

ABENGOA



Corporate Social Responsibility Report 2007



Innovative Solutions for Sustainability



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The year 2007 was characterized by the debate on sustainability and climate change. More than 3,000 scientists, from almost a hundred countries, on the UN Intergovernmental Panel on Climate Change (IPCC) concluded that global warming is unequivocal and caused by greenhouse gas emissions of anthropogenic origin.

Our existing energy model, based on fossil energy, is showing clear signs of exhaustion. For this reason, one of the most important challenges in the coming years will be to progress towards a model based on non-contaminating renewable energy sources with a guaranteed supply.

At Abengoa, we dedicate many resources to innovation in the area of renewable energy sources that may serve as an alternative to petroleum derivatives. In 2007 we inaugurated the world's first tower thermal solar plant, which will produce electricity in a stable manner for commercial use. And, in addition, we opened a pilot plant for bioethanol (a gasoline substitute) production from lignocellulosic biomass. This is a raw material that offers significant environmental advantages, as it allows the utilization of materials that are normally disposed of in the production of biofuels.

In order to fight climate change in an effective way, we believe that we must adopt a new economic paradigm in which the prices of goods and services include not only their manufacturing cost, but their environmental cost as well. Therefore, at Abengoa, we have undertaken initiatives to quantify our greenhouse gas emissions, know the traceability of our supplies and certify all of our products and services.

At the close of the year 2007, there were 20,000 of us working together at Abengoa. We are present in over 70 countries on five continents. The diversity of our people enriches us and allows us to understand, appreciate and integrate their differences into the culture of our company. Abengoa could not exist without the talent and passion of each and every one of the people who make up our organization.

Furthermore, our obligation to society is manifested in numerous ways through the Focus-Abengoa Foundation, which, since its creation in 1982, constitutes the instrument for managing our social initiatives. Through the Foundation we address the economic, social and cultural diversity of the countries where we conduct our activities, promoting social action policies that contribute to social and human progress. In 2007, Abengoa allocated more than 7.2 M€ to activities in social responsibility in the areas of assistance, education, culture, science, and technological development.

Through this document, created with rigor and transparency, in accordance with the G3 principles of the Global Reporting Initiative, we wish for all of our stakeholders and the rest of society to know about Abengoa's activity in 2007: our triumphs and our failures, as well as the challenges and goals we have set for ourselves in 2008. Through our website (www.abengoa.com), we are open to any ideas or opinions that may help us to meet our objectives of commitment to sustainability.

Felipe Benjumea Llorente

Profile of Abengoa

Abengoa is a technology company that applies innovative solutions for sustainability in the infrastructure, environment and energy sectors, adding long-term value for its stockholders through the encouragement of entrepreneurship, social responsibility, as well as transparency and efficiency in management.

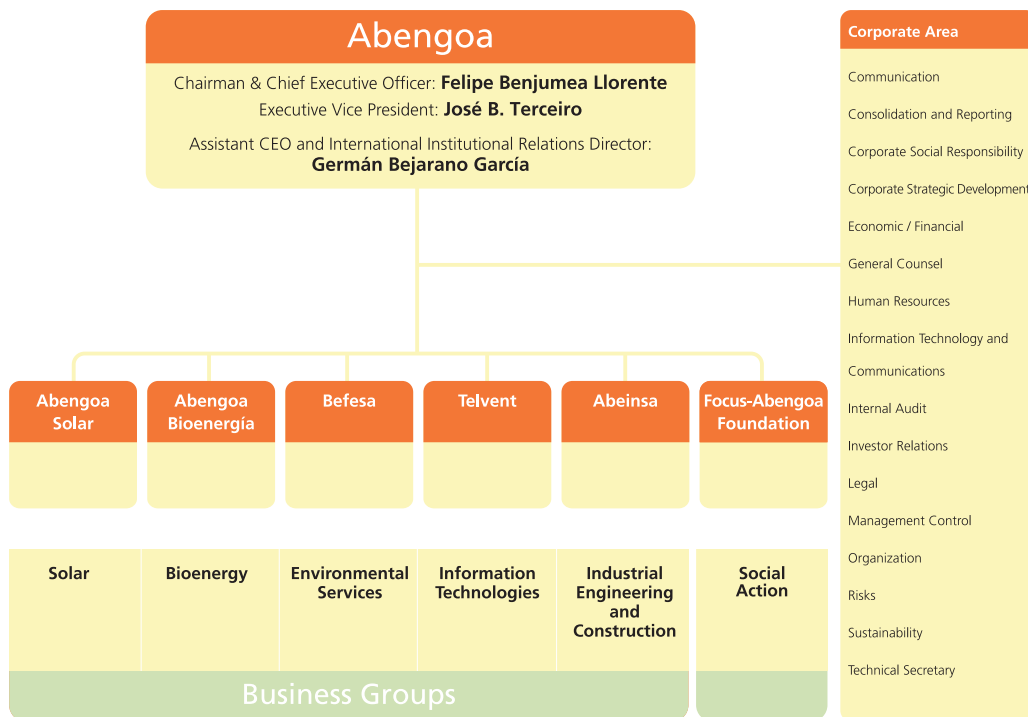
Abengoa focuses its growth on the creation of new technologies that contribute to sustainability:

- Generating energy from renewable resources.
- Recycling industrial waste, and generating and managing water.
- Creating environmental-friendly infrastructures that eliminate emissions.
- Developing information systems that aid in managing existing infrastructures more efficiently.
- Promoting new avenues for development and innovation.

And to achieve this, Abengoa:

- Invests in research, development and innovation (R&D&I).
- Expands those technologies with the greatest potential.
- Develops the necessary talent by attracting and retaining the best people.
- Dedicates human and economic resources to promoting social action policies that contribute to human and social progress through the Focus-Abengoa Foundation.

Abengoa has its headquarters in Seville (Spain) and is present, through its subsidiaries, holding companies, facilities and offices, in over 70 countries around the world. It operates through its five business units: Solar, Bioenergy, Environmental Services, Information Technologies and Industrial Engineering and Construction.



Solar

Abengoa's Solar business unit develops and applies technologies for energy production using the sun as the primary source, with the aim of halting climate change and ensuring sustainability.

Abengoa is committed to the creation of new businesses that help to combat climate change and contribute to sustainable development. Within this context, solar energy has the potential to resolve, at least partially, society's need for new clean and efficient energy sources.

Abengoa currently holds a privileged position in the field of capturing solar energy, as, following over 20 years of investment and development in projects, it has learned how to make the two technologies for electricity generation from solar energy, thermal and photovoltaic, compatible, which has led to in-depth experience in energy capture techniques.

The parent company of this business unit is Abengoa Solar, which focuses its growth on two complementary activities:

- Plant construction and operation: with the knowledge and technology in thermoelectric solar plants (tower and parabolic trough), as well as photovoltaic solar plants, both with and without concentration.
- Research and development of new technologies (R&D&I): participating in new, innovative projects, committed to solar technology and investing in R&D projects geared towards the continuous cost reduction and efficiency improvement forecasted for plants and facilities in their strategic plan.

The Solar business unit is comprised of the following:

- Abengoa Solar Spain, developing, building and operating thermoelectric solar plants in Spain.
- Abengoa Solar PV, developing, building and operating photovoltaic solar plants in Spain.
- Abengoa Solar New Technologies, focusing its activities on research and development of solar technologies.
- Abengoa Solar Inc., its company in the United States, focused on activities for thermosolar power plants and industrial facilities.
- Abengoa Solar, concentrating resources dedicated to the development of new businesses.

Activities and projects

Abengoa Solar, international leaders in solar energy power plants, has as its key project for the coming years the construction and operation in Sanlúcar la Mayor (Seville) of what will be Europe's largest solar platform. Work on the platform will be completed in 2013 and, thanks to its 300-megawatt capacity, it will provide clean electricity to 153,000 homes and eliminate 185,000 tons of CO₂ per year, for a total of four million tons over the course of its useful life.

The project, with an investment of 1,200 M€, will take up an area of approximately one thousand hectares and will create jobs for 300 people.

Abengoa Solar is also developing international projects, with the following being prominent among them:

- In Hassi-R'mel, Algeria, the world's first hybrid combined-cycle solar plant is under construction. It will have a power output capacity of 150 MW, 20 of which come from a parabolic trough field with thermal oil. The plant will have an expanse of approximately 180,000 square meters.
- In Ain-Ben-Mathar, Morocco, the world's second combined-cycle hybrid solar plant is going to be built. It will have a power output capacity of 470 MW, of which 20 will come from a parabolic trough collector field with thermal oil.
- In the United States, Abengoa Solar designs, builds and operates parabolic trough plants to produce industrial steam for use in the industrial processes of different industries.



Solar is Abengoa's business unit with the primary objective of generating clean and distributed energy worldwide, thereby also contributing to the economic development of the rural areas in which it operates.

Bioenergy

Abengoa Bioenergy, the parent company of the Bioenergy business unit, is dedicated to the production and development of biofuels for transportation; bioethanol and biodiesel, among others, that utilize biomass (cereals, cellulosic biomass, oleaginous seeds) as a raw material. Biofuels are currently used in the production of ETBE, a gasoline additive for gasoline or gas oil.

Bioethanol production reduces consumption of fossil fuels and the emission of tons of CO₂ into the atmosphere, since cereals, through the chlorophyll they contain, previously set the gas, which in ordinary fuels would be emitted by vehicles. Bioethanol production also gives rise to secondary products that are beneficial from the environmental standpoint, such as distilled grain solubles, compounds with a high protein content used as livestock feed. The main advantages of bioethanol are the following:

- It is a national source of renewable fuel.
- It reduces dependence on oil imports.
- It is a cleaner source of fuel.
- It increases the fuel octane level at a low cost.
- It can be used in almost any vehicle.
- It is easily produced and stored.
- Biofuel greenhouse gas emissions are between 40% and 80% lower than those of fossil fuels.
- Bioethanol is superior to other fuels from an environmental standpoint.

Among its other environmental advantages are the following:

- Reduction in acid rain
- Better city air quality
- Less water contamination
- Less waste

Biodiesel, in particular, is a renewable biofuel that is obtained in the chemical reaction of methanol (or bioethanol) with vegetable oils (rapeseed, sunflower, soy, palm). It does not contain sulfur and, with respect to petroleum-derived diesel, reduces greenhouse gas emissions (CO₂ among others), carbon monoxide (CO), particles (PM) and other contaminating products.

Moreover, biodiesel is completely suitable as a substitution fuel, either totally or partially, for the gas oils in diesel engines, without having to resort to special conversions, adjustments or regulations in the vehicle's engine. It also increases lubricity of the engine and the ignition point, thereby reducing the risk of explosion due to gas emanation.

Due to their biodegradable and non-toxic nature, bioethanol and biodiesel are clean sources of renewable energy that help to reduce environmental pollution. Their use reduces the dependence on fossil fuels and ensures the energy supply. Production creates new opportunities for sustainable rural development within the framework of an agricultural policy more in line with the market, as it encourages the development of energy crops and the creation of agroindustries, contributing to maintaining work levels and income in rural areas.

Activities and projects

Abengoa's Bioenergy business unit bases its growth strategy on four principles:

- Increasing production through the construction of new plants
- Participation in new projects
- Presence in new markets
- Continuous commitment to technological innovation, dedicating significant financial and human resources to R&D&I projects, primarily in areas such as the improvement in process performance, bioethanol production from cellulosic biomass and biomass gasification, and the development of new products based on bioethanol (E-diesel, hydrogen).

Abengoa currently operates six bioethanol plants from cereal grain in Europe and the United States, with a total production capacity of 944 Ml. In 2006 a new production plant was started up in Spain (190 Ml), which will soon incorporate a production unit type based on cellulosic biomass (cereal straw). Today, Abengoa biofuels are commercialized in Germany, Spain, France, Sweden and the United States. This business unit is headquartered in Saint Louis, Missouri (U.S.). Abengoa, the leading bioethanol producer in the European Union, and fifth in the United States, is the only group operating in both markets.

The new biodiesel project is allowing Abengoa to learn about the market of this biofuel and become a reference in the construction and operation of biodiesel plants. Therefore, Abengoa's capabilities in the bioethanol sector are being reinforced, and its position consolidated in the development of a global market of biofuels for transportation. Abengoa Bioenergy has started up construction in Cadiz (Spain) of a biodiesel production plant that will use crude vegetable oils as the raw material.

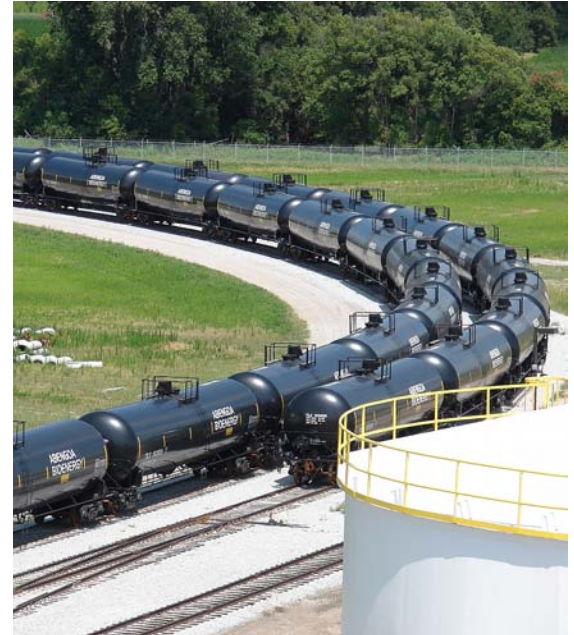
The primary objective of this business unit is the generation of clean, environmentally-friendly fuels that substantially reduce contaminating emissions and ensure the existence of alternatives to fossil fuels.

Environmental Services

Befesa Medio Ambiente, in addition to being the main company of this business unit, is the leading company in Spain in the treatment of industrial waste and water generation and management.

Befesa focuses its activity on providing environmental services to industry, and in the construction of environmental infrastructures. It is dedicated to zinc recycling, industrial resource management, and environmental engineering (water desalination, purification and impulsion).

Abengoa is committed to business development based on innovation and sustainability. Within this context, the recycling of industrial waste requiring technology-intensive processes, and development of activities that span the entire water cycle are part of Abengoa's commitment to protecting the Environment and our natural resources.



Activities and projects

Befesa bases its strategy for growth on four lines of activity, in which it already holds a position of leadership:

- **Aluminum waste recycling:** This area provides collection and treatment services for wastes with diverse aluminum contents; it manufactures and commercializes aluminum alloys and is dedicated to the design, construction and assembly of equipment related to the recycling of this metal. It also deals with salt slag, a hazardous toxic waste that comes from the process of recycling aluminum waste. Recovery of salt slag is the alternative to dumping and aims to separate metallic aluminum, salt and aluminum oxide in order to be able to reuse them. This activity provides complete closure of the recycling cycle and maximum use of waste containing aluminum.
- **Zinc recycling:** The objective of this area is recycling and recovery of residue dust (steel mill dust) originating in the process of manufacturing and smelting electric-arc furnace steel. The services provided by Befesa companies in the zinc area represent a fundamental link in the recovery cycle of this metal. They prevent the useless loss of tons of this metal and, consequently, decrease dumping and help to contribute to reducing mineral extraction of zinc from nature. Befesa is the only Spanish company to offer integral collection and treatment service for steel dust for its valorization, and the only alternative company to deliver an optimal environmental solution for the treatment of steel dust. This unit also conducts activities in desulphurization applying the cleanest and safest process for making use of residual sulfur and provides solutions for petrochemical plants in dealing with desulphurization waste that is created in their production processes.
- **Industrial waste management** focuses its activity on providing global service to industrial waste producers by following a treatment hierarchy that aims to minimize, reuse, recycle, valorize (energy capture or waste material), as its top priorities, and waste elimination, in compliance with national and European environmental regulations, on the one hand; and on the other, this area offers a wide range of industrial cleaning services that cover practically all industry sectors.

- **Environmental engineering:** Befesa's environmental engineering activities involve the design, construction and operation of infrastructures for the whole water cycle and waste management. The company is one of the world's leaders in the process of desalination, with plants in use or under construction with a production capacity of over 1,000,000 m³ of desalinated water per day.

In the field of research, development and innovation (R&D&I), Befesa develops policies geared toward the creation of value and the execution of its activities in a sustainable way, without harming future generations.

Abengoa's environmental services reduce energy consumption through its recycling activities, thus eliminating the emission of over 2.5 Mt of CO₂ each year, and through the desalination of 1.1 Mm³ of water per day to supply water to 4.8 M people.



Information Technologies

Telvent, leader of Abengoa's businesses in information technologies, manages high-value-added solutions in four industrial sectors: energy, transportation, environment and public administration. Its technology helps companies to make decisions in real time using data control and acquisition systems, as well as advanced operational applications, which provide secure and effective information to the company. Telvent, through its innovative technology and proven experience, help ensure secure and efficient management of the operating and business processes of the world's leading companies.

Telvent strives day after day to be a global company, which, through use of the most advanced technologies, contributes to making the formidable challenge of creating a sustainable world for future generations possible.

Activities and projects

With more than 40 years of experience in industrial control and monitoring and process management systems, Telvent is present today in Europe, North America, Latin America, the Asia-Pacific Region, as well as the Middle East and Africa.

Telvent manages the transmission and distribution of over 140,000 GWh of electricity per year, controls the traffic of more than 170 M drivers daily, and manages over 150 airports around the world. Telvent is the only Spanish company listed on the Nasdaq exchange, with an average annual growth over the past four years of 50% in net profits.

Abengoa manages, through Telvent, real-time information technologies in the Energy, Transportation, Environment and Administration sectors.

In the Energy sector, the company operates in the areas of oil and gas and electricity. In oil and gas, Telvent offers a wide range of software for oil pipeline engineering, refined products and liquids derived from natural gas, as well as advanced applications for managing operation, metering and commercial processes. Telvent's technological applications, used by over 35 pipeline operators, permit functions as diverse as hydrocarbon flow, leak detection or the wide range of metering processes that aid in commercial pipeline use.

In the **Electric** sector, real-time automation solutions are developed for electric utilities in the areas of generation, transmission, distribution and traction. Telvent is a leader in the Spanish electric market and one of the most important suppliers of control and communications solutions for the electric market in Latin and North America.

In the **Transportation** segment, Telvent develops traffic solutions and real-time services for urban mobility, intercity traffic management, local and regional systems, violation, toll and parking management; in the public transportation segment, it delivers railway, subway and bus payment systems (fare integration), railway, port and maritime traffic and simulation systems. Telvent's activity in the Traffic sector is aimed at minimizing urban traffic congestion and expanding the capabilities of intercity thoroughfares. The products and services include global intelligent traffic systems (ITS) for traffic management, incident detection, intersection control, automated toll systems and management of highways and city access points, as well as violation management.

Telvent's solutions for public transportation help to optimize management and control of public transportation networks. These systems include ticketing management and control systems, railway traffic control and regulation systems, integrated station control centers, remote control of stationary installations, as well as parking control and management systems.

Telvent's activities in the **Environment** segment are carried out in the water and weather business areas. Telvent has developed systems for calculating in real and historical time all useful parameters for water management and flood prediction and alert, remote control irrigation management and water management. Telvent has been delivering technology in the weather observation segment for over 20 years; thus practically all Spanish airports have been equipped or modernized with Telvent's Automated Weather Observation Systems (AWOS).

Telvent offers surface weather observation products and provides teledetection tools for early detection and nowcasting of adverse weather phenomena.

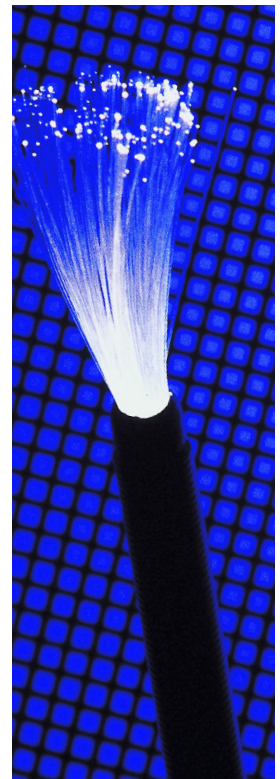
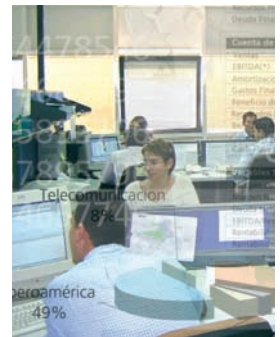
Telvent's activity in the area of **Public Administration** is focused on the development, implementation and maintenance of global technological solutions for serving citizens, civil servants, businesses and institutions through their administrations.

Through its comprehensive range of products and services, Telvent aids Public Administrations in the gradual transition of their traditional procedures toward a model of global digital management. Telvent has turned this model into complete suites of global solutions that respond to the specific needs of local administration and government, as well as the healthcare, security and defense sectors.

Global Services

Telvent offers a wide range of information systems outsourcing services. These services include engineering, project management, installation, operation, system techniques, monitoring, administration, maintenance, security, technical consulting and 24/7 help desk support. Telvent's professional services also offer data centers for critical mission information systems. Telvent has strategic centers for delivering these services in Madrid, Barcelona, Seville and Lisbon.

Abengoa, through its information technologies business unit, reduces emissions through energy efficiency and transportation optimization, and increases security in the operation of critical infrastructures in the exchange of information and in border control.



Engineering and Industrial Construction

Abeinsa is Abengoa's main company in the business area dedicated to engineering, construction and maintenance of electrical, mechanical and instrumentation infrastructures for the energy, industry, transportation and service sectors.

The Industrial Engineering and Construction business unit is organized into five divisions: Energy, Installations, Telecommunications, Marketing and Manufacturing and Latin America. These solutions, focused on sustainability, help create value for its customers, stockholders and employees, ensuring forward-looking international projection and investment profitability.

Within Abengoa's range of solutions for sustainability, Abeinsa consolidates the activities for halting climate change: R&D&I in technologies for reducing and eliminating emissions (greenhouse gases, CO₂ capture and storage), as well as developing emission reduction projects, CO₂ trading and participation in carbon funds.

Activities and projects

Over 60 years of accumulated experience in the creation of infrastructure have led Abeinsa to become a leader in Spain and Latin America, with a wide portfolio of clients from both the private and public sector. This diversification of activities, complementary among themselves, has become an advantage for facing a continuously evolving economic environment, and provides the strength and stability needed to continue with projects for growth, international expansion and collaboration in large international consortiums.

Abeinsa is the second largest international builder of energy infrastructures (Engineering News-Record, ENR), with over 5,000 km of its own power lines in use. And, moreover, it is a leader in hydrogen technology, with groundbreaking R&D projects in the generation of clean energy through fuel cell technology.

- **Energy:** development, construction and operation of conventional power and industrial plants (cogeneration and combined cycle), renewable plants (bioethanol and biomass) and geothermal plants; operation of businesses and activities involving the production of electrical energy through fuel cells.

Noteworthy is the activity carried out in the development, design, engineering, construction, operation and maintenance of power plants, such as conventional plants, combined-cycle plants, cogeneration plants, biomass plants (from forestry or farming), waste incineration plants (urban, farming and livestock) and bioethanol plants.

Abeinsa also contributes to sustainability in the field of solar energy, constructing solar plants intended for energy production and sale.

This division organizes and develops activities and projects related to electricity production through fuel cells based on different technologies, as well as the use of hydrogen.

Work is conducted in research, development and innovation, primarily focused on four major lines of activity: production of clean hydrogen from renewable energy sources; the search for new applications for fuel cells through different technologies (telecommunications installations, residential and transportation applications); development of new reversible, compact and direct fuel cells; and projects for integrating renewable energies in which hydrogen is produced from solar or wind power.

- **Installations:** engineering, construction and maintenance of electrical, mechanical and instrumentation infrastructures for the energy, industry, transportation and service sectors; insulation assembly and passive fire protection.

In the Installations division, activities conducted in the following sectors and products are especially significant:

For the electrical installation sector, activities involve applied engineering, construction and equipment for creating infrastructures, mainly hydroelectric, thermal and combined-cycle plants; substations and transformation centers; airport infrastructures; industrial infrastructures; singular and public buildings; shopping centers and malls; maritime and railway transportation; residential areas, industrial parks, and hospital, teaching and state-of-the-art technology buildings.

Mechanical activities, on the other hand, are focused on the design, supply, manufacture, assembly and testing of mechanical systems associated with hydroelectric plants, thermal plants, combined-cycle plants, cogeneration plants, and gas, chemical and petrochemical industry plants.

With regard to insulation, refractory lining and passive fire protection, the following activities are conducted: thermal and acoustic insulation, supply and installation of refractory materials; fire protection systems and sectorizing smoke curtains.

Finally, in the sector of instrumentation and maintenance, the customer is delivered global service in installations and infrastructures, supplying specialized personnel and equipment.

This business unit has over 60 years of experience in the sector, which has led to its participation in projects involving medium, high and very high voltage line, up to 800 kV, throughout the world. It also has a great deal of experience, dating back to 1944, in the field of railway installations; since then it has installed over 4,000 km of catenary line throughout Spain, and, since 1998, abroad as well.

- **Telecommunications:** network integration and turnkey telecommunications projects. Noteworthy in this division are traditional construction work and external plant maintenance; loop and customer equipment supply, as well as specialization in providing engineering and telecommunications network integration services.

In addition, products and services needed for deployment, installation and use of telecommunications networks are delivered: design and engineering, infrastructure construction, equipment supply, installations and testing, operation and maintenance. In short, it is fully capable of executing turnkey projects.

- **Commercialization and auxiliary manufacturing:** commercialization of products related to the other activities of the business unit, as well as manufacture of auxiliary elements for the energy and telecommunications sectors.

In the area of commercialization, it continues to hold its leading position in the national market as suppliers of electrical material, instrumentation and communications in the chemical, energy, telecommunications and industrial sectors.

Likewise, in the area of auxiliary manufacturing, complex materials and products are made and sold for the energy, industrial, service and telecommunications sectors.

Other activities include design and manufacturing of low and high-voltage electrical cabinets and boards, output and control electronics for remote stations, control boards, protection and electrical boards for auxiliary services for all kinds of industrial, energy and service installations, construction of reticulated steel structures such as towers for electrical lines, communications towers, substations and towers for wind generators; manufacture of thin plate-derived products, such as panels, signals and telephone booths, as well as products for application in external telephone networks.

For over 30 years, Abengoa has maintained its stable presence in the Latin American market, through local companies which conduct all of the business unit's activities: Energy, Installations, Telecommunications, Marketing and Industrial Manufacturing – working autonomously and applying the management rules of the Abengoa group.

Abengoa thus helps to design and build efficient installations and power lines that contribute to lowering energy consumption, and designs and builds renewable energy plants for generating thousands of megawatt hours of clean energy.



Focus-Abengoa Foundation

With solar energy, biomass, waste, information technologies and engineering, Abengoa applies innovative technological solutions for sustainability. And, likewise, through the development of social and cultural policies, Abengoa contributes to economic progress, social equity and conservation of the environment wherever it conducts its activities.

The Focus-Abengoa Foundations is the active instrument through which Abengoa channels its social action. It is a non-profit institution with headquarters in the Hospital de los Venerables in the city of Seville. Among its main objectives is the promotion of culture, addressing primarily the preservation and dissemination of Seville's historical and cultural heritage, social integration, cooperation to preserve our environment heritage, as well as diverse activities linked to technological and social development, with special dedication to people with disabilities, since the academic, special and physical education and social integration of the disabled have been a constant concern in the life of Abengoa.

The Foundation's activities, therefore, are based on three main focuses: assistance, culture and education. Its efforts are translated into specific initiatives linked to company growth, through specific programs which take the economic, social and cultural diversity of each country where Abengoa operates into account. The Focus-Abengoa Foundation manages intangible assets, with an impact that is returned and multiplied in Abengoa's values and business aims.

(*) See Section V, "Abengoa and the communities in which it operates"

International presence

Abengoa, through its five business units, is present in more than 70 countries in Europe, Asia, Africa, North America, South America and Oceania.

America

Puerto Rico, Peru, Mexico, Brazil, Argentina, Uruguay, Chile, Bolivia, Panama, Cuba, Paraguay, Ecuador, the Dominican Republic, Costa Rica, Colombia, Venezuela, Honduras, Nicaragua, USA, Canada

Europe

France, Germany, Sweden, Italy, Austria, Belgium, Turkey, Ireland, Romania, Portugal, Denmark, United Kingdom, Switzerland, Iceland, Luxemburg, Greece, the Czech Republic, Holland, Norway, the Netherlands, Poland, Hungary, Armenia

Africa

Morocco, Algeria, Tunisia, Libya, Mauritania, Senegal, Mozambique, Ghana, Angola, South Africa, Namibia, Tanzania, Nigeria, Qatar

Asia

India, Bahrain, Israel, Thailand, China, Indonesia, Malaysia, Iran, Vietnam, Taiwan, United Arab Emirates, Saudi Arabia, Jordan, Lebanon, Oman, Rusia

Oceania

Australia

Abengoa's international business evolution in 2007, 2006, using 1997 as a reference, is as follows:

Evolution of Abengoa's activity outside Spain							
	2007		2006		1996		CAGR (96-07)
	M€	%	M€	%	M€	%	%
USA and Canada	477.3	14.9	284.7	10.6	0.0	0.0	–
Latin America	634.6	19.8	739.5	27.6	152.4	26.3	13.8
Europe	604.8	18.7	319.0	11.9	16.4	2.8	38.8
Africa	174.1	5.4	104.2	4.0	5.2	0.9	37.5
Asia	97.3	3.0	43.5	1.6	24.4	4.2	13.4
Oceania	8.8	0.3	8.8	0.3	0.0	0.0	–
Abroad Total	1 996.9	62.1	1 499.9	56.0	198.4	34.2	23.4
Local Activity	3 214.5	100.0	1 177.4	44.0	380.4	65.8	11.2
Consolidated Total	3 214.5	100.0	2 677.3	100.0	578.8	100.0	16.9

New offices opened by business unit during 2007

Abengoa Bioenergy

Dedini. Pirassununga (Brazil)

Dedini. São João da Boa Vista (Brazil)

Abeinsa

Abencs. Sanit Louis, MO (USA)

Abencs India. Mumbai, Maharashtra (India)

ZeroEmissions Technologies. Sevilla (Spain)

Inabensa Taller Sevilla. Sevilla (Spain)

Centro Industrial y Logístico Torrecuellar. Sevilla (Spain)

Inabensa Tianjin. Teda Tianjin (RP China)

Inabensa Saudi Arabia. Dammam (Saudi Arabia)

Nicsa Industrial Supplies. Florida (USA)

Nicsa Fornecimiento de Materiais Elétricos Ltda. Rio de Janeiro (Brazil)

Befesa

Befesa CTA Qingdao S.L. Qingdao (RP China)

Befesa CTA China. Beijing (China)

Befesa Steel Services GmbH. Duisburg (Germany)

Befesa Scandust AB. Landskrona (Sweden)

Befesa Valera SAS. Gravelines (France)

Befesa Zinc Freiberg GmbH & Co. KG. Freiberg (Germany)

Befesa Zinc Duisburg GmbH. Duisburg (Germany)

Telvent

Telvent Tráfico y Transporte. Sta. Cruz de Tenerife (Spain)

Telvent Tráfico y Transporte. Bucarest (Romania)

Telvent Farradyne. Burlington-MA (USA)

Telvent Farradyne. Brentwood -TN (USA)

Telvent Farradyne. Troy- MI (USA)

Telvent Farradyne. Gainesville- FL(USA)

Telvent Farradyne. Lenexa- KA (USA)

Telvent Farradyne. Sunset Hills-KA (USA)

Caseta. Austin-TX(USA) (2)

Telvent Energía y Medio Ambiente. Stocholm (Sweden)

Telvent Energía y Medio Ambiente. La Marsa (Tunisia)

Telvent Mexico. Mexico DF (Mexico) (2)

Telvent Almos. Culemborg (Netherlands)

Matchmind. Madrid (Spain) (6)

Matchmind. Barcelona (Spain)

Matchmind. Sevilla (Spain)

Matchmind. A Coruña (Spain) (2)

Matchmind. Avila (Spain) (2)

Matchmind. Segovia (Spain)

Matchmind. Valladolid (Spain)

Matchmind. Valencia (Spain)

Matchmind. Reino Unido

Abengoa Solar

Abengoa Solar. Sevilla (Spain)

Abengoa Solar. Almería (Spain)

Abengoa Solar. Badajoz (Spain)

Abengoa Solar. Denver (USA)

Markets and products

Current structure and nature of the business

Two types of products coexist at Abengoa:

- Integrated products: those of a global scope of responsibility, ranging from active business promotion, with or without capital investment, to the supply of financing formulas, definition and design of technologies for application, turnkey construction and subsequent operational and maintenance service and business management. These products clearly involve recurrence which delivers greater stability for Abengoa's profits (induced business)
- Conventional products: those entailing the sale of a particular good or service and whose investment corresponds to the customer's balance sheet, and in which the company does not take on management responsibility.

Solutions for sustainability

At Abengoa, we deliver solutions that contribute to sustainability:

- By generating energy with renewable sources:
 - In the United States, we have an annual bioethanol production capacity of 752 Ml; in Europe, our production capacity is 596 Ml of bioethanol per year; and in Brazil we have the capacity to mill 5.7 Mt of sugar cane each year, equivalent today to 130 Ml of bioethanol and 537,000 t of sugar produced each year. All of this eliminates the emission of 1,936,000t of CO₂ into the atmosphere.
 - We have an output capacity of 13 MW of solar-based energy, equivalent to the consumption of 19,000 people, reducing CO₂ emissions by 7,800 t.
 - We anticipate that, following the commercial start-up of 400 MW which are currently under construction and development, CO₂ emissions eliminated will total 990,530 t.
- By recycling industrial waste:
 - We treat over 2,600,000 t of industrial waste, for production of new materials by recycling more than 1,270,000 t.
- By generating and managing water:
 - We have the capacity to desalinate over 1 M m³ of sea water each day, which allows us to supply water to over 4.5 M people.
- By creating infrastructures that eliminate new investment in assets that generate emissions:
 - We produce 1,522,411 MWh of power annually through co-generation, representing a 410,789 t-reduction in CO₂ emissions if this energy were produced in thermoelectric coal plants.
 - In the coming years our biofuel plants will reach annual production of 1,690 ktep, reducing CO₂ emissions into the atmosphere by 3.9 Mt each year.
 - We are currently working on the construction of the world's first two ISCC plants, using technology the key of which lies in the perfect integration of a combined cycle with solar energy.
 - Our thermosolar plants will generate more than 300,000 MWh and will reduce CO₂ emissions by 240,000 t each year.
 - In South America, we operate more than 3,600 km of transmission lines that transport clean and sustainable energy. And we are currently building 922 km in additional lines.

- By creating Information Systems that help to manage existing infrastructures more efficiently:
 - We manage over 60% of the hydrocarbon movements in the pipelines in North and Latin America.
 - We ensure the proper distribution of over 1,000 Ml of gasoline each month, enough to fill the tanks of over 22 M cars.
 - We transport and distribute 140,000 GWh, supplying electricity to more than 80 M people.
 - We control motor vehicle traffic in more than 7,000 intersections, which over 195 M people go through each day.
 - We manage the train and subway network trips of over 2,500 M passengers.
 - We facilitate take-off and landing of over 1,000 M passengers per year in more than 190 airports around the world.
 - We provide online and telephone information on traffic conditions to more than 5 M people each month.
 - We manage the distribution of water to over 45 M people in Europe, North America, Latin America and the Middle East.
 - We monitor and report on the quality of the air which over 20 M people breathe in Europe and Latin America.
 - We help more than 30 M European citizens to access and manage their electronic transactions with their public administrations, as well as other organizations and institutions.
 - We monitor weather conditions and supply weather forecasts for over 30,000 km of highways in North America and Europe.



Abengoa's Corporate Social Responsibility policy

Abengoa maintains a business model based on sustainability around which its activities and strategies revolve, so that its vision, mission and values reflect its strong commitment to economic and social progress, while contributing to conservation of the environment and respect for Fundamental Rights at the same time.

Abengoa believes that an innovative company, within the text of the market economy, is an efficient and necessary tool in the evolution towards a society of sustainable development.

Through this business model, Abengoa gears its activity toward the following:

- Customer service
- Personal and professional development of its employees
- The creation of long-term value for its stockholders
- Growth of the societies where it conducts its business
- Making the world a better and more sustainable place for future generations.

And to achieve this, Abengoa invests in research, development and innovation, globally expanding technologies with the highest potential, and attracting and developing the necessary talent.

Abengoa strives to maximize the benefits obtained for its stakeholders, for the communities where it operates and for society in general. It seeks to strike a balance with maximum benefits for all through commitment to sustainability, following current legislation and with the highest levels of integrity and transparency. The search for this equilibrium is the driving force of the company. Abengoa believes that in a market economy context, an innovative company is an effective and vital instrument on the road towards a society of sustainable development.

Throughout its history, Abengoa has been developing a set of values which constitute the structure of its ethical code, and which make up part of its business character. Through all its channels, the organization promotes knowledge and the application of these values, establishing control and review mechanisms to ensure that they are abided by and updated accordingly. The most predominant are expressly outlined below.

Integrity: Honesty in professional conduct is part of the Abengoa identity and is manifested in all personnel actions, both internal and external. This proven integrity translates into credibility with clients, suppliers, stockholders and anyone else it interacts with; moreover, it creates value in and of itself, for the individual as well as the entire organization.

Lawfulness: Following the law is not only an external requisite and, thus, is an obligation for the organization and its employees. The law provides security in actions and reduces business risks.

Professional rigor: The concept of professionalism at Abengoa is closely linked to service vocation in the execution of an activity and the implication with the business project developed. All actions must adhere to the notion of professional responsibility, following the principles established in the common management systems.

Confidentiality: Abengoa considers that people that form part of its organization are bound in duty to maintain criteria of discretion and prudence in their communications and relationships with third parties; in other words, proper safeguarding of information possessed by the Company.

Quality: Abengoa is committed to quality in all of its actions, both internal and external. This commitment is not a task for management or a specific group of people: on the contrary, it governs the daily activity of all members of the organization. Abengoa has specific rules of quality which are the result of its knowledge, common sense, rigor, order and responsibility in conducting its activities.

Corporate social responsibility is one of the main pillars of Abengoa's present and future strategy.

The dimensions of this corporate responsibility are the following:

- Legal dimension: strict observance of current legislation in each and every one of the company's actions.
- Economic dimension: generation of sustained value.
- Human dimension: absolute respect and protection of human rights.
- Social dimension: support for the development of the societies in which it operates
- Environmental dimension: respect for and protection of the environment.

Each and every one of the activities undertaken by the company is carried out bearing Abengoa's present model of sustainability in mind, in an attempt to strike a balance with maximum benefits for all through commitment to sustainability, following current legislation and with the highest levels of integrity and transparency.

Furthermore, to clearly manifest this commitment to sustainability, Abengoa supports all types of initiatives involving the protection of rights.

Therefore, in 2002, Abengoa signed the United Nations' Business Leadership Global Compact, the aim of which is to contribute to adopting shared values and principles with a more human side for the world market. Adherence to the Global Compact implies the implementation of ten principles in the strategy and operation of a business, through a process of dialogue and information transparency, as well as training. One of the great challenges facing Abengoa today is the complete integration of these principles which reaffirm the company's commitment to the defense of human and labor rights, protection of the environment and the fight against corruption.

The 10 principles of Global Compact

Principle 1. Companies must support and respect internationally proclaimed basic human right within their area of influence.

Principle 2. Companies must make sure that they are never complicit in human rights.

Principle 3. Companies must support the freedom of association and effectively recognize the right to collective bargaining.

Principle 4. Companies must support the elimination of all forms of forced and compulsory labor.

Principle 5. Companies must support the abolition of child labor.

Principle 6. Companies must support the elimination of discriminatory practices in employment and occupation.

Principle 7. Companies must support a precautionary approach to environmental challenges.

Principle 8. Companies must undertake initiatives to promote environmental responsibility.

Principle 9. Companies must encourage the development and diffusion of environmentally-friendly technologies.

Principle 10. Companies must work against corruption in all of its forms, including extortion and bribery.

In 2007, Abengoa joined "Caring for Climate: the Business Leadership Platform", part of the Global Compact platform. Its aim is to help shape public policy in the struggle for environmental protection. By endorsing "Caring for Climate: the Business Leadership Platform", the company reasserts its support of both the United Nations as well as all principles of the Global Compact, and once again manifests its deep commitment to respect for the environment. This commitment defines company strategy, which is part of our corporate culture, and which is present in all operational areas of the business units.

In addition to the international agreements and commitments which Abengoa is a part of, its corporate social responsibility policy is based on the following:

- Abengoa's professional Code of Conduct
- Corporate governance structure
- Policy of support to the communities where the company operates
- Abengoa's model of sustainability
- Internal and external auditing of all business units and their actions

Risks and forward-looking opportunities

Abengoa knows that the commitment to sustainability represents a significant opportunity for creating value, not only for stockholders, but for the rest of the organization's stakeholders as well. As the concept of sustainability penetrates deeper into social conscience, those companies with a firm commitment will be compensated by the market. And this tendency is growing, so that organizations that stray from this path will either end up fading away or will no longer be able to alter the course of their path.

Abengoa thus understands that sustainability is not only imperative from an ethical point of view, but rather constitutes an important instrument for creating value. This year a team was set up within the company that will deal exclusively with designing strategies for achieving more sustainable economic, social and environmental development.

Abengoa goes beyond compliance with international standards. An inventory of greenhouse gas emissions was recently started up, with the aim of determining in the most detailed manner possible the environmental impact of the company's activities. Based on the results obtained from this inventory, Abengoa will proceed to establish quantitative goals to be reached in the coming years, in order to adopt pertinent measures in order to minimize the negative effects linked to these emissions. At Abengoa, we strive to be forerunners in sustainability, and we demonstrate this through actions as resolute as the one described below.

One of the most significant goals achieved this year was the company's active entry into the field of emissions management, through ZeroEmissions, an Abengoa subsidiary. This represents a vital area so that both companies and countries meet the objectives for reducing emissions set forth in the Kyoto Protocol. Abengoa has also carried out significant activities in the area of renewable energy and recycling, with systems and infrastructures that have contributed to eliminating the emission into the atmosphere of millions of tons of CO₂.

Abengoa's forward-looking goals are increasingly more ambitious. Through the emissions inventory, it will be possible to define and implement measures to allow the company to continue progressing in its commitment to sustainable development. Furthermore, within its business strategy, two new areas of business were added: CO₂ capture and storage and energy efficiency. These are areas in which Abengoa has been working for years, primarily from an R&D perspective, and they now represent activities which the company seeks to pursue with vigor in order to take them to the commercial phase.

Main Highlights Financial Data

Profit and Loos Account (M€)	2007	% Variation (07-06)	2006	1996	% CAGR (96-07) (*)
Sales	3,214.5	20.1	2,677.2	578.8	16.9
Gross Cash Flows (**)	452.4	57.2	287.9	53.8	21.4
Net Profit	120.4	20.0	100.3	16.1	20.1
Significant Variables					
Margin (% Gross Cash Flows / Sales)	14.1		10.8	9.3	
Return on Equity (ROE) (%) (***)	17.0		22.5	10.1	
Gross Cash Flows (k€) / Employees	29.2	38.2	21.2	7.2	13.5
Sales (k€) / Employees	207.7	5.6	196.7	77.7	9.3
<u>Data per share:</u>					
- Earning per share (€)	1.33	20.0	1.11	0.18	20.1
- Dividend per share (€)	0.17	6.3	0.16	0.05	11.8

(*) CAGR: Compound Annual Growth Rate
(**) Earnings before interest, tax, depreciation and amortization, adjusted by the works flows done for own fixed assets
(***) Net Earnings / Shareholders' funds

Business Units and Geographies

Evolution 1996 - 2007	Five Business Units		Engineering Company	
	2007		1996	
Business Units	Sales %	Gross Cash Flows. (*) %	Sales %	Gross Cash Flows. (*) %
- Solar	0.6	2.1	-	-
- Bioenergy	19.1	17.6	-	-
- Environmental Services	23.9	27.4	8.0	8.0
- Information Technologies	18.6	12.4	24.0	14.0
- Industrial Engineering and Construction	37.8	40.5	68.0	78.0
Geography	%	%	%	%
US and Canada	14.9	14.2	-	-
Latin America	19.8	20.8	26.3	-
Europe (excluding Spain)	18.7	15.4	2.8	-
Africa	5.4	3.4	0.9	-
Asia	3.0	2.0	4.2	-
Oceania	0.3	0.4	-	-
Total Abroad	62.1	56.2	34.2	-
Total Spain	37.9	43.8	65.8	-
Consolidated Total	100.0	100.0	100.0	

* Gross Cash Flows: Earnings before interest, tax, depreciation and amortization, adjusted by the works flows done for own fixed assets

In addition, within Abengoa's main dimensions, the following provides a series of basic financial data:

Main figures M€	2006	2007
Total assets	5,426.6	8,110.2
Share capital	2,516.0	2,187.6
Net worth	541.1	797.5
Net debt	(153.8)	234.3
Non-recourse financing	1,253.9	1,689.2

* A negative figure means a net cash position

With respect to Abengoa's shareholding structure, its free float capital was 43.96% on discounting the holdings of its majority shareholder, Inversión Corporativa I.C.S.A., and its subsidiary Finarpisa (56.04%).

Shareholding structure	
	% Share Capital
Inversión Corporativa, I.C., S.A.	50.00%
Finarpisa, S.A. (*)	6.04%
Free Float	43.96%

(*) Grupo Inversión Corporativa

Revenues from countries representing at least 5% of Abengoa's total revenue are shown in the table below:

Revenues from countries		
	2006	2007
Spain	44.0%	37.9%
United States	8.8%	13.3%
Canada	4.2%	7.8%
Brazil	14.6%	9.5%
Mexico	6.6%	4.2%

In turn, costs generated by those countries are as follows:

Costs generated by countries		
	2006	2007
Spain	44.3%	38.8%
United States	8.7%	12.8%
Canada	4.6%	7.3%
Brazil	12.0%	6.7%
Mexico	7.8%	5.1%

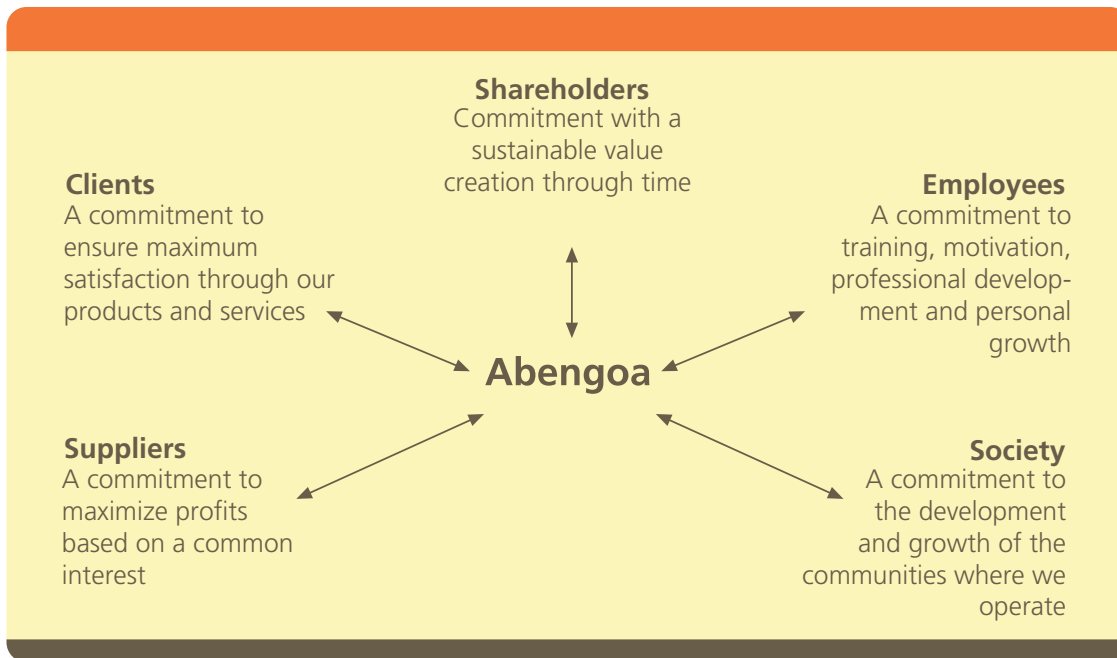
The table below shows products or product ranges in which market share by country exceeds 25%.

Products or range of products in which the national market share per country exceeds 25%		
	2006	2007
Bioethanol for use as fuel in Spain	100%	94%
DDGS in Spain	100%	82%
Production of secondary aluminum in Spain	40%	40%
Treatment of salt slags in Spain	100%	100%
Treatment of salt slags in United Kingdom	100%	100%
Treatment of sulfur from refining in Spain	38%	38%
Decontamination of equipment with PBC in Spain	50%	50%
Transforming of greenhouse plastics in Spain	40%	45%
Treatment of steel powders in Spain	100%	100%
Treatment of steel powders in France	–	100%
Treatment of steel powders in Germany	–	77%
Treatment of steel powders in Sweden	–	100%
Repowering of power plants in Mexico	75%	75%
Construction of power plants in Mexico	60%	60%
Construction of bioethanol plants in Spain	100%	100%
Construction of oil pipelines in Uruguay	38%	38%
Water works, mains and treatment plants in Uruguay	36%	36%
Mobile telephone infrastructures in Uruguay	65%	65%
LV and MV electricity distribution in Uruguay	29%	29%
Supply of bay work pylons for power transmission lines in Mexico	25%	25%
Supply of connection and protection accessories for telephone exchanges and networks in Brasil	40%	40%
Construction of solar thermal power plants in Spain	23%	45%
Road Traffic control Spain	33%	35%
Substation control in Spain	45%	45%
Oil and gas pipeline control in North America	60%	60%
Oil and gas pipeline control in Latin America	50%	50%
Airport meteorological assistance in Spain	90%	90%
Railway ticketing systems in Spain	40%	40%
Integrated Oil Terminal Control Systems in Mexico	80%	80%
Border Control Systems in Europe	50%	40%
Public Administration electronic signature systems in Spain	50%	66%
Environmental Quality Networks in Spain	30%	30%
Road traffic control in Argentina, Panama and Brazil	30%	30%
511 Traffic Information Systems in United States	30%	30%
Systems issuance electronic ID in Spain	–	32%
Auyomatic weather stations in Australia and Kuwait	–	90%
Automated weather observation systems in Belgium, Netherlands and Malta	–	100%
Meteorological collection and processing network in Sweden and Switzerland	–	100%
Technical space (Data Center) in Spain	–	60%

Abengoa is fully aware of the importance of all its stakeholders for its business and growth. Therefore, in addition to providing them with transparent and truthful information on all its activities on an ongoing basis, the company seeks to promote dialogue with them via the customary channels, and launches new ones, so as to achieve our vision of a dynamic and enriching process for both sides.

Understood as a two-way communicative process, dialogue is key to achieving one of the company's main objectives: to create maximum long-term value for all business groups. Our principal stakeholders are our employees, clients, suppliers, and investors – given that Abengoa is a listed company and society per se.

Abengoa's commitment to each of these groups engenders an ongoing, simple and direct dialogue that the company has promoted and nourished for years.



In order to facilitate and foment a process with a stable balance, Abengoa employs a wide range of communication and listening channels, which are aligned with the needs and expectations of each of the aforementioned stakeholder groups. The most important of these are listed in the following table.

Dialogue channels

Stakeholders	From the company to stakeholders	From the stakeholders to the company
Shareholders	<p>Corporate website and business units Information on relevant facts Investor Relations Department Public presentations (road shows) Meetings with analysts and investors Analyst and Investor Day General Shareholders' Meeting Quarterly reports Annual report</p>	<p>Investor Relations Department Shareholder's mailbox Satisfaction studies Public presentations (road shows) Meetings with analysts and investors Analyst and Investor Day General Shareholders' Meeting</p>
Employees	<p>Corporate website and business units Corporate intranet Employee Portal Employee self-service Welcome manual Internal bulletin Human Resource Interlocutor (GIRH) Health and Safety Committee Works Council</p>	<p>Employee Portal Employee self-service Satisfaction and work environment surveys IT tool: IRP for problem-solving IT tool: AM for improvement actions Social assistance for staff Human Research Interlocutor (GIRH) Health and Safety Committee Works Council</p>
Clients	<p>Corporate website and business units Working days with clients Focus groups Security Management System Tool Publicity and marketing</p>	<p>Working days with clients Focus groups Satisfaction surveys IT tool: IRP for problem-solving IT tool: AM for improvement actions Security Management System Tool Customer's mailbox</p>
Suppliers	<p>Corporate website and business units Structured procedure for measuring supplier efficiency Security Management System Tool Regular visits to suppliers</p>	<p>Satisfaction surveys Structured procedure for receiving information and the supplier's opinion IT tool: IRP for problem-solving IT tool: AM for improvement actions Security Management System Tool Supplier's mailbox</p>
Society	<p>Corporate website and business groups Annual report Communications Department Corporate Social Responsibility Department Focus-Abengoa Foundation Meetings with NGOs, the media and educational institutions</p>	<p>Communications Department Corporate Social Responsibility Department Meetings with NGOs, the median and educational institutions</p>

For Abengoa, the dialogue channels included in the table form the ideal instrument to ensure mutual information exchange. Many of the dialogue channels are directly managed by the departments and persons in charge of maintaining ongoing relations with the group in question. However, the overall aim is that the opinions, suggestions, considerations and complaints collected on a daily basis by Abengoa's interlocutors influence company strategy. This information is analyzed at meetings of Abengoa's strategy committee, which are held every six months, and which, as far as possible, ensure that these contributions are taken on board, in accordance with the ten-year strategic plan.

The feedback that Abengoa generates vis à vis its stakeholders culminates in the communication of company strategy to all of them and, naturally, has a bearing on the company's relations with them.

Above all, the stable dialogue channels that Abengoa promotes with its stakeholders seek to define a cross-cutting improvement model aligned with the expectations of each stakeholder group and with the company's vision and mission.

Through these channels and communication tools, the company becomes aware of the stakeholders' main concerns, enabling improvements to be made to potential system dysfunctions by the departments involved. Each department, in accordance with its links with affected stakeholders, establishes action plans to respond to the requests received.

During the last fiscal year, the main concerns detected by business group were:

Stakeholder feedback		
Affected stakeholders	Field for improvement	Solution implemented
Clients	In certain instances, the regular satisfaction surveys revealed a degree of customer concern in regard to achievement of the schedules for project milestones.	In 2007, an action plan was launched to detect which organizational units had an impact on the project delay, and average times were improved, thereby increasing our clients' overall satisfaction levels
Suppliers	Following a supplier analysis it was concluded that their main concern was compliance with schedules for payment of their bills.	An improvement plan was established to speed up the administrative procedures that both banks and suppliers have to execute in management of payments.
Shareholders	Analysts and investors have displayed interest in acquiring a better understanding of the renewable energy business.	Explanatory and training presentations - road shows - were held for analysts and investors on the renewable energy business.
Employees	The environment surveys revealed that one of the concerns of this business group was work-life balance.	As part of the work-life balance project launched by Abengoa in 2006, projects to improve work-life balance continue to be studied and implemented within each business group, in response to employee needs.
Society	In meetings held with community representatives, it was expressed that there are varying opinions and interests among the different countries.	Draw up a communicative plan that includes the main communities in which Abengoa conducts its activities.

Abengoa maintains fluid communications with all of the stakeholders involved in the projects it proposes, as well as in the actions it carries out, with the aim that they all feel part of the same once they have received the relevant information. This is an approach which benefits all.

Calling informative meetings and exchanging opinions on the company's different actions helps to ensure that the stakeholders feel a sense of project ownership, since while it is true that the benefits from the former have a positive effect on company results, they are essentially noted in all types of improvement to the region and the specific community where they take place.

Abengoa also participates in all scientific, technological and cultural calls that occur in the zones, cities and regions in which it operates.

Our employees

Company staff

In 2007, at Abengoa the average figure for company staff was 17,245, up 27% from the previous year. This increase was due to the company's own organic growth and to acquisitions made during the fiscal year.

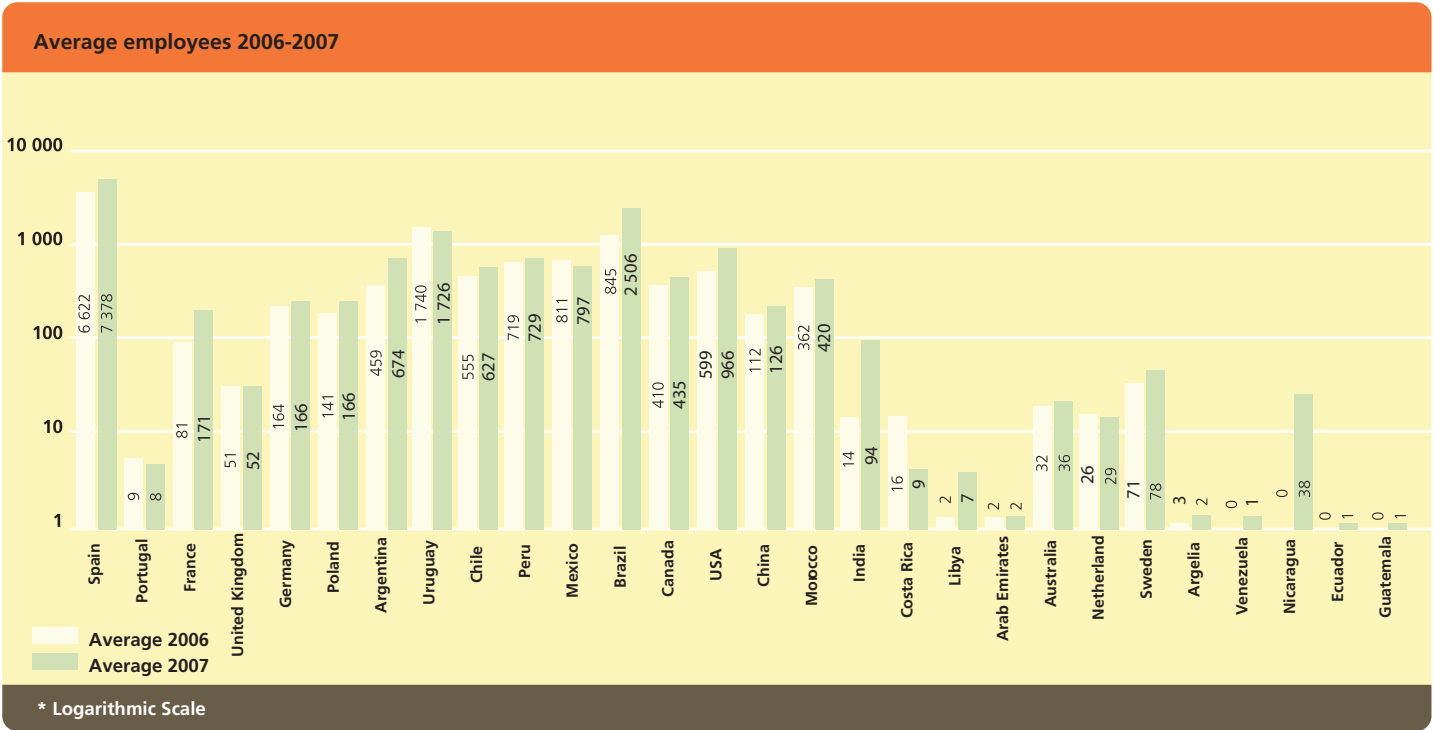
The following table shows average staff by business group and its evolution in time.

Employee evolution by business unit				
Business Groups	2005	2006	2007	%
Solar	19	41	104	154 %
Bioenergy	421	527	2,430	361 %
Environmental Services	1,348	1,563	1,969	26 %
Information Technologies	2,373	3,155	3,895	23 %
Industrial Engineering and Construction	6,921	8,322	8,847	6 %
Total	11,082	13,608	17,245	27 %

As of December 31, 2007, company staff figures had risen to 20,721; a net increase of 42% (compared to the figure for December 31, 2006: 14,605 people)

Abengoa and its Direct Stakeholders

In terms of the different geographical areas where Abengoa operates, the breakdown for company staff figures as of December 31, 2007 is as follows:



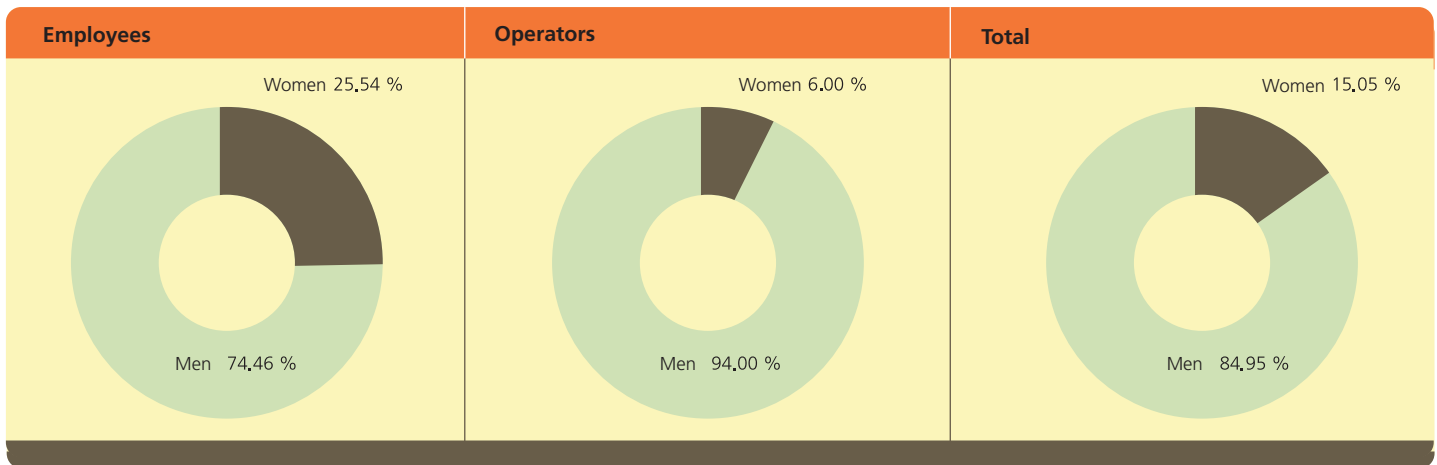
The following percentage table gives figures for employees and operators according to the type of contract. The overall rate for permanent staff is 55%.

Operators		
Permanent	Site	Temporary
47.8 %	24,8 %	27,4 %

Employees		
Permanent	Site	Temporary
69.5 %	17,6 %	12.9 %

Most Abengoa employees have a full-time contract, with low figures for half-day workers.

Statistics on contract distribution between men and women show that 15% of the hired staff are women, which breaks out as 25% of woman employees, and 6% of blue-collar workers.



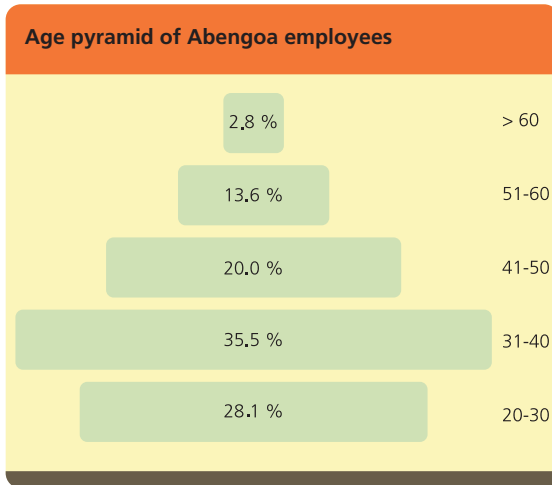
The female representation at the senior management committees responsible for the strategy of each of Abengoa's group companies stands at over 14%.

Abengoa rejects all forms of gender discrimination, whether direct or indirect, and proactively drives forward the promotion of equality of opportunities and treatment for women and men.

The principle of equality between women and men is applied in all human resource management policies, including hiring, selection, training, performance analysis, promotion, remuneration, working conditions, work-life balance, communication and prevention of harassment.

At Abengoa, there are no gender-related wage differentials for employees. The only differentials applied are in accordance with the different professional categories, in terms of responsibility levels, and in no circumstances are these related to gender-based inequality.

The analyses on the ages of Abengoa employees reveal the balance existing in the different scales, with over 60% aged under 40.



(*) Statistics related to the age pyramid do not include recently acquired Matchmind and Dedini Agro.

In terms of turnover, (that is to say, the rate for voluntary, undesired leaves) the average percentage for the 2007 fiscal year was 3.52%, with there being variations according to geographic zones (ranging from 7% in North America to 2.4% in Latin America).

(*) Turnover statistics do not include recently acquired Matchmind and Dedini Agro.

General policy

Human resources policy responds to Abengoa's mission, vision, values, and operational strategy and is therefore at all times oriented and aligned with its strategic objectives.

Achievement of said objectives, through execution of the strategic plan, is the *raison d'être* of the company's structure and its human team.

It is essential to align human resources and strategic objectives

Active in over 70 countries throughout the five continents and with over 20,000 staff members, Abengoa is a multinational, multicultural company with a business focus on achieving sustainability through innovation.

Abengoa's successful business model means that it is a leading company and a point of reference in the industries and markets in which it operates.

This successful model is based on the right strategy and the correct management model, but above all on having the ideal human team to be able to achieve the strategic objectives set.

Abengoa believes that its people form its differentiating value as a company, and that it is its people, with their preparation and commitment, who really make the difference in the results achieved by the company.

We believe that people are real capital, an asset generating value and wealth, and Abengoa's human resources policies therefore emphasize the importance of creating ideal conditions for their development, so that their talent can flourish and they can achieve excellent performance.

Growth is ensured by the talent and excellent performance of people.

At Abengoa, we think that it is the human capital that makes it possible to achieve objectives, bringing to bear differentiating competitive values through the application of talent, conscientiousness and excellent performance.

Therefore, when considering our employees, the concept of 'ideal' is key: commitment, motivation, talent, initiative, conscientiousness and an ongoing search for excellence in performance must form Abengoa's professional base.

The search for the ideal is thus one of the basic pillars of our policy de human resources; in terms of each particular position, the mission, technical and generic issues.

And this search for the ideal, the best, inspires our policies for training, recruitment, performance appraisal, organization by position and by responsibilities, as well as those for remuneration and conditions, infusing each of them with the priority for employee development.

In order to achieve this, Abengoa is committed to a competence-based human resource management model enabling this alignment between strategic objective, position and persons (the ideal situation) and allowing us to identify and discover talent.

Abengoa is aware that in the current environment - characterized by innovation and change, la the performance of its professionals, and its ability to attract, develop and retain talent is key to the success of any company. Abengoa is therefore firmly committed to human resources policy with the dual aim of:

- Promoting, capitalizing on, transmitting and managing knowledge; capitalizing on the experience its highly-qualified professionals, guiding the development of competences, and at all times striving to ensure Abengoa has the professionals required for each position, mission and responsibility.
- Making Abengoa a company with the right conditions for developing talent, one that is attractive in terms of its conditions and its environment, and in its people management model.

The key to success is attracting, developing and retaining talent

Developing, promoting and rewarding human resources so they can give the best of themselves so that their contribution is aligned with Abengoa's needs.

At Abengoa we are fully aware of the importance of motivation.

A sense of belonging to the company, feeling part of the project, participating, the capacity to influence events, solutions, to take advantage of opportunities are all elements clearly involved in professional motivation. Valuable personnel do not need ongoing exogenous motivation since they are self-motivated, part of the capacity to develop oneself both professionally and personally.

Employee participation in ongoing improvement forms part of Abengoa's culture; participation at all levels and improvement in all fields.

It is the role of the organization as a whole to take the initiative in improving business processes, working conditions, improving environmental conditions and solving problems. To enable this to happen, a wide range of programs and groups of improvement actions are promoted, computer tools (IRP/AM) are provided, and permanent suggestion boxes are available on the intranet. In addition, work-environment surveys are carried out in order to measure satisfaction levels, thereby identifying labor questions where corrective or improvement action is required.

Commitment

Employee commitment is key; initiative, proactiveness. At Abengoa, we believe that the company must ensure the required elements, but once the resources and conditions are in place, employees must take on responsibility and commitment and respond, and not only by means of their participation, but also through excellent performance levels. Performance thus becomes the backbone of the system.

Without good performance, talent is not profitable

The natural allies of excellence in performance are commitment, motivation, tenacity and attaching importance to daily tasks.

As part of this culture, Abengoa must exercise its commitment to information and communication. It is an essential part of the overall process, since the foregoing would make no sense without ensuring that people participate, are informed, and make themselves known. Abengoa therefore makes full use of its communication channels and the flow of information being key to our culture. Sharing information enriches, brings people together, and generates opportunities.

Sharing information creates opportunities

This is why Abengoa has developed a comprehensive, integrated management system:

- Comprehensive. Because it includes all the human resource processes: definition, description and classification of positions, recruitment and selection – to attract the best professionals on the market, training and development, with the attached career plans, assessment, performance management and remuneration, as well as internal communication and social action.
- Integrated. Since it includes not only inter-related processes but also Abengoa as a whole, covering the different companies regardless of the industry, geographic area, and business unit they belong to.

Universal Principles

In its employment practices, Abengoa adheres to the United Nations Universal Declaration on Human Rights and its protocols, aligning the professional performance of its employees to the same. It also abides by the international agreements approved by the UN and the International Labor Organization (ILO) on social rights (expressly, the UN Convention on Children's Rights, the UN Convention on the Elimination of all forms of Discrimination against Women, and those specifically related to forced child labor, health and safety at work, freedom of association, discrimination, disciplinary practices, working hours and compensation). Likewise, it adheres to the ILO's Tripartite Declaration of Principles on Multinational Companies, its Social Policy and the OECD's Principles for Multinational Companies.

Abengoa upholds a policy of recruiting, hiring, training and promoting the most qualified people, regardless of race, religion, color, age, sex, marital status, sexual orientation, physical or mental disability, expressly and actively rejecting any kind of discrimination.

In accordance with the social responsibility commitments acquired through our adhesion to the United Nations Global Compact our own Code of Conduct, Abengoa is presently developing a social responsibility management system to comply with the international SA 8000 model, in order to guarantee ongoing improvement in the company's social performance.

GIRH

Global Human Resource Management, S.A. (GIRH) is a company specializing in the management and development of Abengoa's employees, working within the respective Human Resources departments to serve the group companies.

Its mission is to ensure that human resource policies, strategies and actions will enable Abengoa to fulfill its strategic plan, mainly by:

- Attracting, hiring and retaining the right professionals for each position, mission and responsibility.
- Consolidating, promoting and transmitting knowledge.
- Developing talent and skills.
- Ensuring that Abengoa is a company with optimal conditions for personal and professional development, attractive working conditions and environment and an effective employee-management model.
- And collaborating in corporate social responsibility

For each of the companies, its management model employs outsourcing through service supply contracts and quality-level agreements with customers, using purpose-built indicators to enable precise control of the processes involved.

Its services are vertically structured:

- Selection
- Training
- Personnel Administration
- Labor Relations
- Quality, Environment and Occupational Risk Prevention
- Development
- Social Action

GIRH currently has established sites in Spain (mainly in Madrid and Seville), Central Europe (Rotterdam), North America (Saint Louis) and Mexico (D.F. and Querétaro) and, as part of its corporate and horizontal responsibilities, globally coordinates human resource activity for Abengoa worldwide.

GIRH staff is comprised of 120 professionals.

Training

As stated above, we are aware of the fact that in the current environment, which is defined by innovation and change, the action and talent of our professionals form the key competitive element to distinguish us from our competitors. Attracting, developing and retaining talent is crucial to our success. Training is therefore one of our priorities. At Abengoa, it includes subjects identified as required to line up a team of highly-qualified professionals with corporate culture and the best market practices as follows:

- **Corporate Training.** Understood to mean training that transmits the common culture, internal rules, strategy, financial models, corporate identity, and the values it represents.
- **General Training.** In other words, training focusing on the professional improvement of employees, by teaching the new working tools and techniques, and updating professional contents, and management methods, for example. Although there is no specific training on human rights, it is important to note that in training courses on the company's common management systems, employees are provided with full information on all aspects of human rights related to their work.
- **Health and Safety Training.** This features not only training about the health and safety levels required at work and the use of both individual and collective protection elements, but also training for risk prevention technicians at different levels (basic, medium and higher levels). Training is specific to the legislation in force and how to interpret its regulations, and covers the official authorization required to undertake certain responsibilities in this field.
- **Languages.** A key element in an international growth model such as Abengoa's, requiring professional employees to be prepared to tackle and develop projects in any location worldwide.
- **Professional Practices.** These entail all types of knowledge acquisition as a result of following a program based on the implementation of competences with regard to a given position.

In order to efficiently satisfy the new and growing needs in this field, at Abengoa we have chosen to combine attendance-based training with methods based on the new technologies: e-learning.

This choice is intended to standardize messages throughout the organization, to speed up knowledge transmission by allowing each employee to manage his/her own learning pace based on capacity and previous knowledge, and to select the right time for training. It is also designed to optimize costs by cutting indirect dedication times (such as traveling), and avoiding incompatibilities with critical business times.

This initiative was introduced in 2007 as Abengoa's C@mpus.



C@mpus is the virtual space on Abengoa's employee portal, where the different on-line training contents will be hosted: including corporate and technical training, language training and health and safety training.

C@mpus will enable tutor guidance, virtual academic forums, learning assessment, training follow-up and registration.

As part of its professional development model, Abengoa has originated a series of professional itineraries based on training itineraries to produce highly-qualified professionals in key business disciplines, in line with corporate culture and the best market practices. These are known as Abengoa's Professional Programs:

- Project directors' program: this is run not only in Spain but also worldwide, for example, in Latin America and China. Currently, 60% of participants are from outside Spain, with a total number of 104 participants in the program.
- Project managers' program: three editions have been launched since October 2006, and a total of 65 professionals have participated.
- Site supervisors' program: three editions are running at present, with the participation of a total of 54 employees.
- Director development program: over and above the specific professional programs, Abengoa requires a program for key individuals, enabling it to ensure that it has a highly-skilled team to respond to strategic challenges at all times. To this end, it has a directors' plan. Over 500 employees are participating in this program, receiving specific training to increase their competences and leadership skills.
- Abengoa's 2007 Training Plan was successfully executed, achieving the objectives set in each area, both in terms of participant numbers and hours of training.

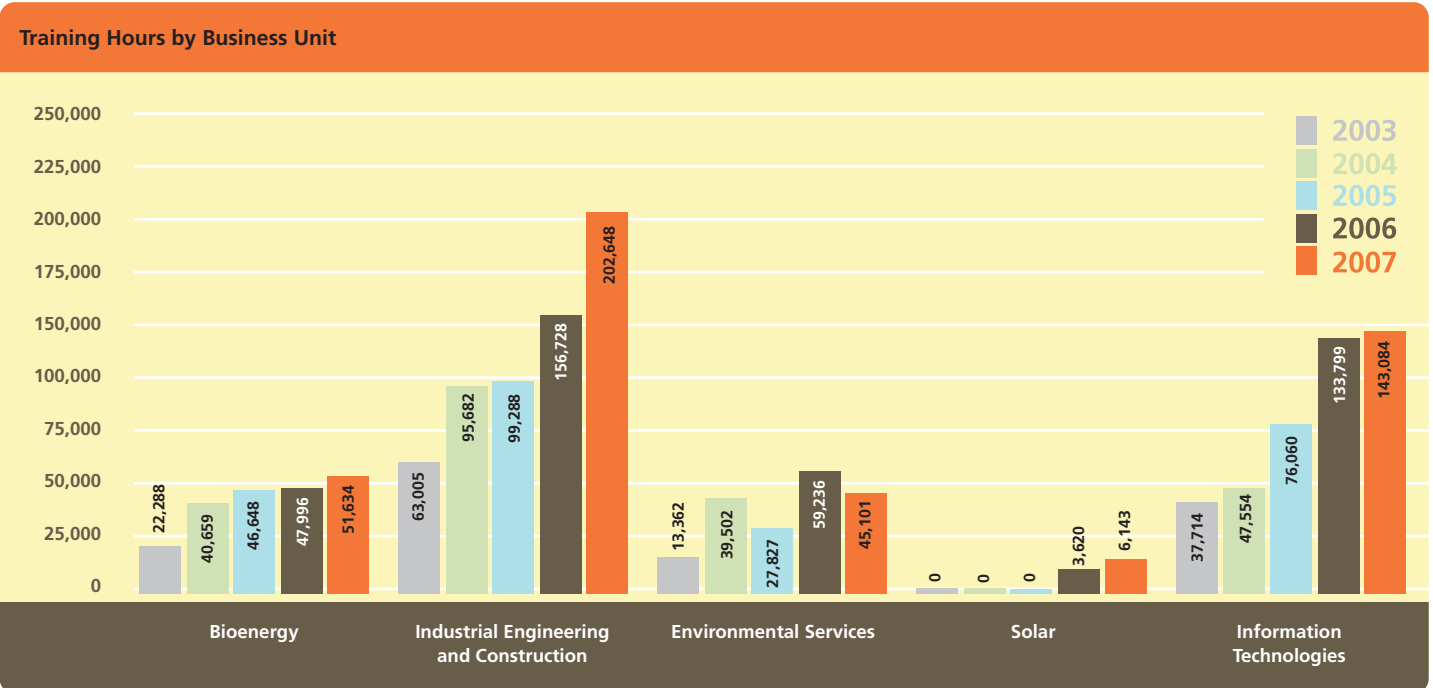
Abengoa and its Direct Stakeholders

The breakdown by type of training is as follows:

Summary	Attendees 2007	Hours 2007
Languages	2,038	61,275
Corporate	7,239	41,810
Prevention	44,180	185,327
Professional Practices	372	236,181
General	22,933	160,198
Total	76,762	684,791

Summary	Attendees 2007	Hours 2007
E-learning	5,275	15,589
Correspondence learning	1,162	79,241
Attendance-based	70,325	589,961
Total	76,762	684,791

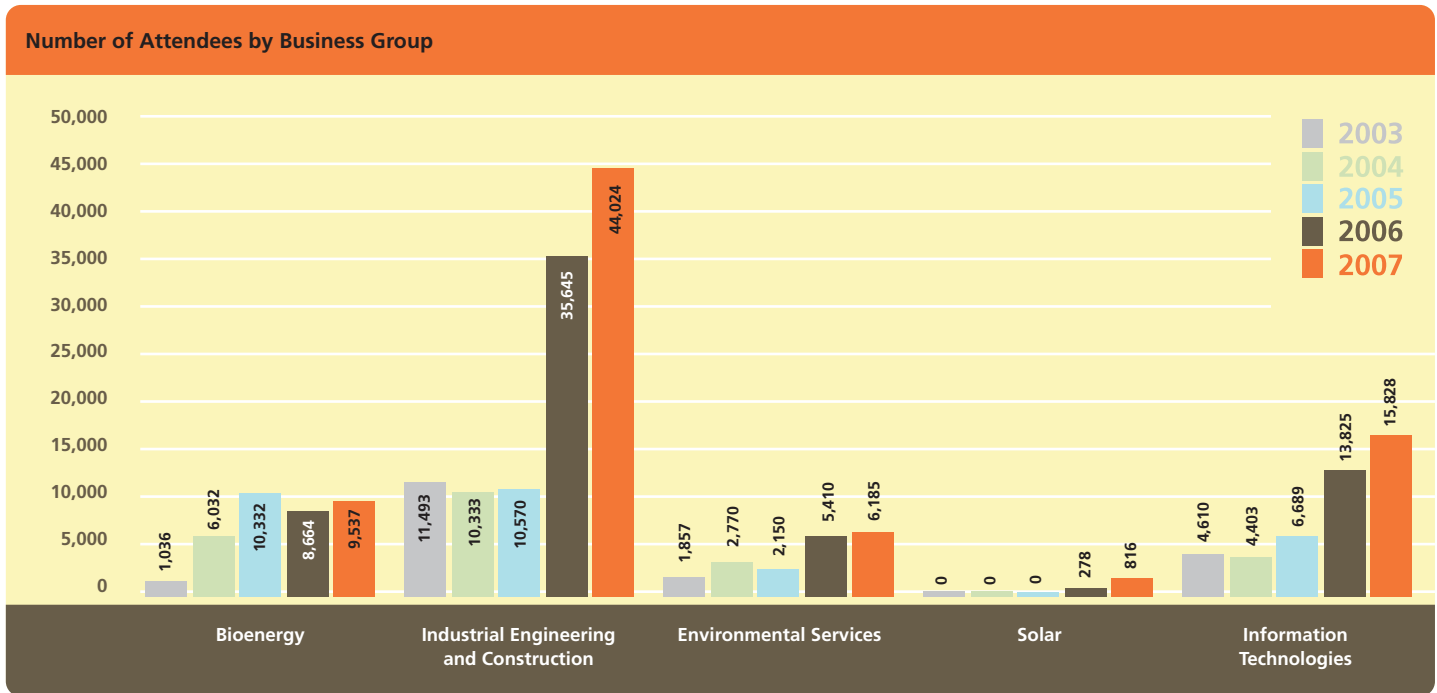
(*) Statistics on training do not take into account the new companies incorporated in 2007.



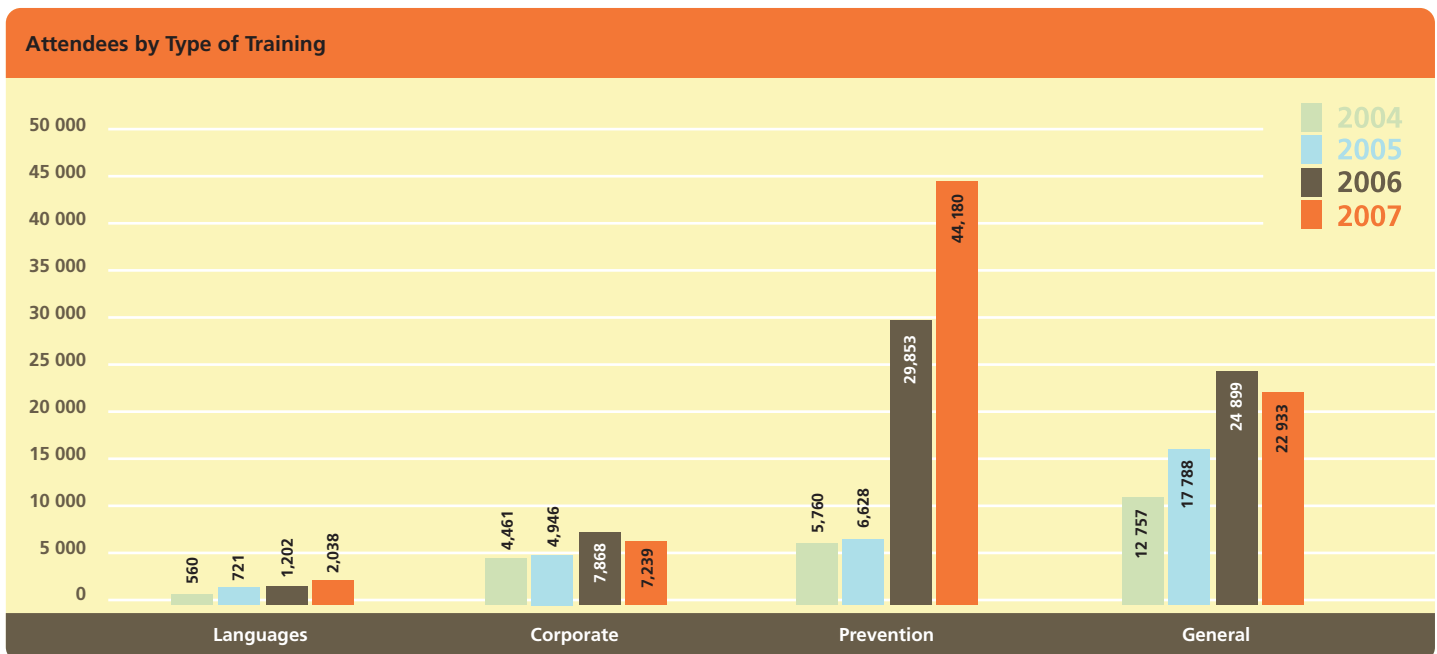
Evolution of parameters compared to previous years (comparisons of professional practices were excluded):

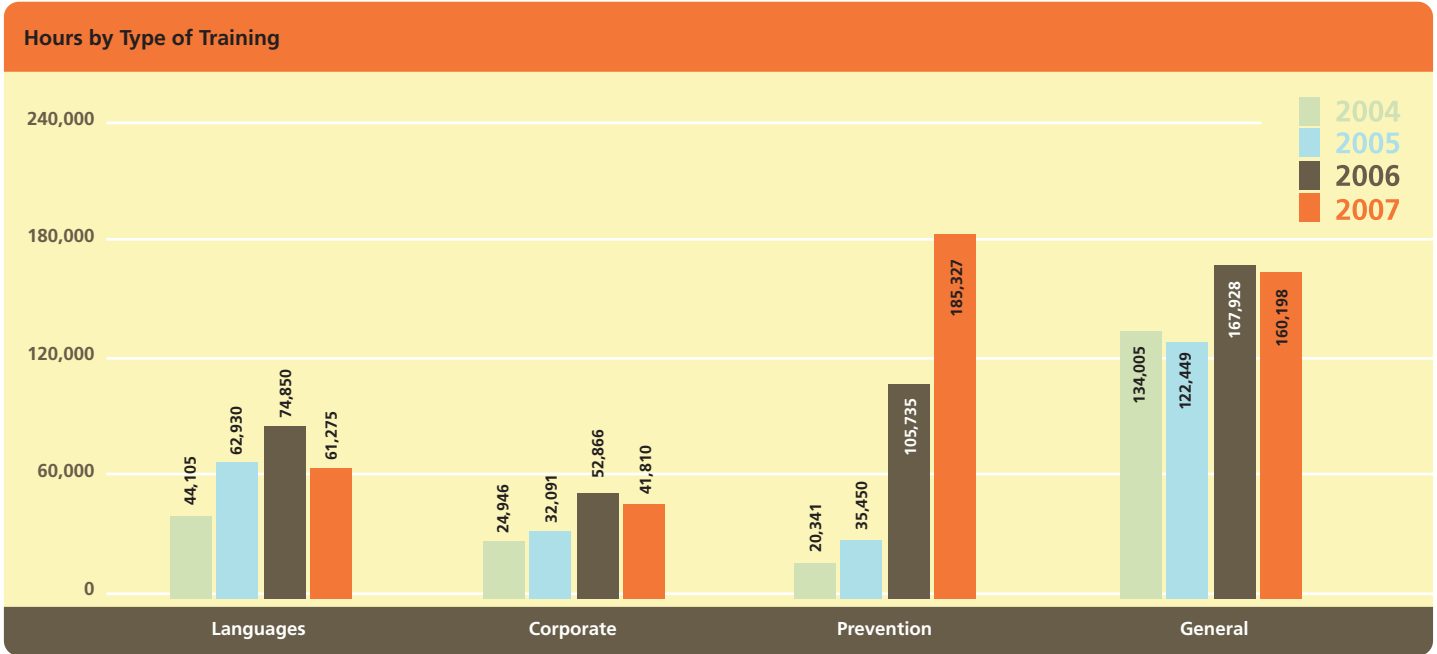
Abengoa and its Direct Stakeholders

The following graphs show comparisons in the evolution in attendee numbers over the last five years by business units.



The following graphs illustrate hours and attendees by type of training over the last four years.





These are the training hours for each professional group:

Professional Groups	Hours per Person
Directors	69
Managers	73
Engineers and other Degree Holders	51
Assistants and Professionals	31
Average Employees	50
Operators	9
Total Average	29

(*) Statistics on training do not take into account recently incorporated: Matchmind and Dedini Agro.

Labor regulation

All Abengoa's employees are now under the scope of application of labor regulations, according to the nature of activities and the countries involved, in addition to the company's own standards. Furthermore, as applicable under the national legal system of each country, special emphasis is placed on the collective bargaining agreements of the industry, territory, or those of the company itself, signed up to by workers, or their union representatives, as appropriate.

It should be emphasized that the Abengoa Professional Code of Conduct applies to everybody and that is based on the idea that the company's reputation and success depend on the honesty, integrity and the sound judgment of employees, managers and directors in their relations with customers and prospects, colleagues, competitors and administration entities, the media, and all the other parties or institutions with which the Abengoa has contact. Similarly, and in addition to express adherence to the Universal Declaration on Human Rights, it has also been agreed to include within the Code, the Abengoa commitment to promote all the principles and rights covered by the International Labor Organization (ILO) Declaration adopted in 1998. This Declaration covers freedom of association, trade union freedom, effective recognition of the right to collective bargaining, the elimination of forced or obligatory work, the abolition of child labor, and the elimination of all types of discrimination in regard to employment and occupation.

Abengoa respects and supports the free association of its workers, holding it to be an inalienable right. In addition, dialogue with workers' representatives is ongoing and they are kept informed on all areas of interest to them.

There are no specific procedures on monitoring and evaluating actions on the formal representation of employees. But Abengoa drives forward fluid, two-way communication and ongoing dialogue with workers' representatives both within the organization and in the supply chain. The company stimulates the participation of workers and their representatives by means of updated information provided at meetings, and during conversations and negotiations.

Abengoa encourages multi-directional communication within the company, in such a way that senior managers remain informed of the positions, concerns and suggestions of employees and their representatives.

The aim of ensuring fluid in-house communication does not only cover workers and their rights, ensuring they have extra protection, but also enables the company to detect errors through criticism it may receive, and to acquire new knowledge. Abengoa's specific measures in this field include a suggestions box accessible to all company employees, which is directly administered by Abengoa's senior Human Resource managers; and tools for identifying problems and improvement actions, ensuring that all employees have the possibility of passing on their opinions to senior management.

Abengoa totally condemns all forms of forced labor and the exploitation of children, and supports all initiatives to eradicate them. Abengoa abides by international standards on child labor, and its internal regulations prohibit it. Abengoa is a signatory to the United Nations Pact including this subject as one of its nine principles.

Abengoa's hiring policy is especially strict regarding all issues linked to child labor, even though the nature of its work requires highly-qualified personnel and it is not considered a risk factor within the company.

As a basic employment right, Abengoa guarantees prior informing of all workers of any structural or organizational changes produced in the company, whether individually or through their representatives, with whom ongoing dialogue is a basic premise. It is usually the collective bargaining process which sets the minimum schedules for said notifications. Normally, they range from 15 to 30 days.

Health and Safety

In compliance with the health and safety legislation in force in different countries and to execute Abengoa's own health and safety policy, relevant steps were taken in 2007 to ensure ongoing improvement of the health and safety measures implemented.

Development of the goals planned throughout the year within the companies, the integration and participation of workers in the development of health and safety activities, follow-up and control of the system designed by senior management, and advice received from health and safety organizations created in the companies ensure the development of a health and safety culture in Abengoa that has a significant influence on the reduction of work accidents and professional illnesses, and on the continuous improvement of safety conditions at work.

All the Abengoa companies have designated, named persons, working part-time or full-time or on the development, management and control of the health and safety system. The organization models implemented in health and safety are aligned with the legal requirements of each country in which Abengoa operates. Abengoa has chosen to have its own health and safety services staffed by specialist technicians.

In all the companies, in accordance with Abengoa's health and safety policy and the Common Management Rules, Prevention, committees have been created to be responsible for monitoring and control of the health and safety system. The health and safety Committee comprises senior company management, departmental heads, and the health and safety service technicians. The Committee meets regularly to approve goals and set follow-up actions to be performed. Its work includes analysis of the labor accident rate, the creation of statistical indicators, and the annual planning of health and safety activities (PAP) in accordance with the results of the risk assessments undertaken, the IRP and AM, the internal audit reports, published legislation, etc. Senior management reviews results and recommends actions for the ongoing cycle of improvement.

As established by the health and safety policy Statement, training in prevention is essential to the Prevention Management System. The contents of training actions are designed to ensure that employees are qualified to identify labor risks at their workplace, and that they know the prevention, protection and emergency measures to implement for their elimination or control. There is a special focus on workers subjected to serious risks and on new recruits.

With the aim of forestalling and controlling factors that could create an imbalance for workers, a wide range of training events are being offered. These range from stress prevention to an explanation of ergonomic, hygiene and psycho-social issues. The events are informative and also provide participants with the guidelines to stimulate physical and/or psycho-social situations to diminish the stress factors acting to block effective professional, personal, social and family development.

With an incidence rate of 42.01 and a seriousness rate of 0.46, labor accident rates in Abengoa are very low taking into account the potential risks and danger inherent to the operations of many of the companies, and in comparison with data from similar industries published by Spain's Ministry of Employment and Social Affairs: Construction 2006: Incidence 129 and seriousness 1.62 and Industry 2006: Incidence: 111 and seriousness 1.30.

(*) Health and safety statistics do not include recently acquired Matchmind and Dedini Agro.

Each company monitors the work accidents and professional illnesses that occur at their work centers (official reports, sick leave certificates etc.), as well as the research reports made by health and safety service technicians and others involved in health and safety, in accordance with an internal management regulation and the general procedure of the health and safety system, PGP-000/08. This information is communicated to GIRH on a monthly basis for preparation of the corresponding indicators by company, and the consolidated reports, to enable efficient follow-up and control with a view to an Improvement Action proposal where appropriate.

According to the aforementioned management rule, serious accidents must be immediately communicated to the Chairman, the Director of the Business Unit, the Human Resources Director and the head of Health and Safety. An analysis and investigation of the particular circumstances are performed right away, by means of the two aforementioned paths: the Event and/or Accident Investigation Report, and the corresponding Problem-Solving Report.

Some statistics from 2007

- The total percentage of absenteeism in Abengoa (sanction, illness, accidents, and justified and unjustified leaves of absence) was 1.53%. Illness-related absenteeism was 1.17%, and that related to accidents at work 0.18%.
- The number of work accidents leading to authorized sick leave of over one day totaled 567, of which 48 occurred during journeys to and from work. Said accidents led to 10,402 lost working days, of which 872 were caused by in itinere accidents.
- In 2007, there was one fatality at work. The deceased worker was employed by Inabensa's Railway Division and the cause of death was an electric shock.
- In 2007, there were no discrimination-related incidents at Abengoa.

(*) These statistics do not include recently acquired Matchmind and Dedini Agro.

The promotion of participation, staff or group initiative, pro-activity, in summary the implication and commitment of everybody with the continuous improvement of the Risk Prevention System at each of the Abengoa companies is still one of the biggest goals and something to change regarding the traditional system of formal character and vertical operation.

Computer applications for management and trouble-shooting (TS), and for dealing with improvement actions (IA), are strategic tools facilitating achievement of this objective. All personnel working for the companies have access to them and it is a management responsibility to promote their usage throughout the organization. In 2007, over 1,740 TSs were recorded, and more than 590 IAs on health and safety at work issues; increases of 33% and 15%, respectively.

As a support to the documentation of the Health and Safety Management System, there is a very useful computer application for companies and the various Risk Prevention Services of the Group. It is managed by the Associated Prevention Service in its company scope.

Common Management Rules in Abengoa establish as a strategic goal for all the Companies, the implementation and certification of Prevention Management models according to the OHSAS 18001:1999. In 2007, the certificates of 53 companies were renewed.



To verify the safety conditions under which the activities of the work centers and work sites are developed, visits were made to work sites and hygienic measurements taken. From detected defects and anomalies, the corresponding Trouble-Shooting Reports (TSRs) and Improvement Actions (IAs) were created.

The implemented check-list self-assessment system is still being promoted; it allows the people in charge of work centers and work sites to know the elements lacking in the application of the Risk Prevention System.

According to the goals and programs, 142 internal audits were made in companies and organization units. Regarding the non-conformities and recommendations made, the corresponding PSs and IAs have been created at the companies.

In 2007, the Junta de Andalucía (Andalusian regional government) awarded Abengoa the 2007 Health and Safety Prize for its organization and management of the system implemented and for its sound preventive practices. In addition, Abeinsa Chile received the "National Security Council" prize from Chile's "Consejo Nacional de Seguridad" for its low accident rates. It was top in the "Construction Companies" category.

Quality of life, social action and work-life balance

Abengoa has launched series of actions to make the environment more human and pleasant by increasing life quality at work and promoting work-life balance.

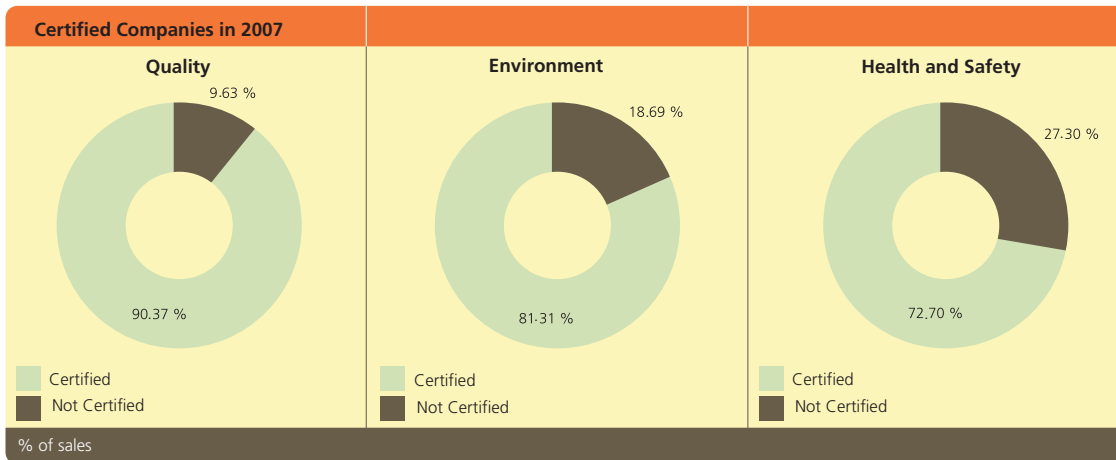
Initiatives executed include:

- **Promotion of physical activity and sports.-** To contribute to employees' quality of life, Abengoa has installed gyms at its work centers. They are equipped with everything necessary for physical fitness, and have space for different activities (dance, step, aerobics, Pilates etc.). Said facilities are currently operated at the Seville (Buhaira and Tamarguillo), Madrid (Valgrande), and Calgary (Canada) headquarters.
- **Day care centers.-** Another project that is part of the Quality of Life Policy in Abengoa and part of the work-life balance initiative is the funded Day Care Service for toddlers under the age of three, for workers at the Valgrande building in Madrid. This initiative also features in the design for the new site in Seville (Palmas Altas).
- **Accumulation of leave for child care/nursing.** In accordance with Spanish labor legislation, fathers or mothers of children under nine months have the right to periods of one-hour paid leave for nursing/child care. However, within the framework of the work-life balance initiative, at Abengoa we go beyond legal requirements by offering new fathers and mothers the possibility to accumulate periods of nursery/child care leave either totally or partially; in practice this may be equivalent to extending maternity leave to approximately one month.
- **Work schedule flexibility.** In its work schedules, Abengoa has established different alternatives for the morning start time, lunch-time, and evening finish (or start) times, enabling employees to select the schedule that best suits their professional and family life.
- **Social assistance for employees.** This is a project to build relationships with a human face in which employees can raise specific and very diverse situations, such as the need to be heard, to receive support and orientation, to get information, or to control specific family, medical, social or economic problems. The Focus-Abengoa Foundation, through GIRH, has Social Funds to provide economic aid in situations of need.
- **Medical services.** As part of our reinforcement of coverage for employees, we have a policy to provide a medical service at our work centers of more than 300 people. Currently the work centers including those at Buhaira, Tamarguillo, Valgrande, Velasco Pando, Mexico D.F. have their own medical service, staffed by specialized personnel, equipped with the required health-care material.

In addition to health center opening times and the appointment service for medical examinations in accordance with the specific health monitoring programs, both also have an emergency service available throughout the working day, and there is a telephone extension to call said service available at each building.

Our clients

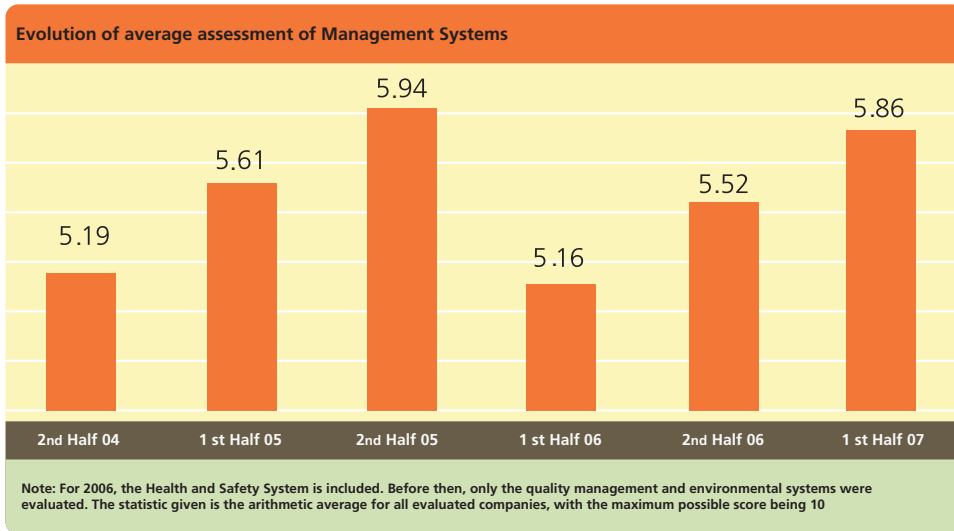
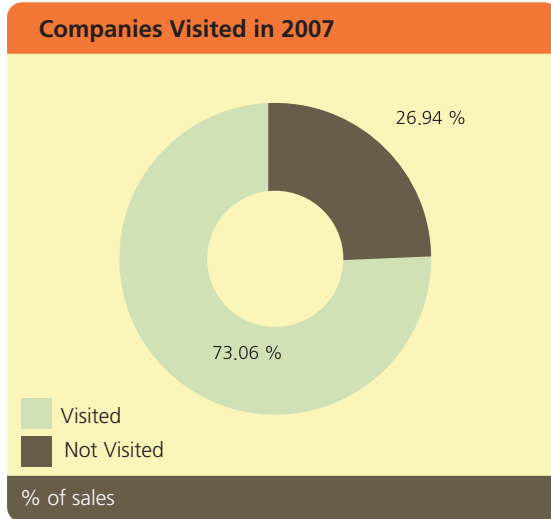
Since its creation, Abengoa has acquired a commitment to ensure that its products and services are always focused on guaranteeing full customer satisfaction. This commitment was explicitly inserted into the Common Management Standards (NOC) applicable to all group companies. These establish the obligation to implement and certify the quality management, environmental and health and safety systems in compliance with the international ISO 9001, ISO 14001 and OHSAS 18001 standards.



Effective implementation of the management systems is facilitated by the guidelines set by senior management in the quality, environment and health and safety policy, the annual objectives, ongoing monitoring, continuous improvement, training and the unconditional support of all Abengoa personnel.

General senior management holds the overall responsibility for the proper functioning of the management systems within each of the companies, which is delegated to the managers of the quality, environment and health and safety department, who are ultimately responsible for ensuring compliance with regulations, procedures and the legislation in force in each case.

There is also a direct reporting line to the Abengoa Chairman's office, and corporate senior management for organization, quality, environment and health and safety department, with its own resources. The responsibility of the latter, in relation to management systems, is to report to the Chairman on performance and on the situation of the management systems in the different group companies. Said duty involves half-yearly visits to each of the companies, for which an internal specification has been developed in order to define the way in which the maturity of these systems is assessed. This plan takes the form of an annual program featuring approximately one hundred visits to a dozen different countries.



Customer Health and Safety

Each Abengoa company has an established management system focusing on processes, which underlies and executes the organization’s policy and strategy, and which is oriented towards its ongoing improvement, in accordance with the requirements of international standards. Within this context, it is the management system itself, along with its control and monitoring mechanisms, which ensures that during each of the lifecycle phases of products and services there is assessment of the impacts on the health and safety of clients. The graph on the number of certified companies and the evolution of methods to measure their maturity give some idea of the percentage of products and services assessed.

There were no reports of incidents related to non-compliance of legal regulations or voluntary codes, in regard to the impacts of products and services on health and safety during their lifecycle.

Product and Service Labeling

In order to ensure compliance with international regulations and internal specifications, it is essential to identify all the applicable legal requirements and other requirements with respect to each of the companies and their respective products and services. At Abengoa, we also undertake regular monitoring of compliance with all the established requirements, such that, should non-compliance occur, the trouble-shooting methods (TS) and improvement actions (IA) employed must be recorded in the corporate applications for their control and monitoring. The requirements include those relating to information and labeling used for products and services. There were no incidents of non-compliance in this regard in the course of the present fiscal year.

For equipment shipped by Telvent a declaration of EC conformity and EC labeling is required. In accordance with community law, devices are awarded the EC marking only once a technical report generated to indicate that all the required tests have been conducted.

In regard to the labeling of products shipped by Bioenergy, the requirements for which depend on national or international legislation in regard to transportation, or on their status as animal feed, we differentiate between two types of product:

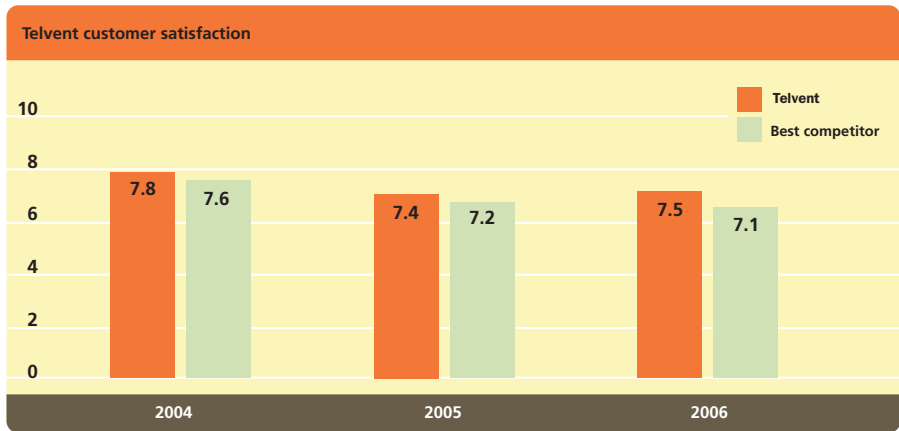
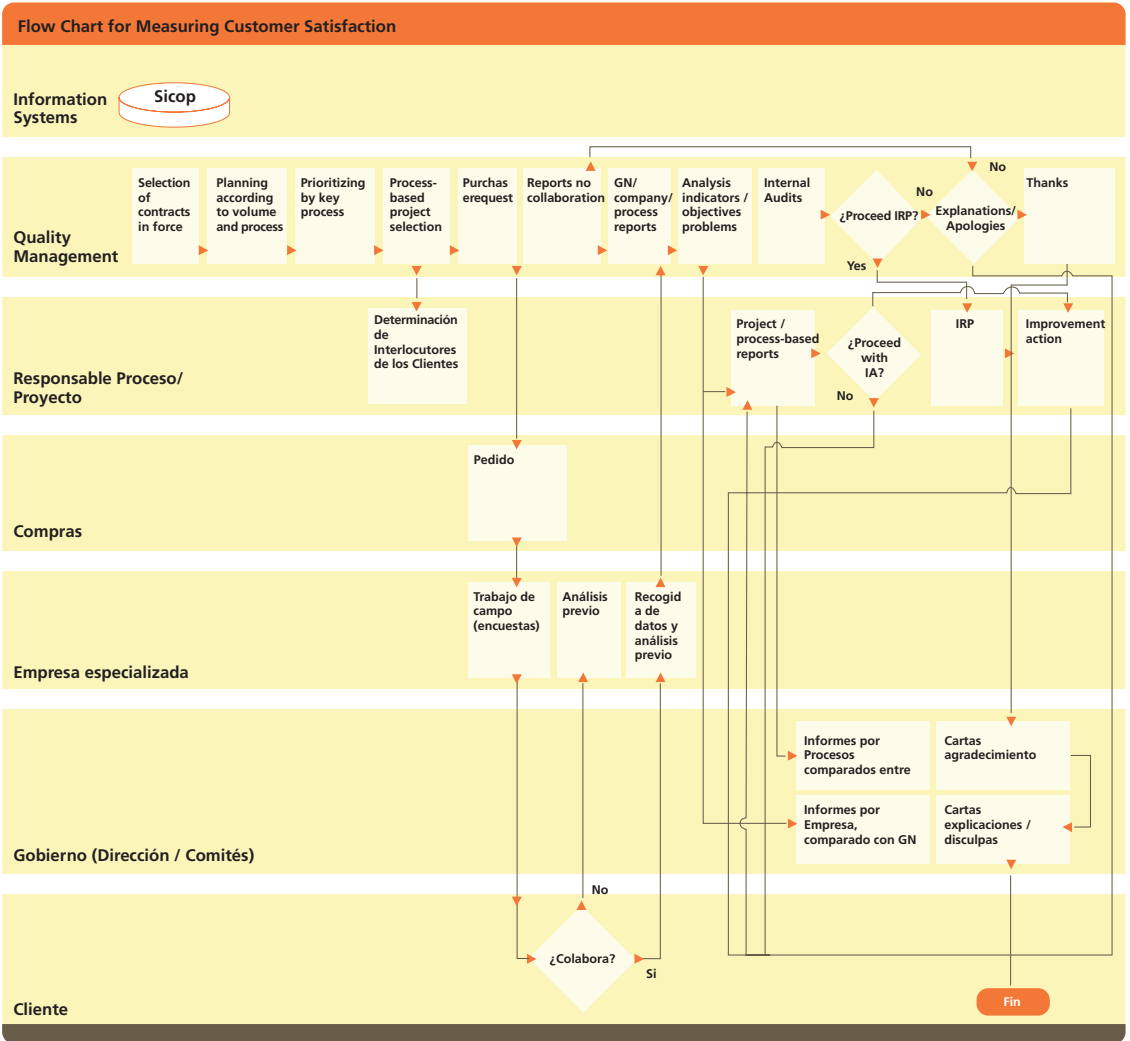
- Bioethanol. However it is transported, ethanol is shipped with a safety certificate and a loading letter. The product is shipped bulk and does not require labeling; which is not the case for the container. The latter must be identified in compliance with the ADR for the road transport of dangerous goods, or with the RID in the case of rail freight.
- Ecoprotein. It does not require labeling since it is shipped bulk. Nevertheless, given its status as animal feed, the product is shipped with documentation which includes – for example – information on the shipper and marketing organization, the technical name of the product, an OGM declaration (if applicable), the protein content and batch traceability.

With regard to works, usually it is the customer who sets requirements, guidelines, types of material to be fitted etc., such that all the information required for responsible use of the executed work is in the documentation submitted with the product or service supplied: safety details, installation instructions, user's manuals, bulletins for electrical fittings, legalizations, start-up, connectivities, recommendations etc.

The management systems implemented, in compliance with international standards and internal requirements described in the specifications defining the way to assess the maturity of these systems establish the need to implement systems to evaluate customer satisfaction and of being able to analyze the latter's needs and expectations. This analysis concludes by setting specific objectives and action plans to cover said expectations and improve satisfaction. It is taken into account by senior management when setting and defining each company's strategy. The implementation of this practice is reviewed and assessed in the annual program of visits to control and monitor the management systems.

Given the diversity of Abengoa's activities, its products and services, and the clients on whom the satisfaction survey focuses, said survey is designed on an individual basis by each company, and in certain cases there is a consolidated business unit version. The following diagrams illustrate the methodology used and the results obtained.

Abengoa and its Direct Stakeholders



Marketing Communications

Abengoa has not signed up to any voluntary standard or code related to marketing, advertising or other promotional or sponsorship activities. However, there is a demanding and strict internal control procedure for external communications, which is included in the NOC (standards that must be complied with).

This control system involves the existence of a chain of internal authorizations, which may even involve the company Chairman's office. Information is authorized and completed by the heads of all departments involved in the contents of the communication, in such a way that the information issued is unified, truthful and complete. This process ensures that the communications produced do not contravene the company's principles and values or its Code of Conduct.

There is no record of any complaints on this issue to Abengoa companies.

Client privacy

Abengoa guarantees the validity, integrity and security of all information that it processes, especially in terms of clients' personal details. With the aim of ensuring effective security measures for communications and information systems, there is a company security policy declaration covering all Abengoa companies. This declaration informs on the implementation of a Management System for Information Security, as a tool enabling the achievement of security objectives, understood to mean confidentiality, integrity and availability.

The Management System for Information Security explicitly covers everything relating to policy, the standards and obligations applicable to the users of information systems, regardless of whether they are Abengoa employees or otherwise.

The Management System for Information Security develops: the policy of usage for information systems, management security-related incidents, the password policy, security at the workplace, antivirus protection, wireless networks, system administration, perimeter security, protection of data of a personal nature, and the classification of information. No complaints have been made to Abengoa companies regarding privacy or leaks of clients' personal information.

Abengoa has not been fined for non-compliance with legislation on the supply and use of products and services offered by any of the companies belonging to the group.

In 2007, Abengoa received recognitions from a range of sources for excellence in management, its entrepreneurial initiative and customer satisfaction.

"The 2007 Award for Entrepreneurial Initiative", awarded by the Junta de Andalucía (regional government of Andalusia)

"The Andalusian Award for Excellence" in the section for Management Systems in Large Companies, awarded by the Council for Innovation, Science and Commerce of the Andalusian government.

"Silver Recognition of the Ibero-American Quality Award" based on a model of excellence similar to EFQM, awarded to Teyma Uruguay by the Ibero-American Foundation for Quality.

"Diploma for participation in development of the Reference Framework for Innovation" awarded to Telvent Energy and Environment by the Excellence in Management Club

"The Castilla y León Prize for Management Excellence" in the Large Companies section, with a special mention of our CSR work; awarded by the Junta de Castilla y León (regional government of Castilla y León)

"Seal of Excellence EFQM Silver/4" awarded by EFQM/Club de estrellas (expires in 2009)

"2007 Award for Customer Trust", awarded by la Comunidad de Madrid (regional government of Madrid)

Our shareholders

In order to facilitate the existence of permanent contact with company shareholders, we run an investor relations department at Abengoa, the aim of which is to ensure transparent and fluid communication with the shareholders / investors. The director for investor relations, in coordination with the financial director, is in charge of the design and implementation of the communication program for domestic and international financial markets, with the aim of providing information on the company's main aggregates and strategic actions, to both individual and institutional investors.

Abengoa is committed to providing shareholders and financial analysts excellent attention, ensuring that they have full and exact information within the framework of corporate governance practices aligned with the most demanding criteria.

Shareholder and investor dialogue channels

Abengoa's relationship with its investors and shareholders in the 2007 fiscal year has been strengthened, and their suggestions and requests have been addressed with the aim of improving our service to them. This relationship is marked by absolute reporting transparency and proximity of relations with interested interlocutors.

Since 2006, quarterly results reports, in addition to the standard compulsory information, have included a complete document analyzing the performance of each of Abengoa's business units and main aggregates. Said quarterly results have been presented using audio systems by telephone, and by means of internet audio/video streaming.

In addition, senior managers responsible for attending to shareholders and investors have participated in a total of 18 public presentations - road shows - domestic and international, where they had the opportunity to personally address over 500 institutional investors. The execution of this activity with investors and analysts has involved visits to the most important financial centers in Europe and the United States.

When referring to the meetings with analysts and investors, we must make special mention of the presentation held in Madrid on February 27, 2007, which coincided with the publication of our results for 2006, and the III Analyst and Investor Day, which took place on November 21, 2007, also in Madrid, and provided a platform for updating the company's relevant information.

The corporate website, in Spanish and English, is an excellent instrument, which has special relevance in our communication policy vis à vis all stakeholders and, especially shareholders, investors and financial analysts. Through ongoing updates, we seek to include all relevant information so that decisions can be taken with perfect knowledge of the company's financial and strategic situation.

In 2007, Abengoa was awarded the "Best European Business", the top award in the category for "Mergers, Mid-Sized Acquisitions, Companies", for the acquisition operation for the companies B.U.S. Group AB, which was awarded by Roland Berger Strategy Consultants, CNN, and the IESE Business School. And the "Competitive Company Program Award", for the performance of the companies involved in the Competitive Company Program, which was awarded by the Chilean Construction Chamber.

Share performance

According to data provided to Abengoa by Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores S.A. at the last General Shareholders' Meeting, held April 15, 2007, Abengoa, S.A. had 10,192 shareholders.

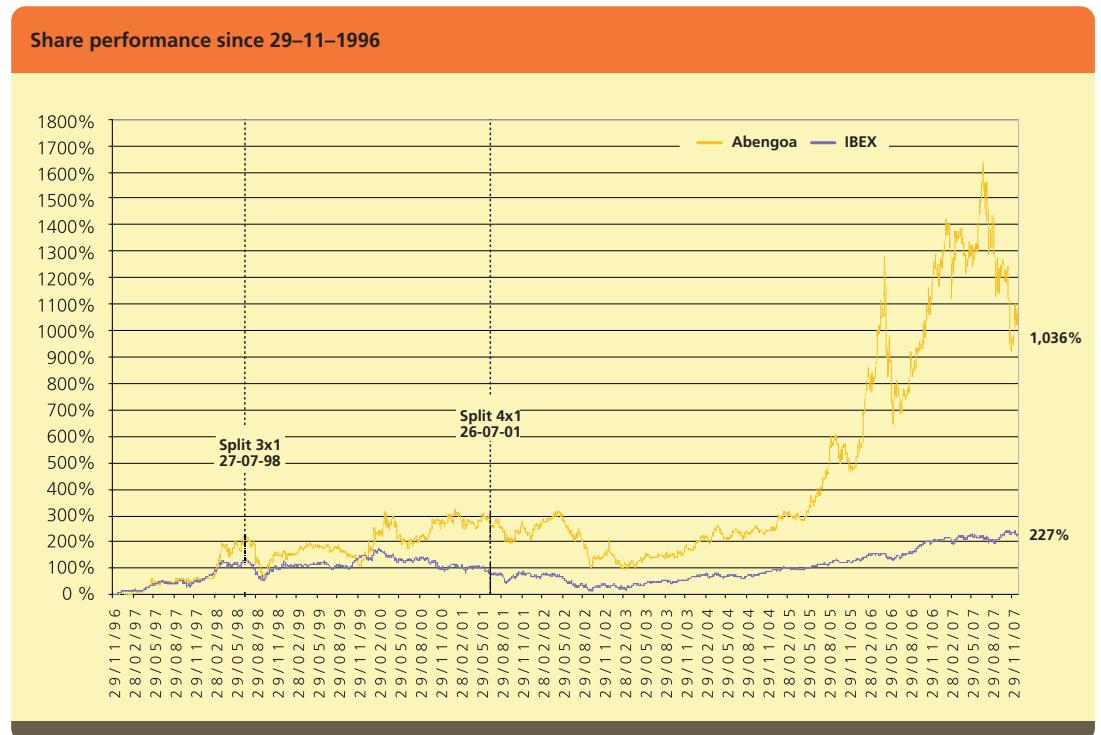
As of December 31, 2007 understands that its free float capital was 43.96% on discounting the holdings of its shareholders Inversión Corporativa I.C.S.A. and its subsidiary Finarpisa (56.04%).

According to data provided to the company by Sociedad Rectora de la Bolsa de Valores de Madrid, in 2007 a total of 134,132,538 shares were bought or sold. The average volume of daily acquisition for the year was 530,166 shares. The minimum, maximum and average listed prices for the 2007 fiscal year were 21.54 Euros, 37.50 Euros and 28.62 Euros, respectively. The last listed price for Abengoa shares in 2007 was 24.18 Euros, down 13% over December 31, 2006, and 1.036% up on the OPV for November 29, 1996.

The IBEX-35 Technical Assessment Committee (CAT) at its meeting of December 11, 2007 agreed to include Abengoa in the IBEX-35 index as of January 2, 2008. It is the first time in Abengoa's history that it will feature among the 35 companies with the highest stock exchange capitalization and turnover, as part of the index most closely followed by financial investors and analysts.

Performance since floating in 1996

As a historic reference since Abengoa became a listed company on November 29, 1996, company shares have risen in value by 1,036%, meaning that the initial price has multiplied by 11.36. During the same period of time, the IBEX 35 index did so by 227%.



Our suppliers

Abengoa directly integrates suppliers in the development of its operations, through the application of their experience and technology. The implementation of the best solutions proposed by our suppliers enables us to minimize risks and optimize costs and schedules.

Good supplier performance is critical to efficiency in the production of high-quality products and services, reducing costs and increasing profitability. A structured procedure is employed in order to measure supplier efficiency. This procedure includes receipt of information and opinions from the suppliers evaluated.

Five basic guidelines are used to execute the above, setting the tone for our relationship with suppliers and reinforcing our strategy: outsourcing, leadership, globalization, local development and integration.

- **Outsourcing**

By means of the outsourcing of services identified as complementary for production, we are able to ensure maximum optimization of operations.

Outsourcing makes it possible to concentrate on improving our knowledge, increasing the performance of the cornerstones of our business, incorporating the most professional service by means of directly involving our suppliers in operations on a day-to-day basis.

Services such as workers specialized in different aspects of maintenance and utilities, as well as supplies and application of critical products, are outsourced in view of the specific training, technology and experience required.

- **Leadership**

The ongoing search, and hiring suppliers who are industry leaders, ensures that we can produce innovative improvement solutions with a significant technological component, enabling Abengoa to maintain its high competitiveness and quality levels.

We use reputed suppliers with wide-ranging experience for the supply of critical products and the maintenance of essential units.

- **Globalization**

Hiring common suppliers at the different production centers enables us to incorporate the most developed and homogeneous service, with standardized scopes supporting corporate procedure and balanced growth between the different production plants.

These synergies facilitate the application of global solutions ensuring cost optimization, both in management and in service development and supplies.

- **Local Development**

The focus on local supplier development and involvement ensures coverage of the essential and basic requirements, and allows for flexibility in terms of consumption of volumes and response times, with positive impacts on commercial and industrial growth in the geographic areas involved, and the guarantee of a close, social relationship.

- **Integration**

Integration of our suppliers' improvement proposals enables the ongoing improvement of productivity and yields.

Results-based price-setting is a basic principle of commitment to business.

And respect for human rights and ethics in our companies in accordance with our environmental and health and safety policy complements said commitment.

Our relationship with suppliers

Efficiency in project management, ongoing process improvement and administration of the new developments is crucial to consolidating and developing the positions we have achieved in the markets in which we are established. And the framework for this is our common corporate culture, values and identity, which drive forward our quest for innovation and search for new business opportunities.

Integration of our suppliers is key to achieving these objectives. We view them as strategic partners based on the principle of partnership and unity in securing our common goals. In many cases this involves the signing of long-term agreements, loyalty commitments and mutual agreements.

Suppliers actively participate in bid preparation, development of our commercial activity, and in our customer presentations. Without a coordinated strategy in relation to them, we would not be able to market the products and services that we presently offer.

In view of their importance to the organization and the need to successfully meet objectives, both before and during our relationship with them we undertake detailed assessment of their compliance in terms of legal and commercial questions, logistics, health and safety, quality, the environment, technical issues and post-sales services. All Abengoa companies have standardized selection processes and supplier control and monitoring mechanisms. Agreements with suppliers are formalized by the issuing of all relevant documentation, listing the agreements reached between both parties, both from the standpoint of the technical requirements to be met by the supplier, and that of the commercial conditions to be applied.

In order for our relationship with suppliers to be as fruitful as possible, we demand from them –just as we do from ourselves - the highest levels of quality, respect for the environment, and labor safety totally compliant with the corporate occupational risk prevention policy. In many instances, this will entail an obligation to comply with the different validation criteria, such that the technical and economic capacities and of the supplier will be certified, and special attention will be paid to the internal policy and procedures of the integrated quality, environment and health and safety management systems implemented throughout our organization in accordance with the ISO 9001, ISO 14001, EMAS and OHSAS 18001 standards, respectively.

Within the context of the partnership arrangements with our suppliers and collaborators, and in order to ensure consolidation and improvement of the aforementioned high-level trouble-shooting applications (TS) and proposals for improvement actions (IA) have been developed and made available throughout the organization.

Said corporate applications form a strategic tool for increased competitiveness, promoting bottom-up participation of all the elements of the organization, and therefore of our suppliers and collaborators too. It is a tremendous source of knowledge, ongoing assessment; it mitigates risk, is self-critical and generates ideas, which in themselves ensure continuous improvement to processes, activities, services and products offered by our company.

We sometimes aid our strategic partners who are small service suppliers or who operate in more slowly developing areas by:

- Securing funding (or identifying channels for accessing the same),
- Improving their health and safety systems
- Providing technical training – in occupation risks, for example.

At Abengoa, we understand that a close relationship involving communication, knowledge and mutual support with our suppliers and collaborators creates value for the whole organization.

Suppliers and Human Rights

At present, Abengoa is working on requesting that all suppliers adhere to the Universal Declaration on Human Rights, as long as they undertake random human rights audits.

During the present fiscal year it was decided to insert within the Abengoa Professional Code of Conduct an express Declaration of the company's adherence to the Universal Declaration on Human Rights. Abengoa shall only maintain contractual relations with suppliers who explicitly adhere to the Universal Declaration on Human rights and to the declaration relating to basic principles and rights at work.

Abengoa totally condemns all forms of forced labor and the exploitation of children, and supports all initiatives to eradicate them.

All Abengoa employees are now covered by cross-company labor regulations – in accordance with the nature of activities and the countries involved. Furthermore, as applicable under the national legal system of each country, special emphasis is placed on the collective bargaining agreements of the industry, territory, or those of the company itself, signed up to by workers, or their union representatives, as appropriate. Through contractual clauses, Abengoa verifies that its suppliers comply to the principle of a reasonable amount of working hours for their workers.

Abengoa has a very strict internal policy focusing on compliance with the labor laws and standards of each country in which it operates, and which, in addition, provides benefits exceeding the legal minimum. Compliance with this policy is subject to strict control and checks by the company.

We have no knowledge that there have been any cases of forced labor or work carried out under coercion within Abengoa. Given that we are a technological company providing solutions for sustainable development in the infrastructure, environmental and energy industries, we do not perceive forced labor as being a potential risk of our activities.

Abengoa promotes a culture, values and a common corporate identity promoting maximum respect for human rights in its social environment. It requires that companies working in partnership with it share this respect.

Every company in the Abengoa Group has the power to structure and organize itself according to its needs, with management being responsible for defining the resources that are required to meet the company's environmental commitments.

As an instrument aimed at developing this commitment, each company has a specific organization suited to its needs and dedicated to the development and maintenance of the Environmental Management System. These organizations answer directly to the management teams of the company concerned, or to the management board of the business group to which they belong. In all cases, the organization is made up of fully skilled and suitably trained professionals with the corresponding academic background in each area.

At the same time, the companies whose activity involves engineering or industrial construction have a decentralized structure carrying out activities at the work or project site, at their permanent seats (delegation or regional management) and at their headquarters, the latter answering to general management.

On a corporate level, and answering directly to Abengoa's Chairmanship, there is a Corporate Board of Management to deal with Organization, Quality and the Environment. Enjoying its own resources, its environmental responsibility involves reporting to the Abengoa Chairmanship on the development and state of the different Management Systems in the companies that make up the group. This supervisory activity is managed by the general coordinator for quality and the environment, who is in charge of verifying the fulfillment of objectives and the use made of the synergies arising from the control and monitoring visits.

Quality and Environment organizations are mainly concerned with the management and creation of the documentation for the Systems, keeping it updated in accordance with national and international standards and prevailing legislation, proposing and developing the annual internal audit plan, taking on the secretarial functions for the Quality and Environment Committee, where company, area and department objectives, indicators and goals are proposed, addressing queries and requests for advice from areas and departments, acting as a supervisor in the application of trouble-shooting (Trouble-shooting Report - TSR) and improvement actions (IA), as well as collaborating with general management in the annual review of systems, with the aim of identifying proposals for improvement.

The following obligations for Abengoa companies arise from the development of the internal management standards and with respect to environmental organization and structure:

- The establishment of an Environment and Quality Committee to be presided over by company Management, in which the whole organization is represented, the function of which is to act as the governing body of the Environmental Management System.
- To provide the environmental structure and organization required to meet the environmental commitment set down in the standard. A responsibility that the standard itself assigns to Management, and which must be proportional to the needs of the company.

In order for an organization as complex and multi-faceted as Abengoa to be successful in meeting its environmental goals and its commitment to sustainability, it is essential that all of its members are aware of the impact that the activities they carry out from their work stations have on the environment and that they have received the benefits of proper training. All aspects of environmental management training at Abengoa form part of the general group training process. Each company has an annual training plan, which, in general, is based on the Abengoa skills management model and brings with it a systematic efficiency assessment.

In accordance with our environmental management policy, along with that of the sustainable use of natural and energy resources, Abengoa has established the implementation of Environmental Management Systems as a strategic target for all of its companies. These systems will comply with the requirements of the ISO 14001 standard. This is the framework within which specific aims are set down to reduce the negative environmental impacts that the products and services of each company may have. These objectives include reductions in the consumption of natural resources and in the generation of waste and emissions.

The environmental management systems implemented by Abengoa are extremely demanding in terms of the monitoring and measuring of environmental impact and with respect to the control of associated operations. All activities related to environmental matters that have been deemed to be significant must be taken into account in the relevant monitoring and measurement plan and in an operational control program.

Abengoa's main environmental indicators

At Abengoa we believe that the world needs solutions, and for over ten years now we have focused company growth on creating technologies that will contribute to sustainable development and which will serve to meet the needs of future generations.

Given this scenario, and in order to combat the conditions that are provoking climate change and to contribute efficiently to the control of greenhouse gas (GHG) emissions, a project was drawn up in the course of 2007 so that, in 2008, all of our companies will carry out an inventory of GHG emissions to enable the monitoring and notification of same.

This has a three-fold aim:

- To obtain in-depth knowledge of the GHG emissions of each Abengoa activity, either direct or indirect, in order to assess the situation and identify improvement options.
- To label Abengoa products and services, identifying the GHG emissions associated with the production of each product or service.
- To assess Abengoa suppliers according to the GHG emissions associated with the production of products and services purchased and contracted by Abengoa (along with specifications against child and forced labor).

Our work centers, the activities associated with the same and all of the projects directly promoted by Abengoa have been taken into account in order to calculate the environmental indicators. The magnitudes arising from our involvement, but not the raw materials, consumables or waste, for which the promoters of said projects are accountable, have been considered for all other projects.

Neither have the maintenance or operation activities at our clients' facilities been taken into account. The following companies are not covered by the environmental indicators: Abencs, Telvent China, Telvent Australia, Telvent Netherlands, Telvent Venezuela, Telvent Argentina, Telvent Scandinavia, Telvent Turkey, Telvent Thailand, Matchmind and Dedini Agro, the company recently acquired by the Bioenergy group.

The following is a mere indication of the wide range of initiatives that have been undertaken in this sense:

- All business units are implementing policies to reduce the consumption of paper, toner, water and electricity in offices and to collect waste for treatment or recycling.
- The Engineering and Industrial Construction unit is carrying out environmental programs for works, reforesting areas in the environs of project sites and coordinating sub-contracted transportation operations in order to adapt the type of transportation to the size and quantity of materials to be transported.
- Environmental Services is carrying out initiatives to reduce the generation of waste such as the bulk sale of certain products in tanks in order to avoid the generation of waste packages, the reuse and recovery of packages, etc.
- In order to reduce water consumption, raw and process water supply networks have been created, among other actions. In addition to other R&D projects, such as the development of advanced wastewater treatment systems, or other projects focusing on the desalination process: minimizing the possible environmental impact of the brine by means of studying the dilution phenomenon of the same, developing desalination by means of renewable energies, etc. All of these projects are still in the development stage, and consequently results are not yet available.
- The Bioenergy business unit is carrying out actions such as the reuse of wastewater, and collection of rainwater, among others.

Improvements have been made in the data collection and data pooling processes with the aim of improving the reliability of the environmental indicators. Some values from previous years have been corrected in accordance with estimate criteria and revised calculations.

All the shown indicators have been defined and calculated with the aim of being able to check the development of the same year after year.

Raw Materials

Given the nature and variety of the activities carried out by Abengoa, it is practically impossible to thoroughly list all the raw materials employed; consequently, the available data has been pooled and consolidated in such a way as to provide an accurate and real impression of our environmental impact.

In a business unit the main activity of which is engineering, paper has been the traditionally used means for holding all relevant information. Consequently, in order to reduce its consumption, over recent years different strategies have been used: use of recycled paper, printing on both sides of the page and, above all, the extensive use of a corporate network so personnel from different companies, distributed over sixty countries on the five continents, can share information.

Paper Consumption in Offices (Tons)

	2005	%		2006	%		2007	%
Total paper consumption	243	100		260	100		269	100
Recycled paper consumption	87	36		102	39		73	27
Consumption of paper for packaging*	269			339			403	

(*)100% recycled paper

An important group of raw materials used for overall Abengoa activity comes from livestock and farming. On the one hand, slurry for treatment and transformation. On the other hand, grain and wine alcohol surplus are used to produce bioethanol as a component of ecological fuels. Moreover, several chemical substances are used in the latter process.

Slurry Treatment (Tons)

	2005	2006	2007
Slurry*	50,184	53,196	64,200

(*) Slurry is liquid manure that comes from livestock farming

Bioethanol Production

	2005	2006	2007
Raw materials of agricultural origin			
Grain: wheat, corn and barley (Tons)	1,488,177	2,026,630	2,279,202
100% volume wine alcohol (m3)	93,549	58,872	61,368
Chemical substances used (Tons)			
Enzymes	1,372	1,677	2,026
Antibiotics	6.26	8.98	6.49
Other chemicals*	12,272	17,551	20,545

(*) Caustic solution, sulfuric acid, phosphoric acid, sulfamic acid, ammonia, etc.

A wide range of raw materials are used in the fields of industrial construction and industrial waste recycling, though the importance of metal products particularly stands out.

Iron is mainly used in the industrial construction area to build metallic structures for electrical energy transmission lines. Zinc is used in the galvanizing of the metallic structures.

Main Metals in the Engineering and Industrial Construction Area (Tons)

	2005	2006	2007
Iron	29,946	20,971	19,426
Zinc	1,523	840	1,054
Copper	90	117	111

Companies in the Environmental Services area deal with the recycling of industrial waste. By means of treating, assessing and recovering it, they obtain products such as secondary aluminum, concentrated blocks of aluminum, Waeltz oxide with 65% zinc content, secondary zinc and zinc oxide.

This is the area in which there is the greatest possibility of recycling sold products, which in the majority of cases can be achieved 100%.

The main industrial waste treated and the additives used are indicated in the following table:

Recycled Industrial Waste (Tons)			
	2005	2006	2007
Salt slag	154,350	176,025	190,280
Smelting and steelworks dust	93,934	95,273	139,005
Desulphurizing waste (sulfur)	103,092	105,064	98,559
Aluminum metal waste	94,633	107,116	104,214
Aluminum slag	19,620	27,656	28,863
Different types of zinc waste	25,830	20,802	20,149
Additive elements (Si, Cu, Mg, Mn)	5,279	6,392	8,474

The companies that carry out the management and treatment of waste also form part of the Environmental Services area. The waste employed is classified in accordance with whether it is hazardous or not, and the treatment it is to receive.

Waste for Management and Treatment (Tons)

	2005	2006	2007
Hazardous			
Physico-chemically treated waste	14,023	24,442	30,313
Energy value treated waste	27,249	42,170	50,183
Inerting treated waste	247,224	260,866	258,924
Recycled treated waste	4,959	5,376	32,409
Hazardous deposit treated waste	85,231	64,512	72,293
Thermally treated waste	1,034	897	3,029
Evapo-condensed treated waste	7,379	12,790	8,941
PCB treated waste	64	285	337
Segregated waste treatment	677	951	721
Sub-total	387,839	412,288	456,434
Non-hazardous			
Non-hazardous deposit treated waste	211,801	577,804	630,313
Inert deposit treated waste	1,776	1,232	865
Non-hazardous energy value treated waste	4,080	2,869	1,290
Non-hazardous physico-chemically treated waste	6,046	7,363	8,270
Non-hazardous recycled/re-use treated waste	9,906	15,504	21,430
Sub-total	233,608	604,771	662,168
Total	621,447	1,017,059	1,118,601

Industrial Cleaning (Tons)

	2005	2006	2007
Tank cleaning waste	260	345	354
Centrifugally treated oil-based items	52,817	59,700	73,298
Accelerator charged waste	1,600	1,870	3,213
Biological waste in filters	59,513	50,600	22,462
Waste treated in mobile plants	8,100	9,700	28,243
Total	122,290	122,215	127,570

Another Environmental Services area of activity involves the management of PCB contaminated equipment, which consists of the treatment and cleaning of transformers, condensers, both solid and liquid, recovering the materials that can be reused.

PCB (Tons)			
	2005	2006	2007
Electrical equipment contaminated with PCB	3,083	4,102	3,558

The majority of the consumption of plastics as a raw material arises from the recycling of film that has been used as greenhouse roofs.

Plastics (Tons)			
	2005	2006	2007
Plastic waste from farming activities	12,554	11,739	12,316

Below is a list of the some of the chemical substances most consumed in the different production processes within the framework of the aforementioned industrial construction and environmental service activities. It must be borne in mind that the number of substances used is wide-ranging, the majority in non-representative quantities.

Various Chemical Substances used in Production Processes (Tons)			
	2005	2006	2007
Sodium bicarbonate	2,950	2,569	3,100
Sulfuric acid	797	2,780	4,024
Hydrochloric acid	219	130	207
Caustic solution (25%)	136	1,063	4,597
Bleaching soda	185	380	382
Nitrogen	56,665	34,127	20,571
Oxygen	6,350,682	15,155,052	15,139,720

Energy

The data on the amount of electrical energy consumed from the grid correspond to the stable work centers, both production as well as offices, and to those projects that have been directly promoted by Abengoa.

The fuels consumed in the different production processes such as grain dryers, smelting furnaces, machinery, etc. are the most important elements in the energy balance. Moreover, consumption associated with cogeneration activities is also noteworthy. Finally, the fuel contribution of the vehicle fleet is also indicated.

Energy (GJ)			
	2005	2006	2007
Grid electricity	970,265	943,910	1,183,514
Electrical self-consumption	123,039	126,672	124,197
Fossil fuels (GJ)			
Gasoline	50,051	56,455	48,606
Diesel	226,034	314,284	364,673
Gas	41,286,013	35,292,145	22,895,466
Other gasoline by-products	1,484,878	1,962,221	2,284,818
Total Energy	43,048,981	37,627,111	25,595,571

The indirect consumption of grid electricity in accordance with IEA data for different countries where Abengoa operates would be as follows:

Indirect energy consumption by primary sources (GJ)			
	2005	2006	2007
Coal	1,476,295	1,446,493	1,835,691
Natural gas	194,060	194,089	242,182
Petroleum products	180,702	170,693	207,689
Crude	195	194	73
Biomass	9,564	8,921	10,585
Solar	0	0	0
Wind	8,856	8,228	9,978
Geothermal	7,237	6,984	8,407
Hydraulic	144,244	140,260	171,233
Nuclear	965,134	931,332	1,174,632
Total	2,986,289	2,907,194	3,660,469

Water

Process, cooling and sanitary operations are responsible for most of the water consumption.

Water Consumption (m ³)			
	2005	2006	2007
Process/cooling consumption	4,889,352	5,993,140	8,310,953
Sanitary	3,201	3,111	1,741

None of the sources used to collect water by Abengoa is included in the Ramsar list of wetlands nor may they be considered especially sensitive. Nor is there any record of cases in which the annual consumption represents over 5% of the volume of the source in question.

Biodiversity

There is no land owned, administered or leased in biodiversity-rich habitats, nor in habitats where endangered species live, which might be affected by group activities.

Neither have any noteworthy impacts been identified on biodiversity arising from company activity itself.

Emissions, Spills and Waste

Direct and indirect emissions associated with electricity consumption have been taken into account to calculate the emission of greenhouse gases.

Greenhouse Gas Emissions						
	2005		2006		2007	
	Ton	CO ₂ Ton equivalent	t	t CO ₂ equivalente	t	t CO ₂ equivalente
CO ₂	13,741,370	13,741,370	7,474,072	7,474,072	13,896,791	13,896,791
CH ₄	54.43	3,048	55.34	3,099	50.31	2,817
N ₂ O	25.91	7,255	25.52	7,146	87.05	24,374
HFC	0	0	0	0	0	0
PFC	0	0	0	0	0	0
SF ₆	0	0	0	0	0	0
Total Direct Emissions		13,751,673		7,484,316		13,923,982
Total Indirect Emissions		396,252		388,759		493,142
Total Emissionss (CO₂ Ton Equivalent)		14,147,925		7,873,075		14,417,124

Sources:

Global Warming Potentials. Source: United Nations Framework Convention on Climate Change.

WRI/WBCSD GHG Protocol Initiative calculation tool: Indirect CO₂ Emissions from the Consumption of Purchased Electricity, Heat, and/or Steam.

A thorough picture of greenhouse gas emissions must take indirect emissions into account. Abengoa is currently developing an ambitious and complex project to inventory its total emissions, including the indirect ones. Business trips, everyday employee commuting between home and work center and the emissions associated with the supply chain are being accounted for, among other sources. As soon as this information becomes available, it will be included in the sustainability report in order to reinforce the company's commitment to transparency.

NOx, SOx and other Atmospheric Emissions (Tons)

	2005	2006	2007
SOX	353	427	483
CO	1,284	1,173	1,069
COVs	627	1,216	600
NO _x	7,247	6,301	7,673
Particles	1,252	1,364	1,455

No emissions have been identified of ozone layer-reducing substances from all of the emission measurements, calculations and estimates carried out to date.

Without taking into account the waste treated by the Environmental Services area and which has been included in the raw materials section, Abengoa produces a wide variety of waste in the course of its normal activity, the majority of which is monitored by means of several Environmental Management Systems implemented in individual group companies. Below is a list of the most significant in terms of quantity and impact:

Non-hazardous Waste (Ton)

	2005	2006	2007	Destination
Paper and cardboard	250	461	574	Recycling
Metal scrap	8,787	9,849	9,225	Recycling
Plastics	1,012	518	540	Recycling
Slag	3,567	7,198	15,523	Treatment/Dump
Surplus soil and topsoil	27,493	7,319	635,010	Dump
Syrup	944	8,332	2,320	Treatment
DDGS Rejected-pre-cleaned powder	1,094	1,055	856	Treatment

Hazardous Waste (Tons)

	2005	2006	2007	Destination
Salt slag	163,601	184,304	65,282	Recycling
Liquid with PCB	798	985	965	Incineration
Solids contaminated with PCB	225	329	288	Incineration
Contaminated hazardous waste	1,750	2,216	2,091	Treatment
Oils	318	257	389	Treatment
Aluminum slag	22,021	29,719	3,060	Treatment
Filter powders	17,145	15,444	4,512	Treatment
Sludge	6,333	13,853	19,440	Treatment/Dump
Contaminated water	55	2,851	1,045	Treatment
Lixiviates	10,242	10,394	9,910	Treatment
Aluminum oxide	30,460	12,600	7,999	Dump
Ammonium sulfate	1,872	0	0	Fertilizer
Other rwaste	801	3,616	687	Treatment

We must not lose sight of the fact that this hazardous waste, the saline and aluminum slag generated in the production of secondary aluminum, is recovered for reuse in the Environmental Services business group recycling unit. This activity enables the closure of the recycling cycle and the complete use of this waste.

Moreover, today there are companies that as a result of the kind of equipment they manufacture – electrical and electronic – are joined to integrated waste recovery systems in order to ensure the proper recovery and valuing of their equipment at the end of its service life. At present, Telvent GIT has signed a contract with the ECOTIC Foundation on behalf of the Telvent Traffic and Transportation and Telvent Energy and Environment companies.

Spills (m³)

	2005	2006	2007
Public network	89,208	101,227	926,483
Drainage	6,839,155	28,391,235	36,071,127

Accidental spills due to Abengoa activities registered over the last three years have been irrelevant in terms of both magnitude and impact. They did not exceed the total of 5 m³ of spilled oil, or 5 tons of contaminated and removed soil.

Products and Services

Practically all Abengoa activities are covered by an environmental management system in compliance with the ISO 14001 standard, and, therefore, all significant environmental impacts are identified in accordance with each company's internal procedures as a basic requirement of these systems. Significant environmental impacts are described at the beginning of the chapter.

Compliance

Only one environmental non-compliance incident with result of sanction took place over the course of 2007. Occurring in Spain, it was resolved through payment of a fine of 1,800 euros.

Abengoa is committed to growing alongside the communities in which it conducts its activities, creating ties that reinforce the company's long-term relationship with society, abiding by and promoting Human Rights in its area of influence. Abengoa is committed to sustainable development.

Policies, strategy and goals

Within the context of global change and competition, Abengoa believes that an innovative company is an effective and necessary instrument for progressing toward a society of sustainable development. With this aim, values of corporate social responsibility are integrated into the daily tasks of the company, interwoven in a natural way in its strategy, culture and organization.

The Focus-Abengoa Foundation is the instrument through which Abengoa manages its social initiatives. It was created in 1982 in order to manifest Abengoa's commitment to a sustainable world, and its sole mission is to put the company's social action policies into practice. It is a non-profit organization with aims of general interest, and focuses its efforts on assistance, education, and culture. The Focus-Abengoa Foundation is a valuable instrument which is part of the fiber of the company, and has become, in its twenty-five years of existence, an international cultural symbol for channeling Abengoa's social initiatives.

The Focus-Abengoa Foundation designs its social programs with participation of the members of the communities in which it conducts its activities, following a process of analysis and evaluation determined by internal norms defined for the social action area. There is intensive involvement in marginalized areas, with high levels of poverty, in an attempt to respond to the different needs addressed. For this reason, the situation is assessed beforehand to make execution more effective, and there is post-evaluation in order to determine the effectiveness of the measures taken.

In 2007 diverse activities were carried out involving Abengoa's external social initiatives, among which the following hold a prominent place:

- The significant assistance provided by Abengoa in areas of Argentina, Peru and Mexico.
- Acquisition of Velázquez's "La Santa Rufina" to enrich the artistic heritage of Seville.
- The inauguration of the Diego Velázquez Research Center
- The 2007 World Conference on Solar Energy.



Since 1991 the Foundation is headquartered in Seville at the Hospital de los Venerables Sacerdotes, a 17th century historic-artistic monument, temporarily handed over by the Hermandad de los Venerables and the archbishopric of Seville.

2007 Focus-Abengoa Foundation Initiatives

The primary objective of the Foundation is to promote culture, in its many artistic and scientific manifestations, focusing essentially on the preservation, dissemination and development of the historical and cultural heritage of Seville and its Latin American projection; the development of social integration projects; cooperation to protect environmental heritage; and all activities that foment technological and social development, with special dedication to people with disabilities.

Aid and Assistance

Most significant cases in 2007

1. Teyma Abengoa. Argentina. Congregación Hermanas de la Cruz

The Focus-Abengoa Foundation collaborates, through Abengoa y Teyma Abengoa, with the Congregación de las Hermanas de la Cruz, a religious body founded by Saint Angela of the Cross. The institution has been continuously involved in initiatives in Argentina for almost 38 years.

The social intervention of the congregation is aimed at those who live in vulnerable situations (poverty and indigence, inequality and gender or disability-based discrimination, dietary and sanitary insecurity, and school risk), that prevent them from progressing through the normal stages of development, and prohibit access to better conditions of well-being. These groups of people are comprised of:

- People with disabilities.
- Children and teenagers in situations of social risk.
- Young women with incomplete primary and secondary education.
- Poor or indigent families in situations of social risk.

These activities take place in three different centers: Quimilí and Monte Quemado in the province of Santiago del Estero, and Alderetes in the province of Tucumán.

Focus-Abengoa collaboration is materialized in building places that are accessible for everyone, implementing practices designed for these spaces, providing food to children who come to the dining rooms, supplying medicine for care centers, etc.

Abengoa's action program seeks equal opportunities, assuring access by minorities to social and cultural knowledge, and promoting integration and social participation of those who are discriminated.

The most significant advances made over the course of the year, both in terms of building infrastructure and program development, were the following:

Building Infrastructure

Quimilí
Inauguration of a heated swimming pool for therapeutic support treatment for disabled people
Construction of a therapy room with facilities adapted to persons with motor difficulties.
Construction of a building for the cooking school, to house the different food preparation workshop areas. The school is expected to open in the second half of 2008.
Monte Quemado
Construction of the "San Cayetano" lunchroom for feeding over 120 children in situations of social risk.
Set-up of congregation facilities: libraries, courtyards, rooms...
Alderetes
Inauguration in October, of the new convent for the congregation, where the Sisters of the Cross will begin their assistance work for disabled people. It will be used as a waiting area for sick and disabled people when they come for clinic services.

Programs

The different work areas involved in the programs of the different centers are the following:

- Non-Formal Education Area (NFEA)
- Body and Physical Education Area (BPEA)
- Occupation Training Area (OTA)

Quimilí
BPEA
Commencement of water activities (indoor heated pool) and other physical activities (spacious, fully-equipped gymnasium) for people with special educational needs. The student population has both learning disorders as well as other multi-deficiencies. Organized activities include: <ul style="list-style-type: none"> • Therapeutics by a kinetics specialist and in consultation with an occupational therapist. • Psycho-motor activities conducted by a phy. ed. teacher and a sports instructor. • Practice with a special education teacher in order to maintain previous learning.
Celebration, for the first time in the city's history of the workshop on social awareness, "Let's Play I Can", with the participation of 10 organizations (schools and NGOs) and around 400 people. Events included girls' volleyball, indoor bocce ball and adapted track and field.
OTA (for young women)
Computer skills course
Conference on social problems. Themes covered were: inclusive and exclusive places, diversity and social disadvantages.

Monte Quemado
<p>The San Cayetano Home</p> <p>This place was initially built as a large dining room for around 300 boys and girls, yet with the versatility to turn into a place for carrying out recreational, non-formal education and hands-on workshops. Besides the construction of this place, the outdoor areas were redesigned (with trees and playground) on the site, which already has a soccer field and an organic garden. This place is designed for adolescents 13-17 years of age who come to the center which seeks to give them job skills and keep them away from child labor.</p>
BPEA
Boys' and girls' soccer, participating in local and regional tournaments.
NFEA
Scholastic support and monitoring. Children in situations of educational risk are identified and assisted.
New Focus – Dining room
<ul style="list-style-type: none"> • Nutritious diet: menu based on a balanced diet composed of food available locally • Dietary security: hygiene and potable water as essential elements for nourishment
Saint Angela
BPEA
Educational practice – body awareness and vulnerable groups
<ul style="list-style-type: none"> • Theoretical and practical course – in the Mar del Plata, in body awareness and disability. • Informative sessions during the Seminar on Disability Awareness – integration and sports – epilepsy
Organized tournaments:
<ul style="list-style-type: none"> • Indoor bocce ball. 2nd annual tournament with new techniques for diagramming games and incorporating artistic performances and discussion groups. • Basketball for everyone. Last year there were three divisions: girls, boys and adapted (free and special categories). • Children's soccer: Various local and regional tournaments were held. • Girls' basketball, with the local "Mini = Friendship" tournament and the national girls' mini-basketball event. • Indoor bocce ball in Quimilí, part of the competition circuit. • Adapted track and field events in Quimilí, part of the competition circuit.
Integrated Dance Practice
<ul style="list-style-type: none"> • Festival organization and performance • Town festival • Copeño Cheese Festival, performance for an audience of 5,000 people. • Autonomy Day • Tournament Performance, at our own as well as other external tournaments.
NFEA
Basic Computer Skills Course (for young women)
<ul style="list-style-type: none"> • Participation in seminars on social problems. Themes covered were: inclusive and exclusive places, diversity and social disadvantages.
Scholastic support and monitoring in diverse formats.
Cinema: Using DVDs and a projector, the whole family is invited to watch children's and family movies.
Cinema and education: movies and teaching units.
Work on the school calendar: many days prior to Family Week and Say No to Child Labor Day.

"My First Story Project", a successful first-time activity. Twenty-eight stories were submitted, many of them by girls and boys who come for school tutoring. Counseling for students at social risk. With a high number of returning boys and girls who graduated this year.

Playroom

Alderetes

For next year, plans include the development of a program of physical activities, formal and non-formal occupational training, based on the current implementation in the province of Santiago de Estero at the Quimilí and Monte Quemado centers.

Diagnostics and design for program implementation

Target Groups:

- Protected work group, geared toward disabled people. Based on a diagnostic evaluation of a group of mentally handicapped people and their environment, a preliminary project will be carried out in order to design a pre-workshop, two protected production, physical activity, adapted sports and integrated dance workshops.
- Neighborhood work group: aimed at young and teenaged girls. Based on the recreational diagnostic assessment of a group of young and teenaged girls in situations of social risk, facing the problems associated with the ghettos of large cities (delinquency, violence, child prostitution, promiscuity), a preliminary project is executed for setting up BPEA (basketball, soccer and dance) and NFEA.

Impact on the communities of Quimilí and Montequemado

In 2007, programmed activities began to take place. The construction of accessible areas of 2005 and 2006 permitted gradual introduction and continuation of practice sessions, seminars and events established by each headquarters for the projects.

The communities of each city are gradually becoming involved in the physical, artistic, scholastic and occupational training activities. The creation of innovative activity programs has succeeded in bringing life to a community that found itself in a state of lethargy.

The initiative has had its greatest impact on the lower levels of society, yet has encouraged awareness of other social situations with respect to equal opportunities.

The acknowledgements received in each city (plaque, designation as a municipal highlight, media attention) and at the national level (the Goyo Sember Award and nomination for the Ecumenical Forum Award) lead us to believe that the programs are beginning to leave their mark on the communities for the social services they provide.

Moreover, municipal awards have helped the Sisters of the Cross achieve funding and resource support for their institution from municipal authorities.

A new trend is also taking place at the same time. Both the congregation and the foundation have learned how to provide an example for organizing and evaluating good practices. The program is thus being replicated (or some of its projects) through state management or non-governmental organizations in other

neighborhoods and areas of the cities. The number of people who benefit from the program is thereby multiplying, and is not limited to only those who visit the aforementioned centers.

2. Abengoa Peru. Congregation of the Josephine Sisters of Charity

Since 2005 Abengoa's social action program in Peru is a twofold initiative: improving, on the one hand, living conditions for those who come to the Josephine Sisters of Charity, through its four assistance centers; and on the other, to follow the specific support plans in areas that have an influence on the projects.

The congregation of the Josephine Sisters of Charity is a religious institution that was founded in Spain in 1881 by Mother Caterina Coromina Agustí with the aim of serving those most in need through management of homes for the elderly and day care centers. In Peru, the Institute of the Josephine Sisters was established on March 11, 1982 by Sister Carmen Font, with whom Abengoa has coordinated its assistance initiatives since 2005.

With four centers, three homes for the elderly and a day care center, the Josephine Sisters help to improve the quality of life of over 140 people with limited resources.

The program of collaboration that took place in 2005 as the result of evaluations conducted on the centers and the priorities established by the institute itself have translated into a specific plan for action aimed at improving and maintaining infrastructures, providing various types of equipment, education and food.

Santa Ana (Chiclayo) day care center Nursery school for children from low income families. Attended by over 70 children.
Infrastructure
Complete remodeling of the center
Metal roof for the playground
Remodeling of the chapel
Education
Textbook donation
Procurement of a teacher specialized in psycho-motricity
Provision of gifts for children for elementary level graduation
Equipment
Psycho-motricity workshop
Provision of the kitchen, refrigerator, washing machine, electric and various furnishings
Maintenance
Monthly food funding
Services

Mother Caterina (Callao-Lima) geriatric residence facility This center is run by 4 nuns, 3 assistants, and attends to 28 elderly women
Infrastructure
Repair of water damage in various places throughout the center
Installation and paint touch-ups
Installation of handrails in halls throughout the center
Equipment
Provision of 22 sets of mattresses, sheets, pillows and blankets.
Industrial kitchen
Vaporizer, shower seat and glucometer
Refrigerator-freezer
Maintenance
Management of clothing donations from Ripley (department stores)

Mother Caterina (Comas-Lima) geriatric residence Mixed center, located at 6,000-square-meter site in the Comas residential area. It provides care for 28 senior citizens.
Infrastructure
Supply and installation of the potable water system.
Equipment
Provision of 28 sets of mattresses, pillow, sheets and blankets.

Saint Joseph (Chontabamba-Cerro de Pasco) Center Mixed center, providing care for 11 senior citizens.
Infrastructure
Various home repairs
Construction of laundry facilities
Construction of walkways
Maintenance
Monthly payment of food and services
Equipment
Lawnmower

3. Befesa Mexico. Zimapan Community Support Foundation

Befesa Mexico carries out initiatives in the communities near the location of its facilities, through Sustainable Development Systems (SDS) company and the foundation created for this purpose, Zimapan Community Support (ZCS). In Zimapan, in the state of Hidalgo, SDS is building a waste containment facility which is slated for inauguration in 2008. The goal of the ZCS foundation is to carry out initiatives in corporate social responsibility in the neighboring communities of the SDS project.

In 2007, while taking advantage of the construction phase of the SDS waste confinement facility, communities were assisted through improvement and road work in access points to nearby communities: San Antonio, Estanzuela, Organal, Xhajá, Mezquite and El Tathi. Up until then the roads were dangerous for the people who live in those communities, especially during the rainy season, when people were shut in, and this impeded access to the main municipality of Zimapan. The road work has permitted children to go to school, workers to get to their jobsites and everyone is now able to get themselves to the basic services in Zimapan.

In 2006 and 2007 the company also participated with the community in the celebration of holidays such as Children's Day and Mother's Day with the purchase of toys, as well as provisions and food for families in the community.

In 2007 a preliminary project was undertaken in the construction of a greenhouse and botanical garden with specialized foundations. Hence, one of the SDS objectives for 2008, through the ZCS foundation is to dedicate resources to the construction of a greenhouse for training members of the community in cultivating native plant species, as well as commercially viable varieties. The aim of this project in sustainable development is to generate alternatives that reduce the high rate of emigration of members of these communities to the United States.

In addition, a botanical garden will be created in order to preserve the plant species native to the state of Hidalgo which are in danger of extinction. This botanical garden will have a nursery which, in addition to supply the garden, will also involve reforestation efforts in the area. This project will aid in raising ecological awareness among the members of the community, as well as replenish areas that were damaged by the deforestation of native trees (mainly cactacea). Over the course of 2007 efforts were made to heighten ecological social awareness through sponsoring cultural visits to botanical gardens.

2007 social action projects

1. The San Rafael Senior Citizens Home

In today's society provision of accommodation and care for elderly people is one of the main problems. Aware of this, in 1992 the Focus-Abengoa Foundation drove forward the creation of a home for the elderly in San Rafael. The building, located in the municipality of Dos Hermanas (Seville), is currently home to around sixty people. Involved in the initiative right from the outset, every year Abengoa renews its commitment by contributing to the maintenance, improvement and modernization of the center's facilities, improving the quality of life of residents and their families.

2. The La Milagrosa Foundation

The aid work carried out by Abengoa through its Foundation's social purpose increased in 2006 with the signing of a partnership agreement between Focus-Abengoa and the La Milagrosa Foundation. The agreement's objectives are undertaking aid activities in San Roque (Cadiz) for the elderly, vocational training for youth and the long-term unemployed, and social cooperation with disadvantaged local groups. In 2007 Abengoa provided the funds specified under the agreement for building and furnishing the home. It is currently in its final phase and inauguration is planned for 2008. The San Rafael and La Milagrosa homes are run by the Josephine Sisters of Charity.

Training, teaching and research

Throughout 2007 the Foundation worked on initiatives involving training, teaching and research. From among the activities conducted in this area, the World Conference on Solar Energy stands out as the most significant from an academic and research perspective, for its international nature and as the product of Abengoa's commitment to sustainable development, environmental protection and the fight against climate change.

Focus-Abengoa was also highly involved in social initiatives related to training and teaching.

2007 World Conference on Solar Energy

The "Solar Power 2007" Conference took place on October 24th and 26th in 2007 at the Hospital de los Venerables, Seville, gathering together representatives from twenty-five countries from the committee of world experts on solar energy. One of the main objectives of the conference was to spread medium- and high-temperature thermosolar concentration technologies, a field in which Abengoa enjoys a position of leadership thanks to its projects launched at the plants at the Casquemada Solar Complex, located in Sanlúcar la Mayor (Seville).

The event represents the first specific initiative with the "Focus-Abengoa Forum on Energy and Climate Change", which seeks to contribute through the Foundation to the debate changing the energy model from a multi-disciplinary approach; aims to promote a true open forum for research, demonstration and contrasting of ideas and results through as many actions as suitable; with the ability to collect and contrast initiatives associated with renewable energy sources.

Training Program for disabled people and those from marginalized communities

Concern for schooling, special and physical education and social integration of disabled people has been a constant throughout Abengoa's history. Through the Foundation, intense initiatives are carried out in marginalized areas with high poverty rates in countries like Argentina and Peru, where well-equipped schools have been launched, with facilities including drinking water, electricity, kitchens, dining rooms, gyms, health care and food.

Following approval of the extension of the Foundation's social purpose in 2007, and with the aim of including professional training, labor market integration and job creation for disabled persons, a specific training program for this group was added. This program was organized by the Abengoa company Integral Management of Human Resources (GIRH).

In the year 2007 the social efforts of the Focus-Abengoa Foundation were reinforced through a new orientation that complements the traditional lines of social action.

Focus-Abengoa is deeply involved in the lives of people with disabilities and marginalized groups, adapting its statutes for this purpose and defining three new activity focuses:

- Preparation and training in the disciplines in which Abengoa conducts its activities
- Integration in the job market through Abengoa companies or third parties.
- Social integration in areas with high poverty rates and social marginalization.

Abengoa and the Communities in which it Operates

In the area of professional preparation, in 2007 a second course in the program aimed at training the disabled was started up, an administrative secretarial course. The course is offered in collaboration with the Employment Council of the Andalusian Government and the Safa Foundation, and is almost entirely subsidized by the European Social Fund.

The course is offered with firm hiring commitment, given that at least 60% of the people who successfully complete the program will have the opportunity of a temporary work contract with a minimum duration of at least six months from the time of course completion. The program consists of 310 class hours and 24 paid on-the-job training days.

Furthermore, in line with promoting the creation of jobs, access and integration in the job market for these groups of people, the Foundation has entered into agreements with the main associations and organizations related with the area of disability. In this way, partnership agreements have already been established with the Employment Council of the Andalusian Government, the Safa Foundation, the Conecta Foundation, the Adecco Foundation and the Andalusian Autism Federation (FAA), and new agreements are currently underway.

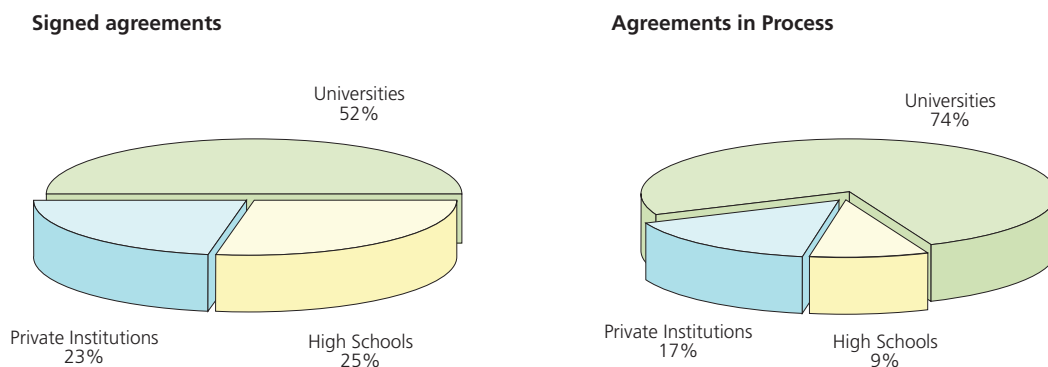
The lines of activity with these organizations range from recruiting candidates for the different training courses or advertising of training programs, to the sponsoring of activities to promote this group of people or intervention in filling positions.

The Focus-Abengoa Scholarship Program

With the aim of promoting and complementing the training and integration of students in the working world, the Foundation has signed educational cooperation agreements with different Spanish and foreign teaching institutions. These provide support for the incorporation of the students in Abengoa companies. The beneficiaries of these grants for practical learning acquire initial professional experience and the possibility of becoming Abengoa employees in the future, while they also ensure that the company has innovative and very qualified staff for the development of its activities.

In 2007, a total of 361 scholarship recipients were involved in the Focus-Abengoa program. Seventeen institutions were added to the 80 from last year, for a total of 97 signed agreements. It should be pointed out that at present the Focus-Abengoa Foundation is in the process of negotiating and signing agreements with 57 more institutions.

The information is summarized in the following charts:



Main collaborative agreements signed between Focus-Abengoa and different educational institutions:

Main collaborative agreements signed between Focus-Abengoa and different educational institutions:

Universities

Alcalá de Henares (Madrid)	Univ. Bretagne Sud (Francia)
Alfonso X el Sabio (Madrid)	Univ. Católica de Argentina (Argentina)
Antonio de Nebrija (Madrid)	Univ. de Barcelona
Autónoma de Madrid (Madrid)	Univ. de Cádiz
Camilo José Cela (Madrid)	Univ. de Castilla La Mancha
Carlos III (Madrid)	Univ. de Córdoba
Centro Universitario Jovellanos (País Vasco)	Univ. de Granada
Complutense (Madrid)	Univ. de Huelva
CUNEF (Madrid)	Univ. de Huelva (Master Ing. Ambiental)
Europea de Madrid (Madrid)	Univ. de La Laguna
Facultad CC. Físicas (Univ. Sevilla)	Univ. de Oviedo
Francisco de Vitoria (Madrid)	Univ. de Salamanca
Instituto Tecnológico y de Estudios Superiores de Monterrey (México)	Univ. de Sevilla
Pablo de Olavide	Univ. de Valladolid
Politécnica (Barcelona)	Univ. del País Vasco
Pontificia Comillas (Madrid)	Univ. Piura (Perú)
Rey Juan Carlos (Madrid)	Univ. Politécnica de Cartagena (Murcia)
Saint Louis University (EE. UU.)	Univ. Politécnica de Valencia
San Pablo CEU	Univ. San Ignacio de Loyola (Perú)
Tecsup (Perú)	Univ. Santiago de Compostela
UNED	Univ. Tecnológica de Siesia (Gliwice, Polonia)
	Univ. Zaragoza

Private Institutions

CEA
CEADE
Centro de Estudios Financieros
Centro de Formación Empresarial
CES San Valero (Zaragoza)
Cesma (Madrid)
Colegio de Abogados de Madrid
Colegio de Químicos de Asturias y León
EOI
Escuela de Finanzas Aplicadas (Perú)
ESEUNE (País Vasco)
ESIC
Fund. Andaluza del Fondo de Formación y Empleo
Fundación Consejo España – EE. UU.
Fundación Pablo de Olavide
Institución Universitaria Compañía de Jesús (Córdoba)
Instituto Estudios Bursátiles (Madrid)
SAFA
San Pablo CEU

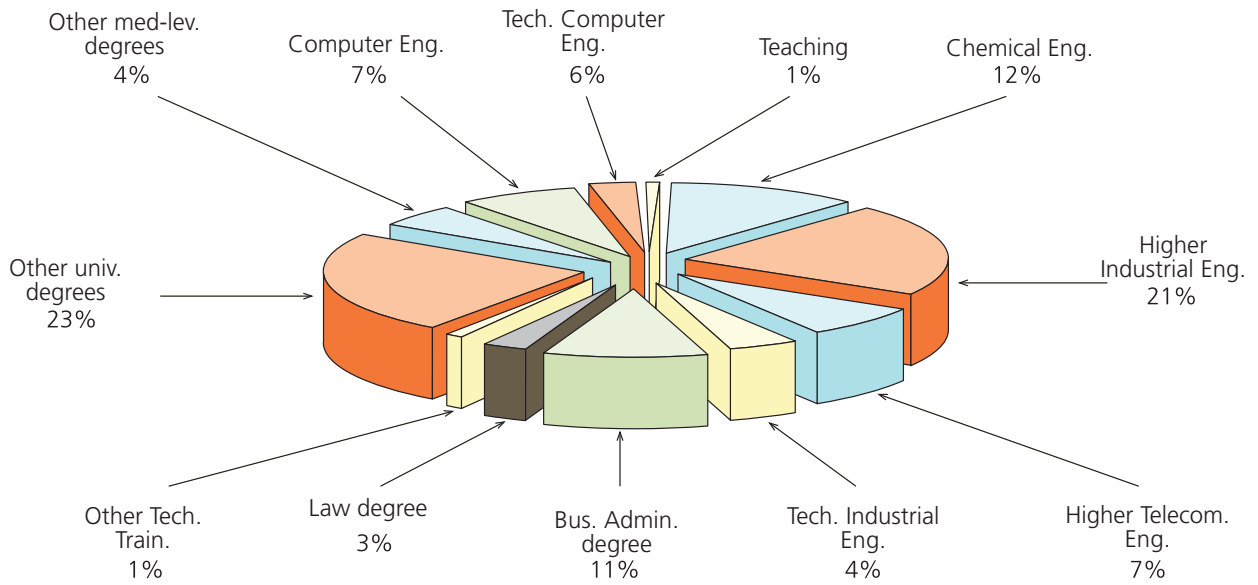
Abengoa's scholarship program is structured around the concept of a tutor, a company professional who will be in charge of the guidance and monitoring of the scholarship holder for an optimal learning experience over the course of the scholarship.

At the end of this phase, the performance of the scholarship holder is evaluated, and this score is key to recommend hiring him or her as a company employee. In 2007 47% of the scholarship holders that received a grade of above 8 (the grade equivalent to suitable performance) were incorporated as Abengoa employees.

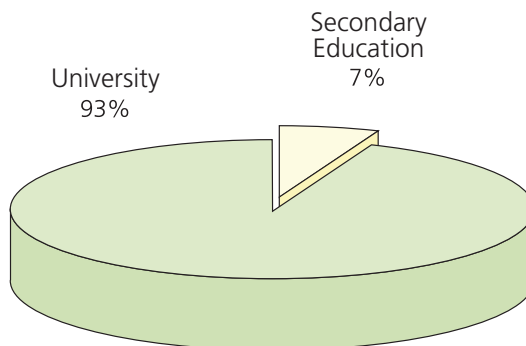
The Abengoa scholarship program costs for 2007 totaled 929,000 euros, which was covered by different Abengoa companies.

Scholarship holders by qualifications

Scholarships by degree



Scholarships by educational institution



Prize for the best doctoral thesis on a subject related to Seville

Established in 1983, it now has considerable prestige, which continues to grow, and has become firmly consolidated. In addition to a cash prize of 3,000 euros, the winner is offered the chance to publish his or her work. The 2007 prize was awarded to Cecilia Cañas Palop for her thesis titled "The frames of mudéjar ceilings in the palace of Pedro I in the Alcázar of Seville: Global analysis and restoration proposals."

The Javier Benjumea Puigcerver Research Prize

The University of Seville Social Council and the Focus-Abengoa Foundation launched this prize in 2003 with the aim of recognizing the work of members of the university community in participating in projects geared to the needs of companies and research and development bodies. The prize, which includes 18,000 euros in cash for the winner, was born with a real vocation to support scientific activities and, above all, a real desire to offer encouragement to the researchers who devote their lives to the same. The fourth annual prize was awarded to Anibal Ollero Baturone, professor of Systems and Automation Engineering at the Higher Engineering School of the University of Seville, for his development of robot and system prototypes for applications in diverse areas, such as space, forest fires, aquiculture, agriculture, and building and facility inspection.

Javier Benjumea Chair in Economic and Business Ethics

In 2002, the Universidad Pontificia de Comillas and the Focus-Abengoa Foundation created the "Javier Benjumea Chair in Economic and Business Ethics" to drive forward a new educational channel to contribute, through coordinated and persevering actions, to providing a breakdown of what we have come to know as corporate social responsibility. Its aims include the execution and dissemination, through research and teaching, of theory and practice in the field of business ethics that can aim to institutionalize these applications in companies and organizations. Throughout the 2006-2007 academic year, the holder of the Chair carried out a wide range of academic and research actions, such as the "Permanent Seminar", which in programmed sessions, meets from October to May, organized and directed by the Chair in the "Complutense Communication Cycle."

Abengoa Master's Degree in International Finance and Management of Corporate Finance

In 2005, the Carolina Foundation and Focus-Abengoa signed a partnership agreement with the aim of attending to the specialized training of postgraduate students from Latin America, and to any other academic or cultural activity strengthening the links between Spain and the rest of the countries of the Ibero-American Community of Nations. There are study grants offered, which cover 100% of registration costs, travel costs, medical insurance etc. From a technical standpoint, the master's program is overseen by the Spanish Institute of Financial Analysts, through its Financial Studies Foundation.

2007 Series of Seminars and Conferences

The Focus-Abengoa Foundation University Schools

In 2004 Focus-Abengoa and the Menéndez Pelayo International University (UIMP) signed a collaboration agreement for the creation of two university schools, one dedicated to technology and the other to the Baroque. These schools carried out their educational and academic activities at the site of the Hospital de los Venerables for three consecutive years. At the end of the three-year agreement, both institutions established a new three-year partnership agreement, signed by the president of the UIMP and the managing director of the Foundation.

This agreement will bring improvements as a result of the experience acquired and will provide further access by students and other interested parties to the programs of the school.

The third edition of the School of Technology was held during the week of March 19-22, 2007 and entitled "The Future of Energy: New Models". It was directed by professor Santiago Grisolia and coordinated together with José María O'Kean, professor at the Pablo de Olavide University in Seville. The objective was to gather a group of international and Spanish scientists and thinkers of renowned prestige in order to establish a hypothesis on the future of the energy sector: a strategic sector in today's global society, one that may be subject to substantial changes due to technological advancements, geopolitical factors or the growing social awareness of climate change.

In the fall, during the week of November 29-23, 2007 the fourth edition of the Focus-Abengoa Foundation Baroque School, entitled "Artistic Despoilment in the West: The Unredeemed Heritage of Seville (1810-1813)". The course was led by Ignacio Cano Rivero, museum curator for the Andalusian Government, with coordinating assistance from Isabel Lobato Franco and José Ignacio Martínez Ruiz, professors at the University of Seville.

The 2007 World Conference on Biofuels

For the sixth consecutive year, the World Conference on Biofuels, "World Biofuels 2007", took place at the Hospital de los Venerables during the month of May. The event stirred debate among the most important world actors in the biofuel sector, representing administrations, industry, agriculture, the oil, automobile and technology worlds. Analysis on the situation of markets, their long-term perspectives and shared exploration of different possibilities for this sector were also important aspects of the conference.

Preservation, dissemination and promotion of art

Preserving and maintaining the Hospital de los Venerables

The most tangible asset guarded by the Foundation is the building of the Hospital de los Venerables itself. The responsibility of its maintenance and repair are an essential part of the process of preserving this monument heritage. Each year, the lines of action emphasize foreseeing on the one hand, possible deterioration of the architecture and its artistic elements, and on the other, enhancing or substituting its technical and museum facilities in order to allow accessibility, use and enjoyment of the monument, achieving, specifically, social understanding.

The Diego Velazquez Research Center

On July 4, 2007, through an auction in London, the Focus-Abengoa Foundation acquired Velazquez's painting entitled "Santa Rufina" for the city of Seville. Its special interest is renowned for the city, as it represents a portrait of one of its patron saints, as well as due to the scarcity of Velazquez works in existence in the painter's native city.

For this reason the City of Seville and the Focus-Abengoa Foundation partnered the creation of the Velazquez Center, devoted to the research, study and dissemination of the works of the Sevillian painter's early period. Headquartered at the Hospital de los Venerables, current Focus-Abengoa headquarters, this center has on loan works of art which are owned by private and public institutions (Velazquez's "La Imposición de la Casulla a San Ildefonso", among others, and other oil paintings belonging to the City of Seville, as well as several sculptures by Martínez Montañés temporarily on loan by the city's archbishopric). In short, it represents a cultural initiative with endorsement by Alfonso E. Pérez Sánchez, honorary director of the Prado Museum, and Benito Navarrete, professor at the University of Alcalá de Henares.

The effort in recovering Spanish artistic heritage in general, and the Andalusian in particular, is clearly manifested in this partnership model, contemplated over the long term, between public and private institution.

Since October of 2007, the Velázquez Center has a monitoring commission, composed of representatives from the Foundation and the Sevillian Consistory, who is responsible for tutelage and support of the cultural initiatives promoted by the center.

In December of 2007 the Velazquez Center opened its doors to the public with the arrival of the "Santa Rufina". The temporary exhibition for the center's inauguration was devoted exclusively to the painting of Velázquez.

Beginning in March of 2008 a temporary exhibition will commence under the title "On Santa Rufina: Velázquez from the intimate to the courtesan", in which people will be able to view the Santa Rufina as well as two of the artist's important works on loan from the Prado Museum: "Sibila" and "The Infanta Marie, Queen of Hungary", as well as "La imposición de la casulla a San Ildefonso," the latter owned by the Sevillian Consistory, and which, according to the agreement with the Focus-Abengoa Foundation, will be added to the collection for exhibition at the Velázquez Center in Seville.

In May of 2008 the permanent room of the Diego Velázquez Research Center will be opened, with a selection that will provide in-depth analysis of the professional trajectory of Velázquez in Seville, reconstructing the city's history, the atmosphere surrounding the painter, his friends, his cultural background and the advances that were offered in this city.



“Velázquez’s “Santa Rufina”: End of the Journey”. Article written by Alfonso E. Pérez Sánchez. Honorary Director of the Prado Museum and History Expert

The “Santa Rufina” is now ours. The Focus-Abengao Foundation, in collaboration with the Seville City Council, which has made the paintings it owns available to the future Casa Velázquez and research center in the headquarters of the Seville Foundation, has recovered it for Spain. And the intrigue and suspicions as to whether or not it is by Velázquez are over. Now that the canvas, protected from appraisals, has been restored and in exchange will be kept for everyone by the City of Seville., it is time to summarize the reasons for which I firmly believe that Velázquez was its author.

First, the technique. As I wrote in 1999, “Technique, preparation and ‘ductus’ are all undoubtedly those of the master in a period of transformation from his Seville technique to contact with what Madrid and its collections offered him, which explains the hesitation in placing it prior to or after his visit to Rome of 1630 or 1631.”

After its restoration, the drawing is observed to be tighter and there is a greater density of paste in details such as the superb palm leaf, praised even by Jonathan Brown in his article, and the white cup and saucer that

still evoke the marvelous mastery of Seville still-life paintings. But even the female model for the child’s portrait is directly related to the figures of saints that appear in the upper part of Velázquez’s “La imposición de la casulla a San Ildefonso”, painted between 1622 and 1623, before he left Seville to settle at Court. Furthermore what is more surprising still, is that upon removing the thick layer of yellowish varnishes, an imprint from cleaning the brush was discovered on the right-hand side of the canvas. Velázquez did not use to clean his brushes with care, trusting that the background paint would cover the marks. And as this is very light, with minimal cleaning these are revealed. This is seen in the portrait of the “Infante Don Carlos” in the Prado Museum and on other canvases of the time, which makes me think of the date of 1628-29, when he also painted the “Sibila”, at the Prado as well, whose silken locks and bun are eternally identifiable in “Santa Rufina”.

Secondly, the painting’s trajectory also completely assures that it is a work by Velázquez, although it appears underlined in some of the collections through which it has passed, identifying it as either “Santa Rufina” or “Santa Justa”, which has hindered its identification. The painting appears in relation with works belong to the Marquis of Capio, in an inventory drawn up for legal proceedings to do with the succession of the House of Alba in 1802, where it alludes to, “A painting of Santa Rufina, from the waist up, holding a palm leaf and cup and saucer in her hands, an original work by Diego Velázquez, of three quarters and a half in height and two thirds and two gingers wide.” From the House of Alba it was transferred on a date unknown to Goya’s friend from Cadiz, Sebastián Martínez (1740-1800), in whose posthumous inventor it is listed as “Santa Justa” and is assayed at a value of 1,500 reales (the Spanish currency at the time). It passed by direct inheritance to his daughter, Catalina Martínez and from her to her brother-in-law, Fernando Casado de Torres, who valued it at 5,000 reales. Another change of ownership took it to the collection belonging to Celestini García Fernández in 1844, where José de Madrazo describes it as Velázquez’s “Santa Justa”, and he values it at 10,000 reales. It subsequently went to the Marquis of Salamanca, who auctioned it in Paris in 1867 under the title of a “Santa Clara” by Velázquez, although by the sales catalogues description it is undoubtedly the same painting, describing it in exactly the same way with the palm leaf and the cup and saucer and the figure from the waist up, her characteristic costume and identical measurements. It was sold to Cooke, Lord Dudley’s legal representative, who kept it but attributed it to Murillo, justifiable due to the nineteenth century fame of said artist in Great Britain. The painting appears as Murillo’s “Santa Justa” when it is auctioned in 1925 in New York; it reappeared in 1848 in the Buenos Aires art market, being located in 1951 in Brazil, where it remained until its sale in New York in 1999, being bought by the owner who put it up for sale in London, to finally be acquired by Focus-Abengoa for the city of Seville. Thirdly, the careful scientific, technical as well as historical appraisal to which the canvas was submitted and the conclusive opinions and studies by Peter Cherry and Carmen Garrido’s experts, one of the top authorities on the technique of Velázquez, fully assure the Sevillian painter to be the author of the canvas. There are not few of us who believe in the painting. But all of this will be definitely settled in the strictly scientific sphere of the International Symposium that will be held in Seville and attended by all the leading authorities on the work of the painter from Seville, so that once and for all the reasons explaining why it was Velázquez who painted this work can be given, which, thanks to business, municipal and popular generosity, ends its journey in the city of the man who painted it.

The Focus-Abengoa Painting Prize

This international prize, which has a long tradition and recognized prestige, provides evidence of the Focus-Abengoa Foundation's commitment to contemporary art, and to the concerns and interests of its exponents. It contributes to generating an exchange of artistic experiences which goes beyond our borders, ensures public recognition for the artists, and also serves to boost their professional careers.

The year 2007 witnessed the 25th anniversary celebration of the award's inception. The panel of specialists selected from among the over 400 works presented, from the European Union and America, which would later form part of our collection of paintings on exhibit at the Hospital de los Venerables. The first cash prize of 24,000 euros went to Ruth Morán Méndez for her canvas titled "Verde pequeña madera", and two additional prizes of 6,000 euros each went to Cristina Galeote Granados, for her painting entitled "Transmutation of the Concrete World", and to Kribi Heral for "Father-Mother Archive". The three works of art went on to form part of the Focus-Abengoa Collection of paintings and graphic works.

Music

The different musical activities organized by the Focus-Abengoa Foundation revolve around the organ, the instrument installed by the Foundation in the chapel of the Hospital de los Venerables in 1991. Since then it has turned the headquarters into a center for promoting the organ and its music in Seville, a key city in the history of the instrument in Spain and its projection throughout Latin America. Focus-Abengoa carries out intense education work on different social groups using specifically designed actions to promote young musicians, increased training for organ teachers and students, and, in a special way, to stimulate the interest in music of secondary school and conservatory students. This teaching focus is materialized in the following ways:

- A series of recitals by new organists: this year it was held under the title "European organ music in the 1620-1630 decade".
- A series of teaching recitals for students, in 2007 geared toward more than 1,600 students in the second cycle of secondary education, as well as various elementary conservatories in Seville.
- A master organ course taught by international experts, held for the seventh consecutive year, this year titled "J.S. Bach and Jehan Alain. Similarities and Differences" and directed by Marie-Claire Alain. Over three consecutive days, organists and students from all over Spain attended the course, which is backed by the upper music conservatory in Seville. The class was a success in terms of interest level and professional enrichment.

At the same time, the demand by organ music aficionados is addressed through a series of magisterial concerts throughout the year by the best organists of today. In February, Marie Luise Langlais, Marie-Claire Alain and Olivier Latry performed works of Ben van Oosten, Dong-ill Shin and Francis Chapelet. In May the musical program ended with its two traditional concerts, and an additional concert, by José Enrique Ayarra, owner of the Venerables organ and that of the cathedral of Seville, together with the chamber orchestra of the royal symphonic orchestra of Seville; with the choir and chamber orchestra from the musical chapel of the cathedral of Pamplona, directed by Aurelio Sagaseta, giving two performances with a different repertoire.

Exhibitions

“Seeing Seville. Five Perspectives through One Hundred Prints”

From March 4 to July 15, people were able to visit the private collection at the headquarters titled: “Seeing Seville. Five Perspectives through One Hundred Prints”, composed of a hundred engravings and lithographs belong to the Foundation’s print collection. The sample was structured into five sections: the geographer’s perspective, that of the passerby, the festive perspective, the archaeologist’s, and the romantic perspective, offering a historical-artistic stroll through the city of Seville and its old Kingdom, through the engravings and prints from the 16th to the 20th century. The exhibition speech was delivered by professor Alberto Oliver, and the museum management of the works was carried out by Gustavo Torner.

“Works selected for the 2007 Focus-Abengoa Painting Prize”

This exhibition features the twenty-five finalist paintings in this edition of the Focus-Abengoa Painting Prize; from a total of over four hundred works submitted by Spanish, European Union and American artists. The three winning works and other acquisitions realized from among those displayed in the rooms at Los Venerables have been added to the Focus-Abengoa painting and graphical work collection.

Sevillian Topics Library

Once the current headquarters were completely restored, the bibliographic heritage safeguarded by the Foundation at the Sevillian Topics Library was created in 1981, the former refectory and chapterhouse of the Hospital de los Venerables was installed. Here, over six thousand volumes dating from the 16th century to the present day, all with a common thread: ties to the history of Seville and its medieval kingdom, or authorship by Sevillian writers. The enrichment of this archive continues every year with new acquisitions of documents and books. The library, which is open to researchers and academics, has facilitated access to its volumes with the installation of the Biblio 300 on the Internet, which allows living cultural heritage to be shared and spread around the world.

Room of Engravings

The Foundation, which, since its creation in 1982, has had a large number of prints and etchings in its possession, decided that this delicate heritage of graphic art required facilities that would ensure both their preservation and their utility for scientific research. The collection is unique because of its particular focus on Sevillian iconography, and also because it is the only collection of its kind, in Spain or abroad. It is comprised of three hundred works of graphic art ranging from the 16th to the 20th centuries, which are available to researchers and academics wishing to study them.

Publications

“Oxygen sensitivity and neuro-degeneration : a recurring finding in self-transplants of carotid body cells in Parkinson’s Disease”

Professor José López Barneo’s monograph is the result of the third edition of the “Javier Benjumea Puigcerver Prize for Research”, with which a publishing line is maintained between the social council of the University of Seville and the Focus-Abengoa Foundation. The work cited is designated as number 21 in the Focus-Abengoa Collection.

Seville and the Tower of Gold

The publication of this book is the culmination of a cultural project conducted by the Focus-Abengoa Foundation. Its authors are professors and researchers from various institutions. The Tower of Gold, the pinnacle work in almohade architecture near the Giralda, has become, like the latter, a symbol of the city. The widely illustrated work reveals historiographical sources, uses of the tower, its place in the Arenal, the iconography, literature and restoration recently carried out. It also reflects the great physiognomic changes it has undergone over the course of history. The book was distributed as a company gift from Abengoa for the 2007 holidays.

Other publications

Over the past year, issues 72, 73, 74 and 75 of the News Bulletin were published, providing information on the Foundation's activities and events related to its objectives. The "Catalogue of Short-Listed Works for the 2007 Focus-Abengoa Painting Prize" was also published and, for the third time, the "Bulletin of the Focus-Abengoa Schools of Technology and the Baroque" for the 2007-2008 academic year, providing an outline of the three-year period.

Collaborations and agreements with other institutions

Each year, Abengoa orients its efforts and assistance toward many diverse institutions that provide services of general interest.

Spanish Association of Foundations
European Association of EBio Fuel
Association of Electrical Power Self-Producers
Association of Renewable Energy Producers
Association of Andalusian Foundations
Spanish Center for Solidarity: Project Humanity
New Horizon Association
The Energy Club
Andalusian Technological Corporation. CTA
European Forum on Renewable Energy Sources
Foundation for Drug-Addiction Assistance
Spain-U.S. Foundation
Foundation for Cooperation and Promotion of Welfare Activities
Foundation for Business and Society
Cotec Foundation
Foundation for Studies in Applied Economics
Euro-American Foundation
Foundation for the Advanced Technological Center for Andalusian Renewable Energy
Doñana XXI Foundation
Konecta Foundation
Adecco Foundation
European Energy Foundation
Foundation of Sociological Studies
Integra Foundation
Prince of Asturias Foundation
Foundation for the Royal Spanish Academy
Valencian Foundation of Advanced Studies
Catholic Institute of Art and History - ICAI
Institute for Regional Development
Musical Youth
Global Compact Platform
Saint Elizabeth of Hungary Royal Academy of the Fine Arts
Royal Academy of Medicine
Royal Academy of Liberal Arts of Seville
San Rafael Residence
University of Seville
Menéndez Pelayo International University

Social responsibility programs in Abengoa companies

It is no coincidence that many Abengoa companies have initiated specific corporate social responsibility programs in response to the economic, social and cultural situations and needs of the countries where Abengoa is active. These activities reflect our determination to grow alongside surrounding communities and environments, creating new ties that are mutually beneficial to society and the company in the long term, in other words, what we refer to as sustainable development.

This corporate strategy is about commitment to providing economic resources for specific activities and initiatives that contribute to the endogenous development of each town or people.

2007 social action investments in thousands of euros and 2008 forecasts

External social action: society in general

Figures in thousands of euros	2007	2008 (P)
Hospital de los Venerables	935.6	1,009.0
Training and Teaching	1,138.2	1,419.5
Assistance Work	1,680.3	1,406.0
Seminars and Conferences	366.0	362.0
Music	67.5	64.5
Exhibitions	81.0	35.0
Diego Velázquez Research Center	544.7	1,185.9
Roman Art in Seville	26.3	650.9
Publications	384.7	428.9
Collaborations and Agreements with Other Institutions	1,188.0	999.3
Total	6,412.3	7,561.0

Abengoa and the Communities in which it Operates

Abengoa's CSR actions by business units (2007-2008)

Company	B. Unit	Action	Country	Beneficiaries
ATE	ICI	Donation of T-shirts to pupils Construction work on the school Preservation of drawings Paraná Museum of Contemporary Art	Brazil	Communities near transmission lines Communities near transmission lines Communities near transmission lines
Abengoa Chile	ICI	Building homes in collaboration with the "roof for Chile" institution	Chile	Low-income families throughout the country
Abengoa Mexico	ICI	Soil conservation through reforestation Landscape maintenance (gardening, transplanting, etc.) Other actions	Mexico	Residents of Mexico City and surrounding areas Residents Abengoa Mexico Colony Building Residents of Mexico City and surrounding areas
Comemsa	ICI	Training center with instructor (completion of primary schooling)	Mexico	Comemsa personnel
SDS	ICI	Cultural trips, insurance and transportation Children's Day and Mother's Day celebrations Other developmental projects	Mexico	Communities near waste plant Communities near waste plant Communities near waste plant
Abengoa Peru	ICI	Construction work on congregation residences Delivery of machinery and voluntary donations form A. Peru workers Hispanic-American Foundation, Children's Heart Foundation, Free World Institute Misc. (Faith and Joy, cancer prevention league, Foundations...)	Peru	Josephine Sisters of Charity Institute Victims of the earthquake in southern Peru, August 15 Society at large Society at large
Befesa Peru	ICI	Seminars, local and Christmas holidays, well electrif. and infrastructure enhance- ments	Peru	Pope Leon XIII Model City Agro-Livestock Rural Colony
Teyma Uruguay		Cermu donation Children's Day celebration Children with Wings Foundation Our Way Foundation Donation to Grameen Misc. aid campaigns	Uruguay	Society at large Society at large Society at large Society at large Women in marginalized areas Society at large
Teyma Abengoa	ICI	Aid: food, health, training and education Construction work on gymnasium, dining room, expansion of various facilities	Argentina	Sisters of the Cross Sisters of the Cross
Befesa Argentina	Med. Serv.	Training and integration of youngsters with Down's Syndrome Construction work on school. Amafuerte. Camapana	Argentina	"Green Helmets" Organization School near facilities
Befesa Zinc Freiberg	Med. Serv.	Sponsorship of sports associations	Germany	Befesa plant community
Befesa Zinc Duisburg	Med. Serv.	Sponsorship of sports associations	Germany	Befesa plant community
Befesa Valera	Med. Serv.	Sponsorship of sports associations	France	Befesa plant community
Inabensa France	ICI	Day care center, gymnasium and sports activities Donation to associations Purchase of office supplies for associations for the disabled	France	Inabensa France employees Society at large Associations for the disabled
Abengoa Bioenergy	Bioenergy	Donations to associations Misc. sponsorships Misc. sponsorships Misc. sponsorships Misc. sponsorships Misc. sponsorships St. Louis Museum of Art	U.S.	Charities, civic associations Nebraska plant community Portales plant community Colwich plant community York plant community Corporate - plant community Society at large
Abencs, LLC (Abenex)	ICI	Donations to associations	U.S.	Society at large
Befesa Scandust	Med. Serv.	Sponsorship of sports associations	Sweden	Befesa plant community
Abengoa Solar Spain	Solar	Cultural activities Outdoor church lighting in Sanlúcar la Mayor Contribution to Sanlúcar la Mayor	Spain	Society at large Sanlúcar la Mayor Sanlúcar la Mayor
Abengoa Solar	Solar	Cultural, training and social events (including Solar Paces Conference)	Spain	Society at large
Abencor	ICI	Annual donation	Spain	Sisters of the Cross and Little Sisters of the Poor
Enernova	ICI	Donations to associations	Spain	Plant community
Telvent TandT	Info. Tech.	Sponsorship of sports association Sponsorship of sports association Sponsorship El Escorial summer courses Book sponsorship Jerez Holy Week Sponsorship of road safety activities City of Valladolid "Senior Citizens' Christmas Party" Seville Local Police Cultural Association Sponsorship of sports associations Sponsorship of Eusko Trenbideak 25th Anniversary	Spain	Cerro del Aguila Sports Association (Seville) Nervión sports association (Seville) Society at large Council of Brotherhoods of Jerez Society at large Society at large Society at large Society at large Community of Bizkaia
Biofuels CandL	Bioenergy	Collaboration with Babilafuente city council Collaboration with Huerta city council Collaboration with the Civil Guard (Pilar festivities) Collaboration with the Babilafuente soccer club	Spain	Babilafuente community Huerta community Civil Guard Babilafuente community
Ecofuels	Bioenergy	Collaboration with associations in neighboring communities; business associa- tions	Spain	Plant communities
Bioetanol Galicia	Bioenergy	Collaboration with town halls and neighboring communities	Spain	Plant communities
Inabensa	ICI	Photography contests and racketball tournament	Spain	Inabensa employees
P.E. Vilches	Med.Serv.	Sponsorship of indoor soccer team	Spain	Society at large
Befesa CTA	Med.Serv.	External social action - Investment Collaboration with other associations Misc. Sponsorships Doctoral Thesis Award	Spain	Society at large Society at large Society at large Doctoral candidates: global water cycle
Befesa GRI	Med.Serv.	Neighborhood associations, Brotherhood, Saint Teresa Hospital Soccer club, painting, music, magazine contest Algar-Surmenor volleyball team Short film contest, environment room Sponsorship of Mdad. Cerrato Sponsorship of Club Nerva handball Cartagena Polytechnical Univ. Summer Course Saharan Aid NGO	Spain	Community of Alumbres Community of Nerva Algar-Surmenor volleyball team Society at large Society at large Society at large Society at large Saharan community

Abengoa analyzes the impact of its business activities on the communities in which it is present in order to develop social and cultural policies to contribute to the economic progress, social equity and conservation of the environment of these communities. An example of this is the construction and adaptation of a school in the city of Nova Olinda (Brazil), where Abengoa, through Abeinsa, is currently operating.

ATE III Transmisora de Energía S.A. Abeinsa.

The city of Nova Olinda is one of the cities the Itacaiúnas – Colinas Transmission Line runs through. It was found that the proposed line path would go right through the old Santa Clara Municipal School. But upon seeing the conditions of the school ATE III decided to maintain the line site and build a new school for the community.

The old school had 17 pupils and also served as a church and community meeting place. There was no electricity, sewage system, or running water and the building was in a terrible state.

The new Santa Clara Municipal School was built nearby and can hold 20 children. The school was connected to public electricity, water and sewage networks, making installation of ceiling fans and the construction of bathrooms possible. The inauguration ceremony was attended by the Mayor of Nova Olinda and the Secretary of Municipal Education. The school will now also be able to hold religious services and community meetings in a more suitable way.



Before and after rebuilding the Santa Clara Municipal School

Abengoa’s social action and impact on the communities in which it is present by unit

Solar

Indicator SO1	Programme 1	Programme 2
1.- Definition of the programmes to evaluate their impact		
1.1- Name of programme	Bosque Solar - Sun Woodland Doñana National Park	Sanlúcar la Mayor Agreement Sanlúcar la Mayor
1.2- Area of application		
1.3- Previous situation in the community before the programme		
1.4- Application of the programme in the community		

Bioenergy

Indicator SO1	Programme 1	Programme 2	Programme 3	Programme 4
1.- Definition of the programmes to evaluate their impact				
Objective: SO1 is an indicator of the effort of the company. It analyses the nature, scope and effectiveness of the programmes and practices the company has developed as well as evaluates the scope and effectiveness of these programmes in the communities.	Budgetary provision of 650 €	Budgetary provision of 850 €	Budgetary provision of 9.500 €	Budgetary provision of 750 €
1.1- Name of programme	Alumbres Saint Festival	Sponsor of Operator Children Football Team	Valle Escombreras Business Association (AEVE)	Agricultural Foodstuff Industry Association (AINIA)
1.2- Area of application	Bordering population (Alumbres village)	Bordering population (Cartagena region)	Valle Escombreras Industrial Estate	Agricultural Foodstuff Sector Companies in the country
1.3- Previous situation in the community before the programme	Former co-operation with the Neighbours' Association	Former co-operation with the Neighbours' Association	Absence of Associationism prior to the establishment of AEVE on the Estate	Association with a long experience in the area
1.4- Application of the programme in the community	Release of budgetary provision	Release of budgetary provision	Release of budgetary provision	Release of budgetary provision

Indicator SO1	Programme 1	Programme 2	Programme 3	Programme 4
1.- Definition of the programmes to evaluate their impact				
1.1- Name of programme	Economic co-operation in building a new fronton court in Babilafuente	Co-operation with Babilafuente football club	Co-operation in Saints festivities of Huerta Town Hall	
1.2- Area of application	Babilafuente (Salamanca)	Babilafuente (Salamanca)	Huerta (Salamanca)	
1.3- Previous situation in the community before the programme	Former fronton court next to the church	Town Hall co-operation	Town Hall support	
1.4- Application of the programme in the community	Sports promotion	Sports promotion	Maintenance of customs, celebrations and local cultural groups	

Indicator SO1	Programme 1	Programme 2	Programme 3
1.- Definition of the programmes to evaluate their impact			
1.1- Name of programme	Teixeiro Saint Festivals	Curtis Saint Festivals	Xuventude Teixeira Festivals
1.2- Area of application	Municipal	Municipal	Municipal
1.3- Previous situation in the community before the programme	Neighbourhood sponsorship	Neighbourhood sponsorship	Neighbourhood sponsorship
1.4- Application of the programme in the community	Larger budget for celebrations	Larger budget for celebrations	Larger budget for celebrations
Indicator SO1	Programme 4	Programme 5	Programme 6
1.- Definition of the programmes to evaluate their impact			
1.1- Name of programme	Environmental Health Course	World Environment Day	Fodder research institute
1.2- Area of application	Provincial (A Coruña)	Galician	Galician
1.3- Previous situation in the community before the programme	Did not exist	Sponsorship of other companies	-
1.4- Application of the programme in the community	To have a sufficiently large budget to organise a forum of discussion on aspects related to the environment	To have a sufficiently large budget to organise a forum of discussion on aspects related to the environment	Donation

Environmental services

SO1 Indicator	Program 1	Program 2	Program 3	Program 4
1.- Definition of the programmes to evaluate their impact				
1.1- Name of the program	Nerva and Huelva programme of social action	Cartagena social action program	Plan of community actions with the inhabitants of the rural stockbreeding community Ciudad Modelo Papa León XIII	Botanical garden and co-operation with the community
1.2- Area of application	Nerva and Huelva (Spain)	Alumbres (Cartagena) Spain	Chilca (Perú)	Zimapán, Hidalgo state (Mexico)
1.3- Previous situation in the community before the program	No social activities performed in the place	No social activities performed in the place	No social activities performed in the place	No social activities performed in the place
1.4- Application of the program in the community	<p>For several years, Befesa GRI has developed a plan of community action with the inhabitants of Huelva and Nerva. The activities are intended to contribute to the cultural and sports development and the environmental improvement of the region. In Nerva, Befesa has co-operated with the football and handball club of the town, and in a painting meeting, a cinema short film festival, the music competition organised by the local conservatory and in different neighbour association activities. It also took part in the 1st National Meetings on the Protection of the Environment and Cultural Heritage organised by Seprona. In Huelva, it supported the botanical garden of the Santo Ángel school, the only one in the city.</p>	<p>Befesa GRI developed a plan of community actions on the whole of the population of Alumbres, in the Valle de Escombrera, very close to the Befesa Treatment Centre facilities in Cartagena.</p> <p>The activities and associations with which they have participated this year are the following:</p> <ul style="list-style-type: none"> - Cartagena Polytechnic University: signing of research collaboration agreements. - Firemen without frontiers. - Association of the Virgen de Caridad de Alumbres: Co-operation in the Easter festival. - Algar-Sumenor volleyball team: Women's team of the Murcia Region Volleyball Federation. - Alumbres Neighbours' Association: participation in the saints day celebrations. - Santa Teresa hospitality: This charity association has a reception centre with the main purpose of attending people without sufficient life means and who need help to survive. This is a centre of great local repercussion, due to the great variety of social activities it organises throughout the year. 	<p>Co-operation in resolving the problems faced by the village, contributing to reducing the lack of work in the area and improving the drinking water pumping system.</p> <p>Activities carried out in 2007:</p> <ul style="list-style-type: none"> - Health and nutrition workshops. - Training in manual activities to generate income, such as textile, purse production, painting trays. - Communal activities such as Christmas parties, children's day, mothers' day. - Organisation of cultural events to collect funds for study grants. - Electrification of the submergible pump of the well that supplies drinking water to the population. 	<p>In 2006 and 2007, the company co-operated with the community in celebrating events such as the Children's Day and Mother's Day by support in purchasing toys, supplies and food for the festivities. In 2007, these communities were supported by improving the access roads to their dwellings.</p> <p>They have also attended the Indesol calls through the foundation created by Befesa México Community Support to Zimapán, for the sustainable development of the communities through training projects concerning the cultivation of local species with alternative techniques. This activity and the construction of a greenhouse and botanical garden form part of an ecological project for the reforestation of protected species.</p> <p>Finally, once the waste treatment plant begins to work, a percentage on sales is to be devoted to developing the nearby communities</p>

Indicator SO1	Programme 1	Programme 2	Programme 3
1.- Definition of the programmes to evaluate their impact			
1.1- Name of programme	Access Roads	Ecological Awareness Raising	Celebration Support
1.2- Area of application	Communities close to SDS in the following communities: San Antonio, Estanzuela, Organal, Xaha, Mezquite, El Tathi.	Communities close to SDS in the following communities: San Antonio, Estanzuela, Organal, Xaha, Mezquite, El Tathi.	Communities close to SDS in the following communities: San Antonio, Estanzuela, Organal, Xaha, Mezquite, El Tathi.
1.3- Previous situation in the community before the programme	The access roads to the communities were very unsafe, especially in the rainy season.	Endangered cactaceae family plants in Zimapan area.	N/A
1.4- Application of the programme in the community	December 2006	N.A.	N.A.

Information Technologies

Indicator SO1	Programme 1	Programme 2	Programme 3	Programme 4	Programme 5
1.- Definition of the programmes to evaluate their impact					
1.1- Name of programme	ISO 14001 Environmental Management System	Eco Management and Audit Scheme (EMAS)	Eco Management and Audit Scheme (EMAS)	Apoyo a Personas con Escasos Recursos	5th Conference on Sustainable Cities and Peoples
1.2- Area of application	Overall	Europe	Overall	Selective (Peru in 2007)	Europe
1.3- Previous situation in the community before the programme	The evaluation of aspects and impacts was not regulated on the basis of certified management systems	The evaluation of aspects and impacts was not regulated on the basis of certified management systems	The evaluation of aspects and impacts was not regulated on the basis of certified management systems	The support for people was not established	The evaluation of aspects and impacts was not regulated on the basis of certified management systems
1.4- Application of the programme in the community	It is applied systematically project by project	Selective for companies operating in the environment sector	It is applied systematically project by project	The support for people with scarce resources is determined by giving priority to the less favoured communities	Held on the days defined by the conference organisation: 21-24 March
Indicator SO1	Programme 6	Programme 7	Programme 8	Programme 9	Programme 10
1.- Definition of the programmes to evaluate their impact					
1.1- Name of programme	I Forum of Safety as a Technological Challenge	3rd School of Technology. Energy Future - New Models	Book: "Monument to the flag of the Ciudad de Rosario"	3rd Digital Hospital Meeting - Application to Clinical Practice	Inforsalud
1.2- Area of application	Spanish institutions	Energy market administrations and companies	Argentina	Spain	Spain
1.3- Previous situation in the community before the programme	The evaluation of aspects and impacts was not regulated on the basis of certified management systems	The evaluation of aspects and impacts was not regulated on the basis of certified management systems	The main monument in Argentina has no publication that explains its architectural value and that of its sculptures.	The area of "digital hospitals" is being constantly developed and discussed by the technological-health sector for its evolution and development	An annual event that gathers the professionals of the health area to discuss the latest advances and tendencies in health technologies
1.4- Application of the programme in the community	Held on the dates defined by the organisation of the forum: 11 and 12 April	Event held 19-22 March under the title "The energy future. New models"	Edition and publication of the book of cultural interest	Development of conference in one day: 20 February	Event held in March

Indicator SO1	Programme 11	Programme 12	Programme 13	Programme 14	Programme 15
1.- Definition of the programmes to evaluate their impact					
1.1- Name of programme	33rd National Lighting Symposium 2007	Publication of the book "Jerez en Semana Santa"	Police Force Olympics in Seville	eAdministration Meetings	14 Meeting of Heal Information Technology in Andalusia
1.2- Area of application	Spain	Spain	Seville	Spain	Andalusia
1.3- Previous situation in the community before the programme	An annual event that gathers the professionals of the health area to discuss the latest advances and tendencies in health technologies	There was no similar book	This sports event has been held for several years	Recent enforcement of the Law of Electronic Administration in Spain	An annual event that gathers the professionals of the health area to discuss the latest advances and tendencies in health technologies
1.4- Application of the programme in the community	Event held 25-28 April	Edition and publication of the book of cultural interest	Sports meetings for the police collective in Seville	It was held on 12-14 June for all public administrations and companies involved in providing digital services	Holding of the event
Indicator SO1	Programme 16	Programme 17	Programme 18	Programme 19	Programme 20
1.- Definition of the programmes to evaluate their impact					
1.1- Name of programme	eGovernment Meeting	2nd Edition of the "Teatro Campoamor Lyrical Awards"	21st Telecommunications meeting. The Future starts	Congress on the Modernisation of the Public Services	Agreement for the Grant Programme between the Centro de Integración Empresa -Escuela and Telvent
1.2- Area of application	Spain	Spain	Spain	Spain	Brazil
1.3- Previous situation in the community before the programme	Adaptation of the Administration to the new forms of electronic identification	Second edition of these awards	Each year there is a meeting to review the situation of the time in the telecommunications sector	There was no similar programme	Deconstructed programme without linking and follow up of the School
1.4- Application of the programme in the community	It was held on 25-26 April for all public administrations and companies involved in providing digital services	Awards establishing a music professorship that was lacking in Spain	Community of ICT companies, public administrations	Meeting held 24-26 October	It has been more than 5 years

Industrial Engineering and Construction

Concessions	ATE	ATE II	ATE II	ATE III
1.- Definition of the programmes to evaluate their impact				
1.1- Name of the programme	Donation of trees changes	Donation of t-shirts to a science fair	Donation of a brush factory	Construction of a school
1.2- Area of application	Donation of 400,000 tree changes to the Bauru Town Hall - SP	Donation of t-shirts to a science fair of the Escola Municipal do Futuro - Ribeiro Gonçalves - PI	Construction of a school in Nova Olinda - TO	A wall was built around the Escola Municipal Emanuel, to protect the children from the vehicles
1.3- Previous situation in the community before the programme	n/a	Difficulties in purchasing the t-shirts for the event	n/a	The children were exposed to being knocked down and other dangers
1.4- Application of the programme in the community	n/a	T-shirt donation	n/a	Construction of a wall
Indicator SO1	Programme 1	Programme 2	Programme 3	Programme 4
Concessions	ATE	ATE II	ATE II	ATE III
1.- Definición de los programas para evaluar su impacto				
1.1- Name of the programme	Construction of a wall in a school	Restoration of the property of the MAC/PR	Donation of a tractor to indigenous lands	Donation of machinery to the people living in Palmares II
1.2- Area of application	A wall was built around the Escola Municipal Emanuel, to protect the children from the vehicles	Preservation and restoration of 248 drawings of the collection of the el Paraná Contemporary Art Museum	Donation of a tractor to Araribá indigenous lands to help in their culture of subsistence	Donation of machinery to the APROPCAR/MST, for the people living in Palmares II
1.3- Previous situation in the community before the programme	The children were exposed to being knocked down and other dangers	Poor preservation, without suitable conditioning	The Indians have 3 poorly kept tractors	n/a
1.4- Application of the programme in the community	Construction of a wall	n/a	Donation of a tractor for the Indians to do their harvest	n/a

Abengoa and the Communities in which it Operates

Indicator SO1	Program 1
1.- Definition of programs to evaluate their impact	
1.1- Name of the program	A Roof for Chile
1.2- Area of application	Families of scarce resources located in the surroundings of the project or work
1.3- Previous situation in the community before the program	Homeless family
1.4- Application of the program in the community	-

Indicator SO1	Program 1	Program 2
1.- Definition of the programmes to evaluate their impact		
1.1- Name of the program	Reforestation of the Desierto de los Leones National Park	Activities of Adaptation and Maintenance of green areas in the street
1.2- Area of application	Forest area to the east of the Federal District called "Desierto de los Leones"	Garden under the Bahía de la Ascensión bridge, near the Corporate Building, belonging to the Miguel Hidalgo Government delegation.
1.3- Previous situation in the community before the program	High index of deforestation in the area	Green areas that had been turned into car parks and clandestine waste disposal units by the inhabitants of the Verónica Anzures colony in Mexico D.F.
1.4- Application of the program in the community	Activities of the Land Conservation Programme through the annual planting of trees in forest areas of the city that present high rates of deforestation as a result of the unauthorised cutting of wood producing trees and the forest of the "Desierto de los Leones" of Mexico D.F. To train the employees taking part and their families with regard to the correct techniques for planting trees and to make them aware of the importance of the measures of protection of the environment for the whole of society in general.	Recovery of the green areas that had been turned into car parks and clandestine waste disposal units by the inhabitants of the Verónica Anzures colony in Mexico D.F.

SO1 Indicator	Program 1	Program 2	Program 3	Program 4
1.- Definition of the programmes to evaluate their impact				
1.1- Name of the program	Educational and body practices. An universal right. Monte Quemado,	Educational and body practices. An universal right. Monte Quemado, Sgo. Del Estero. Argentina	Educational and body practices. An universal right. Alderetes, Tucumán. Argentina	
1.2- Area of application	Vulnerable groups (disabled, poor or indigent children and families, women with gender problems) in rural or semi-rural populations at social risk	Vulnerable groups (disabled, poor or indigent children and families, women with gender problems) in rural or semi-rural populations at social risk	Vulnerable groups (disabled, poor or indigent children and families, women with gender problems) in urban – marginal populations	
1.3- Previous situation in the community before the program	Vulnerability and inaccessibility to spaces, practices, meetings and socioeducational and assistential events, which translates into a considerable social disadvantage	Vulnerable groups (disabled, poor or indigent children and families, women with gender problems) in rural or semi-rural populations at social risk	Vulnerable groups (disabled, poor or indigent children and families, women with gender problems) in urban – marginal populations	
1.4- Application of the program in the community	The construction of the spaces and the implementation of the practices, meetings and events allows the community to take part in a more human and integrated manner in the physical, artistic, schooling and work training activities. Start: August 2005	The construction of the spaces and the implementation of the practices, meetings and events allows the community to take part in a more human and integrated manner in the physical, artistic, schooling and work training activities. Start: August 2006	We are still between design and implementation. With no evaluations at the present time, apart from the diagnosis. Start: December 2007	

Indicator SO1	Program 5	Program 6	Program 7	Program 8
1.- Definition of the programmes to evaluate their impact				
1.1- Name of the program	Drought Forum	Aqua 07, Lecture on Water Management	Sponsorship of basketball sports activities B.C.M. Gravelines Dunkerque Grand Littoral	Sponsorship of sports activities. German Football Team Schalke 04,
1.2- Area of application	Seville (Spain)	Balearic Islands (Spain)	Gravelines (France)	Gelsenkirchen (Germany)
1.3- Previous situation in the community before the program	n/a	n/a	n/a	n/a
1.4- Application of the program in the community	In addition to the sponsorship, Befesa also took part with several talks, with subjects on sustainable water management and climate change	In addition to the sponsorship, Befesa also took part with several talks, with subjects on sustainable water management	Sponsorship of the local basketball team B.C.M. Gravelines Dunkerque Grand Littoral	Sponsorship of sports activities. German Football Team Schalke 04

Abengoa and the Communities in which it Operates

Indicator SO1	Programme 1	Programme 2	Programme 3	Programme 4	Programme 5
Objective: SO1 is an indicator of the effort of the company. It analyses the nature, scope and effectiveness of the programmes and practices the company has developed as well as evaluates the scope and effectiveness of these programmes in the communities.	CDM project of energy efficiency at the desalinating plant in Chennai (India)	CDM project of residual heat recovery for electrical generation in a sulphuric acid plant in Zhang Jiagang (China)	Neutralisation of emissions of the International World Solar Power conference	Neutralisation of emissions of the Exponergética international fair	Neutralisation of emissions of the 3rd Analyst & Investor Day
1.- Definition of the programmes to evaluate their impact					
1.1- Name of the programme	Energy Efficiency measures at Desalination Plant, Chennai, India	TwoIons II: Waste Heat Recovery, from new sulphuric acid line for power generation project.	World Solar Power ZeroEmission	Expoenergetica ZeroEmission	3rd Analyst & Investor Day ZeroEmission
1.2- Area of application	Kattupalli Village, Minjur Block, Chennai City. (Tamil Nadu state, India)	Zhang Jiagang, Sozhou city, Jiangsu province (China)	Seville, Spain	Valencia, Spain	Madrid, Spain
1.3- Previous situation in the community before the programme	A city with a large population (7,500,000 inhabitants) with difficulties in achieving and distributing water, due to the scarce rainfall between September and December, and with strong potential for the use of sea water. It has a very important car industry and is surrounded by factories, so it is an area of high carbon emissions.	A city of 998 km2 with 850,000 inhabitants. Traditionally with problems of poor planning, lack of infrastructures and scarce health services. It has started to overcome the shortfalls thanks to the rapid development of industry, and especially the chemical industry.	A community with no knowledge of the impact in terms of emissions of GEG from their participation in this event.	A community with no knowledge of the impact in terms of emissions of GEG from their participation in this event.	A community with no knowledge of the impact in terms of emissions of GEG from their participation in this event.
1.4- Application of the programme in the community	Start of the application of the programme in October 2008 (duration 10 years)	Start of application of the programme in September 2008 (duration 10 years)	23 October 2007	16 November 2007	20 November 2007

Indicator SO1	Programme 1	Programme 2
1.- Definition of the programmes to evaluate their impact		
1.1- Name of the programme	Primary studies in Comemsa	Large Expense medical insurance
1.2- Area of application	Comemsa workers	Comemsa employees and operators with service of over one year and their direct families
1.3- Previous situation in the community before the programme	We detect the fact that some Comemsa workers do not have primary studies	The only possibility of free medical assistance they have is the Social Security, where they receive treatment with which they are not pleased. Nevertheless this programme is not intended to cover all of the services offered by the social security
1.4- Application of the programme in the community	Voluntary	Comemsa employees and operators with service of over one year and their direct families

Indicator SO1	Program 1	Program 2
1.- Definition of the programmes to evaluate their impact		
1.1- Name of the program	2nd Inabensa Photography Competition	1st Inabensa Paddle tournament
1.2- Area of application	All Inabensa and Subsidiary staff	All Inabensa and Subsidiary staff
1.3- Previous situation in the community before the program	n/a	n/a
1.4- Application of the program in the community	Action related to improving the Working Environment	Action related to improving the Working Environment

Abengoa is committed to pursuing a company policy focused on the creation of sustainable, long-term value for all of its stakeholders: suppliers, clients, shareholders, employees, for society in general and for those communities in which it makes its presence felt by way of its business groups.

Consequently, the generation of corporate value is directly related to the management of each and every one of the groups of interested parties, as it is with the need for coordination in order to strike a balance between the organization and its stakeholders, and between these through society as a whole. A balance must be sought between maximizing the returns and interests of each group and the cost of said optimization, understood as the reduction of the benefits and interests of some groups with respect to those of others.

Abengoa creates value by managing the value that it contributes to its interested parties and by means of what these bring to the organization.

- The products and services commercialized by Abengoa create value among its clients to the extent that these meet their needs and expectations in accordance with the development of the sector in which it is operating. Abengoa generates value by way of quality and safety.
- Suppliers benefit from the provision of Abengoa goods and services, generating a positive impact on economic development.
- The creation of value for shareholders is brought about through the payment of dividends and the continuing increase of the company's shareholder value.
- Abengoa creates value for its employees through training, motivation, wages and the balance struck between professional development and personal growth.
- Abengoa creates value for society and the communities in which it is present by means of its sustainable development practices, by way of Environmental protection, respect for Human Rights and economic development, the creation of employment and the paying of taxes.

Abengoa made a consolidated Net Profit for 2007 of €120.4 M, which represents an increase of 20.0% with respect to the previous fiscal year.

Worthy of special mention is the income received from sales and service provision in the last two years, €2,677.2 M in 2006 and €3,214.5 M in 2007.

Below the direct generated and distributed economic value is quantified in accordance with the methodology developed by the Global Reporting Initiative (GRI).

Direct Economic Value Generated and Distributed (M€)	
Net turnover	3,214.5
Other operating income	390.2
Financial income	41.1
Participation in Profits / Losses of Associated Companies	4.2
Economic Value Generated (EVG)	3,650.1
Consumable and other costs	(2,136.5)
Social Charges	(518.7)
Operating expenses	(523.9)
Research and development costs	(41.9)
Financial charges	(181.6)
Taxes	(14.3)
Dividends	(14.5)
Minority interests	(15.4)
Economic Value Distributed (EVD)	(3,446.7)
Economic Value Retained = EVG - EVD	203.3

Generation of Direct Employment

Abengoa contributes to the generation of direct employment wherever it operates.

Total salary expenses for the last two years

Salary expenses for the last two years (M€)		
	2006	2007
Wages and salaries	318.5	404.7
Social Charges	78.7	97.6
Share Purchase Plan	5.5	16.4
Total salary expenses	402.7	518.7

Generation of Indirect Employment

The procurement of goods and services by Abengoa promotes economic development in extremely diverse sectors, both nationally and internationally. The total cost of the raw materials and goods purchased, and of the services contracted, is indicated below:

Cost of raw materials (M€)		
	2006	2007
Consumable and other cost	1,645.7	2,136.5
Other operating cost	454.9	523.9

Moreover, the contracts paid pursuant to the terms and conditions agreed, with the exception of the penalties provided for, have generated the following purchasing volume in each one of the business groups:

Volume of purchases made by each Business Unit (M€)		
	2006	2007
Solar		28.6
Bioenergy	332.3	474.6
Environmental Services	350.2	449.3
Information Technology	203.0	276.0
Industrial Engineering and Construction	775.5	908.1

Payments to Equity and Loans

1. - Dividends paid: €14.5 M

Charged to the 2006 financial results, Abengoa has distributed a dividend of €14.5 M to its shareholders in the course of the 2007 fiscal year, at a rate of €0.16 per share. As far as the 2007 results are concerned, the Board of Directors will propose the distribution of €15.4 M, at a rate of €0.17 per share, at the General Shareholders' Meeting.

2. - Financial Costs arising from interest on debts and loans: €174.1 M

The following table provides a breakdown of the company's debts with credit entities:

Net Debt (M€)		
	2006	2007
Long term debts with credit entities	873	2,346
Short term debts with credit entities	483	182
Financial Investments	(482)	(596)
Treasury	(1,028)	(1,698)
Total Net Debt (*)	(154)	234
Non-recourse long term financing	796	1,186
Non-recourse short term financing	458	503

(*) A minus sign means net cash position.

Contribution to society

The economic value distributed by Abengoa is further increased by the payment of taxes and social security contributions, along with voluntary contributions to social and cultural projects.

Taxes represent an important part of the economic contribution that Abengoa makes to society. This indicator varies and depends on the different applicable legal systems and the evolution of profits.

List of countries (k€)		
	2006	2007
Spain	50,560.6	60,643.9
Brazil	34,863.6	39,163.9
Mexico	(10,292.0)	15,222.2
France	1,626.2	14,242.4
United States	7,606.8	11,621.2
Sweden	28.1	4,979.8
Chile	830.5	4,227.4
Uruguay	1,774.7	3,030.6
Peru	1,197.8	2,419.7
Argentina	1,944.5	1,779.9
Portugal	497.1	822.6
China	357.0	507.2
Poland	692.8	506.1
Canada	7,434.4	495.9
United Kingdom	162.8	492.8
Morocco	(846.5)	289.4
Australia	380.7	257.0
India	377.9	198.9
Costa Rica	29.0	88.5
Algeria	0.0	59.1
Netherlands	663.5	(117.2)
Lebanon	70.5	(209.4)
Germany	214.2	(6,350.7)
Other countries	156.0	161.1
Total taxes paid	100,330.2	154,532.5

Of the total taxes paid out in 2007, 38% correspond to tax deductions at source and direct deposits on the personal taxation of employees, which are made by the different companies and deposited by same with the Tax Authorities. Moreover, 35% of the total corresponds to income tax, and 18% correspond to other taxes, mostly coming from taxes paid in Brazil.

As far as Abengoa's economic contribution to Social Actions (donations to the community, civil society or other groups, either in cash, or in kind) is concerned, this can be split into two groups: Internal Social Action and External Social Action.

Social Responsibility (k€)		
	2007	2008 (P)
Internal social action: Abengoa	808.2	1,172.2
External social action: Society in general	6,412.3	7,561.0
Total	7,220.5	8,733.2

Internal Social Action: Abengoa (k€)

	2007	2008 (P)
Education	232.8	267.7
Human Relations	89.8	92.1
Social Wellbeing	323.6	632.4
Culture	162.0	180.0
Total	808.2	1,172.2

External Social Action: Society in general (k€)

	2007	2008 (P)
Hospital de los Venerables	935.6	1,009.0
Training and Education	1,138.2	1,419.5
Assistance Works	1,680.3	1,406.0
Seminars and Conferences	366.0	362.0
Music	67.5	64.5
Exhibitions	81.0	35.0
Centro de Investigación Diego Velázquez	544.7	1,185.9
Arte Romano de la Bética	26.3	650.9
Publications	384.7	428.9
Collaboration and Ageements with other Entities	1,188.0	999.3
Total	6,412.3	7,561.0

Cultural Heritage (k€)

Santa Rufina, by Velázquez	12,665.7
17th century frame for work Santa Rufina	20.4
Twelve Artists Colección in the Prado Museum	21.2
Focus-Abengoa Paintings Collection	37.1
Total	12,744.4

As far as Abengoa's actions regarding its employees are concerned, general human resource policies are described, particularly measures implemented to contribute to people's quality of life, and to enable employees to combine family and work life. Among aforementioned measures is the social assistance provided by Abengoa to its employees, which is based around a service created to build human relations, where the employee can turn to put forward extremely diverse and unique situations, such as the need to be listened to, to receive support and guidance, to receive information, or to monitor specific family, medical, social and economic problems. The Focus-Abengoa Foundation, by means of the company dedicated to Integrated Human Resource Management (Gestión Integral de Recursos Humanos, S.A. (Girh)), and which specializes in the management and development of Abengoa employees, has a Social Fund to help out employees in situations of financial need.

As has been reflected in detail in the Legal and Financial Information on the 2007 fiscal year, Abengoa has received the following aid from Public Bodies and Institutions:

Consolidated data (M€)		
	2006	2007
Subsidies in capital	3.8	5.0
Operating subsidies	5.2	10.0

The table below indicates percentage difference between the standard starting salary paid by Abengoa, with respect to the local minimum wage, bearing in mind different professional categories. Those countries in which the number of employees has specific weight within the organization are indicated.

Countries	GMW	Average monthly wage by categories			% monthly wage over guaranteed minimum wage		
		Engineers and Other Degree-Holding Professionals	Assistants and Technicians	Skilled Workers	Engineers and Other Degree-Holding Professionals	Assistants and Technicians	Skilled Workers
Spain	600.00	1,928.43	1,188.07	1,145.29	321%	198%	191%
United States	697.71	3,113.15	1,839.21	1,095.68	446%	264%	157%
Mexico	94.00	688.01	437.83	281.46	732%	466%	299%
Argentina	213.00	1,113.00	538.00	426.00	523%	253%	200%

GMW: guaranteed minimum wage
 Selection of countries with major presence of employees
 All amounts in euros / month

Abengoa's presence contributes to the generation of wealth in the countries where it does business by means of the implementation and development of economic relations with its local suppliers. The table below indicates the percentage the purchases made from local suppliers represents in the main countries where Abengoa pursues its corporate activities, and which have a specific weight with respect to the total purchases made by the group during the course of 2007.

Country	Total Volume of Purchases (M€)	% Local Suppliers
Spain	1,696	81%
Brazil	305	98%
United States	207	78%
Netherlands	157	22%
Mexico	134	92%
France	106	62%
Sweden	46	54%
Germany	42	54%
Chile	38	94%

Another important contribution made by Abengoa in the countries in which it operates is the professional development of its managers and their talents, attracting and retaining only the best human resources. The majority of Abengoa's managers come from the local community where significant operations are carried out.

% Local Executives	
Europe	93%
America	84%
Asia	60%
Africa	25%
Oceania	50%
Average	88%

In addition to the direct economic value generated and distributed by Abengoa among its interested parties, a quite considerable indirect economic value is generated in those societies in which Abengoa pursues its corporate activities. Even though it may be extremely difficult to quantify these effects, the importance of the same is unquestionable.

These indirect effects range from the activity that stimulates the clients that work with the company as a result of the services and products that they receive, to the suppliers with which they do business. Moreover, said effects could arise from the more general contributions to the solidity and dynamism of the economic situations in which they operate.

The innovation and technological development carried out by Abengoa is a clear example of one of the most important indirect economic effects. Our investments in innovation give rise to a positive economic impact, given that they help local communities to prosper and grow where they are implemented. It is an efficient and necessary instrument to progress towards a sustainably developing society. Innovation is not an end in itself, as may happen in some areas of research, but is rather the mission of transforming society into a better world. It is concerned with developing our current socio-economic system, which is neither sustainable nor for all, toward one that is indeed sustainable and for all. Innovation is, therefore, our commitment to the future.

Abengoa and Innovation

The year 2007 proved to be especially significant in the impetus given by public administrations to research, development and innovation (R&D&I).

The European Union (EU) started up the 7th 2007-2013 Framework Program (FP7) in R&D. With a duration of seven years, instead of the four-year length of previous programs, the budget has increased considerably: 53.2 billion euros in total. Spain was allocated a Business R+D Technological Fund of 2 billion euros for this period.

According to a 2007 survey by the National Institute of Statistics (INE), in Spain R&D investment in 2006 rose to 1.2 percent of GDP, with a 16 percent increase over the previous year (2005). The aim continues to be 2 percent of GDP in 2010, a goal that seems plausible. Therefore, it must be pointed out that Business R&D grew by 20 percent, reaching 56 percent of total R&D investment. In the R&D field, 5,000 new researchers joined companies and 2,000 more were incorporated in the Public System in the R&D field.

In November 2007, the 6th National Plan for Scientific Research, Development and Technological Innovation was approved for the 2008-2011 period. It is structured into four areas: generation of knowledge and capabilities, promotion of R&D cooperation, sector technological development and innovation, and strategic actions. The new plan seeks to intensify R&D cooperation between business and the public system, especially in the last two areas. Abengoa has actively participated on the committees set up under the 4th Plan, and considers the focus on Energy and Climate Change to be very positive.

Abengoa invested 69 million euro in R&D&I in 2006. This year 59 million euro has been invested and the figure projected for 2008 is 101 million euro. These figures confirm Abengoa's commitment to innovation as the basis for long-term sustainable growth.

There are currently over 450 people working at Abengoa in research and development. Most R&D&I activities are carried out through demonstration projects. At present there are over a hundred projects in progress, the following being among them:

- Construction in Kansas (United States) of the world's first commercial plant for producing bioethanol from lignocellulosic biomass. This project receives partial financing from the U.S. Department of Energy (DOE), and has received a 76-million-dollar non-recoverable subsidy. For developing this project partnership agreements were made with the University of Auburn in Alabama.
- I+DEA Project for developing production and use technologies for bioethanol as a biofuel. With a budget of 29 million euros, in the execution of this project collaboration agreements were signed with the following universities: Seville, Valencia Polytechnic, Comillas, Madrid Polytechnic and Castilla-La Mancha. The project receives partial financing from the Cenit program of the Ministry of Industry, Commerce and Tourism.

These projects emphasize the close working relationship in R+D with the public sector, universities, international research centers and specialized technological corporations.

Main Projects	2006		2007		2008 (P)	
	M€	% / sales	M€	% / sales	M€	% / sales
1 Solar Energy	17.4		12.9		38.1	
2 Biomass conversion to bioethanol	26.2		13.1		23.1	
3 Enhancement bioethanol efficiency (residual starch)	1.6		3.4		3.3	
4 Hydrogen Technology	2.1		1.8		3.6	
5 Electricity, environmental, oil and gas control centers	7.6		8.4		9.4	
6 Road and rail traffic, and ticketing systems	5.6		3.9		5.6	
7 Public Administration support systems	2.2		4.5		6.3	
8 Geographic Information Systems (GIS)	2.3		3.0		2.9	
9 Industrial Waste Management	0.5		0.5		1.2	
10 Vitrification	0.4		0.1		0.3	
11 Desalination	1.0		0.8		0.4	
12 Environmental Technology Center	0.0		0.1		1.0	
13 Treatment of wastewater	0.4		0.3		0.9	
14 Development of polypropylene	0.1		0.1		0.8	
15 Other projects	1.1		1.7		4.4	
Total Inversión I+D+i	68.5	2.6%	54.6	1.7%	101.3	2.5%

Strategy and financing in innovation

Abengoa's policy is focused on the creation of long-term value. At Abengoa, innovation is geared toward results, with three tangible objectives:

- Diversification: new products and services.
- Differentiation: improving and adapting existing products and services.
- Process improvement

The intangible aims pursue the acquisition of basic competencies and, above all, the creation of forward-looking options. This goal is especially tied to value, through anticipated growth and the development of new businesses.

Internal lines of innovation are largely based on Abengoa's main businesses: bioenergy, solar energy, H2 hydrogen technologies, information technologies and desalination.

In order to finance the company's research and innovation projects, in addition to Abengoa's annual investment, there are other external funding channels: subsidies, partnerships with universities and research centers, and shared R&D.

New horizons

At Abengoa, we firmly believe in the need to deliver innovative solutions that contribute to the development of a sustainable society. To this end, one of our strategic goals is precisely the pursuit of new avenues for development and innovation

Hydrogen technologies: Hynergreen Technologies. Hynergreen is the Abengoa company that seeks to develop projects involving the production of electricity using fuel cells, as well as hydrogen production from renewable energy sources.

Emissions management: ZeroEmissions Technologies. Company set up by Abengoa to encompass activities in the fight against greenhouse gas emissions. Its main action areas are the following:

1. R&D&I to develop solutions for eliminating gases with a high greenhouse effect level.
2. MDL/AC (Mechanisms for Clean Development and Joint Action) Projects. Through these two mechanisms put forth by the Kyoto Protocol, countries committed to emissions reductions can reach compliance through projects to reduce emissions in other countries.
3. Participation in carbon funds, as yet another commitment to sustainable development.

CO₂ storage and capture. Abengoa participates in diverse platforms and groundbreaking national and international projects in this area. Our aim is to develop the technology needed to be able to securely capture and confine CO₂, the primary cause of the greenhouse effect.

Energy efficiency. At Abengoa we are convinced of the need to combine the use of clean sources of energy with the development of alternatives for achieving greater efficiency in the generation, distribution and consumption of energy. We therefore conduct research and development on technologies for the following purposes:

1. To increase efficiency in the conversion from primary energy (fuel-oil, gas, coal, wind, sun, etc.) to usable energy (electricity, heat, etc.).
2. To reduce losses in transmission and distribution systems.
3. To increase efficiency in the conversion of consumed energy to useful work.

New renewable energy sources. Abengoa works in the development of the so-called emerging renewable energies, those with great future potential that are still in the R+D phase.

University Collaboration

Abengoa has a long-standing tradition of collaboration with universities. Usually this partnership is implemented through joint R&D projects, scholarship programs for upperclassmen and doctorates through specific agreements with different research groups.

There are currently signed collaboration agreements for R&D&I projects with 24 Spanish universities and 13 universities abroad. (*)

(*) All information related to agreements with universities can be found in Section V: Abengoa and the Communities in which it operates.

Recognition of R&D&I efforts

Over the past five years, Abengoa has received the following awards in recognition of its research efforts.

"2007 Andalusian Business Success Award", awarded to Abengoa's Solar Platform in Sanlucar la Mayor by Actualidad Económica; category: Best Business Initiative.

"2007 Supplier of the Year Award", awarded to Befesa Gestión PCB by Iberdrola (5th Edition); category: Quality Management System.

"2007 Financial Times and International Finance Corporation Awards". Befesa Mexico was a finalist for its "Project of the Year in Sustainable Development".

"City of Seville Medal", awarded to Abengoa (2007) by the City of Seville.

"2007 Leading Private Construction Business in Turnover" awarded to Teyma Uruguay, for the second year in a row, by the Diario Observadores and MC Consultores.

Felipe Benjumea Llorente, Abengoa chairman, voted "Most noteworthy Spanish businessman of 2007" by the Spanish Chamber of Commerce in Chile.

"2006 National Quality Award", awarded to Teyma Uruguay for the third consecutive year by the government of Uruguay in recognition of its continuous process improvement.

"Global Water Awards", awarded to Befesa CTA by the publication Global Water Intelligence; in three categories: Best International Company in Hydraulic Infrastructure Concessions in 2006, Best Project in 2006 (for the Beni Saf plant in Algeria), and Desalinating Plant of the Year (Cartagena plant, Phases I and II).

"2006 Prince Philip Award for Business Excellence", awarded to Abengoa Bioenergy; category: Renewable Energy Sources and Energy Efficiency.

"Research, Innovation and Enterprise Award", awarded to Abengoa by the Academy of Social Sciences and the Environment of Andalusia, the Andalusian Confederation of Businesspeople and the Andalusian Council of Chambers of Commerce, Industry and Shipping.

"7th Andalusian Award for 2006 Business Excellence", awarded to Inabensa by the Andalusian Government.

"11th Andalusian Environment Award", awarded to Befesa by the Andalusian Government; category: Environmental Management".

"2006 EOI Award", awarded to Abengoa by the Business School and Public Foundation of the Ministry of Industry and other companies, for its efforts in the field of sustainable development.

"4th City of Seville Award for Best Business Initiative in 2006", awarded to Solucar by the Energy Agency of Seville, for the Sanlucar la Mayor Solar Platform.

"3rd Ricardo Carmona 2006 Award", awarded to Solucar R&D by the Chamber of Commerce and Industry of Almeria for its work in the development of thermoelectric solar energy; category: Technological Innovation.

"2005 Alas Award" (5th Edition), awarded to Abeinsa by the Andalusian Government for International Expansion (2006).

"Best of European Business 2005" awarded to Abengoa Bioenergy by Roland Berger and the Financial Times; category: Innovation.

"2005 City of Seville Award". of the Seville City Council. Hynergreen received an honorable mention.

"2005 Mare Nostrum National Information Technology Award", awarded to Telvent by the Ministry of Education and Science.

"2004 Best Energy Website Award", awarded to Abengoa Bioenergy by the Web Marketing Association (U.S.).

"2004 Andalusian Excellence Award", awarded to Telvent by the Andalusian Government.

"2003 Bargoa Award" by the Miguel Calmon Institute to the best company in the State of Rio de Janeiro.

"2003 Excellence and Best Practices Award", awarded to Sainco, Telvent by the AENA; category: Technological Innovation.

"2003 ComputerWorld Technological Innovation in Andalusia Award", awarded to Telvent Outsourcing.

"2003 Nebraska (U.S.) Business Innovation Award", awarded to Abengoa Bioenergy Corporation.

"2003 Best Project of the Year Award", awarded to Hynergreen by the Eight Grove Fuel Cell Symposium.

"2003 Award for Technological Innovation in the Recovery Sector", awarded to Deydesa 2000 by the Spanish Recovery Federation.

Abengoa's R&D&I Projects

Demonstration projects

Abengoa believes that demonstration projects are a key instrument for carrying out a policy of innovation in the development of new products to be introduced into the market. Demonstration projects achieve operational validation of an innovative product, system or process and its market proof. They also facilitate knowledge of its cost in order to fix a real starting price, which can later be lowered through the experience curve. In addition, demonstration projects lead to a real demand for R&D from public administration that gives science the capacity to serve the needs of society.

Abengoa, through its companies, always has dozens of demonstration projects underway, targeted at the market and geared toward creating value, usually in collaboration with numerous scientific institutions and different technological agents. Many of these projects receive public funding.

In this context, noteworthy examples are the activities conducted by Abengoa Bioenergy on the production of bioethanol from lignocellulosic biomass (currently obtained from cereal). The aim of this project is to turn corn husks and stalk litter from other cereals, as well as agricultural waste, into bioethanol, which will bring new benefits to farmers, lower production cost, bringing it closer to that of gasoline, and will reduce the greenhouse effect, as plants - the raw material for bioethanol production - absorb CO₂ through the chlorophyll function. With an investment estimated at 35,478,765 US\$ over five years, this project has received considerable non-recoverable funding from the Department of Energy of the Federal Government of the United States, for a total of 17.5 million dollars, which constitutes 50% of investment.

Below is a list of other projects in Innovation started up and developed over the course of 2007 at Abengoa's companies.

Solar Energy

Abengoa Solar believes that investment in R&D&I is vital in order to be able to offer the best solar energy-based solutions for contributing to the fight against climate change and ensuring sustainable development. This is why they are making heavy investment efforts in order to lead, through their own resources and by means of agreements with leading institutions, a highly ambitious program in research and development.

This program has two goals:

1. To lead in the development of the generation and storage technologies we consider most advantageous for the future.
2. To understand all solar technologies to a considerable degree.

In 2007, Abengoa Solar made progress in the following projects:

- **Repow PS10.** Design and construction of a parabolic trough collector facility employing ET technology and thermal oil working fuel with an opening of 3,600 square meters for generating 45-bar, 257-degree-centigrade saturated steam. The steam will be stored in pressurized water tanks and processed at PS10, the world's first commercial tower in use. The PS10 solar plant is equipped for 30 minutes of storage and, under conditions of low radiation, can burn between 12 and 15% in natural gas. The plant will generate 24.3 GWh of clean energy and prevent the emission of 6,700 mT of CO₂ each year. The project has received subsidies from the Andalusian Energy Agency.
- **GDV. GDV concept validation.** Direct steam generation in parabolic trough collector fields and tower technology. The project has received aid from the Andalusian Technology Corporation and IDEA.
- **AZ TH Dishes.** Eighty-kilowatt gross power output capacity Stirling technology demonstration plant, made up of eight parabolic dishes, each producing 10 kilowatts. It has received aid from the Andalusian Energy Agency.
- **Superheated steam receiver.** In 2007 the Solar business unit has advanced in the construction of a demonstration high-temperature tower with approximately two megawatts of power output capacity. This plant, being built based on the experience with PS10 and PS20, will allow the production of superheated steam, leading to significant improvements in turbine efficiency. It receives aid from the Center for Industrial Technological Development (CDTI).
- **Saturated steam receiver,** based on tower technology, for implementing improvements making operation of this kind of receiver more secure and profitable by reducing self-consumption and dependence on the flow map. It receives aid from the Center for Industrial Technological Development (CDTI).
- **Photovoltaic laboratory.** Creation of a photovoltaic laboratory for analyzing the energy production costs of different technologies and configurations; improving production cost through optimization of photovoltaic devices and systems, and preventing and resolving problems during the life of the devices (modules, inverters, etc.) and photovoltaic systems.

Bioenergy

The strategic mission of Abengoa Bioenergy New Technologies consists of developing and demonstrating technological solutions through science and innovation, with the aim of meeting Abengoa Bioenergy's strategy plan targets, which include the following:

- Develop and market biomass technologies at competitive prices.
- Increase the added value of existing byproducts and develop new byproducts.
- Improve current dry milling technology.
- Promote the development of energy crops.
- Develop end-use programs for biofuels.

In 2007, Abengoa Bioenergy conducted work on the following projects:

- **Development and construction of the world's first commercial plant for producing bioethanol from lignocellulosic biomass** in Kansas, United States. In order to carry out this project partnership agreements were reached with the University of Auburn in Alabama. This project receives partial financing from the U.S. Department of Energy of the United States (DOE), with a non-recoverable subsidy of 76 million dollars.

- **I+DEA project for developing technology for production and use of bioethanol** as a biofuel, with a budget of 29 million euros. In order to carry out this project, Abengoa Bioenergy finalized collaboration agreements with the universities of Seville, Valencia Polytechnic, Comillas, Madrid Polytechnic and Castilla-La Mancha. It is partially financed by the "Cenit" program of the Ministry of Industry, Commerce and Tourism.
- **Advanced Biorefining of Distillers Grain and Corn Stover Blends.** The Department of Energy of the United States (DOE) and Abengoa Bioenergy R+D signed a five-year contract in 2004 for the development of biorefinery technology. Abengoa Bioenergy R&D leads the team that is developing this innovative technology for processing biomass derivatives, which utilizes the advanced biorefinery of blends of the DGS of the grain (a byproduct of bioethanol production with a high protein content) and the biomass from corn crops in order to obtain increased production of bioethanol and, at the same time, maintain the protein nutritional value. This technology will lead to a more sustainable and economic industry, reduce petroleum consumption per liter of produced bioethanol and will increase the availability of bioethanol. The project receives aid from the U.S. Department of Energy.
- **BC and L demonstration plant.** Abengoa Bioenergy built this plant, the world's first commercial-scale biomass plant, in order to test the technology of turning biomass into bioethanol. The plant will process 70 tons per day of agricultural waste, such as wheat chaff, to produce 5 million liters of bioethanol each year. Its ultimate aim is to develop gasoline-competitive production technologies. It receives subsidies from the European Union 5th Framework Program.
- **Research on E-diesel use.** E-diesel is a fuel that is obtained by adding bioethanol to conventional gasoline, with a percentage that can vary between 5 and 15%, along with an additive to ensure the stability of the blend. It can be used in any diesel engine. It is being conducted in collaboration with the Cideaut Foundation and the E-diesel Consortium of the United States. The project has received subsidies from the Ministry of Education and Science.
- **Agrobihol.** Energy crops our rapid-growth crops used for producing energy (electricity or liquid fuels) using a part of or the entire plant. Abengoa Bioenergy's objective in this project is to produce ethanol from Spanish crops from cereals with high starch content; from lignocellulosic material, such as straw, or other grass and stalk crops. In addition, the viability of producing bioethanol from sorghum or potato is also under study, and the use of bioethanol as an alternative fuel in ethanol-gasoline and ethanol-gas oil blends in conventional vehicles, as well as hydrogen production for fuel cells. The project receives subsidies from the Ministry of Education and Science.
- **Bioethanol Transformation.** Abengoa Bioenergy is making a considerable effort in perfecting hydrogen generation systems from bioethanol. To this end, work is being conducted on transforming ethanol, a chemical process by which hydrogen is generated thanks to the steam and catalyst reaction. The research projects have led to obtaining an ethanol-transforming catalyst and the construction of two pilot plants for accumulating thousands of operation hours. The demonstration facility for this technology has been completed, which has facilitated acquisition of exhaustive knowledge of the design, operation and costs associated with this technology, and in determining aspects to be reviewed for its optimization. The project has received subsidies from the Spanish Navy.

- **ACES.** A research project conducted in conjunction with the High Council of Scientific Research (CSIC). The aim of the project is to develop a catalyst capable of producing ethanol from Syngas (basically hydrogen and carbon monoxide). It represents a key step in the thermo-chemical channel for obtaining ethanol from biomass. It is financed entirely by Abengoa Bioenergy.
- **DOE ethanol catalyst development project.** The U.S. Department of Energy (DOE) selected Abengoa Bioenergy R&D (ABRD) to develop an ethanol catalyst. In this program, besides ABRD, project leader, two laboratories are participating (Argonne National Laboratory and the Pacific Northwest National Laboratory), two universities (Washington University and Lehigh University) and the research organizations of GTI and Avantium. The total budget exceeds 3,570,000 dollars. Twenty percent is provided primarily by ABRD, and the remaining 80 percent comes from the DOE. It represents a basic research program for developing a synthesizing ethanol catalyst and characterization, as well as fast sifters and testing in the reaction systems, elucidation of reaction mechanisms and kinetics, durability tests, and simulation and development processes. The aim is thus to obtain a catalyst that can execute Syngas bioethanol synthesis at a reasonable cost.
- **RENEW.** The RENEW project aims to develop, compare, demonstrate (partially) and test a range of fuel production chains for motor vehicle fuels. In this project, coordinated by Volkswagen AG (Germany), Abengoa Bioenergy participates as a key partner for optimizing bioethanol production from biomass by means of enzymatic hydrolysis and gasification and thermo-chemical catalysis, as well as to produce byproducts. For these tasks, Abengoa Bioenergy has collaboration from the chemical engineering department of the Andalusian Industrial Research and Cooperation Association (AICIA) and the University of Seville. The project is financed by the 6th Framework Program of the European Union.

Environmental Services. Befesa

The R&D&I strategy of Abengoa's Environmental Services is focused on creating value and developing new technologies for conducting our activities in a sustainable way. Befesa's R&D&I strategic plan has the following objectives:

- To become technologically competitive leaders in the industry of aluminum waste recycling and galvanized steel.
- To develop new technologies for industrial waste management.
- To be technological leaders in desalination technology and technologically competitive in treatment of wastewater and its reutilization.

This strategy, which represents a permanent commitment for Befesa, is used as a vehicle for continuous improvement and consolidation of our technological leadership in waste treatment and water generation and management.

In 2007 Befesa developed the following projects:

- **Mecoal.** Improving aluminum casting, particularly the elimination of external thinning in bars.
- **Realox.** To perfect fusion by means of improving basic knowledge of aluminum oxidation in its fusion and in the presence of melting materials. The program was developed in conjunction with Inasmet.
- **New treatment of filter dust residue for its inerting.** Phase III. A program developed in collaboration with Inasmet, it has received subsidies from the Center for Industrial Technological Development (CDTi).
- **Paval improvement through the study of slag reactivity in order to ascertain via computer the advancement in the saline slag reaction.** The first phase of the project ended in March with success, applying the Valladolid and Wales reactor model.
- **SPL treatment in collaboration with Alcoa.** The project involves finding an application of the carbonous part of the electrolysis cells used (SPL) in the production of primary aluminum. It represents an environmental service for these plants, which need to recycle this material. The project has received subsidies from the Technological Research Promotion Program (Profit).
- **Ecoretech.** Development of new Paval/BFA applications for architecture projects. Paval is a saline slag generated in the production of secondary aluminum; it is an insoluble solid and a hazardous waste, composed of aluminum oxide and a lower portion of silicon oxide and magnesium oxide.
- **PP+FV.** Industrial installation for the production of materials composed of pure polypropylene or recycled and reinforced with fiberglass residues from the production waste that is currently dumped. The project has received a loan from the Center for Industrial Technological Development (CDTI).
- **Pilot plant for energy-chemical capturing of residual gases in the process of recycling steel mill dust.** It is being carried out in conjunction with the Euskoiker Foundation and the Advanced Industrial Engineering School of Bilbao.
- **Obtaining new products from Purified Waelz Oxide (D-L.W.O.®).** Being conducted in collaboration with the Euskoiker Foundation and the Advanced Industrial Engineering School of Bilbao.
- **Study for reducing sulfur and fluoride concentration in the dump at the Befesa Zinc Aser, S.A. plant.** In collaboration with the Euskoiker Foundation and the Advanced Industrial Engineering School of Bilbao.
- **Construction of a facility for pelletization of zinc oxide to lower diffuse emissions of solid particles generated in the manufacture of zinc oxide by 80 percent.**
- **Production of fiberglass-reinforced thermoplastic compounds.**

- **Production of new materials and alternative fuels.** The project aims to validate methods of evaluation of inorganic industrial waste as substitutes for raw materials in industrial processes, such as the manufacturing of cement and other construction materials. Additionally, the project seeks valorization of organic waste as an alternative fuel to fossil fuels in the industrial sector. The project is being developed in collaboration with the University of Seville. It receives subsidies from the Research Results Transfer Impulse (Petri) and the Ministry of Education and Commerce.
- **Restoring contaminated soil using non-hazardous waste and other byproducts.** With subsidies from the Technical Research Promotion Program (Petri) of the Ministry of Education and Science, and from the Ministry of the Environment program.
- **Development of Oxygenated Additives from Glycerines.** The project has received subsidies from the Technical Research Promotion Program (Profit) of the Ministry of Education and Science.
- **Pretreatment of fuel for vitrification.** The project is focused on the design of the process of pretreatment of waste upon entering the vitrification process, so that a feed fuel can be obtained for the process, ensuring proper functioning and allowing valorization of the synthesis gas obtained.
- **High-Efficiency Desalination Pilot Plant.** The plant's objective is to reduce energy consumption in the processes of desalination by reverse osmosis, below 2.5 kilowatts hour/square meter. This implies obtaining potable water from sea water at a reasonable price, which is essential for sustainable development. To this end, analysis is being conducted on the high-pressure pumping systems, reverse osmosis membranes and energy recovery systems. The project has been granted a subsidy from the Council for Innovation, Science and Commerce from the Andalusian Government.
- **Development of advanced pre-treatment systems for desalination.** Design of an optimum system for pre-treatment for desalination plants that minimizes investment and operation costs, ensuring water quality, as well as plant reliability and availability. To this end, development is underway on physicochemical process technologies, their combination and subsequent application to desalination. The project has received a subsidy from the Council for Innovation, Science and Commerce from the Andalusian Government.
- **Study of the brine dilution phenomenon.** The aim of this project is to acquire in-depth understanding of the physics of the brine dilution phenomenon in marine beds; develop tools for simulating said phenomenon validated through real results; create optimal diffusion systems and a system for continuous measurement to monitor brine or rejection dilution in desalinating plants. Through subsidies from the Idea program of the Andalusian Government.
- **DeReDes: Development of Desalination with Renewable Energies.** The project aims to drive business activity in the field of desalination, through design, installation and maintenance of systems using renewable energy sources. In order to achieve this, a technical-economic evaluation is being carried out comparing different technologies, and the three pre-commercial plants determined as optimal will be designed for three different scenarios. Through subsidies from the Ministry of Industry, Commerce and Industry and the Technical Research Promotion Program (Profit) of the Ministry of Education and Science.

- **Elimination of EDAR sludge through supercritical oxidation.** Through subsidies from the Idea Program of the Andalusian Government and the Andalusian Technological Corporation (CTA).
- **TRASOS.** Development of optimal technologies for regenerating wastewater.
- **Development of a control system for large desalinating plants.** The goal is to develop an integrated central system for optimizing desalination plant operation, maximizing its availability. Through subsidies from the Idea Program of the Andalusian Government, the Andalusian Technological Corporation (CTA) and the Technical Research Promotion Program (Profit) of the Ministry of Education and Science.

Information Technologies. Telvent

The Information Technologies, business group, with Telvent as the lead company, has a team of over 350 people dedicated to research, development and innovation (R&D&I), distributed among the group's nine product and competency centers all over the world.

The product centers deliver infrastructure technologies that are the basis for the different solutions Telvent offers. These technologies, occasionally commercialized in isolation, are used by the competency centers in order to develop high-value-added systems architectures and advanced applications, specifically developed for each sector. Combined with our experience in business processes and our services, products and solutions, Telvent delivers capabilities for real-time decision-making to our customers.

Telvent works each and every day to be a global company that, through the use of the most advanced information technologies available, contributes to making the tremendous challenge of creating a sustainable world for future generations possible.

The most relevant R&D&I projects in 2007 were the following:

- **Idaho National Laboratory (INL) Phase I.** 2007 marked the beginning of the multi-annual research project in research on critical infrastructure security. The project has begun to reap benefits with the first report from the Idaho National Laboratory (INL) on the evaluation of the security of Telvent's SCADA OASyS DNA 7.5 system.
- **Smart Client.** This program is aimed at modernizing the OASyS user interface. This year work has been conducted on the new ezXOS versions, the new interface, compatible with clients' old versions of OASyS which are still installed at their facilities.
- **CD-Platform.** Development of a hardware and software platform for real-time acquisition systems that agglutinate current and future tendencies, applying them to all Telvent lines. The initiative is partially subsidized by the Ministry of Industry, Tourism and Commerce, through the PTC project.
- **Saitel Family.** In 2007 work was continued on the evolution and maintenance of the Saitel family of telecontrol equipment options. The year has seen the advent of a new compact device with high communications capacity and integrated E/S (Saicom_IO), specially intended for oil and gas, environment or the electric sector. In the same way, a new module was developed, ST_SOL, for controlling heliostats in solar plants.

- **ArcFM Server.** This is the first version of a Telvent GIS solution based on a web server. It is intended especially for organizations that need centralized architectures with web services that are browser-, desktop- or mobile client-accessible. It represents a solid base for creating a service-oriented architecture (SOA).
- **Inspector Extension.** Inspector is a new software function developed for ArcFM Viewer (ArcGIS Engine). It allows collection of information related to geo-referenced assets and permits a wide variety of mobility applications for utilities, including damage assessment, equipment inspection and inventory of third-party infrastructure usage.
- **Conduit Manager.** Subterranean facility diagrams.
- **ArcFM Solution.** Its evolution led to the release of the new version 9.2 and two service packs this year.
- **Replication of the geospace database.** The mobility components of the ArcFM solution gained in functionality with the 9.2 version. The new replication now allows incremental upgrades of mobile field devices from a central company server. This permits work crews out in the field to access updated versions from the company database in a very efficient way.
- **Designer** Optimal Designs. These tools allow electric companies to make lower-cost designs for the development of underground residential networks.
- **Responder.** Responder is Telvent's OMS (Outage Management System) product for managing incidents and service interruptions for electric companies.
- **Free Flow Toll Solution.** Throughout 2007 we continued to perfect detection and classification equipment, and work was conducted on new systems by means of optical stands and piezoelectrics for detection of axles and double wheels, and on a new state-of-the-art telepay tag in conjunction with Delta and Fela. The solution is complemented by the development of the Back Office, a project that has received a subsidy from the Basque Government.
- **MobiFast.** This project is focused on the design of a new compact coin device for vending machines of a smaller size and in the development of a new hybrid vending module of C-tickets (contact-free tickets) and magnetic tickets, within the objective of creating new equipment and devices for completing the range of ticketing products.
- **Valtick.** A program for developing a new solution for bus ticketing management integrating the expertise and products of Telvent and Maexbic.
- **SmartTouch.** An international consortium of European companies and universities that aims to integrate the functions provided by contact-free intelligent card-reading, which is in wide use in ticketing systems for cellular phones. It is financed by the Ministry of Industry.
- **Reconoce.** This project, approached as an evolution of the Genius and Access4All projects for giving self-sale machines an oral interface in natural language, is based on the mechanisms for noise filtering and treatment. It has received subsidies from the Basque Government.
- **SAREF.** This project, begun two years ago, seeks to develop a railway regulation system in collaboration with the Center for Railway Technologies Research (CITEF). In 2007 a large portion of

the modules and tools was completed. The system will substantially improve punctuality and service quality, as well as achieve cost reductions and the integration of the different regulation systems into just one.

- **InTraSy.** The aim of the project is to develop the new generation of solutions for urban traffic control, both with respect to field equipment, zone regulators and exchanges, as well as the Center's system.
- **Itaca.** In 2007 work was conducted on the development of a variation of our real-time traffic control system, Itaca, which reduces installation costs by using only data from the detectors in the stop line.
- **Shadow Toll.** Through this project planned over two years, 2007-2008, Telvent is developing a Shadow Toll Smart System. Different types of sensors for detecting and classifying vehicles were analyzed and selected, and system specification was completed. Integration of one of these sensors in the remote for data collection was conducted, and the basic software infrastructure that will complete the solution was developed as well.
- **m:VIA.** This project involves the development of a cellular platform permitting vehicle-infrastructure interaction and allowing drivers to receive available information during their trip. The objective of the project, which is backed by the Ministry of Industry, Tourism and Commerce, is research and development of basic systems for content management, both for docked elements as well as infrastructure, for traffic and transportation sector applications.
- **Gas Suite.** Improvement of the Gas Suite infrastructure to allow better control of access to measurement data having financial materiality. GMAS, in particular, is used as an auditing tool to ensure compliance with regulations on corporate governance, such as the Sarbanes-Oxley Act.
- **Gas Suite Interface.** A new research project in interface technology and the most efficient way to present information with the aim of reducing fatigue and the consequent errors.
- **SimSuite Integration.** SimSuite Pipeline is a key component of the LMS (Liquids Solutions Suite) solution. The objective of this project is to offer an integrated solution which at the same time lowers costs in the long run.
- **Next Generation Liquids Suite (NGLS).** A new stage in the project launched in 2006 with the aim of creating a superproduct based on the solid nature of existing products.
- **Pipeline Power Optimization.** This application is based on the Liquids Suite SimSuite module and determines energy consumption and operating cost of a pipeline at a given moment. This information is used to determine optimal pump configuration in order to minimize costs.
- **Smart Grid Solutions Suite Smart Grid Solutions Suite (SGS).** This solution encompasses the SCADA OASyS, ArcFM Enterprise GIS, Responder Outage Management, DMS Distribution Management, Titanium Smart Meter Solution for automating substations. SGS will provide, among other advantages, network energy efficiency, improvements in consumer service, reduction in the frequency and duration of service interruptions and possibilities for intelligent management of demand which were unheard-of until now.
- **Denise.** This represents a 4-year (2007-2011) research project developed by a consortium comprised of representative companies from the electricity sector and Spanish research centers. The aim is to apply the latest generation of technologies to create a new generation of networks for electrical

distribution with the capacity to improve the quality of the energy supply, optimize supply and demand management, increase energy efficiency and supply security and support a new generation of energy services. The project is financed by the Cenit program of the 2010 Ingenuity Plan.

- **Cariel.** Within the Smart Grid concept, the Cariel project involves research on the control use in high-speed communications network substations and large-capacity information treatment equipment. The new IEC 61850 standard offers interesting novelties in this sense, representing a new concept in information organization at substation level. It will allow handling the information necessary for power network operation in real time more efficiently.
- **Cirrus 100 Ceilometer.** This cloud height sensor (ceilometer) will form part of the Telvent product catalogue for aviation meteorology. It will be a key component in airport security, increasing confidence in security during takeoff and landing maneuvers.
- **Telmet 320.** Telmet 320 is a new generation of /PRD data acquisition units. Its main characteristic is its flexibility and scalability, which make it suitable for all applications for meteorological observation systems, such as Atmospheric Weather Stations (AWS), Aviation Weather Observation Systems (AWOS), Road Weather Information Systems (RWIS) and Marine Meteorological Sensors.
- **Befitel** (optimized control system for desalination plants). The aim of the project is to design and develop an advanced control system that will permit optimization in the operation of a desalination plant. This project began in 2006 and is being developed in conjunction with Befesa CTA. It is subsidized by the Andalusian Technological Corporation, the Ministry of Industry, Tourism and Commerce and the Andalusian Government.
- **Telvent Hydrometeorology Decision Tool (THMDT).** The project aims to design and develop a monitoring and control platform for watersheds, permitting integration of new field technologies for measuring precipitation and hydrological modeling. In the development of the project there is collaboration from the Hydrometeorological Research Group at the University of Catalonia and financial support from the Ministry of Industry, Tourism and Commerce and the Council for Innovation, Science and Industry of the Andalusian Government.
- **Terwis 2.** The aim of the project is to advance in the development associated with the Road Weather Information Systems. This project is aided by the Ministry of Industry, Tourism and Commerce.
- **Tesemat.** This project entails the design and development of a solar energy management tool for optimizing solar energy generation by means of exploiting an accurate weather forecast adapted to the needs of the operator. Tesemat will allow efficient and sustainable handling of solar plants. The project is developed in conjunction with Solucar R&D. Subsidies were granted for 2007 and 2008 by the Ministry of Industry, Tourism and Commerce.
- **PMAI** (Image-Assisted Medical Processes). Through this project, the aim is to increase efficiency of current surgical procedures in order to achieve more precise and minimally invasive surgery at a lower cost. It has received a subsidy from the Andalusian Technological Corporation (CTA).

- **eQECM** (eQuirófano: Entorno Colaborativo Multimedia – eSurgicalSuite: Collaborative Multimedia Environment). eQECM is a project that began in 2006 in planning the development of functionalities related with the e-surgicalsuite, or intelligent operating room, which is understood as the strategic control center in clinical activities associated with invasive processes. With this project, we are improving the capabilities of the TiCares global management suite in the aspects of mobility and availability of the information needed by medical professionals. It has received a subsidy from the Andalusian Technological Corporation (CTA).
- **PPC-RFID** (Pacientes Procesos Críticos – Radio Frecuencia Identificación – Critical Process Patients – Radio Frequency Identification). The PPC-RFID project involves the development of a computer application built in an open environment for the automated and continuous identification of agents in care processes, patients and the professionals who care for them, as well as all of the material components involved in these processes, using to do so the capabilities of RFID technology. It has received a subsidy from the Andalusian Technological Corporation (CTA).
- **SIMFO**. (Forensic Multimedia Information System) is a research project in a universal set of solutions is being considered for optimizing all of the stages and scenarios of the forensic medical examiner's activity with the presence of the human body (field work, lab work, maintenance of a central information service and public display of the forensic medical examiner's findings). It has received a subsidy from the Andalusian Technological Corporation (CTA).
- **Amlvital**. The objective of this project is to develop a new generation of CIT technologies and tools for modeling, designing, implementing and operating Environment Intelligence (Aml) systems, the aim of which is to provide personal services and support for independent living, health and well-being. It has received a subsidy from the Center for Industrial Technological Development (CDTI).
- **Identica**. The Identica project arose in 2007 with the objective of constructing an advanced identity verification system through biometrics and personal documentation in secure environments to respond to the current need for unequivocal evidence of a person's identify, while verifying physical presence at the same time. It is subsidized by the Ministry of Education and Science (MEC).
- **Sigmus**. This initiative, developed in collaboration with the AIE of Municipal Companies of Seville, seeks to improve the processes involved in manual and/or automated tasks in the context of municipal management. This allows internal and/or external administrative tasks to be carried out in a fluid manner, accessing information or procedures of municipal companies by means of master tools and other information systems (property registry, urban planning information, for example) by means of capacities in interoperability. The project has a subsidy from the Andalusian Technological Corporation (CTA).

- **Opera 2 Open Powerline European Research Alliance** – Phase 2. Opera is a European alliance for developing a new generation of integrated communications networks through the power line (PLC). This technology permits the use of existing power networks for the transmission of information and provides the user with Internet, telephone and television services, thus eliminating the creation of new costly and contaminating infrastructures. The project is funded by the European Commission.
- **Cosi**. This project within the Eureka-ITEA program framework is focused on the open source from the standpoint of the interests of an industrial organization. The project is financed by the Ministry of Industry.
- **Osiris**. A project within the Eureka-ITEA program framework that was started up in 2005, geared toward the development of Open Source service platforms in distributed environments, covering the identification of aspects related to component life cycle, definition of a communications bus between services, security aspects in distributed environments, development of tools for the management and configuration of services and demonstrators of the implemented technologies. The project is financed by the Ministry of Industry.
- **Nuadu**. A European collaborative project within the Eureka-ITEA program framework that approaches the technical risks in delivering a residential surroundings intelligent environment and mobility for services for health and well-being, with the aim of improving the quality of life of its users through effective and efficient solutions for service suppliers. The project is financed by the Ministry of Industry.
- **Atenea**. Atenea is a project within the Prometeo technological platform that groups a relevant subset of participants with great synergy into real-time systems. The main objective is to approach strategic areas identified in Prometeo's strategic agenda; reference architectures, middleware, methods and tools. The project is subsidized by the Ministry of Industry.
- **MoSIS**. Initiated in 2006 as a continuation of lines of research on the development of families of systems such as CAFÉ or FAMILIES, in order to analyze obtaining high-quality, more flexible and adaptable products, while optimizing their production costs at the same time, in a world in which industry demands increasingly more complex products and services. The project has received financing from the Ministry of Industry.

Abeinsa (Engineering and Industrial Construction)

A prerequisite for sustainable development is that it must be sustainable for all, for every inhabitant of our planet. And to assure that this is so, Abeinsa is convinced that the right path to follow is that of research, development and technological innovation, geared toward improving the use of natural resources, helping them to reach all places and ensuring respect for the environment.

Therefore, through its different subsidiaries, Abeinsa is currently developing strategic lines in areas such as energy efficiency, CO₂ capture and storage, development of communications infrastructures, and establishing new energy vectors, such as hydrogen and its use in fuel cells.

Below are some examples of the projects and initiatives following the above lines of action which Abeinsa has carried out over the course of 2007:

- **Battery Charger Rectifier Unit (BCRU).** Project for developing a voltage regulated AC/DC converter for the aviation sector, in consortium with Airbus Spain. This project is being conducted in collaboration with the Association of Research and Industrial Cooperation of Andalusia (AICIA) and the Elasticity and Materials Resistance group of the ESI at the University of Seville. The project has received financing from the Andalusian Technological Corporation (CTA) and the Andalusian Government.
- **National Strategic Consortium of Technical Research in CO₂ (CenitCO₂).** The main objective of the project is research, development and validation of new knowledge and integrated solutions to reduce CO₂ emissions into the atmosphere, emissions generated by combustion of fossil fuels in the electrical generation processes. The project has received financing from the Center for Industrial Technological Development (CDTI).
- **Singular and Strategic Nature Scientific-Technological Project (Project PSECO₂).** A project directed by Ciemat and the Geological and Mining Institute of Spain to approach matters pertaining to the capture and geological storage of this greenhouse gas. Abeinsa collaborates in the technological area and in the identification of the potential in Andalusia and the Guadalquivir basin for storing significant amounts of this gas.
- **Nanomembranes against Global Warming (NanoGLOWA).** Program for developing new materials based on nanotechnology for application in separation and purification environments based on membranes. It aims to demonstrate the viability of gaseous effluents from thermal power plants, as an alternative for reducing CO₂ emissions. Involving a consortium of 26 partners, it has received financing from the 6th Research Framework Program of the European Union.
- **DeCO₂.** Project for determining the industrial viability in carbon dioxide decomposition reactions through plasma techniques. Abeinsa receives collaboration in the most basic research from the Institute of Material Sciences of Seville, of the Higher Council of Scientific Research (CSSIC). The project
- **Wi-Pac.** System for helping patients with Alzheimer's disease, the aim being to improve quality of life for these people in hospital, geriatric or other settings, through the development of a wireless management system for tracking and monitoring. This project is developed through a consortium coordinated by Inabensa in which Instalaciones Inabensa, S.A., APIF Moviquity, S.A., the University of Castilla-La Mancha and Intercentros Ballesol, S.A. are participating. It has received financing from the Ministry of Industry, Tourism and Commerce and the European Regional Development Fund (Feder).
- **m:Ciudad Project.** Singular strategic scientific-technological project for promoting Spanish Technological Platforms. Developed by a consortium of 16 institutions, it has received financing from the Program for Technological Research Promotion (Profit), the European Regional Development Fund (Feder) and the Ministry of Industry.
- **RES2H2.** (Cluster Pilot Project for the integration of Renewable Energy Sources into European Energy Sectors using Hydrogen). This program seeks the integration of wind power with hydrogen storage, fuel cell and reverse osmosis technologies, within the 5th Research Framework Program of the European Union. Inabensa has led the engineering and integration of this consortium.
- **Radia.** Design and development of new systems for detecting modulated intensity radiation. This project seeks to drive forward the application of the basic research conducted by the Physics Department of the University of Seville for medicine and radiation treatment and is partnered by Inabensa. It has received financing from the Ministry of Industry.

- **Motronic.** It is studying the new Engine Control Centers within the framework of the **Program for Technological Research Promotion (Profit)**. **Inabensa leads the project.**
- **Ada Project.** The project involves a platform based on the combination of wireless technologies that contribute to quality of life for the elderly and care-dependent. The objective is to extend the period of independent living for people in their homes or residential centers. This project is being carried out by a consortium coordinated by Inabensa and composed of the following participants: Instalaciones Inabensa, S.A. (project developer), APIF Moviquity, S.A. (technological Pyme), the University of Castilla-La Mancha (public research institution) and Intercentros Ballesol, (S.A.) (user company). The Ada project is financed by the Ministry of Industry, Tourism and Commerce and the European Regional Development Fund (Feder).
- **Inredis.** Interfaces for the relationship between the environment and people with disabilities. A Cenit project financed by the Center for Industrial Technological Development (CDTI). Inabensa is part of the consortium of companies, public research institutions, universities and foundations. The main objective of the project is to develop base technologies to create channels of communication and interaction between people with special needs and their environment.
- **IDsensor.** Project involving the development of a platform of heterogeneous technologies for the configuration of integrated networks of sensors and identification devices via radio frequency for the fishing sector. The consortium is coordinated by Inabensa and also receives participation from the University of Vigo. It has received financing from the Ministry of Industry, Tourism and Commerce and the European Regional Development Fund (Feder).
- **Elisa.** Environment for Intelligent Tracking of Assisted Services. The project aims to define, design, implement and deploy new services within the framework of technological and research platforms focused on two areas: tracking and accessibility/adaptability. These services are based on cellular technologies and on tracking in both open and closed environments. They will be highly valuable to the disabled as well as other users. Inabensa is among the companies in the consortium. The project has received financing from the Technological Research Promotion Program (Profit).
- **Diablo.** Distribution of audiovisual contents in in-building environments (homes and offices). The project is being conducted through a consortium in which Inabensa participates. It has received financing from the Ministry of Industry.
- **Emissions reduction project in Sanlucar la Mayor.** Led by ZeroEmissions, in collaboration with the Institute for Regional Development, it aims to devise a plan of action with institution and technological solutions for reducing emissions in the municipality of Sanlucar la Mayor in each of its contaminating sectors (energy, transportation, industry, waste, etc.). The first phase of the project will involve carrying out a diagnostic evaluation of the municipality in order to ascertain the initial balance of greenhouse gas emissions, and thereby be able to later evaluate the measures adopted. The ultimate aim is to extend these more effective measures to other municipalities.
- **Aquila Project. Development of electrical power generators for the aviation sector.** The objective is to analyze different options for distributed electric energy generation aboard aircraft utilizing different technology fuel cells, and to also study both the possibility of carrying stored hydrogen and that of producing it on board while the aircraft consumes it. Transformation processes have been used in the project. This project receives funding from the Technology Corporation of Andalusia (CTA), the Agency for Innovation and Development of Andalusia (IDEA) and collaboration from the Higher Council of Scientific Research (CSIC) and the Engineering School of the University of

Seville.

- **EpiCo.** The main objective of the project is to coordinate the efforts of researchers from the main Spanish companies involved in developing different types of polymer membrane (PEM) fuel cells. A total of five partners are participating in EpiCo: three companies (Ajusa, Cegasa and Hynergreen), a research center (INTA) and a technological center (Cidetec). Hynergreen is the global project coordinator of this project which has received financing from the Ministry of Education and Science, which considers it a scientific-technological Project of Singular and Strategic Nature.
- **PlasmaGen Project.** To develop a process for producing clean hydrogen by means of plasma reactors, work has been conducted on perfecting the reform process using plasma as a means for producing hydrogen from different substances. It receives financing from the Andalusian Agency of Innovation and Development (IDEA), and collaboration in its development from the Institute of Material Sciences of Seville (ICMSE-CSIC).
- **Project Hercules.** The objective is to demonstrate that the production of renewable hydrogen from solar energy is viable, and its application in a sector as important as land transportation would contribute to reducing emissions and improving local economy. Through this project, Abeinsa seeks to install a prototype for a production plant and a renewable hydrogen service station in Sanlúcar la Mayor (Seville), with the capability of fueling an electric vehicle designed and built to run on hydrogen, utilizing fuel cells. The project has received financing from the Agency for Innovation and Development of Andalusia (IDEA), and the Ministry of Education and Science, which has catalogued it as a singular scientific-technological project that is strategic in nature. The Hercules project is an Andalusian initiative globally coordinated by Hynergreen and promoted by a total of 8 partners. Hynergreen, Solucar R&D, Santana Motor, Carbueros Metálicos, GreenPower, the Energy Agency of Andalusia, the National Aerospace Technological Institute (INTA) and the Association of Research and Industrial Cooperation of Andalusia (AICIA).

As a group made up of over 400 companies, with a presence in more than 70 countries and over 20,000 employees, Abengoa has a firm commitment to transparency in management and good governance in its relationships with stakeholders, and as the key to establishing successful business relationships.

Transparency and good governance

The application of good governance practices contributing to increase the transparency of information published by the company generates added value for the latter in its communications with third parties, minimizes risks and optimizes profits.

The new information and communication technologies are transforming the channels and models for communication between listed companies and their stakeholders. Abengoa is committed to fluid communication with all its interest groups and employs these channels as part of its commitment to transparency and good management practices.

Each company must adopt the measures required to identify its own risks and control them. For these purposes, Abengoa employs internal control systems which contribute to effective, efficient and transparent execution of the company's activities and processes.

Moreover, Abengoa has implemented Shared Management Systems permitting its collaborators to work in an organized, coordinated and coherent manner, and facilitating identification of both potential risks and of the control activities necessary to mitigate them. All procedures geared toward business risk identification and elimination are executed by means of this system, forming a shared Abengoa business management culture, which must be complied with throughout the organization. To this end, all members are fully aware of the systems and are engaged in the process of continuously updating them.

At Abengoa, we hold that an effective internal control system must ensure that all relevant financial information is trustworthy and available to senior managers. Thus, we believe that the model developed by the Sarbanes-Oxley Act, establishing increased control procedures for financial information, completes our Shared Management Systems, the main purpose of which is the control and mitigation of business risks.

In accordance with the philosophy of the Institute of Internal Auditors and of its Spanish branch, the Instituto de Auditores Internos (Institute of Internal Auditors), the overriding aim of this structure is to provide Abengoa's Management and each of its business units with a line of "control" information, additional to and in tandem with normal hierarchical lines; with criteria for clarity and transparency; and with the means to safeguard confidential information involved.

The head of each of the regulations included in the Shared Management Systems must verify and certify compliance with said procedures. Certifications are issued and submitted to the Audit Committee in January of the following year, when the Annual Accounts are being prepared and audited and the Annual Report is being written.

This common structure ensures that the following objectives may be attained and certified:

- In regard to the companies, projects and activities, to foresee potential audit risks such as fraud, asset bankruptcies, operational inefficiencies and, generally speaking, risks that could affect good business operation.
- To control the application and promote the development of appropriate and effective management standards and procedures, in accordance with the Corporate Shared Management Systems.

- To create value for Abengoa, promoting synergy-building and the implementation of optimal management practices.
- To coordinate the criteria and approaches of work undertaken with the external auditors, and seek to optimize efficiency and profitability in both duties.
- To ensure the security and reliability of financial information, checking and verifying the proper operation of the controls existing for this purpose.
- To guarantee that information disseminated to the market is truthful, complete and full, ensuring reporting transparency in all distribution channels and types of information.

During 2007 there has not been any significant fines nor non-monetary sanction derived from the non-compliance with laws and regulations

Transparency and fighting corruption

During the present fiscal year the decision was made to include within Abengoa's Professional Code of Conduct an express declaration on the company's adherence to the United Nations Convention against Corruption, as approved by the UN General Assembly in 2003.

The aim of the aforementioned text is to promote and reinforce measures to prevent and combat corruption more effectively and efficiently; to promote, facilitate and support international cooperation and technical assistance to prevent and combat corruption, including asset recuperation; to promote integrity, the obligation to report, and effective management of public issues and assets.

In addition to the provisions of this Code of Conduct and other Abengoa policies, employees working with any governmental entity in any country have an obligation to know, understand and abide by the laws and regulations that apply to the conduct of business with government entities. If a government agency, whether national, state or local, has adopted a more stringent policy than Abengoa's policy regarding gifts and gratuities, Abengoa's employees and representatives must comply with that more stringent policy. Specifically, the U.S. Foreign Corrupt Practices Act (FCPA) makes it a crime for companies as well as their officers, directors, employees, and agents, to pay, promise, offer or authorize the payment of anything of value to a foreign official, foreign political party, officials of foreign political parties, candidates for foreign political office or officials of public international organizations for the purpose of obtaining or retaining business. Similar laws have been, or are being, adopted by other countries. Payments of this nature are strictly against Abengoa's policy even if the refusal to make them may cause Abengoa to lose a business opportunity. The FCPA also requires covered companies to maintain accurate books, records and accounts and to devise a system of internal accounting controls sufficient to provide reasonable assurance that, among other things, Abengoa's books and records fairly reflect, in reasonable detail, transactions and dispositions of its assets. Abengoa will not give or encourage anyone else to give inducements of any kind to any government employee, or to any supplier under government or nongovernmental contracts or subcontracts, in order to gain any business advantage or contract.

The honesty, integrity and sound judgment of Abengoa employees, officers and directors is essential to Abengoa's reputation and success. This Code of Conduct governs the actions and working relationships of Abengoa's employees, officers and directors with current and potential customers, fellow employees, competitors, government bodies, the media, and anyone else with whom Abengoa has contact. These relationships are essential to the continued success of Abengoa and each of its subsidiaries.

Abengoa's Code of Conduct requires the highest standards for honest and ethical conduct, including proper and ethical procedures for dealing with actual or apparent conflicts of interest between personal and professional relationships; full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed or submitted by Abengoa with governmental agencies or in other public communications

made by Abengoa; compliance with applicable laws, rules and regulations; addresses potential or apparent conflicts of interest and provides guidance for employees, officers and directors to communicate those conflicts to Abengoa; addresses misuse or misapplication of Abengoa's property and business opportunities; requires the highest level of confidentiality and fair dealing within Abengoa and outside Abengoa; and requires prompt internal reporting of violations of this Code of Conduct and proper reporting of any illegal behavior.

The company executes all its donations and sponsorships through the Abengoa Focus Foundation, with a firm commitment to their execution in accordance with the laws in force.

In many industries and countries, gifts and entertainment are common practices used to strengthen business relationships. Throughout the world, Abengoa's position is clear. No gifts, favors, or entertainment should be accepted or provided if it will obligate or appear to obligate the person who receives it. Receiving or giving gifts of cash or cash equivalents is never allowed. Abengoa employees may accept or give gifts, favors, and entertainment only if they meet all of the following criteria: They are not against the law or the policy of the other party; They are consistent with customary business practices in the country or industry; They are reasonably related to business relationships; They are consistent with any existing business guidelines; They cannot be construed as a bribe, payoff, or improper influence; and if they do not violate Abengoa's business values or ethics in any other manner. All of the aforementioned is overseen by the Internal Audit department.

Over the course of this fiscal year, the Internal Audit Department issued a total of 573 audit reports, focusing on issues including the results of risk reviews and analyses in relation to risks of corruption in companies that were judged to be material.

No specific training courses relating to the company's anti-corruption policies and procedures took place during the period, but training courses were given on its Shared Management Systems in which the specific procedures for managing corruption-related risks and the establishment of anti-corruption policies in companies were addressed. A total of 102 courses were given in different countries, with a total of 5,518 attendees.

Likewise, there is a computer application based on these Shared Management Systems that can be consulted at any time by all users, enabling them to acquire further knowledge on the organization's anti-corruption policies and procedures.

Abengoa's Professional Code of Conduct can also be found on Abengoa's internal website (intranet), to which all employees have access, and on the company's external website. All changes that are executed to said code are immediately communicated throughout the organization.

During this fiscal year there have been no corruption-related incidents at Abengoa.

Abengoa's Shareholding Structure

Abengoa S.A.'s share capital is represented by book-entry records managed by Iberclear (Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.), and comprises 90,469,680 shares of 0.25 Euro nominal value of the same class and series, representing 22,617,420 Euros of share capital.

All the shares are admitted to official trading on the Madrid and Barcelona Stock Exchanges and in the Spanish Stock Exchange Interconnection System as of November 29, 1996.

In December 2007, Abengoa was selected by the Ibx 35 Technical Assessment Committee (CAT) for entry to the index beginning January 2, 2008. Along with Grifols, Abengoa will substitute Antena 3 Televisión and NH Hoteles, who leave the Spanish index following the ordinary CAT review of listed companies, which, in addition to capitalization, assessed turnover and the industry to which the company belonged. The Ibx 35 is the most closely-monitored Spanish index by Spanish and foreign investors. Membership of this index is a privilege reserved for a small number of listed companies.

The last modification to the share capital was made in accordance with a resolution approved at the Ordinary General Shareholders' Meeting of June 24, 2001, in relation to splitting of the face value of the shares, from 1 euro to 0.25 euros per share, with the resulting modification to the number of issued shares, from 22,617,420 to the current number of 90,469,680, and, as a consequence, the modification of Articles 6 and 21 of the Company Bylaws in order to adapt them to the new number of shares and their face value, with the simultaneous exclusion of the previous shares and admission to listing of the new ones.

Date Last Modificat.	Share Capital (Euro)	Number of shares
06/24/2001	22,617,420	90,469,680

As the capital is represented by book-entry records, there is no shareholders' registry separate to the significant shareholdings communications and the list (X-25) provided by Iberclear on the occasion of General Shareholders' Meetings. Pursuant to this information (shareholders list as of April 2007 provided by Iberclear) and the notification of significant shareholdings, the situation is as follows:

Inversión Corporativa, I.C., S.A.	50.00%
Finarpisa, S.A. (Grupo Inversión Corporativa):	6.04%

The Company is not aware of the existence of any agreements between shareholders undertaking either to adopt, by means of joint voting, a common policy regarding the management of the company or to significantly influence it.

Information Provided to Shareholders

The obligation to provide useful, true, complete and balanced information to the market in real time would not be sufficient if there are no suitable methods for transmitting this information and for guaranteeing that it is distributed effectively and usefully. Given the rise of the new technologies, the Aldama Report and the Financial System Reform Act therefore recommend the use of listed companies' websites as an information tool (including the historical, qualitative and quantitative company data) and a distribution tool (including timely or individualized information in real time that may be accessed by investors).

At the end of the first quarter 2002, Abengoa therefore implemented a new company website, characterized on the one hand by a more direct, quick and efficient on-screen presentation, and on the other hand, with information content and documentation made available to the general public, focused on three fundamental aspects:

- a) Commercial: the presentation of the company and its business units, press releases, newsletters, etc.
- b) Legal: communications, relevant events, Corporate Governance internal regulations, capital structure, structure of administrative bodies, typology of directors, significant shareholdings, etc.
- c) Economic: periodic reporting, annual financial statements, share price, etc.

Both the information available as well as its actual distribution portal – the website – are continually updated; Corporate Governance, the rules that regulate it and the continually developing legislation that governs it or recommends it, are updated on an ongoing basis.

Following the recommendation of the Special Commission for the Promotion of Transparency and Security in Financial Markets and Listed Companies, in March 2003 the Board of Directors drafted a structured and systematic regulation for the holding of shareholders' meetings, which was subject to approval at the General Shareholders' Meeting held on June 29, 2003, which unanimously approved the aforementioned regulation; a resolution that was notified to the CNMV on June 30, 2003. In addition to the provisions included in the Spanish Companies Act, this regulation incorporates a basic group of rules for the good order and functioning of shareholders' meetings, guaranteeing at all times, the right to information, to attend, to vote and the right to representation for shareholders. The complete text of the Rules of Operation of the General Shareholders' Meetings is available on Abengoa's website at www.abengoa.com. (Legal and Financial / Corporate Governance / Internal Corporate Governance Rules Information).

In accordance with the provisions of Article 19 of the Company's Bylaws, there is no limitation on the shareholders' right to vote based on the number of shares held. The right to attend General Meetings is limited to a holding of 1,500 shares, without prejudice to the right to representation and grouping that applies to all shareholders.

Shareholders' rights

The right to information in accordance with the applicable legislation, the right to receive, free of cost, the documentation related to the General Meeting, the right to vote in proportion to his/her shareholding with no maximum limit, the right to attend upon holding a minimum of 1,500 shares, economic rights (dividend, if it were the case, and to the share-out of company assets), the right to representation and delegation, to grouping, and to taking legal actions that fall to the shareholder.

Measures to promote shareholder participation

Forwarding the documentation related to the General Meeting, free of cost, to the shareholders, and uploading it onto the website at the time of notice of the General Meeting. Possibility of delegated and remote voting, through the completion of the attendance cards to this effect in an accredited manner.

The Company Bylaws do not limit the maximum number of votes for any one shareholder, or include barriers restricting the possibility of gaining control of the company by means of the acquisition of shares.

Resolutions to be put to the General Meeting are published when it is called and are included in the websites of the company and CNMV.

Agenda items which are essentially independent are voted on separately at the meeting, in such a way that shareholders can separately exercise their preferences to their vote. This is particularly the case for items relating to the appointment or ratification of members of the Board of Directors or modification of company bylaws.

The company allows the fractioning of votes issued by financial mediators who appear legitimized as shareholders but who represent multiple customers in a way that they are able to vote according to the individual instructions of each one of them.

The General Meeting is normally attended by a notary public who checks fulfillment of all the necessary requirements for the valid constitution of the meeting and the adoption of resolutions, and who issues the corresponding minutes upon completion of the meeting.

The Secretary to the Board, in accordance with the Company Bylaws and the Regulations of General Meetings, acts as Secretary at the same and is responsible for ensuring compliance with all legal and statutory obligations upon the calling, holding and adoption of resolutions by the General Meeting.

Abengoa's Administration Structure

The Board of Directors

1. Composition: number and identity

Following the modification of Article 39 of the Company Bylaws by agreement of the General Shareholders' Meeting held on April 15, 2007, the maximum number of seats on the Board of Directors, which to date has been nine, was increased to fifteen. The aim of this modification was fundamentally to provide this administrative body with the number of directors that would, on the one hand, allow for a potentially more diverse composition and, on the other, facilitate delegation, attendance and the adoption of resolutions with minimum attendance and which would guarantee a multiple and plural presence on the Board of Directors.

The Board's composition, in accordance with the recommendations established in the Aldama Report and in the Unified Code of Corporate Governance of Listed companies, takes the company's shareholding structure into account, so that it may firmly represent the highest possible percentage of the share capital and protect the general interests of both the Company and its shareholders, while also being granted the degree of independence that is appropriate to the professional practices and requirements of any company. The Board's current composition is as follows:

Felipe Benjumea Llorente
José B. Terceiro
José Joaquín Aburrente Llorente
José Luis Aya Abaurre
Javier Benjumea Llorente
María Teresa Benjumea Llorente
Mercedes Gracia Díez
Miguel Martín Fernández
Carlos Sebastián Gascón
Ignacio Solís Guardiola
Fernando Solís Martínez-Campos
Carlos Sundheim Losada
Daniel Villalba Vilá
Miguel Ángel Jiménez-Velasco Mazarío (secretary-director and legal counsel)

1. Condition and representation

The total number of board members is considered to be sufficient in order to ensure the proper representation and effective operation of the Board of Directors.

Notwithstanding the fact that independence is a quality that must be common to all directors without exception, regardless of their origins or the reason for their appointment, and that they must be judged on the reliability, integrity and professionalism of their performance, pursuant to the guidelines included in Law 26/2003 and Ministerial Order 3722/2003, and in the Unified Code of Corporate Governance of Listed Companies, the current administrators are classified as follows:

Felipe Benjumea Llorente	Executive (Chairman)
José B. Terceiro	Executive (Vice-Chairman) Coordinating Officer Member of the Audit Committee and of the Appointments and Remuneration Committee
Javier Benjumea Llorente	Member
María Teresa Benjumea Llorente	Member.
José Joaquín Abaurre Llorente	External, dominial. Member of the Audit Committee
José Luis Aya Abaurre	External, dominial. Member of the Appointments and Remuneration Committee
Daniel Villalba Vilá	Independent Chairman, Audit Committee Member of the Appointments and Remuneration Committee
Miguel Martín Fernández	Independent Member of the Audit Committee
Ignacio de Polanco Moreno (*)	Independent Member of the Appointments and Remuneration Committee
Carlos Sebastián Gascón	Independent Chairman of the Appointments and Remuneration Committee.
Mercedes Gracia Díez	Independent Member of the Audit Committee
Ignacio Solís Guardiola	Member
Fernando Solís Martínez Campos	Member
Carlos Sundheim Losada	Member
Miguel Ángel Jiménez-Velasco Mazarío	Member

(*) Mr. Ignacio Polanco Moreno resigned as a Company board member of his own volition on October 22, 2007, due to increased professional commitments.

The Board therefore comprises a majority of external, non-executive directors.

2. Rules governing organization and operation.

The Board of Directors is governed by the Board Regulations, the Company Bylaws and the Security Exchange Code of Conduct. The Board Regulations were initially approved at the meeting of the Board of Directors held on January 18, 1998, with the clear aim of anticipating the current Good Governance regulations and ensuring effective internal regulation.

2.1. Structure

The Board of Directors currently has fourteen members (there is one vacant seat). The Rules governing the Board of Directors regulate the duties and internal organization of the administration body. Additionally, members of the Board of Directors, senior management and all employees affected, due to their duties or title, have to comply with the Internal Conduct Regulation in relation to the Securities Market. The Rules of the General Shareholders' Meetings govern the formal aspects and the internal regime of the holding of the Shareholders Meetings. Finally, the Board of Directors is assisted by the Audit and Appointments and Remuneration Committees, both with their own Internal Rules and Regulations. All these rules and regulations, put together into the revised body of Corporate Governance Internal Rules, are available on the Company's website, www.abengoa.com.

2.2. Duties:

It is the duty of the Board of Directors to take any action that may be necessary in order to pursue the Company's corporate objective, and it is empowered to establish the Company's financial targets, agree upon any relevant measures proposed by senior management in order to achieve these targets, and ensure the future viability and competitiveness of the company, along with the presence of a suitable management and leadership team, supervising the development of the Company's business.

2.3. Appointments:

The General Meeting or, where applicable, the Board of Directors, within the powers and limits set out in law, is the competent body for appointing Board members. In addition to meeting the requirements set out in law, appointees shall demonstrate that they are known to be trustworthy and have the knowledge, reputation and professional references that are suitable to the performance of their duties.

Directors shall be appointed for a maximum of four years, without prejudice to the possible renewal of their appointment or their re-election.

2.4. Removal:

Directors shall be removed from their position at the end of their tenure and under any other circumstance set out in law. They must furthermore relinquish their seat in cases involving their incompatibility, veto, serious sanction or any breach of their obligations as directors.

2.5. Duties of Directors:

It is the duty of Directors to participate in the direction and monitoring of the company's management in order to maximize the value of the Company to the benefit of its shareholders. Each Director shall act with the

proper care of a dedicated professional and loyal representative, guided by the interests of the Company, with complete independence, defending and protecting the interests of all shareholders to the best of their abilities.

By virtue of their appointment, Directors are under the following obligation:

- To gather information and prepare properly for each meeting session.
- To attend and participate actively in meetings and the decision-making process.
- To avoid the occurrence of any conflict of interest and notify the Board of any potential conflict of interest, where applicable, through the Secretary.
- Not to undertake duties with competitor companies.
- Not to use company information for private purposes.
- Not to use the company's business opportunities for their own interests.
- To maintain the confidentiality of any information received as a result of their appointment.
- To abstain in any voting on resolutions that may affect them.

2.6. The Chairman:

In addition to the duties set out in law and in the Company Bylaws, the Chairman is the company's most senior executive, and as such is responsible for the effective management of the company, at all times acting in accordance with the decisions and criteria established by the General Shareholders' Meeting and the Board of Directors. He/she is responsible for implementing the decisions made by the company's administrative body, by virtue of the powers permanently delegated to him/her by the Board of Directors, which he/she represents in all its aspects. The Chairman also casts the deciding vote on the Board of Directors.

The Chairman also occupies the position of chief executive. As measures adopted to prevent the accumulation of powers, on December 2, 2002 and February 24, 2003, the Board of Directors proceeded to constitute the Audit Committee and the Appointments and Remuneration Committee, respectively. The powers of these Committees inherent to the commitments they have assigned by Law and the Company Bylaws and their respective internal rules and regulations cannot be delegated, and the committees are constituted as control and monitoring bodies for matters of their competence. Both shall be chaired by an independent, non-executive, director, and shall be composed of a majority of independent, non-executive, directors. In addition, following a proposal from the Appointments and Remuneration Committee, the Board of Directors presented a resolution which was passed by the General Shareholders' Meeting of April 2007 to create the position of coordinating-director for the external directors; a position which would also serve as the natural counterweight to the position of Executive Chairman.

2.7. The Secretary:

It is the Secretary's duty to exercise the powers attributed to him/her by law. At present, the positions of Secretary to the Board and Legal Counsel are occupied by the same person, who is responsible for ensuring that notice is given of meetings and that resolutions are adopted by the company's administrative body in a valid manner. In particular, he/she will advise members of the Board regarding the legality of their deliberations and any resolutions they adopt, and on compliance with the Internal Corporate Governance Regulations, as both formal and material guarantor of the principle of legality which governs the actions of the Board of Directors.

The Secretary to the Board, as a specialized guarantor of the formal and material legality of the Board's actions, has the full support of the Board in performing his/her duties entirely independently of any criteria or the constancy of his/her position, and he/she is also entrusted with defending the internal Corporate Governance regulations.

3. Payment and other benefits

The position of Director is paid, pursuant to the contents of Article 39 of the Company Bylaws. The amount paid to directors may consist of a fixed amount agreed by the General Meeting, though it is not necessary that this amount be the same for all of them. They may also receive a share of the company profits of between 5 and 10% maximum of annual profits, after dividends have been deducted, and may have their travel expenses reimbursed when such expenses relate to work carried out at the behest of the Board.

The Audit Committee

Abengoa's Audit Committee was established by the Board of Directors of Abengoa, S.A. on December 2, 2002 in order to comply with the of the Financial System Reform Act. Its Internal Rules and Regulations were ratified by the General Shareholders' Meeting of June 29, 2003, which also approved a modification of Article 44 of the Company Bylaws to include the provisions relating to functioning, composition and organization of said Committee.

1. Composition: name and identity

The current composition of the Audit Committee is as follows:

Chairman	Mr. Daniel Villalba Vilá	February 28, 2005
Member	Mr. José B. Terceiro Lomba	February 24, 2003
Member	Mr. José J. Abaurre Llorente	February 24, 2003
Member	Ms. Mercedes Gracia Díez	December 12, 2005
Member	Mr. Miguel Martín Fernández	April 15, 2007
Secretary non-member of the Committee	Mr. Miguel Angel Jiménez-Velasco	February 24, 2003

The Audit Committee therefore comprises a majority of non-executive directors, thereby exceeding the requirements of the aforementioned Financial Systems Reform Act. The chairmanship of the committee must be exercised by a non-executive director, in accordance with the provisions of Article 2 of its Internal Rules and Regulations.

2. Duties

The Audit Committee has the following duties and competences:

1. To publish the Annual Financial Statements as well as the quarterly and half-yearly financial statements, which must be submitted to the bodies that regulate or supervise the markets, with the appropriate references to any internal monitoring systems, the monitoring procedures followed and compliance through internal auditing processes, including where applicable, the accounting criteria applied.
2. To inform the Board of any change to the accounting criteria and any risks, whether on or off the balance sheet.
3. To inform the General Shareholders' Meeting regarding any questions raised by shareholders on issues falling within its competence.
4. To propose the appointment of external accounts auditors to the Board of Directors, so that the latter may submit this proposal to the General Shareholders' Meeting.
5. To supervise internal auditing procedures. The Committee shall have complete access to the internal auditing process, and shall provide information during the process for the selection, appointment, renewal and removal of its director, and when his or her payment is being established, with the duty to provide information about this department's budget.
6. To have knowledge of the company's financial information procedure and its internal monitoring systems.
7. To maintain relations with the company's external auditors in order to remain informed regarding any matters that may place the independence of said auditors at risk, and regarding any other matters relating to the procedure followed in order to audit the company's accounts.
8. To request the Directors it considers appropriate to attend Committee meetings so that they may provide any information that the Audit Committee itself deems relevant.
9. To prepare an annual report on the activities of the Audit Committee, which must be included in the management report.

3. Financial Reporting

The Group's financial information consists basically of the consolidated financial statements, which are published quarterly, and the complete consolidated financial statements, which are prepared annually.

This information is prepared on the basis of the reporting that all Group companies are required to submit.

The information sent in by each of the individual companies is verified by both the Group's internal auditors and the external auditors, in order to ensure that the information is true and provides an accurate picture of the company.

Although Abengoa has made a significant effort in recent years to reduce the time taken to submit the group's financial information, we believe that the aforementioned time periods can be further reduced. In order to

achieve this, work is continuing on developing new tools and information systems.

One of the recurrent and most important activities of the Audit Committee is the verification of the economic and financial information prepared by the Group, prior to its submission to the Board of Directors of Abengoa and the stock market regulatory bodies (National Securities Exchange Commission).

Furthermore, in connection with these tasks of reviewing the financial statements and the processes involved in preparing them, the Committee was informed of all the relevant changes in international accounting and financial reporting standards.

4. Risk, internal control and internal audit

The Audit Committee's functions include "supervision of the internal auditing services" and "knowing the company's financial information process and internal control systems".

In order to supervise the sufficiency, suitability and effective functioning of the internal control systems, the Committee was systematically informed during fiscal year 2007 by the person in charge of corporate internal auditing, in relation to the following activities:

- the annual internal audit plan and the extent to which it was met;
- the extent to which the recommendations issued were implemented;
- a description of the main areas reviewed and the most significant conclusions;
- any other more detailed explanations requested by the Audit Committee

In comparison with previous years, a factor that has decisively influenced activities executed was the completion of SOX-compliant audits in a number of business units, as part of the process of fully aligning the internal control structure for financial reporting with the requirements of the Sarbanes-Oxley Act (Section 404) to which the group is committed.

During the 2007 fiscal year, the Audit Committee received reports on the evolution of tasks being undertaken in the group to align its internal control structure on financial reporting with the requirements of the Sarbanes-Oxley Act (Section 404).

5. External auditing

The Audit Committee's functions include ensuring the independence of the external auditor, proposing the appointment or renewal thereof to the Board of Directors and approving its fees.

The auditor of the Abengoa, S.A. individual and consolidated annual accounts is PricewaterhouseCoopers. The latter is also the group's main auditor.

The policy of Abengoa is that all group companies be audited by external auditors, even when it is not required by law.

The Audit Committee is also responsible for supervising the results of the work of the external auditors. To this end, it is promptly informed of their conclusions and any incidents detected in the course of their reviews.

When required, the external auditor attends Audit Committee meetings in order to report on his field of competence, which basically focuses on the following:

- The review of the financial statements of the consolidated group and its companies and the issuance of an auditing opinion thereon.

Although the opinion of the auditors refers to the financial statements ending December 31st of each fiscal year, the work performed by the auditors in each company includes a review of a previous accounting period, usually the third quarter of the year (September), in order to anticipate any significant matters or operations that have arisen up to that date. In addition, reviews are carried out of the quarterly financial statements prepared in order to submit the information required by official bodies.

The consolidated financial statements of the following parent companies of their respective business units (and subsidiaries) are likewise audited: Abeinsa, Befesa, Telvent GIT, Abengoa Bioenergy and Abengoa Solar.

- Evaluation of the internal controls.

These are taken to be part and parcel of the auditors' work, within the framework of the special focus placed on the audit processes, and the fact that greater emphasis is attached to assessments of existing controls in the company than to substantive proof. In addition to their standard professional opinion, the external auditors must issue a report on internal controls, which forms the core of their submission to the Audit Committee. This approach will be reinforced by the implementation of the SOX regulating all types of report, scope and development of the actions of the company's auditor.

Abengoa manages its risks through the following model, aimed at identifying potential risks that could affect a business.

Environmental Risk

Catastrophic Losses

Relations with Shareholders

Internal Procedures Risks

Operations

Management

Financial

Compliance / Environment

Authority

Credit

Product Failures

Communications

Currency

Interruptions

Information Processes

Liquidity

Efficiency

Access

Human Resources

Availability

Erosion of the Commercial Framework

Relevance

Integrity

Decision-Making Information Risks

Operations

Financial

Strategic

Contractual Undertaking

Regulator Report

Environm . Evaluation

Price Setting

Erroneous Information

Strategic Planning

Taxes

The procedures aimed at eliminating these business risks identified are orchestrated by means of the so-called Shared Management Systems.

The Shared Management Systems serve to identify both the risks included in the current model, as well as the monitoring activities which mitigate them. They therefore establish the internal rules for action and represent a common culture in the management of Abengoa's businesses.

The Shared Management Systems also help to:

- Optimize daily management, applying procedures favoring financial efficiency, a reduction in expenses and the standardization and compatibility of information and management systems.
- Promote synergies and create value for Abengoa's business units by working in an environment based on cooperation.
- Reinforce corporate identity, with all Abengoa companies respecting the shared values.
- Achieve growth through strategic development seeking innovation and new options in the medium and long terms.

The Systems cover the entire organization at three levels:

- All business units and areas of activity
- All levels of responsibility
- All types of operations

Compliance with the provisions of the Shared Management Systems is compulsory for the whole organization and, therefore, all members must be familiar with them. Any exceptions in adherence to these systems must be reported to the appropriate person and duly authorized.

The Shared Management Systems are constantly updated, which allows the best practices to be included in each one of its fields of action. In order to facilitate dissemination the successive updates are immediately communicated to the organization through computer support.

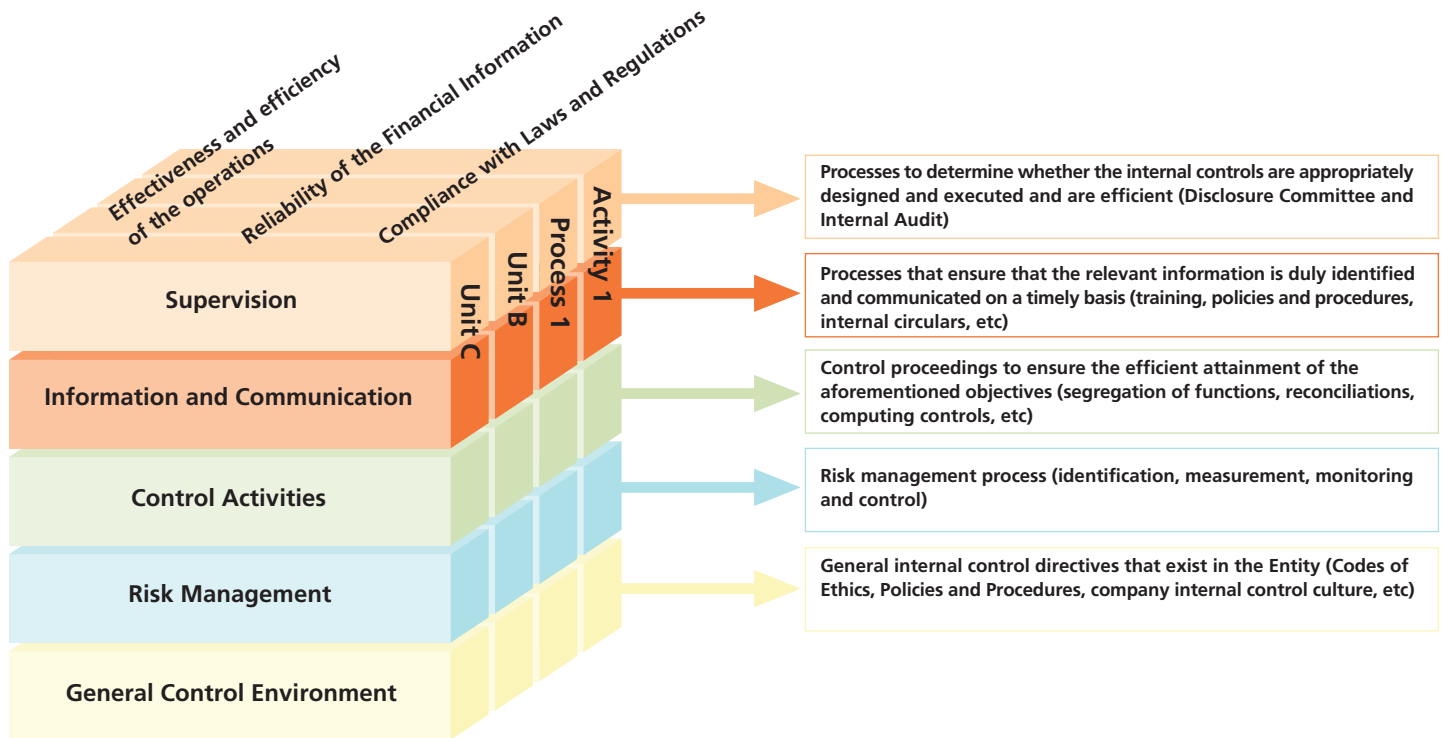
Those responsible for each of the regulatory processes that make up the Shared Management Systems must verify and certify compliance with said procedures. Each year's certification is issued and presented to the Audit Committee during January of the following year.

In addition, since 2004, Abengoa has been bringing its financial reporting internal control structure in line with the requirements of the Sarbanes-Oxley Act (Section 404).

According to the instructions of the Securities and Exchange Commission (SEC), SOX Act compliance is mandatory for companies and groups that are listed in the North American market. Nevertheless, Abengoa considers it necessary to comply with these requirements not only in the case of its subsidiary listed on the Nasdaq, but for all the companies, as said compliance completes the risk control model employed by the company.

At Abengoa, we consider that a suitable internal control system must ensure that all pertinent financial information is reliable and known to management. Thus we believe that the model developed and adapted to SOX requirements complements and completes our Shared Management Systems, the main purpose of which is to control and mitigate business risks.

The conceptual reference framework chosen was the COSO Model, for being the most similar to the approach required by SOX. In this model, internal control is defined as the process carried out in order to provide a reasonable degree of security in relation to meeting objectives such as compliance with laws and regulations, reliability of financial information and effectiveness and efficiency in operations.



Thus, the SOX requirements are being progressively implemented throughout Abengoa's business units. All processes affecting the group's different balance sheet and profit and loss account headings are being analyzed and documented, the risks associated to different activities a process are being identified, and detail is being provided of the control objectives set and the corresponding control activities to be executed in order to mitigate said risks. It is worth noting that the procedures defined in relation to the existing operational standards, such that the business management controls are firmly linked to the company's own controls on processes employed in obtaining financial information.

Similarly, and in line with the SOX recommendations, a review of the general control environment is being undertaken: policies and procedures, internal corporate control culture, ethical codes, etc so as to ensure alignment with the requirements of said law.

Supervision and control of the risk management model

Supervision and control of the Abengoa risk management model is structured around the joint audit services, which include the auditing teams of the companies, business units and corporate services, and act in a coordinated manner, reporting to the Audit Committee of the Board of Directors.

From among their strategic objectives, we can highlight the following:

- Forestalling auditing risks to the group's companies, projects and activities, such as fraud, capital losses, operating inefficiencies and, in general, risks that may affect the favorable progress of the business.
- Controlling application and promoting the development of appropriate and efficient management rules and procedures, in accordance with the Shared Corporate Management Systems.
- Creating value for Abengoa, by promoting the building of synergies and the monitoring of optimal management practices.
- Coordinating criteria and task focuses with the external auditors, seeking maximum efficiency and profitability of both functions.
- As a consequence of the adoption of the Sarbanes-Oxley Act requirements described in the preceding section, the security and reliability of the financial information must be guaranteed by checking the controls put in place for this purpose and ensuring their proper functioning.

In order to meet these strategic objectives, the joint audit services have the following specific objectives:

- Evaluating the audit risk of Abengoa companies and projects following an objective procedure.
- Defining standard internal auditing and control working norms, in order to develop pertinent work plans with the scope appropriate to each situation. This methodology, based on appraisal of audit risks, determines the working plans to be executed and implies the type of suitable recommendations and reports, and therefore must be used explicitly in said documents.
- Guiding and coordinating the internal audit and control work planning processes of the companies and business units, defining a procedure for notification of said work and communication with the parties involved and establishing a coding system for the work, so that it can be appropriately controlled and monitored.

- Defining the process for communicating the results of each piece of audit work, the persons affected and the format of the documents in which it is materialized.
- Reviewing the application of the plans, the suitable execution and supervision of the work, the prompt distribution of the results and the monitoring of the recommendations and their subsequent implementation.
- Reviewing the proper functioning of the manual and automatic controls identified in the processes, as well as the proof of control, in order to guarantee security in obtaining financial information.

An internal auditing plan will be drawn up annually, its scope being determined by:

- a risk assessment for the different companies, areas and projects
- prevailing circumstances of each of them
- and the requirements of the Audit Committee

An assessment of the audit risk is executed for each project, company and business group. For these purposes, audit risk is defined as any possible event that might have a negative effect on the business, such as fraud, capital losses or operating inefficiencies. The risk assessment allows us to ascertain the areas in which we should focus our attention and work.

Planning seeks to guarantee that the risk areas identified will be covered by work that mitigates or eliminates the risks and allows them to be adequately identified, controlled and monitored. The result of this planning is the annual internal auditing plan.

The annual plan establishes the types of work to be performed and the scope of each task. Depending on the proposed scope, general company reviews, reviews of specific areas, procedure review or special work are proposed.

The annual plan is monitored by the Audit Committee on an ongoing basis, which is informed systematically on both the progress and the results obtained in the reviews conducted.

For each of the tasks planned, once the field work has been carried out, recommendations are identified to ensure not only that both legal and internal regulations are applied, but also that the best management practices in the pertinent area of activity are incorporated. These recommendations are classified as major or minor, depending on the importance of the area affected or, if applicable, the economic impact involved.

Traditionally, the main objective sought by internal auditing has been the control of audit risk, defined as any risk that affects the business and which it is possible for management to estimate, evaluate and control. Since the implementation of SOX, and without losing sight of the aforementioned objective, the proper functioning of the controls put in place by the company in order to ensure the reliability and veracity of Abengoa's financial information must also be guaranteed.

Each of Abengoa's activities, projects and companies must have a preliminary audit risk assessment that allows appropriate planning of the reviews to be performed. This risk estimate must follow objective criteria common to the entire group and will be the responsibility of the internal audit and control department, at the corresponding level of joint services for each specific case.

In relation to the above, the internal audit and control function should surpass a mere supervisory approach and, without decreasing the inspection and review activity, should actively promote improvements with immediate impact on the optimization of processes and businesses, the obtaining of synergies and, in short, the creation of value for Abengoa.

In both the focus of the work and the planning, execution, documentation, programs and notification of results thereof, coordination with the external auditors should prevail, so that the work of the two functions is not duplicated and Abengoa's internal audit and control procedures are validated and may be deemed as adequate audit proof to support the external auditor in his or her opinion.

In order to fulfill this objective, standardization of all the work cycles and documentation that contribute to the consistency of the work of Abengoa's internal auditors will be fomented.

The Appointments and Remuneration Committee

The Appointments and Remuneration Committee was established by Abengoa's Board of Directors on February 24, 2003, and its internal rules and regulations were approved at the same time.

1. Composition: number and identity

The committee currently comprises the following members:

Carlos Sebastián Gascón (Chairman)
José B. Terceiro Lomba
José Luis Aya Abaurre
Daniel Villalba Vilá
Secretary and non-director: José Marcos Romero

The Appointments and Remuneration Committee is therefore largely composed of non-executive directors, thus exceeding the requirements set out in the Financial Systems Reform Act. Furthermore, the position of Chairman of the Committee must be held by a non-executive director, as stipulated in Article 2 of its Internal Rules and Regulations.

2. Duties

The duties and competences of the Appointments and Remuneration Committee are as follows:

1. To inform the Board of Directors regarding the appointment, reelection, removal and payment of members of the Board of Directors and the Advisory Board, and the positions held on these Boards, and to provide information on the general payment and incentive policy for members of these boards and for senior management.
2. To provide prior information regarding all the proposals prepared by the Board of Directors for the General Shareholders' Meeting in relation to the appointment or removal of Directors, including cases of co-option by the Board of Directors itself; to annually verify maintenance of the conditions

that prevailed in the appointment of a director and of the character or typology assigned to the same, submitting said information as part of the annual report. The Appointments Committee shall act as a watchdog to ensure that in filling any vacancies that may occur selection procedures are not affected by implicit bias hindering the recruitment of female directors, and that, as far as possible, shortlists include female candidates presenting the required profile.

3. To prepare an annual report on the activities of the Appointments and Remuneration Committee, which must be included in the management report.

Information submitted to the Committee:

- Monitoring and evolution of the remuneration for members of the Board of Directors and senior company managers.
- Payment proposals for members of the Board of Directors, as well as senior company managers.
- Preparation of information to be included in the annual accounts.
- Proposals for the Board of Directors for the development of a possible Long-Term Extraordinary Reward Scheme for personnel directors, as well as reports on the pay of Board members and the chief executive.
- Reports on market studies conducted by independent experts and pay comparisons.

The Strategy Committee

This comprises the managers of the business units, the manager of organization, quality and budgets, the technical secretary, the director of human resources, the director of corporate and strategy development, the financial manager, the general secretary, and the chairman of the Board of Directors.

The duties of the Strategy Committee are essentially to analyze and evaluate Abengoa's business situation. Thus, this committee is responsible for ongoing monitoring of the performance of the company's businesses and for verifying that they are aligned with the established strategy, as well as for analyzing the business situation and horizon, and reviewing the design of strategy in order to ensure that it is in tune with new circumstances and situations that may arise.

The Professional Code of Conduct

At the request of the human resources department during the 2003 fiscal year, the company implemented a Professional Code of Conduct, modified in 2005 with the aim of incorporating several common elements to the different companies that make up Abengoa. This modification addressed geographical, cultural and legal diversity, while establishing the fundamental values that should govern the actions of all the company's employees, regardless of their position or responsibilities. Integrity of conduct, the strict observance of the law in force, professional rigor, confidentiality and quality have formed part of Abengoa's culture since its establishment in 1941, and these values still form an essential part of the company's corporate identity.

The honesty, integrity and sound judgment of Abengoa employees, officers and directors is essential to Abengoa's reputation and success.

This Code of Conduct governs the actions and working relationships of Abengoa's employees, officers and directors with current and potential customers, fellow employees, competitors, government bodies, the media, and anyone else with whom Abengoa has contact. These relationships are essential to the continued success of Abengoa. When this Code of Conduct refers to "Abengoa", it includes Abengoa, S.A. and each of its subsidiaries.

This Code of Conduct:

- Requires the highest standards for honest and ethical conduct, including proper and ethical procedures for dealing with actual or apparent conflicts of interest between personal and professional relationships;
- Requires full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed or submitted by Abengoa with governmental agencies or in other public communications made by Abengoa;
- Requires compliance with applicable laws, rules and regulations;
- Addresses potential or apparent conflicts of interest and provides guidance for employees, officers and directors to communicate those conflicts to Abengoa;
- Addresses misuse or misapplication of Abengoa's property and business opportunities;
- Requires the highest level of confidentiality and fair dealing within Abengoa and outside Abengoa; and
- Requires immediate internal reporting of violations of this Code of Conduct and proper reporting of any illegal behavior.

Abengoa's Professional Code of Conduct is available on its website, at www.abengoa.com

Annual Corporate Governance Report Fiscal Year 2007

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a. Introduction

Corporate Governance

The coming into force of the Financial System Reform Act and the publication of the report on Security and Transparency in the markets prepared by the Aldama Commission and the recent Transparency Act, and at last resort the Unified Code of Corporate Governance of Listed companies, have amended and improved the system that was in force, or recommended, at the time, in so far as Corporate Governance practices are concerned, by means of a set of rules and regulations, some of which are of a clearly innovative nature.

Previously, from a formal perspective, Corporate Governance in small- and medium-sized listed companies was understood, until the aforementioned reforms, to mean compliance with the minimum requirements needed to allow a complete response to the questionnaire that the National Securities Market Commission demanded as a result of the Olivencia Report and the recommendations included therein. Today, following the reform, listed companies cannot merely take a passive or explanatory stance. Some of the Aldama Report recommendations have already been incorporated into prevailing law and must be complied with. The measures, rulings and recommendations issued to date form a single coherent and complete group, whose objective is to offer a real and transparent representation of the listed company, as an additional element for the investor to consider.

Corporate Governance, as an ensemble of practices – required by law as well as being undertaken voluntarily – of each company in relation to the structure, organization, operation, competences and supervision of its governing bodies, is enshrined in a fundamental principle, which is none other than the principle of the capital markets: the general principle of information; transparent, real, balanced, true and complete information. Only in this way can shareholders and potential investors be guaranteed equality of treatment and opportunities.

There are two sides to the information obligation:

- The objective side: "what" is reported
 - Accounting or financial information
 - Relevant events
 - Capital structure, shareholders
 - Corporate Governance Legislation
 - Annual Corporate Governance Report
- The subjective side: "how" to report it
 - Periodic financial information
 - Relevant events
 - Significant shareholdings
 - Issued and submitted brochures
 - Website, etc.

Abengoa has made a significant effort within its company structure and its different components, to adapt itself and incorporate the initiatives put in place by the new legislation. Below we will briefly present each of these aspects and the innovations implemented by the company:

a) Accounting / financial information

The periodic information obligations (quarterly, half-yearly and annual) remain based on an information model created by the CNMV which, since the second half of 2002, can only be submitted telematically (in coded electronic format), have already been implemented voluntarily by Abengoa.

b) Relevant Events

The Financial System Reform Act has modified the previous definition of this concept, establishing it as information of which knowledge could reasonably lead an investor to purchase or transfer securities and which therefore may appreciably influence the price. Nevertheless, the relevant event concept continues to be non-specific and open (signifying that conducts or actions that warrant this consideration are not specified, partly because it is an almost impossible exercise due to the varied practices of corporate decisions that may be relevant but where a certain degree of legal

uncertainty remains). There are two criteria that are used complementarily to determine the content of this concept: i) the practice followed by the CNMV on previous occasions, and ii) the practice followed by companies themselves on similar occasions. Here the basis of good governance is deduced; consistency; not only is the existence of internal and casuistic regulations of value but the consistency between this and the real conduct of the company and its administrators and senior management.

c) Related Transactions

- c.1) These are transactions carried out between the company and its shareholders, administrators or directors that entail the transfer of business resources, obligations or business opportunities.

Related transactions have a dual information channel:

- a) Those that are relevant are individually reported as a relevant event.
- b) All transactions are summarized in the half-yearly information report.

- c.2) Related transactions may potentially be a source of so-called conflicts of interest. In these cases, good governance practice recommends a series of measures in resolving them whenever possible: i) the abstention from voting for the adoption of the corresponding resolution by the persons affected by the conflict of interest; ii) complete, clear and real-time distributed information, and iii) independent evaluation.

Aware of the limitations imposed upon it by the specific characteristics related to its history and its composition, Abengoa has adopted these transparency criteria and the criteria for the resolution of these potential conflicts. To this end, on February 24, 2003, the Board of Directors modified the Board of Directors' regulations and the Advisory Board's regulations (until a resolution of the General Shareholders'

Meeting of April 15, 2007 dissolved this body). The Audit Committee, composed mainly of independent members of the Board of Directors, is the body responsible for the supervision of these transactions.

d) Annual Corporate Governance Report

The questionnaire on the level of take-up of the recommendations proposed by the CNMV to be carried out by all listed companies has been complied with by means of the obligation to create and disseminate an Annual Corporate Governance Report.

The Annual Report reflects the specific principles of the company's governance structure (who and how decisions are made and what decision-making is based on) in the same way that the periodic financial reporting is a summary of the main economic characteristics of the company for the period under consideration, collated in the balance sheet and the profit and loss account for this period.

Abengoa implemented this recommendation in 2002, and a specific chapter relating to the Company's governance was therefore included in the 2002 Annual Report – and we have been doing so in subsequent years – completed with the new items included in the Aldama Report and in the Financial System Reform Act, distinguishing the actions already taken from those that were being finalized for their upcoming implementation. Therefore:

- a) On December 2, 2002, the Audit Committee was constituted.
- b) On February 24, 2003, the Appointments and Remuneration Committee was constituted.
- c) On the same day, February 24, 2003, the Board of Directors drafted a proposal modifying the Company Bylaws for the purpose of incorporating the provisions relating to the Audit Committee, the proposal relating to the Regulation on the administration of shareholders' meetings, the partial amendments to the Regulations of the

Board of Directors and the Regulations of the Advisory Board and, finally, the rules governing the Internal Regulations of the Audit Committee and the Appointments and Remunerations Committee, approved by the General Meeting of June 29, 2003.

Finally, following another of the Aldama Report recommendations, the Internal Corporate Governance Regulation was rewritten as a complete single text and was duly notified to the CNMV and is available since then at Abengoa's website.

e) Website (www.abengoa.com)

The obligation to provide the market with useful, truthful, complete and balanced information in real time would not be sufficient if the appropriate means of transmitting this information are not adequate, guaranteeing that it is disseminated effectively and usefully. Therefore, as a result of new technology, the Aldama Report, the Financial System Reform Act and the Transparency Act recommend and impose the use of listed companies' websites as an information tool (including historical, qualitative and quantitative company data) and as a distribution tool (including real-time current or personalized information that may be accessed by investors).

Abengoa therefore introduced a new website at the end of the first quarter of 2002, characterized firstly by a more direct, rapid and efficient on-screen presentation, and secondly by a wide-ranging and comprehensive information content and documentation, made available to the shareholders in particular and to the general public, which is subjected to a continuous process of revision, enhancement and updating.

In January 2008, Abengoa completed a new development of its website, which largely focuses on improving requirements for accessibility, agility, presentation, access and downloading of information, while ensuring that the full contents of historical information remain available on the site.

In conclusion, we should say that both the available information and its actual distribution portal – the website – are continuously updated; Corporate Governance, the rules that regulate it and the laws that govern or recommend it continue, and will continue to constantly develop. In the same way that all companies engaged in growing must adapt and anticipate the development of the markets, so must they also be forward-looking, in relation to self-regulation (that is, adopting their own code of conduct so that their operation and decisions may be evaluated from the outside), development, transparency and information in order to assure market confidence and with it, their growth.

b. The Company's Shareholding Structure.

i) Significant shareholdings

Abengoa S.A.'s share capital is represented by book-entry records managed by Iberclear (Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.), and comprises 90,469,680 shares of 0.25 euro nominal value of the same class and series, representing 22,617,420 euros of share capital. All the shares are admitted to official trading on the Madrid and Barcelona Stock Exchanges and in the Spanish Stock Exchange Interconnection System (Continuous Market) as of November 29, 1996.

In December of 2007, Abengoa was selected by the Ibex35 Technical Assessment Committee for entry to the index starting January 2, 2008, following the ordinary review of listed companies undertaken by the aforementioned Committee, which, in addition to capitalization, assessed turnover and the industry to which the company belonged. The Ibex 35 is the most closely-monitored Spanish index by Spanish and foreign investors, and features the thirty-five companies with the highest stock market capitalization and turnover.

The latest modification to the share capital was made by resolution approved at the Ordinary General Shareholders' Meeting of June 24, 2001, in relation to splitting of the face value of the shares, from 1 euro to 0.25 euros per share, with the resulting modification to the number of issued shares, from 22,617,420 to the current number of 90,469,680, and, as a consequence, the modification of Articles 6 and 21 of the Company Bylaws in order to adapt them to the new number of shares and their face value, with the simultaneous exclusion of the previous shares and admission to listing of the new ones.

Date Last modificación	Share Capital (EUR)	Number of shares
06.24.2001	22,617,420	90,469,680

As the capital is represented by book-entry records, there is no shareholders' registry separate to the significant shareholdings communications and the list (X-25) provided by Iberclear on the occasion of the General Shareholders' Meetings. Pursuant to this information (Shareholders List as of April 9, 2007 provided by Iberclear) and the notification of Significant Shareholdings, the situation is as follows:

Tax or VAT no.	Shareholder	Number of direct shares	Number of indirect shares (*)	% Share Capital
A41105511	Inv. Corporativa	45,234,723	5,465,183 (*)	56.04
A41037797	Finarpisa	5,465,183	-	6.04

(*) Through:

Tax or VAT no.	Shareholder	Number of direct shares	Number of indirect shares (*)	% Share Capital
A41037797	Finarpisa	5,465,183	-	6.04

• Significant movements during the fiscal year

Tax or VAT no.	Shareholder	Operation date	Description
-	-	-	-

The number of registered shareholders at the General Shareholder's Meeting held on April 15, 2007 was 10,192.

The Company is not aware of the existence of any agreements or pacts between shareholders undertaking neither to adopt, by means of joint voting, a common policy regarding the management of the company nor to significantly influence it.

ii) Shareholdings of members of the Board of Directors

In accordance with the register of significant shareholdings the Company maintains and pursuant to the Internal Conduct Rules and Regulations in relation to the Securities Market, the directors' shareholdings in the company's capital as of December 31, 2007 are as follows:

	% Direct	% Indirect	% Total
Felipe Benjumea Llorente	0	0.839	0.839
Javier Benjumea Llorente	0.002	0	0.002
José Joaquín Abaurre Llorente	0.002	0	0.002
José Luis Aya Abaurre	0.061	0	0.061
Aplicaciones Digitales S. L.	1.039	0	1.039
Daniel Villalba Vilá	0.006	0	0.006
Carlos Sebastián Gascón	0.013	0	0.013
Mercedes Gracia Díez	0.0005	0	0.0005
M.ª Teresa Benjumea Llorente	0.013	0	0.013
Ignacio Solís Guardiola	0.016	0	0.016
Fernando Solís Martínez-Campos	0.056	0.036	0.092
Carlos Sundheim Losada	0.051	0	0.051
Miguel Martín Fernández	0.001	0	0.001
Miguel A. Jiménez-Velasco Mazarío	0.029	0	0.029
Total	1.2895	0.875	2.1645

ID or Tax no.	Director	Date first appointment	Date last appointment	Number of direct shares	Number of indirect shares	% Share capital
28526035	Felipe Benjumea Llorente	06.25.83	06.26.05	0	759,111	0.839
28345379	Javier Benjumea Llorente	06.25.83	06.26.05	1,960	0	0.002
28414158	José Joaquín Abaurre Llorente	06.25.88	06.26.05	1,900	0	0.002
28332348	José Luis Aya Abaurre	06.25.83	06.26.05	55,076	0	0.061
B81426066	Aplicaciones Digitales S. L.	04.15.07	04.15.07	930,750	0	1.039
38998715F	Daniel Villalba Vilá	06.26.05	06.26.05	5,940	0	0.006
114428A	Carlos Sebastián Gascón	06.26.05	06.26.05	12,000	0	0.013
50284250V	Mercedes Gracia Díez	12.12.05	04.09.06	500	0	0.0005
28343491Q	M.ª Teresa Benjumea Llorente	04.15.07	04.15.07	12,390	0	0.013
28560056J	Ignacio Solís Guardiola	04.15.07	04.15.07	15,336	0	0.016
15799697P	Fernando Solís Martínez-Campos	04.15.07	04.15.07	50,832	34,440	0.092
28302692L	Carlos Sundheim Losada	04.15.07	04.15.07	47,027	0	0.051
31503593X	Miguel Martín Fernández	04.15.07	04.15.07	1,600	0	0.001
28874696J	Miguel A. Jiménez-Velasco Mazarío	04.15.07	04.15.07	27,040	0	0.029

iii) Shareholders' Agreements

The company has no evidence of the existence of any shareholders' agreements or syndication agreement among its shareholders.

Tax or VAT no.	Denomination
A41105511	Inversión Corporativa, I. C., S. A.
Observations In accordance with Art. 4 LMV Inversión Corporativa holds more than 50% of the share capital.	

iv) Treasury Stock

The General Shareholders' Meeting held on April 15, 2007 agreed to authorize the Board of Directors to make derived acquisitions, through purchases, of shares in the company that may be made either directly or via subsidiary companies or investors up to the maximum limit specified under current provisions at a price of between three euro cents (0.03 euros) per share minimum and one hundred and twenty euros and twenty cents (120.20 euros) per share maximum, being able to make use of this facility during a period of eighteen (18) months from that very date and subject to that specified in Section Four of Chapter IV of the Revised Text of the Spanish Companies Act, expressly revoking the authorization conferred to the Board of Directors, for the same purposes, by virtue of the agreement adopted by the Shareholders' General Meeting held on June 26, 2005.

As of 12/31/2007, the Company did not hold any of its own shares as treasury stock.

With regard to operations executed during the fiscal year, 2,425,169 of its own shares were acquired and ownership of 2,425,169 of its own shares was transferred, with the net final balance therefore standing at zero. The net result of operations was 1,003,081.52 euros.

• Treasury Stock as of 12/31/2007:

Number of direct shares	Number of indirect shares	% Share capital
0	0	0

Details of significant variations:

Date	Number of direct shares	Number of indirect shares	% Share capital
-	0	0	0

Results obtained by treasury stock	Thousands of €
	1,003

c. Company Administrative Structure.

i) The Board of Directors

i.1) Composition: number and identity of members

Following the modification of Article 39 of the Company Bylaws by agreement of the General Shareholders' Meeting held on April 15, 2007, the maximum number of seats on the Board of Directors, which to date has been nine, was increased to fifteen. The aim of this modification was fundamentally intended to provide this administrative body with the number of directors that would on the one hand allow for a potentially more diverse composition and, on the other, facilitate delegation, attendance and the adoption of resolutions with minimum attendance and which would guarantee a multiple and plural presence on the Board of Directors.

Maximum number of directors	Minimum number of directors
15	3

The Board's composition, in accordance with the recommendations established in the Aldama Report and in the Unified Code of Corporate Governance of Listed companies, takes the company's shareholding structure into account, so that it may firmly represent the highest possible percentage of the share capital and protect the general interests of both the Company and its shareholders, while also being granted the degree of independence that is appropriate to the professional practices and requirements of any company. The Board's current composition is as follows:

Felipe Benjumea Llorente
 José B. Terceiro
 José Joaquín Aburiente Llorente
 José Luis Aya Abaurre
 Javier Benjumea Llorente
 María Teresa Benjumea Llorente
 Mercedes Gracia Díez
 Miguel Martín Fernández
 Carlos Sebastián Gascón
 Ignacio Solís Guardiola
 Fernando Solís Martínez-Campos
 Carlos Sundheim Losada
 Daniel Villalba Vilá

Secretary-director and Legal Advisor: Miguel A. Jiménez-Velasco Mazarío.

(*) Mr. Ignacio Polanco Moreno resigned as a Company board member of his own volition on October 22, 2007 due to increased professional commitments.

- Table with the members of the Board of Directors:

ID or Tax no.	Name	Representative	Position	Date first appointment	Date last appointment	Election procedure
28332348	Aya Abaurre, José Luis	–	Director. Member Appoint. & Remuneration Committee	25.06.83	06.26.05	Share Meet.
28414158	Abaurre Llorente, José Joaquín	–	Director Member Audit Committee	25.06.88	06.26.05	Share Meet.
28526035	Benjumea Llorente, Felipe	–	Chairman	25.06.83	06.26.05	Share Meet.
28345379	Benjumea Llorente, Javier	–	Director	25.06.83	06.26.05	Share Meet.
50284250V	Gracia Díez, Mercedes	–	Director Member Audit Committee	12.12.05	04.09.06	Co-op. Share M.
114428A	Sebastián Gascón, Carlos	–	Director. Chairman Appoint. & Remuneration Committee	06.26.05	06.26.05	Share Meet.
35203147	Aplicaciones Digitales, S. L.		Director. Member Audit Committee & of the Appoint. & Remuneration Committee	04.15.07	04.15.07	Share Meet.
38998715F	Villalba Vilá, Daniel		Director. Chairman Audit Committee M. Appoint. & Remuneration Committee	02.28.05	06.26.05	Co-op. Share M.
28343491Q	Benjumea Llorente, M. ^a Teresa		Director	04.15.07	04.15.07	Share Meet.
28560056J	Solís Guardiola, Ignacio		Director	04.15.07	04.15.07	Share Meet.
15799697P	Solís Martínez-Campos, Fernando		Director	04.15.07	04.15.07	Share Meet.
28302692L	Sundheim Losada, Carlos		Director	04.15.07	04.15.07	Share Meet.
31503593X	Martín Fernández, Miguel		Director	04.15.07	04.15.07	Share Meet.
28874696J	Jiménez-Velasco Mazarío, Miguel Á.		Director. Secretary to the Board of Directors and the Audit Committee	04.15.07	04.15.07	Share Meet
Total number of directors		14				

i.2) Condition and Representation

The total number of board members is considered to be sufficient in order to ensure the proper representation and effective operation of the Board of Directors.

Notwithstanding the fact that independence is a quality that must be common to all directors without exception, regardless of their origins or the reason for their appointment, and that they must be judged on the reliability, integrity and professionalism of their performance, pursuant to the guidelines included under Law 26/2003 and Ministerial Order 3722/2003, and in the Unified Code of Corporate Governance of Listed companies, the current administrators are classified as follows: actuales administradores es como sigue:

Felipe Benjumea Llorente	- Executive (Chairman).
José B. Terceiro (In rep. of Aplicaciones Digitales, S.L.)	- Executive (Vice-Chairman) - Chairman Advisory Board. - Member of the Audit Committee. - Member of the Appointments and Remuneration Committee.
José Joaquín Abaurre Llorente	- External, Dominial. - Member of the Audit Committee
José Luis Aya Abaurre	- External, Dominial. - Member of the Appointments and Remuneration Committee.
Javier Benjumea Llorente	- External, Dominial.
M ^a Teresa Benjumea Llorente	- Dominial
Mercedes Gracia Díez	- Independent. - Member of the Audit Committee.
Miguel Martín Fernández	- Independent - Member of Audit Committee
Carlos Sebastián Gascón	- Independent. - Chairman of the Appointments and Remuneration Committee.
Ignacio Solís Guardiola	- Dominial
Fernando Solís Martínez-Campos	- Dominial
Carlos Sundheim Losada	- Dominial
Daniel Villalba Vilá	- Independent. - Chairman of the Audit Committee.
Miguel A. Jiménez-Velasco Mazarío	- Member of the Appointments and Remuneration Committee. - Secretary to the Board - Secretary to the Audit Committee

As a result, the Board comprises a majority of external, non-executive directors.

Executive Directors

ID or Tax no.	Name	Committee that proposed him/her	Position
28526035	Felipe Benjumea Llorente	Board of Dir. (*)	Chairman
B81426066	Aplicaciones Digitales S.L. Rep. José B. Terceiro Lomba	Appointments and Remuneration Committee	Vice-Chairman

(*) Prior to the existence of the Appointments and Remuneration Committee.

Dominial external directors:

ID or Tax no.	Name	Committee that proposed him/her	Represented shareholder	Shareholder's Tax no.
28.345.379	Javier Benjumea Llorente	Board of Dir. (*)	Inversión Corporativa, I.C., S.A.	A41105511
28414158	José Joaquín Abaurre Llorente	Board of Dir. (*)	Inversión Corporativa, I.C., S.A.	A41105511
28332348	José Luis Aya Abaurre	Board of Dir. (*)	Inversión Corporativa, I.C., S.A.	A41105511
28343491Q	M ^a . Teresa Benjumea Llorente.	Appointments and Remuneration Committee	Inversión Corporativa, I.C., S.A.	A41105511
28560056J	Ignacio Solís Guardiola.	Appointments and Remuneration Committee	Inversión Corporativa, I.C., S.A.	A41105511
15799697P	Fernando Solís Martínez-Campos.	Appointments and Remuneration Committee	Inversión Corporativa, I.C., S.A.	A41105511
28302692L	Carlos Sundheim Losada	Appointments and Remuneration Committee	Inversión Corporativa, I.C., S.A.	A41105511
31503593X	Miguel Martín Fernández.	Appointments and Remuneration Committee	Inversión Corporativa, I.C., S.A.	A41105511
28874696J	Miguel A. Jiménez-Velasco Mazarío.	Appointments and Remuneration Committee	Inversión Corporativa, I.C., S.A.	A41105511

(*) Prior to the existence of the Appointments and Remuneration Committee.

Independent external directors

ID or Tax no.	Name	Committee that proposed him/her	Profile
50284250V	Mercedes Gracia Díez	Appointments	Independent
31.503.593X	Miguel Martín Fernández	Appointments	Independent
114428A	Carlos Sebastián Gascón	Appointments	Independent
38998715F	Daniel Villalba Vilá	Appointments	Independent

Delegated powers:

Director's ID no.	Name	Description
28526035	Felipe Benjumea Llorente	Delegation of powers
B81426066	Aplicaciones Digitales, S.L.	Delegation of powers

Directors who are members of other listed companies:

ID or Tax no.	Name	Listed Company	Position
35203147	José Terceiro Lomba	U. Fenosa	Member of Board of Directors
35203147	José Terceiro Lomba	Iberia	Member of Board of Directors, Member of the Executive Committee.
35203147	José Terceiro Lomba	Grupo Prisa	Member of Board of Directors, Chairman of the Audit Committee.
28526035	Felipe Benjumea Llorente	Iberia	Member of the Board of Directors

iii.3) Rules governing organization and operation

The Board of Directors is governed by the Board Regulations, the Company Bylaws and the Securities Exchange Code of Conduct. The Board Regulations were initially approved at the meeting of the Board of Directors held on January 18, 1998, with the clear aim of anticipating the current Good Governance regulations and ensuring effective internal regulation. They were last modified on June 29, 2003, in order to incorporate provisions relating to the Audit Committee established in the Financial System Reform Act.

- Structure:

The Board of Directors currently has fifteen members (although there is a current vacancy following the resignation of Mr. Ignacio de Polanco Moreno on October 22, 2007 due to an increase in his other professional commitments). The Rules governing the Board of Directors regulate the duties and internal organization of the administration body. Additionally, there exists the Internal Conduct Regulation in relation to the Securities Market, with which the members of the Board of Directors, senior management and all employees affected due to their duties or title have to comply. The Rules of the General Shareholders' Meetings govern the formal aspects and the internal regime of the holding of the Shareholders' Meetings. Finally, the Board of Directors is assisted by the Audit and Appointments and Remuneration Committees, both with their own Internal Regime Rules. All these Rules, put together into the revised body of Corporate Governance Internal Rules, are available on the Company's website, www.abengoa.com.

Since it was constituted, the Appointments and Remuneration Committee has undertaken ongoing analysis of the structure of the company's administrative bodies and their alignment with the recommendations on corporate governance, with special emphasis on the historic and special configuration of them in Abengoa. On February 27, 2007, in accordance with said analysis, the committee recommended the creation of the post of Coordinating Director, as well as the dissolution of the Advisory Committee to the Board of Directors. The establishment of said position was recommended in order to align optimally with the tasks included in the most recent recommendations on corporate governance produced in Spain in 2006; dissolution of the committee was advised since it was felt that it had fulfilled the role for which it had originally been created, and that, were it to operate alongside the remaining company bodies, it could engender situations involving a potential conflict of competences. Both proposals were approved by the Board of Directors meeting of February, 2007 and by the General Shareholders' Meeting of April 15, 2007.

Finally, in October, 2007, the Committee proposed to the Board that it accept Mr. Javier Benjumea Llorente's resignation of his office as Vice-Chairman, along with the consequent revocation of delegated powers and the appointment of a new physical person and/or the Focus-Abengoa Foundation as Abengoa's representative vis à vis the entities or companies in which it holds an appointed position. On the basis of the foregoing, the Committee considered that it would be opportune to repeat the study relating to the number and condition of Vice-Chairpersons of the Board of Directors, within the present structure of administration bodies.

Consequently, the Committee reached the opinion that there should be a single Vice-chairman, with the powers conferred to him/her under the Companies Act in terms of, on the one hand, comprehensive company representation, and on the other, as a counter-balance to the Chairman's functions on the Board.

Based on the foregoing, the Committee felt that the Coordinating Director, in accordance with the functions assigned to the position by the Board of Directors (February 2007 and General Shareholders' Meeting of April 2007) would be the ideal position for exercising said functions, in terms of attending to the recommendations on corporate governance and the company's own structure, and the composition and diversity of its administrators. The position has already been assigned the duties of coordination of concerns and factors motivating the remaining directors, and, in fulfilling this role, the position holder has the power to call Board meetings and to add items to the agenda. As this role features, more in fact than in law, a certain level of representativeness within the Board, because of the position holder's role as the symbol of directors' interests, it was seen to be appropriate to extend and validate said representative function by making it institutional and comprehensive. In view of the aforementioned reasons, the Committee felt that it was appropriate to propose Aplicaciones Digitales, S.L. (Aplidig, represented by Mr. José B. Terceiro Lomba), the current Coordinating Director, for the position of Vice-Chairman of the Board of Directors. As part of the comprehensive representative duties it was also proposed to include as part of the Vice-Chairman's role, working in conjunction with the Chairman, that of being Abengoa's physical representative as chairman of the Board of Trustees of the Focus-Abengoa Foundation, and of so acting in relation to all other foundations and institutions where the company is presently represented, or where it may require to be represented in future.

In light of the above, on December 10, 2007, the Board of Directors approved the appointment of Aplicaciones Digitales, S.L. (represented by Mr. José B. Terceiro Lomba), the current Coordinating

Director, as Executive Vice-Chairman of the Board. In addition, forming part of his comprehensive representative duties (per the powers delegated to him to this effect by the Board of Directors on July 23, 2007), and working in conjunction with the Chairman, the Board also issued its approval for the position to include the role of being Abengoa's physical representative as chairman of the Board of Trustees of the Focus-Abengoa Foundation, and of so acting in relation to all other foundations and institutions where the company is presently represented, or where it may be required to be represented in the future.

Duties:

It is the duty of the Board of Directors to take any action that may be necessary in order to pursue the Company's corporate objective, and it is empowered to establish the Company's financial targets, agree on any relevant measures proposed by Senior Management in order to achieve these targets, and ensure the future viability and competitiveness of the company, along with the presence of a suitable management and leadership team, supervising the development of the Company's business.

Appointments:

The General Meeting or, where applicable, the Board of Directors, within the powers and limits set out in law, is the competent body for appointing members of the Board of Directors. In addition to meeting the requirements set out in law, appointees shall demonstrate that they are known to be trustworthy and have the knowledge, reputation and professional references that are relevant to the performance of their duties.

Directors shall be appointed for a maximum of four years, without prejudice to the possible renewal of their appointment or their re-election.

Removal:

Directors shall be removed from their position at the end of their tenure and under any

other circumstance set out in law. They must furthermore relinquish their seat in cases involving their incompatibility, veto, serious sanction or any breach of their obligations as directors.

- Meetings:

Pursuant to Article 42 of the Company Bylaws, the Board of Directors shall meet whenever it is required in the interest of the Company and, at least, three times a year, the first meeting to be held during the first quarter. During 2007 it met on a total of eight occasions.

- Duties of Directors:

It is the duty of Directors to participate in the direction and monitoring of the company's management in order to maximize the value of the Company to the benefit of its shareholders. Each Director shall act with the proper care of a dedicated professional and loyal representative, guided by the interests of the Company, with complete independence, defending and protecting the interests of all shareholders to the best of their abilities.

By virtue of their appointment, Directors are under the following obligations:

- To gather and prepare information properly for each meeting session.
- To attend and participate actively in meetings and the decision-making process.
- To avoid the occurrence of any conflict of interest and notify the Board of any potential conflict of interest, where applicable, through the Secretary.
- Not to undertake duties with competitor companies.
- Not to use company information for private purposes.
- Not to use the company's business opportunities for their own interests.
- To maintain the confidentiality of any information received as a result of their appointment.
- To abstain in any voting on resolutions that may affect them.

- The Chairman:

In addition to the duties set out in law and in the Company Bylaws, the Chairman is the company's most senior executive, and as such is responsible for the effective management of the company, though always in accordance with the decisions and criteria established by the General Shareholders' Meeting and the Board of Directors. He/She is responsible for implementing the decisions made by the company's administrative body, by virtue of the powers permanently delegated to him/her by the Board of Directors, which he/she represents in all its aspects. The Chairman also has the casting vote on the Board of Directors.

The Chairman also occupies the position of chief executive officer. The measures adopted to prevent the accumulation of powers are

Measures to limit risks

In accordance with that established in Article 44 bis of the Company Bylaws, on December 2, 2002 and February 24, 2003, the Board of Directors proceeded to constitute the Audit Committee and the Appointments and Remuneration Committee, respectively.

The powers of these Committees inherent to the commitments they have assigned by Law and the Company Bylaws and their respective internal Rules and Regulations cannot be delegated, and the committees are constituted as control and monitoring bodies for matters of their competence.

Both shall be chaired by an independent, non-executive, director, and shall be composed of a majority of independent, non-executive directors.

- The Secretary:

It is the Secretary's duty to exercise the powers attributed to him/her by law. At present, the titles of Secretary to the Board and Legal Counsel fall on the same person, who is responsible for ensuring that notice is given of meetings and that resolutions are adopted by the company's administrative body in a valid manner. In particular, he/she will advise members of the Board regarding the legality of their deliberations and any resolutions they adopt, and on compliance with the Internal Corporate Governance Regulations, as both formal and material guarantor of the principle of legality which governs the actions of the Board of Directors.

The Secretary to the Board, as a specialized guarantor of the formal and material legality of the Board's actions, has the full support of the Board in performing his/her duties entirely independently of any criteria or the constancy of his/her position, and he/she is also entrusted with defending the internal Corporate Governance regulations.

- Resolutions:

Resolutions are adopted by a simple majority of the board members present (either in person or by proxy) at each session, with the exception of those cases specifically set out in law.

Table with the aggregate Remuneration of the Directors earned during the last fiscal year, in the individual company which is the subject of this report (Abengoa, S.A.):

Remunerated concept	Data in thousands of euros
Set remuneration	3,179
Variable remuneration	2,661
Expense allowances	944
Statutory issues	-
Options on shares and/or other financial instruments	-
Others	-
Total:	6,784

Other Benefits	Data in thousands of euros
Advance payments	--
Loans provided	--
Pension Funds and Plans: Contributions	--
Pension Funds and Plans: Acquired obligations	--
Life insurance premiums	--
Constitutive guarantees by the company in favor of the directors	--

Table with aggregate payments issued to directors during the fiscal year, for their duties as members of other boards of directors and/or senior management boards of other group companies:

Remunerated concept	Data in thousands of euros
Set remuneration	68
Variable remuneration	-
Expense allowances	-
Statutory issues	-
Options on shares and/or other financial instruments	-
Others	-
Total:	68

Other Benefits	Data in thousands of euros
Advance payments	-
Loans provided	-
Pension Funds and Plans: Contributions	-
Pension Funds and Plans: Acquired obligations	-
Life insurance premiums	-
Constitutive guarantees by the company in favor of the directors	-

Table with the total aggregate (all the directors) Remuneration (all concepts) by director typology; Figures in thousands of euros.

Director typology	Abengoa	Group
Executive	5,614	-
Dominial External	427	24
Independent External	743	44
Other External		
Total:	6,784	68

Directors Remuneration – year 2007 (figures in thousands of euros)

Name	Expense allowances by attendance and other Remuneration as Directors	Remuneration as Member of the Committees of the Board of Directors	Remuneration as Director of other Companies in the Group	Remuneration from Duties as Senior Management Executive Directors	Total
Felipe Benjumea Llorente	80	-	-	2,809	2,889
Javier Benjumea Llorente	80	-	-	1,352	1,432
José Luis Aya Abaurre	76	58	-	-	134
José Joaquín Abaurre Llorente	122	12	-	-	134
José B. Terceiro Lomba	23	-	18	-	41
Aplidig, S.L. (1)	65	76	-	1,151	1,292
Carlos Sebastián Gascón	143	98	13	-	254
Daniel Villalba Vilá	132	69	13	-	214
Mercedes Gracia Díez	86	48	-	-	134
Miguel Martín Fernández	33	26	-	-	59
Ignacio de Polanco Moreno	54	31	-	-	85
María Teresa Benjumea Llorente (2)	16	-	24	-	40
Ignacio Solís Guardiola (2)	50	-	-	-	50
Fernando Solís Martínez-Campos (2)	50	-	-	-	50
Carlos Sundhein Losada (2)	44	-	-	-	44
	1,054	418	68	5,312	6,852

Notes:

(1) 656 thousands of euros, paid for economic-finance services rendered before his appointment as Director.

(2) As members of the Advisory Board of the Board of Directors, they have jointly perceived 109 thousands of euros.

Table showing total and aggregate remuneration (for all matters) (all directors), as a percentage of attributable parent-company profit in euros (thousands).

Total remuneration for directors (in thousands of euros)	6,852
Total remuneration for directors / profit attributable to parent company (expressed in %)	5.69%

- Table identifying the members of senior management who are not executive directors, indicating the total remuneration earned by them over the fiscal year in thousands of euros

TAX No	Nam or Company	Position
50821489	Javier Salgado Leirado	Chairman, Bioenergy BG
29754087	Javier Molina Montes	Chairman, Environmental Services BG
02601273	Manuel Sánchez Ortega	Chairman, Information Technologies BG
27907575	Alfonso González Domínguez	Chairman, Engineering and Industrial Construction BG
04686869	Salvador Martos Hinojosa	Chairman, Latin America BG
07474641	Santiago Seage Medela	Chairman, Solar BG Director, Strategy and Corporate Development
00114321	José Antonio Moreno Delgado	Director, Technical Secretariat
28720078	Álvaro Polo Guerrero	Director, Human Resources
00826260	Amando Sánchez Falcón	Finance Director
27883847	José Marcos Romero	Director, Appointments and Remuneration
28584961	Juan Carlos Jiménez Lora	Director, Investor Relations
30583968	Asier Zarraonandia Ayo	Controller
28874696	Miguel Á. Jiménez-Velasco Mazarío	General Secretary
27140440	Jesús Viciano Cuartara (*)	Director, Organization, Quality and Budgets
17736000	Luis Enrique Pizarro Maqueda	Director, Internal Audit
30804566	Enrique Borrajo Lovera	Director, Reporting and Consolidation
70231785	Luis Fernández Mateo	Director, Organization, Quality and Budgets
Total remuneration paid to Senior Management (in thousands of euro)		4,509

(*) Resigned in 2007 due to retirement

The Advisory Board to the Board of Directors

The Advisory Board to the Board of Directors of Abengoa was established by a resolution of the Extraordinary General Meeting held in January of 1998 as a voluntary consultative body to the Board of Directors. In performing its duties, it had a clear vocation to foresee and to be open to new ways of self-regulation in order to ensure efficient, transparent and professional management. The General Shareholders' Meeting of April 15, 2007 approved its dissolution since it had fulfilled this mission, and particularly because of the absorption of its competences by other company bodies such as the Audit Committee, the Appointments and Remuneration Committee, and the Board of Directors of Abengoa S.A. itself in accordance with the Recommendations included in the Unified Code of Good Governance approved by the National Securities Market Commission. This ensured compliance with Recommendation number 7 of the Unified Code, which advises that "the Board fulfill its duties with unity of purpose and independent criteria" and that, as Recommendation number 8 advises, decision-making on matters considered to be fundamental and strategic remain within the Board of Directors itself.

ii) Committees formed by the Board of Directors

ii.1) The Audit Committee

Pursuant to the provisions of the Financial System Reform Act, on December 2, 2002, Abengoa's Board of Directors established an Audit Committee and at the same time approved the Internal Regulations governing the Committee's operation. These Rules were ratified by the General Shareholders' Meeting on June 29, 2003, which at the same time approved the modification of Article 44 of the Company Bylaws, in order to incorporate the provisions relating to the operation, composition and organization of this Committee.

Composition

Following the inclusion as independent committee member of Ms. Mercedes Gracia Díez, the Audit Committee currently is comprised of the following members:

- | | |
|---|--|
| - Daniel Villalba Vilá | Chairman and independent non-executive director. |
| - José B. Terceiro Lomba
(in rep. Aplicaciones Digitales S.L.) | Executive, Vice-Chairman |
| - Mercedes Gracia Díez | Member and independent and non-executive director. |
| - Miguel Martín Fernández | Member. Independent, non-executive director. |
| - José J. Abaurre Llorente | Member. Non-executive director, dominial. |
| - Secretary, non-director: Miguel A. Jiménez-Velasco Mazarío | |

Duties.

The duties and powers of the Audit Committee are as follows:

1. To announce the Annual Financial Statements as well as the quarterly and half-yearly financial statements, which must be submitted to the bodies that regulate or supervise the markets, with reference to any internal monitoring systems, the monitoring procedures followed and compliance through internal auditing processes, including where applicable, the accounting criteria applied.
2. To inform the Board of any change to the accounting criteria and any risks, whether on or off the balance sheet.
3. To inform the General Shareholders' Meeting regarding any questions raised by shareholders on issues falling within its competence.
4. To propose the appointment of external Accounts Auditors to the Board of Directors, so that the latter may submit this proposal to the General Shareholders' Meeting.
5. To supervise internal auditing procedures. The Committee shall have complete access to the internal auditing process, and shall provide information during the process for the selection, appointment, renewal and removal of its director, and when his or her payment is being established, with the duty to provide information about this department's budget.
6. To have knowledge of the company's financial information procedure and its internal monitoring systems.

7. To maintain relations with the company's external auditors in order to remain informed regarding any matters that may place the independence of said auditors at risk, and regarding any other matters relating to the procedure followed in order to audit the company's accounts.
8. To summon the Directors it considers appropriate to Committee meetings so that they may provide any information that the Audit Committee itself deems relevant.
9. To prepare an Annual Report on the activities of the Audit Committee, which must be included in the Management Report.

Organization and operation

The Audit Committee shall meet as frequently as is necessary in order to carry out its duties, and at least once a quarter.

The Audit Committee shall be considered quorate when a majority of its members are present. Attendance may only be delegated to a non-executive Director.

Its resolutions shall be validly adopted when voted for by a majority of the Committee members present or represented. In the event of a tie, the Chairman shall cast the deciding vote.

• Amounts paid to the Audit firm for other works; Figures in thousands of euros

	Company	Group	Total
Amount for works other than auditing	315	623	938
Previous / Total amount billed (%)	12%	25%	37%

	Company	Group
Number of year audited by the firm	17 (since 1990)	17 (since 1990)
Total number of years audited	100%	100%

iii.2) The Appointments and Remuneration Committee

The Appointments and Remuneration Committee was established by Abengoa's Board of Directors on February 24, 2003, and its Internal Regulations were approved at the same time.

Composition

The Committee currently comprises the following members:

- Professor Carlos Sebastián Gascón	Chairman. Independent non-executive director
- Aplicaciones Digitales S.L. (rep. José B. Terceiro Lomba)	Executive.
- Daniel Villalba Vilá	Member. Independent non-executive director.
- José Luis Aya Abaurre	Member. Dominial non-executive director.
- José Marcos Romero	Secretary and non-director

As a consequence, the Appointments and Remuneration Committee is largely composed of non-executive directors, thus complying with the requirements set out in the Financial Systems Reform Act. Furthermore, the position of Chairman of the Committee must be held by a non-executive director, as set out in Article 2 of its Internal Regulations.

Duties

The duties and powers of the Appointments and Remuneration Committee are as follows:

1. To inform the Board of Directors regarding the appointment, re-election, removal and payment of members of the Board of Directors and the Advisory Board, and the positions held on these Boards, and to provide information on the general payment and incentive policy for members of these boards and for senior management.
2. To provide prior information regarding all the proposals prepared by the Board of Directors for the General Shareholders' Meeting in relation to the appointment or removal of Directors, including cases of co-option by the Board of Directors itself; to annually verify maintenance of the conditions that prevailed in the appointment of a director and of the character or typology assigned to the same, submitting said information as part of the Annual Report. The Appointments Committee shall act as a watchdog to ensure that in filling any vacancies that may occur selection procedures are not affected by implicit bias blocking the recruitment of female directors, and that, as far as possible, shortlists include female candidates presenting the required profile.
3. To prepare an Annual Report on the activities of the Appointments and Remuneration Committee, which must be included in the Management Report.

Organization and operation

The Appointments and Remuneration Committee shall meet as frequently as is necessary in order to carry out the foregoing duties, and at least once every six months.

The Appointments and Remuneration Committee shall be considered to be quorate when a majority of its members are present. Attendance may only be delegated to a non-executive Director. Its resolutions shall be validly adopted when voted for by a majority of the Committee members present or represented. In the event of a tie, the Chairman shall cast the deciding vote.

iii.3) The Strategy Committee

This comprises the managers of the Business Groups, the manager of Organization, Quality and Budgets, the Technical Secretary, the Director of Human Resources, the Director of Corporate and Strategy Development, the Financial Director, the General Secretary, and the Chairman of the Board of Directors. It meets on a monthly basis.

iii.4) The Securities Exchange Internal Code of Conduct

This was implemented in August of 1997. It applies to all directors, members of the Strategy Committee and to other employees on the basis of the activities they carry out and the information to which they have access.

It establishes obligations regarding the protection of information, the duty of secrecy, relevant aspects relating to stages prior to decision-making and publication, establishing the procedure for the maintenance of internal and external confidentiality, the registration of share ownership and transactions relating to securities and conflicts of interest.

The monitoring and supervising body is the General Secretary's office.

iii.5) The Professional Code of Conduct

At the request of the Human Resources Department, during year 2003 the company implemented a Professional Code of Conduct, modified in fiscal year 2005 with the intention of incorporating several common elements to the different companies that form Abengoa, attending to the geographical, cultural and legal varieties, which establishes the fundamental values that should govern the actions of all the company's employees, regardless of their position or responsibilities. Integrity of conduct, the strict observance of the law in force, professional rigor, confidentiality and quality have formed part of Abengoa's culture since its establishment in 1941, and these values still form an essential part of the company's corporate identity.

Code of conduct

A. I.- General Philosophy

The honesty, integrity and sound judgment of Abengoa employees, officers and directors is essential to Abengoa's reputation and success.

This Code of Conduct governs the actions and working relationships of Abengoa's employees, officers and directors with current and potential customers, fellow employees, competitors, government bodies, the media, and anyone else with whom Abengoa has contact. These relationships are essential to the continued success of Abengoa. When this Code of Conduct refers to "Abengoa", it includes Abengoa, S.A. and each of its subsidiaries.

This Code of Conduct:

- Requires the highest standards for honest and ethical conduct, including proper and ethical procedures for dealing with actual or apparent conflicts of interest between personal and professional relationships;
- Requires full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed or submitted by Abengoa with governmental agencies or in other public communications made by Abengoa;
- Requires compliance with applicable laws, rules and regulations;
- Addresses potential or apparent conflicts of interest and provides guidance for employees, officers and directors to communicate those conflicts to Abengoa;
- Addresses misuse or misapplication of Abengoa's property and business opportunities;
- Requires the highest level of confidentiality and fair dealing within Abengoa and outside Abengoa; and
- Requires prompt internal reporting of violations of this Code of Conduct and proper reporting of any illegal behavior.

II.- Corporate Culture and Common Management Systems

- Abengoa values its corporate culture and Common Management Systems as key assets. They define the way Abengoa does business, establishing a series of Required Compliance Norms (RCN). Following them correctly is a source of profitability and security in Abengoa's activities.
- Non-compliance with the Common Management Systems is classified by the Board of Directors and, through delegation, by its Chairman, the delegated commissions or, as appropriate, the delegated Management.
- In any event, non-compliance in any area that directly affects the results of the activity or assumes uncontrolled risks is considered a very grave offense.

Professional rigor

- The concept of professionalism at Abengoa is closely linked to the service vocation when carrying out any activity and to implication with the business project carried out.
- All actions carried out in conjunction with the assigned functions must be presided by professional responsibility and guided by the principles established in this Code.

Quality

- Abengoa is committed to quality in all of its activities, both internal and external. This task is not assigned to a specific group of people, or to upper management, rather it affects all members of the organization in their daily work.
- Abengoa has specific quality norms, which are the result of carrying out activities with knowledge, common sense, rigor, order and responsibility.

B. Conflicts of Interest

A "conflict of interest" occurs when a private interest in any way interferes or appears to interfere with the interests of Abengoa. Anyone linked to this Code is expected to avoid all situations that might lead to a real or apparent material conflict between self-interest and duties and responsibilities as an employee, officer or director of Abengoa. Employees, officers or directors that have questions or concerns about a potential conflict of interest should contact the Secretary of the Board of Directors. In relation to the stock market, Abengoa's Internal Conduct Rules and Regulations provide specific regulation of these issues.

C. Confidentiality

Non-public information regarding Abengoa or its business, employees, customers and suppliers is confidential and as an employee, officer or director, one is trusted with such confidential information. He or she is only to use such confidential information for the intended business purpose of Abengoa. One is not to share confidential information with anyone outside of Abengoa, including family and friends, or with other employees of Abengoa who do not need the information to carry out their duties. The obligation to keep all information confidential continues even after employment with Abengoa ends.

The following is a non-exhaustive list of confidential information:

- Material, non-public financial information regarding Abengoa or any of its subsidiaries or affiliates;
 - Trade secrets, which include any business or technical information, such as a program, method, technique, compilation or information that is valuable because it is not generally known;
 - All rights to any invention or process developed by an employee using Abengoa's facilities or trade secrets, resulting from any work for Abengoa, or relating to Abengoa's business, that belongs or is assigned by law to Abengoa; and
 - Proprietary information such as customer lists.
- All public and media communications involving Abengoa must have prior clearance by the Board of Directors or the Chairman of the Board of Directors, or from the senior manager to whom one of the former has previously delegated authority for this purpose.

D. Gifts and Entertainment

In many industries and countries, gifts and entertainment are common practices used to strengthen business relationships. Throughout the world, Abengoa's position is clear. No gifts, favors, or entertainment should be accepted or provided if it will obligate or appear to obligate the person who receives it. Receiving or giving gifts of cash or cash equivalents is never allowed.

Abengoa employees may accept or give gifts, favors, and entertainment only if they meet all of the following criteria:

- They are not against the law or the policy of the other party;
- They are consistent with customary business practices in the country or industry;
- They are reasonably related to business relationships;
- They are consistent with any existing business guidelines;
- They cannot be construed as a bribe, payoff, or improper influence; and
- They do not violate Abengoa's business values or ethics in any other manner.

E. Financial Reporting

One is required to report timely to Abengoa's Secretary of the Board of Directors all information in one's possession that may be necessary to ensure that Abengoa's financial reports and disclosures, as filed with or submitted to the Securities and Exchange Commission or to other stock exchange regulatory bodies, including the Security Exchange Commission (SEC), or in other public communications are full, fair, and accurate.

F. Insider Trading

Buying, selling, trading or participating in any other way in operations that affect Abengoa's assets goes against this Code of Conduct, as well as being illegal, while in possession of material information concerning Abengoa that has not been released to the general public, but which when released may have an impact on the market price of Abengoa's securities. It also goes against this Code of Conduct and is illegal to buy, sell, trade or otherwise participate in transactions involving the securities of any other company while in possession of similar non-public material information concerning such company. Any questions concerning the propriety of effecting a transaction in Abengoa's (or other company's) securities should be directed to the Secretary of the Board of Administration or Abengoa's Legal Counsel.

G. Outside Business Relationships

Before agreeing to act as a director, officer, consultant or advisor for any other business organization, one should notify his or her immediate supervisor. Directors should disclose all new directorships or potential directorships to the Chairman of the Nominating and Retribution Committee.

H. Fair and Equal Business Dealings

Each employee, officer and director should undertake to deal fairly with Abengoa's customers, suppliers, competitors and employees.

I. Legality

Complying with the law is not only an external requirement and, therefore, an obligation of the organization and its personnel. The law provides security to our activities and reduces the risks to our business. Any action that breaks the law is expressly and firmly prohibited. When in doubt about the legality of any action, it is essential to consult with the Legal Department beforehand.

J. Reporting of Illegal or Unethical Behavior

Abengoa requires its employees, officers and directors to talk to supervisors, managers or other appropriate personnel to report and discuss any known or suspected criminal activity involving Abengoa or its employees. If, during the course of your employment, you become aware of any suspicious activity or behavior, including concerns regarding questionable accounting or auditing matters, you must report violations of laws, rules, regulations or this Code of Conduct to Abengoa's Secretary of the Board of Directors. Reporting the activity will not subject the employee to discipline unless it is a knowingly false report. All reports will be treated confidentially and will receive a full inquiry.

K. United States Foreign Corrupt Practices Act / Political Contributions

In addition to the provisions of this Code of Conduct and other policies of Abengoa, employees working with any governmental entity in any country have an obligation to know, understand and abide by the laws and regulations that apply to the conduct of business with government entities. If a government agency, whether national, state or local, has adopted a more stringent policy than Abengoa's policy regarding gifts and gratuities, Abengoa's employees and representatives must comply with that more stringent policy. Specifically, the U.S. Foreign Corrupt Practices Act (FCPA) makes it a crime for companies as well as their officers, directors, employees, and agents, to pay, promise, offer or authorize the payment of anything of value to a foreign official, foreign political party, officials of foreign political parties, candidates for foreign political office or officials of public international organizations for the purpose of obtaining or retaining business. Similar laws have been, or are being, adopted by other countries. Payments of this nature are strictly against Abengoa's policy even if the refusal to make them may cause Abengoa to lose a business opportunity. The FCPA also requires covered companies to maintain accurate books, records and accounts and to devise a system of internal accounting controls sufficient to provide reasonable assurance that, among other things, Abengoa's books and records fairly reflect, in reasonable detail, transactions and dispositions of its assets. Abengoa will not give or encourage anyone else to give inducements of any kind to any government employee, or to any supplier under government or nongovernmental contracts or subcontracts, in order to gain any business advantage or contract.

L. Administration, Enforcement and Waiver of Code of Conduct

This Code of Conduct shall be administered and monitored by Abengoa's Board of Directors. Any questions and further information on this Code of Conduct should be directed to Abengoa's Secretary of the Board of Directors.

Employees, officers and directors of Abengoa are expected to follow this Code of Conduct at all times. In rare circumstances, situations may arise in which a waiver may be appropriate. Waivers will be determined on a case-by-case basis by Abengoa's Board of Directors for directors and officers. Any waiver for directors or officers, and the grounds therefore, shall be disclosed to the General Shareholders Meeting in accordance with applicable laws and regulations.

Failure to comply with this Code of Conduct may result in disciplinary action up to and including termination, depending on the nature and severity of the violation. In addition, any supervisor, manager, officer or director who directs, approves or condones infractions, or has knowledge of them and does not promptly report and correct them, will be subject to disciplinary action up to and including termination.

M. Inter-group and related transactions in the 2007 fiscal year

i) Transactions with significant shareholders

During 2007 there were no relevant transactions of this kind. The only operations undertaken were as follows:

- Explotaciones Casa Quemada, S.A. (a subsidiary of Inversión Corporativa, Abengoa's majority shareholder) constituted, by means of a deed dated February 7, 2007, in favor of Solar Processes, S.A. (a subsidiary of Abengoa Solar) land rights for a plot of 81.96 hectares, for running a thermosolar power plant, for a period of 30 years. Solar Processes paid the sum of 1,803,120 Euros for the whole of the period agreed upon.

- Iniciativas de Bienes Rústicos, S.A. (a subsidiary of Inversión Corporativa, Abengoa's majority shareholder) constituted, by means of a deed dated February 7, 2007, in favor of Solnova Electricidad, S.A. (a subsidiary of Abengoa Solar) land rights for a plot of 115 hectares, for running a solar power generating plant for a period of 30 years. Solnova paid the sum of 3,220,000 Euros for the whole of the period agreed upon.

ii) Transactions with administrators and directors

During 2007 there were the following transactions between the company and its administrators or senior management:

Tax No.	Name	Comp. Tax No	Company name	Nature	Type	Thousand of euro
35203147	J. Terceiro Lomba	E15329626	Bascuas Forestal, C.B. en Bioetanol Galicia, S.A.	Forestry operations	Annual contract	100

iii) Significant inter-group transactions

Abengoa, S.A. is, and operates as, the parent company of a group of entities. As such, it performs a certain amount of activities and roles that complement the integral product that one or several Business Groups jointly offer to their clients. Thus, different companies and Business Groups share customers and they jointly develop their businesses acting one or other companies as head, on a case-by-case basis. This gives rise to cross-selling between the companies (inter-group).

Moreover, Abengoa coordinates and manages financial resources through a centralized administration system, allowing the optimization of said resources in those non-recourse financed businesses that arise out of the collection/payment cycle by using factoring and confirming procedures.

As a consequence of the on-market condition commercial operations, fulfilled in light of the above and arising out of the ordinary business, or as a consequence of the financing operations, the resulting balances appear on the balance sheets of the affiliate companies, though they are eliminated in the annual accounts consolidation process.

N. Risk Control Systems

Abengoa's risk control structure is based on two foundations: the common management systems and the internal audit services, whose definitions, objectives, characteristics and functions are described below.

i) Common Management Systems

Definition

Abengoa's Common Management Systems develop the internal rules of the company and its methodology for evaluating and controlling risks and represent a common culture for managing Abengoa's businesses, sharing the accumulated knowledge and setting criteria and operational standards.

Objectives

- To identify possible risks that, although associated with all business, must be minimized, upon being aware of them.
- To optimize day-by-day management, applying procedures designed for financial efficiency, cost reduction, and information and management systems homogenization and compatibility.
- To foment the synergy and the creation of value for the different Business Groups of Abengoa, working in a collaborative atmosphere.
- To reinforce the corporate identity, respecting the shared values of all the companies within Abengoa.
- To grow through strategic development seeking innovation and new options for the medium and long terms.

The systems cover the whole organization at three levels:

- all Business Groups and areas of activity;
- all levels of responsibility;
- all types of operations.

In a group such as Abengoa, with more than 200 companies, a presence in over 70 countries and more than 9,000 employees, it is essential to define a common system for managing the business that allows work to be done in an efficient, coordinated and consistent way.

In the 2004 fiscal year, Abengoa began an alignment project of its Risk Management model with the conceptual framework established by the Sarbanes-Oxley (SOX) Act, with the aim of furthering the continuous enhancement of its control processes.

Although the aforementioned Act corresponds with the rules of obligatory compliance for companies and groups listed on the North American market, according to instructions from the Securities and Exchange Commission (SEC), Abengoa believes that, not only must its subsidiary Telvent GIT, S.A., listed on the NASDAQ, comply with these obligations, but all the other group companies must do so also, given that it leads to advances being made in the enhancement of control and risk mitigation processes.

Nowadays, the SOX requisites are being established in all of Abengoa's Business Groups, so that all the processes affecting the different points of the balance statement and profit and loss account are being analyzed and documented, identifying the risks that affect the different activities involved in each process, detailing the existing control objectives in order to reduce risks, and outlining the control activities required. The defined procedures are interrelated with the existing Functioning Rules, so that management controls of the businesses are aligned with self-controls for the acquisition of financial information.

Likewise, and as part of the recommendation of the SOX, the General Control is being revised: procedures and policies, corporate culture of internal control, Ethical Codes, etc in order to optimize alignment with the requirements of the aforementioned law.

ii) Internal Audit

Definition

The function of Abengoa's internal audit is structured around the Joint Audit Services that encompass the audit teams of the companies, business units and corporate services that act in a coordinated way and which are responsible to the Audit Committee of the Board of Directors.

General Objectives

- To anticipate the audit risks of the group's companies, projects and activities, such as frauds, financial damages, inefficient operations and risks that may affect the healthy operation of business in general.
- To control the application of, and promote the development of adequate and efficient management rules and procedures in accordance with the common Corporate Management Systems.
- To create value for Abengoa, promoting the construction of synergies and the monitoring of optimal management practices.
- To coordinate the criteria and the focus of the external auditors' work, seeking the best efficiency and profitability of both functions.

Specific Objectives

- To evaluate the audit risk of Abengoa's companies and projects in accordance with an objective procedure.
- To define various types of standard audit and internal control tasks in order to develop the corresponding Work Plans with the appropriate scope for each situation. This classification, which is linked to the Audit Risk Assessment, determines the Work Plans to be used and implies a type of appropriate recommendation and report and should therefore be used explicitly in these documents.
- To steer and coordinate the planning process for audit work and internal control in the companies and business groups, to define a notification procedure for these tasks and communication with the affected parties and to establish a method of coding these tasks for their adequate control and monitoring.
- To define the communication process of each audit job's results, the people that are affected and the format of the documents in which they appear.
- To review the application of the plans, the adequate implementation and supervision of the tasks, the timely distribution of the results and the monitoring of the recommendations and their corresponding implementation.

The Audit Committee

Pursuant to Article 47 of Law 44/2002 of December 22, of the Financial System Reform Measures, Abengoa's Board of Directors appointed an Audit Committee whose functions include the "supervision of the internal audit services" and the "understanding of the financial reporting process and the company's internal control systems".

The Corporate Internal Audit manager reports systematically to this committee in relation to his own responsibilities of:

- the Annual Internal Audit Plan and its degree of completion;
- the level of implementation of the issued recommendations;
- a sufficient description of the principle areas reviewed and the most significant conclusions;
- other more detailed explanations that the Audit Committee may require.

There are Audit Committees in other group companies to which the Internal Audit manager of the corresponding Business Group reports.

f. General Shareholders' Meetings

i) Rules of Operation.

Following the recommendation of the Special Commission for the Promotion of Transparency and Security in Financial Markets and Listed Companies, in March 2003 the Board of Directors drafted a structured and systematic regulation for the holding of shareholders' meetings, that was subject to approval at the General Shareholders' Meeting held on June 29, 2003, which unanimously approved the aforementioned regulation; a resolution that was notified to the CNMV on June 30, 2003. In addition to the provisions included in the Spanish Companies Act this regulation incorporates a basic group of rules for the good order and functioning of shareholders' meetings guaranteeing at all times, the right to information, to attend, to vote and the right to representation for shareholders. The complete text of the Rules of Operation of the General Shareholders' Meetings is available on Abengoa's website at "www.abengoa.com. (Legal and Financial / Corporate Governance / Internal Corporate Governance Rules Information)".

In accordance with the provisions of Article 19 of the Company's Bylaws, there is no limitation on the shareholders' right to vote based on the number of shares held. The right to attend General Meetings is limited to a holding of 1,500 shares, without prejudice to the right to representation and grouping that applies to all shareholders.

Quorum to Constitute: At first call: 25% of the share capital. At second call, any amount of the share capital. These amounts are the same as those established by Company law. In the event of issues related to matters under Art. 103 of Company Law, the quorum is also that established by the Law.

Quorum for adopting resolutions: by simple majority of the votes present or represented at the General Meeting. In the event of issues related to matters under Art. 103 of Company Law, the quorum is also that established by the Law.

Shareholders' rights: Right to information in accordance with the applicable legislation, right to receive, free of cost, the documentation related to the General Meeting, right to vote in proportion to his/her shareholding with no maximum limit, right to attend upon holding a minimum of 1,500 shares, economic rights (dividend, if it were the case, and to the share out of company assets), right to representation and delegation, to grouping, and to taking legal actions that fall to the shareholder.

Measures to promote the participation of the shareholders: making the documentation related to the General Meeting available to be forwarded, free of cost, to the shareholders, as well as its inclusion on the website at the time of notice of the General Meeting. Possibility of delegation and remote voting, through the completion of the attendance cards to this effect in an accredited manner.

The Company Bylaws do not limit the maximum number of votes of one shareholder, or have restrictions that hamper control-taking by means of the acquisition of shares.

The proposals about the agreements which are going to be exposed at the General Meeting are published simultaneously to the calling of the aforementioned meeting and are included in the websites of the company and CNMV.

Those subjects included in the agenda which are essentially independent are separately voted on at the Meeting, in a way that the shareholders can separately exercise their preferences to their vote, especially when it is about the appointment or ratification of members of the Board of Directors and modification of Company Bylaws.

The company allows the fractioning of votes issued by financial mediators who appear legitimized as shareholders and act instead of different customers in a way that they can submit their votes according to the individual instructions of each one of them.

The Company Bylaws specify that the chairmanship of the General Meeting shall be taken up by the Chairman or Vice-Chairman of the Board of Directors, as agreed upon by the Board itself. In accordance therewith, the General Shareholders' Meetings are chaired by the Vice-Chairman of the Board of Directors.

The Operation Regulations for the General Shareholders' Meetings, approved by the General Meeting of June 29, 2003, regulates the calling, operating, exercise of rights and resolution adoption procedures at the General Meeting, and establishes a precise and imperative framework for the holding of the General Meeting.

Likewise, the General Meeting is normally attended by a Notary Public who checks fulfillment of all the necessary requirements for the valid constitution of the meeting and the adoption of resolutions, and who issues the corresponding minutes upon completion of the Meeting.

Likewise, the Secretary to the Board (non-director), in accordance with the Company Bylaws and the Regulations of General Meetings, acts as Secretary at the same and is responsible for ensuring compliance with all legal and statutory obligations upon the calling, holding and adoption of resolutions by the General Meeting.

ii) Information on the last General Shareholders' Meeting

The Abengoa Ordinary General Shareholders' Meeting of April 15, 2007, was attended by 383 shareholders (83 present and 300 represented) out of a total 10,192 registered shareholders. The number of shares held by those present or represented was 61,042,679, or 67.47% of the total share capital.

The resolutions adopted, all by the favorable vote of the whole of the share capital present or represented, were the following:

1. Approval of the Financial Statements (composed of the Balance, Profit and Loss Account and Report) and the Abengoa, S.A. Management Report for the 2006 fiscal year.
2. Approval of the Financial Statements of the Consolidated Group (composed of the Balance, Profit and Loss Account and Consolidated Report) and the Consolidated Management Report for the 2006 fiscal year.
3. Approval of the activities and actions of the Board of Directors during the aforementioned fiscal year and the remuneration of its members, as well as that of the members of the Advisory Board to the Board of Directors of said fiscal year, as it appears in the Financial Statements.
4. Approval of the following distribution of the 2006 results whose dividend will be distributed from July 3, 2006 onwards:

	Euros
Balance of the Profit and Loss Account	24,510,147.43
Application:	
To voluntary reserves	10,034,998.63
To dividend	14,475,148.80
Total	24,510,147.43

5. Empower Mr. Felipe Benjumea Llorente, Mr. Javier Benjumea Llorente and the Secretary to the Board, Mr. Miguel Ángel Jiménez-Velasco Mazarío, so that any of them, without distinction, formalize the store of the Financial Statements and Management Report of the Company and its Consolidated Group in the Commercial Register, in the terms foreseen by the Law, identifying them with their signatures and indication of their purpose.
6. Extend the appointment of the Account Auditor of the company and its business groups, for a period of a year, for the 2007 fiscal year, pursuant to the contents of Article 204 of the Revised Text of the Spanish Companies Act, to the company "Pricewaterhouse Coopers Auditores, S.L.", with tax number B-79.031.290, located in Madrid, 43 Paseo de la Castellana, registered in the Commercial Register of Madrid, Volume 9,267, Book 8,054, Third Section, Number 87,250 and in the Account Auditors Official Register number S0242.
7. To eliminate Articles 44 letter 'ñ' and 46 from the Company Bylaws and to dissolve the Advisory Board as the statutory consultative body of the Board of Directors.
8. To modify Article 39 of the Company Bylaws, so as to increase from nine to fifteen the maximum number of members of the Board of Directors of Abengoa S.A.
9. To agree to the election, as proposed by the Appointments and Remuneration Committee, to the position of independent Director for a four-year term of Mr. Miguel Martín Fernández; to agree to the election, pending a report from the Appointments and Remuneration Committee, to the position of dominial Director, for a four-year term of Mr. Fernando Solís Martínez-Campos, Mr. Ignacio Solís Guardiola, Ms. María Teresa Benjumea Llorente and Mr. Carlos Sundheim Losada, and of Mr. Miguel Ángel Jiménez-Velasco Mazarío (the current Secretary to the Board of Directors). To also ratify for a four-year term the appointment made by cooption by the Board of Directors on April 15, 2007 of Aplicaciones Digitales S.L. represented by Mr. José B. Terceiro Lomba, as legal person director, pending the renunciation of the latter of his position as director on a personal basis.
10. Modify Article 41 of the Company Bylaws, in order to include the power of the Board of Directors to appoint a director as coordinator of the external directors, with said position having been occupied by Mr. José B. Terceiro Lomba in accordance with a resolution of the Board of Directors passed with the abstention of two executive directors.
11. To alter the minimum period of notice for a call (one month) for a General Shareholders' Meeting in Articles 24 of the Company Bylaws and 5 of the Operating Regulations of the General Shareholders' Meeting.
12. Ratify the delegation in the Board of Directors, pursuant to the contents of Article 153-1-b) of the Revised Text of the Spanish Companies Act, the faculty to increase the share capital, once or more times, so that the amount of eleven million and three hundred and eight thousand, seven hundred and ten euros (11,308,710 euros) equivalent to fifty percent (50%) of the share capital in the precise moment of the authorization, by means of money contributions, with or without

emission bonus, adopted by the Ordinary General Shareholders' Meeting, held on April 9, 2006, in the quantity and chance that the Board of Directors determines and without the need of seeking advice on the General Meeting. Likewise, according to that established in Article 159, Section 2 of the Revised Text of the Spanish Companies Act, ratify the delegation in the Board of Directors, the faculty to decide, in its case, the exclusion or not, of the right of preferential subscription in relation to the extensions that could be agreed on from the present agreement, when the foreseen circumstances compete in Section 1 of the aforementioned article, related to the social interests and whenever, in case of exclusion, the nominal value of the shares that are going to be issued, plus, in its case, the quantity of the emission bonus corresponds with the real value that results from the report of the account auditors of the company, made for that purpose, at the request of the Board of Directors. Equally, authorize the Board of Directors to give new wording of Article 6 of the Company Bylaws, related to the share capital, once the increase has been carried out, depending on the actually subscribed and paid out quantities.

Likewise, authorize the Board of Directors to request and negotiate, before the National Securities Market Commission, Governing Body of the Stock Exchange and with the mediation of any other Stock Exchange Company, the admission to negotiate in any of the Stock Exchange of the quoted shares, in relation to the shares issued according to the previously adopted agreements, when the Board of Directors considers it appropriate, with as many requirements as current provisions demand. According to that established in Article 27 of the Rules of the Official Market Stock Exchange, the declarations of the shareholders regarding this agreement will be recorded in the minutes.

Ratify and extend in all the terms and in a legal term of five years the agreement adopted in the Ordinary General Shareholders' Meeting of June 27, 2004, authorizing the Board of Directors, according to that established in Articles 282 and following of the Spanish Companies Act, and within a period of five years set by the same, to proceed to the emission of bonds, debentures and any other shares, with any denomination, representative of a loan, convertible or changeable in shares of the company or non convertible, towards the maximum quantity predicted by the Law, equivalent to the share capital paid out, plus the reserves that are exposed in the balance, dated December 31, 2003, the last one approved in the General Meeting duly inspected, and serves as the basis for the present agreement, and the regulation and update of balance accounts, when they have been accepted by the Ministry of Economy, in the amount of two hundred and sixty-one thousand five hundred and eighty-five million euros (261,585 M€), according to the terms and conditions included in the Board of Directors Report, dated April 26, 2004.

Authorize the Board of Directors to the derivative acquisition, by sale-purchase, of shares of the Company itself, either directly or through Subsidiary Companies or underlying companies up to the maximum limit established in the provisions, at a price ranging between three euro cents (0.03 euros) minimum and one hundred and twenty euros and twenty euro cents (120.20 euros) maximum per share. Use of this authorization may be made for a period of eighteen (18) months from that very date and subject to that specified in Section Four of Chapter IV of the Revised Text of the Spanish Companies Act. Expressly revoking the authorization conferred to the Board of Directors, for the same purposes, by virtue of the agreement adopted by the General Shareholders' Meeting held on April 9, 2006.

iii) Web

The company keeps its bilingual (Spanish and English) website permanently updated at www.abengoa.com.

The agreements adopted by the last General Meeting (04/15/07) are recorded on this site. Likewise, the full text of the notice of the meeting, the agenda and the resolutions that were proposed for the Meeting's approval were incorporated on the website.

On the occasion of future notice of meetings, the Company will keep the information available on them updated, for the purpose of supporting the right to information, and with this, the right to vote, of the shareholders, on equal terms.

Finally, with the regulatory and technical progress to be established, the right to vote or to electronic delegation will be guaranteed under the protection of specific legal certainty.

g. Level of monitoring of the recommendations relating to Corporate Governance

In the measure by which the information contained in the recommendation reports is less detailed and developed than the current Annual Corporate

Governance Report, we defer to it for the issues set out therein. Said Report is available at www.abengoa.com.

Likewise, pursuant to the Ministerial Order of December 22, 1999, published in Circular 1/2000 of the CNMV relating to the business development and prospects of listed companies assigned to the New Market segment, the company annually remits the relevant information required, similarly at the time of the notice of the Ordinary General Shareholders' (April 9, 2006). Said information is available at "www.abengoa.com (Legal and Financial Information / Reports to CNMV / Relevant Events; Other Communications".

h. Information Tools

i) Web (www.abengoa.com)

The obligation to provide useful, true, complete and balanced information to the market in real time would not be sufficient if the suitable methods for transmitting this information were not appropriate, guaranteeing that it is distributed effectively and usefully. As a result, the Aldama Report and the Financial System Reform Act recommend, as a product of new technologies, the use of listed companies' websites as an information tool (including historical, qualitative and quantitative company data) and a distribution tool (including timely or individualized information in real time that may be accessed by investors).

At the end of the first quarter of 2002, Abengoa therefore implemented a new company website, characterized on the one hand by a more direct, quick and efficient onscreen presentation, and on the other hand, with information content and documentation made available to the general public, focused on three fundamental aspects:

- a) Commercial: the presentation of the Company and its Business Units, press releases, newsletters, etc.
- b) Legal: communications, relevant events, Corporate Governance internal regulations, capital structure, structure of administrative bodies, typology of directors, significant shareholdings, etc.
- c) Economic: periodic reporting, annual financial statements, share price, etc.

In January of 2008, Abengoa completed a new development on its website, which largely focuses on improving requirements for accessibility, agility, presentation, access and downloading of information, while ensuring that the full contents of historical information remain available on the site.

Both the information available as well as its actual distribution portal – the website – are continually updated;

Corporate Governance, the rules that regulate it and the continually developing legislation that governs it or recommends it, are updated on an ongoing basis.

ii) Shareholder Service Department

In order to facilitate permanent contact with the company's shareholders, the Company has a Shareholder Service Department whose manager is the General Secretary, with the objective of establishing transparent and smooth communication with its shareholders and to allow access to the same timely and formatted information together with the institutional investors whose equal treatment is guaranteed. The distribution of true and reliable information on relevant events, news releases and the periodic financial-economic information is treated with particular care.

A Shareholders' mailbox is available at the website (www.abengoa.com).

iii) Investor Relations Area

With the same objective as the Shareholder Service but in relation to investors, the Company has an Investor Relations Department and stock market analysts responsible to the Director of Management Information Systems, assisted by the Finance Director, who is responsible for the design and implementation of the program for communication with the national and international financial markets for the purpose of conveying the principal characteristics and strategic actions of the Company.

This Annual Corporate Governance Report was unanimously approved by the Board of Directors of Abengoa, S.A. at its meeting held on February 25, 2008.

1. Composition and Appointments

Abengoa's Audit Committee was created by the Board of Directors of Abengoa, S.A. on December 2, 2002 under article 44 of the By-Laws, in order to meet the provisions on the Audit Committee set forth in Law 44/2002 on the Reform of the Financial System. Its Internal Regime Regulations were approved by the Board of Directors on February 24, 2003. Both these events were duly notified to the Stock Market National Commission as relevant fact.

The Audit Committee is entirely composed of non-executive directors, being its current composition, along with the date of appointment of each director, included below.

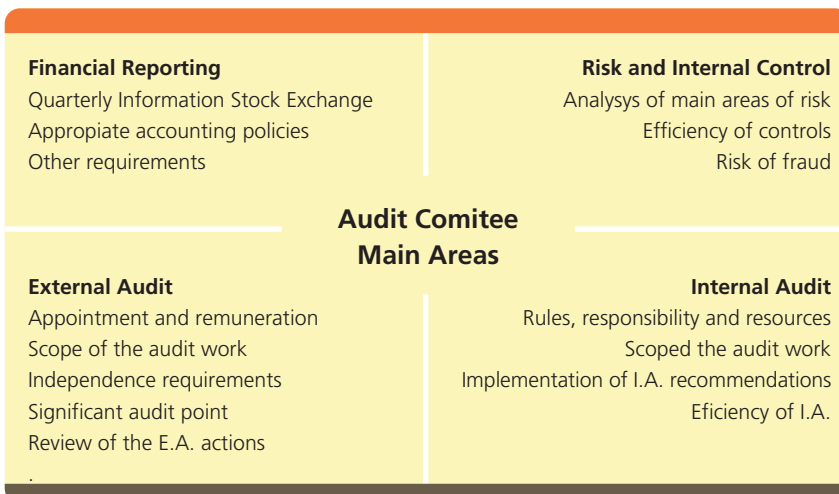
Chairman	Mr. Daniel Villalba Vilá	February 28, 2005
Member	Mr. José B. Terceiro Lomba	February 24, 2003
Member	Mr. José J. Abaurre Llorente	February 24, 2003
Member	Ms. Mercedes Gracia Díez	December 12, 2005
Member	D Miguel Martín Fernández	April 15, 2007
Secretary	D. Miguel Angel Jiménez-Velasco	February 24, 2003

Strengthening and efficiency in the performing of functions of the Board of Directors require the incorporation of Specialist committees. Thus, work is diversified, and it is guaranteed that with specific, relevant issues, proposals and resolutions go through a specialist and independent body beforehand, which is able to filter and report on its decisions, in order to reinforce guarantees of objectivity and reflection on its resolutions.

2. Activities Executed

During the year 2007, the Audit Committee met 4 times.

To comply with its essential function of acting as support to the Board of Directors, the main activities that have been handled and analysed by the Audit Committee can be grouped in four different areas of competence:



2.1. Financial Reporting

The Group's financial information consists basically of the consolidated financial statements, drawn up quarterly, and the full consolidated Annual Accounts, drawn up annually.

This information is prepared on the basis of the reporting that all the Group companies are obliged to submit.

The information sent by each one of the individual companies is verified by both the Group's internal auditors and the external auditors, in order to ensure that the information is true and provides an accurate picture of the company.

Although Abengoa has made a significant effort over recent years to reduce the time taken to submit group financial information, we believe that the aforementioned time periods can be further reduced; in order to achieve this, work is continuing on developing new tools and information systems.

One of the recurrent and most important activities of the Audit Committee is the verification of the economic and financial information prepared by the Group, prior to its submission to the Board of Directors of Abengoa and the Stock Market regulatory bodies (Stock Market National Commission).

Furthermore, in connection with these tasks of reviewing the financial statements and the processes followed in preparing them, the Committee has been informed of all the relevant changes in international accounting and financial reporting standards.

2.2. Risk and Internal Audit and Control

The Audit Committee's functions include "to supervise the internal audit services" and "to know the financial information and "to know the company's financial information system and internal control systems".

In order to supervise the adequacy, adaptation and efficient functioning of the internal control systems, the Committee has been systematically informed during financial year 2007 by the person responsible within Corporate Internal Auditing, in relation to the following activities:

- the Annual Internal Audit Plan and the extent to which it is met;
- the extent to which the recommendations issued have been implemented;
- an adequate description of the main areas reviewed and the most significant conclusions;
- any other more detailed explanations that the Audit Committee may require.

In 2007, the Audit Committee recorded and supervised the Internal Audit Department's execution of a total of 578 missions -The Annual Audit Plan established for the year accounted for 573 missions-. The missions not provided for in the Plan relate mainly to general reviews of companies that had not been included in the initial planning.

As a consequence of this audit activity, 449 recommendations were issued, which either have already been implemented or are in the process of implementation by the different companies.

The increase in the number of recommendations issued with regard to prior periods was mainly due to the fact that, for the first time in 2007, the Internal Audit function conducted audits in accordance with the Public

Company Accounting Oversight Board (PCAOB) audit standards to evaluate the effectiveness of the internal control over financial reporting in business groups not required to comply with the Sarbanes-Oxley (SOX) Act.

The Sarbanes Oxley Act was passed by the United States Congress in 2002 to guarantee transparency and truthfulness of financial information submitted by companies quoted on the US stock market ("SEC registrants"), thereby restoring trust lost by investors in the financial system following the financial scandals which occurred in 2001. Section 404 of the Act requires company management to assess and report on the effectiveness of the company's internal control. It also requires a company's independent auditor, registered with the Public Company Accounting Oversight Board (PCAOB) to evaluate and issue an opinion on the effectiveness of the company's internal control.

Despite only one of the business groups of Abengoa – Information Technologies – is currently required to comply with SOX, the aim has been for the whole group to be part of this project.

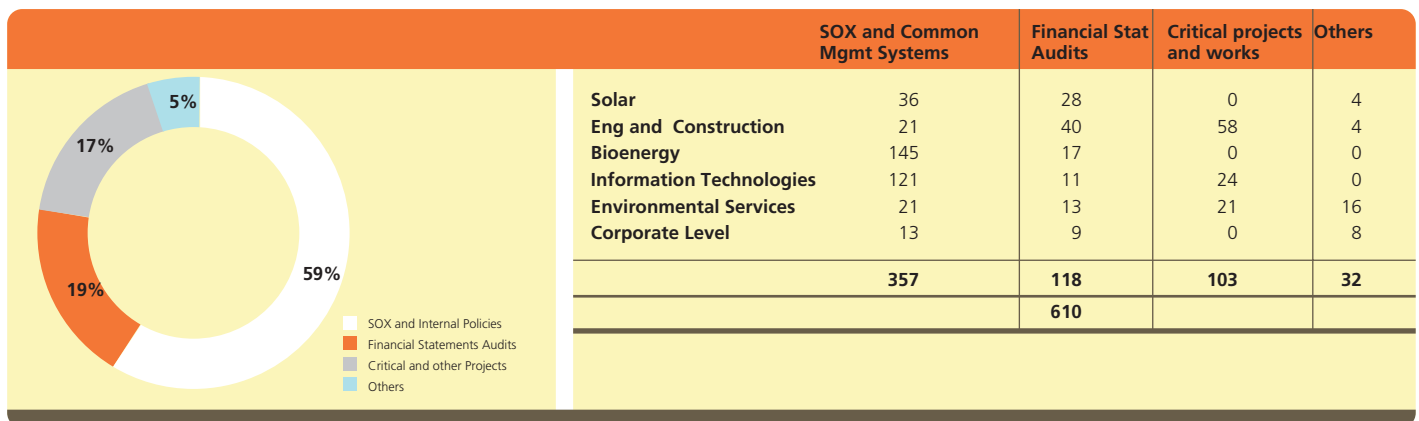
This is the result of Management response to the rapid expansion experienced by the group over recent years - as well as expectations of future growth - and the commitment to continue to guarantee investors the preparation of accurate, timely and comprehensive financial statements in accordance with generally accepted accounting principles.

The process of adapting the internal control over financial reporting to the requirements set out by the SOX Act has been completed in 2007.

During the course of the financial year the Audit Committee has been kept informed in a timely manner of the progress and conclusions of the SOX audits.

The following table shows the structure by Business Group of the internal audits performed during the 2007 financial year:

Internal Audit Tasks 2007



2.3. External Audit

The Audit Committee's functions include ensuring the independence of the external auditor, proposing the appointment or renewal thereof to the Board of Directors and approving its fees.

The auditor of the Abengoa, S.A. individual and consolidated annual accounts is PricewaterhouseCoopers, also the main auditor of the group. The Audit Committee proposed the appointment of PricewaterhouseCoopers to be brought up in the General Shareholders' Meeting due to the knowledge of the group it has proven and to its prior performance, which has been regarded as very positive by the Committee itself, as well as by company management.

Nonetheless, a significant part of the group, basically that corresponding to the business units Environmental Services (Befesa) and Information Technologies (Telvent), is being audited by Deloitte. In addition, other audit companies are working in partnership in small companies, both in Spain and abroad, although their scope may not be considered significant.

The same distribution has been set for SOX audits, so that integrated audits – both financial and internal control – could be performed by the external auditors.

The policy of Abengoa is that all group companies be audited by external auditors, even when it is not required by law.

The global amount of the fees agreed with the external auditors for the audit of the year 2007, including the review of the periodic information and the audit of the company listed in the USA applying US GAAP, and the distribution thereof is shown in the chart below:

Global fees paid to auditing firms

	Firm	Fee	Companies
Spain	PwC	827,031	19
Spain	Deloitte (*)	1,562,394	27
Spain	Other firms	68,875	25
Rest of the world	PwC	797,735	64
Rest of the world	Deloitte	1,020,642	24
Rest of the world	Other firms	261,054	14
Total		4,537,731	173

(*) It includes, among other figures, the fees corresponding to the review of the quarter financial results under US GAAP of the subsidiary

The Audit Committee is also responsible for supervising the results of the work of the external auditors. In order to do this, it is promptly informed of their conclusions and any incidents detected in the course of their reviews.

When required in this regard, the external auditor has attended Audit Committee meetings in order to report on its field of competence, which are basically as follows:

- The review of the financial statements of the consolidated group and its companies and the issuance of an audit opinion thereon.

Although the opinion refers to the financial statements closed on 31 December of each financial year, the work performed by the auditors in each company includes a review of a previous accounting period end, usually that of the third quarter of the year (September), in order to anticipate any significant matters or operations that have arisen up to that date. In addition, reviews were performed of the quarterly financial statements prepared in order to present the information required by official bodies.

Likewise, we highlight the fact that the consolidated financial statements of the following parent companies of their respective business units (and subsidiaries) have likewise been audited: Abeinsa, Befesa, Telvent GIT, Abengoa Bioenergy and Abengoa Solar.

- Evaluation of the internal control over financial reporting and issuance of an audit opinion in accordance with PCAOB standards (SOX compliance audit).

An advanced auditing approach is the use of prior analysis of the company's internal control in order to reduce the performing of substantive procedures in areas in which controls are appropriate.

Although external auditors have already been using this approach, it has been reinforced during the 2007 financial year with the implementation of SOX and the performing of an audit of internal control based on PCAOB (Public Company Accounting Oversight Board) audit standards, applicable to companies quoted on the stock market in the United States (SEC registrants). The specific PCAOB guidelines imply the performance of a series of additional audit procedures. The SEC (Security Exchange Commission), delegates the PCAOB to draft and issue the standards to be complied with by external auditors in their evaluation of internal control as part of an integrated audit.

In 2007, external auditors performed an integrated audit in accordance with PCAOB standards, and adapted their methodology to AS5 (Audit Standard No. 5), which was recently approved in 2007. In applying this standard, they have evaluated internal control, following the "Top-Down risk-based" approach. External auditors identify areas of significant risk and evaluate internal control over these areas starting with those controls performed by Management at the entity level - corporate and monitoring controls -. When entity-level controls do not provide enough comfort over a specific area, the auditor should then perform additional procedures at the process level.

As a result of the SOX audit, external auditors have issued an opinion containing the conclusions of their evaluation of internal control. This audit opinion is additional to that issued in regard with annual accounts, although the PCAOB allows both opinions to be included in the same document.

- Matters of special interest

For certain specific matters or operations, a preview of the auditors' opinion on the accounting principles adopted by the company is obtained, so that to an agreement on those principles can be reached ahead.

3. Audit Committee Internal Regime Regulations

The Internal Regime Regulations of the Audit Committee were approved by the Board of Directors on February 24, 2003. They state that:

- Composition and Appointment:

It shall be formed permanently by three members of the Board of Directors as a minimum. At least two of them will be non-executive Board Members, thus complying with the majority of non-executive members provided for in Law 44/2002.

Members shall be appointed for a maximum term of office of four years, which may be renewed for further terms of the same duration.

- Chairman and Secretary:

The Audit Committee will initially elect its Chairman from among all its members who are non-executive Board Members.

The Secretary to the Board of Directors shall act as Secretary to the Committee.

- Functions and Competencies:

The functions and competencies of the Audit Committee are as follows:

1. To inform on the Annual Accounts and the six-monthly and quarterly Financial Statements that must be sent to the market regulatory or supervisory bodies, mentioning the internal control systems, the control of the monitoring thereof and compliance therewith through internal audit and, when appropriate, the accounting principles applied.
2. To inform the Board of any change in accounting principles and the balance sheet and off-balance sheet risks.
3. To inform the General Shareholders' Meeting on the issues raised thereat by shareholders in relation to matters that fall within its competency.
4. To propose the appointment of the external Account Auditors to the Board of Directors, in order for the proposal to be submitted to the General Shareholders' Meeting.
5. To supervise the Internal Audit services. The Committee will have full access to the Internal Audit and will inform during the process of choosing, appointing, renewing and/or removing the manager thereof and fixing his remuneration, likewise informing on the budget of this Department.
6. To know the company's financial information system and internal control systems.
7. To be in contact with the external auditors to receive information on any issues that may jeopardize said auditors' independence and/or any other issues related to the account auditing process.

8. To call the Board Members it sees fit to attend to the Committee meetings, so that they can inform to the extent decided by the Committee.
9. To prepare an annual report on the Audit Committee's activities, which must be published together with the Annual Accounts for the year.

• Meetings and Notice:

The Audit Committee shall meet on the occasions required to perform the functions stated in the preceding article, which must be at least once a quarter. In general, the meetings will be held at the company's registered office, although the members may designate a different place for a specific meeting.

The Audit Committee shall also meet whenever a meeting is called by the Chairman, at his own initiative or at the request of any member of the Committee. Members of the Committee may, in any case, inform the Chairman of the advisability of including a certain matter on the Agenda of the following meeting. Notice shall be given sufficiently in advance, not less than three days, and in writing, including the Agenda. However, a meeting of the Audit Committee will be valid when all its members are present and they agree to hold the meeting.

• Quorum:

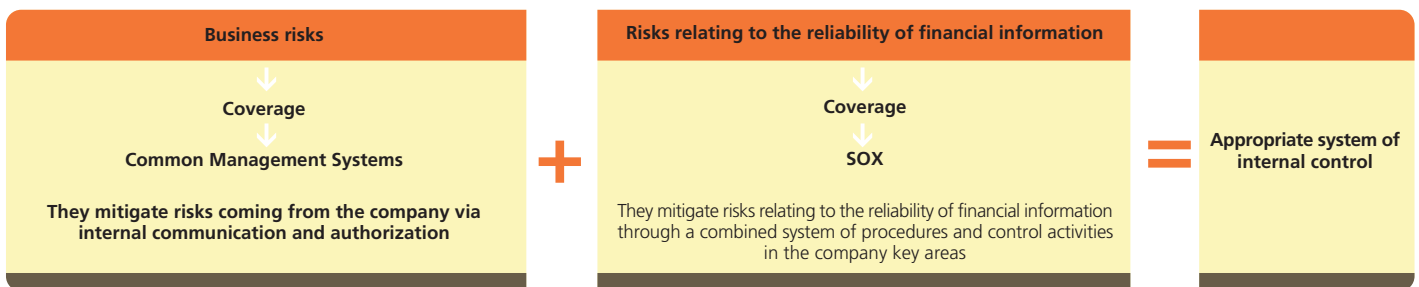
The Audit Committee shall be considered to have a valid quorum when a majority of its members are present. Attendance may only be delegated to a non-executive Board Member.

A resolution is deemed valid where a majority of the Committee members in attendance vote in favour. In the event of a tie, the Chairman shall have the casting vote.

4. The Risk Management Model in Abengoa

In a Group like Abengoa, with more than 500 companies, presence in more than 70 countries and more than 23,900 employees, it is indispensable to define a common business management system that allows it to work effectively on a coordinated and consistent basis.

Our Risk Management model is composed of two fundamental elements:



Abengoa manages its risks using the following model, which is intended to identify any potential risks in a business.

Environmental Risk

Catastrophic Losses

Relations with Shareholders

Internal Procedures Risks

Operations

Management

Financial

Compliance / Environment

Authority

Credit

Product Failures

Communications

Currency

Interruptions

Information Processes

Liquidity

Efficiency

Access

Human Resources

Availability

Erosion of the Commercial Framework

Relevance

Integrity

Decision - Making Information Risks

Operations

Financial

Strategic

Contractual Undertaking

Regulator Report

Environm . Evaluation

Price Setting

Erroneous Information

Strategic Planning

Taxes

The procedures aimed at eliminating the above business risks identified are instrumented through the so-called Shared Management Systems.

“Shared Management Systems” are there to identify both the risks included in the current model, and the monitoring activities mitigating them. They therefore put the internal rules for action into practice and represent a common culture in the management of Abengoa’s businesses.

Through the Shared Management Systems, it is also possible to:

- Optimize day-to-day management, applying procedures favouring financial efficiency, a reduction in expenses and the standardization and compatibility of information and management systems.
- Promote synergies and value creation by Abengoa’s business units, working in an environment of co-operation.
- Reinforce the corporate identity, with all the Abengoa companies respecting the shared values.
- Attain growth by strategic development seeking innovation and new options in the medium- and long-term.

The Systems cover the whole organization at three levels:

- all the Business Units and areas of activity
- all levels of responsibility
- all kinds of operations

Meeting the provisions of the Shared Management Systems is compulsory for the whole organization and, therefore, they must be known to all the members thereof. Any exceptions to the fulfillment of these Systems must be made known to the person concerned and appropriately authorized.

The Shared Management Systems are submitted to a permanent updating process, which allows the best practices to be included in each one of its fields of action. In order to enable dissemination the successive updates are immediately notified to the organization using computing media.

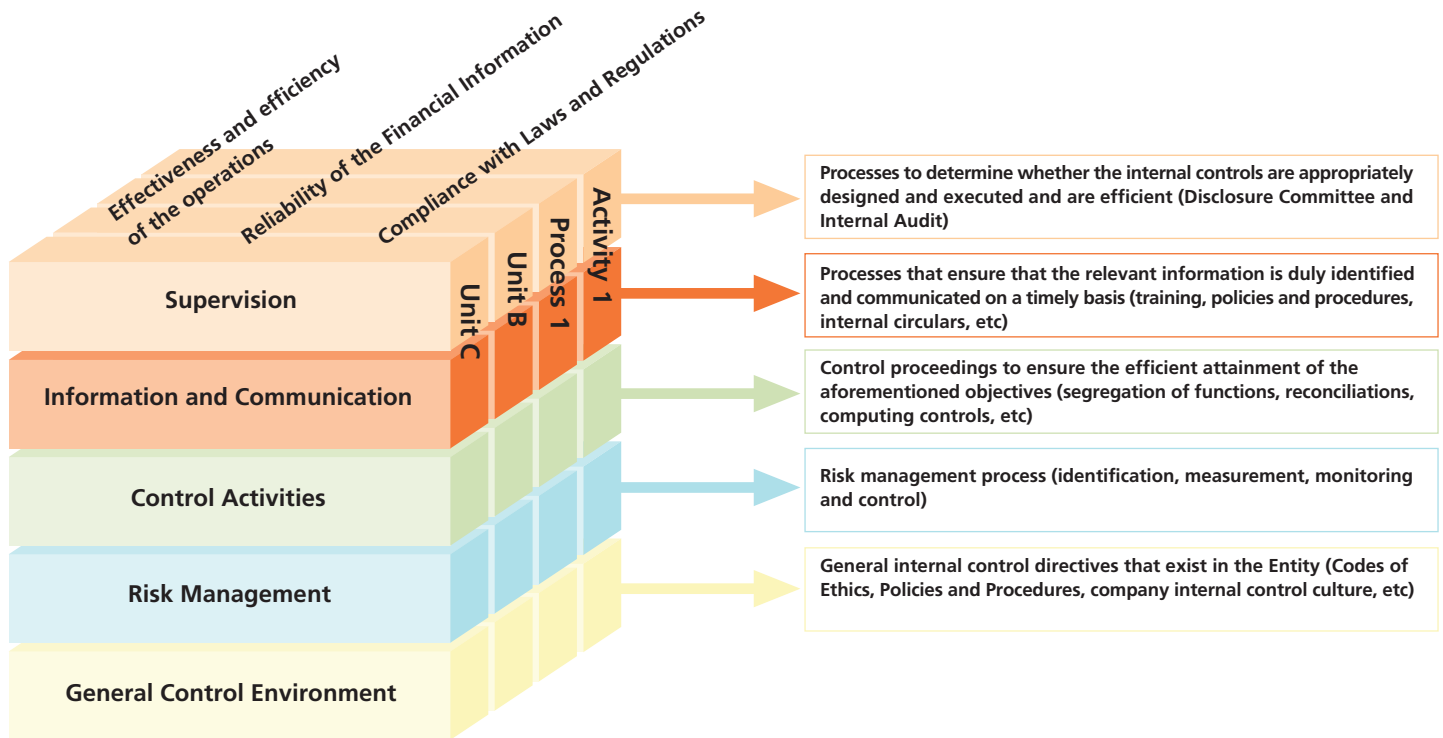
Those responsible for each one of the rules that form the Shared Management Systems must verify and certify compliance with said procedures. Each year’s certification is issued and presented to the Audit Committee during January of the following year.

In addition, since 2004 Abengoa has been bringing its financial reporting internal control structure into line with the requirements of the SOX Act. As mentioned in foregoing paragraphs, the aforementioned adaptation process was completed in 2007, although it will continue to be implemented in future company acquisitions.

Although, according to the instructions of the Securities and Exchange Commission (SEC), the above-mentioned law is mandatory for companies and groups that are listed on the North American market, Abengoa considers it necessary to comply with these requirements not only in the case of its subsidiary listed on Nasdaq but for all the companies, as it entails completing its risk control model.

Abengoa considers that an appropriate internal control system must ensure that all the relevant financial information is reliable and known to Management. Thus it is considered that the model developed in the SOX complements and completes our Shared Management Systems, the main purpose of which is to control and mitigate business risks.

The conceptual reference framework taken is the COSO, which is the most similar to the approach required by the SOX and defines internal control as the process carried out in order to provide a reasonable degree of security in relation to the attainment of objectives such as compliance with laws and regulations, reliability of the financial information and effectiveness and efficiency in the operations.



Supervision and Control of the Risk Management Model.

The Abengoa supervision and control of the risk management model are structured around the Joint Audit Services, which include the audit teams of the Companies, Business Units and Corporate Services and act in a coordinated manner, reporting to the Audit Committee of the Board of Directors.

From among their strategic objectives, we can highlight:

- Forestalling the audit risks of the Group's Companies, Projects and Activities, such as frauds, capital losses, operating inefficiencies and, in general, risks that may affect the favourable progress of the business.
- Controlling the application and promoting the development of appropriate and efficient management rules and procedures, in accordance with the Shared Corporate Management Systems.
- Creating value for Abengoa, by promoting the building of synergies and the monitoring of optimal management practices.
- Coordinating and criteria and approaches of the work with the external auditors, seeking the greatest efficiency and profitability of both functions.
- As a consequence of the adoption of the Sarbanes-Oxley Act requirements described in the preceding section, the security and reliability of the financial information must be guaranteed by checking the controls put in place for this purpose and ensuring they operate correctly.

In order to fulfil these strategic objectives, the Joint Audit Services have the following specific objectives:

- Evaluating the Audit Risk of Abengoa Companies and Projects following an objective procedure.
- Defining standard types of Internal Audit and Control work, in order to develop the pertinent Work Plans with the scope appropriate to each situation. This methodology, based on appraisal of audit risks, determines plans for audits to be performed.
- Guiding and coordinating the internal audit and control work planning processes of the Companies and Business Units, defining a procedure for notification of said work and communication with the parties involved and establishing a coding system for the work, so that it can be appropriately controlled and monitored.
- Defining the process for communicating the results of each piece of audit work, the persons affected and the format of the documents in which it materializes.
- Reviewing the application of the plans, the appropriate performance and supervision of the work, the prompt distribution of the results and the monitoring of the recommendations and the implementation thereof.
- Reviewing the correct operation of the manual and automatic controls identified in the processes, together with the evidence of control, in order to guarantee security in obtaining the financial information.

An Internal Audit Plan will be drawn up annually, its scope being determined by:

- the evaluation of the risk of the different companies, areas and projects
- the circumstances in each one of them at any given moment
- and the Audit Committee requirements

The evaluation of the audit risk is made for each project, company and Business Unit. In this respect, audit risk is defined as any possible event that might have a negative effect on the business, such as fraud, capital losses or operating inefficiencies. The risk evaluation allows us to find out the areas on which we should focus our attention and work.

Planning seeks to guarantee that the risk areas identified will be covered by work that mitigates or eliminates the risks and allows them to be adequately identified, controlled and monitored. The result of this planning is the Annual Internal Audit Plan.

The Annual Plan establishes the types of work to be performed and the scope of each one of them. Depending on the proposed scope, general company reviews, reviews of specific areas, procedure review or special work are proposed.

The Annual Plan is continually monitored by the Audit Committee, which is informed systematically on both the progress thereof and the results obtained in the reviews performed.

For each of the tasks planned, once the field work has been performed, recommendations are identified that imply, not only that both legal and internal regulations are applied, but also that the best management practices in the pertinent area of activity are incorporated. These recommendations are classified as major or minor, depending on the importance of the area affected or, if applicable, the economic impact they imply.

Traditionally, the main objective sought by internal audit has been the control of audit risk, defined as any risk that affects the business and that it is possible for Management to estimate, evaluate and control. Since the implementation of SOX, without forgetting the aforementioned objective, the correct operation of the controls put in place by the company in order to guarantee the reliability and veracity of the Abengoa's financial information must also be guaranteed.

Each Abengoa activity, project and company must have a preliminary audit risk evaluation that allows appropriate planning of the reviews to be performed. This risk estimate must follow objective criteria common to all the Group and will be the responsibility of the Internal Audit and Control Department, at the level of Joint Services that corresponds to each specific case.

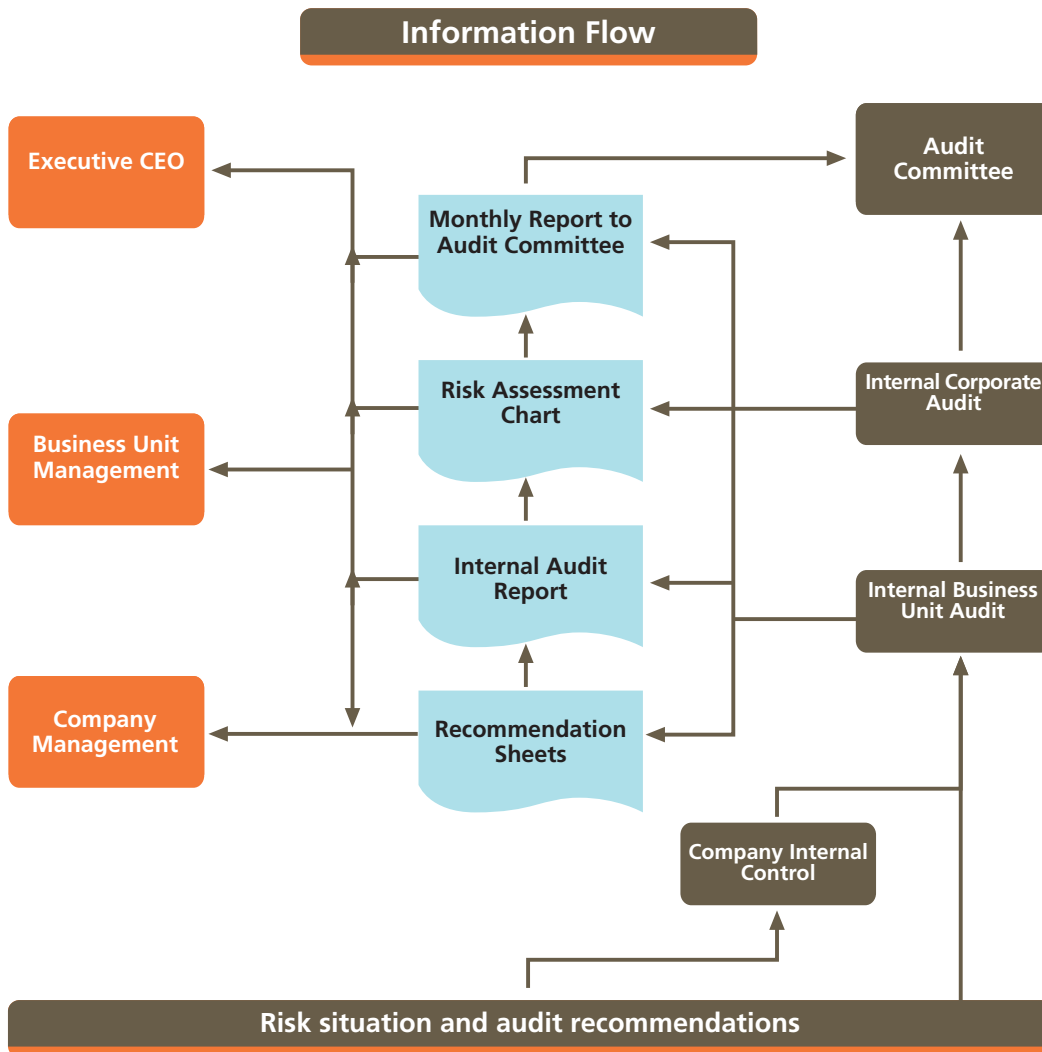
In relation to the above, the Internal Audit and Control function should exceed a mere supervisory approach and, without decreasing the inspection and review activity, should actively promote improvements with immediate repercussions on the optimization of processes and businesses, the obtaining of synergies and, in short, the creation of value for Abengoa.

In both the focus of the work and the planning, performance, documentation, programs and notification of results thereof, coordination with the external auditors should prevail, so that the work of the two functions is not duplicated and Abengoa's internal audit and control procedures are validated and may be deemed to be adequate audit proof to support the external auditor in his opinion.

To attain this objective, a standardization of all the work cycles and documentation that contribute to the consistency of the work of Abengoa's internal auditors will be fomented.

Following the doctrine of The Institute of Internal Auditors and its Spanish branch, Instituto de Auditores Internos, the ultimate purpose of this structure is to provide the Management of Abengoa and of each of its Business Units with an extra "control" flow of information, running parallel to the normal hierarchical flow, but with permanent horizontal information channels between each one of the hierarchical levels of the Companies and Business Units and the pertinent Internal Audit services, applying clear and transparent criteria and safeguarding the confidential information involved.

This structure is shown in the following diagram :



Introduction

The Appointments and Remuneration Committee was set up on February 24, 2003, by the Board of Directors of Abengoa, S. A., in accordance with Article 29 of the Board of Directors Rules and Regulations, in order to incorporate the recommendations regarding the Appointments and Remuneration Committee under the terms of the Financial System Reform Act (44/2002). During the meeting referred to above the Board of Directors also approved, its Internal Rules and Regulations.

Composition

The Committee is currently composed of the following members:

- | | |
|--|---|
| - Carlos Sebastián Gascón | Chairman. Non-executive independent officer |
| - Aplicaciones Digitales, S. L.
(Represented by Mr. José B. Terceiro Lomba) | Board member. Executive officer |
| - José Luis Aya Abaurre | Board member. Non-executive officer representing shareholders |
| - Ignacio de Polanco Moreno (*) | Board member. Non-executive independent officer |
| - Daniel Villalba Vilá | Board member. Non-executive independent officer |
| - José Marcos Romero | Non-board member secretary |

(*) Until 10-22-07 when his resignation, due to an increase in his other professional activities, was accepted.

The Secretary was appointed at the Appointments and Remuneration Committee meeting held on January 28, 2004 by circular resolution; the Chairman was, in turn, appointed at the Appointments and Remuneration Committee meeting held on October 19, 2006.

As a result, the Appointments and Remuneration Committee is composed of an executive officer and three non-executive officers, thereby meeting the requirements established under the Financial System Reform Act. Likewise, and in accordance with the provisions of Article 2 of its Internal Rules and Regulations, the office of Chairman of the Committee falls compulsorily to a non-executive officer.

Duties and Powers

The duties and powers of the Appointments and Remuneration Committee are as follows:

1. To report to the Board of Directors on appointments, re-elections, resignations and remuneration of Board members, as well as on the general policy regarding remuneration and incentives for board members and senior management.

2. To inform in advance of all proposals the Board of Directors intends to submit to the General Shareholders Meeting regarding the appointment or removal of directors, including in the event of co-optation by the Board of Directors itself; to confirm on a yearly basis adherence to the conditions for appointment of a director, as well as the nature or typology assigned to him or her, for inclusion in the Annual Report. The Appointments and Remuneration Committee, when filling vacancies as they arise, will ensure that the selection procedures do not implicitly hinder the selection of female directors, and that women matching the profile being sought are included among the potential candidates.
3. To draft an annual report on the activities of the Appointments and Remuneration Committee for inclusion in the management report.

Sessions and calling of meetings

In order to perform the aforementioned duties, the Appointments and Remuneration Committee will meet on as many occasions as necessary, and at least every six months. It will also meet whenever called by the Chairman. Finally, the meeting will be deemed valid when all members are present and they agree to hold a session.

During the 2007 fiscal year, the Committee held eight meetings. Among the issues dealt with, particularly significant were the issuing of a report on the current suitability of the Advisory Board to the Board of Directors and the proposal, where appropriate, for its dissolution, as well as the report justifying amendment of bylaws and the proposal to the Board of Directors of the Operational Procedure of the Coordinating Director of the Board of Directors of Abengoa, S.A., acceptance of the resignations as independent director of Mr. Ignacio de Polanco Moreno and that of Mr. Javier Benjumea Llorente as vice-chairman, as well as the appointment of Aplicaciones Digitales. S. L. (Aplidig, represented by Mr. José B. Terceiro Lomba), current Coordinating Director, as vice-chairman of the Board of Directors, proposing the vice-chairman, together with the chairman of the Board, as physical representative of Abengoa in his position as chairman of the Board of the Focus-Abengoa Foundation, as well as in those foundations and institutions in which the company is, or should be, represented.

Quorum

The Committee Meeting is deemed quorate when the majority of its members are present. Only non-executive officers may serve as proxies for other members.

The resolutions adopted will be valid when voted for by the majority of Committee members, either in person or by representation. In the event of a tie, the Chairman shall cast the deciding vote.

The company's remuneration officer director shall attend Committee meetings acting as the Committee's secretary.

Information submitted to the Committee

- Monitoring and evolution of payment of members of the Board of Directors and company senior management.
- Proposal for payment of members of the Board of Directors and company senior management.

- Preparation of pertinent information for inclusion in the annual financial statements.
- Issuing of the report on the current suitability of the Advisory Board to the Board of Directors.
- Proposal, where appropriate, for dissolution of the Advisory Board. Report justifying and proposing amendment of Company Bylaws, Article 44, letter ñ and 46.
- Proposal to increase the maximum number of directors. Report justifying and proposing amendment of Company Bylaws, Article 39.
- Proposal to increase the maximum number of vice-chairpersons of the Board of Directors. Report justifying and proposing amendment of Company Bylaws, Article 41.
- Proposal for approval by the Board of Directors of the Operational Procedure of the Coordination Director of the Board of Directors of Abengoa, S.A., as well as appointment of Mr. José B. Terceiro Lomba to the aforementioned position.
- Proposal to the Board of Directors for the appointment through the General Shareholders' Meeting as members of the Board of Directors of Mr. Miguel Martín Fernández, as an independent director, Mr. Ignacio Solís Guardiola, Mr. Fernando Solís Martínez-Campos, Mr. Carlos Sundheim Losada and Ms. María Teresa Benjumea Llorente, as directors representing shareholders, and Mr. Miguel Ángel Jiménez-Velasco Mazario in order to fill the existing vacancy following appointment of the aforementioned persons and the increase in the number of members from nine to fifteen.
- Propose to the Board of Directors the report on payment of members of the Board of Directors and of the Chairman.
- Reports on market research prepared by independent experts and payment comparisons.

Principles and scope of the Corporate Social Responsibility Report

This report, which follows that of 2006, seeks to give the most complete and faithful picture possible of Abengoa. To this end, it covers all relevant information and reflects the development of its activities from January 1 to December 31 of the year 2007. It encompasses all the countries and sectors in which Abengoa's business groups carry out their activities. The information contained in this report deals with all aspects and indicators reflecting significant, social, environmental and economic impacts of Abengoa or of those who may have an influence on the evaluations and decisions of stakeholders. Furthermore, it provides references to previous fiscal years in order to obtain a more meaningful evaluation of the company's current situation.

Since 2003, Abengoa has been publishing its annual reports on corporate social responsibility in accordance with the criteria and guidelines of the Global Reporting Initiative (GRI), and this year it has adopted GRI Version 3 for informing its stakeholders. The G3 guide, which can be found at www.globalreporting.org, includes a set of orientations with the aim of defining report contents, scope and coverage, as well as ensuring the quality of information disclosed. This report includes a GRI index for those who wish to locate the main GRI principles and indicators within the text.

In creating this report, there has been an effort to inform and illustrate Abengoa's commitment to the Global Compact, the principles of which guide its action, activity and strategy, emphasizing the importance the company gives to respect for fundamental rights and to the Environment in harmony with a business model based on sustainable development.




All of the information contained here in relation to Abengoa's activity in the different sectors in which it operates, or its actions, whether social, economic or environmental, adheres to Abengoa's internal rules, the ten principles of the Global Compact, and the legislation of countries where Abengoa operates. Internal audits verify compliance in all processes, rules, action procedures and internal control established by Abengoa, and, combined with the external audits, guarantee the company's transparency.

This CSR report is part of the 2007 Annual Report, which is available at the following website: www.abengoa.com. Any comments that anyone wishes to make regarding the report or Abengoa's Corporate Social Responsibility can be submitted to the CSR mailbox, also available on the Abengoa website, or by sending a letter to the following address:

Departamento de Responsabilidad Social Corporativa

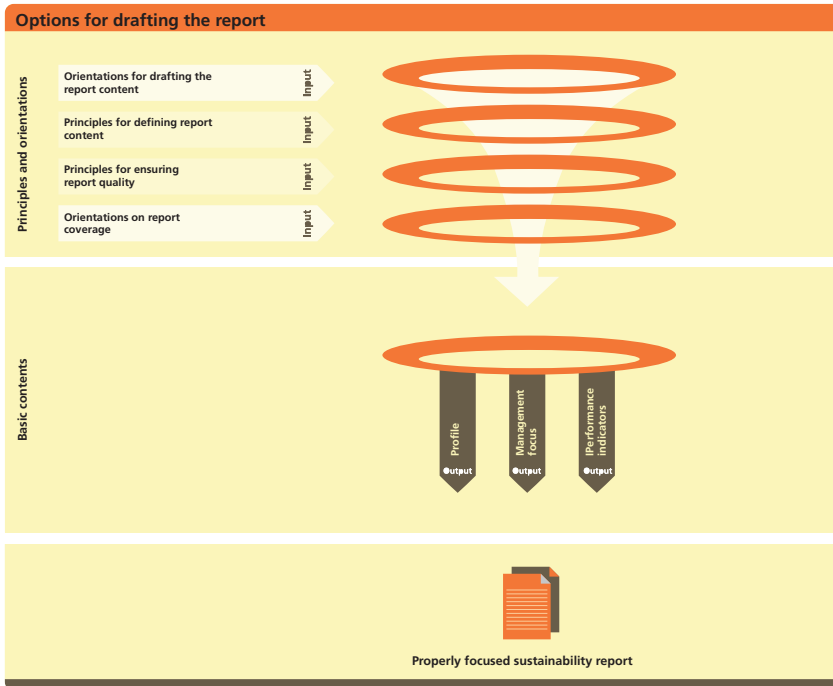
Abengoa
Avda. de la Buhaira, 2
Sevilla, España

In line with Abengoa's policy on transparency, this CSR Report has been submitted to a process of external verification by an independent expert, PricewaterhouseCoopers. This verification is carried out based on the ISAE 3000 standard, including the corresponding verification report at the end of this document, where the scope of the work conducted is outlined, as well as its main conclusions and recommendations. The report was subsequently verified in its entirety by the Global Reporting Initiative and by Abengoa management, which has given the report a grade of A+.

Self Declared Application Level	External Assurance	GRI Check
✓	✓	✓
		

Definition of contents

In the definition of contents of the report, the organization's most important matters were identified in accordance with the principles of materiality, stakeholder participation, sustainability context and coverage, which are illustrated below, and in the light of the relevance of the indicators. Moreover, in order to ensure quality of the report, its creation has aimed to following the principles of balance, comparability, accuracy, periodicity, clarity and reliability as set forth by the GRI.



(Source: Guide 3 of the Global Reporting Initiative)

Materiality

“The information contained in the report must cover those aspects and indicators that reflect significant, social, environmental and economic impacts of the organization or of those who may have a substantial impact on the evaluations and decisions of stakeholders.”

In the creation of this report, Abengoa has identified and selected the main aspects of its activity, following Version 3 of the GRI guidelines and delving into the focus of each matter according to the orientations of the different tools for dialogue with stakeholders at the company's disposal. To this end, a series of external and internal factors identified in the G3 guide were taken into account.

External factors

- **Main interests/aspects in relation to sustainable performance and indicators proposed by stakeholders.**

Although this year there has not been a formal analysis of materiality with stakeholders (which is intended to be included in the future), opinions from the main interested parties have been gathered through the dialogue tools described in the chapter titled “Abengoa and its direct stakeholders”. Said opinions were taken into account to improve and enhance the presentation of the results in this report. This year, for example, the report structure has been reorganized so that each stakeholder group can find pertinent information more easily.

- **Main issues and future challenges for the sector, as expressed by counterpart companies and competitors.**

The trends and challenges of the sector are borne in mind in defining Abengoa's strategic plan, which is reviewed twice a year. Therein risks and opportunities are defined for the next ten years for each Abengoa product and service in all of its geographical areas and markets, as well as anticipated results during that time. This strategic plan is generated through internal and external reports. A summary of the main challenges and opportunities for each business group can be found in the corresponding section of the Activity Report of Abengoa's Annual Report.

- **Relevant laws, regulations, international agreements or voluntary agreements with strategic significance for the organization and its stakeholders.**

Abengoa's activity is affected by the regulatory framework of the markets and countries in which it operates. Some examples of important legislation for the company's business are laws referring to renewable energy sources, such as the Energy Bill, in the United States, or the modifications to the Hydrocarbon Act in Spain; international agreements on emissions rights, as in the case of the Kyoto Protocol and its possible extensions; or agreements pertaining to international commerce.

Abengoa adheres to the Global Compact of the United Nations and, in 2007, also joined the United Nations "Caring for Climate" initiative. These and other voluntary agreements impose a series of company commitments that can be evaluated yearly through progress reports.

This information is contained in the chapters titled “Profile of Abengoa” and “Abengoa and Transparency”.

- **Risks, impacts and opportunities affecting sustainability and which can be reasonably estimated.**

Abengoa gears all its activity toward sustainable development and halting climate change. Therefore, in the strategic plan of each of its business groups the impact of sustainability on the company is analyzed based on information provided by market reports or internal company reports. This information is found in the letter from the chairman and the chapter entitled “Profile of Abengoa”.

Internal factors

In developing the contents of this report, aspects of an internal nature included in the GRI recommendations have been taken into account:

- **Company values, policies, strategies, operational management systems, objectives and goals.**
The culture of Abengoa is infused in the information contained in this report. In the letter from the chairman and in the chapter titled "Profile of Abengoa", the organization's values, policies, strategies, operation management systems, objectives and goals are outlined.
- **Interests and expectations of the main stakeholders that have contributed to the success of the organization.**
Internal stakeholders' interests and expectations are described in the chapter titled "Abengoa and its direct stakeholders".
- **Important risks to the organization**
Risks to the organization are analyzed at least twice a year with the aim of reviewing Abengoa's strategic plan, and in an operational way on management committees held periodically by all business groups. In addition, the organization has common management systems for managing operational risk in a centralized and global manner, helping to mitigate it or reduce its impact. These systems and risk management are described in the "Profile of Abengoa" chapter and in "Abengoa and Transparency".
- **Critical factors in making the organization's success possible**
Dialogue with direct stakeholders (described in the corresponding chapter) leads to ascertaining the critical factors that make the organization's success possible. When it comes to light that one of the Abengoa companies is incorporating better practices with respect to stakeholders than the organization average, processes are put into place for sharing and disseminating that "know-how" to the rest of the organization.
- **Main competences of the organization and their contribution to sustainable development.**
The chapters titled "Profile of Abengoa" and "Abengoa and Innovation" outline the main company competences and their contribution to sustainable development.

Exhaustiveness

"Coverage of indicators and material aspects, and the definition of report coverage must be sufficient to reflect significant social, economic and environmental impacts and so that stakeholders can evaluate the performance of the informing organization during the period covered in the report."

The aim has been to identify the implications, risks and challenges of each area activity of the organization, trying to reflect them in the report in an accessible way for a wide-ranging and heterogeneous public.

Coverage (the set of companies whose performance is described in the report) of the indicators, just like the annual financial statements, means all countries in which Abengoa operates and all subsidiaries over which the company has effective control of management, as defined in the chapter titled "Profile of Abengoa". The table below shows companies that were acquired in 2007. All of them are included within the scope of coverage in this report, unless explicitly indicated otherwise.

This is the first year in which Abengoa has adopted the G3 guide, having included in its **scope** (the range of sustainability aspects covered) all of the guide's main indicators, as well as some additional ones. The companies acquired during 2007 (see table) are at the stage of integration into Abengoa's culture of social

responsibility, and therefore the corresponding management policies are at varying stages of development. Nevertheless, there has been an aim to include information on these companies in the indicators of this report. In those cases in which the case is otherwise, an explanation is provided in the text.

Companies acquired during 2007				
Company Name		Participation	Shareholding Holding Company	Consolidated
Abener Engineering and Construction Services, Llc	(1)	51,0%	Abener Energía, S.A.	Yes
Abengoa Bioenergía Agrícola Ltda (Dedini)	(1)	99,6%	Abengoa Bioenergía Sao Joao, Ltda / Abengoa Bioenergía	Yes
Abengoa Bioenergía Cogeração I S.A (Dedini)	(1)	100,0%	Abengoa Bioenergía Sao Paulo, S.A.	Yes
Abengoa Bioenergía Santa Fé Ltda (Dedini)	(1)	100,0%	Abengoa Bioenergía Sao Luiz , S.A.	Yes
Abengoa Bioenergía Sao Joao, Ltda (Dedini)	(1)	100,0%	Abengoa Bioenergía Sao Luiz , S.A.	Yes
Abengoa Bioenergía Sao Luiz , S.A. (Dedini)	(1)	100,0%	Abengoa Bioenergía Sao Paulo S.A.	Yes
Abengoa Bioenergía Sao Paulo, S.A. (Dedini)	(1)	100,0%	Asa Bioenergy Holding Ag	Yes
Arbelux S.A.	(1)	92,0%	Asa Investment AG	Yes
Caseta Technologies, Inc	(1)	100,0%	Telvent Traffic North America, Inc.	Yes
Egeria Densam , S.L.	(1)	100,0%	Abengoa Solar PV	Yes
Galian 2002, SL (Matchmind)	(1)	94,1%	Telvent Global Services	Yes
GD 21, SL (Matchmind)	(1)	100,0%	Telvent Global Services	Yes
Matchmind Holding, S.L. (Matchmind)	(1)	60,0%	GD21, S.L. (25,81%) / Galian 2002, S.L. (34,19%)	Yes
Matchmind Ingeniería de Software, S.L. (Matchmind)	(1)	100,0%	Matchmind Holding S.L.	Yes
Matchmind S.L. (Matchmind)	(1)	100,0%	Matchmind Holding S.L.	Yes
Meramix S.A.	(1)	100,0%	Arbelux, S.A.	Yes
Orjinella, S.L.	(1)	100,0%	Abengoa Solar PV	Yes
Stellata World, S.L.	(1)	100,0%	Abengoa Solar PV	Yes
Teyma Internacional, S.A.	(1)	100,0%	Teyma Uruguay, S.A.	Yes
Tratamiento y Concentración de Líquidos, S.L.	(1)	100,0%	Befesa Gestión de Residuos Industriales, S.L.	Yes

Acquisition by Participation.

There have not been any significant changes relative to previous periods in the scope, coverage or evaluation methods applied in the report.

Stakeholders' participation

"The informing organization must identify its stakeholders and provide a description in the report of its ways of addressing their reasonable expectations and interests."

Continuous communication and transparency are fundamental aspects of Abengoa's strategy of Corporate Responsibility. The company considers that knowing about the interests and concerns of its stakeholders is the basis for designing and developing specific actions in these relationships. Abengoa has identified its stakeholders by following a criterion of impact in its business activity, and has defined stable communication channels, as described in the chapter titled "Abengoa and its direct stakeholders".

Based on the information that Abengoa obtains from its stakeholders, an effort has been made to explain the commitments and policies of Corporate Social Responsibility of the organization, the main management systems, and performance data were illustrated so that the reader can form an opinion on the company's focus and results in these matters.

The context of sustainability

“The informing organization must present its performance within the widest context of sustainability”

Abengoa focuses all of its activity on providing innovative technological solutions for development, and evaluates its performance throughout the report in the context of its contribution to direct stakeholders, the communities in which it operates and the Environment.

In 2007 Abengoa created two new units related to sustainability, whose directors hold periodic committee meetings for information and follow-up with company chairmanship. In the middle of the year, Abengoa decided to create a department of corporate social responsibility, whose mission is to define and review the company's RSC strategy, promoting initiatives that encourage dialogue with stakeholders, gather their expectations, integrating them into general company strategy. This new department is always coordinated with the Focus-Abengoa Foundation, which channels social initiatives, and with the rest of the areas of the organization, in order to thus improve contact with all stakeholders. Moreover, at the end of 2007 a general sustainable area was created, in charge of defining and reviewing Abengoa's strategy of environmental sustainability, including the analysis of all products and services offered by the company, as well as evaluation of alignment with the organization's environmental strategy.

The company has been very active in communication and dissemination of the importance of sustainability. In 2007 seminars were organized for employees on themes such as climate change, sustainability, or renewable energy sources; forums for heightening society's awareness, such as the Focus-Abengoa Forum on Climate Change; numerous articles were published internally and externally on these subjects, being distributed to different company stakeholders and included on the website; a decision was made to restructure the website contents around the foundations of the organization's business model; environmental sustainability, social responsibility and transparency and efficiency in management. A blog was also posted which is made up of opinion articles in which company members can share their point of view with the rest of the community on matters within these strategic lines. This blog, accessible through the corporate website, is open to comments from any reader with the aim of encouraging dialogue with all stakeholders.

Through all of these initiatives, Abengoa seeks to sensitize its stakeholders and society as a whole to the imminent need to achieve well-being through sustainable economic growth for everyone so that future generations may enjoy the same resources that we have received.

INDEPENDENT ASSURANCE REPORT ON THE 2007 CORPORATE SOCIAL RESPONSIBILITY REPORT

To the Shareholders of Abengoa, S.A. (hereon Abengoa)

Scope of our work

We have been engaged by Abengoa to review whether the contents of its 2007 Corporate Social Responsibility Report is in line with the directives of the Sustainability Reporting Guidelines of the Global Reporting Initiative (GRI) version 3.0 (G3), hereon GRI-G3, and, specifically, the review of the core performance indicators established in that guidelines.

The Management of Abengoa is responsible for the preparation of the 2007 Corporate Social Responsibility Report and the information included therein, the design, implementation and maintenance of the management and internal control systems from which the information has been obtained, as well as the processes and bases of their preparation.

Our responsibility is to issue an independent report on whether the application of the Sustainability Reporting Guidelines GRI-G3 has been in accordance with self-declared level A+ with which Abengoa has defined itself, offering its readers limited assurance level in accordance with ISAE 3000 in relation to the following points:

- The information relating to the GRI-G3 core performance indicators has been reliably obtained
- The information relating to these indicators is properly accredited on the basis of internal or third party information.

Criteria and basis of our review

We have undertaken our work in accordance with the standards and procedures set down in the International Standards on Assurance Engagements (ISAE) 3000 "Assurance Engagements Other than Audits or Reviews of Historical Financial Information", issued by the International Auditing and Assurance Standards Board (IAASB).

Our review has consisted in posing questions to Management and various units of Abengoa that participated in the preparation of the Corporate Social Responsibility Report, as well as the application of certain analytical procedures and sample-based testing, which, in general, are described below:

- Interviews with the personnel of Abengoa and its Group of Companies who are responsible for the compilation of the information, in order to ascertain the management principles and approaches applied to the preparation of the 2007 Corporate Social Responsible Report and to analyse whether they are in line with the provisions of the GRI-G3 Guidelines, as well as to obtain the necessary information for the external review.
- Analysis of the processes used in compiling and validating the GRI-G3 core performance indicators presented in the 2007 Corporate Social Responsibility Report.
- Review of the activities relating to the identification and consideration of the interested parties during the year, as well as the relevance and integrity of the information included in the 2007 Corporate Social Responsibility Report based on Abengoa's understanding of the requirements of its stakeholders.

- Analysis of whether the contents of the 2007 Corporate Social Responsibility Report are in line with the GRI-G3 Guidelines.
- Verification, through sample-based testing of the quantitative and qualitative information regarding the core indicators set down in the 2007 Corporate Social Responsibility Report and whether they have been properly compiled on the basis of the data provided by Abengoa's information sources.

The scope of a limited assurance engagement is more limited than that of a reasonable assurance engagement, and therefore less assurance is provided.

Independence

We have performed our work in accordance with the independence rules set down by the Code of Ethics of the International Federation of Accountants (IFAC).

Conclusions

On the basis of the results of the application of the review procedures described above, we conclude that:

- Nothing has come to our attention that causes us to believe that the 2007 Corporate Social Responsibility Report of Abengoa has not been prepared, in all material respects, based on the criteria of the Sustainability Reporting Guidelines GRI-G3.
- We have not identified any significant deviations that would make us believe that the core performance indicators reported for the year 2007 are not consistent with the evidence reviewed and/or are not based on sources that have verifiable sources, or that the indicators have not been prepared in accordance with the guidelines of the GRI-G3.

Recommendations

Additionally, we have presented Abengoa with our recommendations for improvement to the procedures set down for the preparation of the information in the Corporate Social Responsibility Report. Our most significant recommendations refer to:

- a. Perfecting the current information compilation systems and processes.
- b. The involvement of the stakeholders in the process of identifying relevant issues, consolidating the systems for dialogue and consultation with the interested parties.



Ignacio Fernández
Partner
25 February 2008

Translation from the original in Spanish

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