)

Markets in which Urbaser operates: Spain, Portugal, Argentina, Italy and Jordan.

3. BUSINESS MODEL

Urbaser S.A.U. is a leading international company in the provision of environmental services with a customer-oriented and reliable approach and a great deal of experience. The company is committed to the future and invests in sustainable development across its four major business lines: urban services management and urban waste management.

Profits (before taxes) by country in Thousands of Euros (€)		
	2018	2019
CHILE	- 62.41	-95.38
PORTUGAL	218.98	244.27
ARGENTINA	308.98	143.13
VENEZUELA	102.56	-5.78
ITALY	1,230.28	1,018.05
JORDAN	- 178.11	-526.11
SPAIN	48,944.87	63.468,45

Tax on profits paid (not accrued) in Thousands of Euros (€)		
	2018	2019
PORTUGAL	39.62	-
ARGENTINA	41.94	-
CHILE	42.93	-
ITALY	365.97	-
SPAIN	3,177.72	13,324.23

3.1 Urban Services

The Urban Services business area is one of the most important within Urbaser S.A.U. Through its services, Urbaser S.A.U. contributes to the sustainable development of the cities and territories in which it operates via efficient services, directly influencing the quality of life of millions of citizens.



Municipal waste collection



Beach and street cleaning



Management of landscaped areas

The collection of municipal waste and its efficient management is one of the main challenges that cities face, due to its costs and logistical complexity. According to the United Nations¹, trends indicate that by



2050 two thirds of the world's population will live in cities, making waste management a key factor in smart cities.

Urbaser S.A.U is responsible for the efficient collection of urban waste. As a pioneer in the use of clean energy (gas, electricity) and in IT systems for controlling real-time collection services and thus increasing the quality of the services provided, it contributes through its activity, ensuring cities are less polluted and more habitable in line with its commitment to the SDGs.

The internet of things (IoT) and sustainable mobility are factors that will influence the way the company carries out its activity.

THE INTERNET OF THINGS (IoT) AT THE SERVICE OF CITIES

Around the world, cities and countries are adopting the new Smart Cities paradigm with the aim of improving the quality of life of their citizens. To become 'smart', there is a common denominator in the different strategies adopted by these cities, the use of new Information and Communications Technologies (ICT).

The company is constantly working on applying the latest ICTs to its urban services to align itself with the strategies of smart cities and maximize the efficiency of its services. For example, URBASER's IoT solutions, known as SENSIoT (Smart Environmental Services with IoT), enables the mass collection and processing of information produced by all the assets involved in the services. These assets include road cleaning vehicles, waste containers, street furniture and water meters, among other things, in which specialized electronic devices are installed to extract all relevant information and detect anomalous situations in real time.

This platform is able to process in real time, in a centralized manner, millions of items of data from assets distributed throughout the world and extract useful information which is immediately applicable to the services being executed.

¹ Source. [United Nations](#)

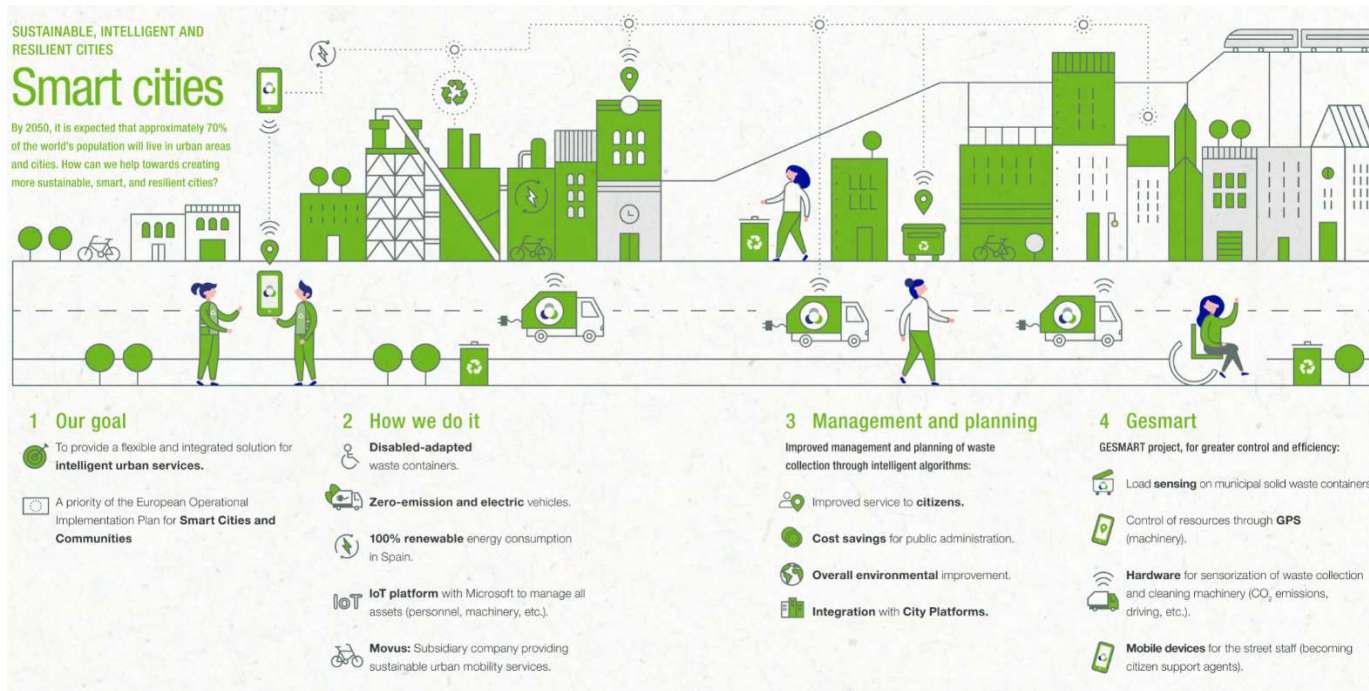
Consequently, URBASER's urban services can successfully reach continuous improvement targets that range from optimal service execution (fewer breakdowns, lower fuel consumption, route optimization, etc.) which directly benefit citizens (lower levels of pollution and noise, etc.) and the authorities (fewer service disruptions, enhancement and support of its intelligent strategy, etc.).

ZERO EMISSIONS MOBILITY

Sustainability is an integral part of the company's strategy as a means of improving the quality of life of citizens and offering a reliable, adaptable service with a low ecological footprint. To minimize the environmental impact of waste collection and transport services, street cleaning and park and garden management in cities, innovations in those aspects with the highest environmental impact are required, namely vehicles and machinery.

To this end, URBASER carries out innovative projects that promote sustainable mobility as a mechanism to achieve a zero-emission energy model. During 2019, the company developed a waste collection truck that uses CNG-electric hybrid technology, creating a better fleet of hybrid and 100% electric vehicles. This new vehicle, which will be in service throughout 2020, is able to carry out waste collection exclusively in electric mode, offering greater energy efficiency and a reduction in both air emissions and noise in the container loading and unloading phase.

SUSTAINABLE, SMART AND RESILIENT CITIES



3.2 Municipal Waste Treatment

Urbaser S.A.U carries out municipal waste treatment through the following processes:



- Mechanical-biological treatment including anaerobic digestion and composting.
- Energy recovery
- Controlled waste facility.

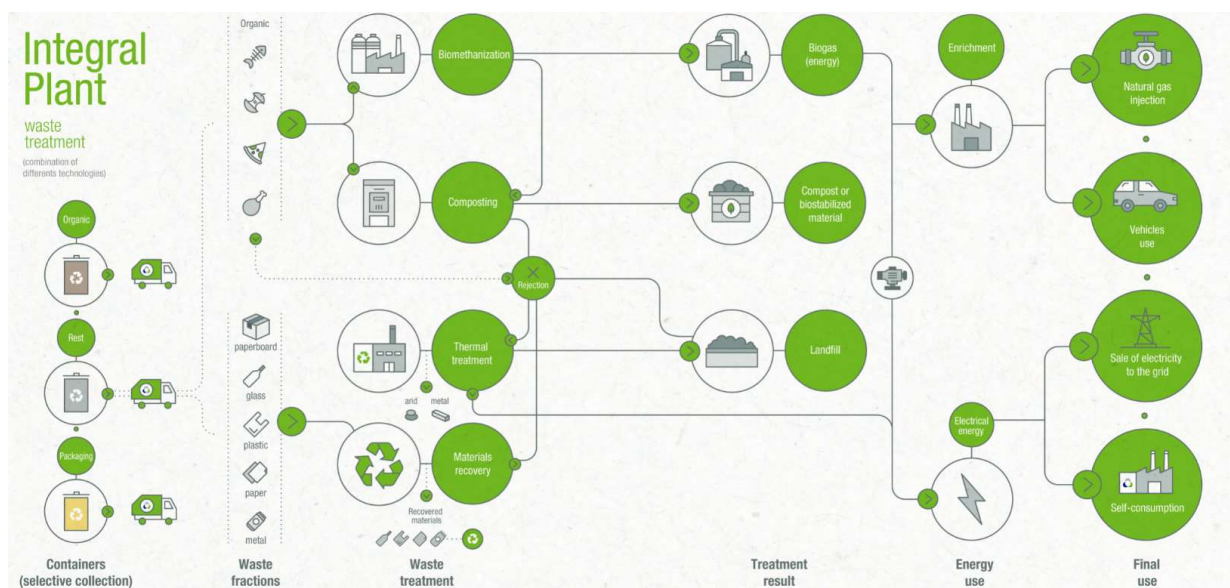
Aware of the great environmental impact of this activity, the URBASER Treatment business area subjects each process to constant innovation and improvement, which has created an internal culture aimed at minimizing the impact of waste and emissions, thus ensuring compliance with applicable regulations anywhere in the world, as evidenced by the recognition of our customers in the contracts we have been awarded in Spain.

Circular Economy and Energy Transition

URBASER is firmly committed to circular economy, optimizing its material recovery and energy recovery processes in order to contribute to the fulfilment of the objectives established by the European Union. However, the company's commitment goes beyond the optimization of its processes. Proof of this is its adherence to the Circular Economy Pact, promoted by the Spanish Government, and its membership of different sector associations, where it uses its experience in waste management to help draft technical studies, technical standardization processes and consultations on European and national legislative proposals.

Energy transition is also a key factor in the optimization of the use of resources. The waste sector must contribute to this energy transition, not only in seeking to improve efficiency in the use of energy, but also through the use of waste as a renewable energy source.

Aware of the importance of its potential contribution to energy transition and the fight against climate change, URBASER participates in different working groups related to renewable energy and waste. Specifically, in 2019 it was very actively involved in the development of the renewable gas market, both through collaboration with the sectors involved and with the public authorities, participating in dissemination forums and in the drafting of technical and sectoral documents.



3.3 Other activities

Urbaser S.A.U. manages, to a much lesser degree, other businesses such as environmental works and construction and demolition waste management.

These business lines are a residual activity for the company, comprising only 2% of the total turnover of Urbaser S.A.U.

3.4 Strategic management



4. RISKS AND OPPORTUNITIES

4.1 Risks inherent to the company's activities

The activity of Urbaser S.A.U. focuses on environmental services and citizens. The company operates in various countries, with high operational decentralization and autonomous management of the companies that comprise it.

The market is currently undergoing change in terms of environmental and social legislation, which is becoming increasingly restrictive in terms of waste, water and climate change, as well as in terms of diversity and social and labour integration, which directly impacts our actions and decisions worldwide.

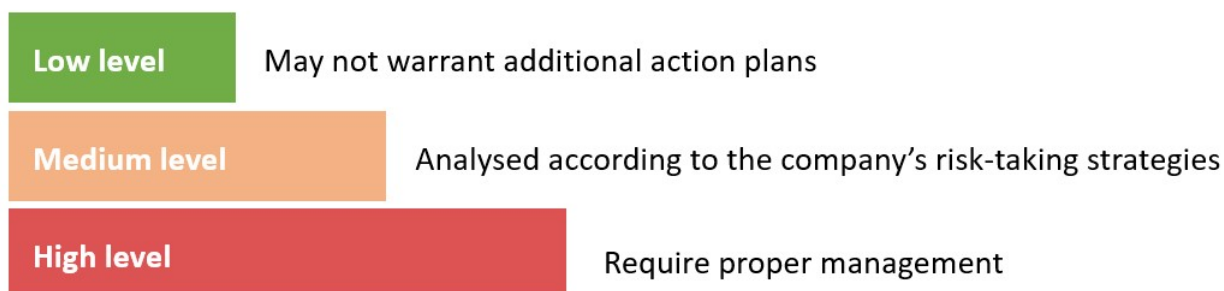
In this changing environment, the company is aware of the importance of carrying out an adequate and effective management of the different types of risk that could affect the fulfilment of its objectives.

The risk and opportunity analysis of Urbaser S.A.U. has been extracted from the analysis performed for the URBASER Group. Since Urbaser S.A.U. is the parent entity of the company, the risks and opportunities identified for URBASER are deemed to be relevant to Urbaser S.A.U.

Therefore, Urbaser SAU carries out the analysis, monitoring and management of the risks and opportunities it faces, through a system of identification, assessment, management and monitoring thereof and the implementation of preventive and mitigation measures, which is based on the following principles:

- Integrating a risk-based vision both within its internal governance bodies and its business management process, through a risk-mitigation focus.
- Defining basic directives to standardize the operating criteria across different business units and achieve improved levels of internal control.
- Establishing mechanisms to identify, evaluate, analyse, inform, and reasonably control the different risks that its activities are exposed to.
- Including the different businesses and corporate divisions within the company in the risk management, supervision, and auditing process, as agents with different levels of responsibility.
- Maintaining an adequate level of independence between the risk-taking divisions and those in charge of analysing, controlling, and supervising such risks.
- Ensuring compliance with legislation and the guidelines included in the Company's Code of Conduct under the "zero tolerance" policy towards illegal acts.
- Promoting continuous improvements in efficiency and crisis response tactics.
- Protecting the company's reputation and bottom line, generating trust, and providing guarantees for stakeholders.
- Reaching strategic objectives under controlled volatility.

Risks and opportunities are evaluated in quantitative and/or qualitative terms, with contributions from the different areas and divisions within the company, based on the “impact” and “probability” of each item. As a result:



4.2 Risk management systems

In order to ensure an adequate control environment that maintains critical risks within the levels accepted by the company's Board of Directors and create a culture that assumes this function as a strategic and differentiating factor, URBASER has a risk management system in place based on the design and implementation of controls aimed at detecting and mitigating relevant aspects of compliance, such as improper conduct or breaches of applicable regulations.

The company's risk management system includes a series of control measures aimed at detecting and mitigating any aspects that must be complied with, such as improper behaviours or the violation of any applicable legislation. This is carried out under a model with three independent levels of defence that act in a coordinated way. The first level corresponds to the activities of each division, while the second and third levels come from different transversal functions, with specific internal control and supervision responsibilities which are managed at a corporate level.

The URBASER Steering Committee validates and approves all risk management procedures, and, if necessary, establishes suitable mechanisms that monitor them and keep them within the defined levels. The CEO approves corporate policies and any related control systems.

The main function of Internal Audit Department is to support the Steering Committee and the CEO with their general risk surveillance, supervision, monitoring, and mitigation content, as well as verifying the effectiveness of the controls implemented reasonably and periodically. Any warnings, recommendations and conclusions created through this process are then sent on to URBASER's Senior Management and to the heads of the departments that have been assessed.

The risks and opportunities described below belong to the different subsidiaries, joint ventures, and companies within URBASER that operate inside Spain. The company is currently working to update its non-financial risk list and to expand it throughout its international operations over the next two years.

The risk factors that generally affect Urbaser S.A.U. as a consequence of changes in the competitive, economic, political, legal, regulatory, social, environmental, business and financial circumstances, include:

4.3 Operating risks

For URBASER, these risks are those directly associated to key business processes, including those linked to contracting and outsourcing and the quality thereof, relationships with stakeholders, environmental risks derived from its activity, purchasing and subcontracting, as well as those associated to business processes such as those related to human resources, prevention, health and safety and compliance with applicable legislation and taxation.

In general, URBASER is subject to specific risks linked to the collection of urban and industrial waste, its treatment, the management of its operations and its organization, and those derived from human resources that make up its workforce.

- **Pollution and climate change**

Specifically, in terms of the company's activity, this risk could derive from exposure to the risks caused by climate change. On the one hand, due to a lack of technological adaptation to regulatory changes aimed at reducing polluting gases, the prices of GHG emissions (Greenhouse Gases) or new transport modes which may impact on project business plans, and on the other hand, due to extreme weather events that may affect the company's infrastructure.

URBASER, through its Corporate Policies on Quality, Health and Safety, Environment, and Energy, undertakes to protect the environment by preventing pollution, contributing to the mitigation of climate change through its energy strategy and the reduction of its carbon footprint. To this end, it has implemented measures to mitigate atmospheric emissions and supports the use and generation of clean energy and renewable gas in its business activities whenever it is technically and economically viable.

The company's most potentially polluting activities are subject to periodic controls both internally, through the appropriate maintenance and technical inspection of machinery, generators, HVAC installations and compressors, and externally through authorizations from the corresponding public authorities.

Waste landfills are the largest source of emissions deriving from the company's activity. URBASER, in compliance with current legislation, carries out the sealing and degassing of landfills, sending the captured biogas to gas flares, boilers or electricity generating motors. The company carries out projects to optimize biogas uptake, in order to minimize the environmental impact caused by its emission into the atmosphere, since its global warming potential is 28 times higher than that of CO₂. The decision on the final destination of the captured gas depends on the agency that has contracted the services of URBASER, which means the climate risk is out of the company's hands. In terms of noise pollution, URBASER has established procedures to measure noise pollution levels, to provide adequate maintenance and technical inspections of any mobile equipment in order to minimize possible noise pollution from its activities.

- **Protection of biodiversity**

Any activities developed inside protected areas carry a higher risk of potential environmental impact. While performing works, operating landfills and providing any services that entail industrial waste management or the collection and treatment of oils and fuels, there is a significant risk of accidental spills. In order to handle these circumstances, URBASER has different environmental management systems that help the company manage voluntary discharge permits (therefore ensuring that all discharges have the necessary approval), managing storage practices for dangerous substances, defining preventative measures for occasional spillage and discharges, establishing regular water quality controls, etc.

- **Sustainable use of resources**

Specifically, in terms of the company's activity, this risk could derive from changes in energy regulations that lead to an increase in costs or the depletion of raw materials that could mean higher costs and the search for new solutions.

According to its Corporate Policy on Quality, Health and Safety, Environment and Energy, URBASER is committed to the efficient use of energy and raw materials, therefore respecting the value of natural resources.

The company has an Energy Management System that includes several measures and detailed guidelines aimed at improving its performance and energy efficiency, as well as reducing its impact on climate change.

With regard to URBASER's water consumption, it is important to highlight the fact that in the company's main economic activities (waste collection and treatment) consumption is very low, which implies a low level of risk for the company. Nevertheless, for activities such as street cleaning or landscaping that require more intensive water consumption, the company adheres to good practices such as using recycled water, devices to reduce consumption, etc.

- **Company's commitment to sustainable development**

This risk could arise due to a lack of adaptation to changes in the laws of the Autonomous Communities where we operate, which may favour the decentralization and promotion of local markets (local suppliers, local materials, local personnel, etc.). In this regard, URBASER favours the proximity factor, provided that technical and financial solvency and all the requirements set out in URBASER's policies are guaranteed.

In terms of promoting the development of the local communities in which the company operates, URBASER has a Corporate Citizenship Policy which determines the actions that must be followed to ensure a positive impact on the company's surroundings, guided by shared values and respectful relationships with local communities. This policy is implemented in the organization through specific procedures to ensure compliance.

URBASER's actions are guided by the principles and behaviours listed in the company's Code of Conduct and the Corporate Social Responsibility Policy, which in turn provide a framework for the company's Corporate Citizenship Policy.

4.4 Legal compliance risks

These include any risks that may derive from Corporate Governance, litigation proceedings, regulations, data protection legislation, possible changes to tax regulations (national or international), and civil liability regarding the physical integrity of the company's property.

- **Fight against corruption, bribery and money laundering**

Specifically, in terms of the company's economic activity, this risk could derive mainly from its relationships with public officials resulting from its involvement in public tenders coordination processes and from possible incidents that may arise during the contract management stage. Moreover, because of the high degree of operational decentralization and the ability of each division to operate independently, risk may also be derived from the relationships maintained with suppliers and authorities (specifically port, environmental, or labour regulatory bodies).

In order to mitigate these risks, the company has a Crime Prevention Model, whose purpose is to prevent any crimes from being committed and to prevent any criminal liability vis-à-vis the company. In order to ensure compliance with this model, URBASER created a Legal Compliance Committee (LCC) which is responsible for safeguarding the company's ethical principles and detecting and mitigating any breaches of the applicable legislation and misconduct. This Committee reports directly to the Board of Directors.

URBASER has its own binding Corporate Code of Conduct, which must be respected by all its employees, regardless of their type of contract or position. The purpose of this Code is to establish a framework to understand and apply all the principles, behaviours and expectations that the company has with all its employees in regard to loyalty, good faith, integrity, respect for legality and the ethical values defined therein.

The Legal Compliance Policy, applicable to Urbaser S.A. and its subsidiaries and investee companies/joint ventures with registered offices in Spain, contributes on the one hand to strengthening the company's commitment to good corporate governance; and on the other hand, it diligently enforces due controls across the entire organization, minimizing as much as possible the risk of bad practices or regulatory breaches arising in the execution of our activity.

Aware of the role it plays in the progress of the communities in which it operates and taking into account that, through its corporate citizenship, the company carries out actions that generate a positive impact on its surroundings, URBASER has created a Corporate Citizenship Policy that establishes the guidelines and principles of action on this matter, ensuring compliance with current legislation and reflecting the company's ethical principles. Based on this Policy, URBASER has implemented procedures and control mechanisms to regulate the approval and monitoring of any collaborative corporate citizenship projects that may arise, either with public bodies or other private companies. The company has carried out a comprehensive assessment of all the bodies with which it wishes to cooperate, as well as the corporate citizenship areas where it wishes to contribute. Any contributions made by URBASER to corporate citizenship projects are continuously monitored.

URBASER has also developed an Anti-Corruption Policy with the aim of promoting a culture of compliance and one of fighting corruption, bribery and other illegal practices. It contains a series of guidelines which must be followed by all company employees whenever they interact with Public Administration officials (bearing in mind that 80% of URBASER's turnover comes from public sector clients) and with private companies.

In order to facilitate the reporting of any behaviour that could contravene the guidelines established in the URBASER Code of Conduct, the company has different channels for communication and complaints in all those countries in which it operates (with a majority holding) which are well-structured and which any of our employees, customers, suppliers, partners and members of the communities in which the company is present, may contact.

In order to safeguard the efficient application of internal policies and procedures, URBASER has established a Disciplinary Procedure that applies across the company, that lists all the violations and penalties that may be applied to conduct that involves or may involve criminal risks and that may affect the company.

4.5 Reputational risks

These include risks derived from the inability to meet the expectations set by stakeholders and risks from failing to achieve the desired degree of recognition.

- **Subcontracting and suppliers**

URBASER is aware that it cannot control the actions of third parties, Urbaser S.A.U nevertheless aims to ensure that all companies and people that enter into business with the company meet the same standards and ethical principles, especially suppliers, agents, consultants and subcontracted companies.

In 2019, the company approved a Corporate Procurement Policy, which defines the framework for action and the basic guidelines to be applied in matters of purchasing in Urbaser S.A.U and which provides the guidelines for approving suppliers with objectives such as compliance with current legislation, tender processes based on criteria of competitiveness and transparency, the development of relationships based trust and compliance with international agreements.

In 2019, the company introduced its Supplier Code of Ethics, which it extends to all its suppliers, contractors and collaborators the values and principles by which the company is governed and which aims to reinforce and establish stable and long-lasting business relationships based on honesty, transparency and trust to help prevent any conduct that could damage the reputation of Urbaser S.A.U and lead to adverse consequences for the company or its environment.

Also in 2019 the company purchased a new computerized system for purchasing management, which will be available in 2020 and through which suppliers can be managed and approved, after carrying out a complete analysis, with the aim of minimizing risks, under the criteria defined in the Purchasing Policy and Procedures.

4.6 Other risks

Thanks to the company's control mechanisms, other inherent risks that have been detected have been regarded as unlikely to occur or as having very limited impact. Therefore, URBASER has classified them as "low risk". They are described in the following chapters:

- Circular economy and waste prevention and management
- Health and safety
- Labour relations
- Universal accessibility for people with disabilities
- Equality

- Respect for human rights
- Consumer relations (referring to the claim procedures, taking into account the company's main business activity, URBASER S.A.U is not in direct contact with the consumers) Customers have specific methods for making claims in their contractual conditions and Urbaser S.A.U. has channels for claims like the "Ethical Hotline" that is available for its stakeholders.
- Tax information
- Employment: lack of personnel with adequate technical skills

4.7 Transforming global challenges into opportunities

Population growth and waste generation



Challenge: Global waste is expected to grow annually to 3.4 billion tonnes by 2050, more than double the population growth during the same period. Source. [World Bank](#)

Opportunity: There is a growth opportunity for the waste management sector. URBASER maintains its internationalization strategy to be able to provide services to more markets, offering technical solutions for the transformation of waste into resources and its re-introduction into the market. In this way, it collaborates with the creation of more sustainable cities.

Promotion of circular economy



Challenge: In 2015, the European Commission launched a package of measures for the circular economy, with initiatives that cover the entire product life cycle and with a budget of more than 10 billion euros from public funds for the period 2016- 2020. In 2019 the Commission reported that the 54 measures of this programme were already being implemented, boosting competitiveness, modernizing the economy and industry to create jobs, protecting the environment and generating sustainable growth. Source. [European Commission](#)

Opportunity: URBASER has a close relationship with the circular economy, its commitment is demonstrated through several actions. The company is adhered to the Pact for a Circular Economy in Spain promoted by the Ministry for Ecological Transition. Through its R&D+i projects, URBASER is studying ways to transform waste into new raw materials, therefore preventing its disposal in landfills. The company participates in different sector associations, collaborating in the development of technical studies and consultations on European and national legislative proposals regarding the circular economy.

Climate change



Challenge: In December, the Conference of the Parties of the United Nations Framework Convention on Climate Change (COP25) took place. The summit's objectives focused on continuing to work towards a low carbon economy, in which the Paris Agreement signatory raised their climate targets and set the bases for international cooperation to fight climate change through new mechanisms to finance and transfer greenhouse gas (GHG) emissions reductions.

Opportunity: URBASER, as an Energy Services Company, carries out energy efficiency projects, providing maintenance for street lighting and installations in buildings and installing electric vehicle charging stations.

The company also carries out Clima Projects, GHG emissions reduction projects developed in Spain and promoted by the Carbon Fund for a Sustainable Economy (FES-CO2). URBASER also participated in COP25 on behalf of fGER (Forum of Waste Energy Generators) highlighting the importance of the correct treatment of the biodegradable fraction of municipal waste for the reduction of GHG emissions, through the round table "Renewable gas, energy carrier for transformation and for the future".

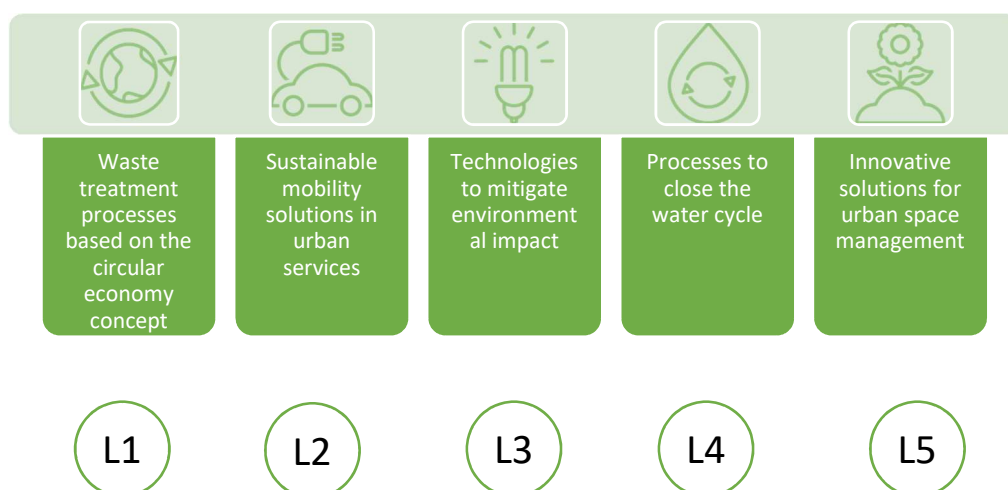
5. INNOVATION

Urbaser S.A.U. is committed to a clear vision and to a Corporate **R&D+i Policy**, where Research, Development and Technological Innovation (R&D+i) are considered strategic values that will be fundamental in facing future challenges.

The vision of Urbaser S.A.U. is to become benchmark in the environmental sector for its R&D+i initiatives, for providing innovative solutions for the sustainable development of urban services, integrated water management, and the treatment of municipal and industrial waste.

To deploy the vision, a Strategic Innovation Plan is periodically drawn up, which includes, for Spain, the main lines of research related to the circular economy, smart cities and the culture of innovation.

URBASER's implements its innovations through its R&D+i projects which in 2019 involved an investment of **€7.08 million**. During 2019, the new Master Plan for Technological Innovation 2019-2023 was launched, which has 5 strategic lines that will be progressively developed.



The growing commitment of Urbaser S.A.U. to innovation has allowed it to continuously and sustainably improve the management of its R&D+i and the resources allocated to these activities.

Urbaser S.A.U., in Spain, manages its R&D+i activity through a certified System, which follows the guidelines of the UNE 166002: 2014 standard as well as the recommendations contained in the European Committee for Standardization standard UNE-CEN/TS 16555-1:2013 Innovation management - Part 1: Innovation Management Systems.

Culture of innovation

The innovation model followed by Urbaser S.A.U. seeks to create added value through all its R&D+i operations. In order to accomplish this, it systematically promotes the involvement of all members of the company, as well as its clients and suppliers, in the management and development of research projects.

Designing and carrying out innovation projects promotes creativity within the company and improves its member's ability to deviate from structured paths and established mind sets to generate ideas or hypotheses that provide new solutions for specific problems.

Therefore, since 2018, Innovation Workshops have been held twice a year, with the participation of employees from different areas of the business to achieve a 360° vision of the issues being studied. In 2019, the workshops focused on the deployment of the strategic lines defined in the new Master Plan for Technological Innovation.

During these workshops, methods such as Design Thinking and Creative Problem Solving were used. They facilitated the process of formulating problems that responded to the current needs of the company and its treatment plants, as well as on detecting possible innovative solutions. In 2019, 18 technicians from different regions and divisions participated in these workshops.

Finally, it should be pointed out that URBASER has implemented a technology and knowledge management system that allows it to capture, analyse, disseminate and exploit quality internal and external information to improve the company's positioning in the markets in which it operates.

3R2020 PROJECT

In Spain, the 3R2020+ project, co-financed by the CIEN Strategic Programme of the Centre for Industrial Technological Development (CDTI), which focused on the development of innovative technologies that enable the recovery of waste flows and their transformation into products of high added value, was completed in November 2019. Of note was the research undertaken to obtain diesel from plastic film found in Solid Municipal Waste which has enabled the company to optimize and technically validate the thermochemical process of liquid fuel production, in both the laboratory and at the pilot plant level. The product obtained has proved to be suitable for use in commercial diesel engines, as confirmed by its characterization according to Royal Decree 61/2006 and the tests carried out both in an engine test bench and in a waste collection vehicle on a normal route.

iCAREPLAST PROJECT

This project, co-financed by the European Commission through the H2020 Programme, involves the research and development of a process to increase the volume of recycled plastic. In 2015, approximately 70% of plastic waste in Europe ended up in landfills or incinerated, with all that this implies in terms of pollution, greenhouse gas emissions and social perception.

The iCAREPLAST solution, which will be validated in a pilot plant already available at URBASER's Alfonso Maíllo Research Centre (CIAM) in Zaragoza, proposes the development of a combined process of pyrolysis, catalytic treatment, membrane separation and oxy-combustion, which can obtain high added-value chemical products (aromatic and alkylaromatic) from heterogeneous mixtures of plastics from solid municipal waste. These products may have a new use as raw materials in the petrochemical, fine chemical, automotive and detergent/surfactant industries.

In addition to generating reusable raw materials, the process will enable the recovery of generated liquid and gaseous flows rich in hydrocarbons, including CO₂, as well as solid by-products (coal). A process that aims to maximize the material and energy balance, minimize the environmental footprint and ensure economic sustainability.

iCAREPLAST is a project that follows the circular economy guidelines already present in URBASER's philosophy, and it aims to increase the volume of recycled plastic and create new added-value chemical products, all in an economically and environmentally sustainable way.

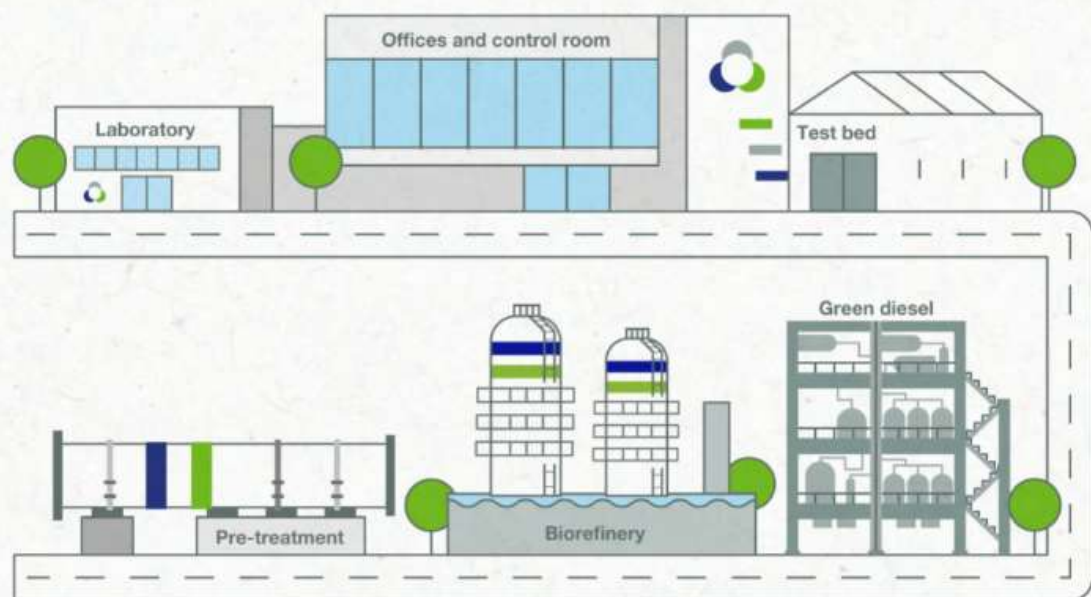
"Alfonso Maíllo" Innovation Centre

CIAM

TECHNOLOGICAL INNOVATION
CENTRE FOR WASTE TREATMENT
"ALFONSO MAÍLLO"

An international reference centre that fosters public-private collaboration for carrying out national and international **R&D+i** projects.

These facilities are an opportunity to advance in the development of circular economy projects in the field of waste management.



6. ETHICS AND CORPORATE GOVERNANCE

Governance within Urbaser S.A.U. is guided by the principles of efficacy, efficiency, and transparency in decision making. This contributes to the company's profitability and its sustainable development.

6.1 Corporate Governance

Within Urbaser S.A.U., governance is implemented through a series of corporate standards, policies, and procedures, which aim to guide a decision-making process that is responsible and guarantees proper functioning within the company.

The company's Articles of Association set out all the different regulations that govern its internal functioning.

The main governing body, the Board of Directors, is the entity responsible for the supervision, evaluation and monitoring of all Urbaser S.A.U. strategies. Its main goal is to ensure profitability through economic activities that generate long-term value. It is also responsible for preparing the Non-Financial Information Statement. Another pillar of the good governance model of Urbaser S.A.U. is compliance and internal auditing, developing and implementing standards and controls that guarantee the company's best practices.

In 2019, the Board of Directors met 5 times, with a 100% attendance.

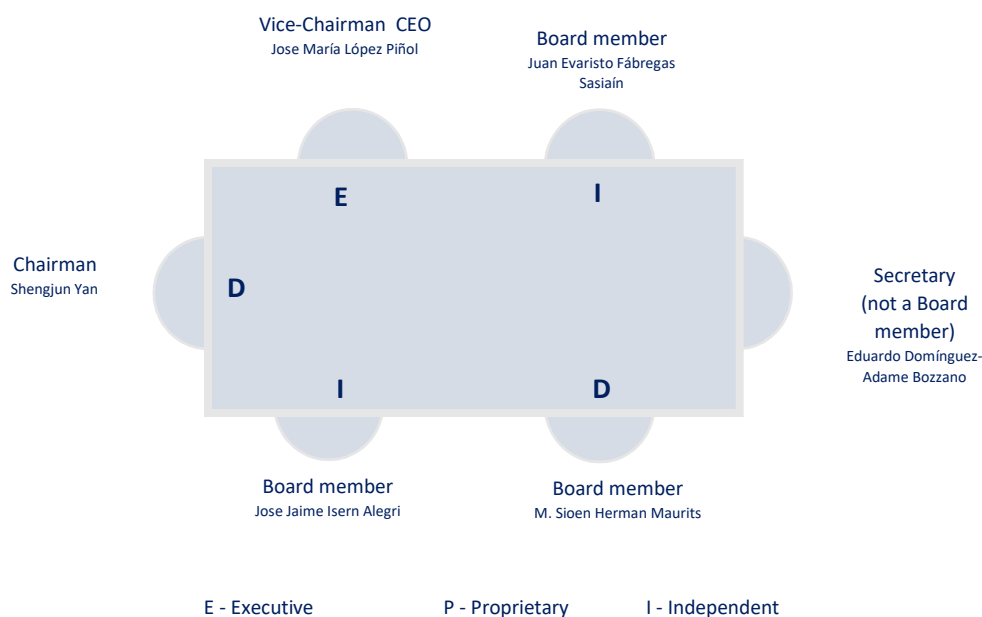
Shareholders

Since December 2016, Firion Investments S.L. owns 100% of Urbaser S.A.U. shares.

Governance structure: decision-making process

- Board of directors
- Chief Executive Officer
- Steering Committee

Composition of the Board of Directors



All members of the Board of Directors are men. Four of them are over 50 years of age, and one of them is between 30 and 50 years of age.

Board of Directors remuneration policy

The company's sole proprietor approved, in accordance with the Articles of Association, a maximum amount for the remuneration of the members of the Board of Directors.

Steering Committee

The Steering Committee is made up of 7 members with extensive multidisciplinary experience. This Committee is the link between the Board of Directors and the rest of the company. The Corporate Social Responsibility department reports directly to a member of the Steering Committee, so decisions on sustainability are taken at the highest level.

6.2 Code of Conduct

The company's Code of Conduct includes the values that must guide the behaviour of all the companies that make up Urbaser S.A.U. This Code, which is applicable to all directors, managers and employees of the company, establishes the ethical principles and acting guidelines that must govern its activities and business relationships, both at an internal level in terms of its employees, directors and administrators; and an external level, in terms of the market and its competitors.

Likewise, it seeks to facilitate the development of daily operations in an ethical, serious, professional and honest environment, in accordance with the most basic principles of contractual good faith and in line with current legislation.

6.3 Internal Communication and Complaints Channel

The objective of the internal channel is to facilitate the reporting of any possible irregularity, non-compliance or behaviour that contravenes ethics, legality and the rules that govern URBASER. All our employees, clients, suppliers, partners, and members of the communities in which we operate can use the "Ethical Hotlines" available to them in each country, to send notifications related to non-compliance with the principles contained in our Code of Conduct.

In 2019, a total of 11 communications were received through these channels and/or other formal complaint mechanisms (in 2018, 6 communications that were resolved), of which 5 failed to comply with the precepts established in the Code of Conduct, 6 were related to situations of harassment. No communication has been received regarding a breach of the Anti-Corruption Policy, nor regarding human rights violations. All of these have been investigated and resolved.

6.4 Fight against corruption, bribery and money laundering

In order to prevent corruption, money laundering and bribery, Urbaser S.A.U. applies the URBASER Anti-Corruption Policy with the objective of promoting a corporate culture of compliance and fighting against corruption, bribery and other illegal practices.

In addition, the company has a Criminal Crime Prevention Model, which is a structured control system, whose purpose is to prevent any crimes from being committed which could lead to criminal liability for the company, including those related to corruption risks.

In order to ensure compliance with this model, URBASER has set up Legal Compliance Bodies which are responsible for safeguarding the company's ethical principles and detecting and mitigating any breaches of the applicable legislation and misconduct.

It has also established an action protocol to investigate any possible illegal practices attributable to the group companies and therefore prevent them from being carried out.

During 2019 the company has not received, through the internal communication and complaints channel, any case of corruption, (in 2018, there were no cases). No employee was dismissed for corruption nor were any disciplinary measures taken. No contracts were terminated for breaches related to corruption, nor were any public legal proceedings related to corruption filed against the company or its employees.

7. HUMAN RIGHTS

Through URBASER's Code of Conduct, Corporate Social Responsibility Policy, and Policy on Quality, Health and Safety, Environment and Energy, Urbaser S.A.U. is committed to guaranteeing respect for human rights and public freedom, as described in the United Nations Universal Declaration of Human Rights.

The responsibility for safeguarding human rights falls on every person and organization to which the Corporate Policies and Code of Conduct apply.

Likewise, the company applies the 10 principles of the United Nations Global Compact as basic guidelines for its behaviour.

In 2019 the company has continued to implement on a programme that ensures respect, protection, and remediation strategies for human rights across all the activities and regions where it operates. URBASER has been working on a Human Rights Policy that will be approved in 2020.

In terms of the supply chain, Urbaser S.A.U uses the URBASER Supplier Code of Conduct as a reference, which includes a series of ethical principles for suppliers, contractors and collaborators that include the rejection and elimination of forced or compulsory labour, child labour and discrimination, among other things.

All our employees, clients, suppliers, partners, and members of the communities in which we operate can use the "Ethical Hotline" to send notifications related to non-compliance with the principles contained in the Urbaser S.A.U. Code of Conduct.

During 2019, no notifications regarding human rights violations were received through the "Ethical Hotline" or any other formal complaint mechanisms (no communications were received in this regard in 2018 either).

Urbaser S.A.U. is committed to enforcing the principles of the United Nations Global Compact. In accordance with these principles, all its work centres and subsidiaries outside Spain, as well as the service providers and subcontractors not engage in practices that may entail forced, compulsory, or child labour.

In this regard, and despite not having detected any risks related to possible cases of child labour, in 2019 the company established international guidelines on the age of recruitment and defined specific control measures applicable to all countries.

Likewise, even in the countries where we operate that have not signed any international ILO agreements, Urbaser S.A.U. is committed to respecting the human rights of the people belonging to the most vulnerable groups, regardless of the place where it operates, in all the activities it performs in these countries.

8. LOCAL COMMUNITIES

Corporate citizenship



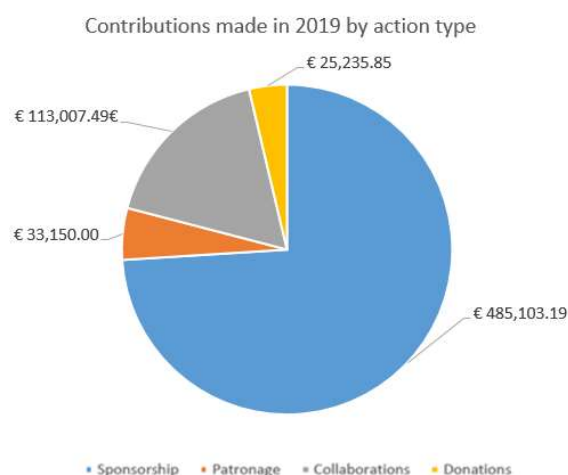
Urbaser S.A.U. is aware of its role in the growth of the communities in which it operates. Through its corporate citizenship initiatives, the company is able to carry out actions that generate a positive social impact on its surroundings.

The corporate citizenship activities carried out by Urbaser S.A.U. are done so in alignment with the company's activity. URBASER has a Corporate Citizenship Policy that sets out all principles and behaviours listed in its Code of Conduct, and in the guidelines that govern its corporate social responsibility. This policy includes all the actions and contributions made voluntarily by URBASER for the benefit of the community, the sole purpose of which is to have a positive impact on the wellbeing of society.

In 2019 the company published in Spain its Procedure for Managing Corporate Citizenship Projects, which includes URBASER's general guidelines for donations, sponsorships, collaborations or patronage. The purpose of this Procedure is to ensure compliance with current legislation and the principles set forth in the Code of Conduct and Corporate Social Responsibility Policy. This Procedure regulates the approval and monitoring of these projects, ensuring their alignment with the Corporate Citizenship Policy and with the company's sustainability strategy.

In 2019, Urbaser S.A.U. allocated 655,496.53 euros to its corporate citizenship activities worldwide.

Breakdown of contributions made by area (in percentages)		
	2018	2019
Local communities	12%	10%
Environmental awareness	34%	65%
Supporting culture and sports	54%	25%



It is understood that the donations made to foundations and non-profit organizations are included under "Donations".

Socio-economic impact of URBASER in communities

- People who benefited from corporate citizenship initiatives: **181,328**
- The activity of the company is a clear driver of wealth and economic and social development: it creates stable, quality employment -> Jobs: **13,424**
- Volume of purchases from local suppliers: **293,665,459 million**
- Percentage of purchasing carried out locally: **99%**
- Improvement in the living conditions of communities.
- Integration of people at risk of social exclusion into the labour market.
- Enhanced public infrastructure.
- Health promotion through sports
- Fluid communication between the communities and the company to resolve complaints and queries
- Environmental awareness to all types of groups

8.2 Social commitment



As a company that is permanently in contact with society, Urbaser S.A.U. is firmly committed to the development of the cities and communities where it is present. In this regard, its social commitment focuses mainly on two areas that it considers crucial to help society become fairer and more engaged:

Communications and awareness actions for gender-based violence

Urbaser S.A.U. is one of the largest companies to adhere to the initiative “Companies for a Society Free of Gender-based Violence”, launched by the Ministry of Health, Social Services, and Equality. Its main goal is to raise social awareness regarding equality and promote the insertion of women suffering gender-based violence into the labour market. As a participating company, URBASER has taken a firm stance in helping society become more aware of the problem, and in hiring women who have been victims of gender-based violence (GBV).

In 2019, the company participated in a round table organized by the Women's Institute, sharing with other companies its experience on the huge impact of the insertion of GBV Women in the workplace and the benefits in terms of attracting talent for the company and the importance of participating in this network.

This year, URBASER once again showed its commitment by launching an awareness campaign, by sending around 20,000 bracelets to its employees in Spain with a clear message: “STOP: NO MORE GENDER-BASED VIOLENCE. In addition, in different services in Spain, demonstrations were organized where employees were able to gather and show their support for this message. In some services in Spain such as Elche, Chicana and Lanzarote, information sessions were organized with local associations, to prevent and detect gender-based violence and to deconstruct the myths surrounding it.

In Elche (Spain), we collaborated with Marina Marroquí, president of AIVIG (Elche Association Against Gender-based Violence). In Lanzarote (Spain) we collaborated with Asociación MARARÍA, a women's social and cultural association.

The company also collaborated with local campaigns promoted by some of the municipalities where the company operates, such as in Villanueva de la Serena (Badajoz, Spain) where we displayed in our facilities and machinery the town's campaign slogan “Together in the same direction”

For the third consecutive year, Urbaser S.A.U participated in June as a sponsor in the Race against Gender-based Violence in Madrid (Spain), in which employees were able to take part with their families.

Promotion of employment and labour market insertion for vulnerable communities and those at risk of social exclusion

In Spain Urbaser S.A.U. is a member of the Board of the foundation “Fundación Integra”, which has been working since 2001 to help people who are at greater risk of social exclusion, as well as with people with disabilities, to insert themselves into the labour market. It is also part of the Company Network of the *Incorpora Programme* of the “La Caixa Foundation Social Work”, whose goal is to ensure the insertion into the labour market of people at risk of social exclusion. During 2019, Urbaser S.A.U. hired 780 people who were at risk of social exclusion (in 2018, the figure was 143).

9. PROFESSIONAL TEAM AT URBASER S.A.U.

Human capital is one of the greatest priorities for Urbaser S.A.U. In this sense, the company promotes stable job conditions, decent and quality employment, it implements training programmes for its staff, and promotes safe and healthy work environments.



Human resource management within Urbaser S.A.U. is geared towards achieving a highly qualified and motivated workforce, which identify with company's values, have their own initiative and a great customer service attitude that allows them to effectively and profitably manage any business opportunities that arise.

The workforce of Urbaser S.A.U. in 2019 was made up of 13,424 professionals, (in 2018, 12,945 employees), 10,200 men and 2,517 women.

Workforce by country of work	2018	2019
SPAIN	12,503	13,321
JORDAN	341	-
ITALY	79	82
ARGENTINA	22	21
Total	12,945	13,424

99.71% of the workforce is covered by the collective agreements applicable to the companies, firms and joint ventures belonging to the company (in 2018, 97.2%), which were negotiated with the corresponding workers' representatives in each location. Any organizational changes, including notifications, are negotiated as part of these collective agreements and are carried out in accordance with the applicable legislation.

Percentage of workers covered by collective agreements	2018	2019
SPAIN	99.91%	99.74%
ITALY	98.73%	100%
ARGENTINA	77.27%	76.19%
JORDAN	0%	-
Total	97.23%	99.71%

2,712 employees are members of trade unions (in 2018, 2,983 employees)

One of the company's most valuable non-tangible assets is the value provided by the professionals that Urbaser S.A.U. employs around the world. Because of this, the company has taken a stand to provide steady and quality employment.

Workforce figures:

	Permanent contracts		Temporary contracts		Part-time contracts	
	Women	Men	Women	Men	Women	Men
2018	1,867	7,963	682	2,433	508	822
2019	1,952	8,431	689	2,352	452	639

Age ranges				
	2018		2019	
	Permanent contracts	Temporary contracts	Permanent contracts	Temporary contracts
≤35	1,095	972	1,071	955
36 - 50	4,881	1,419	5,151	1,349
≥51	3,854	724	4,161	742

Occupational category				
	2018		2019	
	Permanent contracts	Temporary contracts	Permanent contracts	Temporary contracts
Directors	62	0	67	0
Middle management	233	9	234	7
Technicians	431	85	440	65
Operators	9,104	3,021	9,642	2,969

Average number of contracts		
	2018*	2019
	Gender	Gender
Women	2,547	2,715
Men	10,387	11,528
	Age ranges	Age ranges
≤35	2,062	2,079
36 - 50	6,277	6,806
≥51	4,595	5,390
	Occupational category	Occupational category
Directors	62	64
Middle management	239	249
Technicians	512	525
Operators	12,121	13,406

In recent years, there has been an evolution in the employment characteristics within the sector: its improvement, technification and professionalization thanks to progress in the quality of the employment regarding safety, health, training and pay. This has meant attracting a wider range of talent of all types in terms of gender, professional profile, age, etc.

In 2019, the employee turnover rate was 0.049 (in 2018, 0.93)

	Turnover rate*	
	Women	Men
2018	0.23	0.70
2019	0.06	0.05

*Employee turnover rates are calculated by dividing the number of employees who voluntarily left the company, by the total number of employees.

	Dismissals	
	Women	Men
2018	30	90
2019	17	80

Dismissals		
Age ranges	2018	2019
≤35	40	25
36 - 50	51	41
≥51	29	25

Dismissals		
Occupational category	2018	2019
Directors	0	1
Middle management	6	4
Technicians	10	7
Operators	104	85

Absenteeism

The activities carried out by Urbaser S.A.U are very labour-intensive. For this reason, one of the company's main concerns is absenteeism, that is, any contractual working hour in which the worker does not go to work for reasons unrelated external of the company.

In order to combat this problem, all middle management staff have access to training regarding management of absenteeism, as well as different information analysis tools to measure and control it.

2,199,030 hours of absenteeism in 2019 (in 2018, 1,928,411 hours)

9.1 Human capital management

For Urbaser S.A.U, sustainable growth depends largely on the talent and training of its employees. Therefore, it is essential for the company to attract the best professionals and provide them with the best training to boost their professional development.

Talent attraction and retention

In 2019, URBASER launched the “Lead the change” programme in Spain, aimed at developing the company’s junior talent. The objective of the programme is to incorporate engineers into the company’s talent development plan so that they can obtain training and knowledge of the company to subsequently be able to hold positions of responsibility within it

“Employer branding” actions were also carried out in Spain to improve the positioning of the company in the labour market and to ensure it remains an attractive place to work. The focus of these actions is to attract and retain young talent in the company. To ensure this, the company participated, for example, in the UC3M Graduate Employment Forum, one of the largest employment fairs in Madrid (Spain) organized by Carlos III University.

Employee satisfaction and engagement

- **Workplace survey**
In 2019, the Human Resources Department designed, drafted and sent out of a workplace survey, in Spain, to learn about the views of employees regarding aspects such as: the work environment, strengths, motivation and satisfaction, as well as to identify points of improvement and aspects of differential value. The results of these led to the drawing up of action and reinforcement plans for both the best valued aspects and those that need improvement.
- **Open days**
This year the 1st Open Day was hold at the company's corporate Headquarters in Madrid (Spain). The objective was to give the employees’ families an insight into their work and allow them to participate in their day-to-day activities. More than 200 people attended, including employees and relatives. There was also machinery and service personnel on hand so that families could participate in games that demonstrated the complexity of daily cleaning and waste collection work.
- **Sustainable Mobility Plan**
During 2019 the company carried out a survey of its employees at the corporate headquarters in Madrid (Spain) to learn about their commuting habits, with the aim of designing a Sustainable Mobility Plan that includes measures to improve the way employees commute, reduce the time they spend on travel, recognize sustainable travel and reduce the carbon footprint of the company's corporate headquarters.

Professional development of the team

The training and professional development of the Urbaser S.A.U. workforce is a key aspect in improving motivation and the effectiveness and quality of the services provided. The company aims to develop its team member's professional competencies in order to adapt them to its constant expansion and competitiveness needs. At the same time, the company tries to update and adapt its resources to the current technological evolution.

Through the Bi-annual Training Plan, the training needs for Spanish-based staff are identified and ranked in the order in which they are to be addressed throughout the year. In the rest of the countries where URBASER operates, training plans are developed individually.

Urbaser S.A.U. is firmly committed to the professional development of the people that make up the organization, and it tries to introduce a culture of continuous learning into its day-to-day operations in order to achieve a better and more open attitude towards innovation. In 2019, over 82,656 hours of training were provided to over 9,370 employees (in 2018, 82,762 hours) thanks to an investment of over 1,064,298 euros (in 2018, 790,188.56 euros) made by the company.

Training hours by professional category		
	2018	2019
Directors	3,578	4,254
Middle management	4,962	5,568
Technicians	15,670	14,073
Operators	58,587	60,781

9.2 Commitment to equal opportunities and diversity



The goal of Urbaser S.A.U. is to become a benchmark company inside and outside its sector, by achieving diversity within its workforce and policies, as described by the URBASER Corporate Equality and Diversity Policy which is applied within the company. In order to achieve this, it works towards promoting equal opportunities for all its team members. In this sense, Urbaser S.A.U. in Spain works on the areas established in its Equality Plan

The process to identify any risks derived from its Equality Plan includes a diagnosis of the company and an analysis of the human resource policies or practices carried out by the company's Equality Officer. Among other identified risks, one of the problems in Spain is related to activities subjected to "labour subrogation", which perpetuate existing employee compositions (mainly male), making it harder to hire female employees.

Urbaser S.A.U. is working on a daily basis to create a corporate culture where gender perspectives are applied through both formal and informal procedures. In a traditionally male-dominated sector, the company is trying to normalize a greater presence of women. As part of these efforts, the support of labour representatives is a key aspect when it comes to establishing goals and joint commitments that are reflected in equality plans.

Total average salaries* in 2018			
Category	Women	Men	Ratio
Board members	None	€217,101.19	N/A
Directors	Not applicable***	€403,924.70	N/A
Directors	€120,844.47	€123,787.58	0.98
Middle management	€44,378.82	€58,338.73	0.76
Technicians	€34,074.95	€39,106.41	0.87
Operators	€21,407.05	€24,420.18	0.88

Total average salaries* in 2019			
Category	Women	Men	Ratio
Board members	None	€304,621	N/A
Directors	Not applicable**	€593,520	N/A
Directors	€156,748.95	€180,411.68	0.87
Middle management	€46,517	€60,728	0.67
Technicians	€34,595	€39,528	0.88
Operators	€22,104	€26,003	0.85

*Includes fixed and variable salary.

*** This figure has not been reported in order to comply with the Personal Data Protection Law, since there is only one woman in this category.




Total average salaries* in 2018			
Age	Women	Men	Ratio
< 35	€22,427.10	€22,765.05	0.99
36-50	€23,436.00	€26,921.69	0.87
> 51	€21,624.10	€28,401.98	0.76

*Includes fixed and variable salary.

Total average salaries* in 2019			
Age	Women	Men	Ratio
< 35	€23,012.06	€24,311.48	0.95
36-50	€24,757.04	€29,045.79	0.85
> 51	€22,710.15	29,686.13	0.77

*Includes fixed and variable salary.

Throughout 2019, we continued working with different actors to contribute to real equal opportunities and diversity:

	<p>URBASER S.A. is a signatory of the Diversity Charter, and therefore has publicly affirmed its commitment to the following basic principles of equality and non-discrimination:</p> <ul style="list-style-type: none"> • Raising awareness regarding the principles of equality of opportunity and respecting diversity. • Promoting a more diverse workforce and the integration of people with different profiles (regardless of their gender, sexual orientation, race, nationality, ethnic background, religion, beliefs, age, disability, etc.) • Promoting inclusion and preventing any type of workplace discrimination (direct or indirect). • Considering diversity in all people management policies • Promoting a more reasonable work-life balance. • Recognizing its client's diversity and acknowledging it as a source of innovation and development. • Disseminating its commitment and participation in the Diversity Charter among all its employees, supplying companies, administrations, organizations, unions, and other social agents. • Supporting any activities whose aim is to promote non-discrimination, and reflect any results obtained from the implementation of its diversity policies in the company's annual report.
	<p>Urbaser S.A. has adhered to the "More women, better companies" initiative by the Ministry of the Presidency, Relations with the Cortes and Equality in Spain, which is committed to promoting equality through actions that promote an increase in the number of women in management positions. In 2019 the company attended the initiative's review and follow-up session together with other member companies.</p>
	<p>Throughout 2018-2019, several female URBASER Directors in Spain participated in the "Talentia 360 Programme", launched by the Spanish Women's Institute and the Industrial Organization School (EOI). Its objective is the training, professional development, leadership, and visibility of female talent and the promotion of women in decision-making positions.</p>

	<p>Participation in Spain in the “Promociona Programme” during the 2019-2020 period, launched by the Women's Institute and the CEOE (Spanish Confederation of Business Organizations). This programme is specifically designed to develop the professional and leadership skills and abilities of highly qualified women to facilitate their rise to the top positions in organizations.</p>
	<p>As a sign of the company's commitment to the Equal Opportunity Principles, in 2019 URBASER in Spain adhered to the <i>Code of Good Practices for Talent Management and Improving the Competitiveness of Companies</i>, drawn up by the Spanish Association of Executives and Directors, which provides recommendations for the adoption of measures aimed at improving competitiveness by helping the best talent to access positions of greater responsibility, with no gender bias.</p>
	<p>URBASER is part of the Social Impact Cluster, coordinated by Forética, a business meeting point for leadership, knowledge, exchange and dialogue regarding matters of social impact - internal and external.</p> <p>In 2019, it focused its activities on how companies can contribute to gender equality, providing companies with information on the latest news of wage gap reporting by IBEX companies, studies on the gender gap, the gender equality seal, the impact of corporate citizenship actions, etc.</p>
	<p>In 2019, the company joined the Network of Companies committed to Diversity (Red+D) in Spain, a meeting place where companies and institutions committed to diversity can share ideas, experiences and initiatives in this field. In Elche, the company participated in November 2019 in the “3rd Conference on inclusion and diversity in companies”, where it shared our experience in these areas with other companies.</p>

At Urbaser S.A.U., diversity is understood as a concept that goes beyond gender equality. The company's workforce includes people from diverse cultural backgrounds and different generations, which provide each team with different perspectives and favours the development of enriching ideas and solutions. In the current expansion cycle the company is undergoing, the value provided by these ideas is invaluable.

At Urbaser S.A.U., each person is valued because of their skills and experience, with the aim of avoiding any discriminatory biases that are often unconsciously applied during hiring processes. This is why the company participates in the Anonymous Resume Project organized by the Ministry through the Institute of Women (Spain).

During 2019, URBASER S.A.U. hired 231 people with disabilities (in 2018, 121), added to an already existing group of 313 team members with disabilities (in 2018, 183) and managed to hire 780 people at high risk of social exclusion (in 2018, 143) thanks to the work of the Equality and Social Commitment Department, created in 2018 within the company's Human Resources Department. Furthermore, this department is responsible for promoting awareness-raising campaigns and actions, promoting and developing equal opportunities in the company.

Urbaser S.A.U. wants to safeguard job creation for people with disabilities. In 2010, it created a Special Employment Centre, “URBACET S.L.”, a leading non-profit organization in helping people with disabilities

enter the labour market which provides gardening, street furniture maintenance, and cleaning services at beaches, parks, and public squares.

Because of the nature of the company's economic activities, accessibility for people with disabilities is not something the company can greatly influence, as most jobs are performed standing up, and on the streets of different cities around the world. However, accessibility for people with disabilities is one of the criteria considered when designing corporate offices.

The company believes in collaboration and interaction with organizations as a driver for change, which is why Urbaser S.A.U collaborates with the following entities with the goal of integrating people at risk of social exclusion into the labour market:

- Being a member of the Board of the foundation "Fundación Integra" in Spain, which has been working since 2001 to help people who are at greater risk of social exclusion, as well as with people with disabilities, to insert themselves into the labour market.
- Collaborating with the "Company Network for the Incorpora Programme" of the "La Caixa Foundation Social Work" in Spain.
- Participating in the "Recycle to change lives" project of Ecoembes and La Caixa, taking on students to carry out internships.

The Urbaser S.A.U. Harassment Protocol is centred around three key objectives: adopting the necessary measures to prevent any harassment situation from developing, helping employees identify any ongoing moral, sexual, or gender based harassment situations or discriminatory acts, and establishing a series of acting guidelines that allow the company to investigate, and if necessary, to punish any possibly harassment situations.

On an operational level, and with the goal of guaranteeing confidentiality in all cases, Urbaser S.A.U. has someone in the position of "instructor" who employees or their legal representatives may approach to report any possible harassment cases they may have detected. The Harassment Prevention Committee, which is made up of an equal amount of company employees and union representatives, has the goal of providing unbiased assessments on the facts and data provided in the instructor's report, deciding on the existence of any harassment situations, and if necessary, to propose correctional and disciplinary measures.

9.3 Work-life balance and disconnecting from work

Urbaser S.A.U. has adopted a series of measures aimed at promoting an adequate work-life balance for those who work in the company. However, it has not documented these measures in writing.

At the company's headquarters, for example, some of the highly regarded measures applied include: flexible working hours, intensive schedules on Fridays and during summer months.

99.70% of the workforce has the right to different work-life balance measures, as part of the different collective agreements negotiated with each centre (in 2018, 97%) Many of these agreements include, for example, conditions for improved leave and time off, reduced work schedules, shift scheduling flexibility, personal days, or days off that are uncompensated or additional vis-à-vis the minimum legal requirements.

In 2019, in July, as a work-life balance measure, employees were able to sign up their children to the IFEMA Thinkids Campus at the corporate Headquarters in Madrid, free of charge, thus helping to improve the work-life balance of employees during the summer period.

Likewise, in 2019, a space for breastfeeding was created at the corporate Headquarters in Madrid (Spain), as well as in other work centres in Spain.

10. HEALTH AND SAFETY

For Urbaser S.A.U., guaranteeing a safe and healthy work environment is fundamental. The company devotes preventative efforts as well as intensive training in order to ensure this. Proof of this are the commitments assumed by the company under URBASER's Corporate Policy on Corporate Policy on Quality, Health and Safety, Environment and Energy.



The company is committed to implementing the OHSAS 18001 Standard across all its main activities and guarantees that its requirements are met at all the work centres and services that have been awarded this certification.

10.1 Safety as a guiding principle

As part of its commitment to occupational safety, Urbaser S.A.U. pays particular attention to any operations where its employees are exposed to serious safety risks. These circumstances are managed by issuing special work permits to the workers that perform tasks in these areas, which entail specific advanced training regarding safety procedures. Medical examinations and clearance is likewise a key part of this process. Close monitoring in these situations is of particular importance, so these tasks are usually assigned to supervisor-level rank and specially qualified personnel. These supervisors must be present whenever such tasks are being performed. These measures ensure operations are carried out under the strictest safety standards.

Accident indicators	2018	2019
Incidence rate ¹	89.30	84.27
Frequency rate ²	44.06	43.35
Severity rate ³	1.55	1.17

¹ Incidence rate (No. of accidents that caused time off/No. of workers)*1,000

² Frequency rate (No. of accidents that caused time off/No. of hours worked)* 1,000,000

³ Severity rate (No. work days lost/No. of hours worked) *1,000

Accident recording and reporting

The system used to record and report workplace accidents uses an Internal Procedure to investigate the accident or incident, or any related occupational illnesses. This is a key part of our Health and Safety Management System, which establishes the actions that must be carried out, the persons in charge of them, and the information that must be provided in case of a workplace accident. In this sense, each accident or occupational illness requires reports to be drafted, which collect the general information, analyse the circumstances that lead to it, and contemplate potential preventative or corrective measures that will avoid their recurrence. This system is applied across Spain.

In 2019, there were a total of 1,207 workplace accidents² (in 2018, 1,156 work accidents) and no fatal accidents (in 2018, 2 fatal accidents), as well as 8 confirmed cases of occupational illnesses (in 2018, 6 cases). In addition to the corresponding notifications to the Labour Authority (urgent, within 24 hours and ordinary, within five days of learning about the incident). For all the fatal accidents, an internal memorandum was sent to the company's Steering Committee, and all information and documentation

² Commuting accidents, relapses, accidents resulting in time off of less than two days or no time off at all are not taken into account.
The data is not available broken down by sex.

regarding the incident was gathered. Next, an inquiry was opened to determine all circumstances of the accident, and to establish any preventative and/or corrective measures.

The company could not identify any specific activities that could mean a higher risk or with a high level of incidence of occupational diseases.

A healthy company

Urbaser S.A.U is a healthy company, promoting a safe working environment as well as healthy lifestyle habits among its employees. In order to achieve this, it has designed a plan based on four basic pillars: a safe working environment, psychosocial health, medical follow ups, and social intervention. In this regard, extensive health evaluations and screening have been performed. At the same time, different interventions have been carried out to promote a healthy lifestyle and physical activity, such as organizing charity races, including healthy meals at vending spaces and work canteens, providing parking spaces for bikes, campaigns to promote fruit consumption and the use of stairs, the possibility of taking out private health insurance with advantageous conditions, etc.

In addition, initiatives have been carried out at corporate headquarters to show employees the importance of responsible decision-making in maintaining a safe and healthy environment. Speeches on road safety awareness were held thanks to the collaboration with the *Fundtrafic* organization.

In October, on the occasion of World Breast Cancer Day, a talk on breast cancer prevention by the Spanish Cancer Association (AECC) took place at the corporate Headquarters in Madrid (Spain). Its aim was to raise awareness about cancer research and early diagnosis and the promotions of healthy lifestyle habits.

10.2 Collective bargaining agreements regarding health and safety

Through the collective agreements in force in the company, and other agreements reached during the collective negotiations carried out during 2019 to replace those that expired, the company reinforces its commitment to perfecting and improving the effectiveness of its occupational risk prevention actions and to reducing occupational accidents. In this regard, agreements were reached to strengthen out the role of social communication with regards to occupational safety and health. The company's collective agreements stress that training, together with information, consultation and participation, are the most adequate tools to promote a prevention-based corporate culture and widespread changes in attitude. They also make reference to the preventative implications of medical check-ups which should lead to preventing occupational illnesses (or any other that may be affected by the work performed) and to the application of specific measures to each job position in order to help prevent said illnesses.

10.3 Public health

As a company that treats drinking water, we have a clear commitment to meeting the legal requirements regarding the health criteria of the quality of the water for human consumption, the specifications of the analysis methods, along with the development and the marketing of water.

All the drinking water supply centres have a Self-control and Supply Management Programme, or a Water Health Plan (for those towns with more than 50,000 inhabitants), that includes the description of the supply infrastructure, maintenance programme and analysis programme (frequency, sampling points, trial parameters, etc.), among other things. For example, the possible existence of *Legionella*, a parameter that depends on the characteristics and properties of the water and on the environmental temperature and on the water itself, must be analysed in certain places where required by the Health Inspection agency; this is included in the aforementioned Self-Control and Supply Management Programme. This parameter, *Legionella*, will be mandatory in the new water directive which will be published soon.

2019 figures

85.23% of employees are covered by OHSAS 18001 (in 2018, 88.17%)

13 internal audits and 16 external audits carried out regarding health and safety (in 2018, 13 and 19 respectively)

1,625,928.23 euros invested in health and safety training (in 2018, 174,977.22 euros)

32,025.50 hours of health and safety training provided (in 2018, 18,955 hours)

Workers represented on official Health and Safety Committees 61.77% (in 2018, 67.07%)

11. SUSTAINABLE ENVIRONMENTAL MANAGEMENT



Urbaser S.A.U. merges sustainability and innovation in all its processes, with the aim of controlling the consumption of natural resources, minimizing waste and pollution generation, and reducing its carbon footprint.



Urbaser S.A.U. is governed by URBASER's Corporate Quality, Health, Safety, Environment and Energy Policy, which aims to ensure the highest quality in the provision of services and guarantee customer satisfaction through exemplary environmental behaviour and control of occupational risks.

At Urbaser S.A.U., we protect the environment by preventing pollution, respecting the value of natural resources and the environment, and applying solutions for transforming waste into resources through innovation and the latest technologies.

11.1 Management systems

The Integrated Management System for Quality, Health and Safety, the Environment and Energy, in accordance with ISO 9001, ISO 14001, OHSAS 18001, ISO 50001 standards, and audited by an independent third party, ensures the implementation of this Policy, the monitoring of objectives and continuous improvement.

In those facilities in which the company is preparing to implement an environmental management system, an environmental diagnosis of the facility is carried out from the point of view of legal compliance, checking for any pending permit and seeking the appropriate advice. Any legal requirements and environmental aspects are identified and assessed so that operational controls can be established over those that are significant. Periodically, compliance with environmental legislation is also evaluated, and any new legal requirements that may arise from new legal standards is also assessed.

The Energy Management System, which follows the ISO 50001 standard, helps the company to improve its energy performance, increase its energy efficiency and reduce the environmental impact of its activity, in those facilities where it has been implemented. This system enables energy use monitoring to become a permanent component of the company's activities and strategies and is therefore a fundamental tool in the organizational strategy.

The company also performs internal audits across its different services and facilities in order to verify that these management systems are being followed and therefore minimize any possible impact or risk to quality, health, safety, and the environment. Likewise, Urbaser S.A.U. has defined the responsibilities and tasks assigned to each company member regarding health, safety, environmental and energy use objectives.

2019 figures

51.06% Sales covered by ISO14001 Certification or other environmental certification (in 2018, 50.4%)

20 centres internally audited in environmental management (in 2018, 30 centres audited)

11 centres externally audited in environmental management in 2019 (in 2018, 16 centres audited)

5 internal audits related to the Energy Management System and 14 energy audits carried out in 2019, in compliance with Royal Decree 56/2016 (in 2018, 3 and 19 respectively)

In 2019, 6 environmental complaints were received and duly resolved (in 2018, 4 environmental complaints)

11.2 Provisions and insurance against environmental risks

Urbaser S.A.U. is currently listed as a holder and insured party in an international insurance programme, which is structured in two layers that allow it to cover any possible environmental liability. This insurance programme is covered under Law 11/2014 (26/2007), the European Union's Directive 2004/35/CE on environmental responsibility, and/or any other applicable laws in the jurisdiction where the policy applies.

Geographically, this policy extends and is limited to the liability that may be derived from bodily harm, material damage, emissions, nuisance or obstructions, environmental damage, or any other harm done as a consequence of these, and/or pure harm occurred in all countries around the globe.³

The programme covers any activity carried out by Urbaser S.A.U. according to the information in its Annual Report and/or the corporate purpose (articles of association) of its Companies, as well as any supplemental information provided by them, and any new activities that are incorporated later on in the year. These activities are done within the scope of comprehensive waste management (collection, treatment, regeneration and/or elimination of municipal waste, domestic waste, industrial waste, treatment and elimination plant management, etc.), the promotion and operations of any type of services (building cleaning and repairs, comprehensive facility and real estate management, street furniture, water cycle management, design, conservation and maintenance for public gardens and parks, preservation of natural resources, etc.) among many others.

The compensation limits that can be provided by each one of the policy's two layers are established at €40,000,000 and €20,000,000 (if over €40,000,000) respectively.

The environmental provisions of URBASER as of December 31, 2019, stood at 6.67 million euros (in 2018, 25.6 million euros).

11.3 Energy consumption and carbon footprint

As part of its daily efforts to provide a positive contribution to the environment, and to manage waste efficiently, Urbaser S.A.U. is working to maximize the different available sources of renewable energy and to obtain materials that can be recycled.

³ Except for countries sanctioned by the OFAC (U.S. Office of Foreign Assets Control)

This is already established by the European Waste Framework Directive, which places the harnessing of energy from waste in fourth place, immediately after prevention, reuse and recovery.

Energy management

The waste treated at URBASER facilities constitutes an energy source that can be turned into the following energy carriers:

- Biogas: The biodegradable matter contained in waste is broken down by bacteria. If this decomposition occurs in the absence of oxygen, biogas is generated, rich in methane, which is an exploitable source of energy. This decomposition is produced both spontaneously in landfills and in biomethanation processes in digesters or anaerobic digestion. Biogas can be used *in situ* to generate thermal or electrical energy or it can be purified for injection into the natural gas network, replacing a fossil fuel with another that is 100% renewable.
- Energy recovery from waste: According to the waste hierarchy, those materials present in the waste, which is not recyclable, that have energy potential must be recovered as energy. As a result of the biodegradable material contained in the waste, 50% of this generated energy is of renewable origin.
- Biomass: Heat is generated from biomass waste.

The different energy recovery processes available enable Urbaser S.A.U. to generate electricity, both for self-consumption and for export.

Most of the energy generated by Urbaser S.A.U. during its activities is electrical energy, which is then used to treat waste and water, as well as fossil fuels used to power the company's fleet. The different energy harnessing processes used (biogas, energy recovery, and biomass) allow Urbaser S.A.U. to generate electricity during its processes. Out of the electricity generated, 23.78% was used for self-consumption (in 2018, 24%) and the remaining 76.21% was exported (in 2018, 76%).

During 2019, the company managed to reduce its energy consumption by 26.30 MWh thanks to efficient energy management (in 2018, 15.6 MWh), which consisted in gradually replacing standard lights with LED technology and installing regulating systems (motion sensors and photocells).

Energy consumed Gigawatts hour (GWh)		
	2018	2019
Total direct consumption (fuels, self-consumed electricity and self-consumed heat)	471.09	472.44
Of which comes from renewable sources	-	63.35
Total indirect consumption (mains electricity)	60.13	59.11
Of which comes from renewable sources	-	56.00

Emissions and carbon footprint

The circular waste management process covers from the collection design phase to the treatment and disposal processes. Since GHG⁴ emissions are produced in each process, Urbaser S.A.U takes this opportunity to reduce them.

The European Waste Framework Directive establishes as one of its priorities the recovery of materials. However, even before this, it highlights the importance of reducing waste generation and its disposal in landfills. This is a key objective, as waste and residual water management represents 5% of the world's GHG emissions. Its main cause is, precisely, leaks that occur in landfills. Depositing waste in landfills inevitably implies GHG emissions.

Urbaser S.A.U carries out waste treatment under contract with local authorities, so the company cannot decide whether or not the final destination of the waste is the landfill. However, the company's continuous optimization of processes enables, on the one hand, better levels of material recovery and, in the case of landfills, improvements in methane uptake, contributing to the reduction of GHG emissions. Improving municipal waste collection services is one of the main challenges faced by cities, especially where population is growing. The fleet of vehicles also represents one of the main sources of GHG emissions.

Because of this, they are subjected to thorough preventative maintenance, and telemetry technology is used to optimize their routes and promote efficient driving practices. As a measure of adaptation to climate change, the company has established a progressive process of fleet renewal, thus adapting to the new paradigm that cities face in their fight against climate change. Currently, Urbaser S.A.U. has 481 low-emission vehicles in its fleet, as well as 367 zero-emission vehicles (in 2018, 450 and 367 vehicles respectively).

Carbon footprint

Emission reduction and energy efficiency constitute one of the company's environmental goals.

Urbaser S.A.U. is working on new initiatives that favour conservation and efficiency, meant to progressively reduce emissions on a yearly basis. Thanks to these measures, such as the progressive replacement of luminaires with more efficient ones, the company managed to maintain its energy intensity compared to 2017, reaching 0.72GWh/million euros of turnover in 2019 (in 2018, 707GWh/million euros of turnover) .

URBASER's firm commitment to energy efficiency and to the consumption of renewable energy (self-consumption of electricity and heat, purchase of biomass and biofuels and of use of mains electricity with a Guarantee of Origin), added to its participation in Clima projects, translated into a reduction of its emissions of 52,409.73 tCO_{2e}.

In addition, the generation of energy from renewable sources, the recovery of materials and fuels and the recovery of compost, in 2019, avoided the emission of 660,658.96 tCO_{2e} (in 2018, 567,053.05 tCO_{2e}), which represents a 26% increase compared to avoided emissions ⁵in 2017 (in 2018, 8%).

⁴ Greenhouse gases

⁵In addition to the three categories of emissions that make up an entity's GHG inventory, international standards recognize the category of avoided emissions. These emissions cannot be deducted from the direct or indirect emissions calculated by the organization and must be reported separately. Avoided emissions represent emissions that are no longer released into the atmosphere as a result of an entity's actions. In the case of waste management, some activities contribute to energy generation, material recycling or fuel substitution. These activities avoid the emission of GHG in external processes external to the activity, which produce the equivalent amount of energy, fuel or raw materials.

Carbon footprint			
	2018	2019	
Scope 1	51,171.26	47,542.18	tCO ₂ e
Scope 2	493.70	578.62	tCO ₂ e
Scope 3 ⁶	1,589,950.22	1,374,454.82	tCO ₂ e

Other emissions			
	2018	2019	
NOx	831.11	482.86	Tonnes
SOx	117.17	10.56	Tonnes
Particles	61.22	34.09	t
Other gases	859.93	454.83	t

After six years of reporting its carbon footprint and emissions reduction plan, URBASER obtained in 2019, for the third consecutive year, the “*Reduzco*” quality seal, which is awarded by the Spanish Climate Change Office (OECC) and acknowledges the policies and results obtained from reducing its Carbon Footprint over the last few years (2013-2018). The awarding of the “*Reduzco*” seal is recognition once again of URBASER's commitment and efforts in the fight against climate change. URBASER's carbon footprint in Spain has been externally verified since 2013, in accordance with the UNE-EN ISO 14064 standard.



⁶ Scope 3 includes emissions due to: acquisition and purchase of goods and services, leased assets, activities related to fuel and energy and employee business trips. Also included, following the guidelines of the EpE Protocol, are those emission sources over which URBASER does not exercise any type of control.

PROYECTOS CLIMA

The Clima Projects are initiatives aimed at reducing Greenhouse Gas (GHG) emissions developed in Spain, and promoted by the Carbon Fund for a Sustainable Economy (FES-CO2). They were created to act as a pathway to transform the Spanish economic system into a low-carbon model.

After the close of 2019, Urbaser S.A.U aims to deliver 22,411 tCO2e of verified emission reductions (VERs) to the FES-CO2 fund, corresponding to the landfills in Zaragoza, Elche and Los Barrios.

For Urbaser S.A.U, the five facilities (Elche, Zaragoza, Los Barrios, Palencia and Marchena) that participate in the Clima Projects awarded by the Ministry for Ecological Transition confirm its commitment to the different initiatives in relation to sustainability and the reduction of its carbon footprint.

11.4 Noise and light pollution

At Urbaser S.A.U., we have an Environmental Management System at our disposal, certified under the UNE-EN ISO 14001 standard, which help in prevention and in improving the company's management of environmental impact, risks, and opportunities.

As part of the documentation included in this Environmental Management System, the company has a Procedure for performing noise pollution assessments during any activity that carries a risk of producing them. The need for noise pollution control mechanisms is determined according to the local regulations in each location.

Owing to the nature of some of our activities, which require Integrated Environmental Authorizations, the minimum distances to be kept from population centres to prevent any type of noise or light pollution are established in the procedures themselves. The company complies with these legal requirements, both at the State level, and at the level of laws and by-laws approved by the Autonomous Communities and Town Councils of the regions in which we operate.

While performing any activities that may be considered as carrying a high risk of noise pollution, or those where its licensing or permit requirements demand it, noise level assessments are performed in such a way that they are representative of the facility's standard operations, and during the hours in which the facility is functioning.

Operational controls on mobile machinery are performed on well-maintained engine, transmission, bodywork, and any other elements that may be producing noise.

11.5 Water consumption in our activities

Because of the nature of its economic activities, the work performed by Urbaser S.A.U. is not considered to be of particularly high resource consumption, with the notable exception of water usage. Nevertheless, controls and measurements for the consumption of all resources are routinely performed, in order to optimize their efficiency as much as possible.

As part of the existing framework that regulates the use of natural resources, the company has set a series of general and binding guidelines aimed at preventing the unnecessary consumption of water. These guidelines include individual norms for the employees' conduct, such as manually checking that all pipes and taps are closed when not in use, to the installation of monitoring and limiting devices that control water flow, other water saving systems installed on all facilities, and the harnessing of rain water. In 2019 Urbaser S.A.U. reused 21,717.66 m³ of water (in 2018, 78,823.26 m³).

2018		
Total water consumption (in m ³)		
	2018	2019
Ground or well water	451,398.19	834,396.83
Water from public grid	1,294,126.01	1,387,117.75
Rainwater	34,773.10	18,040.10
Waste disposal water (in m ³)		
Wastewater generated during normal operations	369,356.45	314,460
Water contained inside eliminated waste	59,290.32	56,430.94

11.6 Raw material consumption

At Urbaser S.A.U. we are firmly committed to using energy and raw materials efficiently. The rational use of resources and the continuous search for maximum efficiency by using the most advanced available technologies are part of the basic principles that guide our efforts to reduce our impact on material resources, land, and the ecosystem. Currently, work is being done to find solutions that can change the plastic bags from the litter bins on the streets to other materials, so the company's consumption of plastic can be reduced while preventing those bags can reach the sea in coastal areas.

	2018	2019	Units
Potash	0.00	0.00	t
Wire	1,230.01	1,448.68	t
Lubricants	704.30	590.24	t
Tyres	577.24	535.63	t
Bin bags	9.67	10.01	Millions

11.7 Waste generated

Like in any other industrial sector, the activities performed by Urbaser S.A.U. generate some degree of waste. This includes the waste generated by machinery or facility maintenance, such as used oils, batteries, contaminated rags, contaminated containers, etc.

The company guarantees an appropriate management and treatment of all the waste it generates during its activities, whether hazardous or not. Collection is always performed through an authorized agent, previously selected by the company itself.

In 2019, the company generated 1,331.17 tonnes of hazardous waste and 524.96 tonnes of non-hazardous waste (in 2018, 1,019.91 and 2,445.87 respectively). Both were derived from the company's own industrial activities. At Urbaser S.A.U., it managed to recover 18% of the hazardous waste we generated.

Urbaser S.A.U. tries to minimize the amount of waste generated during its treatment and management processes. We prioritize re-using, recycling and energy recovery when managing our own waste. When this is not possible, and as a last resort, we eliminate it.

Hazardous waste generated by our activity by type of management (t)		
	2018	2019
Eliminated	449.44	540.92
Recovered	232.91	235.87
Sludge	337.58	554.39

11.8 Measures to protect and restore biodiversity in protected areas

For Urbaser S.A.U., preserving biodiversity and using natural resources responsibly are a necessary condition to achieving sustainability, in addition to an ethical commitment. The company believes that valuing and preserving biodiversity is a necessary medium for economic development and social progress.

Urbaser S.A.U. strives to identify and evaluate its possible effects on biodiversity throughout the design, construction, operation, maintenance, and dismantling stages of its operations. In order to carry out appropriate management, control, and follow up practices on these procedures, it has established several environmental surveillance plans meant to control and implement any preventative measures associated to the project.

Urbaser S.A.U. provides its services in 3 protected spaces (5 in 2018), which require special protection measures regarding emissions, spillages, dumping, etc. The services provided in those areas are of all types, from selective collection to beach cleaning. In all cases, the special environmental protection controls (air, water, soil, species, etc.) established in the specifications of said services are respected, as is the legislation applicable to these spaces.

12. SUPPLIERS

Urbaser S.A.U carries out an efficient and responsible management of its suppliers. In 2019, the company approved a new Corporate Procurement Policy, which defines the framework for action and the basic guidelines to be applied in matters of purchasing in URBASER and which provides the guidelines for approving suppliers with objectives such as compliance with current legislation, tender processes based on criteria of competitiveness and transparency, the development of relationships based trust and compliance with international agreements.

In 2019, Urbaser S.A.U. purchased supplies and out-sourced services from a total of 7,740 suppliers, for a total purchased amount of 296,631,777 euros (in 2018, 236,484,956 euros).

Whenever possible, the purchase of goods and services that may impact the quality of services provided by URBASER, its environmental response, and the health and safety of its employees, is done via previously-certified suppliers that have been authorized by Urbaser S.A.U.

Likewise, when outsourcing or contracting any service or part of a service, measures are taken to ensure that all subcontracted activities are performed under adequate quality, health and safety conditions, and that the company's environmental protection policies, the client's requirements, and the worker's physical integrity and rights are respected.

In 2019, the company introduced its Supplier Code of Ethics, which it extends to all its suppliers, contractors and collaborators the values and principles by which the company is governed and which aims to reinforce existing relationships and ensure compliance with its policies and commitments.

Also in 2019 the company contracted a new computerized system for purchasing management, which will be implemented in Spain in 2020. The contracted modules include Supplier Management (SLP), through which suppliers can be managed and approved under the criteria defined in the Purchasing Policy and Procedures.

The purchasing strategy of Urbaser S.A.U. favours the proximity factor, provided that it is technically and financially viable and the supplier is able to guarantee all requirements. In this way, local businesses, those located in the same regions where each service is being rendered, are always considered during the purchasing process. During 2019, the percentage of all purchases associated to local suppliers was 99% (in 2018, 99%).

BEST PRACTICES

PRINTING SYSTEMS (Spain)

In terms of suppliers, URBASER is committed to establishing sustainable purchasing criteria in its purchase, with the purchase of environmentally friendly products and services that incorporate recycled materials in their production, avoid or reduce the generation of waste and emissions, and facilitate subsequent recycling and recovery.

As an example, over the course of 2019, the company implemented a series of measures in Madrid to ensure more sustainable printing. A contract was signed with XEROX to replace all the existing multifunctional equipment, focusing on the use of non-toxic toners and vegetable-based inks, with equipment designed with recycling and reuse in mind, with the use of highly energy-efficient equipment and complementing these measures with the implementation of a printing control system that allows us to reduce the number of copies with secure printing measures in place.

These measures are complemented by the use of FSC-certified paper or recycled material.

All this will help improve energy efficiency and reduce the consumption of material and associated waste, as well as the use of chemical substances.

13. TABLE OF REQUIREMENTS FOR THE 2019 STATEMENT OF NON-FINANCIAL INFORMATION

The table below includes the requirements regarding non-financial information and diversity included in Law 11/2018, of December 28 and the sections of the 2018 Non-Financial Information Statement:

AREAS	Contents	Material indicator	Section/subsection of the report
Business model	Brief description of the group's business model, which shall include: 1.) its business environment, 2.) its organization and structure, 3.) the markets in which it operates, 4.) its objectives and strategies, 5.) the main factors and trends that may affect its future evolution.	YES	2. About URBASER 3. Business Model
Policies	<u>A description of the group's policies</u> regarding these issues, which shall include: 1.) The due diligence procedures applied for the identification, assessment, prevention and mitigation of significant risks and impacts 2.) Verification and control procedures, including what measures have been taken.		4. Risks and opportunities
Risks to CP, MP and LP	<u>The main risks</u> related to those issues linked to the group's activities, including, where relevant and proportionate, its commercial relations, and products or services that may have negative effects on those areas, and * how the group <u>manages</u> those risks, * explaining the <u>procedures used to identify and assess</u> them in accordance with the national, European or international reference frameworks for each subject. * This should include <u>information on the impacts that have been identified</u> , giving a breakdown of these impacts, in particular on the main risks in the short, medium and long term.	YES	4. Risks and opportunities

AREAS	Contents	Material indicator	Section/subsection of the report
Environmental issues	Overall Environment		
	1.) Detailed information on the <u>current and foreseeable effects of the company's activities on the environment</u> and, where relevant, health and safety, environmental assessment or certification procedures; 2.) <u>Resources dedicated to the prevention of environmental risks</u> ; 3.) The application of the <u>precautionary principle</u> , <u>the amount of provisions and guarantees against environmental risks</u> . (e.g. derived from the law on environmental responsibility)	YES	4.3 Operating risks 11.1 Management systems 11.2 Provisions and insurance against environmental risks
	Pollution		
	<u>Measures to prevent, reduce or repair carbon emissions</u> that <u>seriously</u> affect the environment; taking into account any form of air pollution specific to an activity, including noise and light pollution.	YES	4.3 Operating risks 4.6 Transforming global challenges into opportunities 11.3 Energy consumption and carbon footprint
Environmental issues	Circular economy and waste prevention and management		
	<u>Circular economy</u>	YES	3.2 Municipal waste treatment
	<u>Waste</u> : Measures for prevention, recycling, reuse, other forms of recovery and disposal of waste;		11.7 Waste generated
	<u>Actions to combat food waste.</u>		1.2 Materiality and relationships with stakeholders
	Sustainable use of resources		
	Water <u>consumption</u> and water supply <u>according to local constraints</u> ;	YES	11.5 Water consumption in our activities
	<u>Consumption</u> of raw materials and <u>measures taken to improve the efficiency of their use</u> ;		11.6 Raw material consumption
	Direct and indirect <u>consumption of energy</u> , <u>measures taken to improve energy efficiency and the use of renewable energies</u> .	YES	11.3 Energy consumption and carbon footprint
	Climate change		
	The <u>significant elements of greenhouse gas emissions generated</u> as a result of the company's activities, including the use of the goods and services that it produces;	YES	11.3 Energy consumption and carbon footprint
	<u>Measures taken to adapt to the consequences of climate change</u> ;	YES	11.3 Energy consumption and carbon footprint 4.3 Operating risks 4.6 Transforming global challenges into opportunities
	Voluntary medium and long-term reduction targets to reduce greenhouse gas emissions and the means implemented to that end.	YES	11.3 Energy consumption and carbon footprint

AREAS	Contents	Material indicator	Section/subsection of the report
	Protection of biodiversity		
	Measures taken to preserve or restore biodiversity;		11.9 Measures to protect and restore biodiversity in protected areas 4.3 Operating risks
	Impacts caused by activities or operations in protected areas.		
Labour and personnel issues	Employment		
	Total number and distribution of employees by sex, age, country and professional classification;		9. Professional team at URBASER
	Total number and distribution of employment contract modalities,		
	Annual average number of permanent contracts, temporary contracts and part-time contracts by sex, age and professional category,		
	Number of dismissals by sex, age and professional category;		
	Average salaries and their evolution, broken down by sex, age and professional category or equal value; salary gap, salaries for similar or average-level jobs in the company,		9.2 Commitment to equal opportunities and diversity
	The average salaries of board members and directors, including variable pay, allowances, compensation, payment to pension schemes and any other payment broken down by sex,		
	Implementation of policies for disconnecting from work		9.3 Work-life balance and disconnecting from work
	Employees with disabilities.		9.2 Commitment to equal opportunities and diversity
	Work organization		
	Organization of working time		9.3 Work-life balance and disconnecting from work
	Number of hours of absenteeism		9. The professional team at URBASER
	Measures aimed at facilitating the right to a better work-life balance and encouraging joint responsibility in the exercise of this by both parents.		9.3 Work-life balance and disconnecting from work
	Health and safety		
	Occupational health and safety conditions;	YES	10. Health and safety
	Accidents at work, in particular their frequency and seriousness, occupational illnesses, broken down by sex.	YES	10.1 Safety as a guiding principle
	Labour relations		
	Organization of dialogue with employees, including procedures for informing and consulting personnel and negotiating with them;	YES	10.2 Collective bargaining agreements regarding health and safety
	Percentage of employees covered by collective bargaining agreements by country;	YES	9. The professional team at URBASER
	Overview of the collective agreements, particularly in the field of health and safety at work.	YES	10.2 Collective bargaining agreements regarding health and safety

AREAS	Contents	Material indicator	Section/subsection of the report
Social and personnel issues	Training		
	The policies implemented in the field of training;	YES	9.1 Human capital management
	The total number of hours of training by professional category.		
	Universal accessibility for people with disabilities		
	Equality		
	Measures taken to promote equal treatment and opportunities for women and men;		9.2 Commitment to equal opportunities and diversity
	Equality plans (Chapter III of Organic Law 3/2007, of 22 March on real gender equality), measures adopted to promote employment, protocols against sexual and gender-based harassment, integration and universal accessibility for people with disabilities;		
	The policy against all kinds of discrimination and, where appropriate, diversity management.		
	Average salaries and their evolution, broken down by sex, age and professional category or equal value; salary gap, salaries for similar or average-level jobs in the company,		
	The average salaries of board members and directors, including variable pay, allowances, compensation, payment to pension schemes and any other payment broken down by sex,		
Human rights	Complaints about cases of human rights violations;	YES	7. Human rights
	Promotion of and compliance with the provisions of the fundamental conventions of the International Labour Organization relating to respect for freedom of association and the right to collective bargaining;		7. Human rights
	The elimination of discrimination in employment and occupation;		7. Human rights 9.2 Commitment to equal opportunities and diversity
	The elimination of forced or compulsory labour;		7. Human rights
	The effective abolition of child labour.		7. Human rights
Corruption and bribery	Measures taken to prevent corruption and bribery;	YES	6.5 Fight against corruption, bribery and money laundering
	Measures to combat money laundering,		
	Contributions to foundations and non-profit entities.		8.1 Corporate citizenship

AREAS	Contents	Material indicator	Section/subsection of the report
Company	Company's commitment to sustainable development		
	The impact of company's activity on employment and local development;	YES	8.1 Corporate citizenship
	The impact of the company's activity on local populations and the territory;		

	The relationships maintained with the actors of the local communities and the modalities of dialogue with them;		
	Association or sponsorship initiatives.		
	Subcontracting and suppliers		
	* The inclusion in the purchasing policy of social, gender equality and environmental issues; * Consideration in relations with suppliers and subcontractors of their social and environmental responsibility;		12. Supply chain
	Supervision systems and audits and their results.		12. Supply chain
	Consumers		
	Measures for the health and safety of consumers;		1.2 Materiality and relationships with stakeholders 4. Risks and opportunities
	Complaints systems, complaints received and their resolution.		1.2 Materiality and stakeholder engagement
	Tax information		
	Profits obtained country-by-country Tax on profits paid		3. Business Model
	Public subsidies received		3. Business Model
Other significant information	Corporate Governance	YES	6.1 Corporate governance
	Stakeholder participation		1.2 Materiality and relationships with stakeholders
	Other useful information on the preparation of the document		1. About this report



This version of our report is a free translation of the original, which was prepared in Spanish. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

Independent Verification Report

To the shareholder of URBASER, S.A.U.:

Pursuant to Article 49 of the Code of Commerce, we have verified, under a limited assurance scope, the accompanying Non-financial Statement (hereinafter “NFS”) attached for the year ended 31 December 2019 of URBASER, S.A.U. and its dependent joint ventures (hereinafter “Urbaser” or “the Company”) which forms part of Urbaser’s 2019 Management’s Report (hereinafter “MR”).

The content of the NFS includes additional information to that required by current mercantile legislation on non-financial reporting which has not been covered by our verification work. In this respect, our work has been restricted solely to verifying the information identified in the table included in the section named “Table of requirements for the 2019 Statement of Non-Financial Information” in the accompanying NFS attached.

Responsibility of the directors of the company

The preparation of the NFS included in Urbaser’s MR and the content thereof are responsibility of the Board of Directors of Urbaser, S.A.U. The NFS has been drawn up in accordance with the provisions of current mercantile legislation and with the Sustainability Reporting Standards of the Global Reporting Initiative (“GRI Standards”) selected, described in line with the details provided for each matter in the table included in the section named “Table of requirements for the 2019 Statement of Non-Financial Information” of the mentioned NFS.

This responsibility also includes the design, implementation and maintenance of the internal control that is considered necessary to ensure that the NFS is free of any immaterial misstatement due to fraud or error.

The directors of Urbaser, S.A.U. are also responsible for defining, implementing, adapting and maintaining the management systems from which the information required to prepare the NFS is obtained.

Our independence and quality control

We have complied with the independence requirements and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (“IESBA”) which is based on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.



Our firm applies the International Standard on Quality Control 1 (ISQC 1) and therefore has in place a global quality control system, which includes documented policies and procedures related to compliance with ethical requirements, professional standards and applicable legal and regulatory provisions.

The engagement team has been formed by professionals specialising in non-financial information reviews and specifically in information on economic, social and environmental performance.

Our responsibility

Our responsibility is to express our conclusions in an independent limited verification report based on the work carried out. Our work has been aligned with the requirements set by the current International Standard on Assurance Engagements (ISAE) 3000 Revised, Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ISAE 3000 Revised) issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC) and with the Guidelines for verification engagements on non-financial statements issued by the Spanish Institute of Auditors ("Instituto de Censores Jurados de Cuentas de España").

In a limited assurance engagement, the procedures performed vary in terms of their nature and timing of execution and are less extensive than those carried out in a reasonable assurance engagement. Accordingly, the assurance obtained is substantially lower.

Our work has consisted of posing questions to Management and several Urbaser's units that were involved in the preparation of the NFS, in the review of the processes for compiling and validating the information presented in the NFS, and in the application of certain analytical procedures and review sampling tests, as described below:

- Meetings with personnel of some areas of Urbaser, S.A.U. to ascertain the business model, policies and management approaches applied, the main risks related to these matters and to obtain the information required for the external review.
- Analysis of the scope, relevance and integrity of the contents included in the NFS for 2019, based on the materiality analysis carried by Urbaser, and described in section named "Materiality and stakeholder engagement" of the NFS, considering the content required under current commercial legislation.
- Analysis of the procedures used to compile and validate the information presented in NFS for 2019.
- Review of information concerning risks, policies and management approaches applied in relation to material issues presented in the NFS for 2019.
- Verification, through sample testing, of the information relating to the content of the NFS for 2019 and its adequate compilation using data supplied by the Company's information sources.
- Obtainment of a management representation letter from the directors and the Group's management.



Conclusions

Based on the procedures performed and the evidence we have obtained, no matters have come to light that might lead us to believe that, NFS of Urbaser S.A.U. and its dependent joint ventures for the year ended 31 December 2019 has not been prepared, in all its significant matters, in accordance with the provisions of current mercantile legislation and following the criteria of the Sustainability Reporting Standards of the Global Reporting Initiative ("GRI Standards") selected, in accordance with the details provided for each matter in the table included in the section named "Table of requirements for the 2019 Statement of Non-Financial Information" of the mentioned NFS.

Use and distribution

This report has been drawn up in response to the requirement laid down in current Spanish commercial legislation and therefore might not be suitable for other purposes or jurisdictions.

PricewaterhouseCoopers Auditores, S.L.

Original in Spanish signed by Pablo Bascones

April 21st, 2020