



# 2019

## Sustainability Report

Non-financial information







# Content

01	Letter from the CEO	04	08	Human rights	64
02	About this report	06	09	Local communities	68
03	About URBASER	18	10	Professional team at URBASER	80
04	Business model	20	11	Health and safety	96
05	Risks and opportunities	38	12	Sustainable environmental management	102
06	Innovation	52	13	Supply chain	118
07	Ethics and corporate governance	58	14	GRI content index	120
			15	Limited assurance report	127





# Letter from the CEO

**The Sustainability Report that I am delighted to present to you is the result of the work carried out over the course of the year, and its aim is to improve the information we offer to our stakeholders in order to fulfil our commitment to transparency in matters of sustainable development.**

This report describes the economic, social and environmental performance of our company worldwide.

With a turnover of 2,137 million euros, we have established ourselves as an international company, a leader in providing environmental services, with a great deal of experience and customer-focused approach. A company with a vision for the future, with a defined mission and values, which is committed to sustainable development, to improving the living conditions of citizens and which works to minimize the environmental impact of its operations.

2019 provided confirmation of the success of our international expansion, with a presence now in 30 countries. With our entry into Ecuador where we provide waste collection, street sweeping and cleaning services in the city of Guaya-

quil, we reinforced our position as a leading operator in the management of environmental services in Latin America.

It is also worth noting the expansion of our company in France, thanks to the awarding of the contract for the Trifyl biological mechanical urban waste treatment plant, which has been designed to minimize elimination and maximize material and energy recovery using innovative technologies, in line with our commitment to the circular economy.

Our workforce continues to grow steadily. As of today, we have more than 35,000 employees, who help us through their dedication and professionalism to achieve our goal of becoming leaders in the sector and meeting new challenges.

Our commitment to achieving the United Nations Sustainable Development Goals is fully integrated into our Corporate Social Responsibility Policy. We are firmly convinced that all our activities must be carried out within the framework of sustainable development, and to this end our work and day-to-day decisions are based on a business model that allows us to achieve long-lasting economic, social and environmentally sustainable solutions.

We are committed to developing accessible, intelligent and inclusive cities where the wellbeing of people and the proper functioning of public services is the priority.

We believe in the importance of establishing strategic partnerships as a key element in progressing towards that goal. In this regard, in 2019 we collaborated with other Spanish companies to build a pioneering hydrogen refuelling facility for fuel cell vehicles in Spain, reaffirming our commitment to sustainable mobility, the fight against climate change and the search for clean energy sources.

The circular economy is not only one of our strategic business lines, but one of the pillars of our sustainability strategy. Therefore, at URBASER we have continued to focus on innovation, with an investment of 11 million euros over the year.

We understand innovation to be a constant process of continuously searching for new routes to turn waste into resources. Through projects such as iCareplast, which seeks to obtain high added value chemicals from plastic waste, with the aim of minimizing our environmental footprint and guaranteeing economic sustainability.

Responsible decision-making is key for us, for our employees and for our stakeholders and, in turn, ensures sustainable and profitable growth for URBASER, so we will continue working to maintain the balance between sustainability and business to ensure the success of our company.



**Jose María López Piñol**  
CEO of URBASER







# About this report

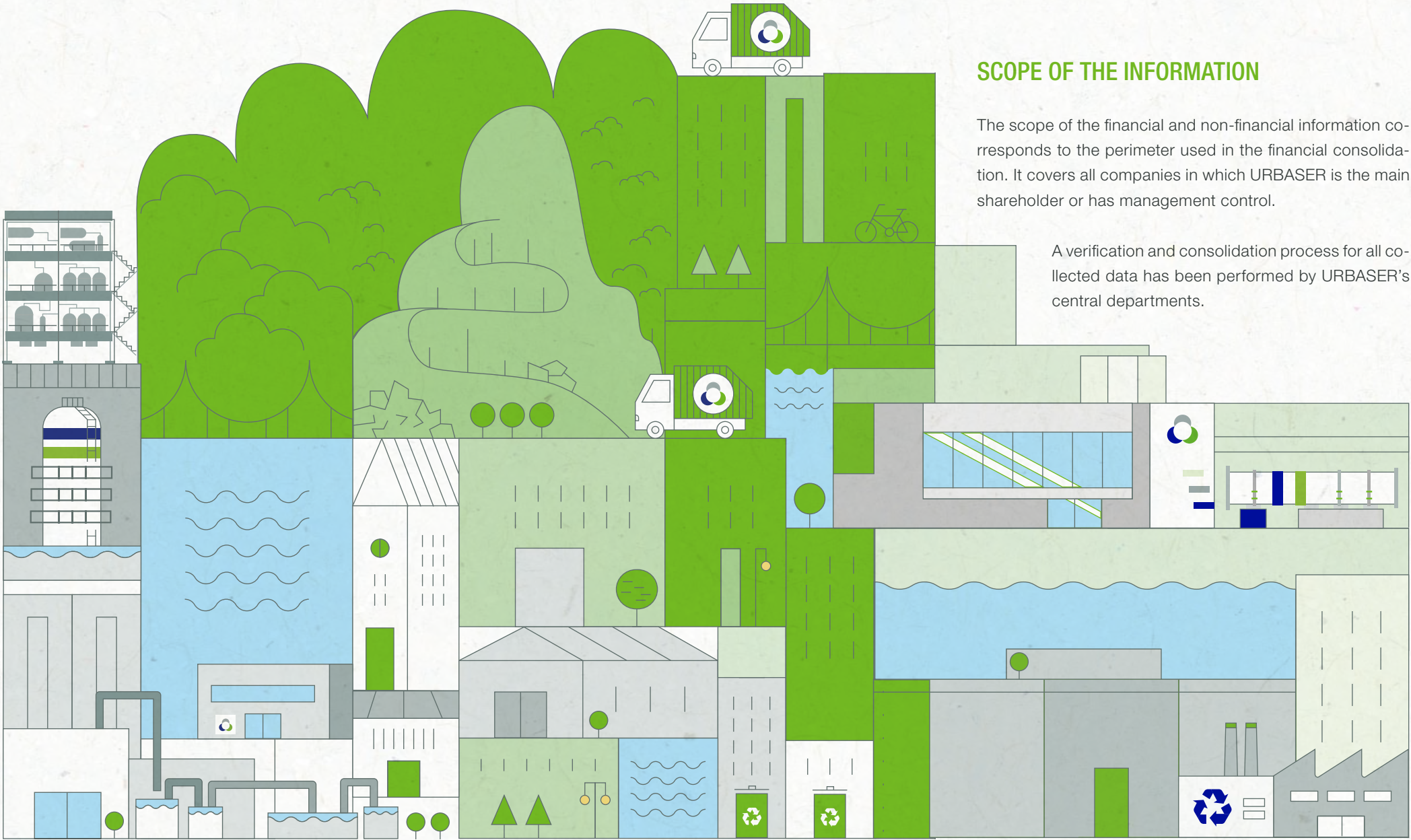
**URBASER publishes this report so that its stakeholders may have a true and fair image of its performance in terms of its non-financial information during 2019.**

The last non-financial report was published by the company in 2019, through the Non-Financial Information Statement, corresponding to the 2018 financial year.

This report has been prepared following the information requirements and recommendations of the consolidated set of GRI Standards for the drafting of 2016 sustainability reports, according to the core option. It 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.

The information included in this report refers to the activities and services provided by URBASER and its subsidiaries (hereinafter "URBASER") during 2019.

All information contained in this report has been externally verified by PricewaterhouseCoopers Auditores S.L.



## 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.

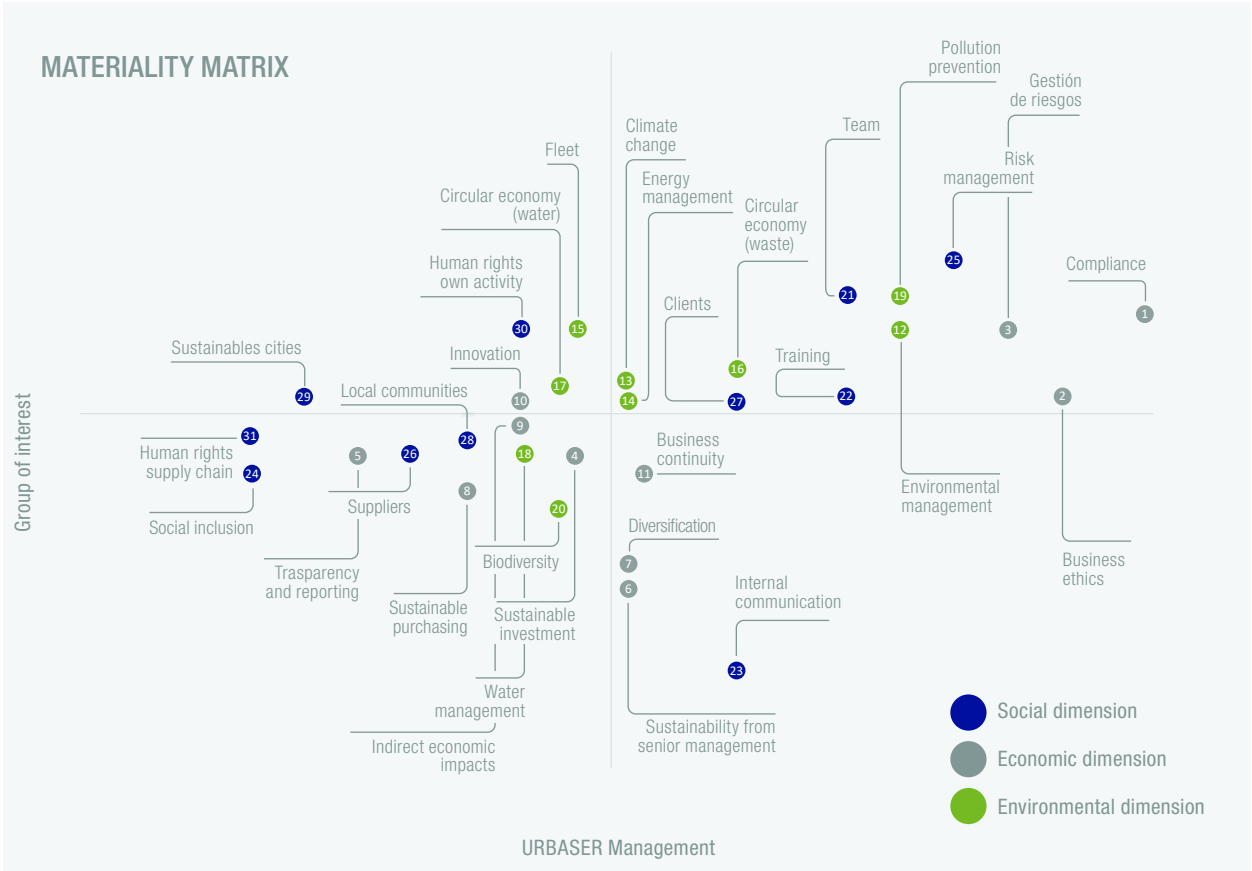




## MATERIALITY AND STAKEHOLDER ENGAGEMENT

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”).



● Social dimension ● Economic dimension ● Environmental dimension

Compliance	1	GRI 103	Management approach.
		GRI 205-2	Communication and training about anti-corruption policies and procedures.
		GRI 205-3	Confirmed incidents of corruption and actions taken.
Risk management by the company	3	GRI 413-1	Operations with local community engagement, impact assessments, and development programs.
		GRI 103	Management approach.
Business ethics	2	GRI 102-15	Key impacts, risks, and opportunities.
		GRI 103	Management approach.
		GRI 102-16	Values, principles, standards, and norms of behaviour.
Health and safety management	25	GRI 102-17	Mechanisms for advice and concerns about ethics.
		GRI 103	Management approach.
		GRI 403-1	Workers representation in formal joint management–worker health and safety committees.
		GRI 403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities.
		GRI 403-3	Workers with high incidence or high risk of diseases related to their occupation.
Pollution prevention	19	GRI 103	Management approach.
		GRI 102-11	Precautionary principle or approach.
Environmental management system	12	GRI 103	Management approach.



● Social dimension ● Economic dimension ● Environmental dimension

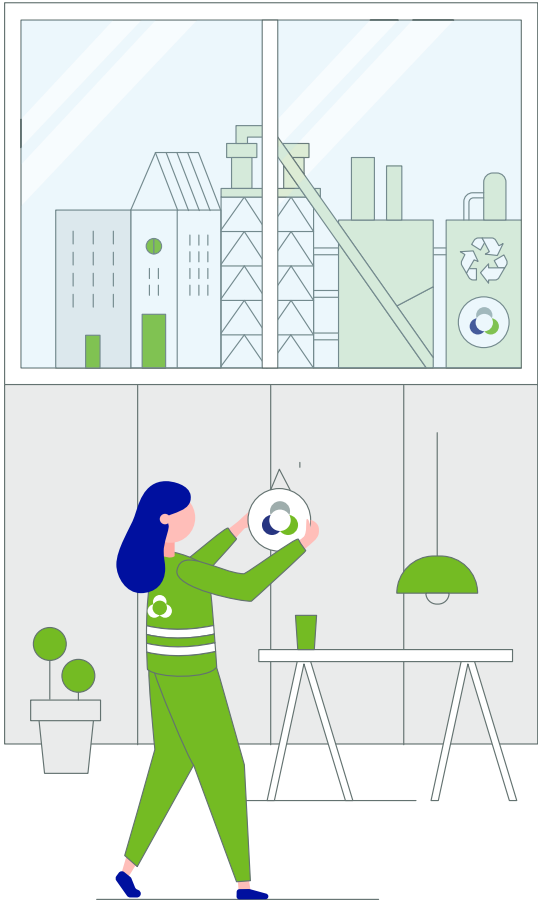
Workforce	21	GRI 103	Management approach.
		GRI 102-8	Information on employees and other workers.
		GRI 405-1	Diversity of governance bodies and employees.
		GRI 405-2	Ratio of basic salary and remuneration of women to men.
Training and development of talent	22	GRI 103	Management approach.
		GRI 404-1	Average hours of training per year per employee.
Promotion of circular economy in the management of treated waste	16	GRI 103	Management approach.
		GRI 306-2	Waste by type and disposal method.
Customer management	27	GRI 103	Management approach.
Energy management, efficiency and generation	14	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 CO <sub>2</sub> emissions	13	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	Nitrogen oxides (NO <sub>x</sub> ), sulfur oxides (SO <sub>x</sub> ), and other significant air emissions.

Business continuity plans	11	GRI 103	Management approach.
Internal communication	23	GRI 102-10	Significant changes to the organization and its supply chain.
		GRI 103	Management approach.
		GRI 102-43	Approach to stakeholder engagement.
Diversification of markets and services	7	GRI 103	Management approach.
		GRI 102-6	Markets served.
Senior Management engagement in sustainability management	6	GRI 103	Management approach.
Efficient fleet management	15	GRI 103	Management approach.
Promotion of circular economy in the management of the treated water cycle	17	GRI 103	Management approach.
		GRI 301-1	Water withdrawal by source.
		GRI 303-3	Water recycled and reused.
Risks of human rights violations in our activity	30	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 innovation	10	GRI 103	Management approach.
Contribution to the development of sustainable cities	29	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 report.



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 organiza-

tion 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.



THE SUSTAINABLE DEVELOPMENT GOALS (SDGs) AS THE AXIS OF URBASER'S SUSTAINABILITY STRATEGY

The Sustainable Development Goals are a global challenge that URBASER is committed to. Its business model is oriented towards the provision of environmental services that contribute significantly to achieving these objectives.

In 2015, the United Nations defined **17 Sustainable Development Goals** (SDGs) broken down into 169 goals to be achieved by 2030. This common framework addresses global challenges, for which the involvement of companies, among many other actors, is essential. With this horizon, URBASER contributes to each SDG through the impact generated by its services in the countries where it operates.

The company has undertaken a firm commitment to achieve 7 of these goals. Through the services it provides and the activities it performs, it directly contributes towards meeting some of these goals. 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.

URBASER'S CONTRIBUTION TO THE SDGs

Innovation for sustainable environmental management		<ul style="list-style-type: none"><li>R&amp;D+i projects such as Project Ô, a European project (H2020), investigate <b>treatment technologies and planning tools aimed at the circular and integrated use of water</b>. The goal of the project is to obtain very high-quality water from several non-traditional sources (including WWTPs<sup>1</sup> and groundwater), which can be treated and used with guaranteed safety.</li></ul>
		<ul style="list-style-type: none"><li>With the incorporation of 864 low-emission vehicles and 469 zero-emission vehicles into its fleet, the company contributes to <b>improving air quality and noise levels in urban areas</b>.</li><li>Through the optimization of routes and frequencies, the functioning of the cleaning and waste collection service is optimized, <b>reducing its carbon footprint</b>.</li><li>Developing a sustainable mobility plan for the Headquarters and for the collection and cleaning service in Barcelona, covering <b>more than 1,200 employees</b>.</li></ul>
Responsible value chain		<ul style="list-style-type: none"><li>Maintaining the electronics of fleet vehicles, through a battery re-charging bank. In 2019 in Barcelona (Spain), <b>274 electric vehicle batteries were subject to his program in order to extend their service life</b>.</li><li>Using own waste as a raw material (a piece of the waste collection containers that are going to be replaced), it is possible to fasten the garbage bags to the bins, reducing the consumption of bags and preventing them from flying away and emptying their contents onto public roads. Providing <b>savings of more than 2 million bags a year in Barcelona</b>.</li><li>Through energy harnessing processes (biogas, recovery and biomass), URBASER generates electricity during waste treatment. Out of the electricity generated, <b>18% was used for self-consumption in 2019</b>.</li></ul>

<sup>1</sup> Waste water treatment plant





## Contribution to the community

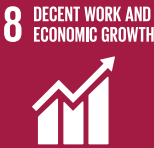


- Thanks to the cleaning and waste collection activities on the banks of the Riachuelo and Río de la Plata rivers, in Argentina, **1,265 tonnes of waste were removed during 2019**, which otherwise would have affected the species in the area.
- Through the management and recovery of waste oil from ships, **we avoid dumping and spillages into the sea**. Through different treatments, we have managed to reintroduce 20% of this waste oil into the market as fuel.



With work-life balance measures:

- **84%** of the workforce has the right to different work-life balance measures, as part of the different collective agreements.
- Nursing room at the corporate headquarters in Madrid and other work centres in Spain.



- Ensuring compliance with human rights standards that ensure the wellbeing of migrant workers in the services that the company provides in Oman and Bahrain.
- Creating an additional **3,433 direct jobs** in 2019.
- Launching the **1st Open Day** for employees and families, with almost 200 participants at the corporate Headquarters in Madrid.



- Hiring **245 people with disabilities**, which add to an existing group of 748 team members with a disability and also hiring 1,344 people at high risk of social exclusion through different projects in which the company collaborates with various social organizations.

This report highlights these and many other actions which have allowed the company to progress towards achieving each of the SDGs.

It should be noted that, of the different corporate policies approved in 2019, the Corporate Social Responsibility Policy is the one which aims to guarantee the alignment of all company's actions with the SDGs.

### 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.



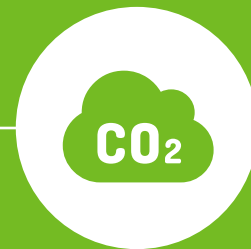




# About URBASER

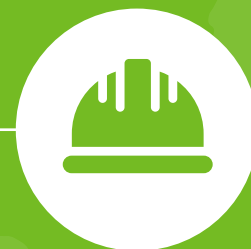
5.0 million tCO<sub>2</sub>e

**Carbon footprint** (in 2018, 4.6 million tCO<sub>2</sub>e)



€ 7.9 million

**Investment in safety and health** (in 2018, € 4.5 million)



€ 1.7 million

**Corporate citizenship** (in 2018, € 1.5 million)



35,618 employees

**Employees** (in 2018, 32,146 employees)



€ 2,137 million

**Turnover** (in 2018, € 1.851 million)



30 countries

**Countries** (in 2018, 27 countries)



€ 11.24 million

**Investment in R&D+i**



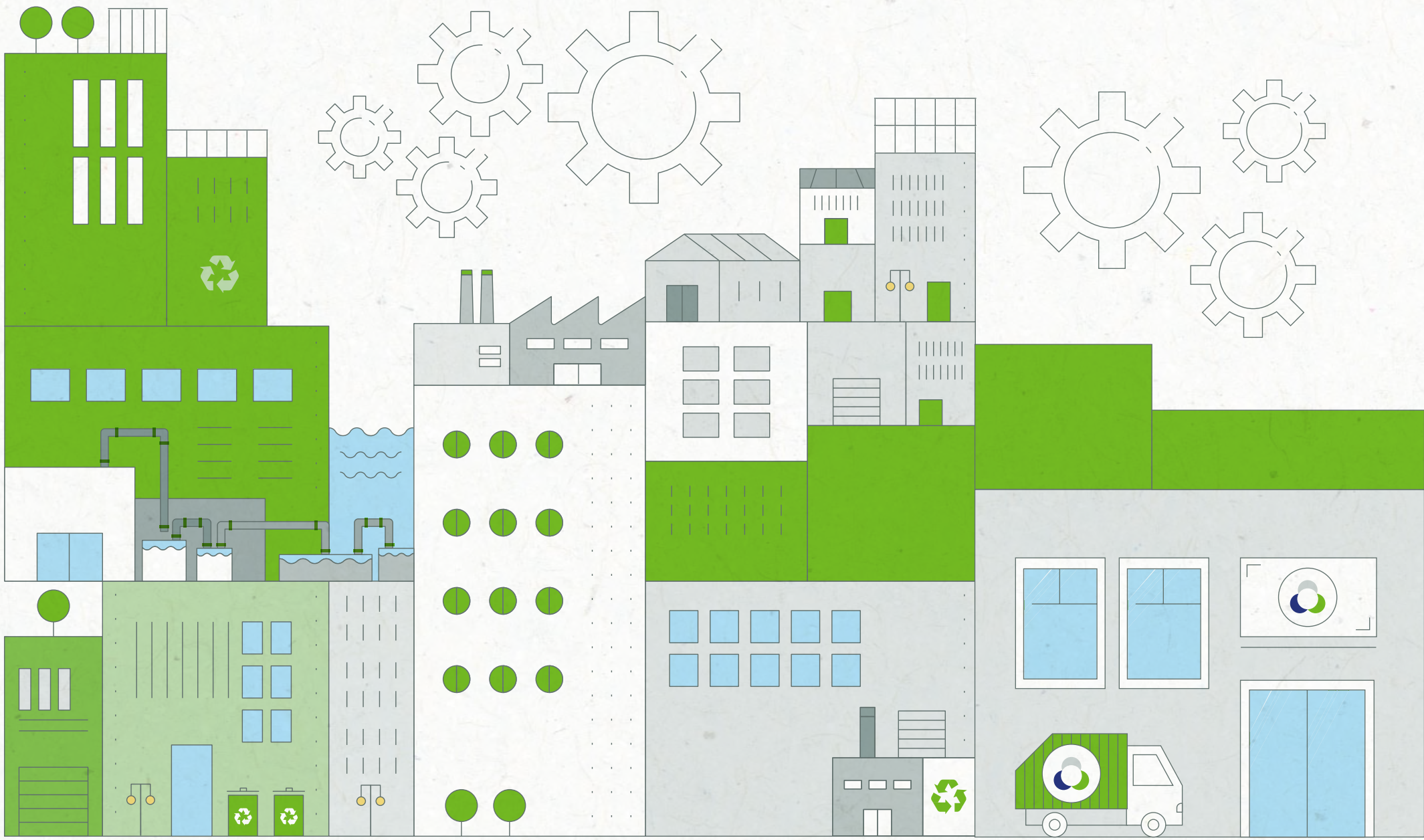




# Business model

URBASER is a leading international company in the provision of environmental services with a customer-oriented approach and a great deal of experience. As a company, it has a clear commitment to the future and invests in sustainable development from its four major business lines: urban services management, municipal waste treatment, industrial waste treatment and management of the integral water cycle.

	Urban Services
	Municipal Waste Treatment
	Industrial Waste Treatment
	Management of the integral water cycle







## URBAN SERVICES

Providing financial solvency and dedication to the services provided, contributing to the sustainable development of cities and improving the quality of life of citizens.

The Urban Services business area is one of the most important within URBASER and comprises the following:

	<b>Municipal waste collection</b>
	<b>Beach and street cleaning</b>
	<b>Management of landscaped areas</b>



Through its services, URBASER **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. According to the United Nations<sup>2</sup>, 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 is responsible for the efficient collection of municipal 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.

In 2019, with the company's entry into Ecuador where it provides waste collection, street sweeping and cleaning services in the city of Guayaquil, we reinforced our position as a leading operator in the management of environmental services in Latin America, transferring the highest standards acquired in countries with demanding legislation and regulations in waste management.

<sup>2</sup>Source. [United Nations](#)

*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).

URBASER 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 SEN-SIoT (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.

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.

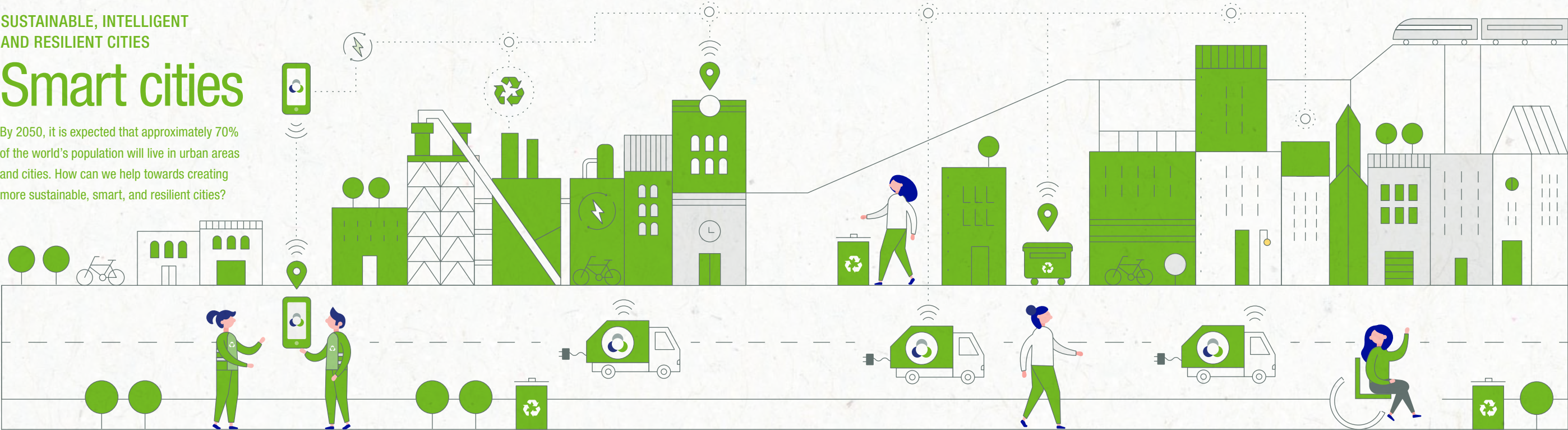




SUSTAINABLE, INTELLIGENT AND RESILIENT CITIES

# Smart cities

By 2050, it is expected that approximately 70% of the world's population will live in urban areas and cities. How can we help towards creating more sustainable, smart, and resilient cities?



## 1 Our goal

- To provide a flexible and integrated solution for **intelligent urban services**.
- A priority of the European Operational Implementation Plan for **Smart Cities and Communities**.

## 2 How we do it

- Disabled-adapted** waste containers.
- Zero-emission and electric** vehicles.
- 100% renewable** energy consumption in Spain.
- Plataforma IoT with Microsoft** to manage all assets (personnel, machinery, etc.).
- Movus:** Subsidiary company providing sustainable urban mobility services.

## 3 Management and planning

- Improved management and planning of waste collection through intelligent algorithms:
- Improved service to **citizens**.
  - Cost savings** for public administration.
  - Overall environmental** improvement.
  - Integration** with **City Plataforms**.

## 4 GESMART

- GESMART project, for greater control and efficiency:**
- Load **sensing** on municipal solid waste containers.
  - Control of resources through **GPS** (machinery).
  - Hardware** for sensorization of waste collection and cleaning machinery (CO<sub>2</sub> emissions, driving, etc.).
  - Mobile devices** for the street staff (becoming citizen support agents).





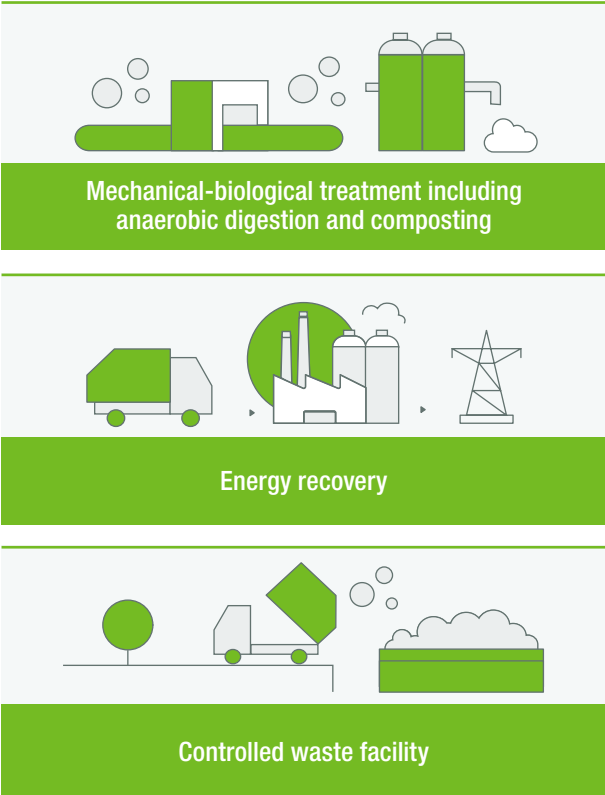
MUNICIPAL WASTE TREATMENT

Working with towards the goal of zero rejection, based on a culture of constant innovation that allows us to recover the majority of the waste that reaches our plants and minimize the environmental impact.

URBASER designs, finances, builds and operates urban and industrial waste treatment and recovery facilities. It is a leader in this area and dedicates a large part of its resources to technological innovation and energy efficiency.



URBASER carries out municipal waste treatment through the following processes:



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 France, Spain and Poland.

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.







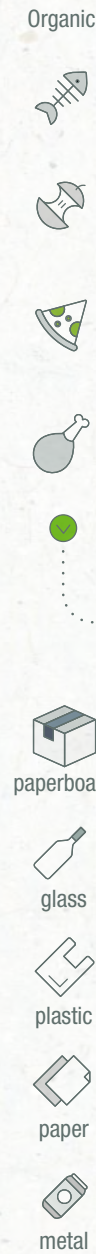
# Integral Plant

for Waste Treatment

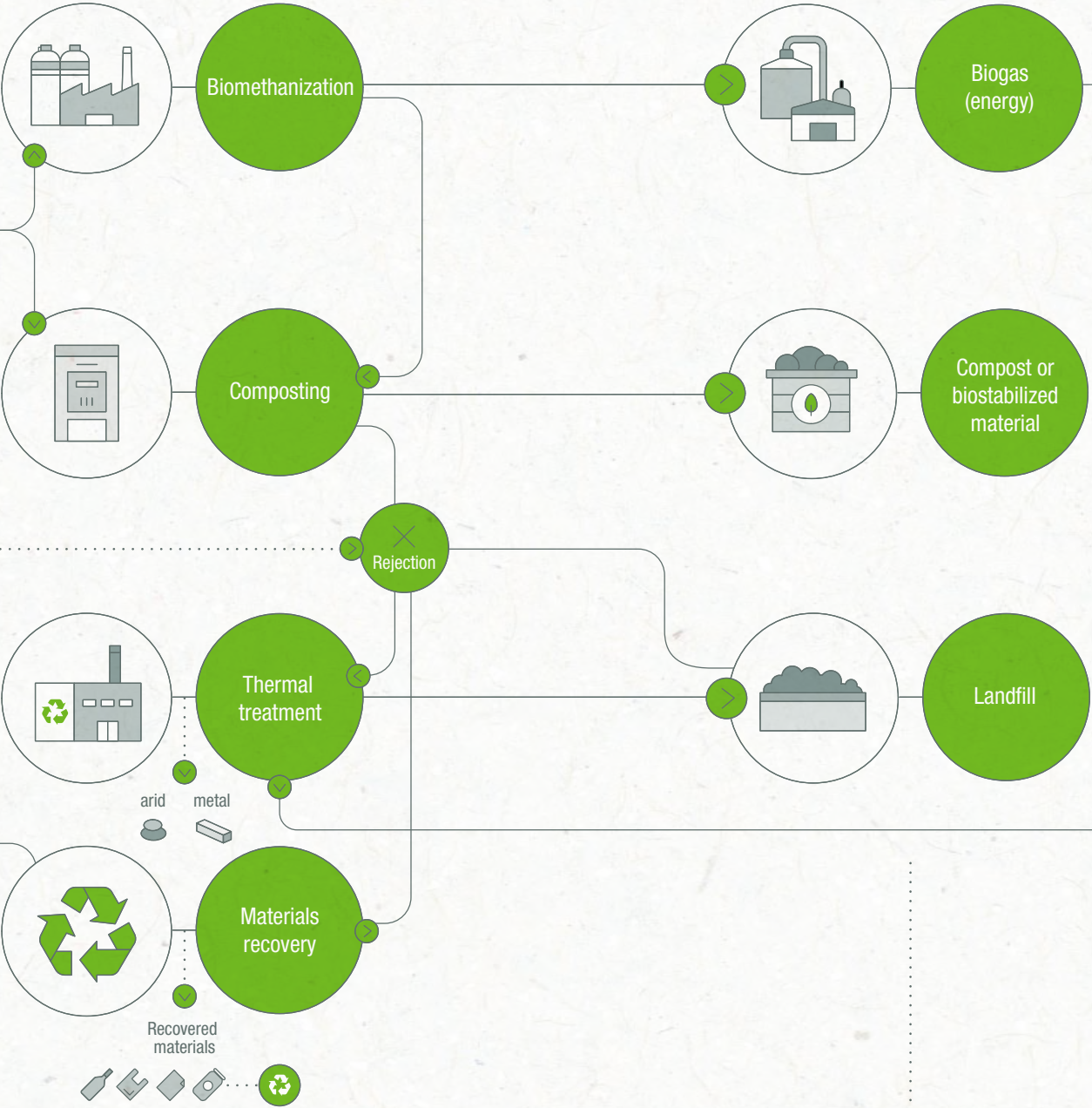
(combination of different technologies)



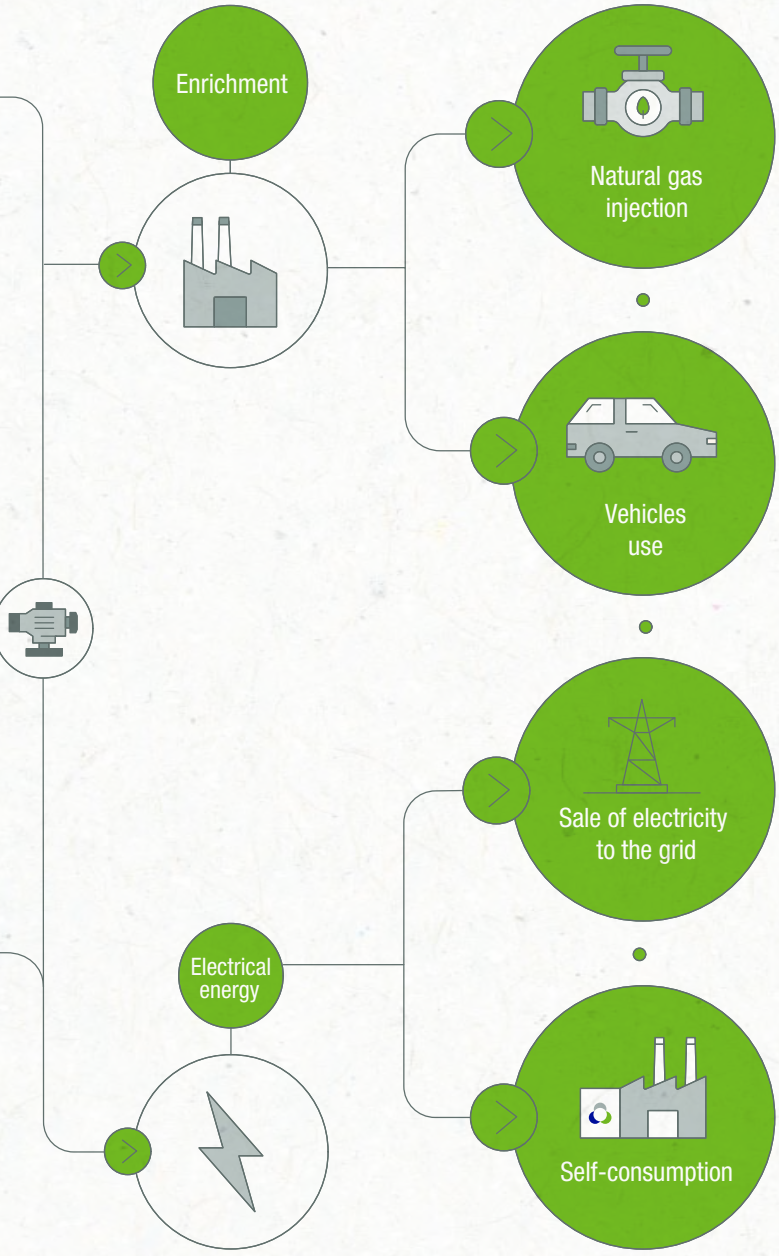
Containers (selective collection)



Waste fractions



Waste treatment



Treatment result

Energy use

Final use

- Human rights
- Local communities
- Professional team at URBASER
- Health and safety
- Sustainable environmental management
- Supply chain
- GRI content index
- Limited assurance report



TRIFYL, AN EXAMPLE OF CIRCULAR ECONOMY

URBASER, through its subsidiary URBASER Environnement, has been awarded the contract to carry out the design, construction, operation and maintenance of the future solid municipal waste treatment plant in Trifyl, France, a public entity that covers 363 municipalities and is responsible managing the waste of 327,000 inhabitants.

The contract will represent a total of 180 million euros with an investment of 95.5 million euros and will have a duration of 8 years and 10 months, with activity starting this year.

The plant designed by URBASER will treat 91,000 tonnes of municipal waste annually, 11,000 tonnes of high calorific value waste from recycling points, as well as 8,000 tonnes of bio-waste. In addition, it will enable the injection of 63,900 MWh into the natural gas network, the production of 21,000 tonnes per year of Solid Recovered Fuel (SFR) and the production of 7,500 tonnes of high-quality compost from the treatment of bio-waste.

In order to cover the energy needs of the process, while reducing the amount of rejected waste that is sent to landfills,

the facility will have a SRF boiler that will enable the self-consumption of 12,000 tonnes of this product, along with part of the biofuel produced. The remaining 9,000 tonnes, of high quality and very high calorific value, will be consumed by the cement industry.

The plant has been designed to **minimize rejected waste and maximize the material and energy recovery** by combining various technologies in the same facility, maximizing the optimization of resources and in line with the Circular Economy strategy of the European Union.



As a technological innovation, the plant will be equipped with two independent treatment processes; the first of these will have two treatment lines and will be in responsible for the separation of waste and the mechanical and biological treatment

of Solid Municipal Waste, as well as the production of SRF. The second process will be aimed at the treatment and recovery of organic waste.

The design of the plant is expected to fit perfectly into its environment, including an educational space for the general public which will provide information about the activity carried out at the facility, about recycling processes and the circular economy.

INDUSTRIAL WASTE TREATMENT

Applying best practices to prevent dumping and spillages into the sea, to minimize the impact on the marine environment.



URBASER manages the Industrial Waste Treatment area through its company, “Sertego Servicios Medioambientales S.L.U.” Sertego is a leader in integral and sustainable management of hazardous and non-hazardous industrial waste, and takes care of its collection, transport, treatment, processing, recovery, regeneration and elimination.

Sertego is dedicated to the design and implementation of cutting-edge technology in industrial waste treatment processes. An example is Sertego’s used oil regeneration plants in Madrid, Huelva, Murcia and La Rioja. Not only do these facilities used the most appropriate technologies for the treatment of used oils in accordance with the provisions of the waste hierarchy, but they are also continuously researching the best ways to **improve the quality of the products obtained through this waste**, minimizing as much as possible the waste generated in these processes.

Sertego contributes to the circular economy thanks to the manufacture of base lubricants from the recovery of used oils, thus preventing used oils recycled through other treatment processes from ending up being used as fuels in incineration plants. Proof of the sustainability of this work, are the 88,177 tons of CO<sub>2</sub> emissions avoided in 2019 in these processes.







The company is a pioneer in the **management and recovery of waste oil from ships**, providing services in 32 different ports and following a business model that is based on the recovery of the fuel contained in the waste oil for its reintroduction in the market. The main direct positive impact of this activity is the prevention of dumping and spillages into the sea, minimizing its environmental impact.



### MARPOL<sup>3</sup> WASTE TREATMENT PLANT

Las Palmas de Gran Canaria (Spain)

In the second half of 2019, a new MARPOL waste treatment plant was put into operation in Las Palmas de Gran Canaria (Spain), with a storage capacity of 6,500 m<sup>3</sup> and an area covering 10,000 m<sup>2</sup>. With this facility, Sertego will treat MARPOL waste collected in the Canary Islands without the need to transfer it to the mainland as was the case up to now, eliminating the impact associated with transportation. It will also promote local employment and socioeconomic development in the area. As in other Sertego facilities with these characteristics, there is a treatment plant dedicated solely to treating the oily water that has been obtained from the MARPOL waste treatment process, returning this water to the sea, ensuring it is of **sufficient quality so as not to affect the marine ecosystem**. In addition, to avoid accidents in the loading and unloading of waste and products, a pipeline has been installed to unload the contents of the barges directly into the storage tanks, as well as pipes to load the recovered fuel that will be sold in facilities around Spain.

<sup>3</sup>Ship-generated waste.

### WATER TREATMENT

Providing solutions to water sanitation problems, facilitating access to treated water, providing services related to water management impacting more than 8 million people.



Through its subsidiary, Socamex S.A., URBASER provides **global solutions that contribute to sustainable development and to the improvement of water quality**, guaranteeing public access to a basic resource, ensuring that when the water returns to the natural environment, it does so in the same or better conditions as when it was collected.

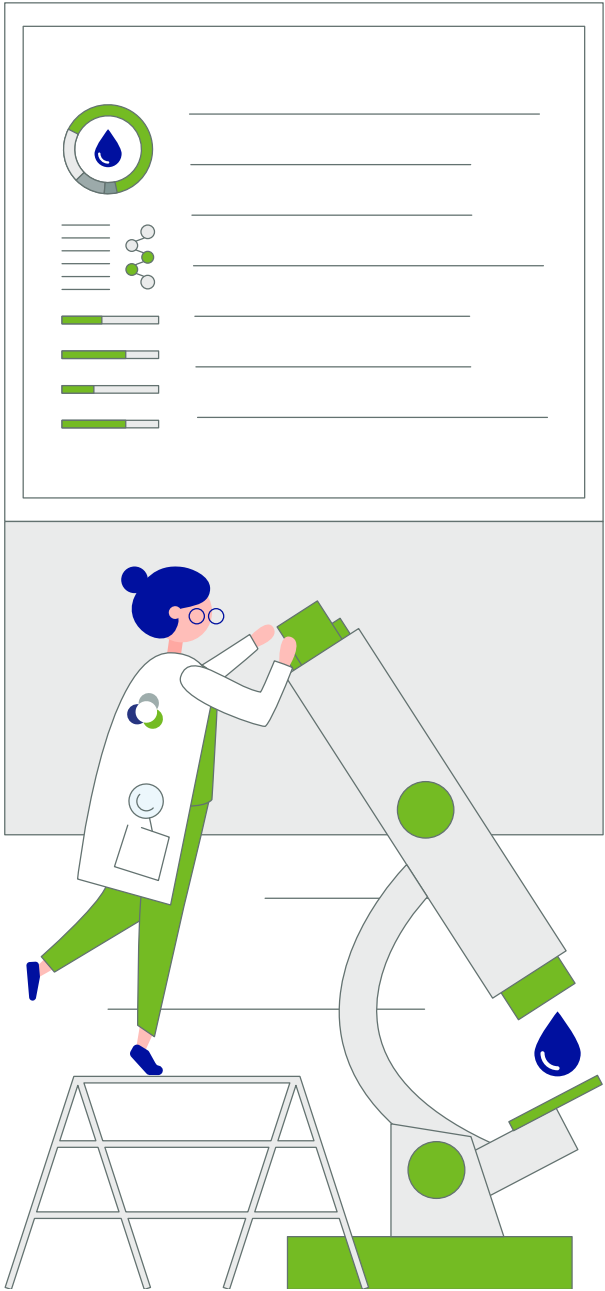






With more than 30 years of experience in the comprehensive management of the water cycle, Socamex provides its services to both public and private companies. The company manages the supply and sanitation of municipalities, designs, finances, builds, and maintains treatment and purification plants, water treatment and regeneration facilities, designs, builds and maintains ornamental fountains, is specialized in industrial cleaning and maintenance of sanitation networks of large cities, and performs water quality analysis in Spain, Portugal and South America.

With a workforce of more than 300 people, in 2019 Socamex S.A. dedicated its efforts to creating tools that contribute to closing the water management cycle, facilitating the circular economy by generating new materials and resources associated with water.



### WATER MANAGEMENT AT THE SERVICE OF CITIZENS

In 2019, Socamex S.A. began to operate the maintenance services of the sanitation network of the city of Cádiz. (Spain).

The Cádiz sanitation network covers approximately 175 km, consisting of a combined sewer network (within the city walls) and a separate network (outside the city walls), with diameters ranging from 200 mm to 2,000 mm.

Due to the orographic characteristics and location of Cádiz, there are 12 wastewater pumping station, including

the La Martona station, where 90% of the city's wastewater converges and is pumped to the Waste Water Treatment Plant (WWTP) of San Fernando.


Socamex has proposed the complete integration of all information in the digital platform of the City Council, to facilitate the creation of synergies with other advanced management tools, sharing information on the service's tasks, as well as the verification, digitization and complete updating of the network using mobile data collection devices. In this way, the **quality and transparency of the management process is guaranteed to the citizens**, which is vital to ensure the quality of the service.










## MISSION, VISION AND VALUES

 Our mission is to contribute to the sustainable development of cities and territories through efficient services and innovative technologies.

 Our vision is to be a benchmark for the society and a global leader in solutions for circular economy, environmental management and the generation of responses to new research challenges in these fields.

## Our values


 **Responsible operations:** managing at all times the health and safety of a qualified human team, and maintaining integral and ethical relationships with our stakeholders.


 **Sustainable communities:** providing financial solvency and vocation to the services we provide to citizens, being committed to the commitments the territories in which we operate.


 **Circular economy:** respecting the value of natural resources and the environment and betting on solutions for transforming waste into resources through innovation and the latest technologies.

# Strategic management


## Business plan strategy

 To maintain a **leader position** in the Spanish market.


 Consolidate **market share**.


 Continue the **Company internationalization**.


 Participation in **multilateral projects**.

 **From waste to resource:** commercialize products derived from the treatment of industrial waste.


## Transformation

 **Automation** and **systematization** of the Service Management (Urban Treatment Services).


 **Data analytics** (provide URBASER with the necessary tools to analyze data in global way).


 Redefinition of the Company's **processes** key of the Company (Purchasing Processes, Contracting Processes, etc.).

 **Paperless** Policy.


 Promotion of an internal **cultural change**.

## CSR Action Plan

 **Ethics**, compliance and **corporate governance**.

 **Innovation** for sustainable environmental management.

 Responsible **value chain**.

 Contribution to the **community**.

## Commitment to the Sustainable Development Goals (SDGs)







# Risks and opportunities

## RISKS INHERENT TO THE COMPANY'S ACTIVITIES

URBASER, as a leading international company in the provision of environmental services, carries out its activities 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 the company's actions and decisions worldwide.

In this changing environment, the company believes that it is essential to carry out an adequate and effective management of the different types of risk that could affect its operations and the fulfilment of its objectives. Therefore, **URBASER 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, assess, analyse**, inform, and reasonably control the different risks that its activities are exposed to.



**Involving the different businesses and corporate departments within the company**, as risk management 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 Corporate 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:



## 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 risk management system is implemented through a model with **three independent levels of defence** that act in a coordinated way. The first of these falls on the business units, the second and third levels corresponding to the transversal departments of the organization that have specific supervision and internal control responsibilities at the corporate level.

The risk management procedures and, where appropriate, the mechanisms that ensure their maintenance within the accepted levels, are validated and approved by the URBASER Steering Committee, with the CEO in charge of approving the company's policies and its corresponding control system.

The main function of the Internal Audit Department, an independent and objective advisory body, is to support the Steering Committee and the CEO in their tasks of surveillance, supervision, monitoring, verification of the effectiveness of the controls implemented and mitigation of risks, in a reasonable and regular manner, drafting reports that include

recommendations and conclusions on the effectiveness of the controls, which are communicated both to URBASER's Senior Management and to those responsible for the areas which are evaluated and periodically monitored. In addition, it provides support to the rest of the company in the effective fulfilment of its responsibilities and objectives, including these other functions:

- Reviewing the **accuracy, reliability and integrity** of financial and operational information.
- Making recommendations for remedying weaknesses detected during the carrying out of its functions,

periodically reporting to both the Steering Committee and the evaluated parties and following up on these.

- Assessing the **degree of compliance with the company's internal regulations, instructions and procedures** and proposing those updates necessary to improve processes and mitigate associated risks.
- **Reviewing internal regulations** before final approval.
- Carrying out **analyses or investigations** commissioned by the Steering Committee or the Legal Compliance Committee.





In 2019, the company worked closely with those responsible for the risk function of each department, in reviewing and updating the non-financial risk map, with the aim of achieving continuous improvement in the management of these risks in view of its international expansion of the company in the next two years.

Throughout this year, and to fulfil its obligations, URBASER has undertaken the management, at corporate level, of the risks related to human rights through the implementation of controls aimed at reducing the exposure of the company to the main threats detected in this regard. As a result, the company is currently in the process of drafting a Corporate Human Rights Policy whose objective will be to establish the commitments and obligations undertaken by URBASER to respect and promote internationally recognized standards in this matter, especially those that directly affect its business activity and the tasks carried out by its workers.

Among the revision works performed by the Internal Audit Department, **the verification of aspects related to compliance with human rights has been set as a goal for 2020.**

Moreover, the company has made progress in improving risk management related to information and communication technologies at the corporate level, by reviewing, updating and reinforcing the security guidelines and policies established by URBASER in this regard.

In addition, in 2019, progress was made in the international implementation of other initiatives focused on the

standardization and unification of procedures and internal regulations. The risks and opportunities described below belong to the different subsidiaries, joint ventures, and companies within URBASER that operate inside Spain. No distinction has been made between short/medium/long term risks, considering the risks to date to be short term.

The risk factors that generally affect URBASER as a consequence of changes in the competitive, economic, political, legal, regulatory, social, environmental, business and financial circumstances, include those described below.




## 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 CO<sub>2</sub>. 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.



This risk could arise as a result of company operations that could significantly impact biodiversity and the environment in which they take place. These include possible dumping or spillages that could occur as a consequence of the execution of works, operation of landfills or the management of industrial waste such as oils and MARPOL waste (mainly hydrocarbon waste) from ships to prevent it from dumped in the sea.

To mitigate these possible situations, URBASER has an **Environmental Management System** in place which details the guidelines to be followed in case of discharges and occasional spills, to ensure that deliberate discharges have the corresponding authorization, to ensure the proper storage management of hazardous substances, and to ensure that water quality controls are carried out periodically, etc.

Sertego, a company belonging to URBASER, carries out MARPOL I waste treatment activities in different Spanish ports as established in the International Convention for the Prevention of Pollution of the Sea. As a consequence of its activity, there could be a **risk of fuel spillages** during the provision of the service in both the marine and land environment. To avoid this risks of spillage, periodic reviews of equipment maintenance are carried out and procedu-

res and controls have been implemented that must be followed during the provision of these services and more specifically, when coupling the MARPOL extraction hose.

With the correct execution of these controls, the probability of causing contamination to marine ecosystems is low. However, due to the significant impact it would have, contingency plans have been implemented that describe in detail how to if MARPOL spillages into the sea take place during the provision of the MARPOL service.



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.

For this reason, URBASER believes the **efficient consumption of energy and the natural resources it uses** to be fundamental, as reflected in its Corporate Policy on Quality, Health and Safety, Environment and Energy.

With the aim of improving its energy efficiency and performance, as well as its commitment to mitigating climate change, the company has an Energy Management system in which it defines measures and actions plans.

With regard to the consumption of water resources, the activities carried out by URBASER (collection and treatment of waste) are not associated with high water consumption, making this a low risk for the company. Regarding its street cleaning and gardening activities, where water consumption is higher due to the washing of pavements and watering of gardens, URBASER employs best practices for using recycled water, consumption reduction devices, 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, UBASER 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 Corporate Code of Conduct and the Corporate Social Responsibility Policy, which in turn provide a framework for the company's Corporate Citizenship Policy.

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, given the high operational decentralization and autonomous management of the subsidiaries that make up the company, risk may also be derived from the relationships maintained with suppliers and authorities.

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, re-

gardless 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.U 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.

URBASER has also developed an **Anti-Corruption Policy** with the aim of promoting a culture of compliance, through ethics, integrity and the fight against corruption, bribery and other illegal practices. In this way, the Policy implements the principles contained in the Corporate Code of Conduct. 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 Corporate 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 in Spain 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.

REPUTATIONAL RISKS

These risks arise as a result of not fulfilling the expectations of the company's stakeholders.



URBASER is aware that it cannot control the actions of third parties, URBASER nevertheless aims to ensure all companies and people that enter into business with the company meet the same standards and ethical principles. This is particularly important where it concerns suppliers, agents, consultants and subcontracting 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 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 and lead to adverse consequences for the company or its environment.

URBASER, in 2019, also 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.





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.
- Employment: lack of personnel with adequate technical skills.

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—during 2019 it has consolidated its international presence—, 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-CO<sub>2</sub>). 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”.

URBASER strives every day to reduce its emissions. Since it began calculating its carbon footprint in 2013, the intensity of its GHG emissions has decreased by 13% internationally and by 24% nationally (Spain). This has been possible thanks to the consumption of renewable energy and energy efficiency.



# Innovation

**Innovation as a key element for gaining a competitive advantage, focused on guaranteeing the sustainability of our business and creating value.**

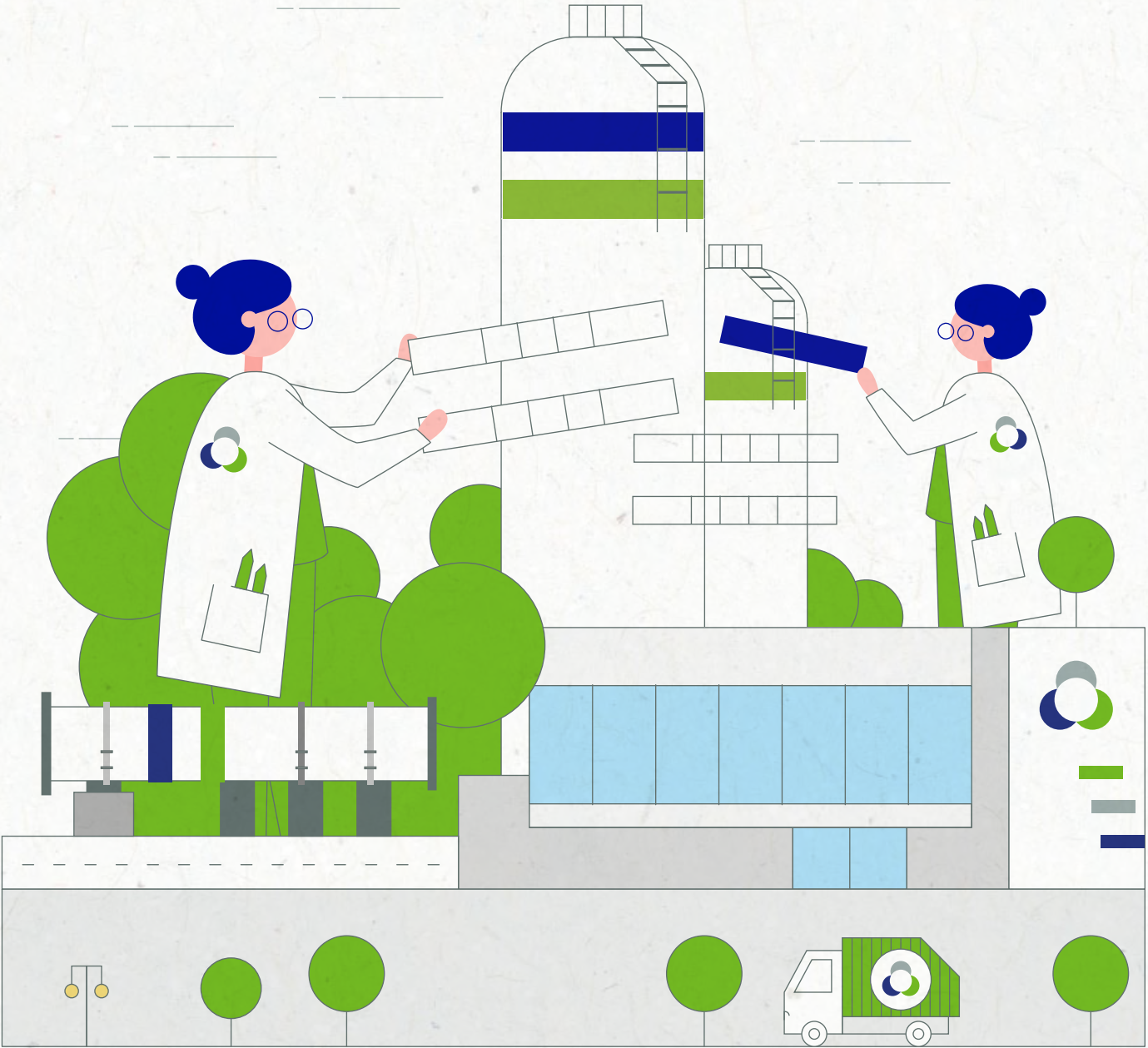
URBASER is committed to innovation as a key element for providing innovative solutions for the sustainable development of urban services, integrated water management, and treatment of municipal and industrial waste.

The Innovation Department's main mission is to provide transversal support to URBASER's business units to promote and reinforce R&D+i in all areas, services and production processes.

The Corporate **R&D+i Policy** defines the framework for action and basic guidelines for R&D+i activities, integrating them into the company's strategy.

URBASER's vision for R&D+i is to become a benchmark in the environmental sector for providing innovative solutions for the sustainable development of urban services, integrated water management, and treatment of municipal and industrial waste.

URBASER's implements its innovations through its R&D+i projects which in 2019 involved an investment of **€11.24 million** across 40 projects. The Master Plan for Technological Innovation describes the main lines of research carried out in Spain related to the circular economy, smart cities and the culture of innovation.



**2019 GOAL**  
Approval and startup of the new Innovation Strategic Plan for the 2019-2023 period which will bring about new strategic lines and goals.

During 2019, the new **Master Plan for Technological Innovation 2019-2023** was launched, which has 5 strategic lines that will be progressively developed.



L1

Waste treatment processes based on the circular economy concept



L2

Sustainable mobility solutions in urban services



L3

Technologies to mitigate environmental impact



L4

Processes to close the water cycle



L5

Innovative solutions for urban space management

Within Spain, URBASER manages its R&D+i division through a certified system design in accordance to the guidelines set by UNE directive 166002:2014, and the recommendations provided by the European Standards Committee UNE-CEN/TS 16555-1:2013 on Innovation Management - Part 1: Innovation Management Systems.



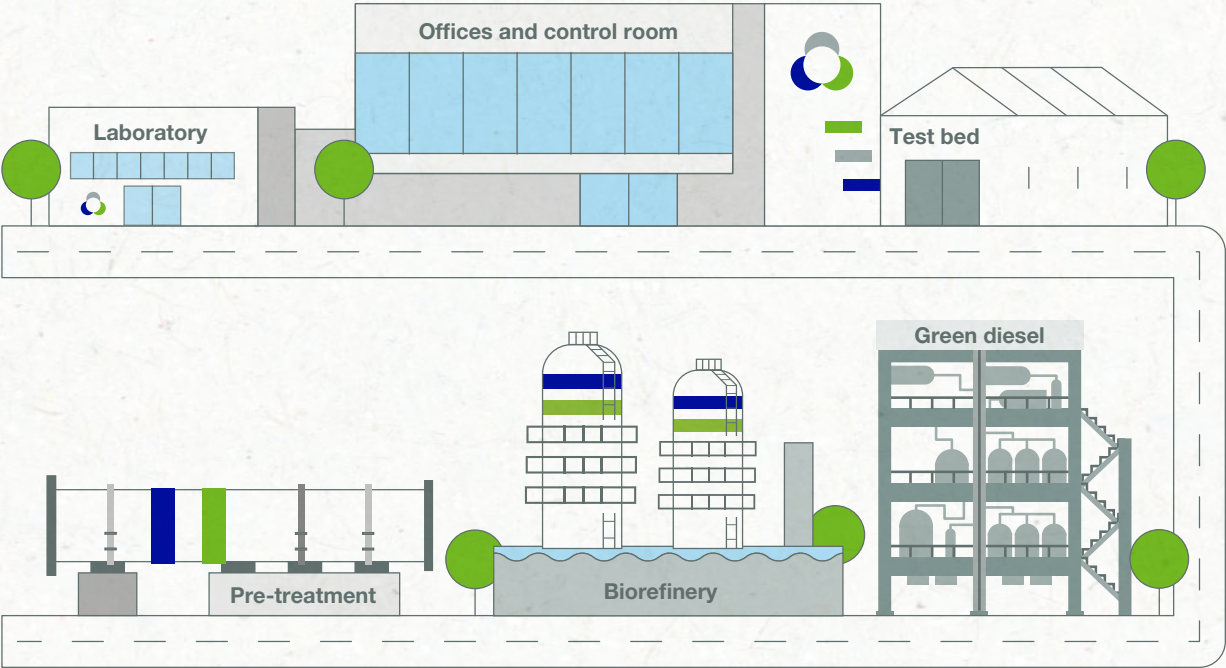


# CIAM

## 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.



### CULTURE OF INNOVATION

The innovation model followed by URBASER 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.

For the design and execution of R&D+i projects, the company strives to implement a culture of innovation which helps generate ideas that can be transformed into projects that improve the company's competitiveness and can even generate new business opportunities.

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.



2020 GOAL  
Deployment of the new Master Plan for Technological Innovation for 2019-2023.

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. A newsletter is published monthly on the company's intranet with the most relevant information regarding its competitive environment.







### 3R2020+ PROJECT (Spain)

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 (Spain)

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 CO<sub>2</sub>, 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.



### CEUS PROJECT (Spain)

This project is co-financed by the CIEN Strategic Programme of the Centre for Industrial Technological Development (CDTI) for the purpose of **investigating and implementing new treatments for the recovery of currently unused plastic waste**.

The project will focus on researching the classification, treatment and transformation processes of the waste collected from the remaining fraction of the grey container; specifically, the film and mix fraction that until now has not been used.







# Ethics and corporate governannnce

**Commitment to ethical principles, transparency and leadership in the application of the best international practices in the area of good governance, with the aim of generating trust and long-term commitments between the company and its stakeholders.**

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



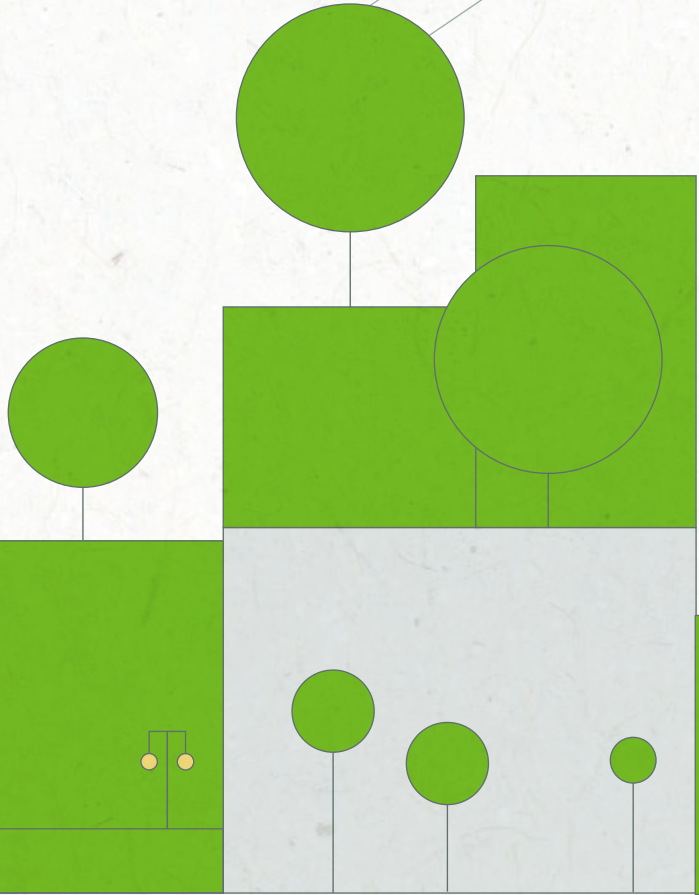
## CORPORATE GOVERNANCE

Within URBASER, 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 strategies. Its main goal is to seek profits through economic activities that generate long-term value. Another pillar of the good governance model of URBASER 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



COMPOSITION OF THE BOARD OF DIRECTORS

<b>D</b>	<b>CHAIRMAN</b> Shengjiun Yan	<b>E</b>	<b>VICE-CHAIRMAN MANAGING DIRECTOR</b> José María López Piñol
<b>I</b>	<b>BOARD MEMBER</b> Juan Evaristo Fábregas Sasiaín		<b>SECRETARY</b> Eduardo Domínguez-Adame Bozzano
<b>I</b>	<b>BOARD MEMBER</b> José Jaime Isern Alegri	<b>D</b>	<b>BOARD MEMBER</b> M. Sioen Herman Maurits
<b>E</b> Executive <b>D</b> Proprietary <b>I</b> Independent			

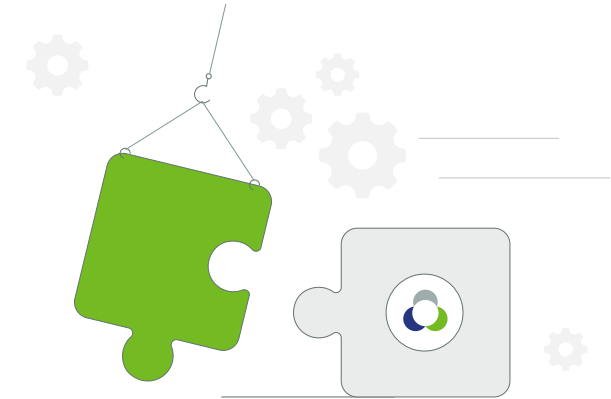
All members of the Board of Directors are men. Four of them are over 50 years of age, and one of them is between 30 and 50 years of age.

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.



CODE OF CONDUCT

The company's Corporate Code of Conduct describes the values that govern the behaviour of all the companies that make up URBASER. 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.



**2020 GOAL**

- Consolidation of URBASER's ethical culture using awareness initiatives about the Corporate Code of Conduct and the internal communication and complaints channel.
- Creation of internal communication and complaints channels in all countries in which the company has started operating during 2020.

CANAL INTERNO DE COMUNICACIÓN Y DENUNCIA

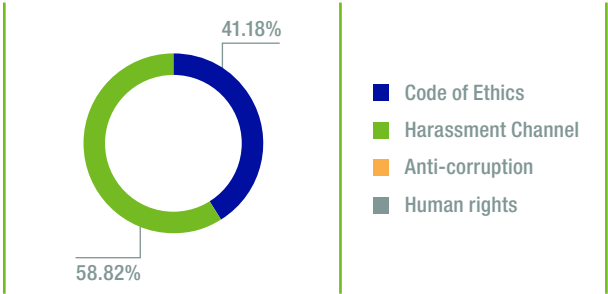
The objective of the internal channel is to facilitate the reporting of any possible irregularity, non-compliance or behaviour that contravenes ethics, legality and the rules that govern URBASER. All our employees, clients, suppliers, partners, and members of the communities in which we operate can use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






Over the course of 2019, a total of 17 communications were received, (in 2018, 21 that were resolved in the same year), through these channels and/or other formal complaint mechanisms. Of which 7 failed to comply with the precepts established in the Corporate Code of Conduct, 10 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.

NATURE OF THE COMMUNICATIONS RECEIVED IN 2019  
in percentage (%)





**28,597 employees**

During 2019, the Corporate Code of Conduct was disseminated through different channels to more than 28,597 employees.

URBASER CORPORATE POLICIES

URBASER’s corporate policies designed to establish the **framework for action to ensure legal compliance** have been approved by the CEO and are applicable to all subsidiaries companies.

-  Corporate Citizenship Policy
-  Corporate Social Responsibility Policy
-  Corporate Anti-Corruption Policy

Through the publication of these policies, the company aims to reinforce its commitment to good corporate governance practices and transparency as strategic pillars to achieve sustainable growth and increase competitiveness, trust and generate a positive impact on the communities where we operate.

FIGHT AGAINST CORRUPTION, BRIBERY AND MONEY LAUNDERING

In order to prevent corruption, money laundering, and bribery, URBASER has a **Corporate Anti-corruption Policy** with the objective of promoting a corporate culture of compliance and actively fighting against corruption, bribery, and other unlawful behaviours.

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 res-

ponsible for safeguarding the company’s ethical principles and detecting and mitigating any breaches of the applicable legislation and misconduct.

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

During 2019 URBASER has not received, through the internal channel of communication and complaints, 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 but a legal proceeding has been filed against the company for union discrimination.







# Human rights

Respect for human rights is a fundamental part of the company's culture of social responsibility in all its activities.

As established by the Corporate Code of Conduct, the Corporate Social Responsibility Policy, and its Health and Safety Policy, approved by the Steering Committee, URBASER 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 Corporate 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 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 addition, the analysis of human rights risks has been expanded internationally. For this new analysis, the risk categories have been reviewed and the possible human rights risks associated with the countries in which URBASER operates have been analysed. Special attention has been paid to those countries where the risk of infringement may be higher due to lax legislation on the matter.

The following human rights topics were covered in this analysis: freedom of association, trade union freedom and collective bargaining, fair remuneration, working hours, forced labour, child labour and discrimination.

From this analysis, it was concluded that 18% of the company's employees are in countries that present a risk of a possible violation of human rights not directly related to the company's activity. Despite this, URBASER works to implement control mechanisms, in addition to those already established, to detect and mitigate these possible risks.



In terms of the supply chain, URBASER establishes in its Corporate Code of Conduct, 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" available to them in each country, to send notifications related to non-compliance with the principles contained in our Corporate Code of Conduct.

During 2019, no notifications regarding human rights violations were received through the Ethical Hotline or any other formal complaint mechanisms.

URBASER, as established on the Corporate Code of Conduct, is committed to enforcing the principles of the United Nations Global Compact. In accordance with these principles, URBASER makes it an essential condition for 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. Controls have also been carried out to ensure compliance with human rights standards that

ensure the wellbeing of migrant workers in the services that the company provides in Oman and Bahrain.

Likewise, even in the countries where the company operates that have not signed any international ILO agreements, URBASER is committed to respect 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.







# Local communities

Focusing social projects on the needs and expectations of the local communities where the company operates, with the aim that our progress is shared by the cities and towns.

## CORPORATE CITIZENSHIP

URBASER is aware of the role it plays in contributing to the sustainable development of society in the countries in which it operates and in improving the quality of life of the people who live in its cities and towns. 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 performed by URBASER are carried out in line with the company's economic activities. URBASER has a **Corporate Citizenship Policy** that sets out all principles and behaviours listed in its Corporate 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 Corporate 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.

URBASER's Corporate Citizenship Programme is made up of the following areas of action:

- Environmental awareness and education actions
- Actions for the benefit of the communities
- Support for arts, culture and sports
- Corporate volunteering





## CORPORATE VOLUNTEER PROGRAM IN SPAIN

During 2019, the company started designing a volunteer programme for employees interested in this area which is aligned with commitments undertaken by URBASER and its areas of action.

This programme will be launched in 2020 in Spain, and will offer collaborations in the following areas:

-  Social inclusion through sport
-  Environmental awareness
-  Integration of people at risk of social exclusion into the labor market

## WORKING TO IMPROVE ENVIRONMENTAL EDUCATION

### URBASER CHAIR OF INNOVATIVE TECHNOLOGIES AT THE UNIVERSITY OF ZARAGOZA (Spain). 3RD EDITION

The chair aims to carry out research projects in different subjects related to URBASER's scope of action, especially those related to sustainability. The awards are aimed at end-of-year projects carried out during the course based on themes of recycling, recovery, treatment of waste and urban spaces or management of municipal waste and water, integrated into the circular economy.

## 1ST EDITION RECIRCULA CHALLENGE, BARCELONA (Spain)

In 2019 the company sponsored the 1st edition of the Recircula Challenge tournament, a project organized by the Polytechnic University of Catalonia (UPC) in which different university teams proposed creative solutions to real and urgent challenges in the circular economy and for achieving sustainable development.

In 2019 the different interdisciplinary teams of university students proposed circular economy solutions to the challenge "Plastic bags and film waste".



## RECYCLING IS EDUCATING, ELCHE (Spain)

The 'Recycling is educating' campaign is an initiative promoted by Urbaser and the Elche City Council to encourage recycling in the city among children, teaching them the importance of correctly separating waste.

In 2019, 130 talks were given to 8,200 schoolchildren in 26 schools in Elche.

URBASER employees explained the importance of recycling, through practical examples showing how to use the appropriate containers and how waste can be transformed to give it a second life. In addition, a mobile recycling point was used during the talks to show what type of waste can be placed in the ecopark.

## RECYCLING CAMPAIGNS IN SCHOOLS IN AQABA (Jordan)

In 2019, an environmental awareness project was carried out in 30 schools in Aqaba, an area where URBASER provides its services, whose students were given the challenge of designing a playing area in the school facilities using recycled materials from waste such as plastics, tires, cardboard, paper or wood.

At the end, an evaluation committee made up of the client, Aseza (Aqaba Special Economic Zone Authority) and URBASER selected 6 schools that had come up with most original designs and had made the best use of resources, in strategic areas set up within the school.

For two months, they were provided with recycling material extracted from URBASER's daily collection service, as well as other materials necessary for the activity. In each of the 6 finalist schools, a working group was created consisting of a tutor and a maximum of 10 students aged between 8 and 12 years of age. Each week, the URBASER team visited the schools to provide guidance to the working groups and support them in the execution of their projects. At the end of the project, an award ceremony was held where each school presented its project, playing area, rest area, gardens, etc. This initiative helped to reinforce the message about the importance of recycling and giving waste a second life.





RECICLA PROGRAMME IN ÑUÑO A,  
(Chile)

The ‘Ñuñoa Recicla’ campaign is an initiative carried out by the company Demarco, which belongs to URBASER, and the municipality of Ñuñoa, which aims to increase the environmental awareness of the population and provide the necessary tools for correctly separating the waste generated in the commune. Activities were carried out for schoolchildren, neighbourhood councils and buildings.

During 2019, 84 talks were given, with 2,038 participants, in 10 centres.

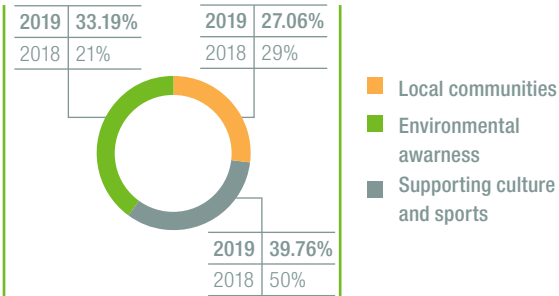
The activities were aimed to demonstrate the appropriate use of the waste containers for the correct separation and to show the state of the materials during the different stages of recycling. Also, seeds were handed out to the attendees to get them involved in caring for the environment.

€ 1.7 million

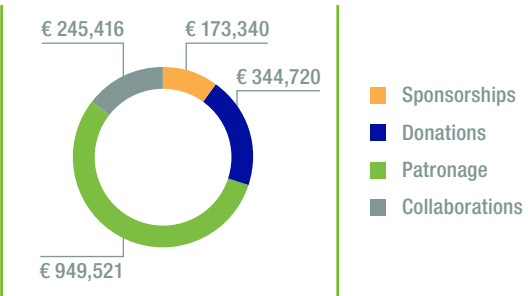
In 2019, URBASER allocated 1.7 million euros (in 2018, 1.5 million) to its corporate citizenship activities worldwide.



BREAKDOWN OF CONTRIBUTIONS MADE BY ACTION AREA  
in percentages (%)



CONTRIBUTIONS MADE IN 2019 BY ACTION TYPE <sup>4</sup>  
in euros (€)



<sup>4</sup> Donations made to foundations and non-profit organizations are understood to be included under “Donations”.







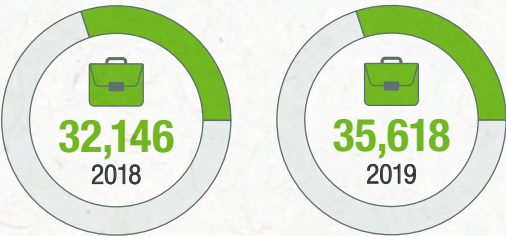
# Socio-economic impact

## OF URBASER IN THE COMMUNITIES

Within the framework of the **Corporate Social Responsibility Action Plan 2018-2023**, URBASER sets the goal of lining up 100% of the corporate citizenship contribution in accordance with the areas established in the Corporate Citizenship Policy, looking forward to generate an even more significant socio-economic impact in the communities where it operates:

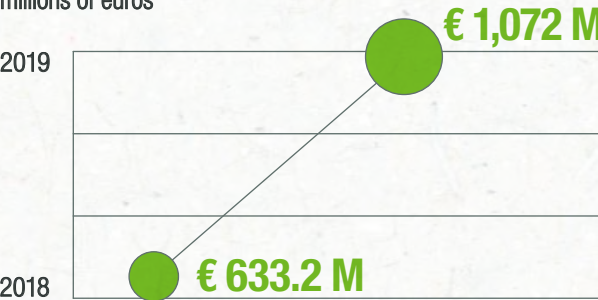
### Jobs globally

The activity of the Company is a clear engine of wealth and economic and social development: it creates stable, quality employment.



### Creation of local employment

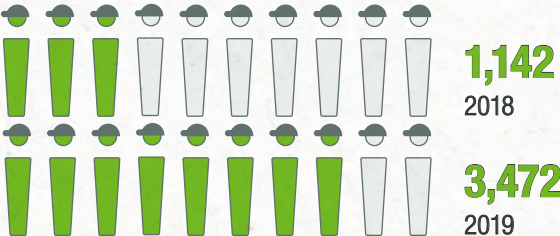
Volume of purchases from local suppliers in millions of euros



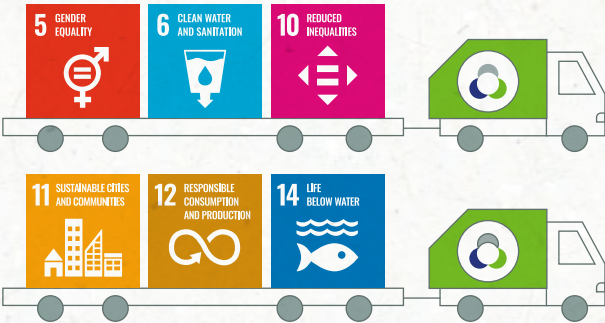
People who benefitted from corporate citizenship initiatives in 2019



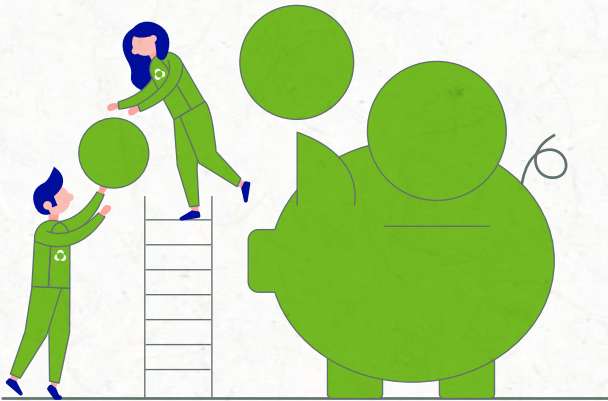
Number of new contracts



### Sustainable Development Goals (SDGs)



In 2019 we contributed **1.7** million euros in corporate citizenship activities



Improved pf community life conditions



Fluid communication between the communities and the company to resolve complainst and queries



Integration into the labour market of people at risk of social exclusion

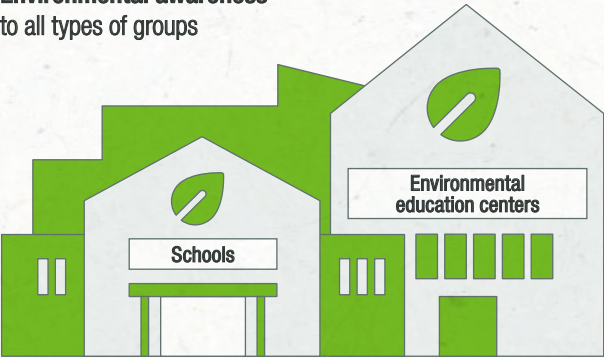


### Health promotion through sports

**€ 681,041** contributed to the promotion of culture and sports in 2019



Environmental awareness to all types of groups







INCREASINGLY SUSTAINABLE COMMUNITIES, THANKS TO SUSTAINABLE COLLABORATIONS



CIRCULAR HOTELS, MALLORCA (Spain)

Tirme, a company belonging to URBASER, launched in 2019 a pilot project together with the hotel and agricultural sector in Mallorca to promote the circular economy in waste management.

The goal of the project is to use the organic matter generated in tourist establishments to convert it into compost for its use in growing vegetables. The crops grown using this natural fertilizer will be sold for being used in the hotels. This reduces waste and ensures those companies involved are committed to the sustainability of the communities.



APORTEM, SOLIDARY PORT OF VALENCIA (Spain)

Sertego is committed to making **economic development, social progress and environmental protection compatible**. For this reason, it collaborates with Aportem, a non-profit entity that works with the Valencian port community to give support to vulnerable groups in the area.

In 2019 we collaborated in the following activities:

- Help with the assembly and transport of barriers for the 8 km and charity mile races, Nazareth and Pas-Ras.
- Management of the book collection campaign and transportation to a school in the area.
- Purchase management, search for and transfer of instruments for the music room of a school in the area.
- Transportation to the different destinations of the materials collected during the Christmas campaign and the school supplies campaign.



COLLABORATION BETWEEN THE ELISAVA FOUNDATION (BARCELONA SCHOOL OF DESIGN AND ENGINEERING) AND URBASER

Since 2009 URBASER has collaborated in Barcelona (Spain) with the Elisava Foundation which aims to **promote education, knowledge, research and to contribute to the social, cultural and economic progress of society**. Every year the company proposes a challenge to the final year students to find solutions that promote recycling and the circular economy. Specifically, in 2019 the students were set the goal of designing a system to improve recycling both from home and in neighbourhood communities and streets, so that, for example, certain waste can be monitored, and the deposited garbage can be identified. These projects are presented at the end of the course to an evaluation committee made up of, among others, URBASER personnel and some of the proposals presented have been carried out at the company's facilities in Barcelona.

SOCIAL COMMITMENT

URBASER, as a provider of environmental services to cities, is in direct contact with society, showing a firm commitment 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 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 the Presidency, Relations with the Cortes and Equality in Spain. 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 company and the benefits in terms of attracting talent for the company and the importance of participating in this network.

This year, URBASER once again demonstrated 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, Chiclana 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 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 is a member of the Board of the foundation “Fundacion Integra”, which has been working since 2001 to help people who are at greater risk of social exclusion, as well as people with disabilities, to insert themselves in the job 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 **hired 1,316 people who were at risk of social exclusion** (in 2018, 345 hires).



HIRING PEOPLE WITH INTELLECTUAL DISABILITIES IN THE CONSERVATION OF GREEN AREAS SERVICE FOR THE CITY OF VITORIA-GASTEIZ (Spain)

Since 2017, Enviser Servicios Medio Ambientales S.A., has managed the Conservation of Green Areas service for the City of Vitoria-Gasteiz. This involves carrying out the maintenance of lawns and bushes in green areas, the maintenance of green areas in schools, the comprehensive maintenance of eight large parks and the maintenance of the green areas of the Salvador cemetery.

In 2019, a one-year pilot project was launched with the collaboration of Gureak (a Basque business group) and Asafes (Alava Association of Relatives and People with Mental Illness) through the “**Supported Employment**” programme financed by Lambide (Basque Employment Service).

Prior to hiring these personnel, the following was organized in conjunction with Asafes; training for technicians and middle managers of the service, in order to learn about the challenges thrown up by the project. Two work teams of 10 people with intellectual disabilities were created. At the head of each of the teams is a gardening officer, responsible for the organization.

After a few months since the project started, the result is very positive, the teams are carrying out the assigned tasks in compliance with the quality standards set by the client and the personnel with intellectual disabilities are well integrated in the service workforce.



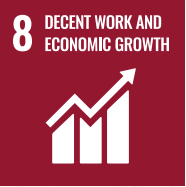


# Professional team at URBASER

Our workforce follow the principles of respect and equality in their day-to-day work to help build a more sustainable future for all.

The company is committed to stable and quality employment, training, professional development and respect for diversity, equal opportunities and non-discrimination and the promotion of a safe and healthy work environment.

URBASER employees are a strategic asset, contributing to the **creation of sustainable value** with their work and talent. Human resource management within URBASER 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.

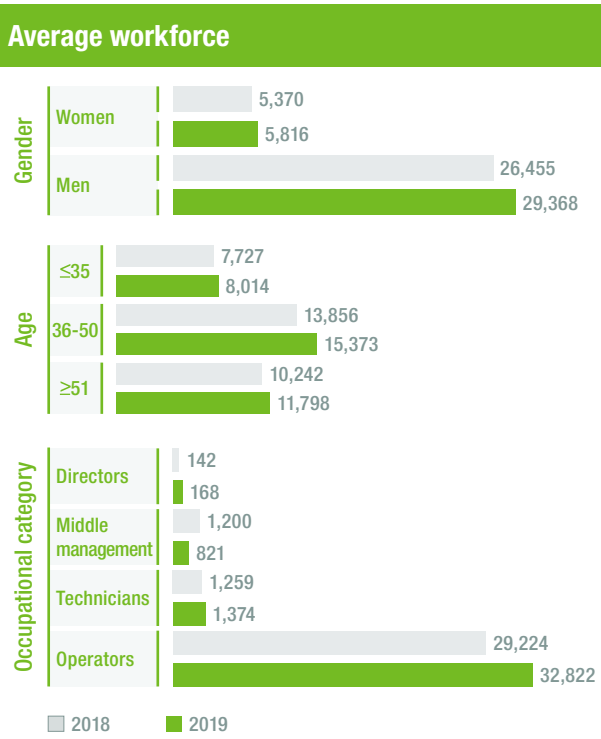


	10,183 employees are members of trade unions (2018 > 11,030 employees)
	35,618 professionals in the workforce of URBASER in 2019 (2018 > 32,146 employees)
	29,186 men
	6,432 women





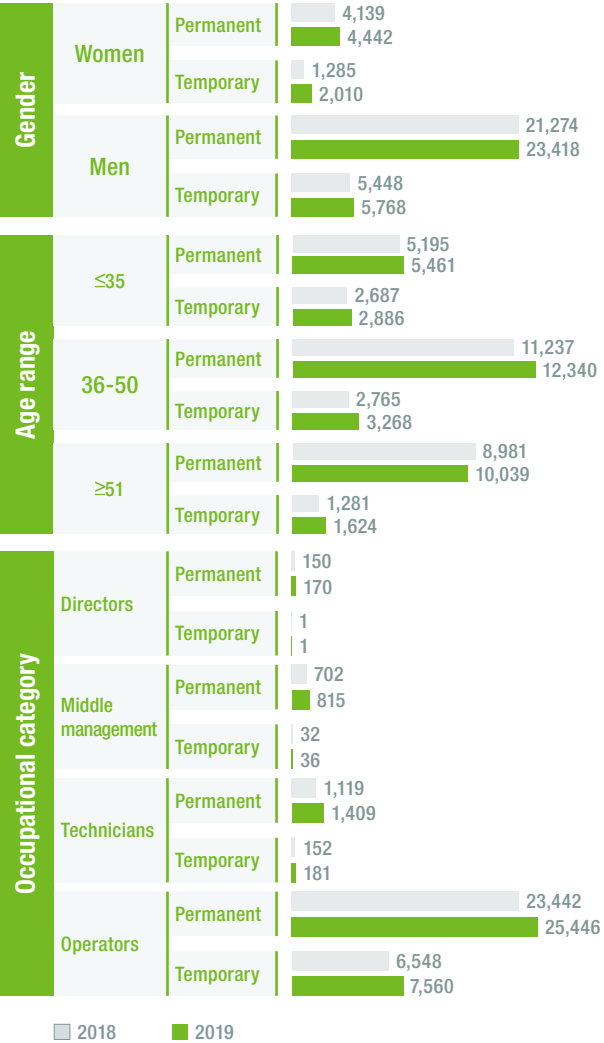
Evolution of the workforce by country of work		
(December 31)	2018	2019
SWEDEN	537	513
UNITED KINGDOM	653	1,008
OMAN	704	315
MEXICO	485	478
MOROCCO	444	406
JORDAN	341	341
ITALY	79	82
FRANCE	1,008	1,123
FINLAND	294	311
SPAIN	17,931	20,287
CHILE	4,996	5,147
BAHRAIN	1,244	1,335
ARGENTINA	3,424	3,394
NORWAY	-	303
DENMARK	-	498
VENEZUELA	-	77
TOTAL	32,146	35,618



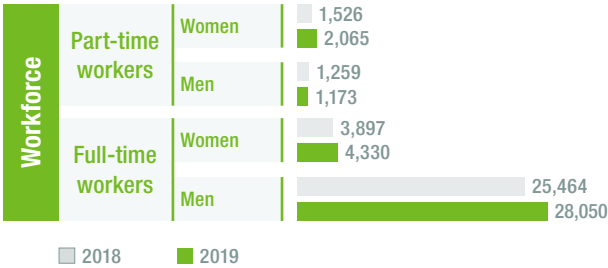
**84% of the workforce is covered by the collective agreements** (in 2018, 85%) applicable to the companies, firms and joint ventures belonging to the company and they have been agreed upon with the legal representation of the each location’s workers, always in accordance with the provisions of the fundamental agreements of the International Labour Organization. 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
SWEDEN	100%	100%
UNITED KINGDOM	0%	65%
OMAN	0%	0%
MEXICO	69%	61%
MOROCCO	89%	0%
JORDAN	0%	0%
ITALY	99%	100%
FRANCE	100%	100%
FINLAND	100%	100%
UNITED STATES	0%	0%
SPAIN	100%	99%
CHILE	72%	57%
BAHRAIN	0%	0%
ARGENTINA	89%	89%
NORWAY	-	100%
VENEZUELA	-	75%
DENMARK	-	100%
TOTAL	85%	84%

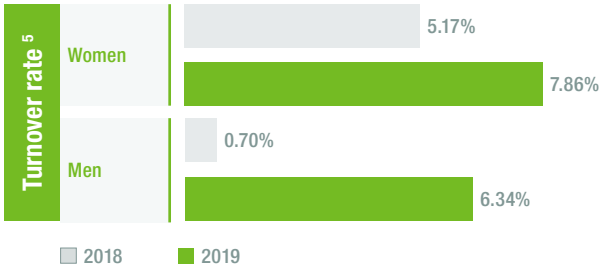
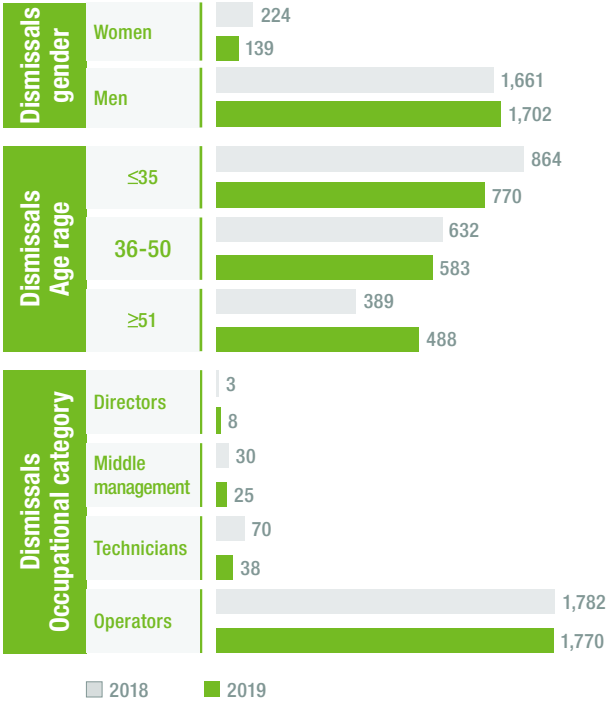
One of the company’s most valuable non-tangible assets is the value provided by the professionals it employs around the world. Because of this, the company is committed to providing stable and quality employment. The reported workforce figures are as of year-end.







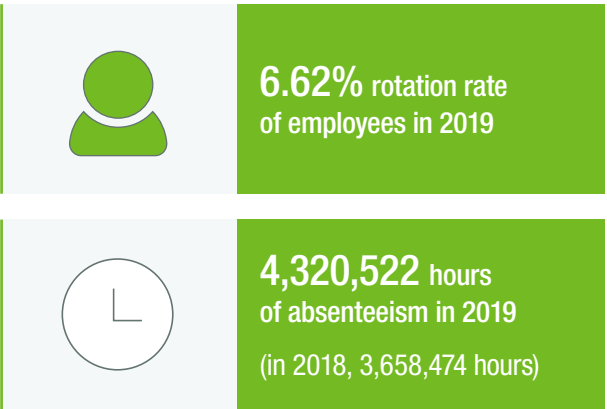
In recent years, there has been an evolution in the employment characteristics within the sector: its improvement, technification and professionalization thanks to progress in the quality of the employment regarding safety, health, training and pay. This has meant attracting a wider range of talent of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



<sup>5</sup> Employee turnover rates are calculated by dividing the number of employees who voluntarily left the company, by the total number of employees.



Turnover rate		
	2018	2019
SWEDEN	31.66%	14.23%
UNITED KINGDOM	23.89%	14.58%
OMAN	13.92%	19.36%
MEXICO	74.43%	56.06%
MOROCCO	0.68%	0%
JORDAN	46.63%	11.73%
ITALY	1.27%	6.07%
FRANCE	6.55%	1.69%
FINLAND	62.59%	24.43%
UNITED STATES	0%	0%
SPAIN	7.65%	5.15%
CHILE	32.19%	6.04%
BAHRAIN	16.24%	10.33%
ARGENTINA	7.97%	0.7%
NORWAY	-	1.98%
DENMARK	-	23.29%
VENEZUELA	-	37.66%
TOTAL	14.47%	6,62%



ABSENTEEISM

The activities developed by URBASER 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.**



HUMAN CAPITAL MANAGEMENT

For URBASER, 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.

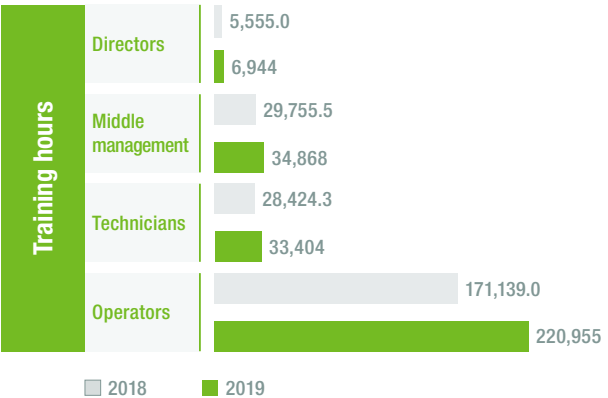
PROFESSIONAL DEVELOPMENT OF THE TEAM

For URBASER’s workforce, training and professional development is a key aspect of its improvements, motivation, efficiency, and the quality of 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 order to be addressed throughout the year. In the rest of the countries where URBASER operates, training plans are developed individually.

URBASER 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 **359,306 hours of training** (in 2018, 234,874 hours) were provided to over **21,222 employees** (in 2018, 18,751 employees) thanks to an **investment of 2,202,191 euros** (in 2018, 1,878,028 euros) made by the company.



EMPLOYEE SATISFACTION AND ENGAGEMENT

Workplace survey

Sustainable Mobility Plan

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.

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.



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.



Letter from the CEO

About this report

About URBASER

Business model

Risks and opportunities

Innovation

Ethics and corporate governance

SUSTAINABILITY REPORT 2019

COMMITMENT TO EQUAL OPPORTUNITIES AND DIVERSITY

URBASER promotes diversity among its employees as something that enriches the company. In the framework of its Corporate Equality and Diversity Policy, it rejects all forms of discrimination and is committed to guaranteeing and promoting diversity, inclusion and equal opportunities for all its workforce.

5 GENDER EQUALITY

10 REDUCED INEQUALITIES

The hiring of people of different nationalities, the efforts made to increase the presence of women in a sector traditionally dominated by male personnel, as well as the collaboration with different entities to incorporate people at risk of exclusion or with disabilities in the workforce, are proof of the commitment undertaken by the company in this matter.

In this regard, URBASER in Spain works on the areas established in its Equality Plan<sup>6</sup>. Equality measures are being implemented in the rest of the countries where the company operates, to ensure that equal opportunities and the promotion of greater diversity in the workforce are ensured throughout the whole company, creating safe work environments for all. To ensure this, it works closely with the workers’ representatives to establish commitments and objectives, which are reflected in the various Equality Plans.

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 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.

<sup>6</sup> The Equality Plans apply to the companies of Urbaser S.A.U, Socamex S.A., Sertego S.A., Enviser S.A., and Sirsa S.A.U.

88

Human rights

Local communities

Professional team at URBASER

Health and safety

Sustainable environmental management

Supply chain

GRI content index

Limited assurance report

Total average salaries (in euros)<sup>7</sup>

Category	2018			2019		
	Women	Men	Ratio	Women	Men	Ratio
Directors	96,855.66	126,864.51	0.76	89,608.17	129,747.98	0.69
Middle management	37,279.06	52,531.55	0.71	37,994.15	47,755.65	0.80
Technicians	28,632.90	34,495.96	0.83	26,506.12	28,548.15	0.93
Operators	17,437.10	19,047.89	0.92	18,579.39	19,164.44	0.97

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

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.

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.

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.

<sup>7</sup> Includes fixed and variable salary.

89



Letter from the CEO

About this report

About URBASER

Business model

Risks and opportunities

Innovation

Ethics and corporate governance

90

SUSTAINABILITY REPORT 2019



Urbaser S.A.U. is a signatory of the **Diversity Charter**, and therefore has publicly affirmed its commitment to the following basic principles of equality and non-discrimination:

- 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.



Human rights

Local communities

Professional team at URBASER

Health and safety


Sustainable environmental management

Supply chain


GRI content index

Limited assurance report


91




As a sign of the company's commitment to the Equal Opportunity Principles, in 2019 URBASER in Spain adhered to the **Code of Good Practices for Talent Management and Improving the Competitiveness of Companies**, 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.



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.  
  
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.



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.





URBASER is firmly committed to inclusion and diversity as key factors for competitiveness. The company’s workforce includes people from diverse cultural backgrounds and different generations, which provide each work team with different perspectives and favours the development of enriching ideas and solutions.

WORKFORCE BY NATIONALITY  
(number of employees)

	19,100	Spain
	4,823	Chile
	3,351	Argentina
	1,035	India
	1,006	France
	6,303	Others
	35,618	TOTAL

At URBASER, each person is valued because of their skills and experience, with a direct 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 hired **245 people with disabilities** (in 2018, 172), added to an already existing group of 748 team members with disabilities (in 2018, 455) and managed to hire **1,344 people at high risk of social exclusion** (in 2018, 345) thanks to the work of the Equality and Social Commitment Department, crea-



ted 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.


Since 2010, URBASER has its own 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. This demonstrates company’s commitment to safeguarding job creation for people with disabilities.




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 of “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.

At 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 protocol should be understood and available to anyone who works in the company and is therefore published internally. In addition, new hires receive the necessary training and full information on Equal Opportunities and Harassment as part of their Welcome Programme, during which they are provided with all the documents pertaining to the Equality Plan and the company’s harassment protocol.

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.

## WORK-LIFE BALANCE AND DISCONNECTING FROM WORK

URBASER 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.

**84%** 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, 85%)

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.







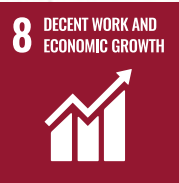
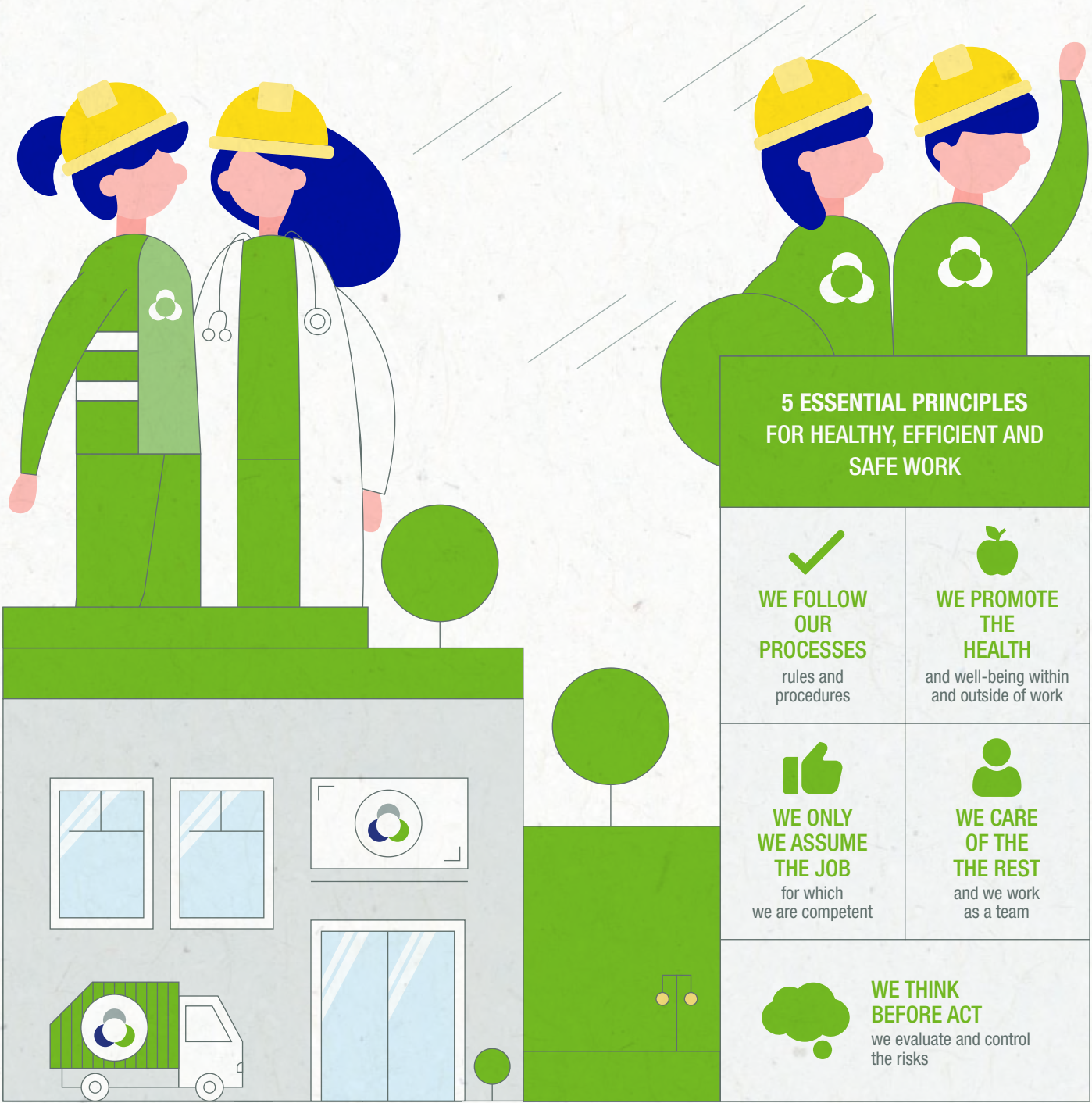
# Health and safety

Committed to providing a safe and healthy work environment, searching for continuous improvement in all areas of occupational risk prevention management.

URBASER considers occupational safety and health to be a priority objective and a fundamental value to be maintained at all times for the company’s workers. The goal of guaranteeing a safe and healthy work environment is embodied in the **Corporate Policy on Quality, Health and Safety, Environment and Energy**.

The company has always been 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.

The ISO 45001 standard, published in March 2018, is the first international standard that describes the basic requirements for implementing a Health and Safety System at work. During 2019, work was done to transition those centres and companies under the OHSAS 18001 standard to the new ISO 45001 standard. The centres of URBASER OY (Finland) and URBASER Ltd (United Kingdom) are the first to have this certification.



**2020 GOAL**  
To reinforce the commitment of the company to provide training for its employees, in 2020 the company will design an online training course on street cleaning and waste collection. The training course will focus on critical health and safety aspects during the performance of these services and will ensure that workers receive this training during the hiring phase so that they are aware, from the very start of the job, of the risks to which they may be exposed.



**2021 GOAL**  
That 100% of the subsidiaries companies that are certified under OSHAS 18001 will have made the transition to the ISO 45001 standard and maintain their certification.

Throughout 2019, **100% of the technicians of the Spanish Joint Prevention Service in Spain were trained in the ISO 45001 standard** on Occupational Health and Safety Management Systems, on both its implementation and auditing processes.



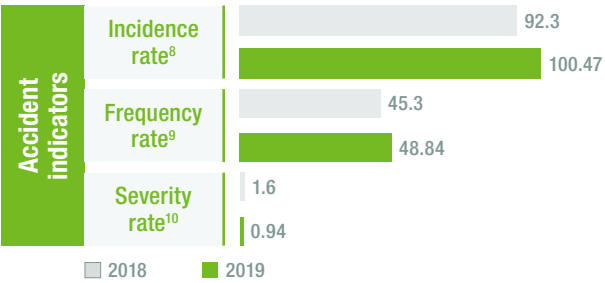


SAFETY AS A GUIDING PRINCIPLE

As part of its commitment to occupational safety, URBASER 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.

In terms of preventive actions, in 2019 more than **330 specific risk evaluations were carried out (in 2018, 900**

**evaluations)** on different facilities according to the plan, in the areas of ergonomics, psychosocial risks, chemical agents, heat stress, lighting, noise, vibrations, biological agents, etc.



<sup>8</sup> Incidence rate (No. of accidents that caused time off/No. of workers) \*1,000  
<sup>9</sup> Frequency rate (No. of accidents that caused time off/No. of hours worked) \*1,000,000  
<sup>10</sup> Severity rate (No. work days lost /No. of hours worked) \*1,000

ACCIDENT RECORDING AND REPORTING

Under the Health and Safety Management System, the ***Internal Procedure for investigating workplace accidents and incidents, or any related occupational illnesses***, regulates the system for recording and reporting accidents in Spain. It establishes the actions that must be carried out, the persons in charge of them, and the information that must be provided in the event of a workplace accident.

In addition, a report is created for each accident or occupational illness. This includes the general information, analyses the circumstances that caused it and describes the potential preventative or corrective measures necessary to prevent recurrence.

In 2019, tests were carried out for the implementation of a worldwide accident recording and reporting system. The system is expected to become operational in 2020.

In 2019, there were a total of 3,528 accidents (in 2018, 2,966) and no fatal accidents (in 2018, 7), as well as 17 cases of occupational illnesses (in 2018, 9). For all the fatal accidents, an internal memorandum was sent to the company’s Steering Committee, and all information and documentation 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.

2019 GOAL

Implementation of an accident recording and reporting system on a global scale.




A HEALTHY COMPANY

URBASER 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.

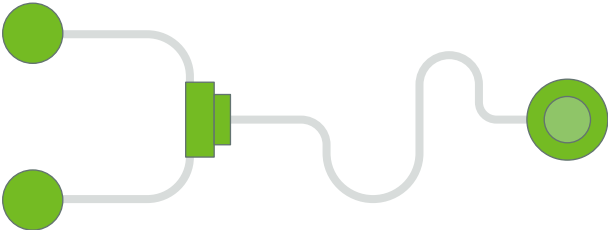
In October, on the occasion of World Breast Cancer Day, **a talk on breast cancer prevention** by the Spanish Cancer Association (AECC) took place at the corporate Headquarters in Madrid (Spain). Its aim was to raise awareness about cancer research and early diagnosis and the promotions of healthy lifestyle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



**23,023** workers  
officially represented  
on health and safety  
committees in 2019.  
(in 2018, 20,257 workers)

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 preventions 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.






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 IN FIGURES

	<p><b>64.66%</b> of employees are covered by OHSAS 18001/ ISO 45001. (in 2018, 57.6%)</p>
	<p><b>155</b> internal audits and <b>91</b> external audits carried out regarding health and safety. (in 2018, 166 internal and 97 external)</p>
	<p><b>7.94</b> million euros invested in health and safety training. (in 2018, 4.5 million euros)</p>
	<p><b>149,799</b> hours of health and safety training provided. (in 2018, 98,124 hours)</p>





# Sustainable environmental management

**Aiming for the highest level of environmental efficiency in all activities and raising awareness among employees about the importance of applying sustainability to their daily work.**

URBASER's business model is based on a culture of care and respect for the environment. Applying sustainability and innovation principles in all its processes, URBASER controls the consumption of natural resources, minimizing waste and pollution generation, and reducing its carbon footprint.

The company's **Corporate Quality, Health, Safety, Environment and Energy Policy** aims to ensure the highest quality in the provision of services and guarantee customer satisfaction through exemplary environmental behaviour, energy use and control of occupational risks.

At URBASER, we protect the environment and fight against climate change, aiming for the highest level of environmental efficiency in all our processes and projects, 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.

## 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, the environment and energy use. Likewise, URBASER has defined the responsibilities and tasks assigned to each company member regarding health, safety, environmental and energy use objectives established in the corresponding management systems.



2019 IN FIGURES

	<b>67.38% sales covered by ISO 14001 Certification or other environmental certification.</b> (in 2018, 63.1%)
	<b>237 centres internally audited in environmental management in 2019.</b> (in 2018, 199)
	<b>150 centres externally audited in environmental management in 2019.</b> (in 2018, 126)
	<b>8 internal audits related to the Energy Management System and 19 energy audits in compliance with Royal Decree 56/2016 in 2019.</b> (in 2018, 22 energy audits)
	<b>13 environmental complaints were received and duly resolved in 2019.</b> (in 2018, 8)

PROVISIONS AND INSURANCE AGAINST ENVIRONMENTAL RISKS

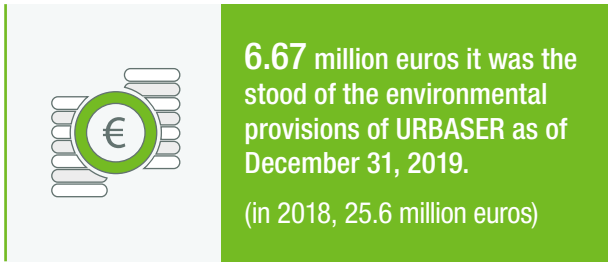
URBASER has contracted an international insurance programme, which is structured in two layers that allows it to cover any possible environmental liability. This insurance programme is covered under Law 11/2014 (26/2007), the European Union's Directive 2004/35/CE on environmental responsibility, and/or 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<sup>11</sup>.

The programme covers any activity carried out by URBASER subsidiaries companies 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.



<sup>11</sup> Except for countries sanctioned by the OFAC (U.S. Office of Foreign Assets. Control).



## 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 is working to maximize the different available sources of renewable energy and to obtain materials that can be recycled.

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.

### HARNESSING ENERGY FROM WASTE

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 reco-



vered as energy. As a result of the biodegradable material contained in the waste, 50% of this generated energy is of renewable origin.

**Biomasa:** heat is generated from biomass waste.

The different energy recovery processes available enable URBASER to generate electricity and heat, both for self-consumption and for export.

Most of the energy generated by URBASER 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 to generate electricity during

its processes. Out of the electricity generated, of which 67% came from renewable sources, **18% was used for self-consumption and the remaining 82% was exported** (just as in 2018).

During 2019, the company managed to **reduce its energy consumption by 1,711.53 MWh thanks to efficient energy management** (in 2018, 41.39 MWh), which consisted in gradually replacing standard lights with LED technology and process equipment with high efficiency equipment, installing regulating and automation systems, changes and improvements in processes, as well as the installation of thermal insulation at critical points in the facilities.

Energy consumption Gigawatts per hour (GWh)		
	2018	2019
Direct consumption (fuels, self-consumed electricity and self-consumed heat)	1,287.84	1,462.66
Of which comes from renewable sources	-	278.14
Indirect consumption (mains electricity)	240.35	253.65
Of which comes from renewable sources	-	144.39

### EMISSIONS AND CARBON FOOTPRINT

The circular waste management process covers from the collection design phase to the treatment and disposal processes. Since GHG emissions are produced in each process, **URBASER 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<sup>12</sup> emissions.

<sup>12</sup> Greenhouse gases

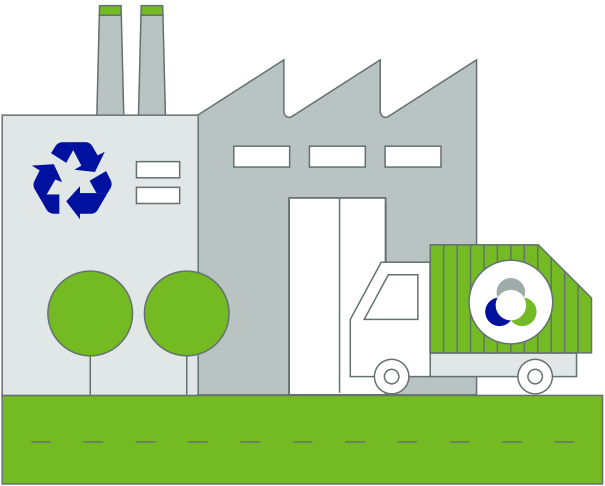




URBASER carries out waste treatment under contract with local authorities, so the company cannot decide whether or not the final destination of the waste is the landfill. However, the company’s continuous optimization of processes enables, on the one hand, better levels of material recovery and, in the case of landfills, improvements in methane uptake, contribute 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, both human and material resources are subjected to thorough preventive maintenance, and telemetry technology is used to optimize their routes and promote efficient driving practices.

As a climate change measure, the company is gradually renewing its vehicle fleet, adapting to the new paradigm faced by cities in their fight against climate change. Currently, URBASER has 864 low-emission vehicles in its fleet, as well as 469 zero-emission vehicles and has the largest private NGV refuelling centre in the country (in 2018, 737 and 434 respectively).

In 2019, the company signed an agreement with Toyota and Enagás to install a pioneering hydrogen refuelling facility for fuel cell vehicles, in Madrid (Spain), which will act as a pilot test and will be used by the companies participating in the project, in line with URBASER’s commitment to sustainable mobility and the search for clean energy sources.



URBASER’S GLOBAL CARBON FOOTPRINT 2019 (SCOPES 1, 2 AND 3)

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

URBASER is working on new initiatives that favour conservation and efficiency, meant to progressively reduce emissions on a yearly basis. Thanks to these measures, **the company has reduced its energy intensity by 9%** compared to 2016 (in 2018, 7%), achieving in 2019: 0.803 GWh/million euros of turnover (in 2018, 0.825 GWh/million euros of turnover).

9% of reduction in energy intensity.

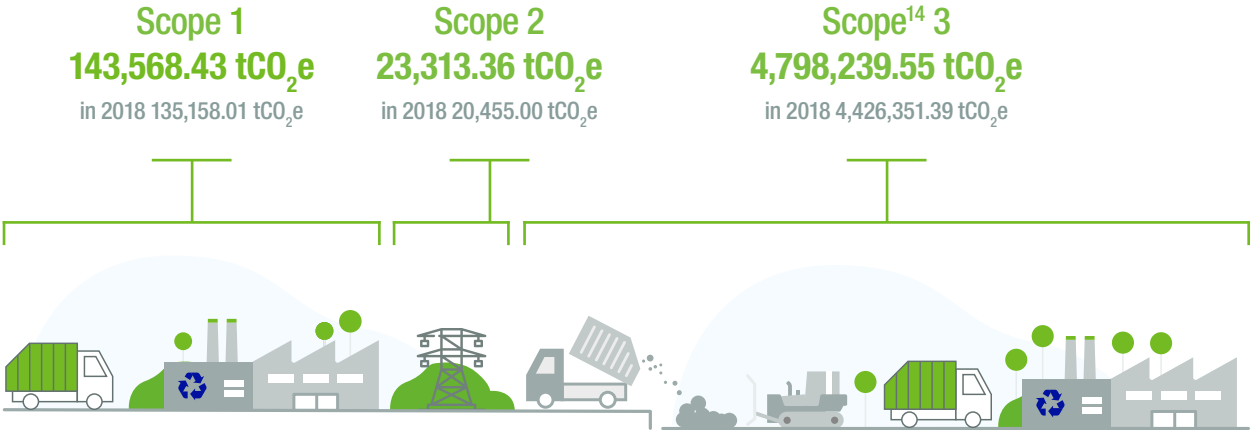
URBASER’s improved energy intensity, added to its firm commitment to the consumption of renewable energy (self-consumption of electricity and heat, purchase of biomass and biofuels and of use of mains electricity with a Guarantee of Origin), along with its participation in Clima projects, translated into a reduction of its emissions of 183,966.91 tCO<sub>2</sub>e.

In addition, the generation of energy from renewable sources, the recovery of materials and fuels and the recovery of compost **avoided the emission of 1,860,522.29 tCO<sub>2</sub>e**

**into the atmosphere in 2019** (in 2018, 1,481,280.16 tCO<sub>2</sub>e), which represents a **49%** increase compared to avoided emissions<sup>13</sup> in 2016 (in 2018, 18%).

2022 GOAL  
A 5% reduction in the intensity of the scope 1 and scope 2 emissions (understood as tCO<sub>2</sub>e/ thousand euros of turnover).

Huella de carbono global de URBASER 2019



<sup>13</sup> In 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, which produce the equivalent amount of energy, fuel or raw materials.

<sup>14</sup> 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.



URBASER's emission reduction strategy set a 5% reduction target for 2022 in its scope 1 and 2 emissions intensity. In 2019, thanks to the various actions mentioned above, a 4.4% reduction of this indicator was achieved with respect to the base year, for a total of 0.0708 tCO<sub>2</sub>e/thousand euros of turnover. If this trend continues, URBASER is on track to achieve its goal on time.



### 100% OF THE ENERGY USED BY TIRME IS RENEWABLE

Tirme, a URBASER's company and concessionaire of the municipal waste treatment service in Mallorca, signed an agreement in 2019 with Naturgy that guarantees the “green” origin of all its electricity consumption. Moving forward in its commitment to the circular economy that contributes to the protection of the environment and provides added value to a model of sustainable growth. The use of green energy in the waste treatment system, with the consequent drastic reduction of the carbon footprint, constitutes an example of a circular economy that promotes efficiency and the responsible use of natural resources.

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.



Other significant emissions Tonnes (t)		
	2018	2019
NO <sub>x</sub>	1,581.11	1,279.17
SO <sub>x</sub>	306.82	186.58
Particles	82.84	80.91
Other gases	1,456.22	1,386.24

### “CLIMA” PROJECTS

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-CO<sub>2</sub>). They were created to act as a pathway to transform the Spanish economic system into a low-carbon model.

Urbaser S.A.U presented 6 different projects (based in Caudete, Elche, Palencia, Zaragoza, Madrid, and Lanzarote) to the 2017 Clima Projects Bidding process. An additional project was submitted to the 2018 bidding process (Marchena). All submitted projects were granted approval. Additionally, in 2016 Resurja S.A. also took part as an executor for two spearheaded projects (Linares and Jaen).

After the close of 2019, Urbaser S.A.U aims to deliver approximately 76,000 tCO<sub>2</sub>e verified emission reductions

(VERs) to the FES-CO<sub>2</sub> fund, corresponding to the landfills in Zaragoza, Madrid, Elche, Los Barrios, Lanzarote, Linares and Jaén (in 2018, 47,195 tCO<sub>2</sub>e).

For URBASER, the ten facilities 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.

### NOISE AND LIGHT POLLUTION

At URBASER, we have an Environmental Management System at our disposal, certified under UNE-EN ISO 14001 standards, with which we guarantee that the **levels of the legislation in force regarding noise and light pollution are not exceeded** and which helps prevent and improve the environmental impact, risks, and opportunity management strategies used by the company.

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 the-





se 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.

## WATER CONSUMPTION IN OUR ACTIVITIES

Because of the nature of its economic activities, the work per- formed by URBASER 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 by URBASER, 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.



Reused water Cubic meters (m³)	
2018	332,054.08
2019	297,046.72

	2018	2019
Total water consumption Cubic meters (m³)	5,579,486.61	6,813,035.81
Ground or well water	1,056,304.91	1,579,432.10
Water from public grid	3,764,704.91	4,492,202.77
Rainwater	176,104.24	139,987.40

## RAW MATERIAL CONSUMPTION

At URBASER 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	3,328.95	3,255.12	t
Wire	1,657.89	1,969.06	t
Lubricants	1,764.60	1,818.73	t
Tyres	1,247.87	1,685.67	t
Bin bags	32.72	32.55	Millions

	2018	2019
Hazardous waste generated by our activity by type of management Tonnes (t)	21,517.18	25,487.31
Eliminated	2,661.98	2,870.72
Recovered	17,684.83	20,453.29
Sludge	1,170.37	2,163.30

## WASTE GENERATED

As any other industrial enterprise, the activities performed by URBASER 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 25,487.32 tonnes of hazardous waste and 10,370.90 tonnes of non-hazardous waste (in 2018, 21,517.18 and 10,246.96 respectively). Both were derived from the company's own industrial activities. In 2019, it managed to recover 80% of the hazardous waste we generated (in 2018, 82%).

Leakage control is carried out on the company's activities, with special attention paid to the control of leachates from



managed waste as well as the leakage of volatile compounds that could take place in the facilities.

URBASER minimizes the amount of waste generated in all its activities, both for treatment and for other environmental services. We prioritize re-using, recycling and energy recovery when managing our own waste. When this is not possible, the waste is delivered to an authorized waste manager so to be treated in the most optimal way.

WATER BODIES SIGNIFICANTLY AFFECTED BY COLLECTION OR DISCHARGE

URBASER needs to collect and discharge water in order to carry out some of its activities: i) treatment of waste in plants; ii) supply of drinking water through Wastewater Treatment Plants (WWTP), in Sea water Desalination Facilities; iii) execution of works. Therefore, the company and the environmental authorities have established **prevention measures** to minimize any possible affects to species found in aquatic ecosystems, such as respect for the environmental flow system and the technical requirements established by the authorities.

Waste disposal water Cubic meters (m³)	2018	2019
	1,213,579.2	1,312,793.12
Wastewater generated during normal operations	501,097.48	485,796.33
Water contained inside eliminated waste	712,481.76	826,996.79

MEASURES TO PROTECT AND RESTORE BIODIVERSITY IN PROTECTED AREAS

For URBASER, 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 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 provides its services in **22 protected spaces** (2018 in 17), 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 to the execution of small water treatment works. 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.



RENATURATION OF URBASER’S WORK CENTRE IN BARCELONA (Spain)

URBASER was selected among a hundred companies and individuals to create a green rooftop built at its offices. It will be one of the ten roofs being built in Barcelona as a result of the city council’s commitment to achieving a more sustainable city.

The project designed by the technical department of URBASER has transformed an industrial space, the roof of URBASER’s work centre in Barcelona, into

a **naturalized area to create a small ecosystem**—demonstrating that any type of construction can be adapted with innovative construction systems and with the minimum of non-sustainable materials—which will grow in the future to neighbouring buildings and expand, connecting green areas and thus creating genuine green infrastructures and transforming Barcelona into a biophilic city.

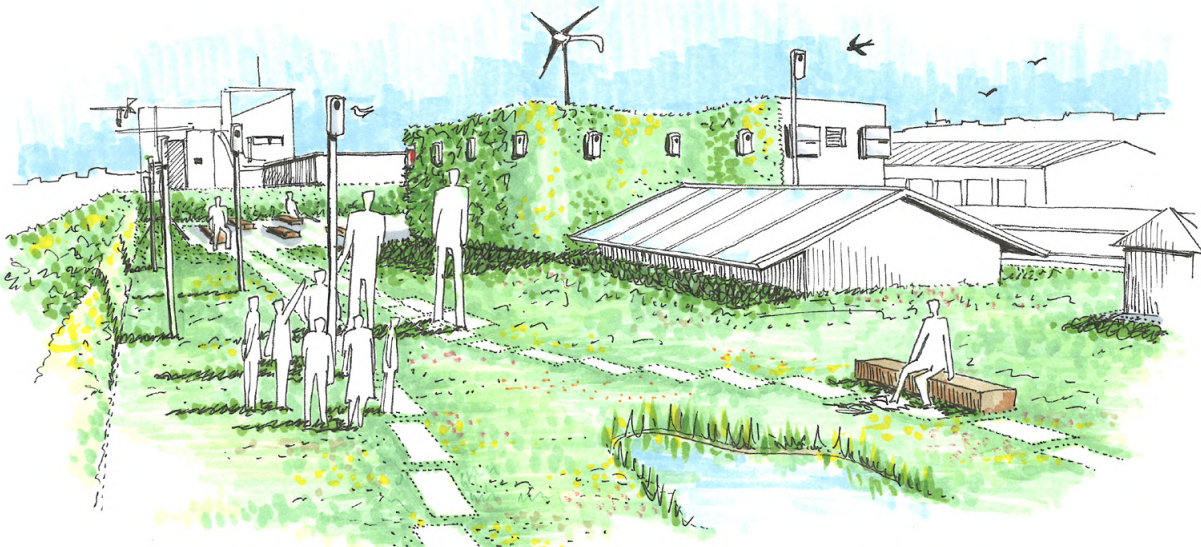
It will be an extensive green roof, which means that it has a thin plant covering with very little soil, and with a high-capacity of self-regenerating plant system requiring low water consumption and maintenance.





The proposal includes a large number of **native plants, nest boxes for birds and bats, insects, insect hotels and amphibians in a small pond, all under strict biological control.** It will also include a remote-managed irrigation system linked to meteorological and air quality control sensors to assess the evolution of the ecosystem in this urban environment, as well as 3 renewable energy installations made up of solar panels, providing up to 6.8 kW/h at their peak for self-consumption.

The outdoor ecosystem has also been connected with the interior of the building with a green wall to inspire biophilia in the office workers and also to measure the quality of the purified air that the green wall provides inside the building. This will prevent sick building syndrome and reduce the stress levels of workers to create a healthy work environment.



The green area will cover 403 m<sup>2</sup>, which will have **benefits for the building in terms of energy savings.** As well as environmental and social benefits for workers and the surrounding area.

Moreover, an agreement has been established with the Catalan Ornithological Institute (ICO) and with Nius.cat to monitor the birds that visit the green roof through the URBASER technical gardening department and to report this information ICO to assess the condition of the birds in this anthropic environment that is Barcelona. The management of the fauna associated with the pond will be carried out by Galanthus, always in conjunction with our technical department, which is a company dedicated to studying and raising awareness about the environment.

This project is evidence of URBASER's commitment to the protection of biodiversity and the creation of sustainable cities.



**PROYECTO DE PROTECCIÓN DEL CÓNDOR ANDINO, (Chile)**

KDM, a company belonging to URBASER, as part of its commitment to protecting biodiversity in Loma Los Colorados, where it operates, has been carrying out an Andean Condor conservation project in the commune of Til-Til since 2006 (a species declared a natural monument in Chile).

A profile of the condor population living in the area of influence of the operations was conducted, studying the relationship of these birds with landfills, in order to mitigate possible impacts, all in collaboration with an expert advisor.

As a result of this collaboration, several scientific and popular science articles about this species have been published.







# Supply chain

Ethical principles govern our relationships with suppliers, with the aim of achieving efficient and sustainable collaborations.

URBASER 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 purchased supplies and out-sourced services from a total of 13,324 suppliers, for a total purchased amount of 1.17 billion euros (in 2018, 23,021 suppliers and a purchased amount of 823,713,815 euros).



### 2019 GOAL

Communicate the Supplier Code of Ethics to the company's suppliers globally and to publish the Corporate Purchasing Policy.



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.



### 2020 GOAL

- Complete the implementation of the supplier management portal in Spain, which will provide support to supply chain management, including the supplier approval process.
- Define and communicate the new procedure for the selection, approval and evaluation of suppliers worldwide; which will involve a complete analysis of the supplier in order to minimize risks.



### 2021 GOAL

Define an audit procedure for suppliers, and begin the first audits based on the criteria defined in the procedure.

URBASER's purchasing strategy favours the proximity factor, provided that technical and financial solvency and all the requirements set out in URBASER's policies are guaranteed. During 2019, the percentage of all **purchases associated to local suppliers was 95.91%** (in 2018, 71%).

## PRINTING SYSTEMS

(Spain)

In terms of suppliers, URBASER is committed to establishing **sustainable purchasing criteria** in its purchases, 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 Spain 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 made of recycled material.

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



SUSTAINABILITY REPORT 2019

Letter from the CEO

About this report

About URBASER

Business model

Risks and opportunities

Innovation

Ethics and corporate governance



120

GRI CONTENT INDEX			
GRI standard	Contents	Material indicator	Section/subsection of the report
	GRI 102: General Disclosures 2016		
	1. Organizational profile		
GRI 102-1	Name of the organization		2. About URBASER
GRI 102-2	Activities, brands, products and services		3. Our business model
GRI 102-3	Location of headquarters		Queries and additional information
GRI 102-4	Location of operations		2. About URBASER
GRI102-5	Ownership and legal form		1. About this report
GRI102-6	Markets served		2. About URBASER
GRI102-7	Scale of the organization		2. About URBASER
GRI102-8	Information on employees and other workers		9. Professional team at URBASER
GRI102-9	Supply chain		12. Supply chain
GRI102-10	Significant changes to the organization and its supply chain		3. Business model 12.. Supply chain
GRI102-11	Precautionary Principle or approach		4.3. Operating risks 4.4. Legal compliance risks 4.5. Reputational risks 4.6. Other risks 11.2. Provisions and insurance against environmental risks
GRI102-12	External initiatives		1.2. Materiality and stakeholder engagement 8.1. Corporate citizenship 9.2. Commitment to equal opportunities and diversity
GRI102-13	Membership of associations		9.2. Commitment to equal opportunities and diversity 3.2. Municipal waste treatment 9.2. Commitment to equal opportunities and diversity

GRI standard	Contents	Material indicator	Section/subsection of the report
2. Strategy			
GRI102-14	Statement from senior decision-maker		Letter from the CEO
GRI102-15	Key impacts, risks, and opportunities		4. Risks and opportunities
3. Business ethics			
GRI 103	Management approach	YES	6. Ethics and corporate governance
GRI102-16	Values, principles, standards, and norms of behaviour	YES	6.2. Code of Conduct 6.5. URBASER Corporate Policies 6.6. Fight against corruption, bribery and money laundering
GRI102-17	Mechanisms for advice and concerns about ethics.	YES	6.2. Code of Conduct 6.3. Internal Communication and Complaints-Channel
4. Governance			
GRI102-18	Governance structure		6.1. Corporate governance
GRI102-19	Delegating authority		6.1. Corporate governance
5. Stakeholder participation			
GRI102-40	List of stakeholder groups		1.2. Materiality and relationships with stakeholders
GRI102-41	Collective bargaining agreements		9. Professional team at URBASER 10.2. Collective bargaining agreements regarding health and safety
GRI102-42	Identifying and selecting stakeholders		1.2. Materiality and stakeholder engagement
GRI102-43	Approach to stakeholder engagement		1.2. Materiality and stakeholder engagement
GRI102-44	Key topics and concerns raised		1.2. Materiality and stakeholder engagement
6. Reporting practice			
GRI102-45	Entities included in the consolidated financial statements		1.1. Scope of the information
GRI102-46	Defining report content and topic boundaries		Contents 1. About this report



GRI standard	Contents	Material indicator	Section/subsection of the report
6. Reporting practice			
GRI102-47	List of material topics		1.2. Materiality and stakeholder engagement
GRI102-48	Restatements of information		-
GRI102-49	Changes in reporting		-
GRI102-50	Reporting period		1. About this report
GRI102-51	Date of most recent report		1. About this report
GRI102-52	Reporting cycle		1. About this report
GRI102-53	Contact point for questions about the report		Queries and additional information
GRI102-54	Claims of reporting in accordance with the GRI Standards		1. About this report
GRI102-55	GRI content index		13. GRI content index
GRI102-56	External assurance		Assurance report
Economic dimension			
Business continuity plans			
GRI 103	Management approach	YES	3. Business Model
GRI 102-10	Significant changes to the organization and its supply chain.	YES	3. Business Model 12. Supply chain
Diversification of markets and services			
GRI 103	Management approach	YES	3. Business model
GRI 102 -6	Markets served	YES	2. About URBASER
Senior Management engagement in sustainability management			
GRI103	Management approach	YES	6.1. Corporate governance
Promotion of innovation			
GRI103	Management approach	YES	5. Innovation
Risk management			
GRI 103	Management approach	YES	3.1. Risks inherent to the company’s activities 4.2. Risk management systems



Business model

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Risks and opportunities

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Innovation

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Ethics and corporate governance







Human rights
Local communities
Professional team at URBASER
Health and safety
Sustainable environmental management
Supply chain
GRI content index







LIMITED ASSURANCE REPORT 2019



- Analysis of the Group's CSR indicators adaptation to the requirements established by the GRI Standards for the preparation of sustainability reports.
- Verification, through random sampling tests revisions and analytical and substantive tests, on the information used to determine Group's CSR indicators. We have also verified whether they have been appropriately compiled from the data provided by Company's sources of information.
- Obtainment of a management representation letter from the parent Company.

Our Independence and Quality Control

We have fulfilled our work in accordance with the independence requirements and other ethical requirements of the Code of Ethics for Professional Accountants of the International Ethics Standards Board for Accountants (IESBA), which are based on basic principles of integrity, objectivity, professional competence and diligence, confidentiality and professional conduct.

Our firm applies the International Standard on Quality Control 1 (ISQC 1) and thus employs an exhaustive quality control system which includes documented policies and procedures on the compliance of ethical requirements, professional standards, statutory laws and applicable regulations.

Limited assurance conclusion

As a result of the procedures carried out and the evidence obtained, no matters have come to our attention which may lead us to believe that CSR indicators of URBASER S.A.U. and its subsidiaries, for the financial year ending 31<sup>st</sup> December 2019, contain significant errors or have not been prepared, in all of their significant matters, in accordance with the GRI Standards.

Use and Distribution

Our report is only issued to the Management of Urbaser, in accordance with the terms and conditions of our engagement letter. We do not assume any liability to third parties other than Urbaser's Management.

PricewaterhouseCoopers Auditores S.L.

Original in Spanish signed by Pablo Bascones

April 14th, 2020



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# 2019



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