

# ABENGOA

## Corporate Social Responsibility 201020102010

Innovative Solutions  
for Sustainability





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In an economic environment characterized by the financial crisis that is affecting every country to a greater or lesser degree, we must bear in mind the threat posed by failing to continue forward towards a sustainable economic model to enable the optimization of the natural resources still available to us, while championing the use of renewable energies, and categorically addressing the social and environmental costs involved by incorporating them into the price of each product.

In order to make this a reality, we need society as a whole (governments, businesses and citizens alike) to embrace an unwavering commitment to technological innovation as the only path to attaining genuine and viable solutions capable of resolving the problems associated with the current model. However, the development of new solutions calls for heavy investment, meaning that the determined involvement of Public Administration is crucial in order to create a stable, secure and long-term regulatory framework.

At Abengoa, we remain committed to developing innovative solutions with an ever-increasing technological component. We therefore seek to generate manageable and storable CSP-based electrical power to supply cities with clean electricity; produce second-generation biofuels from agricultural waste to lower CO<sub>2</sub> emissions in transportation; treat and recycle industrial waste to reduce the associated environmental impact; and desalinate water efficiently in order to optimize water resource management.

We believe that continuous growth in innovation requires continuous investment in the training and development of the 26,000-plus people who make up the Abengoa team, and to this end we dedicated 1.2 million hours in 2010. Our talent, dedication and innovative capability depend on it.

Corporations have a key role to play in social progress by generating wealth in a way that is respectful of both the environment and society. Therefore, and in addition to creating technological solutions for sustainable development, we attempt to lower the impact of our business processes through a comprehensive sustainability management system. Furthermore, through the Focus-Abengoa Foundation, we strive to improve the quality of life of the members of the communities where we operate by helping those most in need.

Our aim with this report, prepared in accordance with the principles of the Global Reporting Initiative (GRI) and the AA1000 sustainability assurance standard, is for our stakeholders and the rest of society to learn about Abengoa's performance in 2010, including our accomplishments and shortcomings, and the goals and objectives we have set for ourselves in 2011. Through our [CSR mailbox \(csr@abengoa.com\)](mailto:csr@abengoa.com), [website \(www.abengoa.com\)](http://www.abengoa.com) and [corporate blog \(blog.abengoa.com\)](http://blog.abengoa.com), we look forward to hearing and analyzing any ideas or opinions that may help us to reach our goals in our commitment to sustainability.









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Abengoa is an international company that applies **innovative technological solutions aimed at sustainable development** in the **energy and environmental** sectors to generate energy from the sun, produce biofuels, desalinate sea water and recycle industrial waste, bringing long-term value to its shareholders through a management model based on encouragement of the enterprise culture, social responsibility, transparency and professional rigor (**Mission**).

Abengoa focuses company growth on creating new technologies that contribute to sustainable development by:

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

And to this end, Abengoa...

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

Photograph taken by  
Simosa IT's María del  
Carmen Hinojosa Corbacho  
for the 2nd Edition of  
the Abengoa Sustainability  
Photograph Contest



All the foregoing through a management model rooted in the following three key concepts:

- **Corporate Social Responsibility (CSR)**, which has become a central factor in measuring the future performance of companies and ensuring the ongoing viability of their operations. CSR entails understanding that results improve to the extent that companies are able to forge relationships of trust with their stakeholders. In this regard, Abengoa is unflinchingly committed to developing a sound CSR policy capable of permeating all levels of the organization and which is taken on board during the strategic planning process.



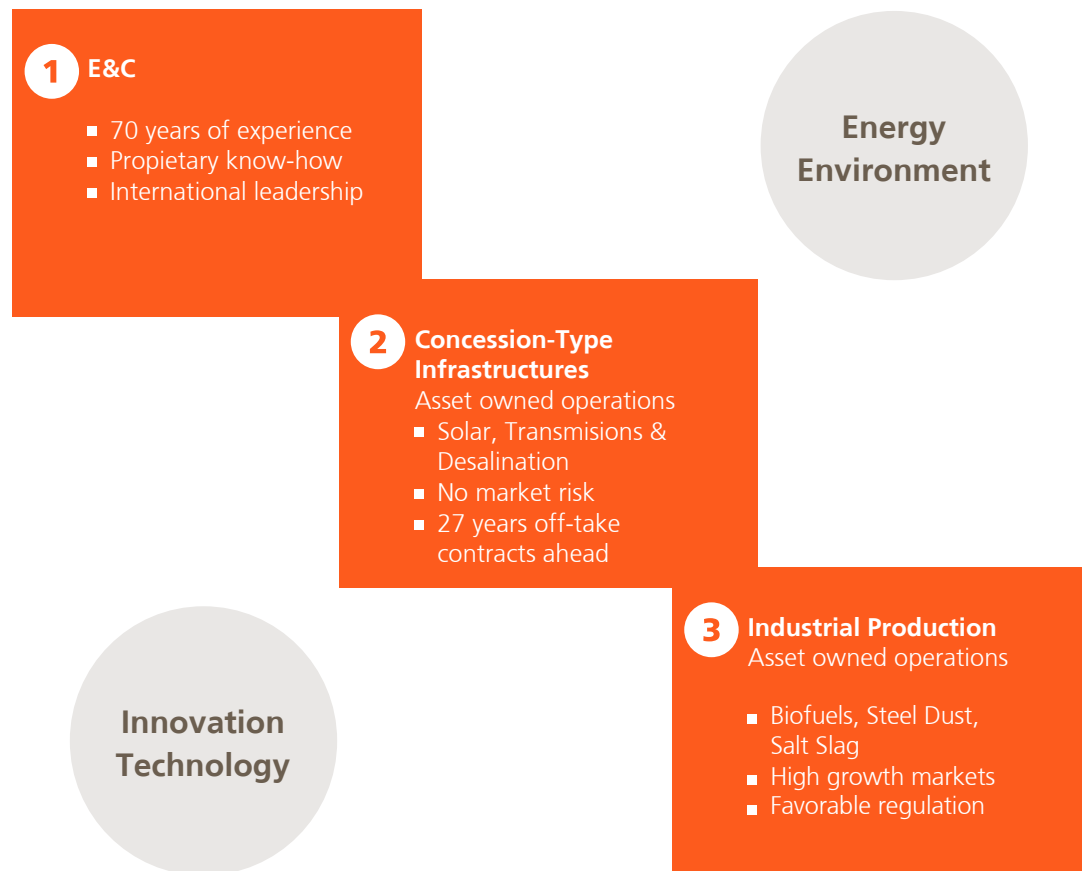
- **Managerial transparency and rigor.** Professional integrity, legality and rigor are some of the core aspects underpinning the company, and are expressly envisaged in its list of values. In fact, these values can be seen as an intrinsic part of Abengoa's identity, for the company is fully aware that an organization can only truly flourish if it embraces these ideals.
- **Championing the culture of enterprise.** Abengoa invests heavily in innovation in order to adapt to the changing world in which we live, even though this entails assuming inherent risks, seeing as though the company is convinced that the greatest risk is not assuming any risk at all. Guided by this approach, it is essential for each and every member of the company to embrace the enterprise culture and to be ready to pursue and grasp new opportunities for improving their work as these arise.

All this will enable Abengoa to cement its position as a global benchmark company in the development of technological solutions geared towards sustainable development (**Vision**).

## Sectors and Activities

Abengoa has its main headquarters in Seville (Spain) and is present, through its 600-plus subsidiaries, holding companies, facilities and offices, on the five continents

The company focuses on two sectors of activity: **Energy** and the **environment**, which account for 95 % of its revenues, and similarly on three lines of business: **Engineering** and **Construction**, **Concession-Type Infrastructures** and **Industrial Production**.



## Engineering and Construction

This area encompasses core **engineering** activity in **energy**, **water**, and **information technologies**, a field in which the company boasts over 70 years of experience. Abengoa specializes in complex turnkey projects to construct solar thermal plants, hybrid solar-gas facilities, conventional power plants, power transmission lines, hydraulic infrastructures, including large-scale desalination plants, and biofuel plants and critical infrastructure control systems. The company is also a market leader in providing information technologies and services to critical sectors.

### 2010 Milestones

- Completion and delivery of the world's largest hybrid integrated solar combined cycle (ISCC) plant in Ain Beni Mathar (Morocco). The facility will generate 482 MW of total power, with the solar field accounting for 24 MWe, including specific consumptions associated with the generation of thermal energy from the solar field.



- Start of work on the Solana concentrating solar power plant in Arizona (USA), which currently ranks as the world's largest solar power facility thanks to its 250 MW of net power. The plant features parabolic trough technology and utilizes thermal storage from molten salts to increase the number of operational hours per day.
- Commencement of construction on two sections of the 765 kV Biswanath Chariyali - Agra direct current line (India).
- Start-up of work on the 600 kV Porto Velho - Araraquara direct current transmission line in Brazil. Spanning an impressive 2,350 km, this line is one of the world's longest direct current power lines.
- Start of work on a 300 MW cogeneration power plant in Tabasco (Mexico) for the state-owned company Petróleos Mexicanos (Pemex).
- Contract secured to carry out extension work on two wastewater treatment facilities in the cities of Brasov and Videle (Romania), which are expected to have a combined capacity of 116,000 m<sup>3</sup> per day.
- Construction of a reverse osmosis desalination plant in Qingdao (China). The facility will be able to desalinate 100,000 m<sup>3</sup> of water per day, enough to supply a population of 500,000 people with drinking water.
- Completion and delivery of three bioethanol plants, two in the United States and the other in Holland, with a combined annual capacity approaching 1,150 ML.
- Agreement signed with IBM in North America to create ITS (Intelligent Transport Solutions) mobility management solutions for small-scale transport networks, such as small and medium-sized cities.

## Concession-Type Infrastructures

Infrastructures **under concession** group together any asset operations for which we have **long-term contracts** in effect, **including take-or-pay** contracts, **power purchase agreements** and tariff-type sales contracts. This segment therefore includes solar power plants, transmission lines, cogeneration plants and desalination plants. There is **no demand risk** for these particular assets, and our efforts focus on streamlining operational aspects. Abengoa has a young asset portfolio, with an average of 27 years of envisaged operation. Furthermore, the company's investment volume in assets currently under construction will effectively double our current capacity once they begin operating.



### 2010 Milestones

- Operation of solar power plants:

In Spain, three new 50 MW **parabolic** trough solar power plants were commissioned, thus bringing the 43 MW of installed capacity in operation in 2009 to 193 MW.

Abengoa boasts 930 MW under construction in Spain, the United States and the Middle East, with the plants scheduled to be brought online over the coming three years. These projects include the ambitious Solana plant in the United States.

- Operation of power transmission lines:

Abengoa closed the year with over 4,400 km of transmission lines in operation, primarily in Brazil, where the company is the leading private power line concession firm, and also in Peru, where a 670 km line crossing the Andes at an average height of 3,000 m above sea level has been brought partially online. Over the coming years, the number of lines in operation will be effectively doubled, thanks to the Norte Brasil (Latin America's longest direct current line), Linha Verde and Manaus projects in Brazil, and the Chilca project in Peru.

- Operation of desalination plants:

2010 witnessed the start-up of the Chennai (India) plant, which is capable of generating 100,000 m<sup>3</sup> of desalinated water per day, thereby bringing the company's daily operating capacity to 375,000 m<sup>3</sup>. When the plants currently under construction in China, India and North Africa are commissioned, this capacity will leap to over 900,000 m<sup>3</sup> per day.

### Industrial Production

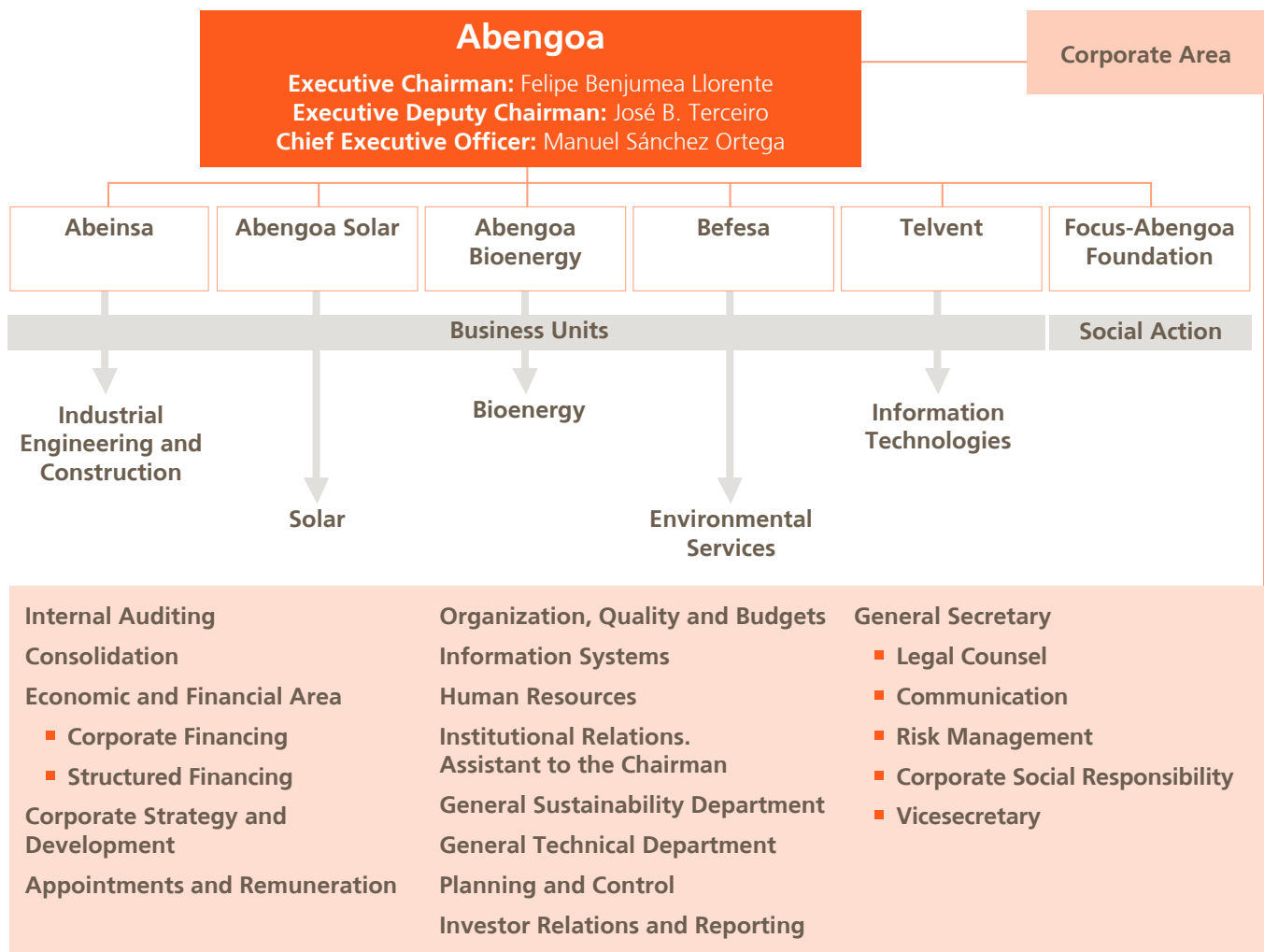
This area brings together Abengoa activities in the field of biofuels, and steel dust and salt slag recycling, which, despite being based also on proprietary assets, focus on **high-growth markets** in which the company enjoys a position of leadership. Abengoa is a European market leader in ethanol production, and also ranks sixth in North America. In recycling, the company holds a market share within Europe of over 50 % in the niche markets where it operates.



## 2010 Milestones

- Operation at full load of the bioethanol production plants in Mount Vernon, Indiana, and Madison, Illinois, both with an annual production capacity of 335 ML of bioethanol, and 230,000 t of DGS (Distilled Grains and Solubles).
- Start-up of the Europoort plant in Rotterdam (Holland), boasting an annual production capacity of 480 ML of bioethanol and 360,000 t of DGS.
- Maritime exports of bioethanol from the United States.
- Lease of a new storage terminal in Houston, Texas, with a storage capacity of 10 ML.
- Promotion and expansion of the biofuel service station network marketing E85 (blend of 15 % gasoline and 85 % ethanol) biofuel in Spain, which already includes 21 distribution points.
- The company's production units treated 562,308 t (dry) of zinc-containing iron and steel dust, up 11.9 % on figures for 2009; and 375,000 t of salt slag, marking a 57 % year-on-year increase.

These sectors and businesses are conducted through its five business units: Solar, Bioenergy, Environmental Services, Information Technologies and Industrial Engineering and Construction.





## International Presence

Abengoa operates in over 70 countries on all five continents:

### Latin America

Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Peru, Uruguay and Venezuela.

### North America

Canada and the United States.

### Europe

Austria, Belgium, Bulgaria, Czech Republic, Denmark, Finland, France, Germany, Greece, Holland, Hungary, Iceland, Ireland, Italy, Lithuania, Luxembourg, Norway, Poland, Portugal, Romania, Serbia, Slovak Republic, Spain, Sweden, Switzerland, Turkey and the United Kingdom.

### Africa

Angola, Algeria, Botswana, Egypt, Ghana, Libya, Morocco, Mozambique, Namibia, Nigeria, South Africa and Tunisia.

### Asia

Armenia, Bahrain, China, India, Iran, Iraq, Israel, Japan, Jordan, Korea, Lebanon, Malaysia, Oman, Qatar, Russia, Saudi Arabia, Singapore, Sri Lanka, Taiwan, United Arab Emirates and Vietnam.

### Oceania

Australia.



**List of 2010 Office Openings by Business Unit**

| Business unit | Company                    | City                        | Country              | Month opened |
|---------------|----------------------------|-----------------------------|----------------------|--------------|
| Befesa        | Befesa Mexico              | Tultitlan                   | Mexico               | December     |
|               | Befesa apa SRL             | Bucharest                   | Romania              | January      |
|               | Befesa Agua SAU            | Tripoli                     | Libya                | December     |
|               | Befesa Agua SAU            | Rio de Janeiro              | Brazil               | October      |
|               | Befesa Agua SAU            | Singapore                   | Singapore            | December     |
| Abengoa Solar | Abengoa Solar              | Abu Dhabi                   | United Arab Emirates | June         |
|               | Abengoa Solar              | Bombay                      | India                | January      |
|               | Abengoa Solar PV           | Rome                        | Italy                | September    |
| Abeinsa       | Abacus                     | Phoenix, Arizona            | USA                  | May          |
|               | Abacus                     | New Port Beach (California) |                      | May          |
|               | Abratey                    | Rio de Janeiro              | Brazil               | October      |
|               | Teyma                      | Abu Dhabi                   | United Arab Emirates | July         |
|               | Norventus Atlántico, SL    | La Coruña                   | Spain                | June         |
|               | Arao Eólica, SL            | La Coruña                   | Spain                | June         |
|               | Inabensa commercial office | Doha                        | Qatar                | June         |





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The world  
needs solutions  
that will  
pave the way  
towards more  
sustainable  
development

Abengoa is convinced that the world needs solutions to drive more sustainable development. In harmony with this vision, the company made the decision more than a decade ago to focus growth on creating new technologies that contribute to sustainable development. This guiding philosophy, which spurs Abengoa to develop innovative solutions for sustainable development, has been instilled throughout the entire organization, and thus defines corporate mission and vision<sup>1</sup>.

Growing social awareness and the resulting public pressure is bringing about tougher regulatory frameworks, which is ultimately the most visible manifestation of a change in paradigm on a global scale.



## Risks and Opportunities

As a result of this shift, corporations are finding that they need to adapt to certain legal and social demands that subject them to a wide range of risks they must attempt to mitigate, including the following:

- First of all are the **reputational risks** involved; brand image may be affected if stakeholders in general perceive a negative attitude on the part of the company.
- **Regulatory risks** also arise, associated with the need to adapt the company to new legislative frameworks, entailing costs that may render certain activities unviable.
- **Legal risks** take on a great deal of importance, for more stringent legislation may give rise to an increase in the number of lawsuits involving non-compliance.

<sup>1</sup> See chapter titled Abengoa Profile

- Furthermore, there are **physical risks** entailed: Climate change could create problems for installations and lead to serious consequences; the truth, however, is that there will be no need to wait for the first significant environmental effects to be appreciated for climate change to have an impact on business activity. At the beginning of 2010, a cold snap caused serious damage to Florida orange crops, with the knock-on effects rapidly moving to the financial markets, where the price of orange juice rose sharply. The sadly famous earthquake in Haiti caused significant damage to the region, and the repercussions thereof were felt around the world, as many countries embraced commitments to provide financial assistance, which necessarily takes resources away from other territories and activities. Furthermore, the European air traffic crisis resulting from the eruption of a volcano in Iceland provides a further prime example of a localized environmental incident bringing on a global crisis, accentuated by the rigidity of our actions coupled with the fact that our economic systems do not incorporate these types of situations into their analysis and lack the corresponding flexibility in their response capability.
- **Risks associated with corporate value**, in that sustainability indices assess companies according to their sustainability policies, thereby guiding investors.
- Finally, there are **other risks** that are difficult to evaluate, such as market changes. For example, rising pressure to lower emissions may afford certain territories an advantage over others due to their natural resources (access to solar radiation, for instance), thereby altering the competitive balance.



Nevertheless, just as these risks surface, so do new business opportunities that coincide with the risks, albeit in the opposite direction:

- **Reputational opportunities.** Businesses with a proactive approach to climate change will be favored by customers, who will take their hard work into account.
- **Regulatory opportunities.** Boosting innovation in certain business undertakings that may simultaneously lead to lower costs and a reduction in greenhouse gas (GHG) emissions.
- **Legal opportunities.** As competing companies that do not abide strictly with prevailing legislation see their costs go up as a result of environmental lawsuits, organizations which duly fulfill their commitments will have the chance to be more competitive.



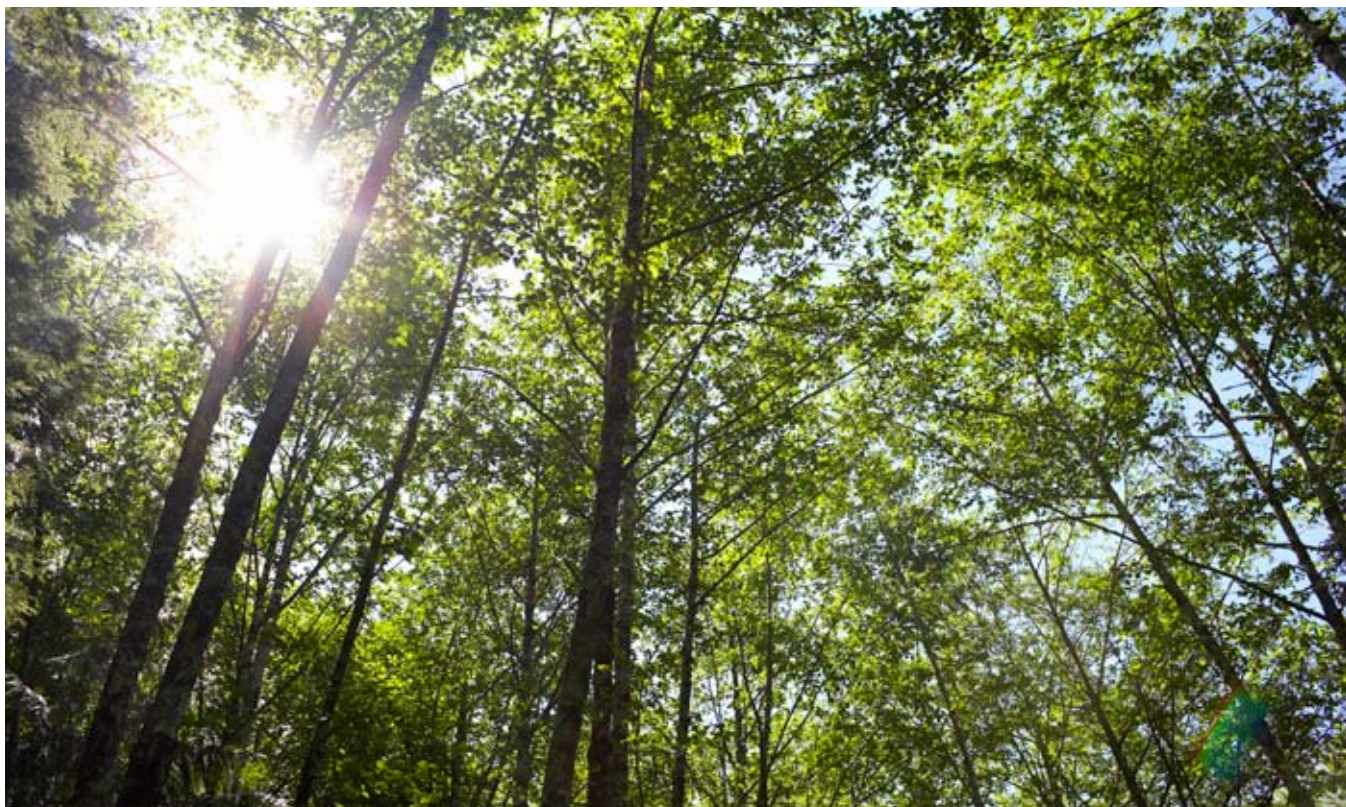
We must be sure to manage both the risks and the opportunities associated with climate change and sustainability

- **Other opportunities.** Sustainability-related innovations in which Abengoa is currently working (solar energy, sea and ocean power, hydrogen technology, energy efficiency, second-generation biofuels, CO<sub>2</sub> capture and valorization, etc.) have the potential to become the key businesses of the future.

Sustainability policy must help to manage both the risks and the opportunities associated with climate change and sustainability. This makes it necessary, on the one hand, to ascertain, understand and manage all types of risks, and, on the other, to identify, gauge and manage potential opportunities, all of which hinges on appropriate measurement tools, a suitable reporting system and plans for improvement.

## Managing Sustainability

Abengoa has a sustainability policy that has been clearly defined within the company's internal regulations, a risk management system including environmental risks, a GHG emissions inventory, and specific emission reduction programs for all of its business units.



Specifically, various elements should be mentioned that make Abengoa a benchmark company in the realm of sustainability and the struggle against climate change:

- **Abengoa's General Sustainability Department**, which promotes and coordinates all efforts dedicated to environmental sustainability and climate change, embraces the mission of promoting strategy and guidelines to gear Abengoa businesses towards sustainable development.<sup>2</sup>
- **The Common Management Systems**, which help to align operational, tactical and strategic decisions with Abengoa's vision of sustainability and approach to combating climate change.
- **The GHG emissions inventory.**<sup>3</sup>

<sup>2</sup> See chapter titled Environment and Sustainable Development

<sup>3</sup> See chapter titled Greenhouse Gas Inventory



- Proprietary capability for **managing emissions** through Zeroemissions, a company created in 2007 to provide global solutions to climate change through the promotion, development and marketing of carbon credits, strategic carbon consulting, voluntary emissions compensation, and innovative GHG reduction technologies.
- 2010 was a year of tremendous **progress** for Zeroemissions. Highlights for the year were as follows:
  - Ninety CDM (Clean Development Mechanism) business opportunities in carbon markets were evaluated, and agreements were signed with more than ten companies in ten different territories to carry out CDM projects.
  - Development of the methodology for risk analysis and technical and legal audit of CDM projects.
  - ISO 9001, 14001 and OHSAS certification was obtained in Brazil and Spain.
- **Progress in activities involving CO<sub>2</sub> capture and storage** and energy efficiency. Significant R&D developments this year include, for example, achievements in the area of energy optimization in combined-cycle and gas turbine control containers.
- **Ongoing communication** with all company employees regarding the importance of including environmental variables and striving to halt climate change in the way they perform their duties. Among other communication tools, the following are employed to transmit these messages: In-house bulletin, namely Connect@, and the Abengoa Intranet. In this regard, a key development in 2010 was drawing up a **sustainable mobility** program for the entire Abengoa group. In the specific case of Campus Palmas Altas, a virtual sustainable mobility office was set up on the Intranet and includes a description of all measures to be implemented in order to lower the number of personal vehicles used for commutes to and from the facility.



Winning photograph taken by Pablo Manuel Martín Pastor of Zeroemissions at the II Abengoa Sustainable Development Photography Competition

## Climate Change, an Overarching Priority

All of these lines of action converge upon a common objective, that is to combat climate change through an unflinching commitment to sustainable development and by integrating this commitment into company strategic planning as follows:

- Abengoa is rethinking its present business activity from the **perspective of sustainability** and focusing on future business pursuits while taking environmental and sustainable development-related factors into consideration.
- Abengoa wishes for its products and services to not only be conducive to sustainable development, but also for them **to be realized in a way that is sustainable**, meaning that the company can measure and validate their degree of sustainability through instruments that are transparent and readily recognizable by the market and by society at large.

The company has been working along these lines for some time now, and, in addition to its emissions inventory, the company is engaged in significant initiatives to help combat climate change:

- Abengoa is listed on the [FTSE4Good Index](#) and a participant in the [Carbon Disclosure Project \(CDP\)](#). The company's CO<sub>2</sub> emission volumes were disclosed for the first time in 2010.
- Abengoa participates in four carbon funds:
  - **Spanish Carbon Fund (Fondo Español de Carbono, or FEC)**, which carries out projects in renewable energies, gas destruction, energy efficiency and solid waste, primarily in Latin America.
  - **MCCF (Multilateral Carbon Credit Fund)**, which invests in projects in Europe and Asia associated with renewable energies, gas destruction, energy efficiency and solid waste.
  - **Spanish Business Fund (FC2E)**, investing in global projects.
  - **Bio Carbon Fund** Europe and Asia.



In addition to this, potential new investments were actively pursued throughout 2010 in markets of interest to the company.

- Abengoa is applying **VERs (Voluntary Emissions Reductions)** to certain activities in order to neutralize the associated CO<sub>2</sub> emissions. In 2010, for example, the [Focus-Abengoa Foundation](#) neutralized the emissions from its Seville headquarters using the credits generated through a hydraulic project in Turkey.
- Through the Focus-Abengoa Foundation, Abengoa created a [Forum on Climate Change](#). This platform seeks to promote, through initiatives fostering public debate, **an open platform for research, presentation and contrasting of ideas** and results in connection with renewable energies and climate change. The forum concentrates on fields in which Abengoa specializes, thereby allowing the company to make significant contributions to the different areas of international, industrial and technological relations and pursue other types of endeavors. Forum developments in 2010 included a new edition of the School of Energy and Climate Change, which, opened by Josep Borrell, focused on the economic implications of the fight against climate change.
- Through Zeroemissions, Abengoa carried out its first initiative involving specific **Carbon Training** in Spain, with the first edition of the program taking place in 2008. This initiative seeks to train professionals worldwide through a global, integrative approach to carbon markets. A new edition, in this case in collaboration with the Spanish School of Industrial Organization (Escuela de Organización Industrial, or EOI), was held in 2010.
- Abengoa has made [Campus Palmas Altas](#), Abengoa's headquarters in Seville, a global **model for sustainable architecture and construction**.
- Abengoa has also undertaken **important activities** in the area of **renewable energies, recycling, systems and infrastructures**, all of which have contributed to preventing the emission into the atmosphere of millions of tons of CO<sub>2</sub>.

In summary, with the aim of achieving business objectives and upholding its commitment to sustainability and the struggle against climate change, Abengoa:

- Invests in research, development and innovation (R&D+i).
- Expands technologies promising the highest potential.
- Develops the required talent, attracting and retaining the finest human resources.

Furthermore, through the Focus-Abengoa Foundation, Abengoa also dedicates human and economic resources to promoting social action policies that contribute to human and social progress.

## No Co<sub>2</sub>pollution Stamp

As part of its commitment to sustainable development, Abengoa has created the first postage stamp in the world that **offsets the CO<sub>2</sub> emissions** from sending an ordinary letter in Spain. This service broadens the company's commitment in the social and human area, offering the chance to reduce the carbon footprint generated by postal deliveries.

By purchasing the **"No Co<sub>2</sub>pollution" stamp**, customers will offset the emissions generated by the letter by investing the corresponding amount of money in the 15 MW Kalealti hydroelectric station emissions reduction project in Turkey.

This collectors' edition has a postage value equivalent to one ordinary letter sent in Spain. In addition to the self-adhesive stamps, the purchase will include a "No Co<sub>2</sub>pollution" carbon offset certificate issued in the name of the buyer, which provides technical details of the project in which the funds will be invested. Each stamp costs 2.10 €, plus delivery, and can be purchased via the online auction [platform Ebay](#).

Thanks to this novel initiative, Abengoa aims to help users of the postal service to contribute to carbon emissions reduction targets, encouraging them to strengthen their commitment and respect for the environment.





## Hynergreen unveiled the renewable hydrogen service station for the Hercules Project

On June 16, the regional minister of Economy, Innovation and Science of the Regional Government of Andalusia, Antonio Ávila Cano, and the Mayor of Sanlúcar la Mayor, Raúl Castilla Gutiérrez, together with José Domínguez Abascal, Abengoa's general technical officer, and Javier Brey, general director of Hynergreen, inaugurated the **renewable hydrogen service station of the Hercules Project**, located at the Solúcar Solar Complex in Sanlúcar la Mayor, Seville (Spain).

This hydrogen service station, the first in southern Spain and one of only a handful in existence worldwide, **will produce hydrogen from solar energy**. It is part of the Hercules Project, an Andalusian initiative coordinated globally by Hynergreen, and receives funding from the Andalusian Agency for Innovation and Development (IDEA) and the Ministry of Education and Science, which has categorized the project as being a strategic and unique scientific and technological project.

As part of the project, in collaboration with Santana Motor, a fuel cell-powered electric vehicle was also developed, employing the hydrogen supplied at this service station.

During the inauguration, José Domínguez Abascal, Abengoa's general technical officer, stressed the importance of a station with these characteristics in "demonstrating our solid commitment to hydrogen as an alternative fuel that is renewable, clean and sustainable".

In turn, Javier Brey, general director of Hynergreen, pointed out that "Hynergreen R&D investment in these technologies in recent years totals more than €10 M".

The Hercules Project, which began life in January 2006, has a budget of more than €9 M, and boasts the involvement of Solúcar R&D (Abengoa Solar), Santana Motor, Carburos Metálicos, GreenPower, the Andalusian Energy Agency, INTA and AICIA.



## 2010 Milestones

- In May, the Focus-Abengoa Foundation and FO Licht inaugurated the ninth edition of the World Biofuels Conference: “World Biofuels 2010”.
- In June, Hynergreen inaugurated the hydrogen service station for the **Hercules Project** in Sanlúcar la Mayor.
- Campus Palmas Altas, Abengoa’s headquarters in Seville, won first prize in the 2010 Prime Property Awards for Sustainable Real Estate Investment from Union Investment Real Estate AG, one of Europe’s leading real estate management companies, and an award for architectural excellence from the Royal Institute of British Architects (RIBA), equivalent to the British Council of Architects, in addition to LEED Platinum pre-certification.
- Abengoa set up **sustainability committees** at the business unit level. These committees are supported by the General Sustainability Management Department to assist in carrying out the range of initiatives in progress and to standardize best practices.
- Abengoa drew up a policy for sustainable mobility throughout the Abengoa group, and, in the specific case of Campus Palmas Altas, a **virtual sustainable mobility office** was included for this company facility on the corporate Intranet.
- Abengoa **disclosed the company’s CO<sub>2</sub> emission volumes** for the first time.
- New editions of Carbon Training and the School of Energy and Climate Change were held.



Photograph taken by Guillermo Valero Maestro of Befesa and entered into the II Sustainable Development Photography Competition

## Areas of Improvement

There are three main areas for improvement associated with Abengoa's commitment to sustainability:

- Improving the computer application enabling GHG inventory management. The objective is for this tool to be fully linked to the purchasing application and to the budget reporting systems, thus allowing the company to obtain consolidated data pertaining to the relevant sustainability indicators (GHG, GRI and ESI).
- Completing implementation of the Environmental Sustainability Indicator (ESI) system
- Labeling of Abengoa products, which will enable the company to project its commitment to sustainability through its products<sup>4</sup>.

## Future Goals and Objectives

Over the course of 2011, a tool linked to the purchasing application and to budget **reporting systems** will be completed. This will help **to enhance management of emissions and emission reduction schemes**. This application is part of the comprehensive sustainability management system that will enable the company to obtain consolidated data pertaining to relevant sustainability indicators (GHG inventories, Global Reporting Initiative- GRI and Environmental Sustainability Indicator- ESI). It will also include the added feature of allocating emissions to Abengoa products and services.

<sup>4</sup> See chapter titled Abengoa and the Environment



Another key objective for the coming year is to **finalize implementation of the Environmental Sustainability Indicator (ESI) system**, which incorporates nine environmental factors upon which Abengoa business may exert some type of pressure in order to conduct in-depth analyses of the environmental impact generated.

Finally, two further objectives sought for 2011 are to obtain **ISO 14064 certification** of group company GHG inventories, as well as **ISO 14067 product labeling certification**. This will enable Abengoa to enhance the quality and maturity of the greenhouse gas inventory, assure ongoing positive validation of the inventory in external auditing, and pursue further advancement as a result of the inventory.

Photograph taken by M<sup>a</sup> Encarnación Díaz Llorente of Abener and entered into the II Sustainable Development Photography Competition











# 3

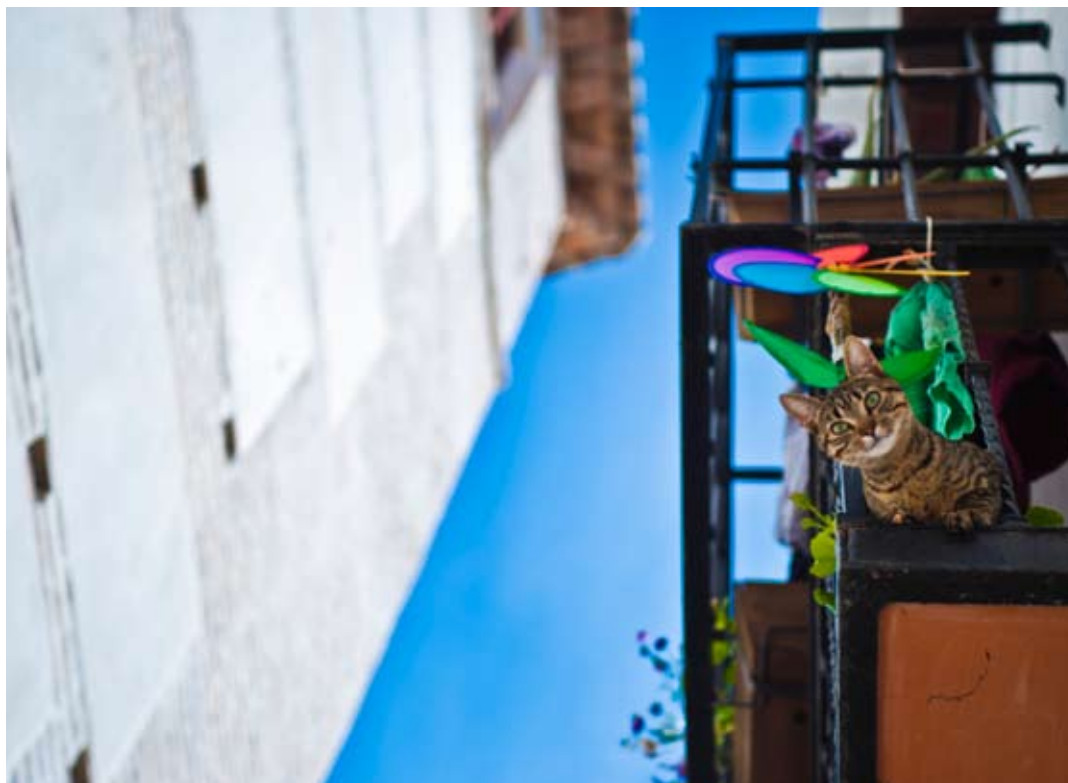
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Innovation  
is our  
commitment  
to the future

Innovation is the key driver of the global evolution towards a sustainable world offering high standards of well-being for peoples and nations. Innovation is a dynamic process that is conducted by utilizing all the resources available in the society of knowledge, science and technology.

Abengoa's commitment to innovation is tantamount to a commitment to sustainability. Innovation is the vehicle through which to generate groundbreaking solutions for sustainable development.

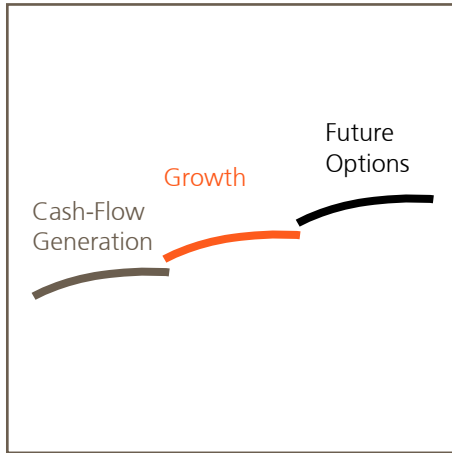


Photograph taken by José Alejandro Avilés Flores of Simosa IT for the II Sustainable Development Photography Competition

Ensuring technological development constitutes the cornerstone of Abengoa's growth, as well as the basis for meeting the company's main strategic objectives. To this end, Abengoa has adopted a system referred to as the **"innovation ecosystem"**, a system that fosters collaboration with universities, governmental agencies, public research institutions, technology centers and companies and pursues the creation of knowledge networks, with Abengoa acting as the propelling force. This is the only way to ensure that the company is in a position to generate the required know-how and provide answers and solutions to new challenges. This system of innovation includes demonstration plants, research and development facilities in different countries, and third-party collaboration.

Innovation is geared towards obtaining results and pursues three types of tangible goals: **Diversification**, achieved by developing new products and services; **differentiation** through improvement and **enhancement**; and adaptation of existing products and services to new demands and process improvement. Abengoa also pursues the intangible aim of acquiring essential competencies (know-how) and, above all, generating future options, aspects that are closely linked to value through expectations of growth and new business development.

Innovation management at Abengoa falls within the strategy of each individual company or business unit, and is framed in its three horizons, where one or more R&D+i programs geared towards developing new, or innovating existing products or processes, are defined. R&D+i programs are general in nature and linked to a particular line of strategic development. Envisaged for the long term, up to 30 years, they are carried out through partial 10-year programs and specific 3 to 4-year projects, which is where Abengoa executes its R&D+i.



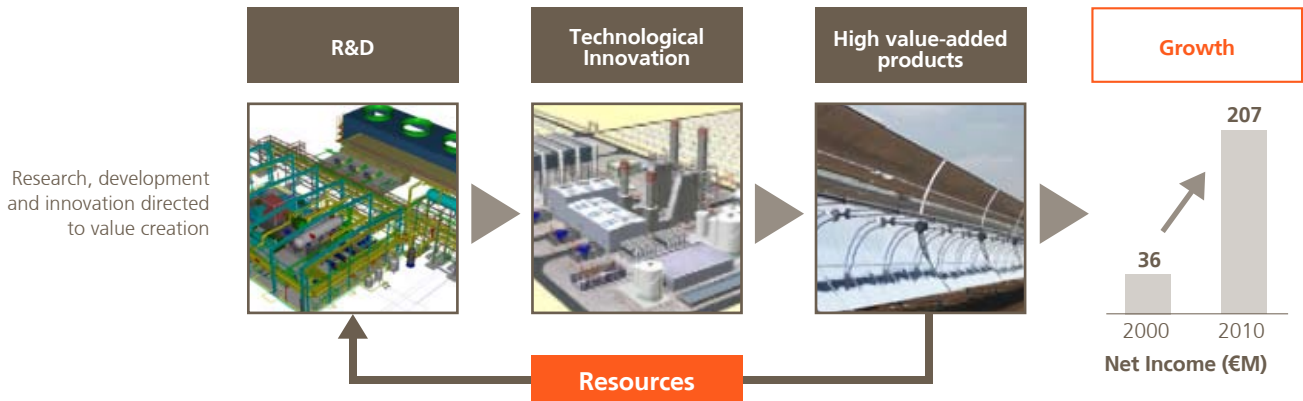
Alignment of R&D projects and programs with Abengoa strategy

The following illustrates the main programs conducted in the area of innovation in 2010 by the different **business units**:

| Abengoa Solar                | Abengoa Bioenergy          | Environmental Services           | Information Technologies            | Industrial Engineering and Construction |
|------------------------------|----------------------------|----------------------------------|-------------------------------------|---|
| Power tower central receiver | Enzymatic hydrolysis       | Comprehensive water cycle        | Smart Grid / Energy                 | CO <sub>2</sub> capture and use         |
| Parabolic trough             | Gasification and catalysis | Waste treatment and valorization | Environmental IT solutions          | Energy efficiency/ energy storage       |
| Storage                      | Algae                      |                                  | eHealth / Global Services           | Ocean power                             |
| Photovoltaics                | Sustainability             |                                  | Homeland Security / Global Services | Hydrogen and fuel cells                 |
|                              | Final uses                 |                                  | eGovernment / Global Services       |   |
|                              | Enzymes                    |                                  | Smart Mobility / Transportation     |   |
|                              | Biorefinery                |                                  |                                     |   |
|                              | Raw materials              |                                  |                                     |   |

R&D programs in place throughout the different Abengoa business units

At Abengoa most R&D+i investment involves applied research and development of technological innovation in the company's approach to fulfilling the strategic objectives of sustainability and creating new products.



### The Keys to Innovation at Abengoa

Abengoa's focus on innovation entails a commitment to undertaking a set of measures, some of which are already in place while others are in the process of being implemented:

- A 10-year strategic plan that clearly identifies R&D activity and includes objectives for technological progress that are well defined in terms of materials and schedules and approached with three horizons in mind.
- Assessment of R&D in economic terms to enable monitoring of yield and traceability.
- Highly qualified R&D personnel with profiles in line with new demands. Mechanisms are devised to ensure the success of their incorporation and professional development.
- Substantial R&D budget increase, earmarking allocations for highly innovative projects.

## Sustainability, Abengoa's Business Metric with a Positive Impact on Society

Abengoa's efforts in the field of innovation and technological development are intended to serve sustainability in its three essential dimensions: Social, environmental, and economic.

Innovation is not an end in itself, but rather embraces the mission of gearing society towards a better world. It seeks to better our present socioeconomic system, which is neither sustainable nor serves everyone, and progress towards a model that will allow future generations to enjoy the same resources that are available to us today. **Innovation, therefore, constitutes a commitment to the future.**

Abengoa enjoys a position of international leadership in a significant number of key areas in the so-called **"green economy"**. Here, through its entire range of business units, Abengoa has embraced a firm commitment, by means of its innovation policy and strategy, to pursue sustainable use of resources and raw material spanning the entire lifecycle.

Abengoa concentrates its efforts on technological innovation in the field of renewable energy production. Promotion and implementation of these technologies are based on sources featuring low environmental impact and higher energy efficiency. This technological development equates to a reduction in greenhouse gas emissions, as well as decentralization with respect to conventional



energy sources, releasing and freeing nations from their dependency on energy and the geopolitical subordination imposed on them by those in possession of the energy sources, which are linked to today's causes of supply insecurity and scarcity.

The following are the key areas of sustainable development in which Abengoa exerts its leadership:

### Energy

In the **renewable energy** area, the company is conducting work in two major fields of production: Solar power and biofuels.

Abengoa is engaged in electrical power generation aimed at replacing conventional fuels with solar thermal and photovoltaic solar solutions, as well as developing technologies to enable energy storage.

In the concentrating **solar power (CSP)** segment, it should be noted that Abengoa owns the two largest existing commercial power towers in the world, and is developing several parabolic trough plants, including the world's largest currently under construction, located in the US state of Arizona. Abengoa is indisputably the leading global player in this field, a position gained also through significant cooperation with the solar platform in Almería, as well as the more general involvement of the Spanish Center for Energy, Environmental and Technological Research (CIEMAT).

Energy efficiency The company also produces first- and second-generation **biofuels** to substitute traditional fossil fuels. In relation to the use of biomass as an energy source, Abengoa has been conducting numerous R&D and demonstration projects, which can now be taken one step further and converted into commercial projects at enzymatic hydrolysis plants, biomass gasification facilities, and hybrid biomass and CSP plants.

Furthermore, Abengoa is heavily involved in the development of new hydrogen **generation systems** capable of harnessing renewable sources, and of second-generation fuel cells. The company is also introducing improvements to, developing smart grids with a view to **optimizing energy** consumption and grid manageability, and honing CO<sub>2</sub> **capture and storage** programs.



Second generation ethanol production plant in Salamanca, Abengoa Bioenergy

Abengoa's R&D investment totaled €92.6 M in 2010, up 3.2 % year-on-year and representing approximately 1.7 % of the company's revenue and an upward trend of 7.8 % in annual growth of this investment

**Environment**

Abengoa provides solutions for the entire **water** cycle and comprehensive **industrial waste** management, creating new water treatment and desalination plants, in addition to managing industrial waste valorization processes.

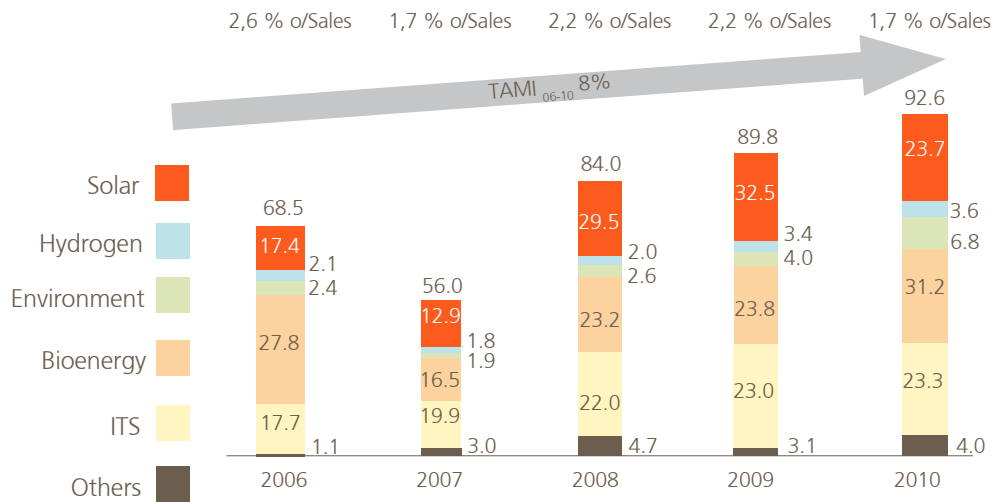
The company is also engaged in developing highly competitive and sustainable agricultural solutions, where information is at a premium. In this particular field, the company provides technological services to the North American agricultural sector, the world's largest.

**Advanced R&D Management**

At Abengoa, most **R&D+i investment** involves applied research and development of technological innovation in the company's approach to fulfilling the strategic objectives of sustainability and new product creation.

Abengoa's R&D investment totaled €92.6 M in 2010, up 3.2 % year-on-year and representing approximately 1.7 % of the company's revenue and an upward trend of 8 % in annual growth of this investment (CAGR<sub>06-10</sub> 8 %).

The following table reflects changes in R&D investment by business area over recent years at Abengoa.



R&D investment data for 2010

In recent years, Abengoa has been driving forward initiatives aimed at constructing a framework in which research, development and innovation move forward in a coordinated fashion. Thus, the **Stage-Gate methodology-based** tool put in practice in 2009 was further consolidated in 2010. This tool ensures that R&D projects are managed within a common framework of excellence, and are also aligned with Abengoa's strategic objectives. This methodology outlines the chief steps to be taken when preparing and developing an R&D-categorized project within the project portfolio of the Abengoa business units. The aim is to obtain the most standardized focus possible for R&D projects through the utilization of a common methodology to define processes, while maximizing the value that the R&D projects add to Abengoa businesses and minimizing the risks involved.



Another initiative undertaken in 2010 was the development of a **system of innovation indicators** aimed at decision-making and monitoring of R&D activities. Setting up these indicators adheres to the basic principle of “what cannot be measured cannot be improved”, with the aim being to evaluate both tangible and intangible aspects of innovation. Its purpose is to create a quantified framework of reference for R&D+i measurement and analysis at Abengoa. It is also intended for dissemination and use as a tool to improve innovation management and decision-making processes.

Three indicators were quantified in 2010:

- **The R&D personnel indicator**, which encompasses all personnel directly employed in this area, as well as people who provide services directly related to R&D activities, including: Directors, administrative staff and office personnel. The basic unit utilized for this indicator is “full-time equivalent staff over the course of one year” (FTE) according to the Spanish National Statistics Institute (Instituto Nacional de Estadística).
- **Number of patents** applied for each year.
- **R&D investment**, which is defined as all annual gross R&D expenditure, including internal current and capital expenditure according to the Frascati manual regarding the group’s total revenue.



The table below shows the evolution of the R&D indicators in recent years at Abengoa.

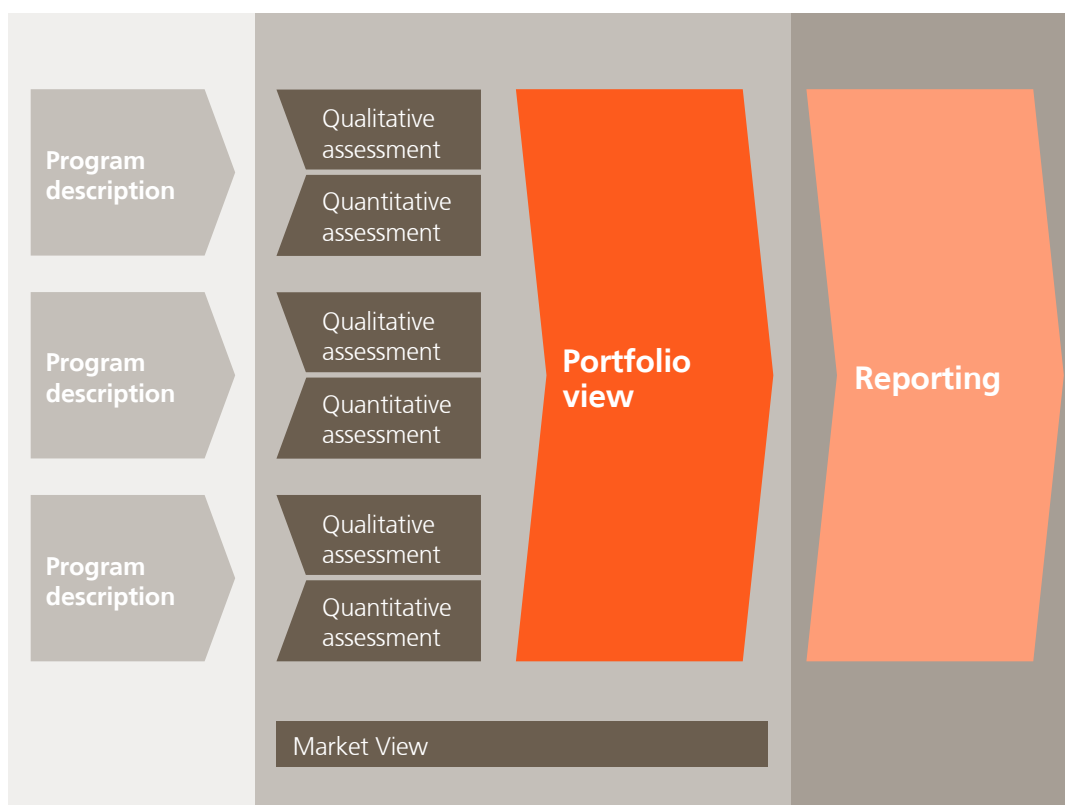
| Indicators          | Unit                         | 2010 | 2009 | 2008 |
|---------------------|------------------------------|------|------|------|
| R&D investment      | [% R&D investment / revenue] | 2.2  | 2.2  | 2.2  |
| R&D staff           | [FTE]                        | 620  | 600  | 580  |
| Patents applied for | [N°]                         | 45   | 30   | 17   |

Beginning in 2011, a new indicator, referred to as **innovation effort**, will be added in order to measure R&D assessment in relation to R&D investment effort.

## R&D Assessment

In 2010, a further step forward was taken in designing a process for R&D assessment that quantifies, in economic terms, Abengoa's **innovation "assets"**.

This new process enables traceability of R&D investment from source to implementation in commercial processes, measuring the enhancements afforded by research in terms of the profitability and efficiency of Abengoa processes linked to technological innovation. This R&D activation proves essential in prioritizing functions in the decision-making process involved in the realm of innovation to reflect corporate strategy.



Methodology for R&D+i assessment at Abengoa

Implementation of a common assessment methodology is envisaged as a unifying component of Abengoa's R&D strategy. The goal proposed consists of putting this procedure into practice in the different business units and subsequent monitoring of the evolution of the different programs.

An appropriate R&D investment monitoring system will ultimately enable better decision-making with a view to the future.

## Central Receiver and Tower Technology

Development of central receiver and tower technology constitutes Abengoa's chief differentiating value with respect to the company's competitors.

Commitment to **power towers and heliostats**, with a clear focus on pursuing higher efficiencies, particularly in the solar plant component, is recognized worldwide as a hallmark of Abengoa Solar.



There are currently three steam-equipped power towers in operation. Two of these are commercial towers: **PS10**, in operation since mid-2007 and capable of generating up to 11 MW; and **PS20**, which went into operation in mid-2009, generating up to 20 MW. The third plant is Eureka, an R&D+i project in operation since mid-2009.

The aim of the **Eureka project** is to address the new challenges in tower technology, which, following start-up of PS20, has unquestionably proven its reliability. This second-generation power tower has managed to reach higher temperatures to produce superheated steam, thereby enhancing the global efficiency of the steam cycle. The plant is made up of 35 heliostats and a 50 m tower housing the experimental superheating receiver. Plant power output capacity totals 3 MW thermal.

The results obtained through the Eureka project in 2010 led Abengoa to carry out conceptual, basic and detail engineering to render a 50 MW plant that is significantly more efficient and manageable than the commercial plants currently in operation.

In conjunction with operation and assessment of Eureka and the other commercial plants, software is being developed to simulate solar receiver performance within the framework of the Cent Consolidada project, and research is similarly being conducted on new materials and coatings for superheated saturated steam receivers and new receiver design.

In the tower technology field, R&D pursuits center not only on steam technology; two new projects, initiated in 2009, are focused on two very different fluids: Molten salts and air.

The CRS salt project, co-financed by the Spanish Center for Industrial Technological Development (Centro para el Desarrollo Tecnológico Industrial, or CDTI), involves the engineering and construction of a power tower receiver prototype in which the heat-bearing fluid is a blend of molten salts. The aim is to study the technical and economic viability of a plant employing this technology on a larger scale.

The Solugás project, co-financed by the European Union's Seventh Framework Programme for research and technological development, which began life in 2008, seeks to demonstrate tower operation at a higher temperature, employing air as the heat-bearing fluid, and a gas cycle instead of a steam cycle.

## Bioenergy Sustainability Standard

The Renewable Energy Directive (RED) **sets down sustainability guidelines for biofuel production** that will be mandatory beginning in December 2010. This framework for sustainability makes it compulsory for economic operators to:

- Ensure that their raw material input production areas are not located in **protected areas**.
- Report **savings in greenhouse** gas (GHG) emissions above the predetermined thresholds.
- Facilitate **traceability of the information** associated with the biofuel from the raw material of origin through a Mass Balance System.



Abengoa wishes to underscore the importance of the initiatives being pursued in recent years in the realm of sustainability, through the development and implementation of a voluntary scheme with which to demonstrate fulfillment of the RED sustainability requirements in the company's European biofuel production and distribution operations.



The so-called RED **Bioenergy Sustainability Assurance Scheme** (hereinafter, the RBSA) has therefore become a powerful tool for yielding flexibility in fulfilling RED requirements, as once the directive has been approved by the European Commission (EC), all member states must recognize a biofuel produced in accordance with this standard regardless of how it is worked into domestic law.

The RBSA Standard establishes requirements for compliance with RED specifications throughout the industrial chain, from agricultural production through to the end consumer, within a global geographical sphere.

Among other innovative aspects, the standard includes two specific advancements aimed at facilitating supplier operations through the development of:

- Technological systems for computing GHG emissions, particularly for agricultural operations, based on values averaged geographically.
- Sustainability maps, which enable given regions to qualify as being sustainable under the RED.

The RBSA Standard is currently in the process of being evaluated by the EC, with procedures and key systems set forth under the standard already in place throughout Abengoa Bioenergy's European companies.

## Milestones 2010

- The **Eureka project** yielded higher performance and lower generating costs over saturated steam towers.
- New **management systems** devised to ensure compliance with biofuel sustainability requirements.
- The **largest second-generation demonstration biofuel** project got underway in the town of Babilafuente, Salamanca (Spain).
- Significant progress made in engineering other third-generation central receiver **plant concepts** with a view to **beginning pilot plant construction** in 2011.
- Validation of thermal **storage capability in concentrating solar plants**. This technology enables plants to generate electricity when there is a lack of sunlight, thus increasing supply efficiency and security.
- Ongoing work on a new **high-concentration photovoltaic** module, rendering significantly higher efficiencies at a lower cost by concentrating sunlight by 800 times.
- Innovative **photovoltaic technology** was developed at the Seville **R&D center** in the area of new materials and thin film.
- An experimental tool enabled **energy production cost** analysis for a variety of technologies and configurations.
- **New enzymes** developed to break down cellulose.
- **CO<sub>2</sub> capture technology** enriched through **microalgae** production. A project was also rolled out to spur on development of energy crops.
- Geographically distributed **critical infrastructures** managed effectively and efficiently through **software systems**.
- Advanced **high-precision information services** developed to improve on decision-making processes in customer operations and supply chain systems.

## Areas of Improvement

Abengoa's commitment to innovation necessarily includes a process of **ongoing improvement**. Therefore, the R&D assessment process was implemented throughout the company's business

units in 2010 as a vehicle for ensuring an intensive and dynamic process of innovation. As the creation of value as a product of innovation is key to securing favorable evolution in the different areas of business, it must be measured and managed. R&D assessment is a crucial step forward towards ensuring continuous knowledge of what is being done and the benefits reaped, thereby helping to improve decision-making processes.

## Future Goals and Objectives

The key challenges for innovation at Abengoa will be met through **Abengoa Research**, a new Abengoa subsidiary pursuing cutting-edge innovative R&D in the fields of energy and the environment. This affiliate will boast a multidisciplinary team of world-renowned researchers, whose primary objective is to generate and apply new knowledge upon which to base Abengoa's future growth. To cite a specific example, Abengoa Research will unveil a program focusing on ocean power and technologies with a view to supporting their development and implementation as a new renewable energy source.

In the field of **second-generation fuels**, where Abengoa is a global leader thanks to its York plant in Nebraska and its Babilafuente plant in Salamanca, the subsidiary company Abengoa Bioenergy New Technologies was chosen to design, build and operate the US Department of Energy's (DOE) large-scale demonstration biorefinery, with proceeds from the subsidy partially funding the project. The biorefinery will be annexed to a starch-based ethanol plant, part of a hybrid complex in Hugton, Kansas (USA).

The biorefinery will have a minimum 700 t/day conversion capacity and will feature two industrial processes: Enzymatic Hydrolysis (EH) and Gasification. The EH process will convert biomass (400 t/day) into ethanol, lignin and livestock feed, while the gasification section will convert 300 t/day of biomass into syngas, which will be burned to generate steam. The steam will then be used internally at the biomass plant, with the surplus being sold to the adjacent starch plant.



Abengoa intends to construct a **technological R&D** facility, where applied research will be conducted to explore new materials, photovoltaic cells, prototypes and thin film technologies. The knowledge generated will help Abengoa Solar create competitive proprietary technologies, enabling it to draw up future plans for industrialization.

Over the course of 2011, the company intends to roll out research programs in collaboration with Spanish and European universities and R&D centers. Work will essentially focus on areas such as oxycombustion for cleaner thermal plants, mineral CO<sub>2</sub> binding for the cement industry, and energy management systems utilizing different types of batteries to integrate renewable energies into the grid.

Objectives in the **water** segment are as follows: To position the company as a leader in desalination; to be technologically competitive in potabilization, urban and industrial wastewater treatment and reutilization; and to consolidate leadership in hydraulic infrastructure and in water resource management models and systems.

As far as **aluminum waste recycling** is concerned, R&D activities seek to enhance performance in recovering raw materials and aluminum waste, optimize operational processes and product quality, in addition to developing new and better technologies contributing to sustainable development.

The area of **global industrial waste management** seeks to develop new technologies to increase the number of treatable waste types, and also to keep up with the continuous changes in environmental law and regulation and with the increasing diversification towards new environment-oriented markets.



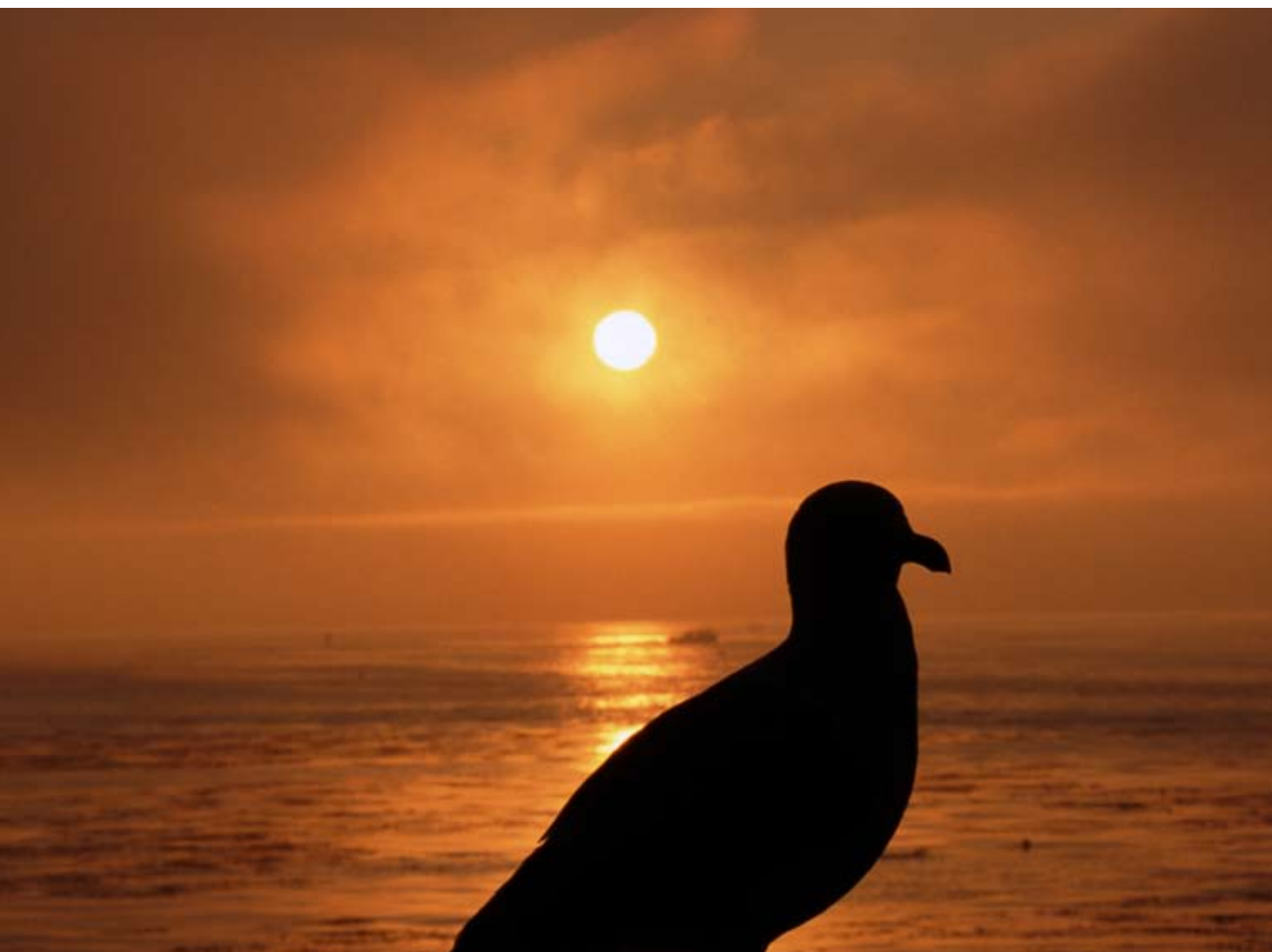


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Corporate Social Responsibility (CSR) plays a fundamental role in steering the world's business community towards global sustainable development. Businesses need to make sure that the **impacts** of their activities are **positive** for society and for the environment, and to do so through **ethical and transparent conduct** in order to contribute to everyone's well-being.

It is therefore essential that companies evaluate and take their environment into account in decision-making: Ascertaining the **expectations of their stakeholders** and striving to respond to them in conducting business activity, abiding by international laws and standards of conduct. Thus, not only must they determine and analyze the **environmental, social and economic impacts** of their activities, but also stakeholder perception of that impact and future perspectives in relation to the company so that decisions are made taking stakeholder interests into consideration. This enables the transition from an individualistic company to one that takes into account the environment to which it is committed, to which it must respond, and with which it generates a long-term relationship of trust.



Abengoa, as part of its commitment to sustainable development, has turned CSR into one of the cornerstones of the company's business strategy.

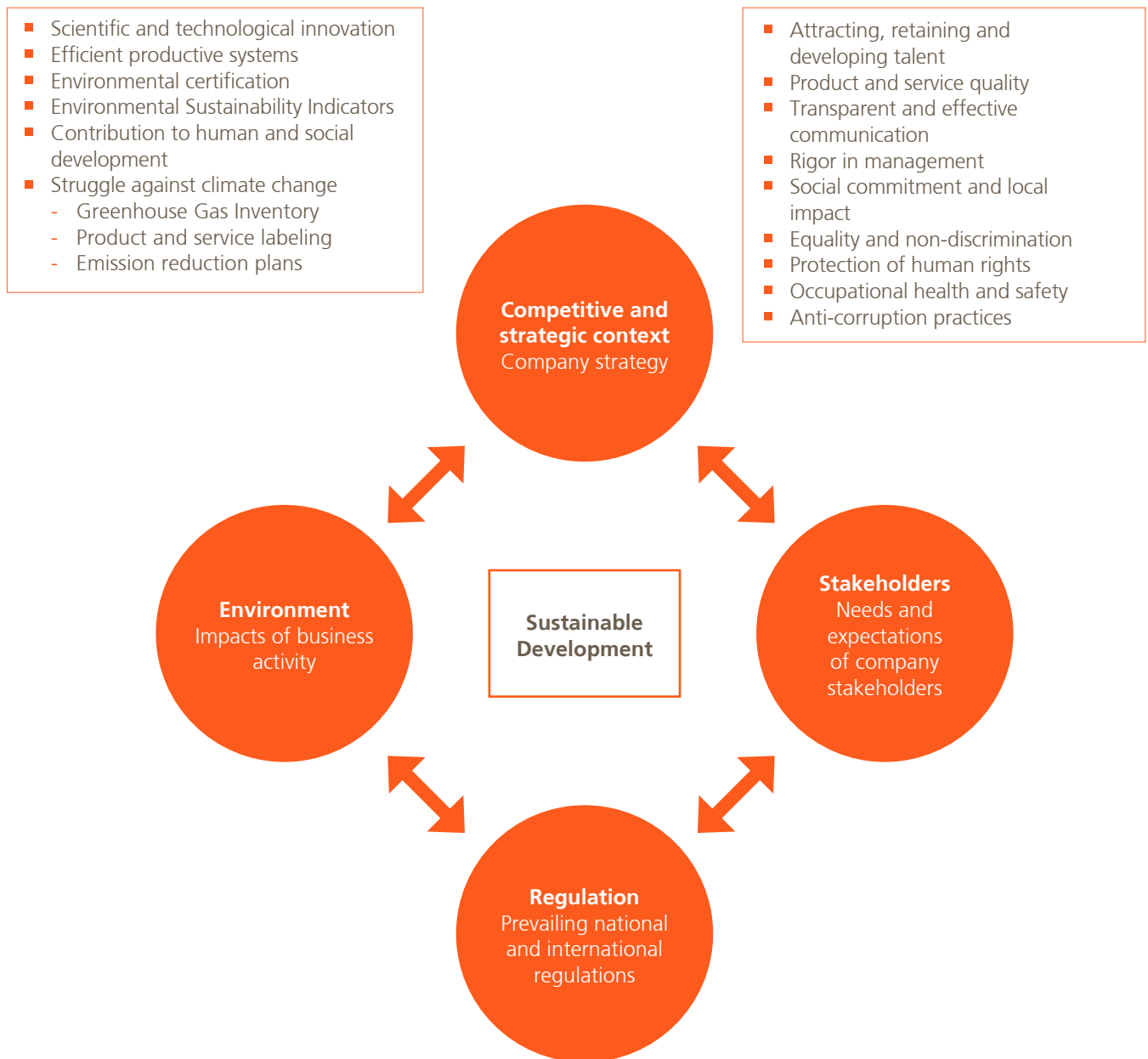
This kind of corporate responsibility embraces the following dimensions:

- **Legal:** Strict observance of prevailing legislation in each and every one of the company's actions.
- **Economic:** Generation of sustained value.



- **Human:** Protection of human rights.
- **Social:** Support in developing the communities where Abengoa operates.
- **Environmental:** Conservation of the environment.

Each and every one of the activities undertaken by the company is carried out while bearing in mind the **model of sustainable development**, a model that attempts to strike a balance with maximum benefits for everyone, while complying with applicable legislation and upholding the highest standards of integrity and transparency.



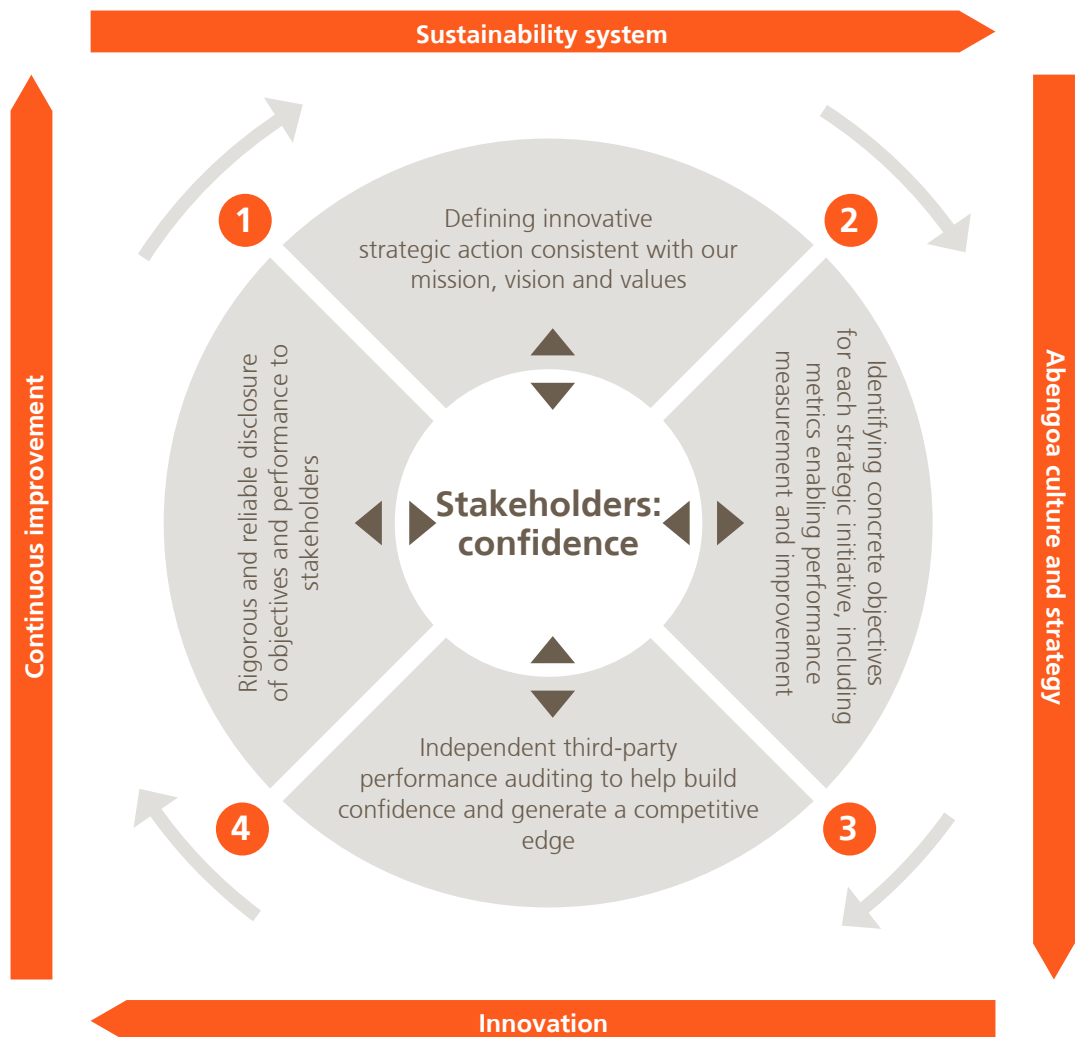
## CSR: The cornerstone of Abengoa's present and future strategy

For Abengoa, Corporate Social Responsibility must be perfectly aligned with and form part of company strategy. Therefore, CSR must be implemented systematically and in a way that is consistent with the company's mission and vision, enabling it to be fully integrated into the company's core, management processes and business activities.

**Abengoa's vision:** To become a global benchmark in the development of innovative technological solutions for sustainable development.

**Abengoa's vision with respect to sustainability:** To be an exemplary company with a culture and business model based on sustainability, credibility, confidence and respect, in the industries, businesses and communities in which we operate.

Adopting a strategic approach to promoting CSR has numerous benefits: More appropriate management of reputation, attracting and retaining talent, greater competitiveness and enhanced market positioning, higher operational efficiency and lower costs, an improved relationship with the supply chain and the community, access to more sources of capital, improved rapport with regulatory bodies, mitigation of risks inherent to the activities Abengoa conducts, and generation of opportunities.



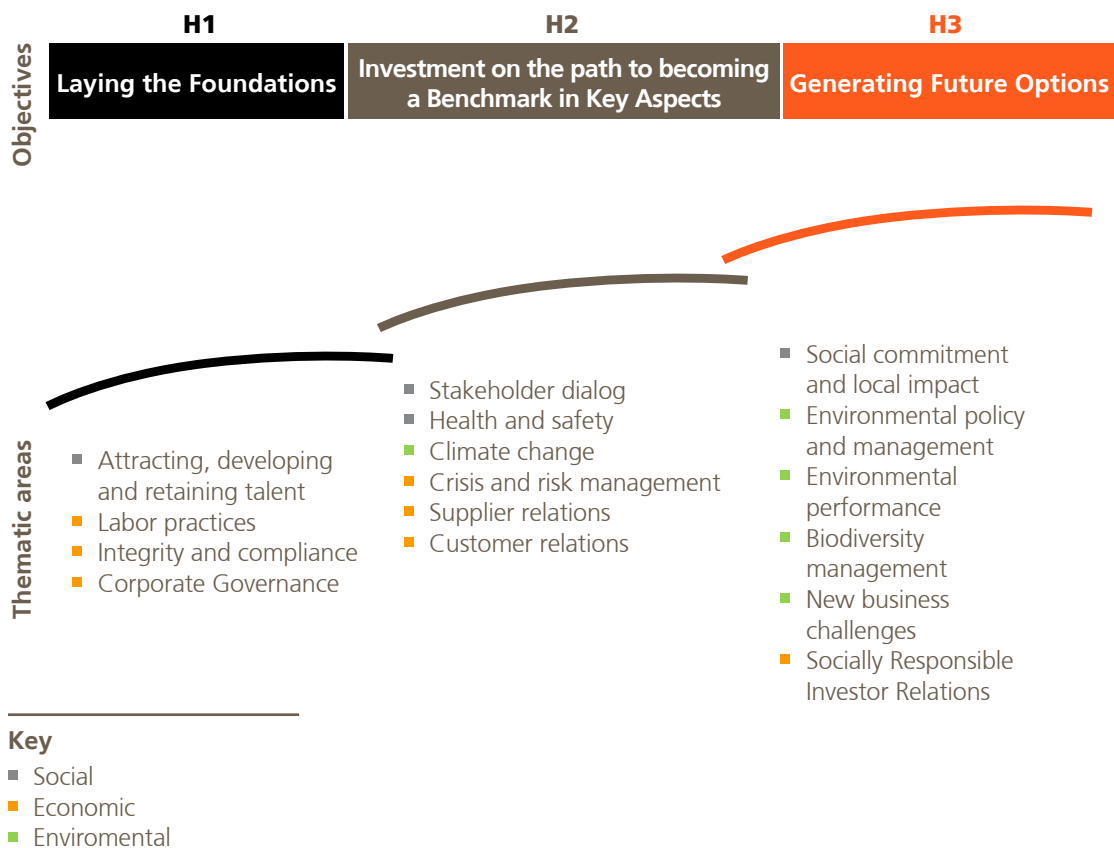
## Corporate Social Responsibility Master Plan

Since 2008, Abengoa has been developing a **Corporate Social Responsibility Master Plan** to establish the framework and guidelines to be followed by the company in this realm by mapping out strategic initiatives aimed at integrating stakeholder expectations and enabling the company to hone its competitive capabilities within a context of innovation and sustainable development, anticipating new sustainability-related business challenges and mitigating the risks inherent to company activity.

This Master Plan defines global short-, medium- and long-term action for each of the key issues needed to develop CSR at Abengoa, involving the entire company and enabling CSR strategy to be deployed throughout all business units through specific initiatives adapted to the social reality of the different communities in which Abengoa has a presence.

The plan outlines concrete objectives for each strategic initiative proposed, which thereby enables, through the definition of **monitoring indicators**, measurement of the company's performance. Defining these objectives also requires the corresponding individuals in charge to analyze the **risks** inherent to each company facility.

As with Abengoa's and business units' strategic plans, the Master Plan is reviewed on an annual basis at corporate and business unit level by a **follow-up committee** set up expressly for this purpose.





## Performance Disclosure and the Reporting System

Abengoa has developed an **Integrated Sustainability Management System** to enable the company to ascertain the impact of its projects in order to mitigate risks and generate opportunities through access to reliable data in all company activity areas.

In 2010, Abengoa completed implementation of the **computer application** that hosts all existing reporting tools. This application was designed so as to gain immediate access to reliable information. It consists of the GRI (Global Reporting Initiative) indicator system, the Greenhouse Gases Inventory (GHG), the Environmental Sustainability Indicators (ESI), as well as any other indicator defined to measure company performance in the working areas outlined under the Master Plan and in the matters extracted from the Relevant CSR Issues procedure<sup>1</sup>.

Through this system, the company is able to ascertain its impact on the environment and in the communities where it operates, in that the application aids in daily management of sustainability-related data, simplifying the process of capturing reliable information and documentation, thereby facilitating data review and consolidation.



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<sup>1</sup> See chapter titled Report Preparation Process

Abengoa's internal **CSR auditing area** conducts internal verifications of system tools on a regular basis to check and ensure the efficiency of these tools and the trustworthiness of the information they contain.

## System for valuating Corporate Social Responsibility-related Risks at Abengoa Facilities

In 2010, Abengoa also developed a **system for evaluating the CSR-related risks** of its facilities. This system enables the company to determine the key social and environmental challenges in the areas in which the company conducts its business, particularly in more critical and sensitive aspects and areas that may potentially jeopardize group company development, in line with the commitments Abengoa has undertaken with respect to sustainability.

These risks were defined based on Corporate Social Responsibility Issues tagged as relevant for the company and addressed in its Master Plan, with risk being defined as anything that may jeopardize an organization's reputation should its performance fail to match third-party expectations.

Abengoa seeks to consolidate risk management in all company facilities through this reference model for identifying risk, which also serves to stimulate stakeholder dialog management and conflict resolution at these facilities. The aim is to make information available to ensure sustainable long-term businesses in keeping with company interests.

This risk analysis will enable the company to draw up a facility-specific **stakeholder map**.

Furthermore, depending on the level of risk determined and the degree of development at the different company locations, a procedure will be devised to promote dialog with opinion leaders and stakeholders to enable the **dispute management** in Abengoa's local sphere of action; and the subsequent reporting on progress achieved.





## Stakeholder Dialog

CSR helps the company generate distinctive capabilities by building a network of **cooperative relationships** based on trust with employees, customers, suppliers, the communities where the company operates, and society at large.

For Abengoa, stakeholder **confidence** is key to successfully meeting the challenges the company faces in a society in flux and, therefore, these stakeholders must always be taken into account when making decisions. The value of a company today largely depends on its ability to meet the needs of its stakeholders.

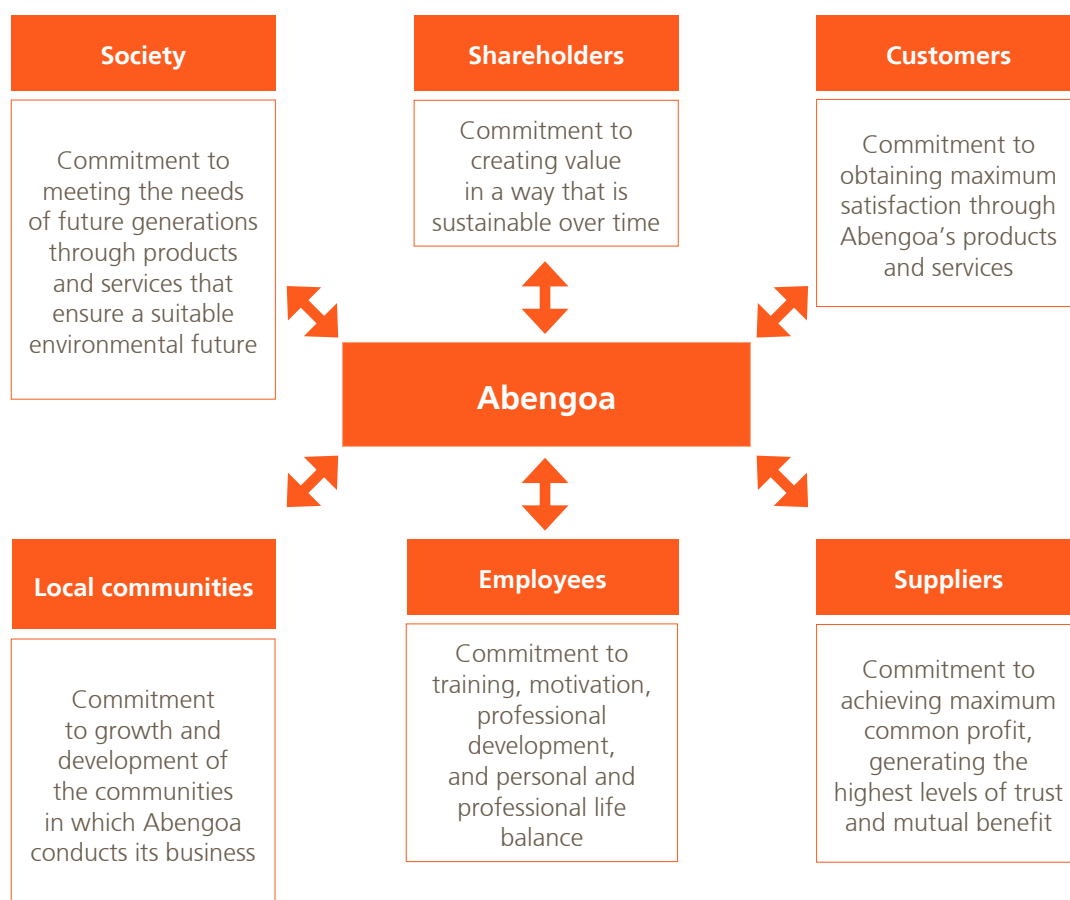
Abengoa is aware of the importance of generating a **relationship based on trust** with its stakeholders and therefore, in addition to providing them with continuous, transparent and accurate information on the activities conducted, the company endeavors to encourage **dialog** with each of its stakeholders through the different communication channels tailored to the particular characteristics of each stakeholder, while at the same time developing other new channels as it pushes towards an enriching and dynamic process for both parties.

Dialog, understood as a **process of listening and communicating**, is an essential part of integrating stakeholder expectations into company strategy.

Abengoa's main stakeholders are its **employees, customers, suppliers, investors** (given that the company is listed on the stock exchange), the **communities** where it operates, and **society** as a whole. Abengoa's commitment to each and every one of them is the product of ongoing, straightforward and direct dialog, which the company has fostered and nourished for years.







## Dialog Channels

To facilitate and foster a well-balanced process, Abengoa employs a wide range of channels for listening and communicating. These channels are aligned with the needs and expectations of each and every one of the stakeholders mentioned above.

The most prominent channels are listed in the table below:

| Stakeholders        | Dialog channels from company to stakeholder  | Dialog channels from stakeholder to company   |
|---------------------|--|---|
| <b>Shareholders</b> | <ul style="list-style-type: none"> <li>■ Corporate and business unit websites.</li> <li>■ Information on relevant matters.</li> <li>■ Investor Relations Department.</li> <li>■ Road shows.</li> <li>■ Gatherings with analysts and investors.</li> <li>■ Analyst and Investor Day.</li> <li>■ General Shareholders' Meeting.</li> <li>■ Quarterly reports.</li> <li>■ Quarterly earnings reports via audio and video. systems accessible through the Abengoa website.</li> <li>■ Question-and-answer session following presentation of results.</li> <li>■ Annual report.</li> <li>■ Press releases.</li> </ul> | <ul style="list-style-type: none"> <li>■ Investor Relations Department.</li> <li>■ Shareholder service mailbox.</li> <li>■ Satisfaction studies.</li> <li>■ Road shows.</li> <li>■ Gatherings with analysts and investors.</li> <li>■ Analyst and Investor Day.</li> <li>■ General Shareholders' Meeting.</li> <li>■ Quarterly earnings reports via audio and video systems accessible through the Abengoa website.</li> <li>■ Question-and-answer segment following presentation of results.</li> <li>■ Investor visits to company facilities.</li> <li>■ External whistleblower channel.</li> <li>■ Annual report. Opinion survey.</li> <li>■ CSR mailbox.</li> </ul> |

|                         |  |   |
|-------------------------|--|---|
| <p><b>Employees</b></p> | <ul style="list-style-type: none"> <li>■ Corporate and business unit websites.</li> <li>■ Corporate intranet: Connect@.</li> <li>■ Employee Self-Service.</li> <li>■ Welcome manual.</li> <li>■ Bimonthly bulletin.</li> <li>■ Representatives from Human Resources.</li> <li>■ Health and Safety Committee.</li> <li>■ Business Committee.</li> <li>■ Committee on Equal Treatment and Opportunities.</li> <li>■ Departmental sessions.</li> <li>■ Mailing.</li> <li>■ People Center: Employee software tool.</li> <li>■ Online training through Campus Abengoa.</li> <li>■ Annual report.</li> </ul> | <ul style="list-style-type: none"> <li>■ Corporate and business unit websites.</li> <li>■ Stakeholder mailbox.</li> <li>■ Corporate intranet: Connect@.</li> <li>■ Suggestion box.</li> <li>■ Employee Self-Service.</li> <li>■ Work climate and satisfaction surveys.</li> <li>■ TSR (troubleshooting report) software tool.</li> <li>■ IA (Improvement Action) software tool.</li> <li>■ Online training.</li> <li>■ Evaluation surveys.</li> <li>■ 360° executive feedback program.</li> <li>■ Employee social assistance.</li> <li>■ Human Resource Partner.</li> <li>■ Internal whistleblower channel.</li> <li>■ Health and Safety Committee.</li> <li>■ Business Committee.</li> <li>■ Committee on Equal Treatment and Opportunities.</li> <li>■ Open-door events.</li> <li>■ Annual report. Opinion survey.</li> <li>■ CSR mailbox.</li> </ul> |
| <p><b>Customers</b></p> | <ul style="list-style-type: none"> <li>■ Corporate and business unit websites.</li> <li>■ Focus group-based customer working sessions.</li> <li>■ Security Management System tool.</li> <li>■ Advertising and marketing.</li> <li>■ Trade fairs, forums and conferences.</li> <li>■ Periodic customer visits.</li> <li>■ Annual report.</li> </ul>   | <ul style="list-style-type: none"> <li>■ Focus group-based customer working sessions.</li> <li>■ Satisfaction surveys.</li> <li>■ TSR (Troubleshooting Report) software tool.</li> <li>■ IA (Improvement Action) software tool.</li> <li>■ Security management system tools.</li> <li>■ Corporate and business unit websites.</li> <li>■ Stakeholder mailbox.</li> <li>■ CSR mailbox.</li> <li>■ Product training sessions.</li> <li>■ External whistleblower channel.</li> <li>■ Annual report. Opinion survey.</li> </ul>   |
| <p><b>Suppliers</b></p> | <ul style="list-style-type: none"> <li>■ Corporate and business unit websites.</li> <li>■ Structured procedure for measuring supplier effectiveness.</li> <li>■ Security Management System tool.</li> <li>■ Periodic supplier visits.</li> <li>■ Annual report.</li> </ul>   | <ul style="list-style-type: none"> <li>■ Satisfaction surveys.</li> <li>■ Structured procedure for receiving supplier input and opinion.</li> <li>■ TSR (Troubleshooting Report) software tool.</li> <li>■ IA (Improvement Action) software tool.</li> <li>■ Security Management System tool.</li> <li>■ Corporate and business unit websites.</li> <li>■ Stakeholder mailbox.</li> <li>■ External whistleblower channel.</li> <li>■ Annual report. Opinion survey.</li> <li>■ CSR mailbox.</li> </ul>  |

|                                 |   |   |
|---------------------------------|---|---|
| <p><b>Local communities</b></p> | <ul style="list-style-type: none"> <li>■ Corporate and business unit websites.</li> <li>■ Annual report.</li> <li>■ Focus-Abengoa Foundation website.</li> <li>■ Press releases.</li> <li>■ Corporate Social Responsibility Department.</li> <li>■ Focus-Abengoa Foundation.</li> <li>■ Gatherings with NGOs and academic institutions.</li> <li>■ Open-door events.</li> <li>■ Trade fairs, forums and conferences.</li> <li>■ Corporate blog (<a href="http://blog.abengoa.com">blog.abengoa.com</a>).</li> </ul> | <ul style="list-style-type: none"> <li>■ Communications Department.</li> <li>■ Corporate Social Responsibility Department.</li> <li>■ Gatherings with NGOs and academic institutions.</li> <li>■ Open-door events.</li> <li>■ Trade fairs, forums and conferences.</li> <li>■ Corporate and business unit website communication mailbox.</li> <li>■ Corporate blog (<a href="http://blog.abengoa.com">blog.abengoa.com</a>).</li> <li>■ CSR mailbox.</li> <li>■ Evaluation by social action program beneficiaries.</li> <li>■ External whistleblower channel.</li> <li>■ Annual report. Opinion survey.</li> <li>■ Corporate and business unit websites.</li> <li>■ Stakeholder mailbox.</li> </ul> |
| <p><b>Society at large</b></p>  | <ul style="list-style-type: none"> <li>■ Corporate and business unit websites.</li> <li>■ Annual report.</li> <li>■ Communications Department.</li> <li>■ Corporate Social Responsibility Department.</li> <li>■ Focus-Abengoa Foundation website.</li> <li>■ Gatherings with NGOs, the media and academic institutions.</li> <li>■ Open-door events.</li> <li>■ Trade fairs, forums and conferences.</li> <li>■ Corporate blog (<a href="http://blog.abengoa.com">blog.abengoa.com</a>).</li> </ul>                | <ul style="list-style-type: none"> <li>■ Communications Department.</li> <li>■ Corporate Social Responsibility Department</li> <li>■ Gatherings with NGOs, the media and academic institutions.</li> <li>■ Open-door events.</li> <li>■ Trade fairs, forums and conferences.</li> <li>■ Corporate and business unit websites communication.</li> <li>■ Stakeholder mailbox.</li> <li>■ Corporate blog (<a href="http://blog.abengoa.com">blog.abengoa.com</a>).</li> <li>■ CSR mailbox.</li> <li>■ External whistleblower channel.</li> <li>■ Annual report. Opinion survey.</li> </ul>   |

For Abengoa, the dialog channels listed above constitute an ideal instrument for ensuring the mutual exchange of information with stakeholders. In 2010, the company developed **two new communication tools** for its stakeholders to directly express their opinions to the company: The **external whistleblower channel**, which serves as a vehicle to report any potential irregularities, incidents involving non-compliance or conduct that violates the ethics, legality and norms governing the company; and the **opinion survey**, which is a companion to the online edition of this report, and enables readers of this document to bring to the attention of the company their opinion on the contents treated herein.

Some of the dialog channels Abengoa makes available to its stakeholders are managed directly by the heads of the departments involved through their customary ongoing stakeholder rapport. However, the ultimate aim is for all opinions, suggestions, considerations and complaints received on a daily basis by Abengoa interlocutors to have a bearing on company strategy. Therefore, all information is carefully analyzed, and the conclusions reached are addressed throughout the organization.

Abengoa maintains **fluid communication** with all of the stakeholders involved in each company project and initiative so that all of them feel a sense of belonging, which is beneficial to everyone concerned.

Abengoa participates in many scientific, technological and cultural events held in the areas, cities or regions where it conducts its business; bearing in mind that, in general terms, any activity that may be considered as lobbying is not handled directly by Abengoa, but rather through support for the different professional associations that exist in each of the sectors of Abengoa's business groups. In the United States, for example, our company engages in lobbying through the following professional associations: Cornerstone Government Affairs, Renewable Fuels Association, Association of Nebraska Ethanol Producers, Association of Missouri Ethanol Producers, and the Kansas Association of Ethanol Producers.

During 2010 there have been no contributions to political parties or institutions related to them.



In short, the dialog channels in place, and which Abengoa promotes among its stakeholders, aim to create a cross-cutting improvement model to address all stakeholder expectations in keeping with the company's vision and mission.

### United Nations Global Compact

In 2002, Abengoa signed the United Nations Global Compact, an international initiative aimed at achieving voluntary commitment from the business community to social responsibility by implementing ten principles based on human rights, labor and environmental standards, and anti-corruption efforts.

#### The 10 principles of the Global Compact

##### **Principle 1. Businesses should support and respect the protection of internationally proclaimed fundamental human rights within their sphere of influence.**

Abengoa has undertaken in its labor practices the Universal Declaration on Human Rights of the United Nations and aligns professional conduct with all of its protocols, in addition to international agreements approved by said international body, as well as the International Labor Organization (ILO) on social rights. Abengoa also adheres to the ILO Tripartite Declaration of Principles Concerning Multinational Companies and the ILO Social Policy, as well as the OECD Guidelines for Multinational Companies.

##### **Principle 2. Businesses must make sure that they are not complicit in human rights abuses.**

All Abengoa companies have standardized selection processes and supplier control and follow-up mechanisms. Since June 2008, Abengoa requires that all of its suppliers sign a Social Responsibility Code (SRC) based on the principles of the Global Compact and inspired by the SA8000 Standard. Through adherence to this code, the company promotes responsible social and environmental practices among its suppliers.

In addition, Abengoa is currently working on the development of a Corporate Social Responsibility-related risk assessment system at company facilities, as well as a single provider verification model for all group companies.

##### **Principle 3. Businesses should uphold freedom of association and the effective recognition of the right to collective bargaining.**

Through an open atmosphere of ongoing dialog, Abengoa supports the free association of its workers and considers this an inalienable right.

##### **Principle 4. Businesses should support the elimination of all forms of forced and compulsory labor.**

Abengoa condemns all forms of forced labor and child exploitation, and supports any and all initiatives aimed at elimination thereof. The company's internal norms (NOC), which are mandatory and accessible to all Abengoa employees, set down the company's hiring policies and guidelines, as well as Abengoa employee procedures and working conditions, all of which are intended to ensure work effectiveness and a suitable personal and professional life balance.

**Principle 5. Businesses should support the abolition of child labor.**

Abengoa condemns all forms of child labor, in accordance with the terms specified under Convention 138 of the International Labor Organization (ILO) concerning minimum age.

Furthermore, in the Supplier Social Responsibility Code, a mandatory requirement for Abengoa suppliers, a stipulation was added to include the prohibition of child labor as a contracting condition and a specific requirement to comply with the norms of the International Labor Organization.

**Principle 6. Businesses should uphold the elimination of discriminatory practices in employment and occupation.**

Abengoa will neither accept nor abide any action that entails discrimination of candidates in any hiring process due to race, color, sex, religion, political opinion or any other kind, nationality or social background, economic or birth status, and upholds a policy of equal pay for equal work. Abengoa's policy on non-discrimination is explicitly reflected in the company's internal regulations (NOC), which apply to the entire company and which are known by and mandatory for all Abengoa employees.

In addition, Abengoa's Equality Plan materialized in 2008, and in 2009 a specific work harassment whistleblower protocol was put in place to deal with any potentially discriminatory situation within the company.

**Principle 7. Businesses should support a precautionary approach to environmental challenges.**

Through an open atmosphere of ongoing dialog, Abengoa supports the free association of its workers and considers this an inalienable right.

**Principle 8. Businesses should undertake initiatives to promote greater environmental responsibility.**

Abengoa, committed from its inception to sustainability and the struggle against climate change, integrates into the attainment of its business goals a policy focusing not only on its products and services contributing to sustainability, but on achieving these goals in a sustainable manner, contributing to economic progress, social equity, and conservation of the environment. Abengoa's Greenhouse Gas Inventory quantifies the emissions derived from products and services acquired from third parties, promoting among its providers environmentally-friendly practices. Furthermore, the Sustainable Business Award, the winner of which will be announced in 2011, was created at the end of 2010. This initiative is aimed at publicly acknowledging Abengoa suppliers which, through their performance and conduct, have made an active contribution to sustainable development.

**Principle 9. Businesses should encourage the development and diffusion of environmentally-friendly technologies.**

Abengoa is an international company that applies innovative technological solutions aimed at sustainable development in the energy and environmental sectors to generate energy from the sun, produce biofuels, desalinate sea water and recycle industrial waste, while bringing long-term value to its shareholders through a management model based on encouragement of the enterprise culture, social responsibility, transparency and rigor.

**Principle 10. Businesses should work against corruption in all of its forms, including extortion and bribery.**

Abengoa's most powerful tool for fighting corruption is its Code of Professional Conduct, which governs the acts and working relations of Abengoa's employees, directors and board members with all stakeholders. Failure to comply with this code may result in termination of the working relationship. This document not only prohibits all forms of corruption, including extortion and bribery, but also demands the highest standards of honor and ethical conduct, and includes procedures for dealing with conflicts of interest between personal and professional relationships; requires suitable disclosure in the reports which Abengoa must present on a regular basis to administrative bodies; requires compliance with applicable laws, standards and regulations; addresses improper use or poor application of assets and business opportunities; demands maximum confidentiality and fair treatment both inside and outside of Abengoa; and demands immediate internal communication of any failure to comply with the code, as well as appropriate disclosure of any illegal conduct.

In 2010, Abengoa implemented an external whistleblower channel, complementing the internal channel already in place, which serves as an instrument for addressing any potential irregularity, non-compliance, or conduct in violation of the ethics, lawfulness and norms governing the organization.

Since 2005, Abengoa has been publishing an annual progress report on the Global Compact website, where the company reports to its stakeholders on the developments in implementing the 10 principles, underscoring the year-to-year goals and objectives set.







## Contribution to Development

| Significant Financial Aid received from Governments                             | (€k)      |
|---|-----------|
| Net sales   | 5,566,149 |
| Other operating incomes   | 841,661   |
| Financial income  | 73,026    |
| Partners' Benefits  | 9,505     |
| Interrupted activities benefit  | 0         |
| Economic Value Generated (EVG)  | 6,490,341 |
| Raw Material Expenses   | 3,752,660 |
| External Partners   | 56,149    |
| Employee Social Security Contributions Expenses                                 | 865,303   |
| Operating Expenses  | 822,654   |
| R+D+i Expenses  | 52,084    |
| Financial Expenses  | 441,466   |
| Dividends (from consolidated cash flows balance)                                | 17,189    |
| Taxes paid (Income Taxes)   | 59,983    |
| Investments in the Community  | 10,283    |
| Economic Value Distributed (EVD)  | 6,064,703 |
| Economic Value Retained (EVR) = EVG - EVD                                       | 425,638   |
| Significant Financial Subsidies received from Government as Capital Subsidies   | 9,207     |
| Significant Financial Subsidies received from Government as Operating Subsidies | 27,246    |
| Significant Financial Subsidies received from Governments                       | 36,453    |

## 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.

Of the total amount of taxes paid in 2010, 43.30 % is attributed to payment of employee personal income and withholding tax by the different group companies to the Tax Administration. In addition, 23.45 % is attributed to Profit Tax, and 13.88 % to other taxes, fees and levies primarily involving taxes paid in Brazil.

List of taxes paid, broken down by country:

| List of Countries (€k)  | 2010             | 2009             |
|-------------------------|------------------|------------------|
| Brazil                  | 60,353.7         | 67,396.8         |
| Spain                   | 55,157.7         | 22,378.0         |
| United States           | 23,691.7         | 19,210.0         |
| Netherlands             | 15,081.2         | 3,100.6          |
| Mexico                  | 13,742.0         | 7,990.7          |
| France                  | 9,813.5          | -656.4           |
| Germany                 | 8,971.9          | 6,476.6          |
| Uruguay                 | 6,633.7          | 10,283.0         |
| Canada                  | 6,602.3          | 6,085.7          |
| Algeria                 | 6,278.2          | 406.0            |
| Argentina               | 5,634.4          | 3,791.2          |
| Chile                   | 5,177.6          | 8,317.4          |
| Sweden                  | 2,066.5          | 2,458.6          |
| <b>Total taxes paid</b> | <b>219,204.3</b> | <b>157,238.0</b> |

| Geographical Areas      | 2010             | 2009             |
|-------------------------|------------------|------------------|
| Europe                  | 91,090.8         | 33,757.3         |
| Latin America           | 91,541.3         | 97,779.1         |
| North America           | 30,294.0         | 25,295.6         |
| Asia                    | 0.0              | 0.0              |
| Africa                  | 6,278.2          | 406              |
| <b>Total taxes paid</b> | <b>219,204.3</b> | <b>157,238.0</b> |

**Infrastructure Investments**

| Business unit | Company                            | Description of project generating public benefit  | Description of present and anticipated positive impacts  | Description of present and anticipated negative impacts  |
|---------------|------------------------------------|---|--|--|
| Bioenergy     | A.B. Agroindustria Ltda.           | Community renewable energy cogeneration project   | Job creation. Increase in energy capacity. Increase in tax collection for the community.   | There are no present or anticipated negative impacts.  |
| Abeinsa       | Inabensa                           | Design, supply, public works, assembly and service start-up of the 400/132/13.8 kV Industrial Area substation in Riyadh. This is an armored GIS substation.   | Improved electrical power supply in Saudi Arabia   | There are no present or anticipated negative impacts.  |
| Abeinsa       | Inabensa                           | Design, supply, public works, assembly and service start-up of the 400/110/13.8 kV Jeddah North West substation. This is an armored GIS substation.   | Improved electrical power supply in Saudi Arabia   | There are no present or anticipated negative impacts.  |
| Abeinsa       | Inabensa Maroc                     | Rural electrification in Moroccan towns   | Improved electrical power supply to rural towns in Morocco.  | There are no present or anticipated negative impacts.  |
| Abeinsa       | Abengoa Cogeneración Tabasco       | Design, engineering, supply, construction and service start-up of a cogeneration plant in Mexico  | Generation of employment sources. Greenhouse gas reduction.  | There are no present or anticipated negative impacts.  |
| Befesa        | Befesa Agua SAU                    | Desalination plant in Djerba (Tunisia). Design, construction and 20-year operation of a sea water desalinating plant on the island of Djerba.   | Initiatives implemented by the Tunisian government to promote and develop alternative water resources to deal with the problems the country suffers due to both a lack of water and poor water quality. This desalinating plant, Tunisia's largest, will help meet the water supply needs of a population of over 250,000. | There are no present or anticipated negative impacts.  |
| Befesa        | Befesa Agua SAU                    | Inauguration of the desalination plant in Chennai (India). With its capacity to desalinate 100,000 m <sup>3</sup> of water per day, this is India's largest reverse osmosis desalinating plant and the country's first to be executed under the DBOOT model (Design, Build, Own, Operate and Transfer). This includes plant operation over a 25-year period.  | "Solution to drinking water supply problems in Chennai, the country's fourth largest city. This desalination plant will meet the needs of more than 700,000 people."   | There are no present or anticipated negative impacts.  |
| Befesa        | Befesa Agua SAU                    | Design and construction of Phase 1 of the Ratnapura water supply project, involving the construction of a potabilizing plant with the capacity to treat 13,000 m <sup>3</sup> of water per day. It also includes construction of the systems for withdrawing raw water from the Kalu Ganga River, a 2,500 m <sup>3</sup> storage tank, and nearly 20 kilometers of pipeline to distribute drinking water. | "This project, designed to meet the water demand projected for 2025, will ensure the supply of drinking water to this city and its surrounding areas to benefit a population of close to 100,000 inhabitants."   | There are no present or anticipated negative impacts.  |
| Telvent       | Telvent Brazil                     | Sao Paolo subway system automation  | Lower subway arrival times, control terminal automation  | Possible delays in line schedules due to required testing; local instead of online maintenance |
| Telvent       | Telvent Traffic and Transportation | Railway Department of the Regional Government of Andalusia - Development and implementation of the new comprehensive management system for the Bay of Cádiz light rail system.  | Higher light rail frequency and enhanced intermodality among the different means of transportation, thereby lowering travel times, and vehicle traffic and the resulting greenhouse gas emissions.   | There are no present or anticipated negative impacts.  |
| Solar         | Abengoa Solar INC                  | Solana Project (US). With its 280 MW of power, it is the world's largest parabolic trough plant.  | "Electricity generation for 70,000 households and a CO <sub>2</sub> reduction of around 400,000 t. The plant will create 1,200 jobs during construction and, once completed, another 80 permanent jobs over the course of its useful life."  | Possible inconvenience during construction   |
| Solar         | Abengoa Solar INC                  | Mojave Solar Project (US)   | "Electricity generation for 90,000 households and a CO <sub>2</sub> reduction of around 431,000 t. The plant will create 1,200 jobs during construction and, once completed, another 80 permanent jobs over the course of its useful life."  | There are no present or anticipated negative impacts.  |



## 2010 Milestones

- Continuation of **Master Plan implementation** and fulfillment of the objectives envisaged in the plan.
- Development of a **computer application** that brings together existing reporting tools to measure company performance (Integrated Sustainability Management System).
- Implementation of a **CSR-related risk evaluation model** at company facilities.
- New stakeholder **dialog channels**: External whistleblower channel and the opinion survey for readers of this report.
- **Sustainable Business Award** (winner to be announced in 2011).



## Areas of Improvement

The **stakeholder relationship** is the foundation supporting the company's entire CSR strategy. Therefore, Abengoa concentrates all of its efforts on improving the efficiency of the dialog channels in place and on keeping the stakeholder map up to date.

It is also necessary to promote seamless **coordination among all of the CSR representatives** existing within the company in order for the objectives set under the company's Master CSR Plan to be fulfilled successfully.

This will likewise necessitate the execution of ongoing verification and improvement of the **Integrated Sustainability Management System tool** in order to ensure data reliability and accuracy and thereby achieve optimal management of the information compiled.

## Future Goals and Objectives

One of the primary objectives for next year is to implement the **CSR-related risk evaluation** model successfully throughout Abengoa's facilities, and likewise to develop a company location-specific stakeholder map and dialog protocol. Work is presently under way on meeting these objectives.

Furthermore, Abengoa shall continue to consider **stakeholder dialog** as a top priority for its management model and to safeguard the implementation of the 10 principles of the **Global Compact**, within the company itself and throughout the supply chain, faithfully upholding its commitment to corporate social responsibility and sustainability.







# 5

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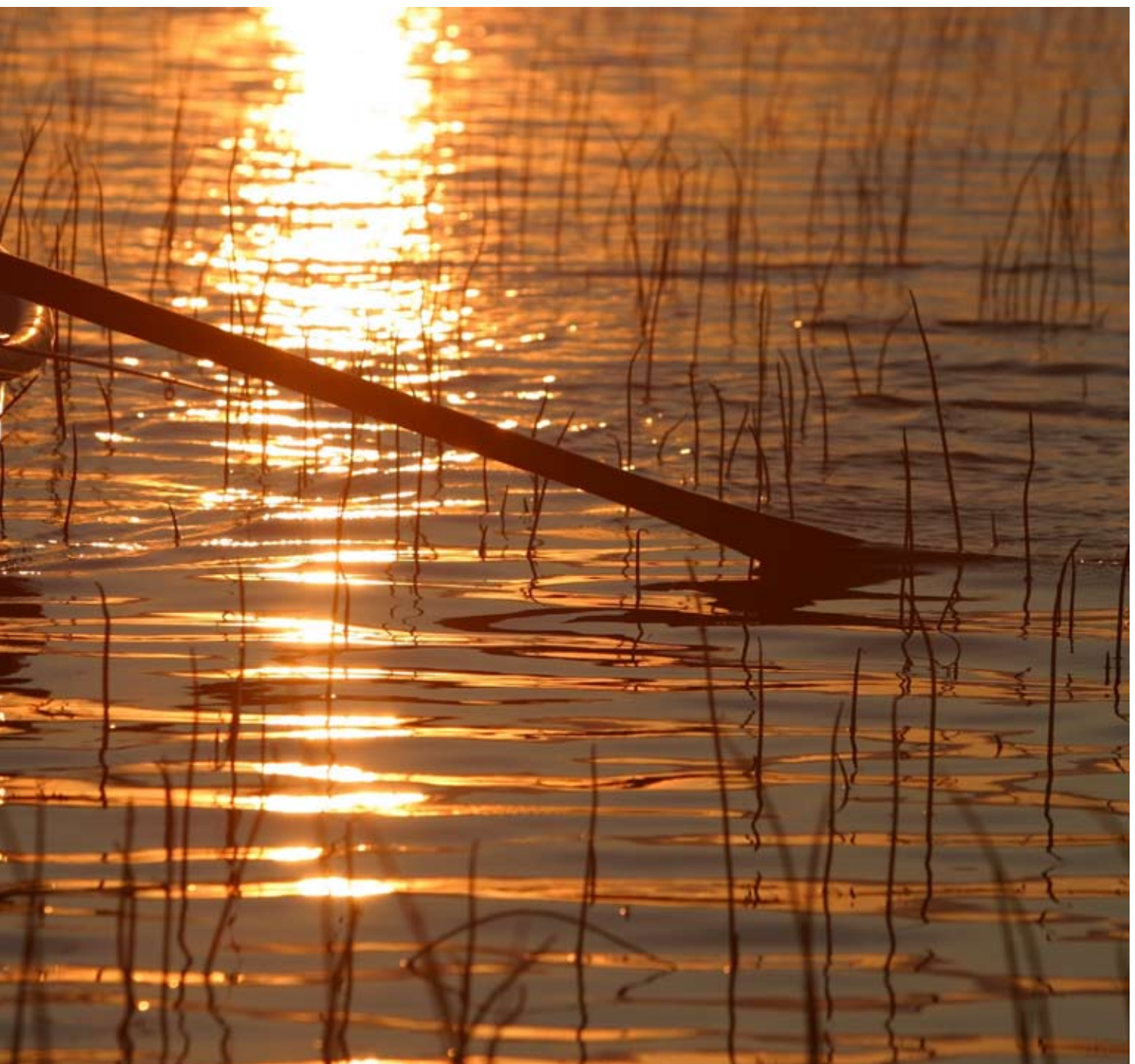
## Human Resource Vision and Management

Abengoa's true  
Competitive  
Edge is found  
in its People

Abengoa's true competitive edge is found in its people, who, through their preparation, effort and dedication, contribute the **excellence** that helps the company to stand out for its results and achievements.

Human resource policies emphasize the importance of pursuing and creating ideal conditions for employees' personal and professional growth, embracing the development of talent as a key factor in achieving excellence in performance.

**Commitment, drive, initiative**, and effort are the key principles to which Abengoa's professionals adhere.



## Adherence to the Global Compact and Observance of Universal Declarations

In 2002, Abengoa signed up to the United Nations Business Leadership **Global Compact**. This commitment entails, on the one hand, supporting and upholding the protection of human rights; and, on the other, in the area of labor rights, implies eliminating any and all forms of discrimination in employment and occupation, and all forms of forced or compulsory labor; effectively abolishing child labor; and supporting freedom of association and the effective recognition of the right to collective bargaining.

Abengoa integrates these principles into the company's labor practices and aligns the professional conduct of its employees with the United Nations **Universal Declaration of Human Rights** and its protocols.



## Policy on Labor-Related Social Responsibility and Human Resources

In accordance with the social responsibility commitments acquired through adherence to the United Nations Global Compact and those derived from the company's own Code of Conduct, Abengoa has undertaken a policy on labor-related social responsibility consisting of the integration of a management system inspired by the international SA8000 model, which assures ongoing improvement in the company's social performance, and whose commitments are the following:

- Integrating labor-related social responsibility management into corporate business strategy.
- Guaranteeing compliance with legal regulations in force and any other commitments undertaken in this area.
- Promoting the principles of the Global Compact in the company's sphere of action: partners, suppliers, and contractors.
- Promoting and fostering the personal and professional development of the people who make up the Abengoa organization through the creation of ideal working conditions and the promotion of ongoing training.
- Recruiting, hiring, training, and promoting the most qualified individuals, regardless of race, religion, color, age, gender, marital status, sexual orientation, nationality, or physical or mental disability.
- Ensuring appropriate preventive culture in accordance with the policy on Occupational Risk Prevention.
- Creating the conditions necessary to facilitate employees' personal-professional life balance.
- Assessing and reviewing company social performance, informing thereon in a transparent manner, and establishing programs for continuous improvement.

This policy was extended to include all Abengoa companies over the course of 2010.





## Labor Practices and Equal Opportunities

### Staff Data

In 2010 Abengoa's **average staff** headcount totaled 26,127 people, up by 12 % from last year.

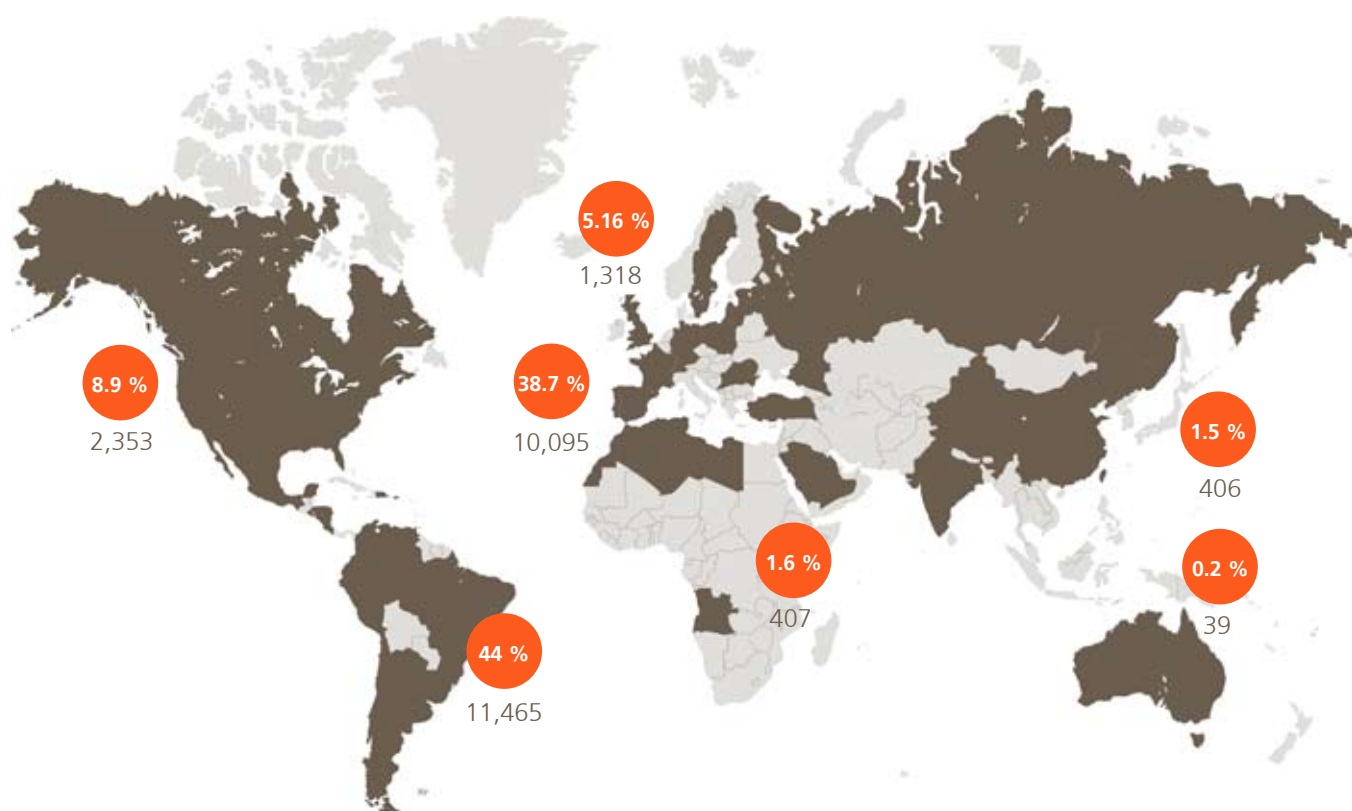
As of December 31, 2010, the company's staff number totaled 26,083 people, up by 9 % over year-end 2009.

The table below shows average staff numbers by business unit, as well as a comparison to 2009.

| Business units                          | 2010          | 09-10 %   | 2009          | 2008          | 2007          |
|---|---------------|-----------|---------------|---------------|---------------|
| Solar                                   | 450           | 26        | 358           | 241           | 104           |
| Bioenergy                               | 5,256         | 24        | 4,224         | 6,172         | 2,430         |
| Environmental Services                  | 2,835         | 5         | 2,698         | 2,263         | 1,969         |
| Information Technologies                | 5,717         | -1        | 5,787         | 5,324         | 3,895         |
| Industrial Engineering and Construction | 11,869        | 16        | 10,256        | 9,234         | 8,847         |
| <b>Total</b>                            | <b>26,127</b> | <b>12</b> | <b>23,323</b> | <b>23,234</b> | <b>17,245</b> |

In terms of the different geographical areas where Abengoa conducts its business, the staff percentage breakdown, as of December 31, 2010, is as follows:

| Geographical distribution | 2010          | (%)        | 2009          | (%)        | 2008          | (%)        |
|---------------------------|---------------|------------|---------------|------------|---------------|------------|
| USA and Canada            | 2,353         | 8.9        | 2,371         | 9.9        | 2,257         | 10.4       |
| America                   | 11,465        | 44         | 9,961         | 41.5       | 8,585         | 39.4       |
| Europe (Spain)            | 10,095        | 38.7       | 9,633         | 40.1       | 9,522         | 43.7       |
| Europe (Rest)             | 1,318         | 5.1        | 1,125         | 4.7        | 872           | 4.0        |
| Africa                    | 407           | 1.6        | 530           | 2.2        | 230           | 1.1        |
| Asia                      | 406           | 1.5        | 360           | 1.5        | 295           | 1.4        |
| Oceania                   | 39            | 0.2        | 35            | 0.1        | 49            | 0.2        |
| <b>Total</b>              | <b>26,083</b> | <b>100</b> | <b>24,015</b> | <b>100</b> | <b>21,810</b> | <b>100</b> |



Evolution of Abengoa's presence in 2010 in the different geographical locations, in comparison to 2009, is as follows:

| Geography     | 2010 (%) |
|---------------|----------|
| Spain         | +5       |
| Europe        | +17      |
| North America | -2       |
| Latin America | +15      |
| Africa        | -23      |
| Asia          | +12      |
| Oceania       | +1       |

In terms of the nature of the labor relationship, distinguishing between employees and operators, the total percentage of employees with a permanent contract in 2010 is 60 %.

| Labor relationship | 2010        |             | 2009        |             |
|--------------------|-------------|-------------|-------------|-------------|
|                    | % Permanent | % Temporary | % Permanent | % Temporary |
| Employees          | 69.7        | 30.3        | 68.2        | 31.8        |
| Operators          | 43.4        | 56.6        | 32.7        | 67.3        |

Most employees (90 %) have full-time contracts.

The following table shows the age pyramid, and the average age of Abengoa's staff, distinguishing between men and women:

| Age pyramid | 2010 (%) | 2009 (%) | 2008 (%) |
|-------------|----------|----------|----------|
| >60         | 2.5      | 2.3      | 2.5      |
| 51-60       | 10.9     | 11.2     | 12.2     |
| 41-50       | 20.5     | 21.1     | 20.1     |
| 31-40       | 36.1     | 36       | 35.6     |
| 20-30       | 30.0     | 29.4     | 29.6     |

| Average age (years) | 2010 | 2009 | 2008 |
|---------------------|------|------|------|
| Staff average       | 36.9 | 37   | 38.6 |
| Male average        | 37.3 | 37.4 | 39.6 |
| Female average      | 34.9 | 34.7 | 35.7 |

Average staff distribution into the different professional categories is as follows:

| Professional categories            | 2010   |
|------------------------------------|--------|
| Directors                          | 819    |
| Managers                           | 2,301  |
| Engineers and other degree holders | 5,737  |
| Assistants and technicians         | 4,224  |
| Operators                          | 13,002 |

Employee turnover rate (voluntary undesired leaves) is 1.53 %, which is shown in the table below according to breakdown by gender:

| Turnover | 2010   |
|----------|--------|
| Men      | 1.54 % |
| Women    | 1.51 % |

## Staff Diversity

### Equality Between Men and Women; Staff Diversity and the Integration of People with any Type of Disability

Abengoa safeguards and promotes **equality between men and women** and applies this principle in all of its human resource management policies: hiring, recruiting, training, performance review, promotion, compensation, working conditions, family-work life balance, communication, and the prevention of harassment.

Accordingly, Abengoa has its own **Equality Framework Plan** that applies to all company personnel, and which seeks, on the one hand, to ensure equality in the treatment and opportunities between men and women, and, on the other, to prevent any situation that may imply or constitute direct or indirect labor discrimination for reasons of gender.



The diversity of the company's staff is a fact: more than 26,000 people conducting their activities in more than 70 countries, a fine example of coexistence among diverse cultures and nationalities.

In 2009, Abengoa implemented a **whistleblower protocol for harassment** in the workplace in order to deal with any potentially discriminatory situation within the company.

This protocol addresses whistleblower procedure and defines the situations that may constitute harassment. This is handled in accordance with the principles of confidentiality, credibility and timeliness in order to ensure and protect the privacy, dignity and rights of company employees.

There were no reports of any incidents involving discrimination in 2010 via Abengoa's information channels to this effect. Nor were recorded incidents of violations of indigenous rights.



## Staff Breakdown by Gender; Percentage of Female Representation in Managerial Positions and Origin of Locally-Based Managers

The distribution between men and women at Abengoa, at year-end 2010, totals 17.37 %, which represents an increase over 2009 of 3 %.

In terms of the total number of employees, the proportion of women totals 27.73 %.

Female representation on the Abengoa Board of Directors totals 20 %.

Also worth noting are the company's figures in terms of the different countries of operation, which is reflected in the percentage of locally-based directors in the company organization chart, as illustrated below:

| Local directors | 2010 (%)  | 2009 (%)  | 2008 (%)  |
|-----------------|-----------|-----------|-----------|
| Europe          | 97        | 96        | 98        |
| America         | 85        | 75        | 87        |
| Asia - Oceania  | 44        | 75        | 67        |
| <b>Average</b>  | <b>92</b> | <b>90</b> | <b>94</b> |

## Abengoa's Remuneration Policy

The remuneration system adheres to legal regulations, as well as the commitments and principles that govern Abengoa policies. This procedure takes into account structure, **capacity, performance and work quality**, thereby ensuring **equal treatment** and opportunities. Therefore, there are no gender-based wage significant differentials.

| Average monthly salary of employees who are degree holders and under the age of 35 | Men (€)  | Women (€) |
|--|----------|-----------|
| Degree holder  | 1,980.69 | 1,949.64  |

\* Data obtained from a representative sample of Abengoa companies headquartered at Campus Palmas Altas. Monthly gross salary calculated over 14 monthly payments

The table below shows the percentage difference between Abengoa's standard starting salary and local minimum inter-professional wage (MIW), taking different professional categories into account.

| 2010      | Average monthly starting salary paid out by categories (€) |                          |          | % paid above MIW |                          |          |
|-----------|--|--------------------------|----------|------------------|--------------------------|----------|
|           | Degree holder  | Administrative personnel | Operator | Degree holder    | Administrative personnel | Operator |
| Spain     | 1,846.02   | 1,074.36                 | 1,054.44 | 292              | 170                      | 167      |
| Brazil    | 1,010.14   | 683.06                   | 365.15   | 435              | 294                      | 157      |
| Argentina | 1,191.61   | 712.08                   | 648.30   | 343              | 205                      | 187      |
| USA       | 2,705.87   | 1,731.76                 | 1,303.99 | 296              | 190                      | 143      |

\* Brazil, Argentina and USA are calculated over 12 payments per year. Spain has been calculated over 14 payments

## Condemnation of Forced and Child Labor, and the Right to Freedom of Association and Union Representation

Abengoa **condemns forced labor and the exploitation of children**, and, furthermore, supports any and all efforts to abolishing these practices.

All company employees are under the scope of application of labor regulations, according to the nature of their 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, depending on each case.

Therefore, Abengoa respects and supports the free association of its workers, holding it to be an inalienable right. Through ongoing **dialogue** with workers' representatives, employees are kept abreast of any matters potentially of interest to them.

Considered to be a basic labor right, the company also guarantees prior informing of all employees of any structural or organizational changes taking place within the company, whether individually or through their representatives, in accordance with prior notice time requirements established by law or by collective agreements.

## Training and Developing Human Capital

### The Importance of Training in Human Resource Policy

Abengoa, convinced that companies raise their level of excellence through employee training and development to thereby increase opportunities, success, and market recognition, is deeply committed to personnel instruction and updating. Proof of this is the fact that the company devoted more than **1,2 M hours** to training in 2010.

### Abengoa's Training Strategy: Existing Methodologies and Management Model

Abengoa's approach to training is a product of the key objectives in accordance with the strategic plan that has been drawn up for successfully meeting these objectives. Based on these objectives, general training requirements are determined for the company, as well as **Abengoa's annual training plan**, which gives rise to specific training programs for each company.

Company training combines a variety of instruction methodologies: **attendance-based**, **semi-attendance-based**, and **online**, among others.

### Training Content Areas

Abengoa's training plan encompasses all contents required for maintaining a team of highly qualified professionals in alignment with corporate culture. Noteworthy, among others, are the following areas:

- **Corporate training**, which transmits corporate culture; company values and principles, and management system. It also covers key aspects of company strategy; understanding of risks and business, and the vision of leadership.



- **General training**, aimed at employees' professional enhancement in any discipline related to their position, mission, function, and duties.
- **Training in occupational risk prevention**, based on health and safety standards in the workplace and the use of protective elements.
- **Languages**, as a key component in Abengoa's model of ongoing international growth.
- **Professional practices**, carried out through the company's grant program.

### Professional Programs

The professional programs are an important part of the Abengoa training model and are designed to reinforce strategic competencies and advance professional careers within the company:

- **Project director program**, enabling professionals to access best practices and the latest pertinent theoretical material. Program contents and themes are based on Abengoa's internal procedures. This program has served to train numerous professionals in Europe, Latin America, and China. Program development in the United States is scheduled to take place in 2011.
- **Project manager program**, geared towards company employees with a very specific background and designed according to company needs. This program lasts ten months and provides high-level training. The semi-attendance-based training mode allows trainees to manage their own instruction.
- **Worksite manager program**, which to date has provided valuable instruction to 140 employees in Spain and Latin America.



## 2010 Abengoa Training Plan

|                        | Participants<br>2010 | Hours<br>2010    | Participants<br>2009 | Hours<br>2009    |
|------------------------|----------------------|------------------|----------------------|------------------|
| Languages              | 3,091                | 96,591           | 1,996                | 59,903           |
| Corporate              | 80,920               | 194,566          | 61,999               | 125,764          |
| Prevention             | 345,211              | 303,624          | 182,448              | 270,162          |
| General                | 53,317               | 260,918          | 50,258               | 202,969          |
| Professional practices | 676                  | 351,476          | 678                  | 344,380          |
| <b>Total</b>           | <b>483,215</b>       | <b>1,207,175</b> | <b>297,379</b>       | <b>1,077,484</b> |

Comparison of the number of training hours and participants between 2009 and 2010:

| Training hours by business unit          | 2010    | 2009    | 2008    | 2007    |
|--|---------|---------|---------|---------|
| Bioenergy                                | 206,096 | 195,717 | 135,662 | 74,490  |
| Industrial Engineering and Construction* | 656,384 | 534,585 | 358,514 | 24,7070 |
| Environmental Services                   | 89,000  | 92,149  | 93,297  | 37,389  |
| Solar                                    | 52,621  | 39,093  | 30,475  | 20,768  |
| Information Technologies                 | 203,074 | 215,937 | 326,730 | 227,876 |

\*Industrial Engineering and Construction includes information on Corporate

| Number of participants by business unit | 2010    | 2009    | 2008   | 2007   |
|---|---------|---------|--------|--------|
| Bioenergy                               | 71,759  | 14,362  | 11,822 | 9,573  |
| Industrial Engineering and Construction | 351,197 | 224,757 | 78,147 | 44,123 |
| Environmental Services                  | 11,502  | 12,450  | 10,098 | 6,231  |
| Solar                                   | 7,740   | 5,807   | 3,599  | 839    |
| Information Technologies                | 41,017  | 40,003  | 31,846 | 15,996 |

\* 2008 attendance data was calculated based on 71 % of company staff

The average number of training hours per person in 2010 was 46.2.

Abengoa conducts annual courses on the Common Management Systems (NOC) for all of its employees. These courses are aimed at, among other matters, explaining the Code of Professional Conduct and the norms of conduct that are specified in the company's anti-corruption policies.

NOC training initiatives in 2010 totaled 35,583 attendance-based sessions and 70,016 sessions in online mode, that benefiting more than 7,300 employees.

## Attracting and Retaining Talent

### Human Resource Management Model

Attracting, developing and retaining talent is the key to Abengoa's success. As a product of the company's management model, Abengoa boosts the capabilities and competencies of its employees so that their contributions meet company needs.

Abengoa has an **executive development program** and a **specific system for evaluating their performance** based on the 360-degree methodology. In 2010 more than 500 company employees were participating in the program.

Abengoa also has a **competency-based management model** in place in all of its companies. This model facilitates integration of personnel with the strategic objectives, annual performance assessment and development in each group company. In 2010, the percentage of employees participating in performance assessment programs totaled 45 %.

2010 marked a further step forward in **managing talent** with the implementation of an ambitious Intercommunication Plan; empowering identification programs already in place to develop and conduct follow-up on employees with greater potential and to ensure both a two-way exchange of information as well as effective management thereof.

Abengoa prepares **work climate surveys** every two years in order to ascertain employee perception of the company and its management. A total of 14,500 surveys were conducted in 2010. The results of the 2010 survey are as follows 64.4 %

In addition, the company implemented a range of initiatives in 2010 to favor family and work life balance:

- **Flexible Compensation (FC) Plan** for Abengoa company employees in Spain, including daycare vouchers, health insurance, training, and computer equipment.
- **Work schedule flexibility** at the company's main office locations.
- **Employee social assistance.** Abengoa has a social action department, through which employees can receive advice, support and orientation; raise doubts or seek follow-up on specific family, medical, social or economic problems. The Focus-Abengoa Foundation, through GIRH, also has social funds available to provide economic aid to employees in situations of need.
- **Free transportation service** to the Campus Palmas Altas headquarters from various locations in the city of Seville.
- **Medical service** to enhance employee healthcare coverage at work facilities with a headcount of over 300. The company's major worksites have specific medical facilities staffed by specialized personnel and equipped with the latest in modern technology.
- Subsidized **daycare service** at the main company work locations.
- **Gymnasiums** at the company's major work facilities, equipped for physical exercise and providing areas for group activities, including dance, aerobics, step aerobics, pilates, etc.

Employee benefits are enjoyed by all company personnel, regardless of the contractual relationship.

Management procedures require that all Abengoa employees have life and disability insurance coverage, and the companies in each country are responsible for taking out these policies for all employees.



## Occupational Health and Safety

### Occupational Risk Prevention Policy

Abengoa's occupational risk prevention policy abides by the different occupational health and safety regulations in force in the countries in which the company operates, while seeking the **integration of occupational risk prevention into company strategy** through information and training.

### Occupational Health and Safety Management Objectives

Fulfillment of the objectives set throughout the year within the companies, the integration and participation of workers in the execution of prevention activities, follow-up and control of the system by management, and the advice received by the company in prevention issues ensure implementation at Abengoa of an occupational risk prevention culture that has a significant impact on reducing work-related accidents and illnesses and on the continuous improvement of safety conditions in the workplace.

In accordance with prevention policy and the Common Management Norms, **committees on prevention** have been set up at all group companies to be responsible for monitoring and control of the system. These committees comprise company management, individuals in charge of each area, and the prevention service technicians.

### Data on Work-Related Incidents

Work-related accident rates are remarkably low at Abengoa in comparison with data from similar sectors and taking into account the nature of the company's activities. Thus, the number of accidents in 2010 totaled 26.69 (number of accidents entailing leave for every one thousand workers), and a serious accident rate of 0.28 (number of lost working days for every one thousand working hours).

The following are data from 2010:

- The total percentage of absenteeism at Abengoa (sanctions, illnesses, accidents, and justified and unjustified leaves of absence) totaled 2.50 %.
- Absenteeism deriving from common illness totaled 1.31 %, and the total for labor-related accidents was 0.21 %.

By geographical areas, the absentee rate is as follows:

Europe (Spain), 2.21 %; Europe (rest), 5.08 %; Asia, 0.85 %; Latin America, 2.74 %; North America, 0.53 %; Oceania, 7.74 % and Africa, 3.65 %.

The number of work-related accidents leading to authorized medical leave over one day totaled 837, of which 77 occurred during commutes to and from work. These accidents entailed 15,948 lost working days, of which 1,714 are attributed to in itinere accidents.

Three work-related accidents resulting in fatality occurred in 2010, due to cardio-respiratory arrest, falls from an electrical tower and shaft, and chest trauma.

### Occupational Health and Safety Training, ongoing Improvement of the Occupational Risk Prevention System

Involvement and commitment of all employees to ongoing improvement of the prevention system at each Abengoa company continue to constitute the cornerstones to the management system.

In order to verify the safety conditions under which the activities of the work centers and worksites are carried out, visits were conducted to assess occupational health and safety conditions. Based on deficiencies and anomalies observed, the corresponding Troubleshooting Report (TSR) and Improvement Action (IA) systems were generated.

In accordance with defined goals and programs, in 2010 the number of visits made to companies and organizational units totaled 2,387, including audits, inspections, and measurements. Subsequently, depending on the cases of non-conformity detected and the recommendations issued, the corresponding TSR and IA were implemented, totaling around 2,783 TSR and 1,546 IA.

In 2010, Risk Prevention sessions were held in Spain and Brazil for managers. The purpose of these sessions is to raise awareness and disseminate company culture with respect to occupational risk prevention on all levels. For the company, combating work-related stress and preventing other problems that may affect employees as a result of their activity constitutes a priority and source of concern and therefore the company strives to prevent and mitigate these problems through, among other initiatives, training programs and informational talks.

Based on the different pathologies detected among the staff, lectures and information sessions were held on acute respiratory disease, parasitosis, high cholesterol, high blood pressure, HIV among others. In addition, workshops were organized to raise personnel awareness of the consequences that emotional and mental stress brought on by different factors (work, family-related, etc.) can have on their health.



## OSHAS 18001-Certification of Prevention Models

Abengoa's Common Management Norms establish, as a strategic objective for all companies, the implementation and certification of prevention management models in accordance with the **OHSAS 18001:2007** Standard.

At present the number of certified companies is 79 of a total of 116, which represents 84.22 %.

## Occupational Safety-Related Contractor Supplier Requirements

In accordance with the company's internal norms, companies evaluate compliance by contractors in the area of Occupational Risk Prevention. These internal norms require that suppliers and contractors sign up to **Abengoa's Social Responsibility Code**, which expressly specifies occupational health and safety conditions for all employees.

### Gold Seal Award for European Excellence (+500) from the European Foundation for Quality Management (EFQM)

Abengoa's Human Resource function (GIRH) was awarded the **Gold Seal for European Excellence (+500)** from the European Foundation for Quality Management, thereby becoming the first company to earn this seal in the human resource area and joining the exclusive group of 35 companies in Spain to have earned this recognition. This international endorsement is awarded by the **Club of Excellence in Management** to entities and organizations that apply management principles based on quality and excellence as a strategy for ongoing improvement.

GIRH was conceived in 2002 as a product of the trajectory, expertise and experience already in existence at each one of the Human Resource Departments throughout the range of Abengoa companies.

Since its inception, GIRH managers deemed it essential to align the company's organizational structure with work and task organization, and this led to the adoption of a process-based model to enable fulfillment of the strategic plan. Efforts were also dedicated to standardizing company processes to obtain:

- **Quality Management System**, certified by AENOR in 2004 in accordance with ISO 9001:2000 under company registry number ER-1129/2004.
- **Environmental Management System**, certified by AENOR in 2005 in accordance with ISO 14001:2004 under company registry number GA-2005/0316,
- **Occupational Risk Prevention System**, initially certified by TUV in 2004, under registry number 35117008.05, in accordance with OHSAS 18001:1999, and by AENOR at the end of 2007, under registry number SST-0047/2008. The results of the mandatory audits conducted in accordance with Law 31/1995 and 54/2003 have been satisfactory throughout this period of time.
- As part of Abengoa, GIRH employs the **Joint Prevention Service (JPS)** as an organizational prevention method pursuant to Article 31 of Law 31/1995 pertaining to Risk Prevention. The JPS is made up of advanced ORP technicians specialized in occupational safety, industrial health, ergonomics, and applied psycho-sociology. The occupational medicine area is supported by collaboration from the occupational accident mutual insurance company, with which health monitoring has been arranged.



- **Labor-Related Social Responsibility**, SA8000:2001, certified in 2009 under registry number S1040-ES, with certification being renewed recently in 2010.

The European Excellence model, moreover, implies a **global approach** to business management aimed at fully meeting the **needs and expectations** of all stakeholders in a balanced manner, and increasing the company's competitiveness in the medium and long term. It also enables individual and integrated assessment to be conducted in order to gain a global overview of the company.

### Managerial Intercommunication Program

For Abengoa, commitment is the key to achieving excellence in performance and obtaining the best results.

Therefore, the **Managerial Intercommunication Program (MIP)** was implemented in 2010. The primary objective of this program is to ascertain workers' perceptions of their professional career and development through questionnaires and interviews. The aim is thus to make the most of participants' abilities and talents by finding the best place for them within Abengoa. Knowing their concerns, expectations, **commitments and motivations** contributes to direct and personalized management of their professional careers, and is realized, depending on each case, through the application of individualized solutions and plans.

MIP participants were addressed in a personalized manner by company management, and in some cases through the Human Resource Department. A variety of individual and group action plans were also drawn up.



## Online Instruction Progress: Campus Abengoa

Campus Abengoa, an online training and management platform, has been consolidated to become the key tool for applying the **company's training model**.

Since the initiative was launched in 2007, there has been a remarkable progression in online training. 2009 saw an increase of 57 % with respect to 2008, and this year there was an even higher progression, placing the company above the average of major Spanish companies in this area.

Online instruction focuses primarily on corporate training and risk prevention, two essential underpinnings of the company's training model.

The company has therefore designed its own major catalog of extensive contents, including, among others, courses on finance, social responsibility, climate change, Common Management Systems, occupational risk prevention, and the use of corporate applications.

Employees highly value being able to **manage their own** time devoted to training, which has led to very positive overall satisfaction throughout the company.

## Internal Communication

Communication is a key component of Abengoa's philosophy. For the company, **external communication** and **internal communication** constitute a strategic tool for meeting objectives and in fostering fluid, straightforward and direct dialog with all of its stakeholders.

Effective internal communication can help to involve all employees in fulfilling corporate mission and meeting company objectives, while at the same time fostering integration and cohesion among the entire staff from a professional and personal standpoint.

Noteworthy among the company's internal communication channels and tools made available to its employees to carry out and promote multidirectional communication are the following:

- **Connect@**, the corporate intranet, a platform offering its users up-close and local personalized information on company and department activity; as well as the latest news from national and international media outlets.
- The **Corporate Identity Manual**, which outlines the main guidelines for protecting company image.
- The **Style Guide**, a manual containing the main guidelines for proper text preparation, basic grammatical and lexical rules for proper usage of Spanish, specific spelling recommendations and a brief compendium of common doubts aimed at helping all employees to contribute to clear, proper and transparent communication.
- The **Welcome and Integration Manual** for welcoming new employees, facilitating their adaptation and offering them a general overview of company activities, structure and internal regime.
- The **Abengoa Magazine**, a bimonthly corporate publication in Spanish and English, containing sections on each one of the business units, corporate activities, and news items related to innovation, and other news of interest to the company. This bulletin, which is published thanks to employee collaboration, is distributed in print form to the work centers, suppliers and customers, and other stakeholders, and is also available in digital format via Connect@, as well as the Abengoa Web site.
- The **Abengoa Web** site, the company's global communication tool. This is where the company transmits information related to businesses and activities in a clear and transparent manner to all of its stakeholders.

- The **Abengoa blog**, a virtual corporate platform through which the company offers its vision and perspective on themes involving sustainable development, climate change and environmental conservation, facilitating close, open and fluid dialog with all of the company's stakeholders.

## Campus Palmas Altas, Corporate Headquarters

As a result of the relocation at the end of 2009 to Campus Palmas Altas (CPA), the new Abengoa corporate headquarters in Seville, a specific communication program was launched and implemented over the course of 2010. The aim of the initiative was to provide the 3,000-plus employees who moved to the new facilities information on the new business complex: location, distribution, services, etc.

Worthy of special mention among the initiatives carried out under the communication program are the following:

- Creation of the **Campus Palmas Altas Community** through Connect@. A new section includes the following segments: Sustainable Mobility Office, Food Court, Air Conditioning, Daycare Centers, News and Calendar, in addition to the other common segments in place at the other worksites: Notices, Bulletin Board, and Suggestion Box.

Each one of the sections offers employees practical CPA information, including the latest news, services available, etc. Thus, through the **Sustainable Mobility Office**, conceived to promote, implement, manage and coordinate initiatives geared towards achieving more sustainable mobility at CPA, users can check information on company bus service routes and schedules; as well as other sustainable transportation alternatives for commuting to and from work, including bicycle use, *carpooling*, in addition to further information on efficient driving courses, demonstrations and promotions involving bike and conventional and electric motorcycle sale and rental, etc.

The screenshot displays the Abengoa Connect@ portal. At the top, the Abengoa logo is on the left, and 'Connect@. Tu punto de encuentro' is in the center. Below this is a navigation bar with 'Acceso por Grupos de Negocio' and a search bar. The main content area is titled 'Oficina de Movilidad Sostenible' and features a sub-menu with options like 'Oficina', 'Transporte público', 'Bicicletas', 'Coche compartido (Carpooling)', 'Indicadores', and 'Enlaces de Interés'. A central graphic shows a globe with the text 'Oficina de Movilidad Sostenible Smart moving'. Below the graphic are links for '¿Qué es la Oficina de Movilidad Sostenible?', '¿Cuáles son los objetivos de la Oficina?', 'Abengoa y su compromiso con la sostenibilidad', and 'Contacto'. On the right, there is a 'Más Información' sidebar with a search bar and several quick links like 'Visita otras Comunidades', 'Cambia tu Comunidad de Acceso', 'Accede al "Servicio al Empleado"', 'Realiza una Sugerencia', and 'Publica un Anuncio'.

The **Food Court** section includes information on restaurant service: restaurant hours, weekly menu options, nutritional information on the different food choices, a camera link to see restaurant occupancy rate, recommendations and advice for leading a healthy lifestyle, location and availability of vending machines, etc.

The **Daycare** section includes useful data and information on the facilities for parents whose children between the ages of three months and three years of age make use of this service: rules of operation, ideology, activities, schedules, installations, etc.



The **Notices** section also keeps all CPA users up to date on the latest news, changes, etc. related to day-to-day events at corporate headquarters.

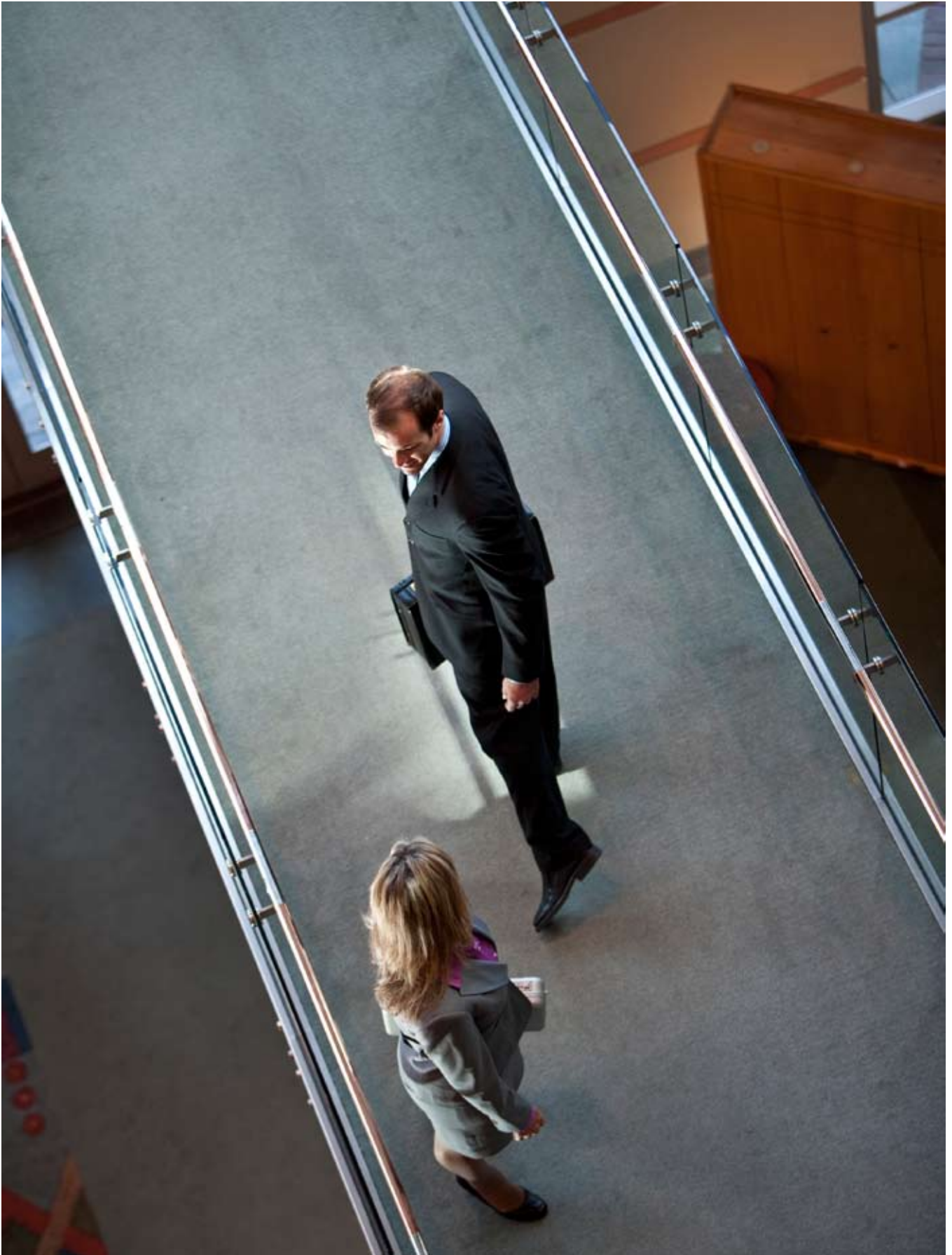
- **Creation of the Campus Palmas Altas Information Bulletin.** An information bulletin was designed as a supplementary channel for disseminating and communicating the latest news at CPA. In **newsletter** format, this weekly bulletin is sent out by email to all employees located at corporate headquarters. Bulletins include messages related to the employee flexible compensation plan, new corporate applications available for BlackBerry use; changes to Abengoa bus routes; updates on food court schedules and menu options, etc.

## 2010 Milestones

- **European Foundation for Quality Management (EFQM)** Gold Seal for European Excellence (+500) awarded to Abengoa's corporate Human Resource area (GIRH).
- Top Ten in the MERCO study on Human Resource management.
- Corporate human resource certification maintained under the new version of the **SA 8000 Standard**.
- Implementation of the Labor-Related Social Responsibility Policy at all Abengoa companies.
- Consolidation of the **social model at Campus Palmas Altas**,
- Implementation of a **Flexible Compensation (FC) plan** for Abengoa company employees in Spain.
- Deployment of the **Equality Framework Plan** in all Abengoa companies.
- More than 1.2 M hours of training, of which more than 191,479 hours were devoted to themes involving occupational health and safety.
- Implementation of the **Managerial Intercommunication Program**.
- Creation of the Abengoa **Project Manager Program** in the United States.
- Consolidation of **People Center** as a global human resource tool.
- Occupational risk prevention sessions for managers.
- Sessions on awareness of occupational health and safety for middle managers.
- Implementation of **the Procedure of Obligatory Compliance (POC)** to ensure worksite safety and security standards.
- Creation of a **working group** made up of people in charge of **ORP** at Abengoa Brazil, Abengoa Chile, Abengoa Peru, Befesa Argentina, Teyma Argentina and Teyma Uruguay to establish common improvement measures for all holding companies.
- Implementation and execution of the Campus Palmas Altas-specific **internal communication plan**.
- Implementation of the Campus Palmas Altas Community through Connect@,
- Creation of the Campus Palmas Altas **Information Bulletin**.
- **2010 Style Guide**, including a new appendix covering preparation of the company's Annual Report.

## Improvement Action

Abengoa draws up a biyearly working **climate survey** to gauge employee perception of the company and its management team. In 2010, the survey was conducted throughout all business units. The findings reveal that the improvement actions rolled out during the previous cycle have had a positive bearing on the results this year round.



As well as continuing work on the projects and initiatives started in 2008, the company embarked on a number of new projects, which will be carried out in 2011 once the results have been analyzed. One of the questions to have stirred up the most interest in recent surveys **concerns employee training and professional development.**

Abengoa has been working tirelessly to reconfigure all internal training programs so as to increase their effectiveness at developing and honing its professionals.

2010 witnessed the arrival of a new **management skills program.** Geared not only towards the senior management but also towards middle management and team leaders, the program will get under way in 2011.

Targeting one of the company's key profiles, the **Project Managers Program has been rolled out in the United States.** The company has signed a collaboration agreement with the **McDonough business school,** attached to **Georgetown University.**

Abengoa's Project Managers Program provides the strategic conceptual notions and the hands-on knowledge required to continue expanding and advancing in innovation. The 10-month program will be given by lecturers from **Georgetown University** and Abengoa directors at the McDonough business school in Washington (USA).

Focusing on management skills and capacities, human resource and team management, and an in-depth awareness of the company, participants will explore best market practices through real scenarios and situations.

In addition to specific course content, which is intended in particular for Abengoa managers, the study plan designed with the McDonough school will provide core knowledge for those students who also wish to obtain the Project Manager association from the **Project Management Institute (PMI),** an international association for project management professionals

## Future Goals and Objectives

- **Manager Training Program.** In 2011, the company will continue forward in its firm commitment to improving manager training programs through a new content focus and quality enhancement, backed by collaboration from the best business schools.
- Reinforce and deploy the **Flexible Compensation** concept, broadening scope to include new companies and expanding the range of products offered.
- Promote **the Scholarship and Grant Program.** Professional practices constitute the ideal vehicle for attracting and developing future employees.
- **Online training.** Boost and develop new methodologies and make training more accessible to better serve today's mobility needs.
- **Occupational risk prevention.** Keep making progress within a "zero accident rate" culture" and establish procedures to enable global exchange of expertise, experiences, objectives, and improvement measures.





# 6

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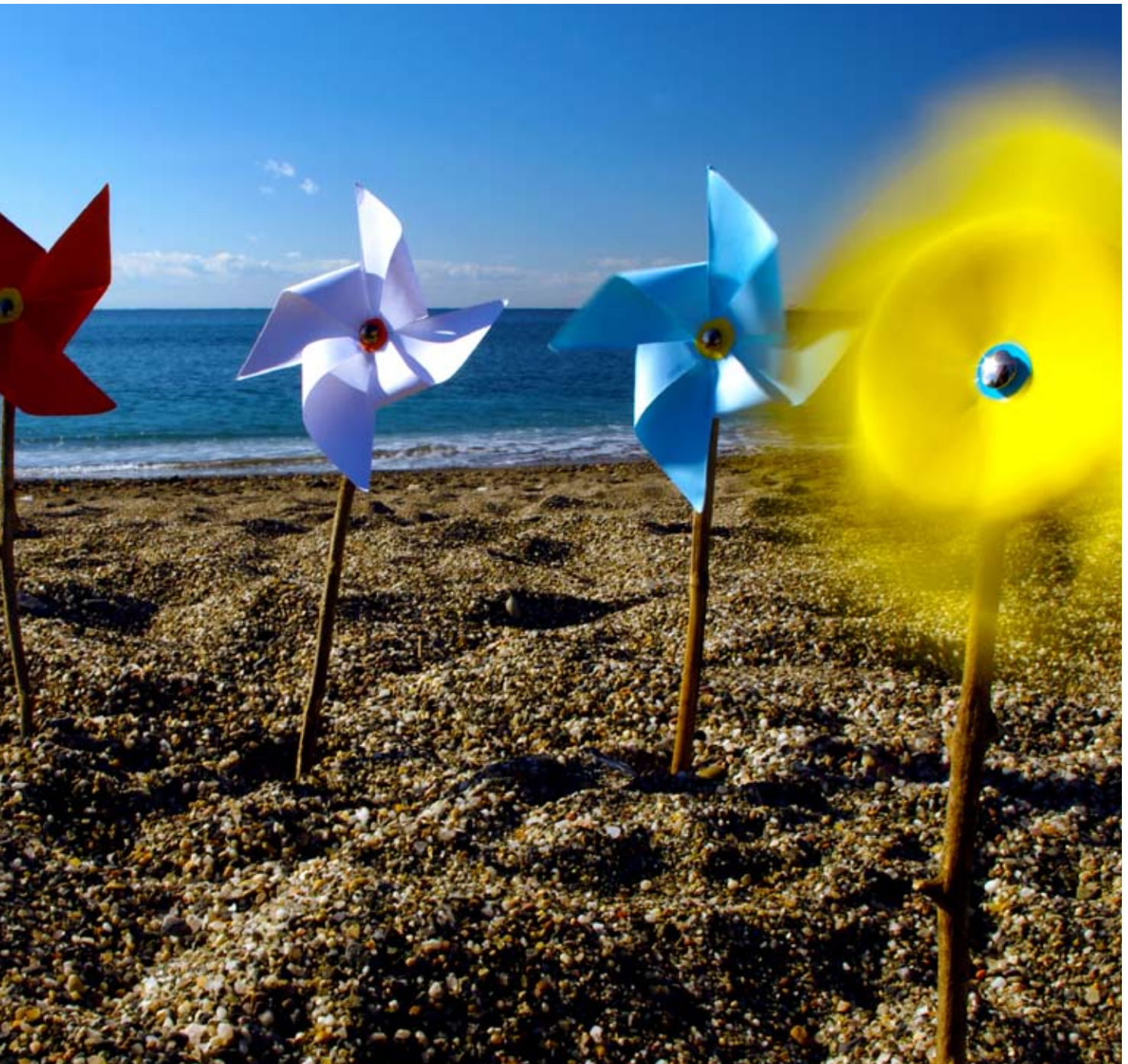
We forge  
future  
relationships  
based on trust

Photograph taken by  
Elena Ferre from Girh  
for the II Sustainable  
Development  
Photography  
Competition

Since its inception, Abengoa has undertaken a commitment to ensuring that its products and services are always in line with achieving **full customer satisfaction**. Customers are the key agents in any business relationship and their satisfaction is essential in achieving fluid rapport based on trust in order to ensure long-term relationships. This commitment was explicitly incorporated into the Joint Management Systems of mandatory compliance for all group companies.

Furthermore, creating this bond of sustainable trust with customers requires a commitment to transparency in communication to ensure privacy, quality, health and safety as key variables in the company's relationship with its customers.

Each partner in a business relationship has a perspective that differs from but nonetheless complements that of the other partner. Thus, for customers it is essential that the required product or service be adapted to their needs and that there be high standards of quality in meeting deadlines and providing after-sale service. Abengoa works together with its customers in developing their business, and this requires the company to address their needs in order to build forward-looking **relationships built on trust**. The basic tool for achieving this is fluid and transparent communication.





## Our Customers

Customer management is governed by the principles of **transparency, quality, confidentiality, safety and security**, and ongoing assessment of customer **satisfaction**.

Abengoa's key customer profile by business **sector** is as follows:

### Energy

- Electric utilities.
- Public administration.
- Major industrial companies to which the company provides technology or installations.
- Grid operators.
- Transportation fuel producers and distributors.
- Livestock co-ops interested in DGS (distillers grains with solubles), an animal protein feed obtained from bioethanol production.
- Food processing companies that acquire the sugar obtained during sugar cane-based biofuel production.
- Society, as an end consumer of renewable energy.

### Environment

- Major industrial companies to which the company provides technology or installations.
- Public administration.
- Large European iron and steel companies, primary zinc foundries and construction firms.
- Leading companies from the automobile industry, the European construction sector and the primary aluminum industry.
- Companies operating in the following sectors: Pharmaceutical, chemical, petrochemical, electricity, transportation, traffic management and the environment.
- Companies to which Abengoa provides hydraulic infrastructure design or construction.
- Society, as the end beneficiary or indirect customer of products and services.

Photograph taken by Elisa María Díaz Salmerón of Abengoa Bioenergy for the II Sustainable Development Photography Competition



Abengoa is committed to implementing and certifying the quality management, environmental management and occupational risk prevention systems in accordance with international **ISO 9001** and **ISO 14001** standards, as well as **BS OHSAS 18001** certification. Effective implementation of the management systems will be achieved by following the guidelines set down by the management through its policy on quality, environment and occupational risk prevention; as well as through annual objectives and their ongoing monitoring, continuous improvement, training, and the unconditional support provided by all Abengoa personnel.

## Customer Management

In order to gauge **customer expectations** and **anticipate their present and future needs**, Abengoa upholds a course of action based on direct involvement in all phases of managing and executing company activities.

First, Abengoa has a computer application for managing customer relations referred to as **"Commercial Action"**, which aims to:

- Coordinate all customer-related processes with the aim of providing personalized treatment for each and every customer.
- Harness synergies among Abengoa's companies to offer full customer service.
- Prevent process duplication due to a lack of coordination or information between Abengoa companies that may detriment both the companies and the customer.
- Anticipate customer needs.
- Channel customer needs to those group companies that can handle them most effectively, thereby benefiting the customer.

Secondly, the sales divisions, general company management and other departments involved maintain regular contact with customers in order to ensure that Abengoa's resources are in line with their priorities and to pursue improvement in areas that may not be perceived as positively by customers.

Abengoa companies set up these contacts using a filing system, through which analysis is conducted on different parameters, and guidelines for action and follow-up are drawn up based on this information. In the "Commercial Action" application, a file is opened for each customer and periodic monitoring conducted to gain a historic overview of the same customer, thus making it a powerful tool for **anticipating future needs and expectations**. As a result of this follow-up, the company is able to assess the degree to which pre-determined objectives have been fulfilled for each customer, and then adapt these objectives accordingly for subsequent years.

## Customer Satisfaction Processes and Results

The management systems implemented in accordance with international ISO standards and the internal requirements described in the procedures that outline the way to assess the maturity of these systems effectively mean that the company must have processes in place that are able to measure customer satisfaction and analyze their needs and expectations.

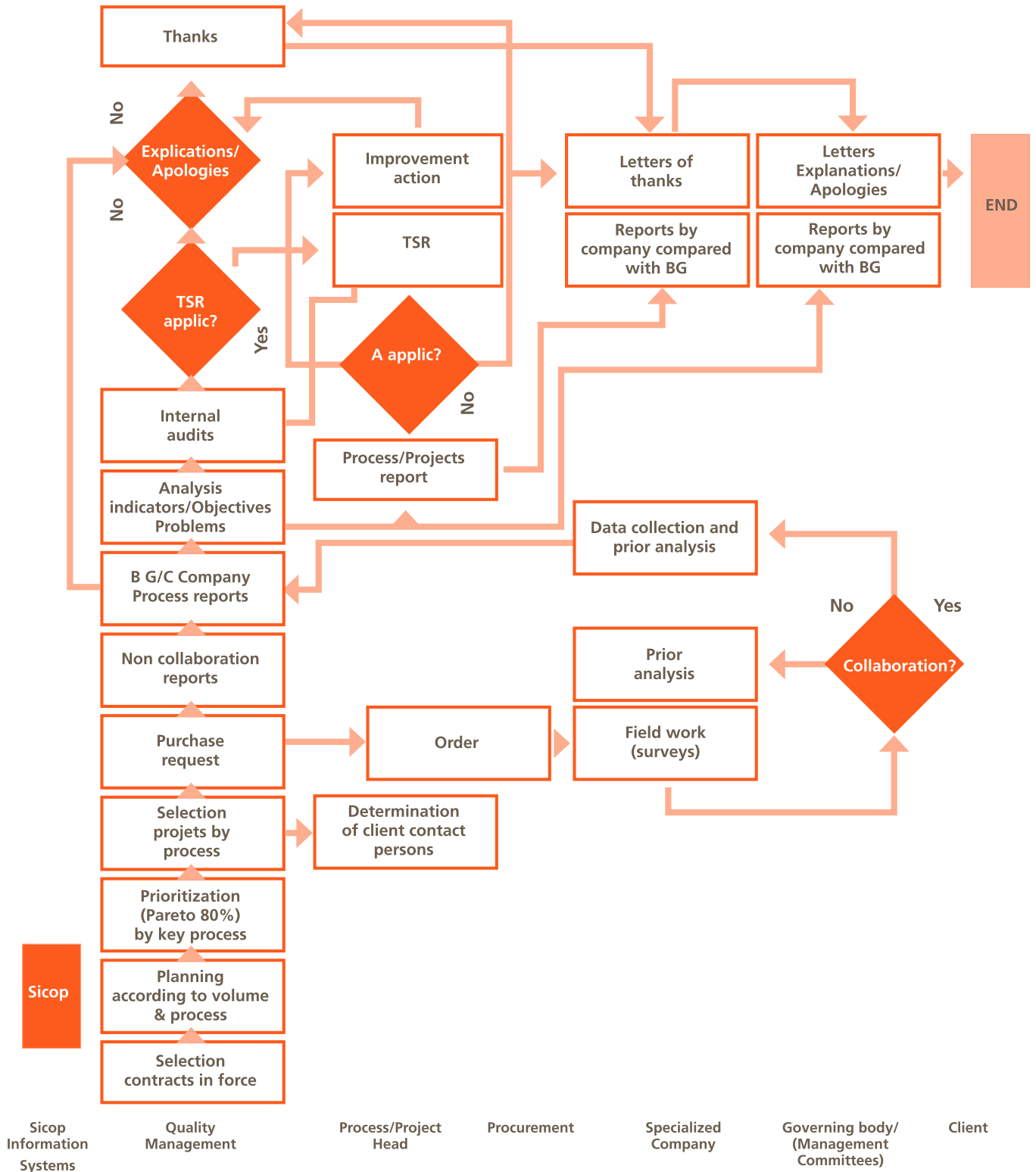
This analysis ultimately leads to specific **objectives and action plans for meeting expectations** and improving customer satisfaction. This is also taken into account by the management when establishing and defining strategy for each company. Implementation of this practice is reviewed and evaluated during the annual program of management system Control and Follow-up Visits (CFV), which determines the effectiveness of the measurement process employed.

Given the diversity of Abengoa's activities, products and services, and the customers targeted by the satisfaction study, the analysis is handled separately by each company and in certain cases results are obtained for each business unit. The flow chart below illustrates the most commonly used procedure.

We must be able to gauge the satisfaction of our customers and analyze their needs and expectations



Flow Charts of Customer Satisfaction Processes



The most widely used tools for determining customer satisfaction are:

- Customer satisfaction surveys or interviews.
- Questionnaires on internal perception of customer satisfaction.
- Handling of claims and complaints.
- Letters of congratulation received, signing of agreements on quality, and customer contractor assessments.

### Certifications ISO 14001, ISO 9001, OHSAS 18001

On a corporate level, reporting directly to Abengoa's Chairman's Office, is the General Sustainability Management Department, created in January 2008, as well as a corporate department for Organization, Quality and the Environment.

The General Sustainability Management Department aims to gear Abengoa activities towards sustainability by ensuring that products and services are integrated into the model of sustainable development. This department promotes and directs implementation of the greenhouse gas emissions inventory and development of indicator systems to assess and improve the integration of Abengoa activities with sustainability.

The corporate department of Organization, Quality and the Environment has the responsibility, in environmental affairs, of reporting on the status and progress of the Management Systems throughout the different group companies. This supervisory function is headed by the General Coordinator for Quality and the Environment, who verifies fulfillment of objectives and the use made of the synergies generated through the control and follow-up visits.

#### ISO 14001

| Environment-certified companies according to sales volume (%) | 2010    | 2009    |
|---|---------|---------|
| ISO 14001-certified   | 86.05 % | 84.96 % |
| Uncertified   | 13.95 % | 15.04 % |

#### ISO 9001

| Quality-certified companies according to sales volume (%) | 2010    | 2009    |
|---|---------|---------|
| ISO 9001-certified  | 94.04 % | 92.87 % |
| Uncertified   | 5.96 %  | 7.13 %  |

#### OHSAS 18001

| Prevention-certified companies according to sales volume (%) | 2010    | 2009    |
|--|---------|---------|
| OHSAS 18001-certified  | 84.22 % | 83.08 % |
| Uncertified  | 15.78 % | 16.92 % |

During 2010, the number of Abengoa companies certified with ISO and OHSAS has increased: 1.17 % the ones with quality certification, 1.09 % the ones with environment certification, and 1.14 % the ones with Labor Risks & Prevention certification.

## Customer Health and Safety

Each Abengoa company has a management system specifically focused on the ongoing improvement of processes, in accordance with the requirements imposed by international standards, and which supports and executes the company's strategy.

This management system, together with the control and monitoring mechanisms that have been devised, ensures that during each of the lifecycle phases of products and services there is an assessment of their impact on customer health and safety.

In 2010, no incidents deriving from failure to comply with legal regulations or voluntary codes associated with the impacts of products and services on health and safety during their lifecycle were reported through Abengoa's information channels in 2010.



## Product and Service Labeling

In accordance with international regulations and internal specifications, it is essential to identify all legal or other requirements that apply to each of the companies, as well as to their products and services.

Abengoa also periodically assesses compliance with all prevailing requirements so that, in the event of non-compliance, this is reported in the corporate information troubleshooting (ITS) and improvement action (IA) systems for subsequent control and follow-up.

These requirements include all those relating to product and service information and labeling. No incidents of non-compliance in this regard were reported through Abengoa's information channels in 2010.

In the specific case of technological equipment and systems dispatched by Abengoa in the European Union, an EC Declaration of Conformity and EC Labeling are required. In accordance with EC regulations, EC labeling of equipment takes place after the technical report has been issued, while assurance is obtained through the required battery of tests.

As regards labeling relating to biofuel production, the requirements for which are determined by national or international regulations governing transportation and also depends on whether the product in question is classified as livestock feed, a distinction is drawn between three different products:

- **Bioethanol:** Regardless of the means of transportation, European bioethanol must be accompanied by the corresponding safety and security form, as well as a waybill. Given that the product is shipped bulk, there is no labeling involved; this is not the case with the container, however, which must be identified in compliance with ADR requirements, stemming from the European Agreement concerning the International Carriage of Dangerous Goods by Road, or in accordance with RID requirements in the case of railway carriage.
- **DDGS:** Since it is shipped bulk, bioethanol-produced DDGS (dried distillers grains with solubles) is exempt from labeling in Europe. However, due to its status as livestock feed, the product is shipped along with documentation that includes information on the shipper and seller, the authorized producer's registration number, the technical name of the product, the GMO Declaration (where applicable), protein, fat, fiber and moisture content, and batch traceability.
- **Sugar:** Regardless of how it is transported, sugar produced at bioethanol plants in Brazil must be accompanied by a laboratory analysis evidencing compliance with contracted specifications: Polarization, color, moisture and ashes, as well as an invoice indicating volume and consignment value.

Sales of these products in comparison to total Abengoa revenues for 2010 stood at 28 %.

In relation to construction work, it is generally the customer who sets requirements, guidelines, types of material to be employed, etc. Thus, all of the information required for responsible use of the work executed is included in the documentation accompanying the product or service supplied: Safety and security forms, installation instructions, user manuals, electrical installation manuals, legalizations, service start-up, connections, recommendations, etc.

## Customer Privacy

Abengoa guarantees the validity, integrity and security of any and all information handled by the company, particularly in regard to all aspects of customers' personal data.

With the aim of guaranteeing sufficient security measures associated with communications and information systems, there is a security policy statement governing all Abengoa businesses and companies. This statement covers the implementation of an information security Management System as a tool for fulfilling security objectives, meaning confidentiality, integrity and availability.

The information security Management System explicitly reflects every aspect related to policy, standards and obligations applicable to the users of information systems, regardless of whether they are Abengoa employees.

The information security Management System sets down the policy on use of information systems, management of security-related incidents, password policy, security in the workplace, anti-virus protection, wireless networks, system administration, perimeter security, protection of personal data, and information classification.

There were no reports via Abengoa information channels of any claims filed by customers with respect to customer privacy or personal data leaks at Abengoa companies in 2010. Nor were there any fines recorded for failure to comply with regulations regarding the supply and use of products and services offered by each Abengoa company.





## Marketing Communications

Abengoa has not signed up to any standard or voluntary code related to marketing, advertising or other promotional or sponsorship activities. However, the company's internal rules include a demanding and stringent internal control procedure for external communications.

This control system essentially involves a chain of internal authorizations that are ultimately submitted to the Chairman's Office of the company. All heads of the areas involved in communication content must authorize and complete the information in order for it to be consistent, truthful and complete. This process ensures that the communications generated neither contravene the company's principles and values nor violate its Code of Conduct.

There were no reports via Abengoa information channels of any claims filed with respect to this matter at any Abengoa company in 2010.



## Customer Certification and Endorsement

The company has certain customers, chiefly those with a significant invoicing volume, that require their own certification or endorsement in order to work with them.

These companies include the following:

### Industrial Engineering and Construction

ADDC (Abu Dhabi Distribution Company), Adif, BP, Canal de Isabel II, Cepsa, CLH, DGAM, EDF (France Rail), EDP, Edison, Gas Natural, Enagás, Endesa, EMT, E-On, Epal, Euskotren, Ferrocarrils de la Generalitat de Catalunya, Ferrocarril de Sóller, FGV, General Dynamics – Santa Barbara Sistemas, Generalitat de Catalunya, Grupo Agbar, HC Energía, Huawei, Iberdrola, Metro Bilbao, Metro de Madrid, Metro Málaga, Metro de Tenerife, Metro Valencia, Mintra Comunidad de Madrid, Navantia, Powerlink Queensland, Propietarios de Centrales Nucleares, REE, REN (Red Eléctrica Nacional, S.A.), REPS, Repsol, RTE (Réseau de Transport d'Électricité), TMB, Transco, Tussam, SEC (Saudi Electricity Company), and Unión Fenosa.

### Environmental Services

BP, Cepsa, Disa, Galp, Glaxo, Lilly, Petronor, Repsol, Sanofi Aventis, Siclar, and YPF SA.

## Teyma: Customer Satisfaction

One of Abengoa's main objectives is to ascertain and meet the expectations of its current customers in order to lend continuity to a quality commercial relationship. In order to achieve this, mechanisms are established and periodically adjusted to increase their effectiveness.

These procedures make up a diversified information system that enables the company to compare documentation from different sources in order to verify consistency.

**Customer Satisfaction Survey upon Project or Service Completion (CSAPC indicator):** once each project has been completed, the customer receives the "Customer Satisfaction Survey upon Project or Service Completion". Here, through a form covering different aspects related to management, a detailed and standardized evaluation of Teyma is requested.

It also allows customers to prioritize aspects they consider to be of most importance in executing the project, and to rank them in order of importance according to their own criteria. In addition, a request is made for an overall assessment of project execution, as well as suggestions for improvement. These surveys are then submitted to the Management Systems Department, which is charged with processing results and passing on periodic reports to the Quality and Management Committee. The form also covers information on customer expectations and company performance.

**Overall Customer Satisfaction Survey:** A consulting firm conducts personal interviews with customer representatives in different roles and hierarchical levels every two years, the aim being to gauge those values that customers value highly, including customer needs, expectations and the perception they have of Teyma companies. This survey yields a more global long-term overview than the previous one, as responses are less influenced by circumstantial successes or problems. The consulting firm presents the final analysis before the Quality and Management Committee, which then discloses the results down through the company.

The table below shows the evolution in global external customer satisfaction with Teyma Construction measured via Overall Customer Satisfaction Surveys from 1998 to 2008. The surveys were conducted, respectively, by the independent consulting firms Cifra, AG&A, and Multimédios CEOP.

| <b>"Were you satisfied or unsatisfied with the service provided to you by Teyma?"</b> | <b>2008</b> | <b>2005</b> | <b>2003</b> | <b>2000</b> | <b>1998</b> |
|---|-------------|-------------|-------------|-------------|-------------|
| Highly  | 16          | 27          | 38          | 15          | 7           |
| Quite   | 62          | 63          | 46          | 56          | 58          |
| Neither satisfied nor unsatisfied   | 10          | 10          | 11          | 16          | 13          |
| Quite   | 6           | 0           | 5           | 7           | 11          |
| Highly unsatisfied  | 0           | 0           | 0           | 0           | 2           |
| Don't know/no response  | 6           | 0           | 0           | 6           | 9           |
| <b>Total</b>  | <b>100</b>  | <b>100</b>  | <b>100</b>  | <b>100</b>  | <b>100</b>  |
| <b>Weighted average (on a scale)</b>  | <b>3.94</b> | <b>4.17</b> | <b>4.17</b> | <b>3.84</b> | <b>3.63</b> |

In each case, Teyma submitted to the consulting firm a complete list of customers with which the company had worked during the previous three years (between 100 and 200 people), from which the consulting firm came up with a sample of around 50 contacts to be interviewed personally. The most recent data corresponds to a survey conducted in mid-2008, as the 2010 survey is currently being processed.

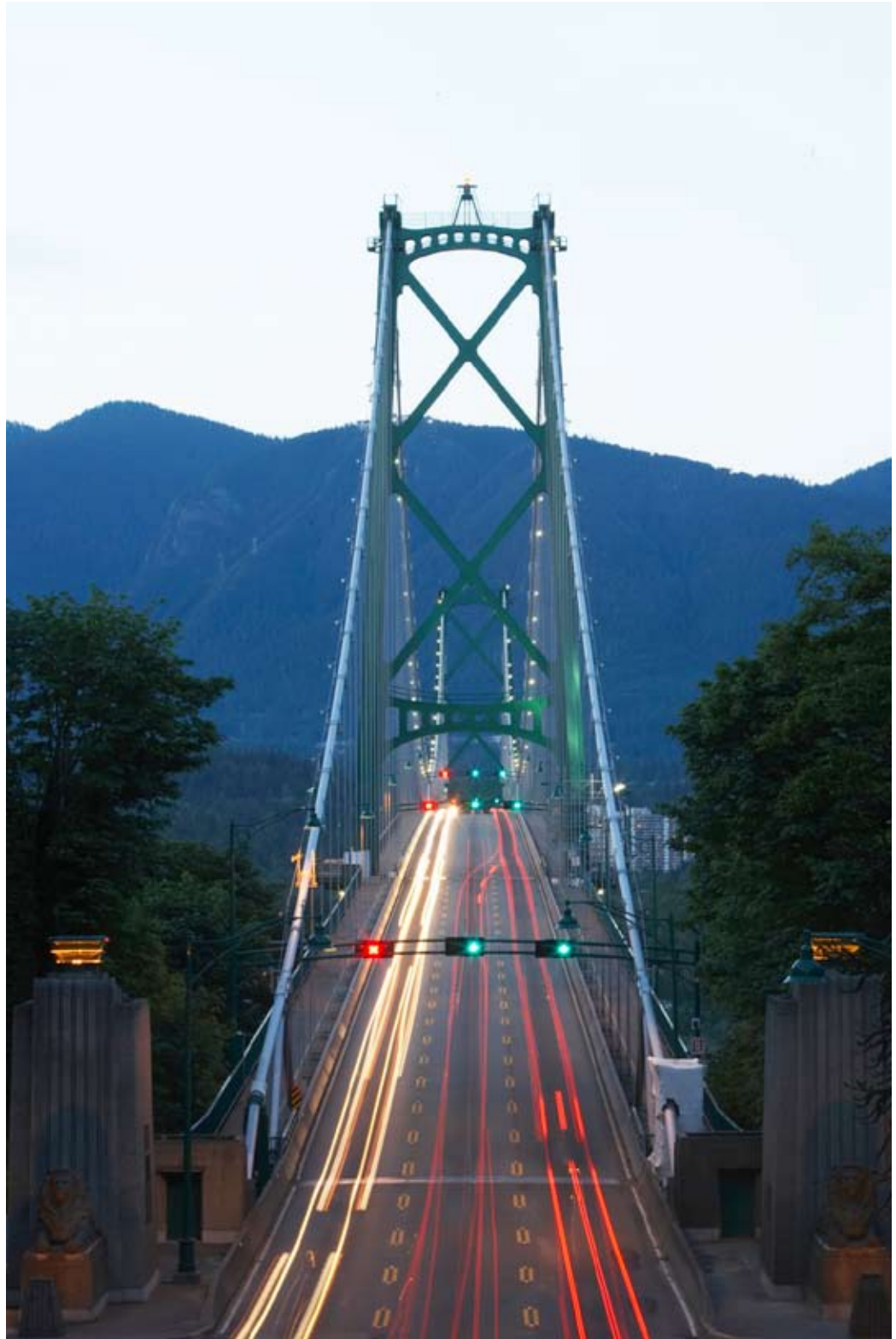
In the last three surveys, between 78 % and 90 % of the customers were either satisfied or highly satisfied with the results of the work performed, while only between 0 % and 6 % expressed any degree of dissatisfaction. In the most recent survey, one can observe a certain deterioration with respect to the two previous years, which, once analyzed, has been determined to be due to the migration of qualified Teyma Construction personnel to major Teyma Spain and Teyma International projects.

In turn, the CSAPC, prepared based on the results of the "Customer Satisfaction Surveys upon Project or Service Completion", also indicate a highly favorable trend over the years.

## **Telvent: Safety and Security Measures for Traffic Controllers**

Telvent provides **traffic signal regulation and control systems** that offer cities the possibility to improve traffic flow, reduce transportation-related greenhouse gas emissions, and take a further step forwards towards smart mobility.

Telvent's range of traffic signal controllers is widely respected for its operational security and dependability. They serve a critical function in regulating urban traffic, and operate on a continuous basis from the time they are installed. There must therefore be no control malfunctions and they must have the capability to detect anomalies in order to prevent traffic flow conflicts.





With the aim of ensuring that Telvent traffic signal controllers meet all of these requirements, during the design phase all requirements are assured and verified in authorized laboratories in accordance with prevailing regulations. Controllers are checked during the manufacturing phase, and later quality is verified at the installations through daily operation. Different types of trials are conducted for all equipment and systems at the end of the manufacturing process, along with electrical and functional testing.

To ensure operational security, each controller features a supervisory unit, which is separate from the control unit, to monitor the state of the circuits that regulate red, amber and green lights at stoplight-regulated intersections. To prevent potentially dangerous situations (incompatible green lights or no red light), and in the event of any type of malfunction, the equipment must switch to safety state (flashing amber) in under 500 msec, as specified under Spanish standard UNE EN 12675.

Traffic signal controllers have been tested in authorized laboratories in accordance with the "Road Traffic Signal Equipment - Traffic signal controllers" standard (UNE 135401). This ensures compliance with electromagnetic compatibility (UNE EN 50293), electrical and environmental security (UNE HD 638) and operational security (UNE EN 12675) standards. Testing is also conducted at all times on proper system functioning in the event of external disturbances (environmental effects or those generated by other equipment) in order to ensure user safety.

## Milestones 2010

- In 2010, 103 TSRs from customer complaints were reported, which has entailed "non-quality" costs totaling 177,938 €.
- Abengoa company customers have acknowledged the company's efforts by awarding 12 prizes over the course of the year.
- Abengoa secured certification or endorsement from over 30 customers in order to work with them.

## Areas of Improvement

Through the various tools used to determine customer satisfaction, including surveys, interviews, internal perception questionnaires, handling of claims and complaints, and letters of congratulation, Abengoa pinpointed a number of areas of improvement. These require the company to take the necessary steps in order to **improve upon those qualities tagged as lacking or negative by customers, namely:**

- **Procedures employed to determine the degree of customer satisfaction.** Some customers complained that their scope was limited, they were difficult to understand, and that unconstructive information was sometimes requested.
- **Process for handling customer claims.** There have been cases in which complaints or claims do not receive the attention they may deserve in terms of significance or in which the channel used to identify or treat them fails.
- **Customer invoicing process.** There may be deficiencies in the corresponding documentation.
- **General awareness of and information on the companies.** There have been documented cases that show a lack of two-way knowledge from customers to Abengoa, and vice-versa.
- **Laboratory analytical control area.** On occasion it has been detected that analysis has not been perfectly adapted to each customer or to a particular application.
- **Transportation logistics area.** There have been certain incidents relating to time optimization and the resources utilized in transportation.
- **Project planning and scheduling.** Deadlines may be negatively affected by poor planning.

Foto realizada por Elena Martínez González de Telvent para la II Edición del Concurso de Fotografía sobre Desarrollo Sostenible

- **Degree of proximity to the business.** Abengoa can and should continue to improve on the process of analyzing what its customers want and what potential customers may want.

For all the foregoing areas of improvement and opportunities, Abengoa must draw up an **action plan** including goals, persons in charge and the assigned economic and human resources to ensure that the areas of improvement detected are handled accordingly.

All of these should be handled through the corporate IA (Improvement Action) tool.



## Future Goals and Objectives

Thanks to the results obtained through the tools to measure customer satisfaction, and deriving from the action plans devised to improve them, Abengoa has devised a raft of actions for each individual company which it considers necessary in order to improve existing customer satisfaction levels. These actions may be carried out in the short, medium or long term.

The following are of particular note:

- Customer loyalty through relationships based on the principles of transparency, quality, confidentiality, satisfaction, health and safety, and responsible communication in order to strengthen rapport through long-term contracts.
- Expanding the customer portfolio. Pursuit of new customers needed to gear activity towards the company's strategic plan.
- Forging of new alliances with key customers by accomplishing common goals and objectives based on mutual benefit.
- Continuous improvement of customer rapport and satisfaction through the development of tools to measure, as objectively as possible, the degree of customer satisfaction.
- Increasing productive capacity to meet customer demand.
- Fine-tuning delivery schedules by means of sound initial planning, conducting stringent project follow-ups, and developing innovative process and alliances with suppliers to improve execution.
- Expanding the range of products and services provided to attain a higher market share by employing the knowledge of business needs gleaned through market studies.
- Enhancing customer integration and involvement.







# 7

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Abengoa upholds an unwavering commitment to the quality of its products and services. It is therefore essential for the company to be able to rely on suppliers who are aware of company **expectations** and able to adapt to company needs through a **relationship of trust and mutual benefit**, given that Abengoa's suppliers constitute the source of this commitment to quality.

Ongoing contact and **fluid communication** between both parties thereby helps to ensure the best final product and hence helps us meet customer needs and expectations.

Abengoa makes sure that its suppliers are directly involved in the development of company operations by applying their expertise and technology. By implementing the best solutions proposed by its suppliers, Abengoa is able to minimize risks and streamline costs and schedules.



Supplier performance is key to efficiency in producing high-quality products and services, driving down costs and increasing profits. A structured procedure is employed in order to assess supplier effectiveness, which includes compiling information and opinions from the suppliers themselves under evaluation.

Five basic guidelines are in place to accomplish this goal, setting the tone for supplier relationships and reinforcing Abengoa's strategy: **outsourcing, leadership, globalization, local development, and integration.**



### Outsourcing

Outsourcing services tagged as complementary to production ensures maximum operational optimization.

Outsourcing allows the company to focus on increasing knowledge and enhancing core business yield by incorporating the most professional services possible through the direct involvement of suppliers in day-to-day operations.

Services such as the provision of workforce specialized in different areas pertaining to maintenance and utilities, as well as the supply and application of critical products, are outsourced in view of the specific training, technology and expertise required.

### Leadership

The **ongoing pursuit of excellence** in contracting industry-leading suppliers ensures innovative solutions aimed at improvement and with a significant technological component, thus enabling Abengoa to maintain its high standards of competitiveness and quality.

The company turns to suppliers renowned for their success and proven expertise for the provision of critical products and maintenance of key components.

### Globalization

Contracting common suppliers throughout the different production centers enables us to offer a **more advanced and consistent service**, with standardized scopes supporting corporate procedure and balanced growth among the different production plants.

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



**Local development**

In turn, the focus on **local supplier development and involvement ensures coverage** of the most essential key requirements, and results in flexibility in consumption volumes and response times. All of this has a positive impact on business and industrial growth in the geographical areas in which we operate, thereby ensuring close relationships with them.

**Integration**

Abengoa ensures continuous **progress in productivity** and performance by **taking on board** suppliers' suggestions on how to improve.

Price-setting according to results is a basic principle of commitment to the business, and the inclusion of respect for human rights and business ethics, within the policy of environmental safety and security, further complements this commitment.

**Local Suppliers**

Abengoa's presence in the countries where it operates helps **to create wealth** by implementing and developing economic relationships with local suppliers.

The table below shows the percentage of purchases made from local suppliers in the main countries where Abengoa conducts its business, and which have a specific weight with respect to the group's total procurement for 2010.

| Country              | Total purchase volume in €k | Local supplier % |
|----------------------|-----------------------------|------------------|
| Germany              | 98,474.1                    | 85               |
| Saudi Arabia         | 2,014.6                     | 75               |
| Algeria              | 33,593.1                    | 100              |
| Argentina            | 84,202.4                    | 94               |
| Australia            | 3,140                       | 57               |
| Brazil               | 623,346.1                   | 98               |
| Canada               | 42,910.5                    | 24               |
| Colombia             | 198.3                       | 100              |
| Costa Rica           | 10,841                      | 100              |
| Chile                | 69,129.3                    | 92               |
| China                | 57,207.3                    | 38               |
| Denmark              | 91.5                        | 100              |
| Ecuador              | 4,150.9                     | 81               |
| United Arab Emirates | 85,364.9                    | 25               |
| Spain                | 4,569,519.3                 | 88               |
| United States        | 793,469.6                   | 87               |
| Finland              | 3,993.3                     | 27               |
| France               | 38,530.4                    | 65               |
| Holland              | 266,690.3                   | 43               |
| India                | 18,213.7                    | 100              |



| Country            | Total purchase volume in €k | Local supplier % |
|--------------------|-----------------------------|------------------|
| Kuwait             | 347.8                       | 87               |
| Lebanon            | 123.6                       | 76               |
| Libya              | 2,314.4                     | 97               |
| Morocco            | 21,368.1                    | 96               |
| Mexico             | 310,872.6                   | 54               |
| Panama             | 2,747.8                     | 98               |
| Peru               | 187,950.2                   | 57               |
| Polonia            | 812                         | 71               |
| Portugal           | 2,822.7                     | 67               |
| United Kingdom     | 8,717.1                     | 86               |
| Dominican Republic | 426.3                       | 100              |
| Sweden             | 26,466.4                    | 81               |
| Switzerland        | 695.9                       | 42               |
| Thailand           | 75.5                        | 100              |
| Tunis              | 26                          | 100              |
| Uruguay            | 48,141                      | 78               |
| Venezuela          | 0.02                        | 100              |

Efficiency in project management and **ongoing process improvement**, within the framework of common corporate culture, values and identity, are essential in consolidating and developing the positions Abengoa has achieved in the markets in which the company is established, as well as emerging markets. These are the driving forces in the quest for innovation and the pursuit of new business opportunities.

Integration of company suppliers is an essential element **in achieving these objectives**. Suppliers are viewed as strategic partners, based on the principle of partnership and unity in securing common goals, and in many cases this involves the signing of long-term mutual agreements and commitments of loyalty.

Suppliers are active participants in tender preparation, business activity development, and in customer presentations. It would not be possible to market the products and services that Abengoa offers today without a coordinated strategy.

In the case of smaller service providers or suppliers operating in regions characterized by slower development, Abengoa sometimes assists its **strategic partners** by:

- Securing financing or channels for access to financing;
- Improving their health and safety systems;
- Providing technical training geared towards occupational risk prevision.

Abengoa understands that a close relationship with suppliers and collaborators through **communication, knowledge** and **mutual support** creates value for the entire organization.

### Supplier Control

Because of the **importance of its suppliers to the company** and the role they play in meeting objectives successfully, both prior to and over the course of the relationship with Abengoa, in-depth supplier assessment is conducted on their compliance with legal and business matters, logistics, health, safety and security, quality, environmental aspects, technical issues, and after-sales service.

All Abengoa companies have **standardized supplier selection processes and control and monitoring mechanisms**. Agreements with suppliers are formalized by issuing the pertinent documents listing all the agreements reached between both parties, encompassing both the technical requirements to be met by the supplier, and the commercial conditions to be applied.



Given the importance to the company of the value chain in meeting objectives successfully, suppliers **must be endorsed** through adherence to the **Social Responsibility Code** and the **GHG Inventory**, and by meeting different criteria pertaining to quality. Periodic supplier checks and audits are also conducted.

In order for the supplier relationship to be as **fruitful** as possible, Abengoa demands the highest standards of quality, respect for the environment, and stringent compliance with occupational safety standards. In many instances, this entails an obligation to comply with different endorsement criteria, meaning that Abengoa is required to assess the technical and economic capabilities of the provider, with special attention being paid to the internal policy and procedures of the **Integrated Quality, Environment and Occupational Risk Prevention and Security Management System** implemented throughout the company in accordance with **ISO 9001, ISO 14001, EMAS and OHSAS 18001** standards, respectively.



Furthermore, within the **context of the partnership arrangements** with our suppliers and collaborators, and in order to maintain and improve the aforementioned standards, troubleshooting (TS) applications and proposed improvement actions (IA) have been implemented and made available throughout the organization. This corporate application is a strategic tool aimed at increasing competitiveness by promoting bottom-up participation from all component parts of the organization, thus including the company's suppliers and collaborators. This tool represents a tremendously valuable source of knowledge and ongoing assessment. It also mitigates risk, is self-critical and generates ideas, which in themselves ensure continuous improvement in the processes, activities, services and products we offer society.

At present, **different endorsement processes** coexist within the company and are employed according to the particular characteristics of the suppliers contracted.

Noteworthy as an example is the three-stage endorsement process used in engineering activities: authorization, selection, and evaluation. Approximately **700 national and international suppliers** have been verified using this system. In 2010, 20 % of the company's suppliers were evaluated, and since October of last year, as a result of SAP implementation, an evaluation is conducted upon each delivery, in addition to a yearly endorsement procedure.

In the water business segment of the Environment sector, supplier audits are conducted at the same time as follow-up and inspection visits to monitor products manufactured for work in progress. During these visits, the company verifies production process reliability and controls the quality of finished products. The number of suppliers audited is close to 2 %, and includes providers selected from those considered to be particularly significant in executing company projects.

In the area of biofuel production, three to five critical suppliers are chosen from among those with a significant direct impact on product quality.

These providers are audited in person to evaluate, among other aspects, their quality and environmental management system, policy and performance with respect to corporate social responsibility, and their greenhouse gas emissions inventory.



As to the remaining suppliers, evaluation and follow-up is carried out on the submitted documents. Approximately 20 % of suppliers tagged as critical are audited, representing 5 % of the total number of suppliers.

On-site auditing is conducted at solar plants during the plant construction process.

The percentage of audited **suppliers** totals **80 %**.

## Greenhouse Gas Emissions Inventory

Since implementation of the **Greenhouse Gas Emissions Inventory**<sup>1</sup> back in 2008, Abengoa requires that all suppliers report on the **emissions associated with products and services acquired** by the company. Suppliers therefore have an obligation to provide data on the emissions associated with each company order.

In order to facilitate supplier adaptation to the new procurement conditions, a transition period of six months has been established whereby providers who are not initially in a position to report on their emissions undertake in writing to implement a reporting system. This transition period has a maximum duration of six months, after which Abengoa excludes suppliers that have not reported their emissions or who have not undertaken a commitment to implementing a reporting system. Only in exceptional cases may special authorization be granted, in which case the companies involved must submit an estimation of the emissions associated with the goods and/or services provided.

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<sup>1</sup> See chapter titled Greenhouse Gas Emissions Inventory



**Adhesion to the Social Liability Code****Supplier:** (indicate the full name).....**Agreement:** (indicate the reference number if it applies).....

The following clause will be applied to the Agreement:

The Supplier declares that it has read the Abengoa Suppliers and Subcontractors Code XXXXXX (the «Code») and that it agrees to comply with it in the performance of all activities as Supplier/Subcontractor.

The Supplier may certify compliance with the Code or Abengoa Company by performing occasional audits or other types of inspection to ensure the Code is observed and the Supplier undertakes to respond immediately to any requests for information regarding compliance with the code received from Abengoa Company.

The following will be applicable to the Agreement:

**Abengoa XXXX Suppliers and Subcontractors Code (established by Abengoa XXXX in compliance with the Abengoa Professional Code of Conduct)**

1. All the law and standards in force in the country where the activities are performed must be complied with.
2. Human rights shall be observed, and no employee shall be subjected to harassment, physical or mental punishment or any other type of abuse.
3. As a minimum, salaries and working hours must comply with the laws, regulations and standard applicable thereto in the country in question, including minimum pay, overtime and maximum working hours.
4. No forced or mandatory labour will be used, and employees shall be free to leave their employment after giving a reasonable period of notice.
5. Child workers will not be used, and ILO standards shall specifically be complied with.
6. The employees' right to free association shall be respected.
7. Employees will be provided with good workplace health and safety conditions.
8. The activities will be performed with respect for the environment and observing all the pertinent legislation in the country concerned.
9. All products and services shall be supplied in a manner that complies with the quality and safety criteria set out in the applicable contracts, and will be safe for the purposes intended.
10. No fraudulent methods will be used to guarantee supplies of goods and services to Abengoa Company companies, for example the payment of bribes.
11. The Suppliers and Subcontractors of Abengoa Company guarantee that their respective suppliers and contractors shall comply with the duties listed above.

We, the Supplier/Subcontractor, agree and accept the contents of this document, Annex 1, which forms part of the Agreement. Signed by and on behalf of the Supplier:

(Signature and stamp of the Company)

Signed: \_\_\_\_\_

Post or responsibility:

Date:

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## Social Responsibility Code for Suppliers

To ensure the integrity of those parties that could have an influence on company activities, Abengoa requires that its suppliers sign up to the **Social Responsibility Code (SRC)** for Suppliers and Subcontractors, which includes eleven clauses based on the principles of the **United Nations Global Compact**<sup>2</sup> and inspired by the international **SA8000**<sup>3</sup> standard.

<sup>2</sup> One of the premises of Abengoa's labor-related social policy is that of "promoting the principles of the Global Compact among company suppliers". (Internal norm NOC 04).

<sup>3</sup> Abengoa's Labor-Related Social Responsibility Management System, in keeping with the model established under the SA8000 Standard, "involves suppliers and contractors in upholding Abengoa's labor-related social policy by establishing procedures for evaluating and selecting said suppliers and contractors based on criteria of social responsibility, obtaining a written commitment from them to comply with established requirements and developing monitoring mechanisms for subsequent verification of compliance" (Internal norm NOC 04).

Since June 2008, Abengoa requires that its suppliers, including providers of raw material, **sign up to this code** as a way of promoting adherence to and compliance with social and environmental regulations, encompassing all company productive processes and ensuring greater transparency in both company and third-party operations through a commitment to establishing a mutually beneficial relationship with company suppliers.

| Subject | Agreement to Introduce a Greenhouse Gas Emission Reporting System   |
|---------|---|
|         | <p>With regard to the goods/services _____ you supply and to enable to Company to create an inventory of all the greenhouse gas emissions corresponding to its aforementioned products/services, we ask that you sign this agreement subject to the terms and conditions set out below:</p> <ol style="list-style-type: none"> <li>The Supplier undertakes to introduce a Greenhouse Gas Reporting System (GGRS). Annexe I "Guidelines for suppliers for the determination of greenhouse gas emissions from products supplied to Abengoa companies" is attached</li> <li>The SEGEI in this agreement must enable The Supplier to provide the Company with the following data on greenhouse gas emissions: <ul style="list-style-type: none"> <li>Direct emissions.</li> <li>Indirect emissions associated with the consumption of electrical or heat energy.</li> <li>Indirect emissions associated with the goods/services acquired by the supplier for the purposes of producing the goods/services set out above.</li> </ul> <p>Furthermore, the Supplier must provide the parameters used to calculate the emissions according to annexe II "Format of the request for information from suppliers".</p> </li> <li>The period for introducing the SEGEI and for supplying the data requested is six months starting on the date this Agreement is signed.</li> <li>Furthermore, during the transition period, the supplier will commit to providing operation data requested from them (following formats included in Point III of the Schedule N° 16).</li> </ol> <p>The Supplier will be directly liable to the Company for any breaches of this Agreement. Exact compliance with this agreement will lead to improvements in the conditions governing the price or volume of supplies contracted by the Company. To the contrary, any breaches may lead to the Company deciding not to contract the supplier.</p> <p>This document is governed by and shall be interpreted in accordance with Spanish Law, and the Parties, expressly renouncing any other codes of law that may be applicable to them, undertake to be bound by the Courts and Tribunals of Seville.</p> <p>Yours faithfully<br/>XXXXXXXXXX<br/>Company</p> <p style="text-align: right;">Accepted and agreed:<br/>Mr. _____<br/><u>The Supplier</u></p> <p style="text-align: center;">Schedule N° 17 - NOC-05/003 (Page 1 of 22)</p> |

In 2009, suppliers signed a total of **7,596 agreements** with Abengoa companies, and in **2010** the figure totaled **3,872**. This represents a total of **16,758 signed agreements** since this measure was implemented.

| Adherence to the Social Responsibility Code | 2010  | 2009  | 2008  |
|---|-------|-------|-------|
| Number of agreements signed                 | 3,862 | 7,596 | 5,299 |

## The Biofuel Production Supply Chain

Rapport with suppliers of raw materials (grains and vegetable oils) is fundamental in obtaining certification of these raw material inputs and bringing about a reduction in greenhouse gas emissions.

In May of last year, Abengoa excluded a provider from the supply chain for failure to comply with the policy implemented by the company regarding social and environmental sustainability. The company consequently asked its feedstock providers to reject palm oil from any group company affected by this exclusion measure.

Abengoa seeks assurance of the sustainability of all company activities. In the case of palm oil, a raw material used in producing biodiesel, employed solely at the Spanish plant in San Roque, the company requested of all suppliers that palm oil origin be both socially and environmentally sustainable based on the conditions that must be accepted and fulfilled by all suppliers in the realm of social responsibility and in controlling greenhouse gas emission levels.



The Abengoa **Greenhouse Gas Emissions Inventory**<sup>4</sup>, in addition to recording direct and indirect emissions of all companies that form part of the group, computes the emissions deriving from products and services acquired from third parties, including those generated in land use and agricultural practices associated with the production of raw material inputs employed in manufacturing biofuels. This led the company to refocus its purchasing policy, making it an essential requirement for all providers of goods and services to report their emissions, or to undertake in writing to establish a system for computing emissions within a given period of time.

<sup>4</sup> See chapter titled Greenhouse Gas Emissions Inventory

Developing the system for computing emissions is yet a further step forward in Abengoa's commitment to the struggle against climate change, and enables the company to quantify the emissions derived from its activity on an annual basis to thereby set targets for reduction, compensation and neutralization, and label its products and services with the corresponding CO<sub>2</sub> emissions.

Moreover, all companies that are part of the supply chain must sign the **Social Responsibility Code (SRC)** through which they manifest their commitment to fulfilling all aspects of social and environmental responsibility set forth under the **Global Compact of the United Nations**.

The measure consisting of supplier exclusion will remain in effect until the company affected demonstrates complete fulfillment of the policy on social and environmental sustainability implemented by Abengoa.

## 2010 Milestones

- The percentage of procurement from local suppliers in the main countries where Abengoa operates and which have a specific weighting with respect to the group's overall procurement totals approximately 83 % in 2010.
- In 2010, 3,862 suppliers signed the Social Responsibility Code.

## Areas of Improvement

The following areas of improvement have been detected in supplier relations management among the different Abengoa businesses, taking into account the particular activities and characteristics of each one:

- Gaining precise knowledge of the **degree of supplier satisfaction** and improvement to communication channels.
- Establishing **strategic and mutually beneficial relationships** with key suppliers in achieving goals and objectives.
- **Loyalty** as means of enabling improvements in production, performance schedules and prices.
- **Expanding the geographical sphere** of action to make the most of opportunities existing in other raw material markets as a factor to be taken into consideration for increasing competitiveness in different sectors.
- Streamlining **administrative processes** in place in the customer/supplier relationship.
- Expanding the **supplier auditing scope**.
- Obtaining **raw material inputs** that have been certified in accordance with the Renewable Energy Directive in order to ensure bioethanol production sustainability.

For all the improvement areas and opportunities mentioned above, the procedure to be followed involves drawing up a plan of action that includes goals, individuals in charge, and the required economic and human resources to ensure that each improvement area detected is addressed accordingly.

All of these must be handled through the corporate tool for improvement areas.





## Future Goals and Objectives

Abengoa is currently working on the development of a **supplier auditing model**, which will be standardized and applied throughout the company, specifically incorporating Corporate Social Responsibility (CSR) criteria through which to pinpoint key suppliers.

Putting this model into practice will require close collaboration among the different purchasing departments to enable, on the one hand, selection of different evaluation criteria to reflect the particular characteristics of each company activity, and, on the other, execution of risk analysis to identify suppliers that may pose a greater threat to CSR.

Among these suppliers tagged as critical, those who pose a greater risk to the company will be analyzed and reviewed through internal audits to verify compliance with the principles included under **Abengoa's Social Responsibility Code**. In the event that irregularities are detected during this procedure, the commercial relationship with the supplier will be discontinued until the situation has been rectified.

In addition, a committee will be created to oversee smooth functioning of the model and to set the objectives to be met and analyze the results obtained from the audits conducted.

Through this procedure, Abengoa seeks to involve its suppliers in the company's commitment to Corporate Social Responsibility and sustainable development.



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Abengoa has embraced a commitment to growing alongside the communities in which it operates, fostering the creation of ties that reinforce the company's long-term relationship with society, while abiding by and promoting human rights within its sphere of influence.

Company development cannot be approached from the standpoint of economic growth alone, but must also integrate the perspectives of its members, endeavoring to guarantee them the potential to pursue a rewarding life. Abengoa believes that the best way of meeting their expectations is to forge **close ties between the company and society**, while maintaining continuous and fluid dialog with stakeholders, achieved through clear and transparent communication and by championing actions that help people progress. Abengoa pursues mutual progress for the company and the community alike by developing and promoting initiatives that contribute towards balanced growth and to reinforcing the ties that bring the company and society together.

The Focus-Abengoa Foundation guides, channels and complements the social action of Abengoa. Its actions generate social assets that help to develop the surrounding communities, entrench the company within society and foster activities among employees, while also spurring on research and helping to disclose and disseminate the scientific and cultural resources and assets of the foundation. Since 1982, the foundation has been engaged in general initiatives to help serve the community in five key areas: **Aid and assistance, culture, education, research, and the welfare of employees**, which have effectively become the social force driving Abengoa forward.

| Main Projets           | €M          |
|------------------------|-------------|
| Aid and Assistance     | 2.2         |
| Employee Social Action | 3           |
| Culture                | 2.5         |
| Education and Research | 2.5         |
| <b>Total</b>           | <b>10.3</b> |





## Aid and Assistance

Aid and assistance seeks to balance out **economic, social and cultural** development through multidisciplinary working groups that generate value for the communities in which they operate, with special emphasis paid to children, women and the elderly. Abengoa focuses on marginalized areas with high poverty rates, and attempts to address specific needs arising in these areas. The process starts with a prior analysis of the conditions, needs and existing capacities of inhabitants, seeing as though this increases the effectiveness of the steps eventually taken and the subsequent assessment process. Our actions target vulnerable groups (those facing poverty, inequality and discrimination), including disabled people, children and teenagers with basic unsatisfied needs, and young and adult women who haven't received sufficient schooling.

During 2010, Abengoa channeled €2.2 M into aid and assistance, €0.8 M of which was earmarked for Argentina, €0.4 M for Peru, €0.6 M for Spain and the rest for Chile, Morocco and the United States.

| Aid and assistance by country | €M          |
|-------------------------------|-------------|
| Argentina                     | 0.83        |
| Brazil                        | 0.06        |
| Chile                         | 0.23        |
| USA                           | 0.01        |
| Peru                          | 0.42        |
| Morocco                       | 0.03        |
| Spain                         | 0.65        |
| <b>Total</b>                  | <b>2.24</b> |

### Argentina

Abengoa operates at three centers in north-west Argentina: Quimilí and Monte Quemado, in the province of Santiago del Estero, and Alderetes, in Tucumán, all of which are attached to the **Hermanas de la Cruz sisterhood**.

The three communities are widely known for the poverty of the local inhabitants and the scant resources available to them. Abengoa offers them its support with no strings attached.

The projects initiated by the company target groups living in situations of vulnerability: Children with basic unsatisfied needs, the disabled, or young and adult women that have not completed primary education.

Abengoa, acting through the **Focus-Abengoa Foundation** and the **Santa Ángela Foundation for vulnerable groups**, has been working with the Hermanas de la Cruz sisterhood for the last forty-three years, and has similarly been doing so since 2005 through the program **"Educational and Body Exercises. A Right for Everyone" (EBE)**, whereby it rolls out projects directly and on a regular basis. The company has undertaken a social commitment in Argentina to help construct a sustainable future for everyone. This sustainability essentially requires continuous cooperation with a view to seeking out stable ties between society and the company.

EBE activities center primarily on three working areas:

- Non-Formal Education Area (NFEA).
- Physical and Sports Education Area (PSEA).
- Employment Training and Employee Protection Area (ET&EPA).

Over the course of 2010, a number of new activities were added to the sports and cultural areas in Quimilí and Alderetes.





### Perú

In Peru, Abengoa also collaborates through the **EBE** program and its various working areas, including schooling, psychomotor learning, and social integration at the Chiclayo care center; care for the elderly at the Comas and Chontabamba care homes; and sheltered production workshops for the disabled in Manchay. Furthermore, the company has rolled out two social and educational projects that mirror the company's internal social responsibility and commitment to the community: "Voluntades...se buscan" ("Looking for Volunteers") and "Nutrición infantil" ("Child Nutrition").



### Chile

Since 2007, Abengoa has been collaborating with Un techo para Chile (A Roof for Chile), a housing construction project (emergency shelters) for families living in extreme poverty in the southern reaches of Chile.

In 2010, Abengoa created an Emergency Committee to tackle the aftermath of the brutal earthquake and subsequent tsunami that battered the country.

## México

Abengoa has been holding conferences since 2008 with a view to raising awareness of Abengoa's work within each of the affected communities and improving them through joint projects in San Antonio, Organal and Cuesta Blanca.

During 2010, numerous harvest production projects were set up within the communities, with Abengoa able to draw on the support of agricultural and crop-growing experts.

Training and awareness were both enhanced in the following areas:

- Human development.
- Participative planning.
- Gender equality.
- Basic administration.



## Spain

Abengoa has reiterated its commitment to the San Rafael care home in Seville by helping to maintain, renovate and modernize its facilities. Moreover, the company Ánfora continues to give courses in geriatrics in classrooms located at the same care center. Pupils carry out hands-on work experience at the home, thus allowing them to improve their training while helping the sisters to care for the elderly residents.

In addition, the Focus-Abengoa Foundation and the La Milagrosa Foundation, in San Roque, Cádiz, signed an agreement to promote the implementation of welfare activities for senior citizens, vocational training for young adults and the unemployed, and social cooperation with the underprivileged.



## “Educational and Body Exercises. A Right for Everyone” program (EBC) in Brazil

The overriding aim of this program is to assist and cooperate with pioneering NGOs as they attempt to provide social support to marginalized groups of society in pursuit of those objectives that mirror Abengoa’s social policy. The company provides social assistance to underprivileged groups in a socially sustainable manner.

The program pursues the following specific aims:

- Improving people’s quality of life in the Brazilian communities where Abengoa operates, by fostering the integration, involvement and social equity of vulnerable groups.
- Strengthening social ties.
- Guaranteeing nutritional and food-related education.
- Constructing and/or rehabilitating spaces available to everyone (sports centers, swimming pools, canteens, workshops, etc.).
- Implementing educational, recreational, sporting and job training activities and exercises.
- Honing individual and group skills.
- Championing social integration and involvement.

The program has already rolled out educational and recreational activities to support 63 young girls and teenagers living at, or otherwise involved with the Santa Rita de Cassia orphanage in Rio de Janeiro.

In close collaboration with the orphanage, **Abengoa Brasil** has nearly completed construction of the facilities where the “Santa Clara” community training workshops are to be held. The workshops will cover cooking, house wear, professional training and training in values, and are aimed at people with specific needs within the community and surrounding areas, particularly the disabled and teenagers and young girls from the orphanage, along with their families.

## Training, Research and Dissemination of Knowledge

Abengoa, fully aware of the importance of educating today’s generations for the benefit of future society, creates and promotes a variety of programs to promote quality training and education for everyone. The company acts through the Focus-Abengoa Foundation to support research by creating and promoting a host of different artistic, cultural and environmental research programs.

### Forum on Energy and Climate Change

The Focus-Abengoa Forum on Energy and Climate Change relies on public debate to create an open platform from which to investigate, showcase and address ideas and results. The Focus-Abengoa Foundation contributes to the debate on changes to the energy model, thereby supporting Abengoa’s business endeavors. It achieves this through a multidisciplinary approach that tackles both technological and economic factors involving the utilization of clean energy sources, as well as institutional and political mechanisms that encourage users and producers to make decisions compatible with a sustainable energy model.

Under the umbrella of the Focus-Abengoa Forum on Energy and Climate Change, Abengoa organizes and promotes company-specific initiatives and all manner of collaborations with other institutions, whether these belong to the business world, such as the **Fundación de Estudios de Economía Aplicada**; universities, such as **Universidad Internacional Menéndez Pelayo**; research centers, or, in general, any other entity related to the interests of the forum.



Further information on the activities under way can be found on the forum's website:  
[www.energiaycambioclimatico.com](http://www.energiaycambioclimatico.com).

The aim of the program, which was created in collaboration with the **Fundación de Estudios de Economía Aplicada (Fedea)**, is to encourage and foster debate and research in relation to the following subjects through working groups comprising both economists and scientists:

- Efficient use of energy sources.
- Innovation in renewable energy sources.
- The effects of these processes on the environment and the economy.

**The benchmark is the SET (Sustainable Energy Technology)** report on these issues, which is organized into two areas: **Technical efficiency and economic efficiency**. Other noteworthy objectives of this program include brainstorming ideas and disseminating results, in both the national and international academic realms, as well as among experts and negotiators in the area of economic policy.

The **SET on technical efficiency (SET\_TE)** was formed from other reports on the current state of those technologies that might have the greatest bearing on the energy model and those best suited to the fight against climate change. These reports have been verified by experts from the different areas in play and will be published as part of the SET Report.

The **SET on economic efficiency (SET\_EE)** analyzes advancements in energies within the different countries and regions for the various technologies, while describing changes in CO<sub>2</sub> emissions. The economic SET is accompanied by an analytical study on how energy production costs have evolved (long-term international trends), in addition to a bulletin addressing the energy situation for Spain (short-term).

The overarching aim of the research program is to generate and promote energy research, and to publish the results in leading academic magazines.

In relation to the **technological arm of the research program**, nine articles on a variety of different energy-related subjects were published between 2008 and 2010.

Similarly, and with regards to the **economic arm of the program**, various articles have been published in a number of top-tier magazines, including Energy Economics, Sustained and Renewable Energy Review and Economía Industrial.

## World Biofuels 2010

Abengoa, in collaboration with F.O. Licht, staged the ninth **World Biofuels 2010** conference at the Hospital de los Venerables church. The conference was split into three sessions, namely **"Biofuels and Sustainability"**, **"The Globalization of Biofuel Markets"** and **"Development of the Second-Generation Biofuels Industry"**. The talks addressed biofuel sustainability, including the verifications and checks required to ensure such sustainability; the globalization of biofuel markets; the associated raw materials, and the state-of-the-art in relation to conversion technologies, which must serve to popularize second-generation biofuels.

## VII Javier Benjumea Puigcerver Prize for Research

The Social Council of Seville University and the Focus-Abengoa Foundation created a **Prize for Research in 2003 in commemoration of Javier Benjumea Puigcerver**, the founder of Abengoa and the Abengoa Foundation.

This year round, the accolade was handed to **Miguel Ángel García Guerrero**, a tenured professor of biochemistry at Seville University, in recognition of his work titled **"Development of microalgae-based industrial, energy and environmental processes"**.

The winning research entry for 2009 was also published: **"Study into damage mechanisms within compound materials"**, by Federico París Carballo.

### II Alfonso E. Pérez Sánchez International Award

The Alfonso E. Pérez Sánchez International Award was created in 2009 in order to stimulate research into the hitherto less explored facets of Spanish art, and to raise awareness of Velázquez and the Seville of his era. Now in **its second year**, the accolade for 2010 was awarded to Luis Méndez Rodríguez, for his work entitled **"Sevilla 1533. La aventura de Jerónimo Köler"** (**Seville 1533. The Adventure of Jerónimo Köler**).

Professor Alfonso E. Pérez Sánchez was involved with the foundation since its inception and was responsible for designing the master lines as part of the foundation's artistic and heritage-related activities.

### VII School of the Baroque

In November of 2010, Abengoa, in collaboration with **Universidad Internacional Menéndez Pelayo (UIMP)**, staged the **seventh edition of the School of the Baroque under the title "The power of the image: Portraits of the Baroque city"**. The 2010 edition tackled the subject of urban landscapes or views, an artistic field deeply rooted in classical and medieval schools but which truly flourished during the Baroque era.

Headed by Richard L. Kagan of Johns Hopkins University, Baltimore, the school has a truly international vocation and features numerous experts from both Spanish and international institutions, as well as university students and interested members of the public.

Specialists in urban history, art history and architecture, explore the subject of urban representations over the modern era, not only in Seville, Madrid and Spain in general, but also in countries and regions such as Italy, the Netherlands, Latin America and the Middle East.

### Vuela Program for Children of Abengoa Employees

The **Vuela Program** is an initiative that started life in 2008 with the aim of giving the children of company employees the chance to gain first-hand knowledge of the company where their parents work, while offering them their first work experience within a leading company in the field of sustainable development, and affording them the opportunity to get to know a different country and culture than their own.

In 2010, **13 Vuela Program grants** were awarded in the winter and summer groups to beneficiaries from Europe, Latin America and North America.

### Training Program for the Disabled

For the fourth year in a row, Abengoa, in collaboration with the **Department for Employment of the Regional Government of Andalusia and the Safa foundation** (Escuelas Profesionales Sagrada Familia), staged a training program for disabled people, subsidized by the European Social Fund.

Abengoa has undertaken to hire, for a six-month term, at least 60% of those students that successfully complete the program.

With a view to creating jobs and ensuring equal access to the labor market, the company has reached agreements with numerous leading bodies and organizations for the disabled. The Abengoa Foundation is taking part in the **"Inserta" project**. Spearheaded by Seville University, the initiative aims to help disabled people find employment and to broaden their chances of success within the job market.



## The Focus-Abengoa Scholarship Program

In 2010, a total of 165 scholarship recipients took part in the Focus-Abengoa scholarship program, funded through educational cooperation agreements that the foundation has undertaken with a variety of Spanish and international academic institutions.

The cost of the 2010 Abengoa scholarship program totaled €1.3 M.

| Year | Nº of Focus agreements signed |
|------|-------------------------------|
| 2010 | 108                           |
| 2009 | 134                           |
| 2008 | 115                           |

## School of Energy and Climate Change

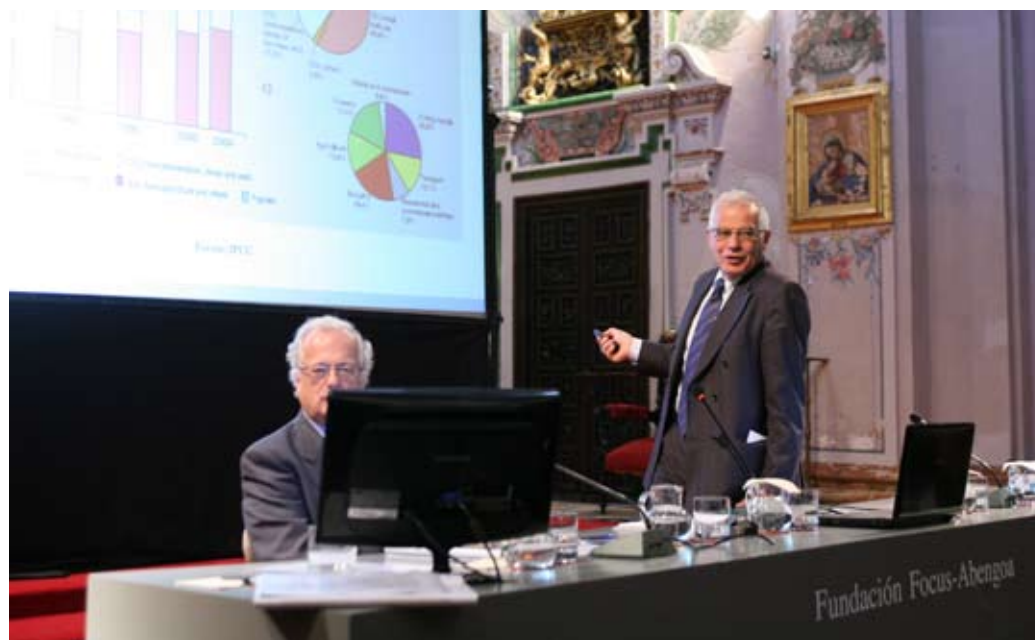
The month of April witnessed the **VI edition of the School of Energy and Climate Change**, organized by the Focus-Abengoa Foundation and Universidad Internacional Menéndez Pelayo (UIMP) under the **title "The new economic scenario: Emissions market"**.

The person in charge of the 2010 edition was **Cristina Narbona**, Spanish ambassador to the Organisation for Economic Co-operation and Development (**OECD**). The event was opened at Hospital de los Venerables, the headquarters of the Focus-Abengoa Foundation.

The opening talk was given by **Joseph Borrell**, President of the European University Institute, who tackled a hugely topical issue: **"The European Union and climate change"**.

A number of widely renowned and respected Spanish and international academics, along with prominent political figures and key members of leading sustainability companies, all analyzed, along with UIMP students, the economic implications of controlling emissions. They also addressed institutional issues and conducted an analysis of the prevailing international stance on environmental policy.

The following speakers took part in the event: Cristina Narbona; Joseph Borrell; Laura Cozzi, of the International Energy Agency; Santiago Rubio, tenured professor of economics at Universidad de Valencia and winner of the 2009 Lucas Mallada Spanish National Economics and Environment Award; Gustavo Marrero, of the Focus-Abengoa/Fedea research project and lecturer at Universidad de La Laguna; Rob Dellink, analyst of modeling policies for the OECD environment committee; Emilio Rodríguez-Izquierdo, Managing Director of Zeroemissions; Manuel Marín, Chairman of the Iberdrola Foundation; Frank Convery, Head of the Earth Sciences Institute at University College (Dublin) and honorary president of the European Association of Environmental and Resource Economists; and Teresa Ribera, Secretary of State for Climate Change, who also gave the closing speech.



The school looked into the main measures adopted around the world to keep contamination in check, with particular attention paid to the corporate vision and responses of those companies most heavily involved in this new challenge. The speakers then discussed new outlooks in terms of international coordination stemming from the Copenhagen Summit.



Event participants paid two visits, the first to Campus Palmas Altas, Abengoa's corporate headquarters, where Cristina Narbona gave her speech on **"Instruments for international coordination in the fight against and adaptation to climate change"**, and the second to the Solúcar solar platform in Sanlúcar la Mayor (Seville).

## Preservation, Dissemination and Advancement of Art and Culture

One of the overriding aims of the Focus-Abengoa Foundation is to promote culture internationally in its many different artistic and scientific guises, through cultural activities such as concerts, exhibitions and seminars.

### Hospital de los Venerables

Hospital de los Venerables is one of the Seville's best-conserved examples of Baroque architecture dating back to the second half of the seventeenth century. It can be found in the Santa Cruz neighborhood and has been the head offices of the foundation since 1991. Following the restoration work carried out between 1989 and 1991, the foundation has ensured that the hospital remains open and available to the public through the promotion of cultural and educational activities, such as visits from schools, the public in general, closed-door cultural tours, concerts, exhibitions and conferences.

### Library on Seville

Following completion of the restoration work on the foundation's current head offices, the bibliographic heritage, which has been steadily amassing since 1981, was stored in what was then the refectory and chapter house of the hospital.

The library now contains over 6,000 works, spanning the 16th to the 21st century. The foundation regularly exchanges publications with both national and international institutions.

### Engravings Room

Since its inception back in 1982, the foundation has always boasted an impressive number of prints and engravings relating to Seville and its former kingdom.

In 1996, the close to 300 engravings acquired by the Focus-Abengoa Foundation over the years were conserved, sorted in folders and duly catalogued. When carrying out this lengthy scientific process, the foundation enjoyed the collaboration of the then Director of National Engravings, Juan Carrete Parrondo, along with Jesusa Vega and Gloria Solache.

The collection is divided into four periods:

- Baroque engravings.
- Engravings from the age of enlightenment.
- Romantic engravings.
- Contemporary engravings.

### Collection of Paintings, Sculptures and Graphic Works

This collection comprises more than 200 works of art, which have been collected through activities and events such as the painting award and monographic exhibitions on renowned figures from the contemporary artistic world, along with numerous foundation acquisitions and donations.

Each year, the collection is expanded through the incorporation of prize-winning works from the different editions of the painting award, and through the acquisition of works selected through the award.

Over the course of **2010**, the **collection was bolstered by four sculptures of Gustavo Torner**, from the series "La rectitud de las Cosas: XXXI, XXXII, XXXIII and XXXIV".

### The Diego Velázquez Research Center

Ever since its creation in 2007 on occasion of the acquisition of Velázquez's "Santa Rufina", the research center has been heavily involved in researching, debating and raising awareness of Velázquez during the time he spent in Seville. Before the inception of the research center, there had been only scant coverage of his works and artistic legacy over this important period of his life.

### Permanent Collection

The permanent collection comprises sixteen works on display at the Velázquez Center, six of which belong to the Focus-Abengoa Foundation, while the rest are on loan from a range of different institutions, including the Museo Nacional del Prado, Seville City Hall, the Archbishopric of Seville and the Hispanic Society of New York. All have been selected with educational and scientific ends in mind.

### Educational Program

Educational visits to the permanent collection have proved hugely popular with schools and the public in general. They are conducted by students and graduates from the universities of Seville. In 2010, the Elderly Cultural Volunteers group ("Voluntarios Culturales Mayores") also became involved in this activity. In tandem with this, an activities workshop has been created, affording participants the chance to put the knowledge acquired from the visit into practice.

### Music

The Focus-Abengoa Foundation boasts nineteen years of experience in offering high quality musical events under the direction of José Enrique Ayarra, organist at Seville Cathedral and Hospital de los Venerables. The organ was constructed by Gerhard Grenzing in 1991.

The foundation stages "**Promotional concerts for budding organists**", providing young people studying at the National Higher Conservatories of Music with the chance to showcase their skills. Broadcasts of their performances over the RNE Radio Clásica radio station provide yet a further incentive for these talented young performers.

The foundation also arranges a "**Cycle of Virtuoso Concerts**", featuring Europe's leading organists.

Educational organ recitals are held for students enrolled in compulsory secondary education. These events combine the theory of organ music with renditions of works for organ.

### Recovering Roman Bética

Abengoa is implementing its Solúcar Platform energy project in Sanlúcar la Mayor (Seville), which rests alongside the ever-popular "Corredor Verde del Guadiamar" (Guadiamar Green Belt).

The presence of numerous archaeological sites in the surrounding area has meant that adjustments have had to be made to the design of the facilities in order to ensure that these sites remain undisturbed. Abengoa entrusted the foundation with an extensive project to valorize the archaeological heritage to be found in the surrounding area.

The valuation of this heritage proved to be the driving force behind this project. The initiative has been designed with the specific aim of combining historic research with innovation, sustainability and social and cultural interest.

When the time came to conduct the required studies and work, the Focus-Abengoa Foundation enjoyed the close collaboration of the Archaeological Prospection Service attached to the Archaeology Department of Southampton University (United Kingdom) and the Department of Prehistory and Archaeology of Seville University.

Over the summer months, the teams conducted archaeological digs at the Lagunillas site, to the south of the Casa Quemada estate in Sanlúcar la Mayor (Seville) and resting alongside the Solnova 1 plant of the Solúcar Platform. In charge of these digs were Enrique García Vargas and Fernando Amores, both professors at the Prehistory and Archaeology Department of Seville University. Numerous professionals were involved in the digs, including five archeological technicians, five students enrolled on the master's degrees in archaeology at Seville and Granada Universities, eight students from the University of Seville, and two female students from the Universities of Montpellier (France) and Sassari (Italy).

The digs were conducted in four stages: The first corresponded to the last years of the I century and moving into the II; the second covered all the III century and the first few decades of the IV; the third spanned halfway through the IV century to the close of the V or onset of the VI; while the fourth related to the end of Late Antiquity (VI and VII centuries) and the onset of Moorish occupation (Paleo-Andalusian period: VIII and IX centuries).

Of the two sites examined, the first, measuring 10 x 10 m, provided scant remains of Roman buildings, burial sites and late antiquity and emir materials.

The second area covered 30 x 20 m and was, in contrast, rich in finds. These included a street (this being a particularly important finding in that streets configure urban spaces) and the remains of buildings on either side of the same street, with repeated signs of craftsmanship, such as glass melting and metallurgy, and elements relating to agriculture and livestock breeding, all of which appeared to characterize this part of the site during Roman times and the Late Antiquity.

## Revamping of the "Explore Seville. Five Glances through Five Engravings" Exhibition

The Focus-Abengoa Foundation has reopened the engravings exhibition, featuring works from the engravings section. The event has Alfonso Pleguezuel and Alberto Oliver as curators, while Gustavo Torner is in charge of museographic design.

The exhibition is split into five distinct sections offering different perspectives of the city of Seville.

In its new incarnation, visitors can use interactive screens to compare the panoramic engraving of the Seville cityscape on display at Madrid's Museo Naval (Symon Wynhoustz Frisius, 1617), with the "View of Seville" ("Vista de Sevilla") canvas (anonymous, c. 1650-1660), which belongs to the Focus-Abengoa Foundation. Two images taken from the same viewpoint in the Seville neighborhood of Triana, but representing snapshots of the city taken at two different times. The first, a Seville moving into the start of the seventeenth century, and the second, a Seville embroiled in crisis midway through the century and which its author created from an engraving of Mathäus Marian (1593-1650), also in the possession of the foundation.

The exhibition also features an educational program aimed at school pupils of all ages, who are given guided tours by young students of Seville University, who have become impartially involved in the educational activities arranged by the foundation. The foundation has also installed an audio tour, as well as free entry to the exhibition on Sunday afternoons.



After the educational visit, school children wrap up their visit to the foundation with an activity that allows them to put into practice the concepts explained during the tour in relation to the different engraving techniques and functions. At the end of this workshop, participants are fully able to explain the process of how engravings are made and compare and comment on the images.

## Gustavo Torner Sculptures

The Focus-Abengoa Foundation has increased its artistic heritage through the acquisition of four sculptures by Gustavo Torner (painter, sculptor, illustrator and engraver attached to the so-called "Grupo de Cuenca" – "Cuenca School"). The sculptures in question belong to the series "La rectitud de las cosas" and are currently located at Campus Palmas Altas:

- La Rectitud de las Cosas XXXI.
- La Rectitud de las Cosas XXXII.
- La Rectitud de las Cosas XXXIII.
- La Rectitud de las Cosas XXXIV.

This marks an unprecedented addition to our collection of contemporary art, and is our first example of outdoor sculpture, which had hitherto been sadly missing from the collection. The sculptures are currently displayed on both the terraces and in the central square of **Campus Palmas Altas**, meaning that they can be seen by **Abengoa** employees and visitors alike. They can also be seen within the corporate headquarters designed by **Richard Rogers**.

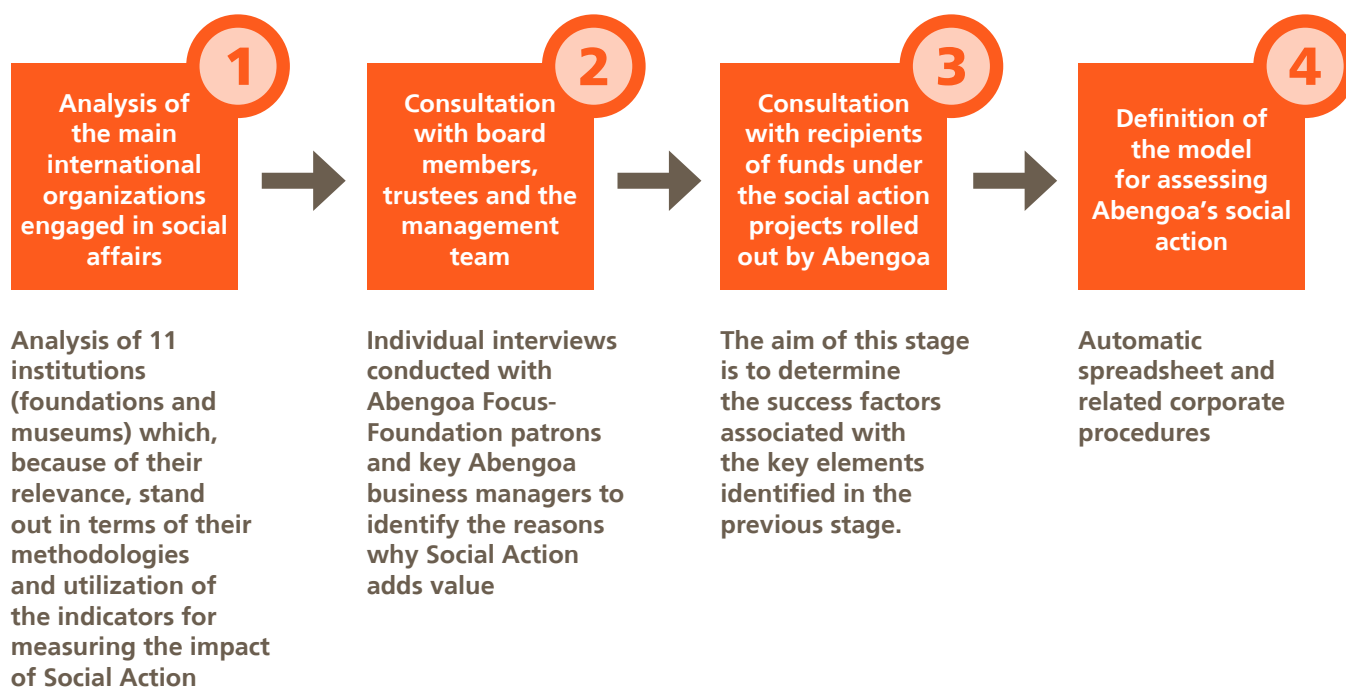
## Assessing the Effectiveness of Abengoa Contributions to the Community

In an attempt to evaluate and gauge the effectiveness of its contributions to society, Abengoa has launched a project with the ultimate aim of devising a model that will allow the company to weigh up the **tangible and intangible impacts of its social actions**.



The growing importance of being able to evaluate investments within society stems from the need to provide evidence and transparency regarding the achievements or returns on investments, and similarly to ensure that **resources** are **managed efficiently**, thus ensuring that the investment has the maximum possible effect.

With this in mind, Abengoa has developed a four-step approach that will provide the company with a practical, simple and improved analytical tool for evaluating its social impact.



An analysis of each project leads to a graphic representation of its impact on affected stakeholders, in addition to a Social Return on Investment (SROI) ratio, illustrating just how effective the investment has been at generating social value.

## 2010 Milestones

- **“Educational and Body Exercises. A Right for Everyone”** program (EBE) in **Argentina and Peru**.
- **“Voluntades...se buscan”** project in Peru.
- Family aid and **assistance** in the wake of the damage caused by the **earthquakes in Chile**.
- Crop **production projects** throughout numerous communities in Mexico.
- Implementation of the **“Educational and Body Exercises. A Right for Everyone”** program (EBE) in **Brazil**.
- Acquisition of **four sculptures by Gustavo Torner** from the “La rectitud de las cosas” collection.
- 2010 **cycle of concerts** to promote **budding organists**.
- 2010 cycle of **virtuoso concerts**.
- **Virtuoso concert and Mass/concert** on San Fernando Day in 2010.
- **Educational program** focusing on the permanent collection at the Velázquez Center.
- **IV Training Scheme for the disabled**.
- Focus-Abengoa grants program.
- VII edition of the **Baroque School** titled “The power of the image: Portraits of the Baroque city”.

- VI edition of the **School of Energy and Climate Change** under the title “The new economic outlook: Emissions market”.
- **World Biofuels 2010** conference.



## Areas of Improvement

- To tailor the library program and affiliate it with the network of Andalusian libraries.
- To continue widening the reach of the "Educational and Body Exercises. A Right for Everyone" program (EBE) to encompass other countries.
- To ensure the correct functioning of the "Santa Clara" community training workshops in cooperation with the Santa Rita de Cassia orphanage (Brazil).
- To continue maintaining and upgrading the facilities of the San Rafael (Dos Hermanas) and San Roque (Cádiz) care homes for the elderly.
- Funds and other aid (completion of studies prizes). Every year, the Focus-Abengoa Foundation holds its **Completion of Studies Awards**, which target Abengoa employees and their business units. Applicants must remain company employees at the time they request the aid and likewise at the time it is awarded. To ensure full uptake, the company intends to make a number of improvements to the process of communicating the availability of funds and aid.

## Future Goals and Objectives

- **Public opening of the Focus-Abengoa Campus**

2011 will witness the opening of the Focus-Abengoa Campus in Sanlúcar la Mayor (Seville). Blending archaeology, technology and natural scenery, this is the site of Abengoa's Sanlúcar solar platform. This permanent space is intended for educational purposes and will be visited and explored by different groups of the public.

- **Vuela Program**

For the summer group, 11 university students were chosen to carry out professional internships at the offices of Abengoa business units in Europe, the United States and Latin America, providing them with the chance to put their academic training to the test for one month.

On the other hand, uptake for the winter group was very poor. The company will therefore strive in future invitations to increase participation, seeing as though one of the objectives of the grants is for them to benefit as many beneficiaries as possible.







# 9

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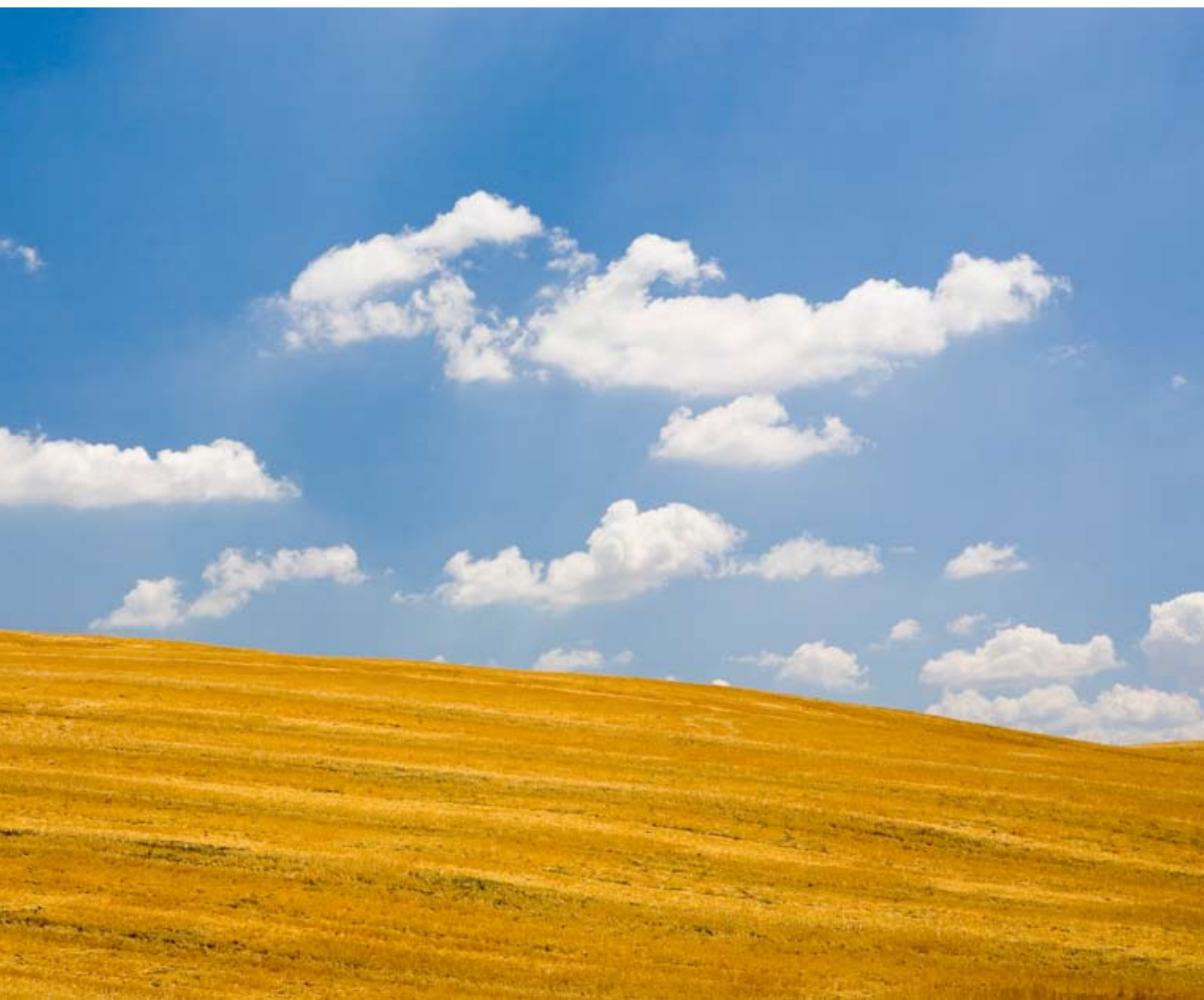
We align the sustainable approach to our businesses with the sustainable manner in which we conduct our business

For Abengoa, sustainable development is something that goes **beyond a mere commitment**, for sustainability is a fundamental part of the strategic approach to company activities. Abengoa gears its businesses towards environmental sustainability through a policy of **ongoing reduction of the environmental footprint** of company activities. Abengoa upholds a commitment to conducting its business around the struggle against climate change; however, sustainability not only is the cornerstone of the company's business, but rather has a presence in business evolution itself.

Abengoa applies innovative solutions for sustainable development in the **energy and environmental** sectors. The company is dedicated to intensive activity, building and operating concentrating solar power plants, producing first-generation bioethanol in different places around the world today, building and operating desalination plants for generating drinking water on four continents, recycling industrial waste in many different countries, and driving forward smart systems to increase efficiency and savings in power grid projects and transportation networks.

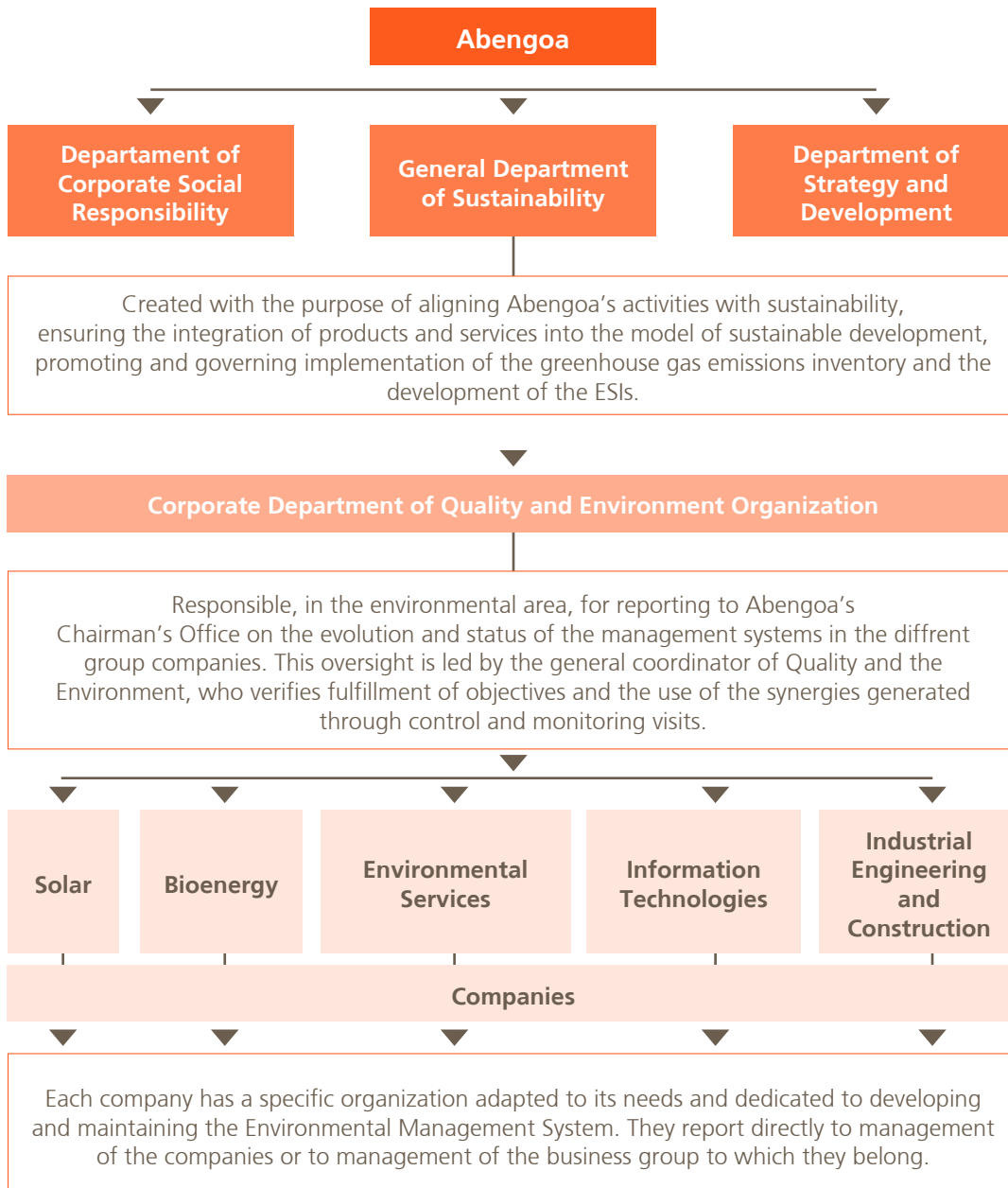
Abengoa also has an **Integrated Sustainability Management System** made up of a range of tools to ensure thorough and reliable measurement of the global impact of its activity to establish objectives for change and improvement. The main tools of this system are the following: on the one hand, the Greenhouse Gas (GHG) Emissions Inventory, and, on the other, the Environmental Sustainability Indicator (ESI) System and the GRI Indicator System.

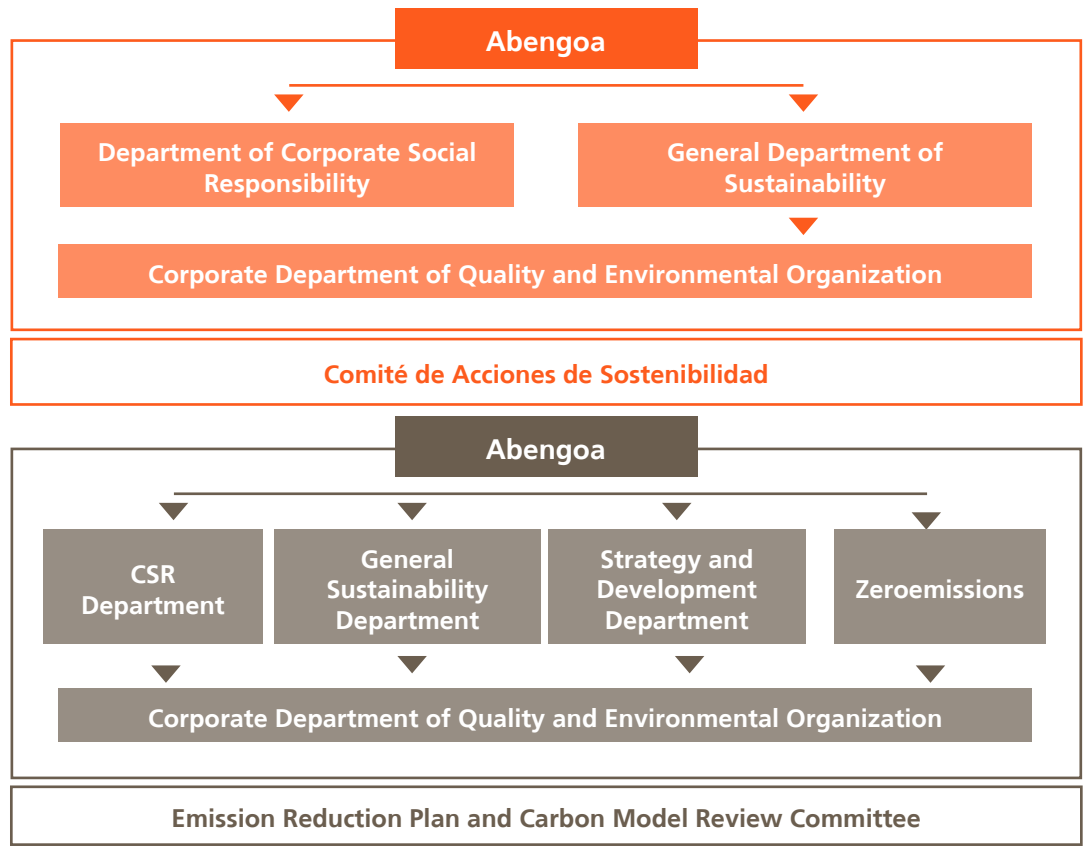
Abengoa's aim is thus to both guarantee the sustainability of its products and services, and ensure that sustainability is assured, measured and validated using instruments that are transparent and recognized by the market and by society at large.



## Environmental Sustainability-Related Organizational Structure

The company's vision in sustainability is that of being an exemplary company with a **culture** and **business model** in keeping with **sustainable development**, credibility, confidence and respect in the markets, businesses and communities in which it operates.





Abengoa's environmental sustainability policy, in accordance with the requirements of activity and project certification and accreditation derived from the **United Nations Global Compact and good governance**, is being realized through a variety of instruments: **ISO-14001** environmental management system certification, the **greenhouse gas emission inventory** and the corresponding **ISO-14064** certification, **ISO-14067** product and service labeling certification, and the **Environmental Sustainability Indicator (ESI) system**.

## Environmental Management System Certification

In accordance with its policy on environmental management and sustainable use of natural and energy resources, Abengoa has established as a strategic objective for its range of companies the implementation of environmental management systems in accordance with the requirements of the **ISO 14001** Standard. This framework establishes a concrete objective: reducing the potential negative environmental impacts of the products and services of each company, including lowering the consumption of natural resources, and minimizing the generation of waste and emissions.

The environmental management systems in place at Abengoa are extremely demanding in terms of measuring and monitoring environmental impact and controlling associated operations, and therefore all activities with significant impact on the environmental aspects evaluated must be covered under a **Measurement and Monitoring Plan**, as well as an **Operational Control Program**.

Practically all of Abengoa's activities fall under the scope of an environmental management system in line with the ISO 14001 Standard, and all significant environmental impacts are identified according to each company's internal procedures.

The percentage of certified Abengoa companies in 2010 totals 86.05 %.





## Environmental Sustainability Indicators

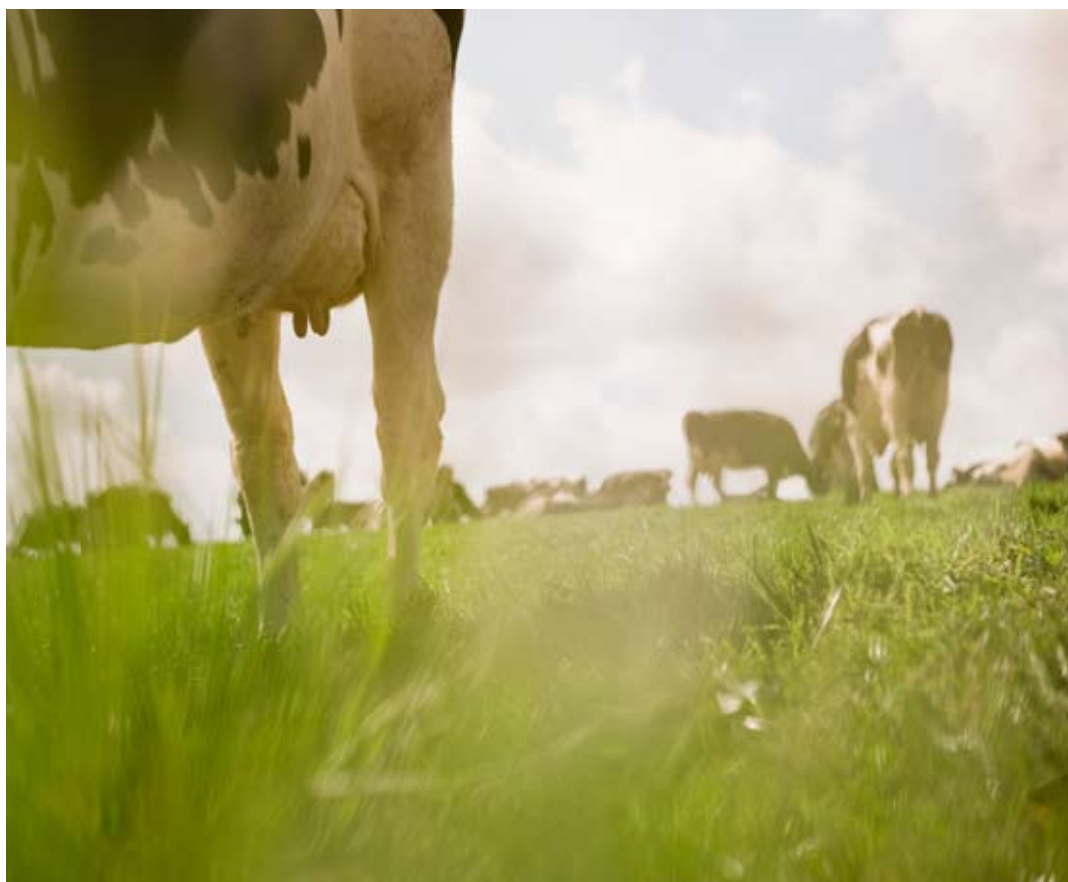
Combating climate change is one of the **cornerstones** of Abengoa's commitment to sustainable development. However, there are other aspects that are not directly associated with greenhouse gas emissions but which nevertheless are part of the concept of sustainable development.

For this reason, Abengoa has drawn up an **Environmental Sustainability Indicator (ESI)** system that will be implemented during the first quarter of 2011 in order to contribute to **enhanced business management**, enabling the company to **quantify** and **compare** the sustainability of its activities and to establish future **improvement targets**.

This system covers the following indicator categories:

- **Biodiversity:** environmental project installation response according to the sensitivity of the surroundings of the site location.
- **Odors:** emission of bothersome odors beyond project sites or areas of operation.
- **Noise:** level of environmental noise produced by project installations and areas of operation.
- **Water discharges:** discharge management related to the environmental quality of the receiving medium, reduction thereof, lowering resulting impact, and control of administrative requirements.
- **Soil and aquifers:** degree of soil contamination of the site and potential impact on nearby aquifers.

- **Products and services:** production recyclability; that is, making use of materials consumed; adapting products for reuse depending on their structure; raw material inputs applied more than once in the production process, and reutilization of means of production and transportation.
- **Water consumption:** sustainable project installation performance in terms of water consumption.
- **Energy consumption:** sustainable project installation performance in terms of energy consumption.
- **Atmospheric emissions:** sustainable project installation performance with respect to air quality, with the exception of CO<sub>2</sub> and other GHG emissions that are treated as part of the GHG reporting system.



The primary objectives of the system are as follows:

- **Ensure Abengoa's business** by ascertaining and **quantifying associated environmental risks** and setting **reduction targets**.
- Guarantee that the company is **recognized** as a business that strives to achieve sustainability, operating in a way that is sustainable.
- Enable persons in charge of the different Abengoa companies to **measure and compare** the sustainability of their activities.
- Establish future **improvement targets**.

The indicator system will facilitate environmental **risk detection** and coverage by determining aspects which have or could have a significant impact on the environment. It also enables planning of environmental issues required under the ISO 14001 in Section 4.3.1. "The organization should plan to establish, implement and maintain one or more procedures for identifying the environmental aspects of its activities, products and services that can be controlled and on which it may have an influence".



## Training in Management of Environmental Issues

For a complex and multifaceted organization like Abengoa to successfully meet all of its environmental objectives and fulfill its commitment to sustainability requires that all members of the organization know the impact of the activities they perform in their positions on the environment, having received the right kind of training.

At Abengoa **training in environmental issue management** is part of the group's general training process. Each company has an annual training plan, which is generally based on Abengoa's competency-based management model, and which entails systematic assessment of its effectiveness.

Since December 2009, the course on **Sustainable Development and Climate Change** is available to all company personnel. Part of Abengoa's corporate training program, this course is offered online in both English and Spanish. In 2010, 24,984 hours were devoted to this particular training.



Course objectives include the following:

- To analyze **causes and effects** of climate change on industrialized society.
- To learn about Abengoa's **business focus** on promoting technologies aimed at sustainable development.
- To foster greater **personal engagement** with Abengoa's policy and strategy with respect to sustainability, particularly involving halting **climate change**.

Furthermore, in 2010, 742 hours of attendance-based training were conducted, as well as 474 hours of webex online courses in Spanish and English on the new GHG inventory computer application. Online training is also available in Spanish and English on internal inventory norms. A total of 11,675 hours were devoted to this training initiative.

## Extension of the Environmental Principles to Include Suppliers

The internal norm upon which the GHG inventory is based, reflected in Abengoa's common management systems, establishes the obligation to obtain **emission reports from its suppliers**. The norm specifies, therefore, a connection between purchasing systems and reporting of the emissions associated with goods and services acquired for incorporating them into the inventory.

In keeping with the obligations established under the internal regulations, all Abengoa suppliers are required to sign up to the Abengoa **Social Responsibility Code** and report the emissions linked to their goods and services or sign an **Agreement to Implement a Greenhouse Gas Emission Reporting System**<sup>1</sup>.

In 2010 Abengoa continued to promote this corporate policy pertaining to company suppliers, establishing **16,700** supplier agreements to date throughout the world.

## Climate Change and Greenhouse Gas Emissions

Climate change is a reality, and it is caused by human activity. For this reason, the [Kyoto Protocol](#) set the target of achieving a 5% reduction by 2012 over the 1990 emission levels of the world's developed countries.

GHG emissions are **directly related to industrial activity**, with more industrialized countries being the biggest emitters. Cutting GHG emissions without having an effect on Gross Domestic Product (GDP) requires, among other initiatives, the development of clean industrial technologies, replacement of fossil energy use with renewables, and modification of production and consumption rationale to make these processes efficient so that resources, energy in particular, are employed in a way that is in keeping with the goal of obtaining satisfaction and generating development and opportunities for everyone. This poses a challenge, not only for governments, but for businesses and citizens alike. Agenda 21 of the United Nations has established an operational framework for facing the challenges of the new century through the integration of development and the environment.

The key role of the business community in combating climate change is synthesized in managing clean production and in promoting responsible engagements in this area, and is implemented through a range of actions:

- **Management of the knowledge of an entity's own emissions:** emissions accounting and balance sheet, enabling traceability to the different inputs.

<sup>1</sup> See chapter titled Abengoa and its Suppliers

We have set emission reduction targets for all of our activities



- **Product labeling.**
- **Analysis of product and service life cycles**, including evaluations on potential for improvement.
- **Innovation.**
- Alignment of new businesses with sustainable development.
- A company can voluntarily become a neutral emitter by purchasing carbon credits to compensate its emission balance.

In keeping with the above, in 2008 Abengoa implemented a complete system for quantifying GHG emissions<sup>2</sup> by means of an internal norm that is comparable to international standards. In **2008**, **2009** and **2010** the inventory, which was conducted in accordance with this internal management norm, was **audited by an independent external entity**. The inventory of GHG emissions has been disclosed through the [Carbon Disclosure Project \(CDP\)](#) since 2009.

Based on the results obtained from 2008 and 2009 emissions analyses, Abengoa set emission reduction targets in 2010 for all of the company's activities.

The purpose of this inventory is to gain in-depth knowledge of the direct and indirect GHG emissions of each one of the company's activities. This accurate emissions accounting enables the company to draw up annual GHG emission reduction plans, label Abengoa products and services, and evaluate company suppliers according to the GHG emissions associated with the products and services they provide.

The scope of this norm includes:

- **Scope 1.** Direct emissions: emissions associated with sources that are under Abengoa's control.
- **Scope 2.** Indirect emissions associated with the generation of acquired electricity or thermal energy.
- **Scope 3.** Indirect emissions associated with the production chain of goods and services acquired by Abengoa.

The inventory is incorporated into the metrics for determining the economic, **social and environmental footprint** of the company's activity, and constitutes yet another parameter for boosting sustainability. The inventory is an integral part of Abengoa's commitments to society.

For Abengoa, calculating emissions and quantifying efforts to reduce them is a task linked to its businesses; a duty deriving from the business model of consistency between the provision of innovative solutions for sustainable development and the commitment to sustainability and combating climate change.



<sup>2</sup> See chapter titled Greenhouse Gas Inventory

## Computing GHG Emissions

Implementation of the **Integrated Sustainability Management System** computer application was completed in 2010. This system combines, among others, all reporting tools in place for the **GHG inventory**, the **GRI (Global Reporting Initiative)** indicators, and the **ESI** system.

As far as the GHG inventory is concerned, the tool incorporates emissions computation for all scopes and sources established under Abengoa's internal norm in accordance with international standards. It also contains methodology, data bases and calculation systems to address all existing typologies in the company's activities.

In order to monitor the emissions associated with all acquired goods and services, this tool is linked to Abengoa company purchasing applications, impedes the formalization of purchases from suppliers who do not report their emissions, and ensures that emissions are registered for each order.

## Abengoa's Main Environmental Indicators

Calculation of the environmental indicators takes into account Abengoa's work facilities, associated activities, and all projects promoted directly by Abengoa, with the exception of companies that have requested exclusion from reporting for substantiated reasons.

All other projects take into consideration the main figures deriving from our operations, excluding raw materials, consumption or waste attributable to the promoters of said projects. Nor were activities involving maintenance or operation conducted in customer facilities or purchases realized between Abengoa companies taken into account.

To illustrate the wide range of **initiatives** undertaken, and while not intended to be an exhaustive list, noteworthy is the application in all business units of policies to reduce paper, toner, water, and office electricity consumption, in addition to waste collection for subsequent treatment or recycling.

Among the activity highlights in obtaining results aimed at greater **control, awareness and minimization of environmental impacts**, the range of possibilities includes environmental prevention and management, conducted through management systems, dumping and waste inspections, internal and external audits, certification by authorized agents, suitable employee training, use of clean technologies, and conducting and maintaining a greenhouse gas inventory at each company.

In the **Industrial Engineering and Construction group**, environmental programs are carried out for project works, reforestation in areas adjacent to projects under execution and the coordination of subcontracted transportation with the aim of adapting the type of transportation to the size and quantity of the materials to be transported.

**Environmental Services** takes steps to reduce waste generation, including the sale of certain projects in bulk tanks in order to prevent the generation of container waste, reutilization and recovery of containers, etc. In order to reduce water consumption, gross water supply networks have been built for process water and systems for capturing rainwater, among other initiatives. In addition to the different R&D projects, including the development of advanced wastewater treatment systems or those involving desalination: minimization of the potential environmental impact of brine through the study of the brine dissolution phenomenon, carrying out desalination using renewable energies, etc.

The **Bioenergy** business unit conducts activities such as the reutilization of water from wastewater and collection of rainwater, among others.

With the aim of improving the reliability of the environmental indicators, improvements have been made to the process of compiling and aggregating data, with a computer tool having been specially developed for this purpose. Some figures from previous years have been rectified according to revised classification, estimation and computation criteria.

All of the indicators shown were calculated by following specific protocols for measurement and calculation with the aim of standardizing application criteria.

## Raw Materials

Due to the nature and variety of Abengoa's activities, it is practically impossible to reflect all of the **raw materials utilized** in an exhaustive manner. Therefore, available data were aggregated and consolidated so as to give a real and adjusted picture of the company's environmental impact according to the different activities conducted.

| Construction/Installation/Assembly Activities* (t)                       | 2010    | 2009 | 2008 |
|--|---------|------|------|
| <b>Material</b>  |         |      |      |
| Aggregates and natural rocks   | 275,494 | -    | -    |
| Binding materials used in construction (concrete, cement, plaster, etc.) | 227,848 | -    | -    |
| Iron-containing metal materials  | 95,217  | -    | -    |
| Glass and ceramic material   | 36,923  | -    | -    |
| Wood   | 25,319  | -    | -    |
| Chemical products and non-renewable additives                            | 3,816   | -    | -    |
| Non-iron-containing metal materials (aluminum)                           | 1,845   | -    | -    |
| Non-iron-containing metal materials (copper)                             | 1,415   | -    | -    |
| Coating material (paint, varnish, etc.)                                  | 1,390   | -    | -    |
| Oils, fats, and waxes  | 1,367   | -    | -    |

(\*) 2008 and 2009 data are not available due to modifications to classification criteria

| Distribution/Intermediation/Storage Activities* (t) | 2010    | 2009 | 2008 |
|---|---------|------|------|
| <b>Material</b>                                     |         |      |      |
| Non-iron-containing metal materials (copper)        | 109,153 | -    | -    |
| Non-iron-containing metal materials (others)        | 31,347  | -    | -    |
| Non-iron-containing metal materials (aluminum)      | 7,735   | -    | -    |
| Plastics  | 6,799   | -    | -    |
| Non-iron-containing metal materials (zinc)          | 4,332   | -    | -    |
| Wood  | 1,188   | -    | -    |

(\*) 2008 and 2009 data are not available due to modifications to classification criteria

| <b>R&amp;D Activities* (t)</b>                              | <b>2010</b> | <b>2009</b> | <b>2008</b> |
|---|-------------|-------------|-------------|
| <b>Material</b>   |             |             |             |
| Vegetable feedstocks (grain, vegetable oils, biomass, etc.) | 15          | -           | -           |
| Oils, fats, and waxes                                       | 6           | -           | -           |
| Paper   | 4           | -           | -           |

(\*) 2008 and 2009 data are not available due to modifications to classification criteria

| <b>Provision of Services/Consulting/Engineering* (t)</b>                 | <b>2010</b> | <b>2009</b> | <b>2008</b> |
|--|-------------|-------------|-------------|
| <b>Material</b>  |             |             |             |
| Industrial waste   | 616,213     | -           | -           |
| Binding materials used in construction (concrete, cement, plaster, etc.) | 3,781       | -           | -           |
| Chemical products and non-renewable additives                            | 2,464       | -           | -           |
| Aggregates and natural rocks   | 1,107       | -           | -           |
| Paper  | 852         | -           | -           |
| Plastics   | 134         | -           | -           |
| Non-iron-containing metal materials (copper)                             | 132         | -           | -           |

(\*) 2008 and 2009 data are not available due to modifications to classification criteria

| <b>Production/Manufacturing Processes* (t)</b>                                     | <b>2010</b> | <b>2009</b> | <b>2008</b> |
|--|-------------|-------------|-------------|
| <b>Material</b>  |             |             |             |
| Vegetable feedstocks (grain, vegetable oils, biomass, etc.)                        | 8,413,146   | -           | -           |
| Chemical products and non-renewable additives                                      | 830,089     | -           | -           |
| Minerals for industrial, chemical, fertilizer, refractory, foundry and pigment use | 659,922     | -           | -           |
| Industrial waste   | 523,947     | -           | -           |
| Metal waste  | 363,549     | -           | -           |
| Other waste  | 111,445     | -           | -           |
| Animal raw material  | 77,188      | -           | -           |
| Binding materials used in construction (concrete, cement, plaster, etc)            | 50,105      | -           | -           |
| Aggregates and natural rocks   | 34,496      | -           | -           |
| Iron-containing metal materials  | 22,481      | -           | -           |
| Non-iron-containing metal materials (others)                                       | 15,676      | -           | -           |
| Chemical products and renewable additives  | 13,173      | -           | -           |
| Materials of fossil origin   | 10,580      | -           | -           |

(\*) 2008 and 2009 data are not available due to modifications to classification criteria



| Projection Promotion Activities* (t)                                     | 2010  | 2009 | 2008 |
|--|-------|------|------|
| <b>Material</b>  |       |      |      |
| Binding materials used in construction (concrete, cement, plaster, etc.) | 6,054 | -    | -    |
| Aggregates and natural rocks   | 132   | -    | -    |

(\*) 2008 and 2009 data are not available due to modifications to classification criteria

Companies in the Environmental Services area are dedicated to the recycling of industrial waste by means of treatment, valorization and recovery, obtaining products such as plastic chippings, secondary aluminum, Waeltz oxide with a 65 % zinc content, and secondary zinc. This is the area with the highest potential for recovering products sold, which in practice totals 100 % in most cases.

In addition, most consumption of plastic as the raw material is derived from the recycling of the film used in greenhouse enclosures.

The percentage of material used that are recycled inputs materials totaled 15 %.

The following is a list of the **main types of waste treated**:

| Recycled* (t)               | 2010    | 2009    | 2008    |
|-----------------------------|---------|---------|---------|
| Steelwork and smelting dust | 199,369 | 255,148 | 307,078 |
| Waste containing zinc       | 303,734 | 217,347 | 311,232 |
| Waste containing sulfur     | 84,692  | 83,000  | 95,612  |
| Waste containing aluminum   | 159,588 | 81,055  | 182,472 |
| Saline slag                 | 68,106  | 76,055  | 62,078  |
| Plastics                    | 13,583  | 8,689   | 12,800  |
| Filter dust                 | 38,902  | -       | -       |
| Lime                        | 7,288   | -       | -       |
| Slag dust                   | 1,445   | -       | -       |
| Cake                        | 19,112  | -       | -       |
| Molasses                    | 77,083  | -       | -       |
| Others                      | 9,278   | -       | -       |

(\*) 2008 and 2009 data are not available due to modifications to classification criteria

This area also encompasses companies dedicated to tank, centrifugator, etc. management, waste treatment and industrial cleaning. Another activity is the management of PCB<sup>3</sup>-contaminated equipment, consisting of treatment and cleaning of transformers, condensers, both solid and liquid, recovering metals.

The wastes taken into account are listed according to their classification as being hazardous or **non-hazardous** and in terms of the treatment they undergo.

3 Polychlorinated Biphehyls

| <b>Waste for Managing and Treating (t)</b>  | <b>2010</b>    | <b>2009</b>    | <b>2008</b>    |
|---|----------------|----------------|----------------|
| <b>Hazardous</b>                            |                |                |                |
| Waste for deposit treatment                 | 34,142         | 47,702         | 76,231         |
| Waste for recovery-regeneration treatment   | 43,586         | 37,643         | 20,815         |
| Waste for physico-chemical treatment        | 22,728         | 28,596         | 37,163         |
| Waste for energy valorization treatment     | 23,897         | 20,831         | 34,887         |
| Waste for inertization treatment            | 136,674        | 128,913        | 304,377        |
| Waste for evapo-condensation treatment      | 12,613         | 12,543         | 15,670         |
| Waste for PCB treatment                     | 3,118          | 4,137          | 4,904          |
| Waste for thermal treatment                 | 7,201          | 1,209          | 1,546          |
| Waste for reactive segregation treatment    | 490            | 513            | 667            |
| <b>Total</b>                                | <b>284,448</b> | <b>282,087</b> | <b>496,260</b> |
| <b>Non-hazardous</b>                        |                |                |                |
| Waste for deposit treatment                 | 317,146        | 558,823        | 638,870        |
| Waste for physico-chemical treatment        | 6,425          | 7,835          | 3,255          |
| Waste for energy valorization treatment     | 4,151          | 3,044          | 2,404          |
| Waste for inertization treatment            | 127            | -              | -              |
| Waste for reutilization-recycling treatment | 17,554         | 18,991         | 24,713         |
| Waste for inert deposit treatment           | 143            | -              | -              |
| Waste for deposit treatment                 | 810            | -              | -              |
| Uncontaminated oil transformers             | 1,132          | -              | -              |
| <b>Total</b>                                | <b>347,488</b> | <b>588,693</b> | <b>669,242</b> |

Purines are one type of raw material treated of livestock farming origin.

| <b>Treatment of Waste from Farming Activity (t)</b> | <b>2010</b> | <b>2009</b> | <b>2008</b> |
|---|-------------|-------------|-------------|
| Purines (*)   | 50,172      | 75,749      | 75,045      |

(\*) Purines are a type of waste derived from livestock farming activity

## Energy

Data on the amount of **electrical power** consumed from the grid correspond to permanent work centers, both production sites as well as offices, and to those projects promoted directly by Abengoa.

| <b>Intermediate Energy Purchase (GJ)</b> | <b>2010</b> | <b>2009</b> | <b>2008</b> |
|--|-------------|-------------|-------------|
| Electrical energy                        | 3,523,601   | 2,208,159   | 2,796,857   |
| Thermal energy*                          | 1,420,822   | 1,118,017   | -           |

(\*) 2008 data are not available due to modifications to classification criteria

Transforming this electrical consumption to the **primary sources** utilized for generation, according to AIE data for the different countries where Abengoa operates, results in the following:

| Indirect Energy Consumption by Primary Sources (GJ) | 2010             | 2009             | 2008             |
|---|------------------|------------------|------------------|
| Coal  | 2,416,012        | 1,107,666        | 1,436,579        |
| Fuel oil  | 325,509          | 224,720          | 267,157          |
| Gas   | 2,611,728        | 1,482,370        | 1,058,804        |
| Biomass   | 172,254          | 119,928          | 154,560          |
| Residues  | 67,929           | 43,531           | 41,764           |
| Remainder*  | 1,692,859        | 1,241,513        | 1,795,015        |
| <b>Total</b>  | <b>7,286,290</b> | <b>4,219,729</b> | <b>4,753,880</b> |

(\*) Nuclear, hydraulic, geothermal, photovoltaic, solar thermal, wind and tidal power combined

In **direct energy consumption** elements including fuels consumed in the different industrial processes, such as grain dryers, smelting furnaces, machinery, etc., are listed as important elements, as well as in the production of electrical power at cogeneration plants.

| Energy (GJ)           | 2010              | 2009 | 2008 |
|-----------------------|-------------------|------|------|
| Petroleum derivatives | 7,419,737         | -    | -    |
| Coal derivatives      | 1,262,897         | -    | -    |
| Natural gas           | 23,125,221        | -    | -    |
| Biofuels              | 879,758           | -    | -    |
| Biomass               | 11,744,536        | -    | -    |
| Otros                 | 251,869           | -    | -    |
| <b>Total energy</b>   | <b>44,684,019</b> | -    | -    |

(\*) Certain 2008 and 2009 data are not available due to modifications to classification criteria

Part of the energy consumed is recovered in the form of electrical power. It should be noted that 8% of the production of this energy is of **solar origin**.

| Energy Production (GJ)            | 2010      | 2009      | 2008      |
|-----------------------------------|-----------|-----------|-----------|
| Electrical energy                 | 7,979,782 | 2,905,578 | 2,942,388 |
| Electrical energy of solar origin | 668,210   | 163,156   | 616       |
| Thermal energy                    | 4,008,288 | 629,601   | 585,532   |

Data on electrical and thermal production in 2008 were modified due to an error in the units employed.

The table below shows the results of proactive efforts to **increase energy efficiency** through technological process enhancements and other savings measures realized in 2010.

**Energy Savings**

| Energy saving initiative  | Instructions   | Energy savings achieved (GJ) | Benefit obtained  | Investment (€) |
|---|--|------------------------------|---|----------------|
| Installation of 48 solar panels   | Kw generated are calculated by means of solar panel meter-reading  | 23                           | The energy produced is self-consumed, thereby preventing corresponding power grid consumption | 62,942         |
| Increased engine performance following overhaul   | Motor performance monitoring   | 22,067                       | 2 % savings in natural gas consumption  | 162,500        |
| Reduction in electrical power consumption   | Improved stoppage management through coordination between production and maintenance. Checks conducted on equipment in operation during stoppages and lowering installed power output capacity through replacement with more efficient equipment. Study of potential equipment to be substituted. Economic viability study   | 444                          | Reduction in electrical power consumption   | 26,607         |
| 2% reduction in gas consumption with respect to 2008  | Gas consumption savings estimation based on data on tons processed in 2009 and 2010  | 2,793                        | Reduction in gas consumption  | 0              |
| Energy savings in lamps employing photocells  | Confinement site lighting primarily employs photocell lighting   | 13                           | Very significant energy savings as the result of the measure implemented                      | 37,830         |
| Roof insulation was added to the Lakewood, CO, facility in January of 2010 by the building owner. This increased the R value by | Natural gas usage from 2009 was compared with 2010. The roof insulation was added in January 2010. The weather variation was eliminated by using linear regression. We added 2 inches of poly iso (styrofoam) roof insulation to the metal roof in January. The added insulation increased the R-value of the building to r26. This was an increase of about 12.5 % or 93 %. | 65                           | Reduction in natural gas consumption  | 805            |

A variety of initiatives were carried out over the course of 2010 aimed at providing products and services with **higher energy efficiency**. Thus, the replacement of LED-based incandescent stoplights not only led to a significant reduction in power grid consumption, but also rendered a reduction in the fuel use of the vehicle fleet employed for maintenance as a product of the significantly longer useful life of this type of lighting.

Initiatives were also implemented with the aim of **lowering indirect energy consumption**. These initiatives involve business travel and commutes to and from work and include, for example, facilitating public bus service for employees at their worksites, and, in the product and service value chain, efficiently managing the supplier portfolio.



## Water

According to Abengoa's information system, none of the sources used to collect water is on the Ramsar list of wetlands or may be considered especially sensitive. Nor is there any record of cases in which annual consumption totals more than 5% of the volume of the sources affected.

The company's policy on sustainability prioritizes reduction at the place of origin by minimizing the amount used or through reutilization of the resource for activities in which potability is not a priority.

| Water capture (m <sup>3</sup> ) | 2010       | 2009 | 2008 |
|---------------------------------|------------|------|------|
| <b>Capture sources</b>          |            |      |      |
| River water                     | 9,668,754  | -    | -    |
| Sea water                       | 83,050,309 | -    | -    |
| Well water                      | 6,666,764  | -    | -    |
| Grid water                      | 5,522,792  | -    | -    |
| Rainwater                       | 125,140    | -    | -    |
| Used water                      | 164,443    | -    | -    |
| Bottled water                   | 1,193      | -    | -    |
| Acquired steam (t)              | 65,419     | -    | -    |

(\*) 2008 and 2009 data are not available due to modifications to classification criteria

The total volumen of recycled and reused water was 249,126,393 m<sup>3</sup>, which represents an increase of 238 % with respect to the total volume of water used at Abengoa

## Discharges and Spills

In companies in which, due to the nature of the activities conducted, the state of water utilized is negatively altered, suitable treatment is undertaken, with final quality being within the limits established under legal requirements, prior to discharge into a public water source.

All discharge operations are likewise authorized and controlled by the pertinent authorities.

The amount of water discharged into surface water masses was updated for 2009, reporting brine dissolution at desalination plants.

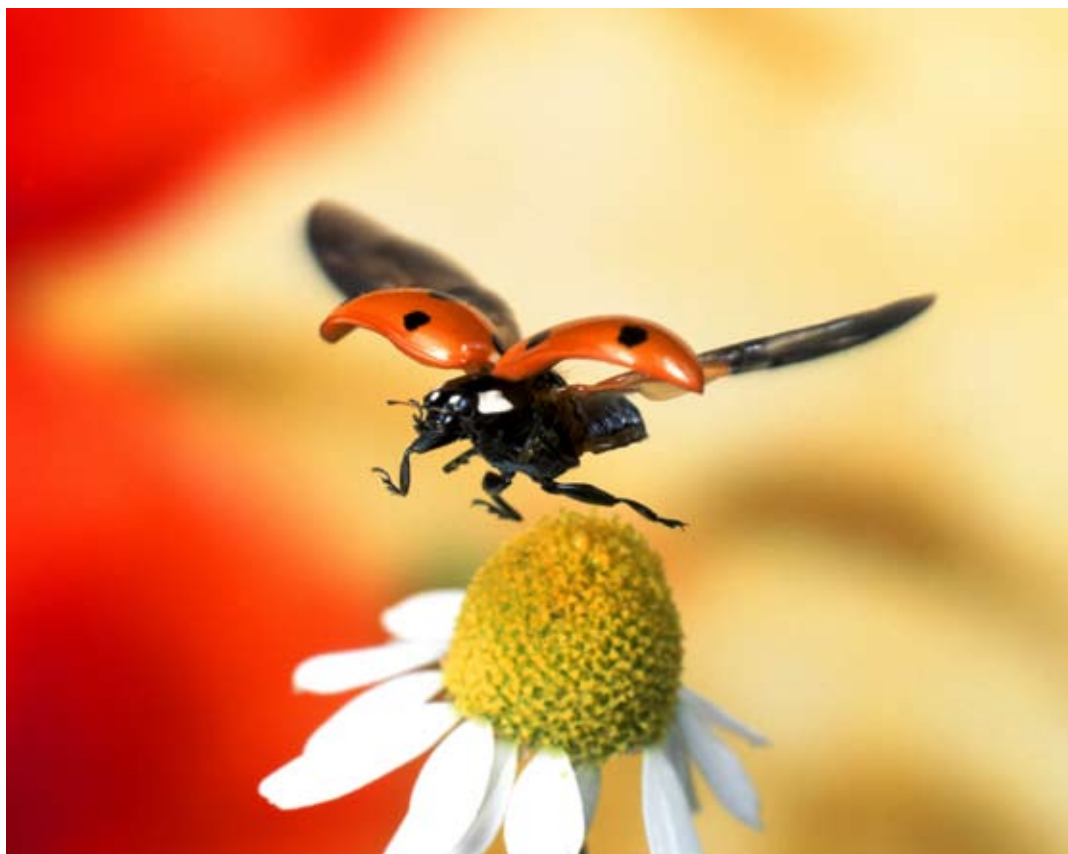
| Discharges (m <sup>3</sup> )                                 | 2010       | 2009       | 2008      |
|--|------------|------------|-----------|
| Discharges to sewer networks or outside treatment facilities | 1,137,879  | -          | -         |
| Discharges to surface water masses                           | 48,391,034 | 15,275,209 | 5,275,438 |
| Discharges from land infiltration                            | 5,818      | 1,066      | 8,774     |
| Dispersed or undefined land discharges                       | 773,273    | -          | 3,382,376 |
| Third-party delivery for reutilization                       | 42,613,544 | -          | -         |
| Third-party delivery (steam)                                 | 52,270     | -          | -         |
| Discharge into the environment (steam)                       | 2,566      | -          | -         |

(\*) Certain 2008 and 2009 data are not available due to modifications to classification criteria

In 2010, six (6) accidental spills were recorded through the information channels due to Abengoa activity. These spills entailed a total cost of € 60,073.

| Spills (€)        |          |               |  |  |
|-------------------|----------|---------------|--|--|
| Substance spilled | Location | Recovery cost | Description  | Solution   |
| Fuel              | Spain    | 6,986         | Tank rupture. Ground spill   | Spill absorption and removal of contaminated land for delivery to authorized agent |
| Fuel              | Spain    | 2,328         | Electrogen group tank rupture and adverse weather conditions. Catch basins full of gasoline mixed with rainwater | Pump collection in catch basins, absorbing layers and sepiolite                    |
| Oil               | Spain    | 86            | Leveling motor hose breakage. Land spill   | Removal of contaminated land by an authorized agent                                |
| Oil               | Spain    | 50,563        | Tank switch malfunction during ship unloading. Spilling extending to the beach                                   | Making sure that the rainwater outlet valve is closed during ship unloading        |
| Wastewater        | Peru     | 86            | Spill and contamination of non-impermeabilized soil  | Contaminated land cleanup, including respective treatment                          |
| Contaminated land | Peru     | 25            | Spill and contamination of non-impermeabilized soil  | Contaminated land cleanup  |

No water resources or habitats affected by spills deriving from company activity were identified through Abengoa's reporting system.



## Waste

In conducting its usual activity, Abengoa generates many different types of waste, most of which are monitored through the different environmental management systems implemented in each company. Here the most significant are shown according to final destination.

| Non-Hazardous Waste* (t)  | 2010    | 2009 | 2008 |
|---|---------|------|------|
| Physico-chemical treatment  | 51      | -    | -    |
| Ground or underground deposit   | 141,375 | -    | -    |
| Permanent deposit   | 286     | -    | -    |
| Prior storage   | 202     | -    | -    |
| Treatment in terrestrial environment  | 7,675   | -    | -    |
| Dumping at specially designed sites   | 648     | -    | -    |
| Biological treatment  | 81      | -    | -    |
| Utilization as fuel or other means of producing energy                        | 232     | -    | -    |
| Soil treatment, resulting in agricultural benefit or ecological improvement   | 2,986   | -    | -    |
| Waste accumulation for use in subsequent operations                           | 1,816   | -    | -    |
| Recycling or recovery of organic substances that are not utilized as solvents | 17,137  | -    | -    |
| Recycling or recovery of metals and metal compounds                           | 10,450  | -    | -    |
| Recycling or recovery of other inorganic material                             | 232,505 | -    | -    |
| Recovery of elements used to reduce contamination                             | 1,702   | -    | -    |
| Combination or mixture  | 14      | -    | -    |
| Utilization of waste obtained from operations                                 | 55      | -    | -    |
| Land incineration   | 168     | -    | -    |

(\*) 2008 and 2009 data are not available due to modifications to classification criteria

| Hazardous Waste* (t)                                   | 2010   | 2009 | 2008 |
|--|--------|------|------|
| Ground or underground deposit                          | 854    | -    | -    |
| Land incineration                                      | 5,024  | -    | -    |
| Prior storage  | 3,453  | -    | -    |
| Dumping at specially designed sites                    | 417    | -    | -    |
| Physico-chemical treatment                             | 16,088 | -    | -    |
| Utilization as fuel or other means of producing energy | 1,706  | -    | -    |
| Waste accumulation for use in subsequent operations    | 328    | -    | -    |
| Solvent recovery or regeneration                       | 52     | -    | -    |
| Recycling or recovery of metals and metal compounds    | 7,550  | -    | -    |
| Recycling or recovery of other inorganic material      | 76,288 | -    | -    |
| Recovery of elements used to reduce contamination      | 56     | -    | -    |
| Regeneration or other new use of oils                  | 57     | -    | -    |
| Deep injection   | 317    | -    | -    |
| Utilization of waste obtained from operations          | 204    | -    | -    |

(\*) 2008 and 2009 data are not available due to modifications to classification criteria

In accordance with our Environmental Management Policy, all companies that generate hazardous waste conduct an exhaustive process for identifying and monitoring these types of waste and their quantities in all operations involving transportation to authorized agents, whether they belong to Abengoa or to outside companies.

| Hazardous Waste Transportation* (t) |                                 |                                |                                |                                |
|-------------------------------------|---------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Country                             | Entry of waste into the country | Exit of waste from the country | Waste imported internationally | Waste exported internationally |
| Argentina                           | 8,656                           | -                              | -                              | -                              |
| Chile                               | 1,908                           | 1,364                          | -                              | -                              |
| Germany                             | 120,586                         | 2,985                          | 162,156                        | 35,287                         |
| Spain                               | 406,464                         | 109,255                        | 50,336                         | -                              |
| France                              | 10,565                          | 0.12                           | 29,882                         | 8,691                          |
| Mexico                              | 0                               | 569                            | -                              | -                              |
| United Kingdom                      | 43,897                          | 6,961                          | 7,133                          | -                              |
| Peru                                | 22,308                          | 5                              | -                              | -                              |
| Brazil                              | -                               | 148                            | -                              | -                              |
| Sweden                              | 17,530                          | -                              | -                              | -                              |
| United States                       | -                               | 10                             | -                              | -                              |
| Netherlands                         | -                               | 1,450                          | -                              | -                              |
| Finland                             | -                               | -                              | 35,412                         | -                              |
| <b>Total</b>                        | <b>631,914</b>                  | <b>122,747</b>                 | <b>284,920</b>                 | <b>43,979</b>                  |

(\*) 2008 and 2009 data are not available due to modifications to classification criteria

There are companies which, due to the nature of the equipment they produce -electrical and electronic- adhere to the Integration Systems for waste recovery in order to ensure proper recovery and valorization of equipment at the end of its useful life. At present, Telvent GIT has signed a contract with the ECOTIC Foundation in representation of Telvent Traffic and Transportation and Telvent Energy and Telvent Environment.

Evaluating the impact of the transportation of products, goods and materials is a strategic component of our environmental management systems. In this regard, the Abengoa reporting system has not recorded any significant impact derived from the same.

## Sustainability, Our Main Challenge

The transition to a **model of sustainable** development is the key challenge facing human society over the next few years. The challenge lies in being able to **generate opportunities** for economic development that will ensure future use of available resources.

For Abengoa, this constitutes both a challenge and an unwavering commitment, and is part of the company's approach to its businesses and the very essence of company strategy.

Within the framework of sustainability, climate change is one of the main axes of Abengoa's activity. Humanity needs to tackle the physical changes and the consequences of human activity for our planet's climate, which are affecting productive systems, resource availability, and social equilibrium. Climate change, therefore, has an impact on society's **security** and **viability**.



It is obvious, then, that steps must be taken towards **lowering GHG emissions** to thereby hold the concentration of emissions in the atmosphere to levels which, even while unavoidable alterations in the earth's climate occur, are compatible with present conditions for life.

In this regard, one of the conclusions from the UN **Conference on Climate Change** held in Copenhagen last December is the need to hold the earth's temperature increase to below 2° C.

This poses a global problem that calls for **global solutions**. Therefore, it is not enough for one country to lower its emissions, but demands monitoring and abating the emissions generated by the world's nations as a whole. It is essential that global decisions be made to ensure that economic development in the coming years will be accompanied by a reduction in greenhouse gas emissions; in short, paving the way for sustainable development.

GHG emissions are produced by fossil fuel consumption and there cannot be a significant emissions cut without a change in the energy model that gives rise to these emissions. Currently 80 % of the energy used in the world is of fossil origin, a fact that is utterly incompatible with halting climate change.

Renewable energies are at the crux of this **new paradigm**. Solar energy, wind power and biofuels constitute a viable alternative that is now available commercially. Hydrogen as an energy vector may also play an important role in the medium term.



The **solar radiation** the earth receives contains energy that amounts to approximately ten times the energy presently being consumed. Therefore, the sun is an energy source with the capacity to meet today's needs by simply making use of a mere portion of its potential. At present, the costs of producing photovoltaic or concentrating solar power energy are beginning to parallel the costs of fossil fuel-based energy production. Generalized development and deployment of this type of energy, in conjunction with the internalization of the emission costs associated with fossil energies, would almost instantly make solar energy profitable with respect to energies of fossil origin, not only from an environmental standpoint, but economically as well. Concentrating **solar power**, furthermore, enables thermal storage systems which render ease in managing its integration into the power grid.



**Wind power**, in turn, is also an energy source which, while still limited, may make a significant contribution to a totally or fundamentally renewable energy mix.

Abatement of the emissions from the transportation sector, the cause of approximately a quarter of all GHG effluents, will require the use of alternative energy sources. In this field, **biofuels** are a readily available solution. Their use in hybrid vehicles, which run on an electric engine and another internal combustion engine, or those with conventional internal combustion engines, can lead to a very significant emissions reduction. In the case of hybrid cars running on E85 (85% bioethanol, 15% gasoline) of average environmental quality, the emissions cut would be greater than that of electric cars with the same horsepower powered by the European electrical mix. Biofuel use does not alter the performance of today's vehicles, maintains autonomy, and does not require a significant modification to the current supply network or increase vehicle cost. In different parts of the world both flexifuel vehicles, running on 100% bioethanol, as well as biofuels ensuring a GHG reduction of between 35% and 50% are currently being commercialized. Furthermore, generalized production of second-generation lignocellulosic biofuels, currently in their demonstration phase, will enable an even greater reduction in the emissions derived from transportation.

The change in the **energy model** is not only necessary, but constitutes a tremendous opportunity for creating wealth and jobs in a way that is environmentally and socially sustainable. This change in model will not only give rise to development, but will also yield energy independence and supply security.

## Emissions

Computation of greenhouse gas (GHG) emissions took into account the **direct emissions** of all sources that are owned by Abengoa (combustion, process, transportation and emission leaks), **indirect emissions** from acquired electrical power, thermal energy and steam and the indirect emissions resulting from work-related travel, work commutes, losses in the distribution and transmission of electrical power and emissions in the value chain of fuels consumed for generating acquired electrical power. Likewise, the emissions involved in biomass combustion or processing are reported separately.

Emissions calculation was made based on the IPCC and GHG Protocol methodologies, using, whenever possible, specific fuel emission factors; and in other cases, national GHG inventory values of the countries in which our activities are carried out, and, as a last resort, generic figures published by the IPCC.

| Greenhouse Gas Emissions<br>(t CO <sub>2</sub> equivalents) | 2010             | 2009             | 2008             |
|---|------------------|------------------|------------------|
| Direct Emissions  | 2,432,644        | 1,352,951        | 1,659,422        |
| Direct Emissions from Biomass <sup>(1)</sup>                | 1,795,727        | 1,843,259        | 1,280,132        |
| Indirect Emissions <sup>(2)</sup>                           | 593,086          | 392,363          | 422,921          |
| Other Indirect Emissions <sup>(3)</sup>                     | 175,615          | 113,244          | 197,461          |
| <b>Emission Total</b>                                       | <b>4,997,072</b> | <b>3,701,817</b> | <b>3,559,936</b> |

(1) According to the GHG Protocol Corporate Standard

(2) Including emissions from acquired electricity, thermal energy and steam.

(3) Including emissions associated with work-related travel, work commutes, losses in the transmission of electrical power and emissions in the chain of value of fuels consumed for generation of acquired electrical power.

For Abengoa, the greenhouse gas emissions inventory is a complete and mature instrument for ensuring responsibility with respect to climate change.

With respect to other techniques for footprint analysis of local scope, complete accounting of emissions commits all Abengoa companies, in all geographies, to integrating the supply value chain in determining emissions.

Emission measurement in the inventory conceived by Abengoa has comparative advantages over other instruments: it is thorough, both in terms of the consolidation perimeter, as well as scope; it is verifiable both internally and externally; it constitutes a global model upon which to base reduction targets; it binds suppliers to climate preservation policies.

**Initiatives aimed at lowering GHG emissions**

| <b>Initiatives implemented to lower greenhouse gas emissions</b>   | <b>Reductions achieved (tons of CO<sub>2</sub>)</b> |
|--|---|
| Increasing efficiency in natural gas use and reducing natural gas consumption  | 5,927   |
| Replacement of diesel-powered vehicle fleet with vehicles running on bioethanol  | 25,432  |
| Efficient management of the supplier portfolio   | 159,910   |
| Encouragement of webex meetings to eliminate unnecessary travel  | 506   |
| Raising employee awareness by encouraging them to turn off their PC monitors when not in use and switching off the office lights when they leave in order to decrease electrical power consumption | 2   |
| Reorganizing work shifts so that people who live farthest away can come to work using just one vehicle   | 12  |
| Substitution of a portion of natural gas use for hydrogen produced during the process of treating saline slag  | 500   |
| Improved stoppage management through coordination between production and maintenance   | 1,168   |
| Training sessions for operating personnel on sound environmental practices and loading and unloading fuel  | 8   |
| Implementation of ecological vehicles into the internal fleet  | 3   |
| 2% reduction in emissions from burning sugar cane chaff  | 20,790  |
| EcoPass Bus Pass Program   | 20  |
| WindSource Program   | 114   |

There is no record via the Abengoa reporting channels over the last three years of significant emissions of ozone layer-depleting substances deriving from company activity.

Emissions recorded in 2010 are listed below.

| <b>Ozone layer-depleting substances (kg)</b> | <b>2010</b> | <b>2009</b> | <b>2008</b> |
|--|-------------|-------------|-------------|
| Ozone layer-depleting substances             | 820         | -           | -           |

| <b>NOx, SOx and other Atmospheric Emissions (t)</b> | <b>2010</b> | <b>2009</b> | <b>2008</b> |
|---|-------------|-------------|-------------|
| CO  | 27,153      | 26,494      | 38,206      |
| VOCs  | 3,522       | 3,612       | 5,756       |
| NOx   | 6,042       | 4,293       | 20,796      |
| SOx   | 606         | 487         | 782         |
| Particles   | 2,857       | 2,287       | 7,247       |



## Managing Biodiversity

Abengoa understands that a sound strategy for preserving biodiversity requires a combination of elements involving prevention, management and restoration of damage that may be caused to the natural habitats in which the company operates.

Always bearing this in mind, environmental impact studies and monitoring tasks were carried out on the activities being conducted on land adjacent to or lying within protected areas (Table 1), the identification of affected species, as well as quantification and assessment of derived impact (Tables II, III).

Conservation of these habitats is an objective that encompasses recovery plans and reforestation, strategies geared towards protecting plant and animal species, training in forest fire prevention, etc. (Tables IV, V).



| Land adjacent to or located in side projected or highly biodiverse areas |  |                                       |  |                                 |                                  |                                    |       |
|--|--|---------------------------------------|--|---------------------------------|----------------------------------|------------------------------------|-------|
| Protected or highly biodiverse areas affected by project installations   | Project location with respect to the protected area                                    | Protection status                     | Type of operation                          | Attribute of the protected area | Total protected area (hectares)  | Protected area affected (hectares) |       |
| BU   | Vitrolles  | Within                                | National Park                              | Production                      | Terrestrial ecosystem            | 143,637                            | 50    |
|  | Helios C San Juan II   | Within / Containing a portion thereof | Natural Protected Area                     | Production                      | Terrestrial ecosystem            | 294                                | 14    |
|  | Morocco  | Within                                | National Park                              | Production                      | Terrestrial and marine ecosystem | 33,800                             | 10    |
|  | Morocco  | Within                                | National Park                              | Production                      | Terrestrial ecosystem            | 54,000                             | 10    |
|  | Morocco  | Within                                | Reserve                                    | Production                      | Terrestrial and marine ecosystem | Not available                      | 20    |
|  | Helioenergy Écija I JV   | Adjacent to                           | Bridleway                                  | Production                      | Terrestrial ecosystem            | 1                                  | 0.003 |
|  | Solacor I  | Within                                | Archeological sites                        | Production                      | Terrestrial ecosystem            | 25                                 | 25    |
|  | Solacor I  | Containing a portion thereof          | Bridleway                                  | Production                      | Terrestrial ecosystem            | 7                                  | 0.2   |
|  | Água Parada Municipal Environmental Protection Area - ATE Transmissora de Energia S.A. | Containing a portion thereof          | Sustainable Exploitation Conservation Unit | Production                      | Terrestrial ecosystem            | 1,803                              | 33    |
|  | Mata dos Godoy State Park - ATE Transmissora de Energia S.A.                           | Adjacent to                           | Comprehensive Protection Conservation Unit | Production                      | Terrestrial ecosystem            | 676                                | 41    |
|  | Arthur Thomas Municipal Park - ATE Transmissora de Energia S.A.                        | Adjacent to                           | Comprehensive Protection Conservation Unit | Production                      | Terrestrial ecosystem            | 83                                 | 43    |
|  | Ibiporã Forest Park- ATE Transmissora de Energia S.A.                                  | Adjacent to                           | Comprehensive Protection Conservation Unit | Production                      | Terrestrial ecosystem            | 74                                 | 64    |
|  | Assis Ecological Station - ATE Transmissora de Energia S.A.                            | Adjacent to                           | Comprehensive Protection Conservation Unit | Production                      | Terrestrial ecosystem            | 110                                | 110   |

Abeinsa

| Land adjacent to or located in side projected or highly biodiverse areas |   |   |  |                   |                                 |                                 |                                    |
|--|---|---|--|-------------------|---------------------------------|---------------------------------|------------------------------------|
| BU   | Protected or highly biodiverse areas affected by project installations                            | Project location with respect to the protected area | Protection status  | Type of operation | Attribute of the protected area | Total protected area (hectares) | Protected area affected (hectares) |
|  | Caetetus Ecological Station - ATE Transmissora de Energia S.A.                                    | Adjacent to   | Comprehensive Protection Conservation Unit   | Production        | Terrestrial ecosystem           | 2,179                           | 94                                 |
|  | Bauru Ecological Station and Experimental Station - ATE Transmissora de Energia S.A.              | Adjacent to   | Comprehensive Protection Conservation Unit   | Production        | Terrestrial ecosystem           | 288                             | 131                                |
|  | Fazenda e Castanhal Sororó Natural Heritage Private Reserve- ATE III Transmissora de Energia S.A. | Adjacent to   | Sustainable Exploitation Conservation Unit   | Production        | Terrestrial ecosystem           | 100                             | 100                                |
|  | Fazenda Limeira Natural Heritage Private Reserve - ATE III Transmissora de Energia S.A.           | Adjacent to   | Sustainable Exploitation Conservation Unit   | Production        | Terrestrial ecosystem           | 800                             | 640                                |
| Abeinsa  | Carajás National Forest - ATE III Transmissora de Energia S.A.                                    | Adjacent to   | Sustainable Exploitation Conservation Unit   | Production        | Terrestrial ecosystem           | 412,000                         | 0                                  |
|  | Rio Passaúna Environmental Protection Area - ATE IV - São Mateus Transmissora de Energia S.A.     | Containing a portion thereof                        | Sustainable Exploitation Conservation Unit   | Production        | Freshwater ecosystem            | 650                             | 27                                 |
|  | Rio Verde Environmental Protection Area - ATE IV - São Mateus Transmissora de Energia S.A.        | Containing a portion thereof                        | Sustainable Exploitation Conservation Unit   | Production        | Freshwater ecosystem            | 14,600                          | 48                                 |
|  | Escarpa Devoniana Environmental Protection Area - ATE V - Londrina Transmissora de Energia S.A.   | Containing a portion thereof                        | Sustainable Exploitation Conservation Unit   | Production        | Terrestrial ecosystem           | 392,363                         | 60                                 |
|  | Iguaçu National Park - ATE VII - Foz do Iguaçu Transmissora de Energia S.A.                       | Containing a portion thereof                        | Sustainable Exploitation Conservation Unit   | Production        | Terrestrial ecosystem           | 185,262                         | 98                                 |
| Bioenergy  | Abengoa Bioenergy Corporation - York  | Adjacent to   | Protection status maintained per the Comprehensive Plan and Environmental Assessment | Production        | Freshwater ecosystem            | 38                              | 38                                 |
|  | Abengoa Bioenergy Agroindustry - São João   | Within  | Protected  | Offices           | Freshwater ecosystem            | 0.04                            | 0.04                               |

| Land adjacent to or located in side projected or highly biodiverse areas |  |   |   |                   |                                 |                                 |                                    |
|--|--|---|---|-------------------|---------------------------------|---------------------------------|------------------------------------|
| BU   | Protected or highly biodiverse areas affected by project installations | Project location with respect to the protected area | Protection status   | Type of operation | Attribute of the protected area | Total protected area (hectares) | Protected area affected (hectares) |
| Bioenergy  | Abengoa Bioenergy Agroindustry - São João                              | Within  | Under recovery  | Extraction        | Terrestrial ecosystem           | 1,462                           | 1,462                              |
|  | Abengoa Bioenergy Agroindustry - São Luiz                              | Within  | Under protection. Not possible to determine protection status.                    | Offices           | Terrestrial ecosystem           | 20                              | 20                                 |
|  | Abengoa Bioenergy Agroindustry - São Luiz                              | Within  | Under recovery/<br>Under protection. Not possible to determine protection status. | Producción        | Freshwater ecosystem            | 5                               | 5                                  |
|  | Abengoa Bioenergy Agroindustry - São Luiz                              | Within  | Under recovery/<br>Under protection. Not possible to determine protection status. | Extraction        | Terrestrial ecosystem           | 1,805                           | 1,805                              |
| Befesa   | Befesa Valera  | Adjacent to   | ZNIEFF 109 :<br>Flamande maritime plain   | Production        | Terrestrial ecosystem           | 10                              | 0                                  |
|  | Planta Chilca  | Adjacent to   | Archeological remains - Protection by INCE  | Production        | Terrestrial ecosystem           | 1                               | 1                                  |



| Number of species included on the IUCN Red List affected by operations                         |                            |                 |                 |                      |                    |
|--|----------------------------|-----------------|-----------------|----------------------|--------------------|
| Protected or highly biodiverse areas affected by project installations                         | Critically endangered (CR) | Endangered (EN) | Vulnerable (VU) | Near threatened (NT) | Least concern (LC) |
| Morocco  | 11                         |                 | 2               | 45                   | 161                |
| Carajás National Forest - ATE III Transmissora de Energia S.A.                                 |                            |                 | 1               | 3                    | 57                 |
| Rio Verde Environmental Protection Area - ATE IV - São Mateus Transmissora de Energia S.A.     |                            |                 |                 |                      | 7                  |
| Escarpa Devoniana Environmental Protection Area- ATE V - Londrina Transmissora de Energia S.A. |                            |                 |                 | 1                    | 50                 |
| Iguaçu National Park - ATE VII - Foz do Iguaçu Transmissora de Energia S.A                     |                            |                 | 1               |                      | 104                |
| Vitrolles  |                            |                 |                 | 12                   |                    |

| Most significant impacts on biodiversity in protected or high-biodiversity areas  |  |   |   |  |   |
|---|--|---|---|--|---|
| Protected or highly biodiverse areas affected by project installations  | Instructions   | Types of impact generated                                     | Description   | Cause  | Solution/Corrective measure   |
| Transmission Line of: ATE III Transmissora de Energia S.A, ATE IV São Mateus Transmissora de Energia S.A, ATE Transmissora de Energia, ATE V Londrina Transmissora de Energia S.A, ATE VII Foz do Iguaçu Transmissora de Energia S.A. | Assessment of impacts generated by the project on protected areas in terms of type of impact, duration, and reversibility. | Disturbance of ecological processes and loss of biodiversity. | The transmission line segment interferes with biodiversity in causing disturbance to ecological processes and also gives rise to a loss of biodiversity. However, impact is limited and can be minimized by adopting mitigating measures. | Transmission Line segment interference in the Conservation Unit. | Execution of the Environmental Programs established under the Basic Environmental Plan - BEP. |

**Strategies and initiatives implemented and planned for managing impact on biodiversity**

| Protected or highly biodiverse areas affected by project installations   | Initiative   | Instructions   | Description  | Benefit   |
|--|--|--|--|---|
| LT Londrina - Araraquara - ATE Transmissora de Energia S.A, LT Itacaiúnas - Colinas - ATE III Transmissora de Energia S.A, LT Curitiba - Bateias - ATE IV São Mateus Transmissora de Energia S.A, LT Foz do Iguaçu - Cascavel - ATE VII Foz do Iguaçu Transmissora de Energia S.A. | Assess project impact on biodiversity  | Evaluation of impacts on biodiversity  | Assessment of project impact on biodiversity, primarily in protected areas, and including Conservation Units.  |   |
| Vitrolles  | Protection through the placement of markers  | Steps have been taken to prevent contact with protected flowers and therefore no damage has occurred |  | Impact on biodiversity is considered to be Medium-level based on the information reported |
| Zimapán Plant  | Soil Recovery, Reforestation and Conservation Program for the plant and access road - Authorizations | GPS measurements are taken of 132ha. project installation land.                                      | Generation of new autochthonous specimens to compensate areas taken up by the confinement site and access road over the entire course of the plant's life. | Ecological balance, increased biodiversity  |

| Protected or restored habitats | Area where restoration or protection activities are being conducted | Instructions  | Area (square meters) | Initiative  | Description   | Benefit Obtained  | Investment (euros) |
|--------------------------------|---|---|----------------------|---|---|---|--------------------|
| BU                             | Helios C San Juan II  | A description is prepared on the restored or protected areas based on status thereof at the end of the reporting period   | 52,214               | The habitat shall remain unaltered and free of installations  | Markers are put in place in the area.   | Paleodune habitat protection.   | 177                |
| Abeinsa                        | ATE IV São Mateus Transmissora de Energia S.A.                      | Initiatives and measures for protection/restoration of protected areas (Conservation Units) affected by the Curitiba LT/Bateias PR/PR of ATE IV São Mateus Transmissora de Energia S.A.       | 750,000              | The company is required by law to compensate the impacts on the conservation units through an Environmental Compensation Term.  | The Environmental Compensation Term was signed with the IAP and anticipates payment of R\$ 67,539.93 for the IAP. | The managing body of the Conservation Unit that receives recourse or employs it to make improvements to the unit according to specific needs. | 11,577             |
|                                | ATE V Transmissora de Energia S.A.                                  | Initiatives and measures for protection/restoration of protected areas (Conservation Units) affected by the Londrina LT/Maringá PR/PR of the ATE V Londrina Transmissora de Energia S.A.      | 600,000              | Considering the execution of EIA/RIMA for the Londrina - Maringá LT, the company is required by law to compensate the impacts on the conservation units through an Environmental Compensation Term. | The Environmental Compensation Term was signed with the IAP and anticipates payment of R\$ 64,651.29 for the IAP. | The managing body of the Conservation Unit that receives recourse or employs it to make improvements to the unit according to specific needs. | 8,147              |
|                                | ATE VII Foz do Iguazú Transmissora de Energia S.A.                  | Initiatives and measures for protection/restoration of protected areas (Conservation Units) affected by the Foz do Iguazú - Cascavel LT of ATE VII Foz do Iguazú Transmissora de Energia S.A. | 980,000              | The company is required by law to compensate the impacts on the conservation units through an Environmental Compensation Term.  | The Environmental Compensation Term was signed with the IAP and anticipates payment of R\$ 98,274.86 for the IAP. | The managing body of the Conservation Unit that receives recourse or employs it to make improvements to the unit according to specific needs. | 22,364             |

| BU     | Protected or restored habitats<br>Areas where restoration or protection activities are being conducted | Instructions   | Area (square meters) | Initiative  | Description  | Benefit Obtained                         | Investment (euros) |
|--------|--|--|----------------------|---|--|--|--------------------|
| Befesa | Zimapán Plant  | Measurement is taken using a tape measure to obtain the surface area | 324,172              | Restoration of areas affected by the plant facility   | Generation of new specimens in the winter to restore these areas   | Ecological balance                       | 7,272              |
|        | Zimapán Plant  | GPS measurement is taken of 132ha: project installation land.        | 324,172              | Soil Recovery, Reforestation and Conservation Program for the plant and access road - Environmental Authorizations- 50-year plan. | Generation of new autochthonous specimens to compensate areas taken up by the confinement site and access road over the entire course of the plant's life. | Ecological balance, greater biodiversity | 9,695              |



Abengoa is aware of the importance for its activities to contribute positively to maintaining biodiversity, minimizing impact, and establishing a positive correlation with the habitats and animal and plant species that are most sensitive to human activity.

The ESI system analyzes the biodiversity factor by means of the following indicators:

- **Sensitivity of the environment.**

The potential impact of pressure exerted on the environment depending on the environmental quality of the areas surrounding project sites.

- **Project installations in protected areas**

Knowledge of the environmental sensitivity of installation surroundings enables specific dimensioning of the environmental policies associated with the project.

- **Formal claims and complaints**

- **Confirmed sanctions**

Indicators associated with complaints, claims and sanctions determine the evolution of the activities in terms of their acceptability and conformity with the environment and the capability to respond to social sensitivity processes and instrumental activity in relation to biodiversity.

- **Environmental management systems**

- **Environmental measures**

- **Environmental protection expenditure**

These indicators are directly related to the company's commitment in both the analysis of the evolution of the biodiversity factor, as well as the structural integration of the costs of environmentally and socially significant values.

## Products and Services

Integration of environmental considerations associated with product and service design helps to lower risk and mitigate the resulting environmental impacts. Design that is favorable to the environment helps us take a more proactive stance in mitigating product and service impact, identify new **business opportunities**, and boost **technological innovation**.

### Lowering the Environmental Impacts of Products and Services

| Environmental impact reduction measures  | Description  | Benefit obtained   |
|--|--|--|
| Mitigating environmental impacts identified in the EIA/RIMA deriving from projects through the execution of the so-called Environmental Programs | The PBA contains a description of the Environmental Programs that should be executed or monitored throughout TL construction and operation to minimize project impacts on the environment. Among the programs planned are the following: Environmental Education, PAC, and Vegetation Suppression. | Execution of Environmental Programs reduces the environmental impacts from projects to a minimum |
| Purchasing recycled material   | Percentage of the paper purchased is recycled  | Reduction in virgin paper production   |
| Replacement of the Madrid office vehicle fleet   | Vehicles running on diesel fuel have been replaced with bioethanol-powered vehicles  | GHG emission reduction   |

**Lowering the Environmental Impacts of Products and Services**

|  |   |  |
|--|---|--|
| Encouraging the use of Webex for meetings  | Encouraging the use of Webex for meetings to eliminate business trips   | GHG emission reduction   |
| R&D&i Project  | Minimizing potential environmental impact of brine produced in desalination processes   | Project in progress  |
| R&D&i Project  | Developing supercritical oxidation technology for application to sludge (purifier and industrial) elimination   | Project in progress  |
| R&D&i Project  | Developing membrane systems for purification-reutilization of urban and industrial wastewater   | Project in progress  |
| R&D&i Project  | Developing technology for potabilizing contaminated natural water and developing technology to increasing treatment capacity and regenerate urban wastewater      | Project in progress  |
| R&D&i Project  | Developing industrial wastewater treatment-regeneration technologies to enable reutilization  | Project in progress  |
| R&D&i Project  | Developing a model for hydrographical basin level water resource management to optimize quantity, quality, drought management, energy production-use              | Project in progress  |
| R&D&i Project  | Incorporating sustainability criteria into the design of Befesa Water solutions in terms of CO <sub>2</sub> emissions and other sustainability indicators         | Project in progress  |
| Application of a waste compatibility procedure in order to prevent reactions, fire outbreaks, and the release of toxic gases         | Suitable labeling, packaging and storage (hermetically sealed containers and/or cylinders) according to the type of waste (toxic, corrosive, reactive, flammable) | Prevention of accidents that contaminate the environment   |
| Business plan to eliminate container generation and container waste  | A baseline was calculated based on container weight, sales, and type of packaging requested by customers  | Reduction of the number of containers introduced into the market and of the subsequent generating of waste derived from our activity |
| Impermeabilization of areas where hazardous waste will be located and utilization of antispill trays for cylinders in poor condition | Preventing soil contamination by means of impermeabilization employing geomembranes where hazardous waste is to be stored, treated and deposited                  | Prevention of ground spills and contamination  |

In certain activities, the environmental impacts of products and services that occur during utilization and at the end of their useful life may be of equal or greater importance than those resulting from manufacturing and pose an ever growing environmental challenge.

**Products Sold and Recovered**

| Product category                    | Collection system               | Collection            | Reutilization   | Amount of product introduced to the market (t) | Amount of product recovered (t) |
|-------------------------------------|---------------------------------|-----------------------|---|--|---------------------------------|
| Non-Iron-Cont. Met. Mat. (Aluminum) | Commercial transactions         | Outside Abengoa means | In new fusions  | 37,421   | 37,421                          |
| Non-Iron-Cont. Met. Mat. (Aluminum) | Through commercial transactions | Outside Abengoa means | In new fusion processes                                   | 57,734   | 57,734                          |
| Non-Iron-Cont. Met. Mat. (Aluminum) | Purchase-sale                   | BU                    | As a raw material input in new secondary smelting fusions | 9,096  | 9,096                           |

**Packaging Sold and Recovered**

| Packaging category                | Collection system  | Collection            | Reutilization  | Amount of packaging introduced into the market (t) | Amount of packaging recovered (t) |
|-----------------------------------|--|-----------------------|--|--|-----------------------------------|
| Wood                              | Storage  | Other business unit   | Referring to wood pallets. Reutilized by third parties   | 31,981   | 3                                 |
| Plastics                          | NA   | Outside Abengoa means | Packaging introduced into the market is not recovered    | 3  | 0                                 |
| Non-Iron-Cont. Met. Mat. (Others) | We recover cylinders containing hazardous waste and deliver them to an Envaksac company that cleans and recovers the cylinders and reintroduces them into the market | BU                    | For transporting chemical waste                          | 119  | 46                                |
| Non-Iron-Cont. Met. Mat. (Others) | The cylinders are crushed, turning them into scrap metal   | BU                    | Sold to businesses that will give them other added value | 336  | 33                                |
| Cardboard                         | n/a  | Outside Abengoa means | n/a  | 261  | 0                                 |
| Paper                             | Carts  | Outside Abengoa means | Donated  | 0  | 1                                 |

## Environmental Expenditure

Calculating expenditure on environmental **mitigation and protection** helps Abengoa to determine the efficiency of its environmental initiatives. The following is a list of correction expenses and environmental expenses involving prevention and management.

| Environmental Expenditure* (€)  | 2010      | 2009 | 2008 |
|---|-----------|------|------|
| <b>Correction Expenses</b>  |           |      |      |
| Waste treatment and disposal  | 9,718,139 | -    | -    |
| Emissions treatment   | 319,152   | -    | -    |
| Expenses for purchasing and utilizing emissions certificates                                    | 842,795   | -    | -    |
| Amortization of specific equipment, maintenance, materials and services necessary for operation | 4,601,064 | -    | -    |
| Environmental responsibility insurance  | 483,515   | -    | -    |
| Cost of remediation-cleanup and decontamination   | 506,292   | -    | -    |
| Outside environmental management services   | 9,370     | -    | -    |
| <b>Environmental prevention and management expenses</b>   |           |      |      |
| Personnel dedicated to training and instruction   | 361,332   | -    | -    |
| Outside environmental management services   | 1,421,087 | -    | -    |
| Outside management system certification   | 254,026   | -    | -    |
| Personnel for activities arising from environmental management                                  | 1,684,912 | -    | -    |
| Research and development  | 7,367,413 | -    | -    |
| Costs of implementing cleaner technologies  | 686,023   | -    | -    |
| Other environmental management costs  | 153,358   | -    | -    |
| Environmental training  | 1,165     | -    | -    |
| Amortization of specific equipment, maintenance, materials and services necessary for operation | 1,139,228 | -    | -    |
| Cost of remediation-cleanup and decontamination   | 53,145    | -    | -    |
| Environmental responsibility insurance  | 147,275   | -    | -    |
| Emissions treatment   | 221,378   | -    | -    |
| Waste treatment and disposal  | 3,551,245 | -    | -    |
| Expenses for purchasing and utilizing emissions certificates                                    | 1,908,987 | -    | -    |

(\*) 2008 and 2009 data are not available due to modifications to classification criteria

Four infractions involving unsuitable hazardous waste management in Murcia were reported in 2010 entailed a total cost of €330.557. These incidents occurred in 2001. Abengoa has no knowledge of any other incidents.



## 2010 Milestones

- Third annual GHG accounting including independent external verification.
- Implementation of the GHG emissions inventory computer application.
- Definition and organization of reduction plans.
- Implementation of the working group on labeling to define methodologies to enable allocation of emissions to Abengoa products and services, and disclosure thereof to the market in the form of GHG labeling.
- Abengoa was reconfirmed as a component of the FTSE4Good Ibex, the responsible investment index managed by the FTSE Group (Financial Times Stock Exchange) global index provider in conjunction with the Spanish Stock Exchange (BME).
- For the third consecutive year, Abengoa participated in the Carbon Disclosure Project (CDP), disclosing the company's entire GHG inventory.

## Improvement Areas

Improvement is an ongoing objective for Abengoa which, in addition to driving forward innovative solutions for sustainable development, defines and implements sustainability policies to increase the value of its activities by identifying and lowering related risks and setting necessary monitoring, reduction and improvement targets with respect to the impacts generated in all of its businesses.

Abengoa seeks for its commitment to sustainability to enable the company to be recognized by society and the market, not only in terms of its contribution to sustainable development, but also in the environmental alignment manifested in the way Abengoa performs, operates, and responds to the needs of Humanity.



## Future Goals and Objectives

Abengoa's primary objective is to minimize the impact of its activities, and be a company that reduces or compensates its greenhouse gas emissions, and reports on and validates its environmental performance.

To achieve this, it is important to dedicate efforts to both ongoing employee training as well as achieving maximum efficiency in industrial plant operation and office management, which requires supplier involvement and customer assurance that Abengoa products are synonymous with quality, solid performance, professional effectiveness, and sustainability.







# 10

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| Rule Governing Preparation and Maintenance of the Inventory | 173  |

The results of Abengoa's 2010 **greenhouse gas (GHG) emissions inventory** paint a **complete picture of all emissions stemming from the company's operations**. This analysis, duly structured to embrace the different scopes and sources involved, also includes and breaks down emissions generated from biomass operations. The inventory has been disclosed and published with a view to allowing other companies to incorporate climate change policies into their core activities and concerns.

| <b>Greenhouse Gas Emissions. Annual Inventory</b>    |                                    |
|--|------------------------------------|
| <b>Scope 1</b>                                       | <b>2010 (t eq. CO<sub>2</sub>)</b> |
| Fixed combustion                                     | 2,069,054                          |
| Mobile combustion                                    | 74,326                             |
| Processes  | 276,393                            |
| Fugitive emissions                                   | 12,871                             |
| Emissions generated from biomass use                 | 1,795,727                          |
| <b>Scope 1 total</b>                                 | <b>4,228,371</b>                   |
| <b>Scope 2</b>                                       | <b>2010 (t eq.CO<sub>2</sub>)</b>  |
| Electricity consumption                              | 580,073                            |
| Consumption of other energy types                    | 13,013                             |
| <b>Scope 2 total</b>                                 | <b>593,086</b>                     |
| <b>Scope 3</b>                                       | <b>2010 (t eq. CO<sub>2</sub>)</b> |
| Supplies from third parties                          | 4,564,984                          |
| Commutes from work                                   | 27,833                             |
| Commutes to work (including biomass emissions)       | 18,925                             |
| Losses from electrical power distribution            | 51,808                             |
| Value chain losses for fuels used in acquired energy | 77,049                             |
| <b>Scope 3 total</b>                                 | <b>4,740,599</b>                   |
| <b>Total</b>   | <b>9,562,056</b>                   |

The **objectives the company set** itself for 2010 have enabled it to curb its CO<sub>2</sub> emissions by over 64,000 t and develop the methodology needed to label the following products:

- Steel structures.
- Solar thermal kWh.
- Photovoltaic kWh.
- Waelz Oxide.
- Ferrosita.
- Waste treatment.
- Recovered aluminum (secondary).
- Bioethanol.
- Exported electricity, generated steam and desalinated water at cogeneration plants.
- Sulfuric acid, oleum and electricity generated at desulfurization plants.
- Desalinated water.
- Traffic control cabinets.
- Ticketing machine.



## Rule Governing Preparation and Maintenance of the Inventory

Since its inception, Abengoa has displayed an unflinching commitment to environmental protection. For this reason, company business has always focused on aspects related to sustainability. In 2007, a working group was set up with the backing of the company's Chairman's Office. Comprising the Quality and Environment Department and the coordinators of the different business units, the group devised a rule in order to create and maintain Abengoa's greenhouse gas emissions inventory in accordance with the **company's Joint Management Systems**.

As a product of this work, Compulsory Compliance Rule 5/003 (Norma de Obligado Cumplimiento, or NOC) 05/003, "Quality and Environment Management. Sustainability Management. Greenhouse Gas (GHG) Emissions Inventory" was published in June 2008, the aim being to define the methodology for generating and maintaining the emissions inventory, and to allow for monitoring and communication of GHG emissions throughout all Abengoa companies, including both direct and indirect emissions.

There are only a handful of companies worldwide that employ such an exhaustive methodology for measuring the emissions generated by products and services acquired from third parties (scope 3). At the time Abengoa started up its GHG measurement system, the company incorporated into its rule the methodology required to calculate emissions of this scope, embracing its entire chain of goods and services suppliers<sup>1</sup>.

### Main Emission Sources

With a view to streamlining and standardizing the process of calculating GHG emissions, the internal rule includes an in-depth methodology on measuring emissions for all three scopes, in accordance with the provisions of the Greenhouse Gas Protocol. The main sources analyzed are as follows:

| Scope 1                       | Scope 2                 | Scope 3   |
|-------------------------------|-------------------------|---|
| Fixed combustion              | Electricity acquired    | Value chain of acquired energy and fuel                       |
| Mobile combustion             | Thermal energy acquired | Goods and services acquired                                   |
| Flare stacks                  | -                       | Business trips  |
| Metal recovery process        | -                       | Commutes to/from work   |
| Bioethanol production process | -                       | Losses from electrical energy transportation and distribution |
| Use of fertilizers            | -                       |   |
| Dumpsite emissions            | -                       | -   |

<sup>1</sup> See chapter titled Abengoa and its Suppliers

| Scope 1                              | Scope 2 | Scope 3 |
|--------------------------------------|---------|---------|
| Water treatment plants               | -       | -       |
| Fugitive natural gas emissions       | -       | -       |
| Refrigeration systems (HFC)          | -       | -       |
| Electrical switchgear (SF6)          | -       | -       |
| Aerosols (HFC/PFC)                   | -       | -       |
| Foam blowing (HFC/PFC)               | -       | -       |
| Lubricants                           | -       | -       |
| Paraffin waxes                       | -       | -       |
| Use of GHG-containing gases          | -       | -       |
| Biomass combustion or transformation | -       | -       |

## Bases for Calculating Emissions

GHG emissions can be determined by applying either a calculation-based or measurement-based methodology. The former is the preferred method for gauging emissions, while the latter is restricted to obtaining stationary emissions.

While on this subject, it is worth explaining the bases on which the **company calculates emissions** pertaining to goods and services acquired (scope 3). All orders impose an obligation on the supplier in question to provide details of the emissions associated with the goods or services requested by the company, and similarly to adhere in writing to the Social Responsibility Code.

With a view to helping all suppliers adapt to these procurement requirements, Abengoa affords them a six-month transition period for those suppliers that are initially unable to provide details of their emissions, although they must undertake in writing to implement this reporting system. Any suppliers that fail to report their emissions within the six-month term, or do not undertake to do so, may not become company suppliers, save for certain exceptions requiring special authorization, in which case the companies in question are required to estimate the emissions generated by their supply activity.

Given that the inventory is still being implemented among suppliers this year, an exception has been made to allow, for the purpose of calculating 2010 emissions, suppliers that have not been able to provide their emissions directly to instead furnish estimates of all emissions associated with their supply activity (scope 3). Abengoa companies have carried out this calculation in accordance with emissions factors and databases compiled from recognized sources and international bodies. As a result, roughly 50% of the scope 3 supply-related emissions under the 2010 GHG inventory have been estimated directly by the company.

The internal rule dictates that each piece of emission data must be accompanied by a quality index, which in turn must be associated with the emissions data for each source and each greenhouse gas, and with each parameter involved in the calculation. This index indicates just how **reliable the data** in question is, and is invariably standardized to ten. The rule sets forth a number of minimum quality requirements for each emission source, depending on the emitting potential of the center and whether the source is principal, secondary or minimal.



## Recording and Reporting Information

At present, companies are reporting their emissions in accordance with the corporate system, which contains a GHG emissions section available to the heads of the inventory process. This section enables them to consult the monthly GHG emissions report for each company – according to the scope detail, 1, 2 or 3; the list of suppliers and their degree of adherence to the internal rule (providing details of emissions associated with their supply activity).

Emissions data submitted by suppliers is validated by the Abengoa companies through application of a validation system that is part of the NOC-05/003 internal norm pertaining to the inventory.

Likewise, Abengoa has now finished implementing an **IT application** specifically designed to calculate GHG emissions, which also enables the company to consolidate data and improve the overall functionality of the inventory.

## Assignment of Emissions to Products and Services

The internal rule also envisages the future assignment of emissions to products, a process that will have its own specific methodology. For the 2010 inventory, emissions were not tagged to individual products and services, with the exception of those performed when developing the methodology for the aforementioned pilot cases.

## Defined Control Processes

The internal rule also imposes the obligation on all Abengoa companies to implement an **internal audit** process to **ensure** that all the requirements included in the guide are correctly implemented. The planning of this audit process must be duly documented on a yearly basis.

In similar fashion, the inventory for each company is assessed as part of the programmed control and follow-up visits managed by Abengoa's Quality and Environment Department.





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Abengoa has been reporting double-digit growth for more than a decade

Abengoa is committed to a business strategy focused on **creating sustainable** long-term value **for all of its stakeholders**. For shareholders, value is created mainly through the payment of dividends and by ensuring continuous growth in earnings, which in turn helps to push up the company's share value.

For over a decade now, Abengoa has seen **double-digit growth** rates in key figures, which has undoubtedly had a bearing on the increased value of the company's stock.



### Focus on New Products and Services to Meet Market Challenges

The struggle against climate change requires solutions that champion sustainable development, such as renewable energies and improvements to energy efficiency. However, developing these solutions entails investment towards improving power transmission and developing smart grids in both advanced and emerging societies.

Innovative technological solutions for sustainable development enable Abengoa to keep growing through alliances with strategic partners and access to new markets. Abengoa continues to step up R&D+i investment, which is considered a prerequisite for creating long-term value.

Given the **current financial crisis, diversification of sources of funding** is critical to ensuring that the debit side of the balance sheet is structured properly. Abengoa combines structured long-term financing without recourse for new products, together with access to capital markets and public funding (financing, R&D investment subsidies and tax deductions), supplemented with funds secured from strategic alliances.

With a view to the future, the company is well on track to meet its targets of **profitable growth** and value creation and fully expects to report results similar to those obtained over the last decade.

## Socially Responsible Investment Indices

For Abengoa, having the backing of socially responsible **investors is extremely important** as it underscores the company's business model and management, and the efforts dedicated to the realm of Corporate Social Responsibility (CSR).

The support Abengoa receives from these kinds of investors provides indisputable proof of the effectiveness of its socially and environmentally sustainable approach to management.

Abengoa renewed its rightful status as a component of the FTSEGood IBEX index of socially responsible investments, following the review conducted in May 2010. This index, promoted by the Spanish Stock Market and the FTSE Group in conjunction with the Fundación Ecología y Desarrollo (Foundation for Ecology and Development), seeks to develop responsible practices among companies, as well as assisting investors worldwide in identifying companies that are committed to CSR in their management policy and practices.

Abengoa also participated in the Carbon Disclosure Project 2010, an initiative aimed at gathering information on greenhouse gas (GHG) emissions and strategies geared towards climate change employed by many companies worldwide.



Abengoa's active involvement in initiatives aimed at combating climate change, as well as the company's presence on advanced sustainability indices, illustrate that the company's policies meet the stringent criteria imposed by international bodies. The company has thus launched a raft of initiatives to ensure that all of its processes comply with demanding **sustainability-related criteria**<sup>1</sup> through ongoing improvement and **innovation**<sup>2</sup>.

<sup>1</sup> See chapter titled Sustainability, the Environment and Climate Change

<sup>2</sup> See chapter titled Committed to Innovation



### Investor Relations Department

Abengoa has an Investor and Shareholder Relations Department, the purpose of which is to facilitate and encourage ongoing contact with groups of stakeholders, the media, employees, customers, suppliers and future collaborators. Department activity is governed by stringent national and international standards of **transparency, ethics and equity**.

Abengoa bondholders have now joined the ranks of the company's stakeholders, and are provided with any information they may require.



Abengoa turns possibilities into realities, thus enabling its shares and the company as a whole to appreciate in value, while also offering added value not only to shareholders and investors, but also to society as a whole.

The company's commitment to shareholders and financial analysts is essentially to provide them with **outstanding service**, and to **offer thorough and accurate information** within the framework of corporate governance practices in keeping with the most stringent standards. The key to accomplishing this objective is to strike up an ongoing and two-way relationship with other areas of the company in order to obtain updated information.

The core objectives of the department are as follows:

- To draw up a **program of activities** reflecting company strategy for analysts and investors.
- To obtain **added value** for the company by generating information that is useful to the Board of Directors and other governing bodies.
- To make it possible for company strategy and results to be directly reflected in its listed **stock price**.
- To provide the market with **clear, useful and current information** so that it can follow the company's performance.
- To increase share **value and liquidity** through fluid communication with the market and the company's shareholders.



## Channels for Dialog with Investors and Shareholders

Transparent and fluid communication with investors and shareholders alike is key to ensuring long-lasting relationships of trust with both. The department head, in coordination with the Chief Financial Officer and the Director of Strategic Development, is charged with designing and implementing the communication program for national and international financial markets in order to disclose the company's main financial figures and strategic initiatives.



- During the year, Abengoa tightened relations with its investors by working to improve the service it provides and by addressing **suggestions and requests** through close and transparent channels of communication.
- Since 2006, quarterly earnings reports include, in addition to the basic required information, a comprehensive document that analyzes the performance of each of Abengoa's business units, and their key financial figures. In addition to traditional phone lines, presentations can be seen through an audiovisual system accessed from the company's website. Following the presentations, there is a **question and answer** session to address any doubts the listeners may have.
- Abengoa has attended numerous **seminars and meetings** with both private and institutional investors, and was particularly active in improving relations with those investors that focus exclusively on companies offering high levels of CSR.
- The company took part in a total of 15 national and international road shows in 2010, affording it the opportunity to address more than 400 institutional investors in person. This line of activity enabled the company to visit key marketplaces in Europe and the United States.
- The fifth edition of **Investors Day** was also held in Seville on July 13 and 14. The focus this year round was on environmental services and high-voltage power line transmission and concession. The event took place at Campus Palmas Altas and the Befesa R&D Center, and boasted the attendance of numerous national and international investors.
- As the result of Abengoa's issuance of corporate bonds, the Investor and Shareholder Relations Department held various events in conjunction with the Finance Department to enable bondholders to learn more about the company.
- Conference calls were therefore set up to present the main strategic lines behind the bond issuance, and all questions arising from this new source of funding were duly addressed. The company has also set up a segment on its **corporate web site to provide information on Abengoa's issuances of corporate bonds** (2014 convertible Bonds, 2015 Bonds, 2016 Bonds, 2017 Convertible Bonds). This information can be accessed through the [Investors section](#).

## Abengoa's Economic and Financial Data

### Share Structure

According to the information provided to Abengoa by the Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. (Securities Registry, Compensation and Settlement Systems Management Company) on the occasion of the last Ordinary Shareholders' Meeting held on April 11, 2010, Abengoa, S.A. shareholders totaled 11,338.

As of December 31, 2010, the company understands that its free-float capital totals 43.96 %, after deducting shares held by Inversión Corporativa I.C.S.A. and its Finarpisa subsidiary (56.04 %).

### Key Figures

| Economic-Financial Data                         | 2010   | %Var. (10-09) | 2009   | 2000  | %CAGR (10-00) <sup>(1)</sup> |
|---|--------|---------------|--------|-------|------------------------------|
| <b>Income Statement (€M)</b>                    |        |               |        |       |                              |
| Revenues  | 5,566  | 34.2          | 4,147  | 1,205 | 16.5                         |
| EBITDA <sup>(2)</sup>                           | 942    | 25.6          | 750    | 126   | 22.3                         |
| Net Income                                      | 207    | 21.6          | 170    | 36    | 19.1                         |
| <b>Balance Sheet (€M)</b>                       |        |               |        |       |                              |
| Total Assets                                    | 16.974 | 37.2          | 12,370 | 1,885 | 24.6                         |
| Equity  | 1.630  | 39.2          | 1,171  | 302   | 18.4                         |
| Net Debt (Cash) ex Project Finance              | 1.166  | (7.2)         | 1,257  | 177   | 20.8                         |
| <b>Significant Ratios (%)</b>                   |        |               |        |       |                              |
| Operating Margin (Ebitda / Revenues)            | 16.9   | -             | 18.1   | 10.5  | -                            |
| Return on Equity (ROE) <sup>(3)</sup>           | 16.1   | -             | 17.3   | 12.0  | -                            |
| <b>Data per Share (€)</b>                       |        |               |        |       |                              |
| Earnings per Share                              | 2.29   | 21.6          | 1.88   | 0.40  | 19.1                         |
| Dividend per Share                              | 0.20   | 5.3           | 0.19   | 0.12  | 5.2                          |
| Quotation on the last day of the year           | 18.38  | (18.7)        | 22.60  | 8.50  | 8.0                          |
| Capitalization on the last day of the year (€M) | 1,662  | (18.7)        | 2,045  | 769   | 8.0                          |
| Daily Average Trading Volume (€M)               | 10.7   | 83.1          | 5.9    | 2.0   | 18.2                         |

(1) CAGR: Compound Annual Growth Rate

(2) EBITDA: earnings before interest, tax, depreciation, and amortization

(3) Net earnings/ Shareholder's funds

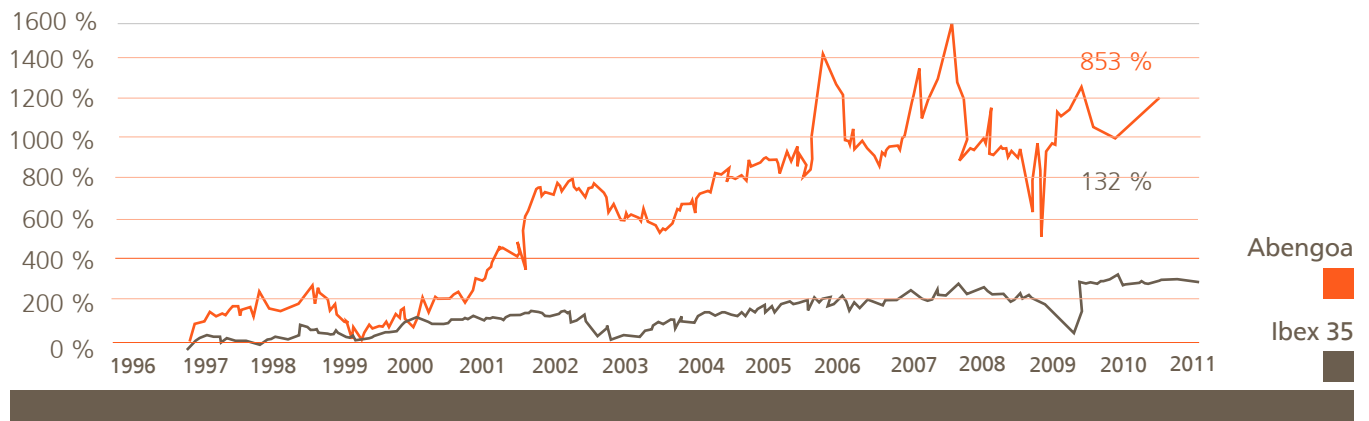
### Share Performance

Abengoa's shares ended fiscal year 2010 trading at €18,375, down 18.69 % from December 31, 2009 (€22.60), but up 763.2 % since the company was first listed on the stock market on November 29, 1996.

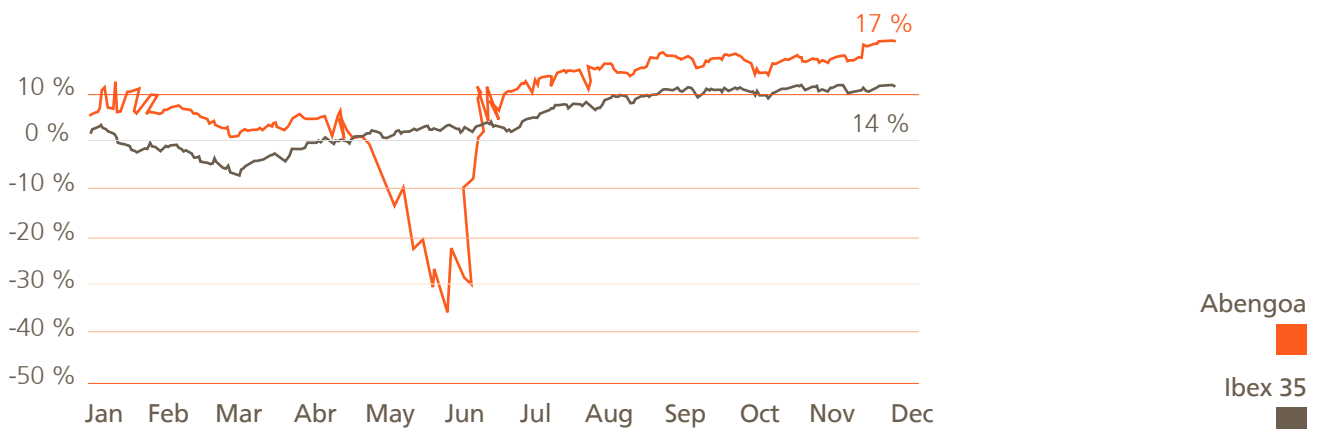
For the sixth consecutive year, the dividend paid out by Abengoa to its shareholders increased in 2010 to reach €0.19 per share.

For purposes of historical comparison, since Abengoa began trading shares on the stock market on November 29, 1996, the company's stock has appreciated by 763.2 %, which is 8.6 times the initial share price. During this same period of time, the selective IBEX-35 Index has appreciated by 111.2 %.

Historic stock market performance of Abengoa (vs. Ibex-35) Since tender offer of 29/11/1996 Increase in value (%)



Stock market performance of Abengoa over 2010 (vs. Ibex-35) Increase in value (%)



## Economic and Financial Information

In 2010, Abengoa undertook to improve the quality of the economic and financial information disclosed via the corporate [website](#) by setting up an area intended to provide all sorts of information on **Abengoa bond issuances** (2014 Convertible Bonds, 2015 Bonds, 2016 Bonds and 2017 Convertible Bonds), as well as a section devoted to the company's credit ratings. This information can be accessed through the Investors section.

As a result of this effort, Abengoa, for the second straight year, received an honorary mention at the 9th edition of the "[Spanish Company with the Best Financial Information on the Internet. Corporate Transparency and Reliability](#)" competition, organized by the Spanish Association of Accounting and Business Administration (AECA), in recognition of the quality of the financial information issued via the corporate website.



The judging panel acknowledged the improvement achieved by Abengoa with respect to the previous edition, awarding the company an **honorary mention** in the Ibex35 Corporations category.

Abengoa is aware of the importance of the stakeholders with whom the company interacts for company business and growth. Therefore, in addition to providing ongoing, **transparent and accurate information on company activities**, Abengoa seeks to foster stakeholder **dialog** through the channels in place, while developing other new means of more efficient communication.

Abengoa's website, which is published in both Spanish and English, constitutes the primary tool for communicating with stakeholders in general, and shareholders, investors and financial analysts in particular.



## Milestones for 2010

- Abengoa continues to cement its position as a component company of the **Ibex 35** index. Company share value has appreciated by 763.2 % since going public in 1996.
- The department in charge of shareholder and investor assistance participated in a total of **15 national and international** road shows, affording it the opportunity to address **400 institutional investors** in person.
- Abengoa renewed its status as a component of the **FTSE4Good IBEX index** of socially responsible investments and also took part in the **Carbon Disclosure Project 2010**.
- The company held its 5th Annual Investors Day.
- Abengoa participated in seminars attended exclusively by CSR fund managers, in addition to holding private one-on-one meetings with these types of investors.
- For the second consecutive year, Abengoa received an **honorary mention** for the **quality of its financial information** disclosed on the Internet, thereby illustrating the standard of excellence achieved in relation to corporate transparency.

## Areas of Improvement

In recent years, there has been a process in place for disseminating the paradigm of good corporate governance. This process, along with the duties entrusted to the investor relations departments, underscores the increasing importance within the value creation process of factors transcending mere financial variables that are associated with other aspects of corporate social responsibility; among these are aspects relating to environmental performance, strict observance of the law and the need to adopt ethical values.

Shareholders, investors, analysts and other stakeholders require increasingly more complex information in relation to corporate strategy, information that is more exhaustive and technical in nature, and in line with their varying operational needs and requirements.





Abengoa transmits suitable and **relevant information on the company's financial profile** in response to market demand, and provides further information on all other business dimensions.

Communication requires substantial prior planning to keep up with the increasing knowledge and awareness of investors, shareholders, analysts, and so on, and their growing demands for exhaustive and accurate information.

In light of all of this, it is essential for Abengoa to continuously improve the information it offers to its stakeholders **by providing fuller content in line with stakeholder needs**, and by creating more effective channels for dialog that are adapted to new technologies in order to facilitate the best possible flow of information between the company and the national and international financial community.



## Future Goals and Objectives

Abengoa's commitment to its shareholders is reflected in its ongoing improvements to enable the company to establish **channels for reliable communication** aimed at responding to shareholder needs for information.

One of the core objectives is to make the company better known to its shareholders so that the company is not merely content with responding to their requests for information, but also, and insofar as possible, is able to anticipate their needs.

Abengoa thus remains at the complete disposal of its stakeholders and is open at all times to constructive contributions with a view to improving the service the company provides.

Meanwhile, the company will continue to address the needs of the most demanding investors by adapting to new legislation, handling constant pressure from the media and making technological advances in an effort to provide the best possible solutions, with the ultimate aim of continuing to increase the company's value, while guaranteeing maximum market exposure and transparency.







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Abengoa is unflinchingly committed to **transparency in its management processes and to good governance**, both of which underpin its relations with stakeholders and provide the cornerstones for successful business relationships.

The application of good governance practices that help increase the transparency of the information published by Abengoa generates **added value** for the company when **communicating** with third parties, while also **minimizing risk** and **maximizing profits**.



## Corporate Governance

In line with its commitment to transparency, managerial control and ethical conduct when engaging in business, Abengoa has opted for the following structure within its governing bodies<sup>1</sup>:

### Board of Directors

Abengoa has devised its own Internal Regulations of the Board of Directors, which complement the provisions of the Spanish Public Limited Companies Act (“Ley de Sociedades Anónimas”) and the Regulations of the Companies House (“Reglamento del Registro Mercantil”) by subjecting the actions of directors to a raft of rules on accepted conduct, guided by the principles of business ethics and geared towards upholding the overriding priority of corporate interests, while ensuring the transparency of Board resolutions.

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<sup>1</sup> For further information on the structure and categories of director and governing bodies, please consult the Annual Corporate Governance Report

**Membership** of the Board of Directors is currently as follows:

| Personal or corporate name of the director | Post on the Board       |
|--|-------------------------|
| Felipe Benjumea Llorente                   | Chairman                |
| Aplicaciones Digitales, SL                 | Vice-Chairman           |
| Manuel Sánchez Ortega                      | Chief Executive Officer |
| Alicia Velarde Valiente                    | Board member            |
| Carlos Sebastián Gascón                    | Board member            |
| Carlos Sundheim Losada                     | Board member            |
| Daniel Villalba Vilá                       | Board member            |
| Fernando Solís Martínez-Campos             | Board member            |
| Ignacio Solís Guardiola                    | Board member            |
| Javier Benjumea Llorente                   | Board member            |
| José Joaquín Abaurre Llorente              | Board member            |
| José Luis Aya Abaurre                      | Board member            |
| María Teresa Benjumea Llorente             | Board member            |
| Mercedes Gracia Díez                       | Board member            |
| José Borrell Fontelles                     | Board member            |
| <b>Total number of directors: 15</b>       |                         |

## Audit Committee

As with the Board of Directors, and given the need for control mechanisms to function properly and efficiently, the Audit Committee is also subject to its own internal regulations.

**Membership** of the Audit Committee is currently as follows:

| Name                          | Post     | Type of member |
|-------------------------------|----------|----------------|
| Carlos Sebastián Gascón       | Chairman | Independent    |
| Daniel Villalba Vilá          | Member   | Independent    |
| Aplicaciones Digitales, SL    | Member   | Executive      |
| José Joaquín Abaurre Llorente | Member   | Proprietary    |
| Mercedes Gracia Díez          | Member   | Independent    |

The Audit Committee primarily comprises non-executive members, thereby meeting the requirements prescribed by applicable law and regulations on good governance and, in particular, the Financial System Reform Act (Ley de Reforma del Sistema Financiero). Likewise, and in accordance with Article 2 of the Internal Regulations, the office of committee chairman must be vested in a non-executive member.

The **duties** and **powers** of the Audit Committee are as follows:

- Report on the annual accounts and half-yearly and quarterly financial statements that must be submitted to regulatory bodies and market watchdogs, with reference paid to the internal control systems, the control mechanisms to monitor implementation and compliance through internal audit procedures and, where appropriate, the accounting principles applied.

- Inform the Board of Directors of any changes in accounting principles, balance sheet risk and off-balance sheet risk.
- To report to the General Shareholders' Meeting on those matters requested by shareholders that fall within its remit.
- To propose the appointment of the external financial auditors to the Board of Directors for subsequent referral on to the General Shareholders' Meeting.
- To oversee the internal audit services. The Committee will have full access to the internal audit and will report during the process of selecting, appointing, renewing and removing the head auditor. It will likewise control the remuneration of the head auditor, and must provide information on the budget of the internal audit department.
- To be fully aware of the financial information reporting process and the company's internal control systems.
- To liaise with the external audit firm in order to receive information on any matters that could jeopardize the latter's independence and any others related to the financial auditing process.
- To summon those Board members it deems appropriate to its meetings, so that they may report to the extent that the Audit Committee deems fit.
- To prepare an annual report on the activities of the Audit Committee, which must be included as part of the annual accounts for the year in question.
- Supervise the preparation process and monitor the integrity of the financial information on the company and, if applicable, the group, and to verify compliance with regulatory requirements, the appropriate boundaries of the scope of consolidation and the correct application of accounting principles.
- Periodically review the internal control and risk management systems so that the principal risks are appropriately identified, managed and reported.
- Supervise the internal audit function, through full access to it, and monitor and supervise its independence and effectiveness; propose the selection, appointment, re-election and removal of the manager of the internal audit service; propose the budget for this service and set the remuneration for its manager; receive periodic information on its activities and the budget for the service; and verify that senior management takes into account the conclusions and recommendations of its reports.
- Establish and oversee a mechanism whereby employees may confidentially and anonymously, if deemed necessary, communicate potential irregularities, especially financial and accounting, which they may detect within the company, proposing the appropriate corrective measures and approvals to the Board of Directors.
- Submit proposals regarding the selection, appointment, re-appointment and replacement of the external auditor to the Board of Directors, including the terms of engagement.
- Receive regular information on the audit plan and the results of its implementation from the external auditor, and verify that the senior management takes the recommendations thereof into account.
- Safeguard the independence of the external auditor.
- Ensure that the group auditor is tasked with conducting the audits for the individual group companies.
- Oversee and resolve conflicts of interest. Pursuant to the Regulations of the Board of Directors, Board members are under the obligation to inform the Board of any situation of potential conflict, in advance, and to abstain until the committee has reached a decision.





## Appointments and Remuneration Committee

The **structure** and members of the Appointments and Remuneration Committee are as follows:

| Name                       | Post     | Type of member |
|----------------------------|----------|----------------|
| Daniel Villalba Vilá       | Chairman | Independent    |
| Alicia Velarde Valiente    | Member   | Independent    |
| Aplicaciones Digitales, SL | Member   | Executive      |
| Carlos Sebastián Gascón    | Member   | Independent    |
| José Luis Aya Abaurre      | Member   | Proprietary    |

The Appointments and Remuneration Committee comprises a majority of non-executive directors, thereby fulfilling the requirements prescribed by the Spanish Financial System Reform Law (Ley de Reforma del Sistema Financiero). Likewise, the position of committee chairman must be vested in a non-executive director, in accordance with that envisaged in Article 2 of the company's Internal Regulations.

The Appointments and Remuneration Committee is entrusted with the following **functions** and **responsibilities**:

- To report to the Board of Directors on appointments, reappointments, removals and the remuneration of the Board and its component posts, as well as on the general policy of remunerations and incentives for positions on the Board and within the senior management.
- To report, in advance, on all proposals that the Board of Directors presents to the General Shareholders' Meeting regarding the appointment or removal of directors, even in cases of co-optation by the Board itself; to verify, on an annual basis, continuing compliance with the requirements governing appointments of directors and the nature or type thereof, all of this being information to be included in the Annual Report. The Appointments Committee will ensure that, when vacancies are filled, the selection procedures do not suffer from implicit bias that hinders the selection of female directors and that women who meet the required profile are included among the potential candidates.
- To prepare an annual report on the activities of the Appointments and Remuneration Committee, which must be included in the Management Report.

## Strategy Committee

This committee comprises the Executive Chairman, the Executive Vice-Chairman, the heads of the various business units, the Head of Organization, Quality and Budgets, the Technical Secretary, the General Secretary for Sustainability, the Head of Human Resources, the Financial Director, the Head of Investor Relations, the Head of Institutional Relations, the Head of Corporate Strategy and Development and the General Secretary.

This particular committee, which meets monthly, is governed by the Internal Code of Conduct in Stock Markets, which contains a raft of obligations to protect information and uphold the duty of secrecy, while addressing preliminary decision-making and publication aspects of relevant corporate actions, establishing for such purpose the pertinent procedures for ensuring internal and external confidentiality, recording ownership of shares and dealing with transactions involving securities and conflicts of interest.

## Good Governance Practices

Following a favorable report from the committee, the Board of Directors sitting in plenary session will approve the following company policies and strategies:

- Investment and financing policy.
- Defining how the business units are structured.
- Corporate governance policy.
- Corporate social responsibility policy.
- Strategic or Business Plan, as well as the budget and management targets.
- Remuneration and performance assessment policy for senior executives.
- Risk control and management policy, as well as the periodic monitoring of internal information and control systems.
- Dividends and treasury stock policy and, in particular, limits thereto.

### Transparent Practices

One of the cornerstones of the company's strategy is its unflinching commitment to transparency and rigor. To reflect and strengthen this undertaking, the company set itself an objective several years back to the effect that all information appearing in the Annual Audit Report must have its corresponding external audit report.

In 2007, the company's Corporate Social Responsibility Report underwent an external audit for the first time. The following year, the Greenhouse Gas Emissions Report was also audited by an independent third party, and in 2009, the Corporate Governance Report underwent the same procedure. All three documents have been audited externally once again this year round.

Abengoa's objective is to ensure reasonable assurance for its reports, the most stringent type of verification that a company can aspire to. Last year, the company secured reasonable assurance for all the GRI (Global Reporting Initiative) indicators reported in its Corporate Social Responsibility Report.

In 2010, the company commissioned no less than **6 reports** from its external auditors, all of which form an integral part of the Annual Report:

- Audit report on the consolidated accounts of the group, in accordance with applicable law.
- Voluntary audit report on internal control compliance under PCAOB (Public Company Accounting Oversight Board) standards, pursuant to the requirements imposed by section 404 of the Sarbanes-Oxley Act (SOX).
- Voluntary reasonable assurance audit report on the Corporate Governance Report, with Abengoa being the first listed company in Spain to obtain a report of this nature.
- Voluntary reasonable assurance audit report on the Corporate Social Responsibility Report.
- Voluntary audit report on the Greenhouse Gas (GHG) Emissions Inventory.
- Voluntary audit report on the design of the Risk Management System pursuant to ISO 31000 standards.

### Risk and Crisis Management

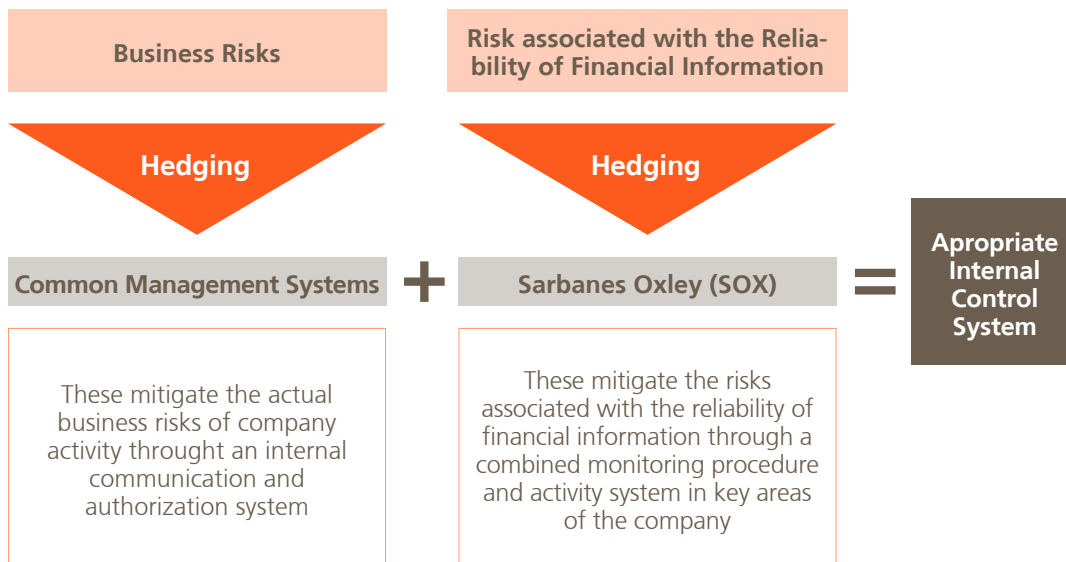
#### Risk Control and Crisis Management

Abengoa groups together more than 600 companies, all operating in over 70 countries and employing more than 26,000 workers. With this in mind, it is essential to define a common business management system enabling the group to work effectively, coherently and in a coordinated fashion.

The current scene is characterized by dizzying growth in technology, rapid social, economic and political changes and the overriding need to generate value.

To tackle the threats stemming from this situation, while also harnessing business opportunities as they arise, Abengoa believes that **risk management** is an essential function for adopting **strategic decisions**, and that the company must have criteria and approaches in place to pave the way for **secure** business growth.

Abengoa's Risk Management Model comprises two core elements:



## ■ Common Management Systems (NOC)

These comprise the internal rules governing Abengoa and the approach to assessing and controlling risks. They represent a common and shared culture when managing Abengoa business, in that they share accumulated knowledge and define criteria and guidelines for the entire organization.

The systems envisage a host of specific procedures covering any action that could be seen as a risk for the company, regardless of whether it has economic or financial implications. They are available electronically to all employees, irrespective of geographic location or job category.

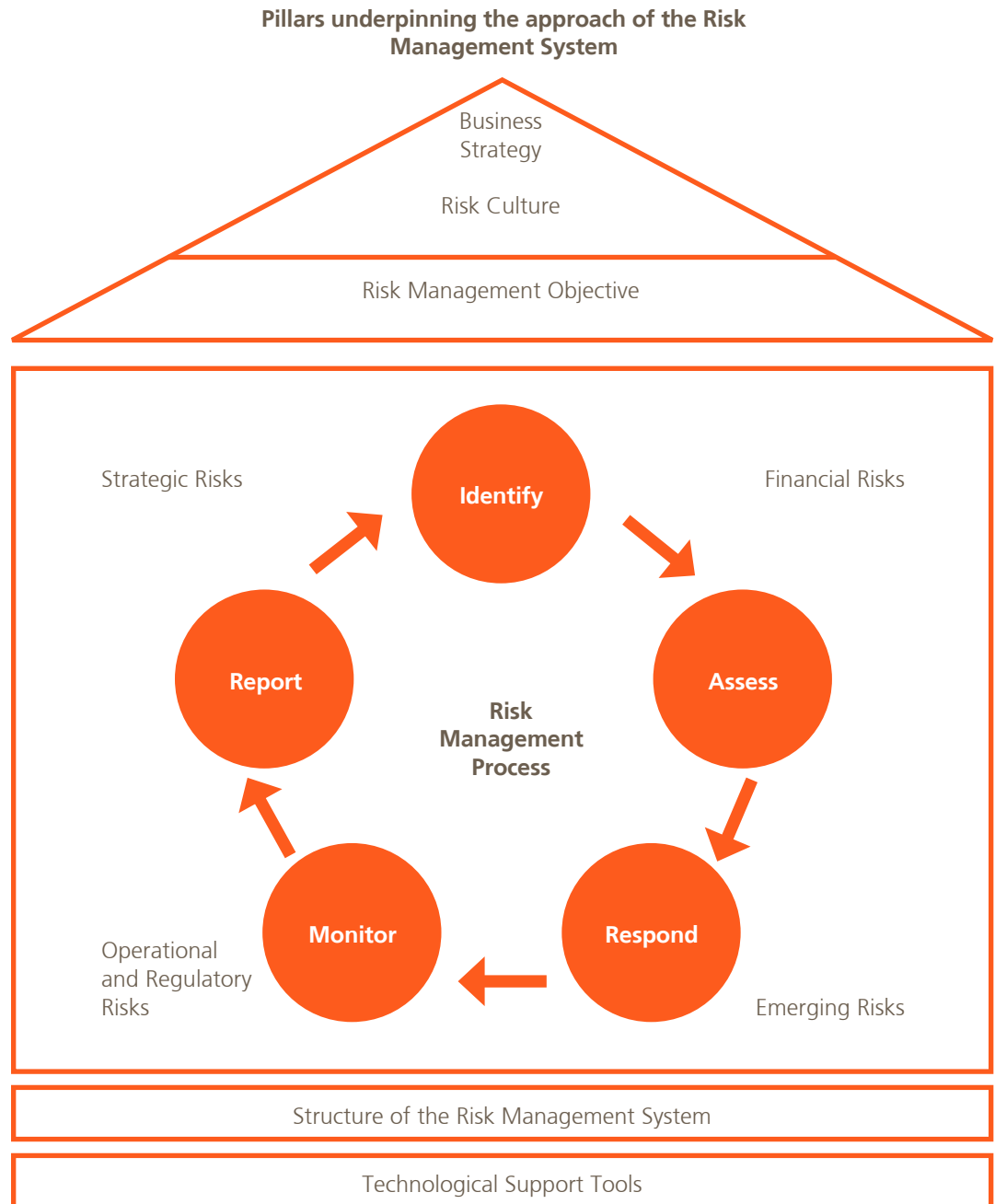
## ■ Obligatory Compliance Procedures- SOX

Obligatory Compliance Procedures (OCP) are employed to mitigate risks relating to the reliability of financial information. The company adopts a system combining control procedures activities in key areas for the company, the ultimate aim being to ensure the reliability of financial information and prevent fraud.

As a product of our firm commitment to transparency, and so as to continue guaranteeing the reliability of the financial information prepared by the company, we have continued to strengthen our internal control structure and to tailor it to the requirements prescribed by Section 404 of the North American Sarbanes-Oxley Act (SOX). Following on from previous years, the company has once again this year voluntarily submitted the internal control system for the entire group to an independent audit entrusted to an external auditing firm in accordance with PCAOB (Public Company Accounting Oversight Board) auditing rules.

Abengoa is full aware of the importance of managing its risks in achieving a **suitable degree of strategic planning** and accomplishing the **objectives** it has set itself.

The approach to risk management, which comprises a raft of common beliefs and attitudes, is contained within and applied through Abengoa’s Risk Management System, which is based on the Universal Risk Model. Schematically, this can be represented as follows:



The responses designed and included within the compulsory compliance norms (Normas de Cumplimiento Obligado, or NOC) and the OCP aim towards one of the following risk management scenarios:

- **Elimination.** Complete elimination of the risk.
- **Reduction and control.** Reduction of the risk to the fullest extent possible by adopting strategic or security-related measures (diversification of supply, quality systems, maintenance, prevention, etc.).
- **Transfers to third parties.** Transfer the risk to an insurance firm or third party (supplier, subcontractor, etc.), without Abengoa assuming any liability in relation thereto.
- **Financial withholding.** Assumption of the risk, if it has not been controlled in any other way.



Abengoa defines risk as any potential event that could prevent or hinder the company from accomplishing its business objectives.

The company believes that risks can arise as a loss of opportunities or strengths, or otherwise materialize as a threat or a deteriorating weakness.

Abengoa's approach to risk is firmly based on awareness, involvement and anticipation, and with this in mind:

- In order to attain pre-determined business objectives, risks must be managed throughout **all levels** of the company, without exception.
- The **Board of Directors** is tasked with **overseeing the efficiency** of the company's internal control and risk management systems.
- Decisions must always be taken with **shared and mutually agreed responsibility**.
- Abengoa's Risk Management System has been fully integrated into:
  - The strategic planning process.
  - The process of defining business objectives.
  - The daily operations required to reach these objectives.
- Risk management embraces risk identification, assessment, response, oversight or follow-up and reporting, in accordance with the procedures in place for such purposes.
- Responses must be consistent and fully tailored to existing business conditions and the prevailing economic climate.
- The management must periodically assess the valuation of its risks and the responses designed.
- The company shall also periodically monitor and, where appropriate, report that the risk identification, assessment, response, oversight and reporting processes included within Abengoa's Risk Management System are working as intended.

Over the course of 2010, the company continued to develop its Universal Risk Model, a methodology capable of quantifying the risks present in the Risk Management System.

## Working Processes within Risk Management

The risk management process at Abengoa is a continuous cycle featuring **five key phases**.



Reliable and periodic communication is essential during each phase to ensure a healthy outcome.

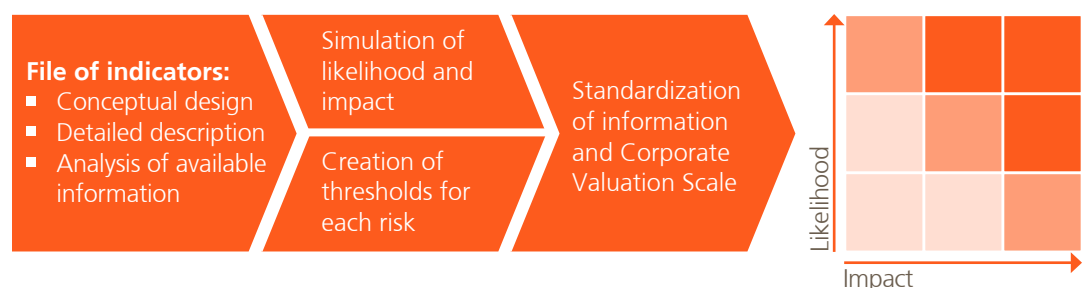
As we are dealing with a continuous cycle, permanent feedback is needed in order to make continuous improvements to the Risk Management System. These processes are applied universally throughout the entire company.

## The Universal Risk Model

Abengoa's Universal Risk Model comprises four categories, twenty sub-categories and a total of ninety-four principal business risks. Each risk has a raft of indicators assigned to it, enabling the company to determine the likelihood of them occurring, their impact and the degree of tolerance towards them.



The following diagram illustrates how Abengoa's Universal Risk Model works. The model is periodically reviewed and updated jointly by the Internal Audit departments, the heads of each area involved and the Risk Management Division:



After applying both probability and impact indicators, risks are grouped into 4 types, each of which has its own pre-determined risk management strategy:

- **Minor Risk.** Arise frequently but have little economic impact. These are managed accordingly to reduce the likelihood of them arising only if managing them proves economically viable.
- **Tolerable Risk.** Arise rarely and have little economic impact. These risks are monitored to ensure that they remain at tolerable levels.
- **Severe Risk.** Frequent and with a harsh impact on business, these must be managed immediately. The processes in place at Abengoa make it difficult for the company to address this kind of risk.
- **Critical or Emerging Risk.** Although these occur rarely, their economic impact can be very harsh. These risks are subject to their own contingency plan, given the severity of their impact. The Corporate Risk Management Department is directly involved in assessing this kind of risk. The following measures are rolled out in an attempt to prevent them:
  - Relating emerging risks with strategic lines of business.
  - Seeking out and analyzing information by assigning resources accordingly.
  - Adapting traditional risk indicators and controls to reflect prevailing market conditions.
  - Addressing signs of "weakness" (no matter how many there are) and investing in technology to control emerging risks.
  - Learning from the management team's experience and past lessons involving risks.
  - Providing information for risk management strategies through relevant data and proper analysis.

## Integrity and Compliance

Each of the company's activities are performed in accordance with its **model of sustainable development**, which attempts to strike a happy balance that maximizes the benefits for everyone while observing applicable law and upholding the strictest levels of **integrity and transparency**. Corporate social responsibility at Abengoa therefore forms part of its business strategy and its daily operations.

In keeping with Abengoa's unwavering commitment to management transparency, integrity and good governance, all of which underpin relations with its stakeholders, and following on from the approach initiated in 2008, an Independent Panel of Experts in Sustainable Development (IPESD) will conduct an assessment of the company and draw up a raft of conclusions, which Abengoa will publish in this report<sup>2</sup>.

## Transparency and the Fight against Corruption

In 2007, the decision was made to officially 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.

This text is intended to foster and bolster measures to prevent and combat corruption more effectively, while encouraging, facilitating and supporting international cooperation and technical assistance in preventing and fighting against corruption, including the recovery of assets, and promoting integrity, the obligation to render accounts and proper management of public affairs and assets.

<sup>2</sup> See chapter titled Independent Panel of Experts in Sustainable Development.



Over the course of 2010, the Internal Audit Department issued more than **six hundred audit reports**, which included, among other aspects, the results of the audits and analyses of the risks associated with corruption in those companies classified as material. The company also conducted fifty legal audits to complement the audit reports, the aim being to unearth situations that could be classified as corrupt.

In addition to the foregoing and as a practical step, Abengoa has introduced a binding contractual clause into its collaboration, agency and intermediation agreements, requiring the collaborator to undertake in writing to not engage in any illegal practices that could be considered corrupt, abusive or biased.

In 2010, the company staged more than **135 training courses** in its **Common Management Systems**, which taught participants specific procedures for managing risks associated with corruption and for implementing anti-corruption policies within the companies.

The company has a computer application based on these Common Management Systems that can be consulted by all users at any time to broaden their awareness of the company's anti-corruption policies and procedures.

Abengoa's information channels show no record in 2010 of any corruption-related incidents within the company.

There were no significant sanctions imposed in 2010 arising from non-compliance with laws or regulations.

## Abengoa Values

Abengoa's model of corporate social responsibility is also rooted in a raft of values that nowadays constitute the foundations of its Code of Ethics and form part of its business culture. By harnessing all available channels, the company fosters awareness and the application of these values and implements control and review mechanisms that ensure they are correctly monitored and updated.

Of these values, we would highlight the following due to their importance:

- **Integrity:** Honesty in professional conduct is a hallmark of Abengoa's identity and is evident in all the actions of its personnel, both within and outside the company. Integrity is a core value of



our employees and the company as a whole in dealings with customers, suppliers, shareholders, the communities in which we operate and society in general.

- **Legality:** Compliance with the law is not only an external requirement and, therefore, a binding obligation on the company, but also encompasses respect for the law, which provides our actions with added security and cushions business risks.
- **Professional rigor:** The concept of professionalism at Abengoa is closely linked to our desire to provide high levels of service when engaging in business and to become thoroughly involved in the business project at hand. All of our actions must adhere to the notion of professional responsibility and are governed by the principles set forth in the Common Management Systems.
- **Confidentiality:** Abengoa expects its employees to exercise discretion and prudence in their communications and relations with third parties, the aim being to safeguard the information to which the company has access.
- **Quality:** Abengoa is unflinchingly committed to quality in all of its internal and external endeavors. Far from being a task exclusive to the management or a specific group of people, this commitment governs the daily activities of all members of the company. Abengoa incorporates specific rules on quality, which are the product of its knowledge, common sense, rigor, order and responsibility in conducting business.

## Abengoa Code of Conduct

The honesty, integrity and sound judgment of Abengoa employees, managers and board members are key to the company's continuing good reputation and success.

The Code of Conduct governs working relations within the company between employees themselves, and between Abengoa staff and stakeholders. The Code is available for consultation through the company's Intranet, Connect@, to which all employees have access, and likewise from the corporate website. All changes made to the code are duly communicated throughout the entire organization without exceptions and without delay.

## Whistleblowing Channel

Abengoa has a channel in place, which was formally implemented in 2007 in accordance with the requirements of the Sarbanes-Oxley Act, whereby interested parties report irregularities to the Audit Committee.

Abengoa currently has **two whistleblowing channels in place**.

An **internal channel**, whereby all employees can communicate any supposed irregularities in matters of accounting, auditing or breaches of the company's Code of Conduct. Issues are reported via e-mail or ordinary mail.

Furthermore, Abengoa has an **external channel** enabling third parties unrelated to the company to communicate any alleged irregularities, fraudulent conduct or behavior that runs contrary to Abengoa's Code of Conduct. This is carried out through the company's web page.

The claiming party may claim confidentiality when reporting the issue, or may do so anonymously.

The aim of the company in creating these channels is to provide a means of direct communication with the management and governing bodies, whereby interested parties may report any possible irregularity, breach, or conduct deemed unethical or illegal, or any such conduct that runs contrary to the rules governing Abengoa.





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### Concluding Report

#### of the Independent Panel of Experts on Sustainable Development

##### **President**

Jermyn Brooks                      Transparency International, Chair Business Advisory Board

##### **Members**

Matthew Bateson                      World Business Council for Sustainable Development, Managing Director,  
Energy and Climate

Francesca Broadbent                      Magazine *Responding to Climate Change*, Editor

Charles Donovan                      Active Earth Foundation, Trustee

Sol Iglesias                      Asia Europe Foundation, Director of Intellectual Exchange

Antonio Vives                      Stanford University, Professor-consultant

##### Introduction

The IPESD ("the Panel") was appointed again in October 2010, with two members rotating out and two new members joining the Panel, to conduct an analytical review of Abengoa's 2009 Corporate Social Responsibility Report. The Panel was given the objectives of:

- 1) Improving the transparency of information about the company's CSR, and
- 2) Forming a judgement on the materiality of the company's CSR report and its responsiveness to stakeholders.

The intended scope for the Panel's work comprised:

- A reading of the 2009 report;
- The formulation of ten questions, reduced from twenty in the previous year, posed to management for clarification and additional information;
- A review of the company's responses to these questions.

Additionally during 2010 members of the Panel had the opportunity to visit Abengoa's head offices to discuss the company's sustainability's strategy and its CSR reporting. As a consequence our concluding comments are based both on written documentation received and on explanations provided to us at the time of our visit. The Panel does not review the accuracy of the data included in the report, assurance of this data is conducted by the company's external auditors.

The Panel continues to rate highly Abengoa's commitment to sustainability and to transparent reporting. The company remains open to discussions both on the substance of CSR and also to ways of improving the reporting. The Panel believes that further progress can be made by reducing general descriptions of processes, standards and regulations and adding more focus on actual performance of the company, including reports of outcomes against quantified targets and use of illustrative examples and case studies.



#### General observations on the 2009 report

Several of the Panel's previous suggestions have been reflected in the 2009 report. This relates both to an expanded section on biodiversity and to the GHG inventory. A change in the company's governance made in 2010 to separate the Board chair and the CEO roles reflects a recommendation from the Panel. Other comments were not fully taken up by the company and we have repeated some of these in this year's questions

We believe that the report is still too long and therefore that it is not easy to identify the most material issues that Abengoa wishes to communicate. We understand that the 2010 report will be shortened and continue to believe that this will serve to enhance the quality of the report as an instrument of good communications.

#### Specific comments on Abengoa's responses to the Panel's questions

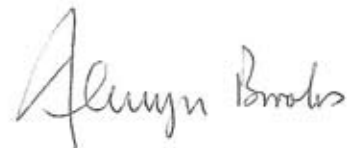
- 1) The Panel queried whether Abengoa measures the influence and impact of its CSR report and learned that while dialogue channels are made available to stakeholders there is no proactive outreach as yet to key stakeholders. No data is reported on stakeholder feedback. The Panel believes that much could be learned from stakeholders which would contribute both to Abengoa's businesses and to the contents, structure and presentation of the CSR report.
- 2) In defining material issues for inclusion in the CSR report the company describes in detail the mechanisms used but it is clear to us that external factors are based more on an understanding of general trends rather than through a process of genuine consultation with external stakeholders (an explanation of such a process is provided by the revised AA Stakeholder Engagement Standard). Materiality is therefore heavily weighted to internally determined strategic priorities and management processes and to a general perception of external influences.
- 3) The Panel encourages the use of examples to illustrate community dialogue as well as even more detail to illustrate how the company deals with conflicts which arise in connection with larger infrastructure projects.
- 4) In explaining the company's diversity policies there is too narrow a definition of diversity which extends beyond gender to physical attributes and working styles. However we would welcome both statistics on success in achieving gender equality as well as targets for better balancing senior management positions.
- 5) While the Panel welcomes the absolute CO2 reduction achievement, such a figure on its own does not allow an understanding of its relative contribution. We suggest that reductions are framed as a percentage of total CO2 emissions. We regret that targets are only set annually rather than indicating a trend over future years.
- 6) We welcome the company's response. This information could have usefully been included in the CSR report.
- 7) We asked about the ultimate environmental impact of the disposal of hazardous waste and the response focused on important preventive mechanisms, including extensive ISO 14001 certification, but did not deal specifically with our question.

8) Abengoa provided a long answer to our question on the sourcing of biofuels, with much useful information. Given the large number of standards and regulations cited the response leaves the impression that Abengoa is in reactive mode rather than trying to impose its own goals and objectives. It remains unclear in the company's assessment whether the use of biofuels leads to a reduction of GHG emissions, which should be the ultimate purpose.

9) We welcome progress being made toward SA 8000 of major companies in the group.

10) The Panel suggests that some of the detailed information in the response on whistleblowing could have been included in the CSR report. Abengoa should also consider publishing statistics on the actual use of this complaints channel.

Signed by the President of the IPESD



Jermyn Brooks

February 16, 2011

### Overall report impact

#### **1. Does Abengoa measure the influence and impact of the CSR report, both online and offline, on its stakeholders?**

By means of the Corporate Social Responsibility Report (CSRR), the company makes available to its readers the different communication channels in place (stakeholder mailbox, the rsc@abengoa.com email address, postal address...) and communicates the existence of these channels within its contents so that report readers may transmit their comments, complaints and suggestions regarding the document to the company.

One of the improvements suggested for the report is synthesis of content, something which we are working on in preparing the CSRR10.

Additionally, through the web-based application which hosts the report, Abengoa analyzes the statistics related to the number of visits the report is receiving.

Stakeholders are a basic underpinning to planning and development of Abengoa's strategy with respect to sustainability. For this reason, as an accompaniment to these measures, and with the aim of delving deeper and improving the way the company measures the impact and influence of its reports, this year Abengoa prepared an online survey that will be included in the CSRR10 so that readers may thereby make their opinions known. A web-based application will also show the sections most frequently visited by report users.

### Materiality

#### **2. In determining which issues are material, can Abengoa explain which are the company's key stakeholders, who is approached, who participates and what forums are established to determine stakeholder input and what process is followed to reach the relative weightings and resulting priorities shown in the detailed tables included in the report?**

Prior to the process of identifying issues that are material for the report, it is necessary to identify the company's stakeholders. In preparing the company's **Strategic CSR Plan**, Abengoa designed a stakeholder map that will be completed in the coming months through the development of a dialogue protocol to establish specific methodology for consulting these stakeholders, in addition to a model for analyzing CSR-related risks for application to company facilities.

Once company stakeholders have been identified, to determine whether an issue is or is not material, the nature and dimension of the aspect analyzed must be taken into consideration, evaluating the circumstances entailed by omission thereof. In order to make this decision, since 2008 one must refer annually to the CSR relevant matter procedure methodology defined by the company and which is centered on two bases for analysis that subsequently intersect to obtain the final result, thereby preventing conflicts between internal and external expectations:

- **External factors**, which are those associated with the expectations of Abengoa stakeholders and the importance they attach to the different issues. To extract and evaluate these, different sources are analyzed: existing reporting standards, international initiatives, the chief industry-leading companies in sustainable management and other prescriptors related to the different sustainability areas, prevailing legislation, socially responsible investors, reader opinion, and appearances and references in the media.
- **Internal factors**, which determine the significance of the different matters for business, company management and, ultimately, in fulfilling business strategy. A committee on relevant CSR matters is set up to compile them. This committee is composed of representatives from the company's business units and corporate areas for them to categorize the external factors, issues deemed to be the most significant for stakeholders (extracted from procedures that are similar to this one, conducted for each one of them), and also analyze issues that may directly affect the company or its employees so that these matters are included in the report. Once the list of issues has been obtained, the committee will score each issue according to its relevance.

Making use of both perspectives is essential in achieving compliance with the principles defined under the **AA1000 AS (2008) Standard**: inclusivity, materiality, and responsiveness.

The results of the analysis will yield a matrix for categorizing matters as being: **irrelevant, optional** or **mandatory**.

Matters identified as being mandatory due to their position in the matrix must necessarily be included in the CSRR. For matters shown to be optional, the decision as to whether they will be reported to the public should be considered and documented, and, if so, specifying the channel to be employed.

With the aim of showing a higher degree of transparency and facilitating the reader's understanding of the criteria for selecting matters for inclusion, a CSRR section is included in which the main processes carried out for this purpose are outlined. This section should report significant limitations that may have been involved in the process.

As a general rule, for each one of the material matters at least one quantitative or qualitative indicator must be identified to reflect the matter and based on which follow-up may be carried out in the future.

#### Community dialogue

### **3. How does Abengoa identify community impact from its energy and construction projects and what process is followed for conflict resolution? Can the company provide examples of successful conflict resolution or of ongoing problem situations?**

Given the diversity of Abengoa's activities, the group's business units and companies develop specific initiatives, the cornerstone of which is **stakeholder dialogue**, in order to determine impact and resolve potential conflicts that may arise in the community where the company or project is present.

Examples of conflict resolution may be found in all spheres of company management. The following are just a few of them:

In the **environmental area**, for activities involved in waste management, in addition to the pertinent environmental assessments conducted prior to project development, training sessions are conducted in the communities near the site with the aim of resolving doubts and informing on tasks the company is going to carry out and the potential impacts involved.

- Thus, in 2010, Abengoa Befesa Zinc Sur SLU executed a project for implementing and starting up a plant for recycling and valorizing steel dust in the town of Villafranca de los Barros in Extremadura (Spain).
- Due to the concerns that may arise surrounding these types of projects, Befesa held several information seminars in the municipal administrative offices with the purpose of informing members of the community and resolving any doubts arising regarding the project. These sessions, advertised through the local media, enable the company first-hand knowledge of the concerns of local dwellers, and facilitate project implementation while at all times taking the community into account.

Likewise, in the **energy area**, open houses were also conducted, for example, in communities in which there are solar energy production plants in operation. During these visits, with an average attendance rate of 500 people per year, technicians explain plant operation and the manner in which the solar power produced helps combat climate change. It also provides a forum for attendees to express their doubts and concerns to the company so they may be addressed by technicians directly and immediately.



As far as solar energy activity is concerned, conflicts generally arise during the plant preconstruction stage, and are resolved by analyzing each specific case, favoring dialogue with the stakeholders affected, thereby enabling the company to ascertain community needs, while providing first-hand information regarding the project at the same time.

- A conflict arose at the Castile La Mancha solar plant in relation to the discovery of a fossil dune during the platform construction phase. The company resolved the conflict by protecting the paleodune using fencing, and making the finding known through a descriptive panel aimed at providing the community with knowledge on these types of fossils. There are also two other initiatives being carried out by the community that have received praise from the local community: recovery of two species of birds of prey, the common kestrel and the lesser kestrel, whose habitat had been reduced as a result of plant construction. To remedy this, nests were put in place for the birds to occupy; monitoring of this initiative will be conducted over the next few years.
- Along the same lines, there is an archeological research program in place near the Solúcar Solar Complex in Sanlúcar la Mayor (Seville), which unfolds adjacent to the well known Green Corridor of the Guadiamar River. The existence of numerous archeological sites in the area required adjustments to installation designs in order to maintain their integrity. Abengoa commissioned the Focus-Abengoa Foundation with the task of carrying out an extensive project to assess the archeological wealth of the surroundings, including minimally invasive land and geophysical prospection.

In terms of industrial engineering and construction activity within the energy area, we may cite the example of Teyma Abengoa, which has devised specific processes for dialogue and conflict resolution involving the work conducted by the company.

- In the Comahue-Cuyo Interconnection Projection under way in Argentina, the company has embraced a deep commitment to local community development, establishing initiatives to enhance the development of relationships with employees, suppliers, and, fundamentally, the community.

An important factor for the community involves the integration of locally-based personnel into a project, which combines regional historical uses and customs, as well as specific legislation. The company seeks a balance among optimizing project costs, incorporating ideal personnel for each job, and utilizing the highest possible number of local employees and operators, establishing verbal agreements with local trade unions on resources and background profiles to be incorporated, in conjunction with the personnel in place from other regions.

With respect to persons whose territories or properties may be affected one way or another by construction works, dialogue with each actor involved enables precise knowledge of each party's interest, and, through negotiation, consultation with managers and professionals specializing in land management, leads to resolution of the economic differences that arise regarding land easement compensation within the minimum limits established under the law.

In short, regardless of the type of activity conducted by Abengoa, fluid stakeholder dialogue constitutes the essential tool for managing conflicts.

## Diversity

### 4. What steps is Abengoa taking to achieve greater diversity and to retain talent at senior management, including board, levels?

Labor practice at Abengoa and the professional conduct of company employees are governed by the **United Nations Universal Declaration of Human Rights** and its protocols, as well as International Agreements approved by said international body and the **International Labor Organization (ILO)** on social rights (expressly, the **United Nations Convention on the Rights of the Child**, the **UN Convention on the Elimination of All Forms of Discrimination against Women**, as well as specific conventions against child labor, forced labor, health and safety at work, freedom of association, discrimination, disciplinary practices, working hours and compensation). Furthermore, it endorses the **Tripartite Declaration of Principles concerning Multinational Companies and Social Policy of the ILO**, and the **Principles for Multinational Companies of the OECD**.

While diversity is inherent to Abengoa's culture and multinational nature, the company actively promotes local hiring in the countries in which it operates and gives incentives to worker mobility and international career projection. There are currently more than 60 different nationalities represented among the company's employees.

Abengoa knows no borders. The principle of equality and non-discrimination is one of the cornerstones of company policy, and the only way to evaluate employees is based on merit and excellence in performance. Therefore, there are no quota-based policies in any functional, hierarchical or geographical sphere. And we are actively involved to ensure this, not only by establishing specific policies, but also through assuring compliance through standardized mechanisms. The next CSRR will include a table showing salary comparisons between men and women in different employee categories.

Abengoa safeguards and promotes equality between men and women by applying this principle to all of its human resource management policies, including, hiring, recruiting, training, performance review, promotion, compensation, working conditions, personal-work life balance, communication, and the prevention of harassment.

Within this context, Abengoa, has its own **Equality Framework Plan** that mandatorily applies to all company personnel and which seeks, on the one hand, to ensure equality in the treatment and opportunities between men and women, and, on the other, to prevent any situation that may imply or constitute labor discrimination, whether direct or indirect, for reasons of gender.

Because Abengoa understands that its true competitive edge lies in the talent of the professionals that make up the company, retaining talent is also one of the areas in which significant efforts are invested. This requires an attractive business project that ensures equal opportunities for company employees and strikes a balance between personal and professional life, while at the same time nourishing the development of employee talent and investment in their future.

This year marked the implementation of the Executive Intercommunication Program, the purpose of which is to enable the company to manage, review, strengthen and address the concerns, expectations, commitment and motivations of the company's managers in a personalized manner, contributing to their professional development through specific initiatives and individualized plans.

#### Environmental issues

### 5. Is Abengoa willing to make commitments to concrete GHG reduction targets for each of its major lines of business?

Abengoa companies set greenhouse gas emission reduction targets for 2010 based on the **2009 inventory** that was consolidated and verified externally. These reduction forecasts established under the company plans amount to an Abengoa group total equivalent of nearly 64,000 t of CO<sub>2</sub>.

Targets were set by each company in accordance with the corporate criterion of covering every scope and source showing emissions in each company's 2009 inventory.

Envisaged under each company reduction plan in establishing the emissions volume is the abatement of emissions derived from different types of activities: fuel consumption decrease and fuel replacement in vehicles and machinery; efficiency enhancements in electrical power consumption; management of the supplier catalog based on comparing emissions associated with the products and services acquired; functional improvements to worksite commutes; and employee training involving sustainable conduct and mobility.

At present reduction targets are set on an annual basis. However, as target-setting, monitoring and results assessment systems mature, there will be potential to set targets on a broader temporal horizon.

**6. Under Environment and Climate Change, two incidents are referred to which gave rise to fines of € 120,000. What were the causes of these incidents and what is Abengoa's strategy to prevent a recurrence?**

The Solnova 1 and Solnova 3 plants each received fines of € 60,000. During the earth-moving stage of plant construction, the contractor piled the dirt in an area that was not authorized by the Andalusian Environmental Council. The building project Environmental Impact Statement specified that no use could be made of land beyond the evaluated area (within their facility). Furthermore, rains swept the dirt that had been piled up to the riverbanks near the site where construction work was taking place.

In addition to paying the fine, Abengoa replaced all of the dirt and conducted pertinent cleanup operations in the affected area.

In order to prevent these types of situations from reoccurring, the excavation and filling procedure was reexamined, establishing that the project manager must approve the dumping site prior to beginning any construction work entailing excavation.

**7. Can the company provide information on how it deals with hazardous waste to take account of the ultimate environmental impact of its disposal?**

Abengoa has established as a strategic objective for its group of companies the implementation of environmental management systems in accordance with the requirements of the ISO 14001 Standard.

This framework establishes a specific objective: reducing any negative environmental impact of each company's products and services, including lowering natural resource consumption and waste and emissions generation.

The environmental management systems in place require that any activities involving significant environmental impacts be included in the monitoring and measurement plan, and in operational control. In addition to this, a reporting system has been devised for all companies to report on waste generation and the ultimate disposal method.

Therefore, company policy requires of all group companies control and measurement of their environmental performance in order to establish concrete objectives for reducing natural resource consumption and generation of waste, spills and emissions. Implementation in all companies of the environmental management systems based on the ISO14001 requirements and certified by external entities, as well as internal audits conducted out of the Corporate area ensure compliance with said policy. In 2009, the percentage of certified Abengoa companies totaled 84.96 %.

**8.8. In relation to the supply chain of biofuels, can the company explain their policy on sustainable sourcing and, specifically, provide a detailed breakdown of which feedstocks are used (by %) and their country of origin?**

In line with its sustainability policy, whose governing principle is the contribution to sustainable development through the use of renewable energies, Abengoa upholds an unquestionable commitment to being a global leader and point of reference in developing strategies to ensure sustainability in biofuel production, and consequently in the production of its raw material inputs.

This commitment is materialized in four strategic cornerstones:

- **Social Responsibility Code:** Within the framework of Abengoa's commitment to sustainability, for several years now, the company requires that its providers of raw material inputs sign up to its Social Responsibility Code, based on the international SA8000 Standard, which includes the commitment to compliance with and promotion of social, environmental and ethical aspects.

- **Greenhouse Gas (GHG) Emissions Inventory:** Abengoa likewise requests from its raw material input providers the information needed to identify the GHG emissions associated with their processes. Following the initial development stage and consolidation of this emissions inventory, the company will be in a position to carry out the process of abating the emissions linked to raw materials by selecting providers from among those suppliers with the lowest emissions levels, which will translate into fostering environmentally-responsible conduct among the company's providers.
- **Voluntary Scheme for sustainability verification:** Through the legal framework afforded by the Renewable Energy Directive (RED), Abengoa developed a Voluntary Scheme (VS) for verifying the sustainability of the biofuels it produces, referred to as the RBSA Standard, and which is currently in the process of approval and global implementation in the group's companies in Europe and the United States.

This standard establishes obligations for economic operators consisting of making sure that:

- Feedstock production areas are not located in areas with high biodiversity or in carbon reserves.
- Once it has been marketed, the biofuel offers GHG emissions savings that surpass the thresholds established under said regulations. These savings are computed through biofuel lifecycle assessment in comparison to the fossil fuel being substituted, with there being a direct relationship to inputs throughout the process (primarily involving fertilizer use in agricultural production).
- Data associated with the biofuel produced can be traced back to the feedstock of origin using a Mass Balance System.

These requirements apply to the entire production chain, from agricultural production to the end consumer, within a global geographical sphere. The process of formal approval of the RBSA Standard within the RED framework is currently under way, under the responsibility of the Directorate-General for Energy (DGEN) of the European Commission.

#### **The RBSA Standard is:**

- **Pioneer:** To date only 5 or 6 other VSs have been presented, among which only two of them involve private initiative, as is the RBSA Standard.
- **Voluntary:** transcending the legal compliance that could be achieved by merely providing information on sustainability in accordance with national laws and decrees associated with the RED and whose assurances of quality will in theory be lower. In this sense, it should be pointed out that Abengoa has proposed as a requirement within its standard the obligation for all suppliers to verify a prior external certification with respect to fulfillment of the sustainability requirements included under the same, which means that the company transfers this level of commitment and stringency with respect to sustainability to the supply chain.
- **Demanding:** The European Commission has established a thoroughly groundbreaking sustainability regime for any economy activity through the RED, set in motion by the DGEN. It is precisely this directorate-general which is the body in charge of evaluation and validation for legal purposes of the RBSA Standard, which, following approval and subsequent formal ratification by the European Parliament, will render the most stringent standard of approval currently available in the realm of biofuel sustainability.
- **Global:** Although the RBSA Standard is currently in the process of being approved, Abengoa has already implemented the procedures and technological solutions included under the same in its European companies (under way in the United States), in anticipation of definitive adoption in 2011, for the eventual extension expected to include operations in Brazil.
- **Committed to the supply chain:** Implementation of the RBSA Standard in the supply chain entails intensive training and instruction effort, which is being conducted through the development of explanatory documentation, meetings aimed at dissemination, promotional seminars, and the development of technological solutions, mainly for carrying out the computation of GHG emissions among feedstock providers, in order to facilitate practical implementation.



Raw material diversification through research and development: Abengoa Bioenergy's Research and Development Division has a demanding scientific and technological program aimed at the pursuit and development of innovative technological solutions to diversify supply sources (biofuel and power production), primarily through the development of solutions for the use of lignocellulosic biomass obtained from enzymatic hydrolysis and gasification technologies, in addition to integration thereof under the biorefinery concept.

In addition to the strategies outlined above, we may point out two specific initiatives carried out by Abengoa Bioenergy in the area described:

- In relation to the regulations in force in Germany, Abengoa Bioenergy Netherlands and Abengoa Bioenergy France were certified under one of the mandatory systems (International Sustainability Carbon Certification) in order to sell biofuel in Germany. Likewise, the chief ABF corn supplier was also certified under this system encompassing both environmental and social principles.
- Promotion of sustainability in Brazil has particularly materialized through changes in labor practices associated with cane-cutting mechanization. This has led to improved employee working conditions and the complete elimination of burning sugar cane as an agricultural practice. Abengoa Bioenergy signed an agreement with the state of Sao Paulo to progressively eradicate this practice in 2014. There are also GIS-based technological solutions for planning and allocating spatial agricultural data on plots of land under the responsibility of Abengoa Bioenergy. These GIS solutions support other specific management software (SAP, for example) to enable suitable monitoring of agricultural inputs, such as, for example, fertilizer use.

As far as the feedstock breakdown is concerned, below are the data for 2010 in Abengoa's three main locations for producing biofuels:

- In **Europe**, there is greater variability in the feedstocks employed, in terms of both type as well as crop origin. The table below shows the detailed breakdown in 2010 (including the December estimation):

| Country of origin                   | Partial barley consumption by country % | Partial wheat consumption by country % | Partial corn consumption by country % | Total consumption by country % |
|-------------------------------------|---|--|---------------------------------------|--------------------------------|
| Germany                             | 0                                       | 1                                      | 0                                     | 1                              |
| Brazil                              | 0                                       | 0                                      | 3                                     | 2                              |
| Bulgaria                            | 0                                       | 9                                      | 4                                     | 5                              |
| Denmark                             | 0                                       | 21                                     | 0                                     | 6                              |
| Spain                               | 100                                     | 5                                      | 23                                    | 25                             |
| France                              | 0                                       | 0                                      | 50                                    | 31                             |
| Hungary                             | 0                                       | 0                                      | 7                                     | 4                              |
| Romania                             | 0                                       | 6                                      | 3                                     | 4                              |
| Serbia                              | 0                                       | 0                                      | 2                                     | 1                              |
| Ukraine                             | 0                                       | 3                                      | 8                                     | 6                              |
| U.K.                                | 0                                       | 54                                     | 0                                     | 15                             |
| Total consumption by grain type (%) | <b>9</b>                                | <b>28</b>                              | <b>63</b>                             | <b>100</b>                     |

- In the **United States**, all feedstocks employed come from local production, with a corn consumption figure of 87 %, and the remaining 13 % in sorghum support with respect to estimated installed capacity in 2011.
- The only agricultural input utilized in **Brazil** is autochthonous sugar cane.

#### Social issues

### 9. Does the company have minimum criteria for HR policies which are applicable to all Abengoa companies around the world, and does the company have plans to extend SA 8000 certification to its main businesses, particularly to its construction activities?

Abengoa's principles and policies are specified in the Common Management Systems that apply without exception to the entire company and which are of mandatory compliance for all employees. Specifically, Norm 04 sets down the guidelines to be followed in terms of company human resource matters and includes, among other contents, the Equality Framework Plan, policy on Social and Labor-Related Responsibility, hiring, promotions and training, Code of Conduct.

Abengoa's corporate area presently holds **SA8000 certification**, which validates all company structure, policies and management procedures.

The group also has companies in the process of being certified in Brazil, France, Mexico, and Peru. While SA8000-certification is not currently required of group companies, implementation of a Social Responsibility Management System (SRMS), inspired by the model established under this standard, is mandatory. Compliance with this system is obligatory for all group companies and is audited internally.

### 10. Suppliers are required to sign up to the company's code of conduct. Can Abengoa provide details of any suppliers disqualified as a result of non-compliance with this code?

In order to work for Abengoa, companies that make up the group's supply chain are required to sign a social responsibility code based on the International SA 8000 Standard, through which they undertake a commitment to fulfill all requirements pertaining to social and environmental responsibility set forth in the United Nations Global Compact and by means of which they agree to possible inspections of their facilities.

In the event that Abengoa has knowledge of non-compliance with this code, the company reserves the right to terminate the relationship with the supplier until the latter has duly resolved the situation. In May 2010, for example, Abengoa excluded from the supply chain Indonesian group Sinar Mas, a leading producer of palm oil, in light of evidence that that company engaged in unsustainable environmental practices.

### What is the whistleblower function? Can the company indicate whether it operates effectively?

Abengoa has made **two whistleblower** channels available to its stakeholders, one internal and the other external, so that these stakeholders may inform the company regarding potential irregularities detected within the organization.

The **internal channel** is intended solely for employee use and is available to all personnel through the corporate intranet. This channel enables employees to report any potential irregularity involving accounting, auditing, or failure to comply with the Abengoa code of conduct. Claims are treated with the utmost confidentiality and may even be submitted anonymously.

The primary objective of the whistleblower channel is none other than that of establishing an effective direct line of communication to make known to the company any concerns or irregularities related to financial statements, internal reports, accounting matters, internal control over financial information disclosed, internal auditing issues, or any other fraudulent act that may affect Abengoa and its subsidiaries.

Additionally, in 2009, Abengoa implemented a whistleblower protocol for detecting harassment in the workplace in order to deal with any potentially discriminatory situation within the company.

This protocol treats both whistleblower procedures as well as the definition of situations that may constitute harassment, and is executed in accordance with the principles of confidentiality, credibility and timeliness in order to ensure and protect the privacy, dignity and rights of company employees.

Abengoa makes the existence of the internal whistleblower channel known to all employees upon being hired through the Norms of Obligatory Compliance (NOC); through ongoing communication via the corporate internal Web site; and on an annual basis through training courses administered to all employees on the Common Management Systems.

The **external channel**, on the other hand, is available to any third party outside of the company with the purpose of calling attention to potential irregularities, fraudulent acts or violations of the Abengoa code of conduct.

In 2010, Abengoa set up this specific channel that may be accessed through the corporate Web site ([www.abengoa.com](http://www.abengoa.com)).

Abengoa's objective in creating this external channel is to provide third parties with a tool to facilitate direct communication with management and governing bodies and to serve as an instrument to address any potential irregularity, non-compliance or conduct in violation of ethics, lawfulness or the norms governing the organization.

Abengoa makes sure that this procedure is made known to all company collaborators.

For all claims submitted, there is a structured process in place that is monitored by Internal Auditing and the General Secretariat to ensure,

- performance of appropriate independent analysis of claims reported,
- confidentiality of both the claimant and the claims reported; and
- absence of direct or indirect retaliation against the whistleblower.

All cases are examined and reported to the Audit Committee, and, depending on each one, brought to the attention of the pertinent administrative authorities. For reasons of confidentiality, Abengoa does not disclose aggregated information.

Implementation of this channel reflects the recommendations for better corporate governance practices and Abengoa's commitment to rigor and transparency in conducting its business.





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## Environment

**Campus Palmas Altas** won first prize at the **2010 Prime Property Awards** for Sustainable Real Estate Investment from Union Investment Real Estate AG, and also the **Award for Architectural Excellence** from the Royal Institute of British Architects (RIBA), the British equivalent to the Spanish Consejo de Arquitectos. These awards can be added to the LEED Platinum pre-certification secured in 2009.

Prime Property  
Award 2010



**Abengoa** received special mention for its commitment to sustainable development, renewable energies and the struggle against climate change at Seville Economy Night (**Noche de la Economía Sevillana**), an event organized by the Seville Chamber of Commerce and the Business Confederation of Seville (Confederación de Empresarios de Sevilla, or CES).

**Abengoa's leadership** in the renewable energy sector received recognition at the 2010 Andalusian Environment Awards (**Premios Andalucía de Medio Ambiente**), staged by the **Regional Government of Andalusia (Junta de Andalucía)**.

Andalusian Environment  
Awards 2010



**Abengoa Bioenergy** received the **Sustainable Bioethanol Award** at the **World Biofuels Markets** Conference for its sterling work in helping to promote sustainability and greenhouse gas measurement and reduction, and for the environmental and social benefits of the company's operations and technology.

For the second straight year, **Abengoa Bioenergy** received the **Transportation Security Award** from CSX Transportation for its safe loading and maintenance practices in transporting hazardous substances.

**Abengoa Bioenergy** of Illinois received the **Southwestern Illinois Award** from the Leadership Council of Southwestern Illinois for its dominant position in sustainable biofuel technology.

**Befesa Water's** desalination plant in Qingdao (China) won a special award from Global Water Intelligence magazine for the **Best Project of 2009**.



Global Water Intelligence  
Award

**Befesa Infrastructure India Agua** secured an award from the prestigious global consultancy firm Frost & Sullivan under the **Municipal Environmental Activity in India category**. The company has been working on a desalination plant in Chennai capable of desalinating an impressive 100,000 m<sup>3</sup> of water per day.

**Inabensa** earned **recognition from the Regional Government of Catalonia** for the company's involvement in construction work on the first section of Line 9 of the Barcelona subway system.

## Innovation

**Abengoa Solar** received the **CSP Today Award** for the greatest achievement of the year in emerging markets as a result of the Shams-1 project.

**Telvent** was a finalist at **the Digital Innovation Awards** staged by the Barcelona Digital technology center in recognition of the most innovative business ideas and projects.



**Abengoa Perú** received the **National Quality Prize** from the National Society of Industries (Sociedad Nacional de Industrias). Abengoa Peru thus became the first construction company to earn this recognition.

Premio Nacional  
 a la Calidad



## Management

The Spanish Management Excellence Club (Club de Excelencia en Gestión) awarded **Abengoa's** corporate-level human resources company (Girh) the **+500 EFQM** (European Foundation for Quality Management) **Gold Seal for European Excellence**. This accolade is awarded to companies and organizations that apply management principles based on quality and excellence as their chosen strategy on the path toward continuous improvement.



Gold Seal of European  
 Excellence +500 EFQM  
 (European Foundation for  
 Quality Management)

**Befesa Agua** received official recognition from the top-tier global consultancy firm Frost & Sullivan under the category **Leadership in Competitive Strategy in the Global Desalination Market**.

**Abener** received the **X Andalusian Excellence Award** (Premio Andaluz a la Excelencia) at the contest promoted by the Regional Ministry of the Economy, Innovation and Science in collaboration with the Andalusian Center for Excellence in Management (Centro Andaluz para la Excelencia en la Gestión).



X Andalusian  
 Excellence Award



As a result of work conducted with Huawei, **Instalaciones Inabensa** received the **Outstanding Technologies Partner** Award for development, capability and technological cooperation. The company also won the **European Partner Award**, thereby cementing the company's position as one of Huawei's most trusted partners in Europe.

**Inabensa Tianjin (China)** was named Best Supplier of the Year by General Electric.

**Abengoa Chile** received the **One Million Accident-Free Occupational Man-Hours** award from the occupational safety mutual insurance firm attached to the Chilean Chamber of Construction (Cámara Chilena de la Construcción).

**Abengoa Chile** was listed on the **Honor Roll** for its management of occupational risk prevention by the General Contractors Committee of the Chilean Chamber of Construction.

**Telvent** was presented with a **trophy** from CA Metro Valencia (Venezuela) for the company's ongoing supplier support in the projects undertaken.

## Communication

**Abengoa** received **honorary mention** at the **IX edition** of the **Spanish Company with the Best Online Financial Information. Corporate Transparency and Reliability** event, organized by the Spanish Association of Accounting and Business Administration (Asociación Española de Contabilidad y Administración, or AECA), in recognition of the quality of the financial information available on the company's website.

Telvent DTN's Progressive Farmer publication won two **Jesse H. Neal National Business Awards** and no less than seventeen prizes from the **North American Agricultural Journalists Association (NAAJ)**. It also achieved recognition from the **ASBPE** (American Society of Business Publication Editors), as well as the **Star Prize for Broadcasting** from the **IFAJ** (International Federation of Agricultural Journalists).

## Society

**Abengoa** received an award from the El Correo de Andalucía newspaper in the business category for the company's **contribution to Sevillian society**.

**Abengoa Bioenergy** was one of the chosen winners at the St. Louis Chamber of Commerce (North America) **St. Louis Top 50 Awards** for its valuable contribution to the region's economy.

**Abengoa Bioenergy** also secured an **Economic Development in Illinois Award (EDIE)** from the Illinois Chamber of Commerce for its work on the Madison plant, a project that has created new jobs, boosting the state economy.



Honorary mention at the IX Spanish Company with the Best Online Financial Information



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## Focus and Scope

True to the company's commitment to transparency, for the sixth consecutive year Abengoa has published its **Corporate Social Responsibility Report (CSRR)**, which is intended to provide a reliable and balanced reflection of the company's performance; the main social, economic and environmental impacts of its activity; as well as any other effects that may substantially influence stakeholder assessments and decisions.

Abengoa has prepared this report in accordance with the general principles defined in the G3 Guidelines of the Global Reporting Initiative (GRI), whose aim is to define a common structure for Corporate Social Responsibility reports by setting down guidelines in terms of content, scope and reach in order for readers to be able to compare the performance of different companies and to ensure the quality of the information disclosed.

The principles of the **AA1000AS** Standard, the leading global norm for sustainability assurance, lends quality and accuracy to the information contained in the CSRR, helping Abengoa to gain transparency and thereby build confidence among its stakeholders.

Another objective involved in the process of preparing this CSRR was to report on Abengoa's engagement with the **United Nations Global Compact**, the ten principles of which govern company performance, activity and strategy. Respect for human, labor-related and environmental rights and anti-corruption are the guiding principles of the sustainable business model driving Abengoa forward in the 70-plus countries in which it operates.

Abengoa has devised a Corporate Social Responsibility Management System that reflects the guidelines contained within the "Guidance on Social Responsibility" of the **ISO 26000:2010** international standard. This non-auditable benchmark provides companies with guidance on the principles underpinning social responsibility and how to recognize them. It also embraces the involvement of interested parties and the inclusion of the material matters and issues that make up this social responsibility (corporate governance, human rights, labor practices, environmental affairs, fair operating practices, consumer affairs and active consumer participation, and development of the community), and addresses how to integrate socially responsible conduct within the company. At Abengoa, this guidance is mirrored in the internal rule on corporate social responsibility (NOC-10-003), which includes and references the following Common Management Systems envisaging Abengoa's management policies, procedures, guidelines, tools and protocols, and which are binding throughout the entire company:

- **NOC-04, on Human Resources**, contains all aspects relating to policies, principles and commitments concerning labor practices, human rights, diversity, equality, staff training, industrial relations, professional development and remuneration, occupational risk prevention, the labor-related social responsibility management system, the Code of Conduct, and the whistleblower channel, among others.
- **NOC-05, on Quality and the Environment**, includes aspects relating to quality and customer relations management, management of environmental affairs, preparation of the greenhouse gas emissions inventory, and the Social Responsibility Code for suppliers, among others.
- **NOC-08, on Consolidation, Auditing and Fiscal Management**, encompasses all aspects relating to internal auditing and control, the audit committee, corporate governance, and transparency and anti-corruption practices, among others.
- **NOC-03, on Management of Legal Affairs, Risk Analysis and Insurance**, embraces aspects relating to compliance with applicable law, risk analysis and management (including sustainability and corporate social responsibility risks), contractual relations with suppliers and partners, and good governance, among others.
- **NOC-10, on Corporate Identity and Communication**, includes all aspects relating to CSR management and strategy, the associated reporting and audit system, disclosure of performance in relation to sustainability and CSR, the analysis of relevant issues, and the management of social action, among others.



Unless otherwise indicated in the text, the performance indicators cover the activities of all Abengoa companies in 2010, insofar as such activities have a significant social, environmental or economic impact and provided Abengoa has effective control over their management. Due to acquisitions and divestitures realized over the course of 2010, the scope of the report is not identical to that of 2009. The list of companies involved is provided in **Appendix A**.

## Verification

In order to facilitate disclosure of the company's performance, in 2008 Abengoa drew up and implemented a Corporate Social Responsibility (CSR) reporting system that seeks to render reliable consolidated data on relevant quantitative and qualitative indicators pertaining to CSR so that they may be suitably managed and made known to company stakeholders.

Information reliability requires systematic consistency in the consolidated data, which must be traceable or reconstructible, accurate and complete in identifying and taking all relevant data sources into consideration. Accordingly, Abengoa has effective internal control mechanisms in place to help prevent, detect and rectify significant errors in the data disclosed. All information systems from which the indicators included in this report were obtained underwent rigorous processes of internal and external control, supervision and auditing.

The firm PwC, as an independent external verifier, audited the report in order to verify correct implementation of the **AA1000 Assurance Standard** (2008) and version 3 of the Global Reporting Initiative Guide (**GRI G3**), in accordance with Level A requirements. The methodology followed for the review process was defined according to the stipulations of the **ISAE 3000** (International Standard for Assurance Engagements other than Audits or Reviews of Historical Financial Information).

The audit was conducted with a reasonable degree of assurance for all of the principal and additional GRI-G3 indicators. Sufficient proof was obtained to reduce the risk of material error to an acceptably low level. The corresponding verification report<sup>1</sup> outlines the scope of the work conducted, as well as the conclusions reached.

Application of the principles of the AccountAbility **AA1000APS** (2008) standard was likewise verified, rendering high assurance in accordance with Type-2 assurance requirements<sup>2</sup>.

In similar fashion, **PwC** reviewed how well the Corporate Social Responsibility Management System in place at Abengoa reflects the guidance and recommendations contained within the **ISO 26000:2010** international standard.

The report was also reviewed by the **Global Reporting Initiative** and by Abengoa management, and received a grade of **A+**.

### Application Level

Assurance Standard  
AA1000



GRI



External Verification



<sup>1</sup> See chapter titled Verification Reports

<sup>2</sup> The assurance provider evaluates the scope and nature of the AccountAbility AA1000 principles and the reliability of specific information pertaining to sustainability performance

## Principles Governing Report Preparation

Abengoa's approach to determining relevant issues is to apply the three principles defined under the AA1000 AS Standard (2008): inclusivity, relevance, and responsiveness; as well as the four GRI principles: **materiality**, **stakeholder inclusiveness**, **sustainability context**, and **completeness**. These principles are intertwined, and from among them the principle of materiality has been chosen to underpin the three other principles.

### GRI-based Principles for Determining Report Content

#### Materiality

Information is considered material if the omission or distortion thereof may have an effect on the decisions or actions of the stakeholders of the reporting organization. Materiality therefore refers to the relevance for the business of the different aspects related to sustainability.

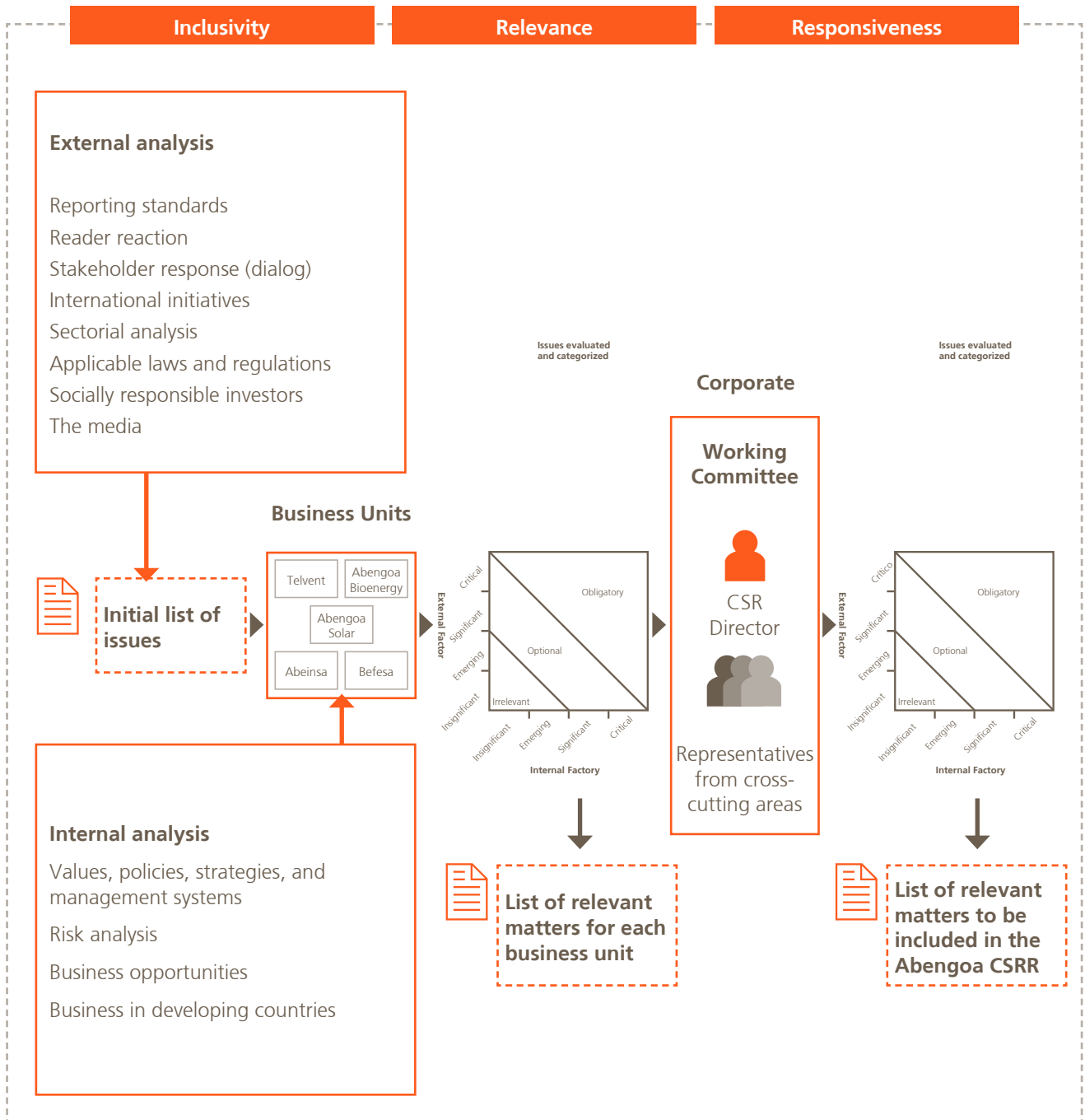
Accordingly, the information contained in the CSRR 2010 covers aspects and indicators that reflect the company's **significant social, environmental and economic impacts** or those which may have substantial influence on stakeholder evaluations and decisions.

In 2010, Abengoa conducted an analysis of materiality through a **procedure for determining relevant CSR matters** centered on two bases for analysis that subsequently intersect to obtain the final result. These two bases for analysis are external factors (those related to the expectations of Abengoa's stakeholders and the importance the latter attach to the different matters) and internal factors (which determine the significance of different issues for the business, company management, and, ultimately, in fulfilling business strategy). Employing both perspectives is essential to upholding the principle of inclusivity defined under the AA1000 AS Standard (2008).

The following sources were taken into account in preparing the list of external factors:

- **International reporting standards**, consisting primarily of the [GRI](#) and [AA1000 AS \(2008\)](#).
- **Sector analysis**, benchmarking, and analysis of the main national and international homologous and competing companies to identify those that may be considered CSR leaders with the aim of determining the main challenges for the relevant sectors in the different chapters of the CSRR.
- The [DJSI](#) and the [FTSE4Good](#), which track the most important issues for socially responsible stakeholders, thereby helping to anticipate future challenges.
- **International initiatives**, including the [United Nations Global Compact](#) and [Caring for Climate](#). These and other voluntary agreements embrace a series of principles that demand certain commitments from the company, which are evaluated on an annual basis and enable the company to identify new material issues.
- **Analysis of reader response to last year's report** submitted through the communication channels made available for this purpose.
- **Periodic review of prevailing legislation**.
- **The media**; through an analysis of Abengoa's exposure in both the media and communications of homologous and competing companies, the company has identified those positive and negative CSR-related matters that received the most media coverage.

To select internal factors, a committee was set up, composed of thirteen employees from representative company areas and presided over by the head of Corporate Social Responsibility. The committee, by secret ballot, selected a number of internal issues (related to company values, policies, strategies and also staff concerns) and analyzed the degree of materiality of each issue, along with the materiality of the external factors and the relevant issues extracted from analogous procedures conducted in the Abengoa business units. A prioritized list was then drawn up after taking into account the nature and dimension of each aspect analyzed.



\*Scheme outlining Abengoa's procedure for determining Relevant CSR-Related Matters

## Relevant CSR-related matters in 2010 - Results

| Matter   | Monitoring indicator                                 |
|--|--|
| Reputation and recognition   | 2.10   |
| Crisis and risk management   | 4.11, SO2,P10C311,                                   |
| CSR in new business areas  | P1C211, P2C211, P2C312,                              |
| Environmental objectives*  | 1.1, 1.2, P8,C2,I3                                   |
| External verification of environmental data  | 3.13,  |
| Water consumption  | EN3, EN4, EN8, P8C5I2,                               |
| Selection criteria in material procurement   | EN29   |
| Energy consumption   | EN3, EN4, EN8, P8C5I2,                               |
| Specific energy efficiency-related initiatives and plans                                     | P9C211   |
| Atmospheric emissions*   | EN16, EN17, EN19, EN20, P7C7I2,P8C9I1,               |
| Research into sustainability technologies*   | P9C2I2   |
| Waste generation and management  | EN22, EN24, P8C10I1, P7C2I2, P8C10I1,                |
| Dump generation and management   | EN22, EN24, P8C10I1, P7C2I2, P8C10I1,                |
| CO <sub>2</sub> emissions*   | EN20, P7C2I2, P8C6I1,                                |
| CO <sub>2</sub> emission reduction targets   | EN20, P7C2I2, P8C6I1,                                |
| Carbon-related risk assessment   | P8C2I4,  |
| Company policies established for dealing with climate change                                 | EC2, EN18  |
| The future of renewable energies*  | EN6  |
| Treatment by suppliers and customers of greenhouse gas emissions                             | EN20, P7C2I2, P8C6I1,                                |
| Impact on biodiversity   | EN11, EN12, EN13, EN14                               |
| Biodiversity management  | EN11, EN12, EN13, EN14, P7C2I2                       |
| Projects and measures to help protect the environment during construction and operation work | P7C2I2   |
| Biofuel sustainability   | EN6  |
| Local impact (communication with communities, etc.)  | SO1, P1C6I1,   |
| Health and safety performance*   | LA6, LA7, LA8, LA9, P4C2I2, P2C211,                  |
| Accident reduction targets   | LA7, LA9   |
| Fostering diversity and equality between men and women*                                      | HR4, P6C2I1, P6C2I3, P6C1I1, P6C2I1, P6C3I1,         |
| Availability of confidential employee channels*  | 4.14, P1C3I1, P3C2I1, P3C3I1, P6C1I1,                |
| Job creation*  | LA1, LA2   |
| Training programs: Courses and training initiatives created for employees                    | LA10   |
| Technical training courses for potential employees   | LA10   |
| Work-family life balance (schedule flexibility, telecommuting)*                              | P1C1I1, P4C2I2,                                      |
| Company career plan and professional development*  | LA11   |
| Work stability in times of crisis*   | LA1, LA2, LA3, LA10, LA11, LA12, L11, L12, L13, L14, |
| Attracting, developing and retaining talent*   | LA11,P4C2I2,   |
| Investor and capital provider relations*   | 4.4, 4.14, P10C211, P2C3I2,                          |



| Matter  | Monitoring indicator  |
|---|---|
| Reputation, outside communications, corporate image. Recognition by industries, stakeholders, investors, and society at large | PR6   |
| Environmental, social and economic sustainability of Abengoa's business   | EN10, EN11, 2.5, 1.1, P7C111, P7C212, P7C211, P8C214, P8C411, P8C211, P8C212, P8C311, P8C512, P8C513, P8C514, P8C611, P8C711, P8C911, P8C912, P8C1011, P8C1012, P8C1013, P8C1111, P8C1112, P8C1211, |
| Dependence of the business on sector regulation by public bodies  | SO5, SO6  |
| Work and family life balance and work flexibility through communication based on trust  | P1C111, P4C212  |
| Equality in terms of female representation  | HR4, P4C212, P5C211, P6C212, P6C111, P6C213   |

All relevant issues tagged as critical have been added to the contents of this report. These matters will be followed up on by the committee and monitored by company management.

## Stakeholder Inclusiveness

This principle dictates that the reporting organization show in its report the measures implemented in response to **stakeholder** concerns and interests.

Abengoa, during the process of preparing and developing its **executive CSR plan**, identified approximately one hundred key stakeholder opinion leaders with the purpose of finding out their expectations and perceptions. Stakeholder consultation is aimed at ascertaining the importance of the challenges identified, the perception of Abengoa's performance with respect to each issue, and the current status of those issues tagged as significant.

Furthermore, to complement the **analysis of CSR-related** relevant issues, Abengoa is presently immersed in a process of consulting experts from top-tier organizations in order to delve deeper into those issues related to Corporate Social Responsibility tagged as material for the company. Through this process, Abengoa seeks to gain first-hand knowledge of the challenges and trends characterizing the key issues identified, in addition to external, independent and acknowledged perception of the company's performance in managing these issues.

For the third consecutive year, Abengoa has undergone an evaluation **by an Independent Panel of Experts on Sustainable Development (IPESD)**, up of independent made professionals of international renown in the environmental, social and economic spheres.

This panel voices the perspectives and opinions of Abengoa's stakeholders in order to make sure that the company is reporting information related to the issues they find relevant, while providing recommendations on how the company should address these matters. To this end, the members of the panel conducted an analytical review of the CSRR published by Abengoa in 2009 with the aim of fostering information transparency by participating in an open dialogue between the company and its stakeholders, and by issuing their evaluation of the materiality of the company's CSRR and the solutions provided to its stakeholders. The responses provided by Abengoa to the questions formulated by the IPESD were verified externally and obtained a reasonable level of assurance.

The members of the IPESD are Antonio Vives, Charles Donovan, Francesca Broadbent, Jermyn Brooks, Matthew Bateson, and Sol Iglesias.

All are independent experts of considerable renown and with proven track records in sustainable development, whose aim is to reflect the views and concerns of society in the report.

### Sustainability Context

The reporting organization should present its **performance** within the broadest context of sustainability. Information on performance should be put into context. The question underlying sustainability reporting is the way in which the organization contributes, or plans to contribute in the future, to the improvement or deterioration of economic, environmental and social trends, developments, and conditions at the local, regional, or global level.

Abengoa is an international company that applies innovative technological solutions for sustainable development, and, throughout the report, evaluates company performance within the context of its contribution to its stakeholders, to the communities where it has a presence, and to the environment.

Abengoa has been a very active company in terms of **communicating and propagating** initiatives associated with sustainability. In 2010, seminars were organized around themes such as climate change, sustainability and renewable energies; forums for heightening social awareness were promoted, such as the [Focus-Abengoa Forum on Energy and Climate Change](#); numerous articles were published internally and externally on these subjects. These were distributed to different company stakeholders and also included on the website. The contents are based on the cornerstones of the company's business model: Environmental sustainability, social responsibility, and transparency and rigor in management. The company also features a [corporate blog](#) consisting of opinion articles through which to share the company's views on a host of matters related to sustainability with the rest of the community. This blog, accessible through the [corporate website \(blog.abengoa.com\)](#), is open to comments from any reader with the aim of encouraging dialogue with all **stakeholders**.

### Completeness

Completeness refers to suitable coverage of the indicators and material aspects, in order for them to reflect significant social, economic and environmental impacts and enable stakeholders to assess the performance of the reporting organization during the period covered by the report.

The aim of the report is to reflect, in sufficient detail, the intrinsic implications, risks and challenges associated with each line of the company's business, making information accessible to a **wide-ranging and heterogeneous audience**. The document gives greater priority to certain aspects, in accordance with the materiality matrix drawn up from the analysis of relevant issues, and is complemented by case studies and specific examples. For ease in understanding the text and finding information, and with a view to standardizing the way it is presented, a common structure was devised for all chapters and sections of the report.

Indicator coverage, embracing all entities whose performance is described in the report, extends to all Abengoa subsidiaries, including joint ventures, operating on the five continents, provided Abengoa has effective control of their management. Appendix A lists those companies included within the report scope. Any additional exclusions will be specified accordingly in the indicator itself.

## Principles Regarding the Quality of the Information Disclosed in Accordance with the GRI

In preparing this report, every effort has been made to disclose information in line with the quality standards laid down by the GRI.

### Balance

The report should reflect positive and negative aspects to enable a reasonable assessment of company performance.

**The 2010 report provides** data on positive and improvable aspects of performance, as well as challenges facing the company. The process of identifying material issues (see section on materiality) also contributes to compliance therewith. In addition, the incorporation of the opinions and questions of the Independent Panel of Experts on Sustainable Development, along with the corresponding answers, allows the reader to gain an understanding of the perception of company performance held by society at large.

### Comparability

The report should enable readers to analyze performance and change, and therefore includes a comparison with the last reporting period and also indicates any changes in computation methods.

### Accuracy

The report should be sufficiently accurate and detailed to be able to evaluate the performance of the reporting organization.

The objective was to be **accountable at the highest level of application, A+**, and where appropriate, provide an explanation when certain indicators do not apply, are not available or when they refer only to parts of the company.

The verification process to which this report was submitted ensures the accuracy of quantitative data and provides proof and appropriate context for the qualitative information.

### Timeliness

The report must be published on **time according to a regular schedule** so that stakeholders may make decisions based on the right information.

**Abengoa has been publishing its Corporate Social Responsibility Report annually since 2004.** These reports are available from the company's website ([www.abengoa.com](http://www.abengoa.com)).

### Clarity

The information should be presented in a way that is **understandable and accessible**.

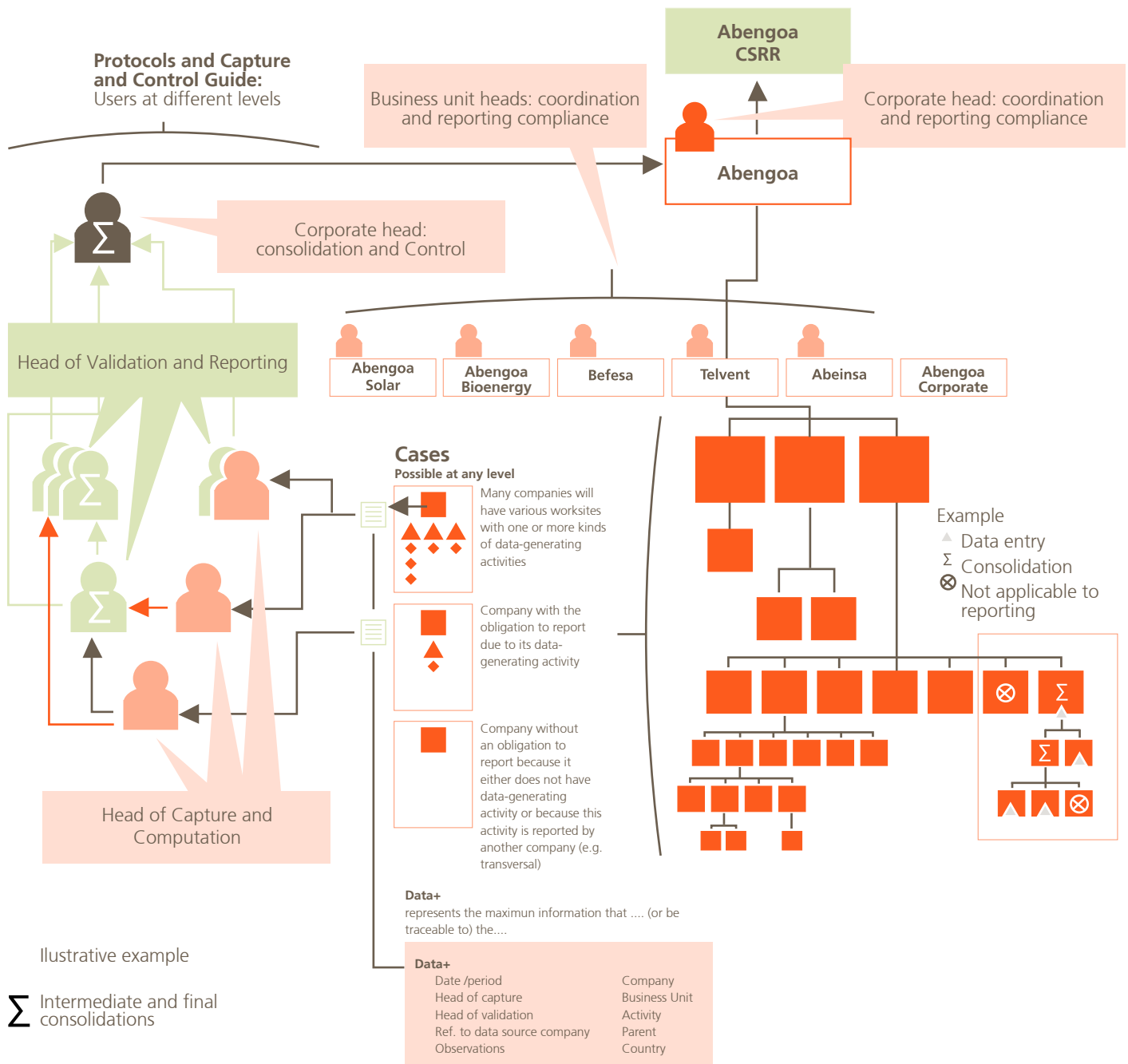
Abengoa publishes a digital edition of the report, which the public can access through the corporate website: [annualreport.abengoa.com](http://annualreport.abengoa.com). The company also distributes the report to its shareholders, key customers, the media, responsible investment institutions, and to any other interested parties.

The CSRR was prepared with due regard to the recommendations from stakeholders on presentation of information. This report also includes a glossary of technical terms and terms that readers may be less familiar with.

## Reliability

The information and procedures followed in preparing a report must be gathered, recorded, compiled, analyzed and presented such that it can be subsequently examined and **the quality and materiality of the information included in the report determined.**

The following chart explains the procedure for consolidating information:



In line with its commitment to transparency, Abengoa required independent third-party verification of the economic, social and environmental information contained in this report. The scope, work description and conclusions of this verification are found in the appendix titled Report Verification.



## Principles of the AA1000APS Standard (2008)

The principles established under the **AA1000APS Accountability Standard (2008)** require that the organization be actively involved with its stakeholders, identifying and fully understanding the sustainability aspects that will have an impact on performance, before then using this knowledge to develop responsible business strategies and performance objectives. These principles therefore enable the organization to focus on what is relevant, providing a framework for determining and responding to opportunities, in addition to undertaking risk management and compliance with non-financial aspects.

The three principles of the AA1000APS Standard (2008) are as follows:

### Inclusivity

The basic principle of inclusivity refers to **stakeholder participation** in developing and achieving a responsible and strategic response to sustainability. Inclusivity requires a defined process of involvement and participation, which gives rise to strategies, plans and actions that address issues, needs and expectations from the perspective of responsibility<sup>3</sup>.

### Materiality

The principle of materiality involves **determining the significance and importance of an issue for the organization** and its stakeholders. This demands that a process be in place to incorporate and subsequently analyze the information in a thorough and balanced manner<sup>4</sup>.

### Responsiveness

This reflects the way in which an organization responds to its stakeholders and upholds its responsibility to them. This translates into establishing policies, goals and objectives and action plans, and measuring and monitoring performance or assurance<sup>5</sup>.

## Queries and Further Information

This CSR Report is available from the following website: [www.abengoa.com](http://www.abengoa.com).

Your opinion matters to us by helping us to improve each year. Comments regarding Abengoa's CSRR or company policy on Corporate Social Responsibility may be sent to the CSR mailbox ([rsc@abengoa.com](mailto:rsc@abengoa.com)).

You can also let us know your opinion by taking the CSSR survey, available solely via the browsable online version of this report, or by sending in your comments to the following postal address:

### Departamento de Responsabilidad Social Corporativa

Campus Palmas Altas  
Parcela ZE-3 (Palmas Altas)  
Seville, Spain 41012

<sup>3</sup> See chapter titled Committed to CSR/Stakeholder Dialog

<sup>4</sup> See procedure for analyzing relevant CSR issues described above

<sup>5</sup> See chapter titled Committed to CSR



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| <b>Independent Assurance Report on the CSR Report 2010</b> | <b>240</b> |



*A free translation from the original in Spanish. In the event of a discrepancy, the Spanish language version prevails.*

**INDEPENDENT ASSURANCE REPORT ON THE  
2010 CORPORATE SOCIAL RESPONSIBILITY REPORT**

To the Board of Directors of Abengoa, S.A.:

**Scope of our work**

We have been engaged by the Board of Directors of Abengoa, S.A. to verify with reasonable assurance the following aspects of the 2010 Corporate Social Responsibility Report (hereon, the 2010 CSRR) of Abengoa, S.A. and its Group companies (hereon Abengoa) for the year ended 31 December 2010:

- the core and additional performance indicators for FY 2010 (referred to on pages 248 to 253 of the 2010 CSRR) proposed in the Sustainability Reporting Guidelines of the Global Reporting Initiative (GRI) version 3.0 (G3) (hereon, GRI-G3 Guidelines), in accordance with Abengoa's Corporate Social Responsibility reporting system.
- the adaptation of the contents of the 2010 CSRR to the principles of inclusivity, materiality and responsiveness set down under Standard AA1000 *AccountAbility Principles Standard 2008* issued by AccountAbility, *Institute of Social and Ethical Accountability* (hereon, AA1000APS (2008)), as described on page 233 of the 2010 CSRR.
- the information used by Abengoa to respond to the questions posed by an Independent Panel of Experts in Sustainable Development (hereon IPESD), included in Abengoa's 2010 CSRR, as described on pages 229 to 230 and 207 to 215 of the 2010 CSRR.
- the adaptation of the CSR Management System of Abengoa, referred to in its Internal Standard NOC-10/003, to ISO 26000:2010, *Guidance for Social Responsibility* (hereon ISO 26000), as described on page 224 of the 2010 CSRR.

The preparation of the 2010 CSRR and its contents and the preparation of the information that responds to the questions of the IPESD is the responsibility of Abengoa Management, which is also responsible for defining, adapting and maintaining the management and internal control systems from which the information is obtained and the systems for applying the principles of the AA1000APS (2008), as well as the preparation and updating of the CSR Management System in accordance with the guidelines of ISO 26000. Our responsibility is to issue an independent report based on the procedures applied during our review, which refers exclusively to the information for 2010. This report is issued in accordance with the terms and conditions of our engagement letter dated 30 September 2010.

**Criteria for performance of our verification**

We have carried out our work in accordance with ISAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* (hereon, ISAE3000) issued by the *International Auditing and Assurance Standard Board* (IAASB) of the *International Federation of Accountants* (IFAC), for a reasonable level of assurance that requires, for engagements of this type, verification

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procedures and the procurement of sufficient evidence that supports the information presented in order to reduce the risk of error or omission in said information to an acceptably low level. Furthermore, we have also carried out our work in accordance with *AA1000 Assurance Standard 2008* (hereon, *AA1000AS (2008)*), of *AccountAbility*, under a Type 2 high assurance engagement, which corresponds to reasonable assurance as per *ISAE 3000*.

Our reasonable assurance work has consisted of the formulation of queries presented to Management, and the different units of Abengoa that have participated in the preparation of the 2010 CSRR and in the design of the CSR Management System of Abengoa, and in the application of certain procedures that are broadly described below:

- Interviews with personnel of Abengoa responsible for compiling the information, for ascertaining the management principles and approaches applied in the preparation of the 2010 CSRR, and, specifically, the preparation of the core and additional performance indicators, obtaining the information required for our external verification.
- Analysis of the processes for compiling, validating and consolidated the information selected.
- Testing by sample of the IT and internal control systems in relation to the compilation of the selected indicators.
- Verification by substantive testing of the quantitative and qualitative information obtained from the indicators and its proper compilation. In the case of financial information relating to the EC1 and EC4 indicators, included in the 2010 CSRR, we have verified that they are obtained from the 2010 annual accounts of Abengoa audited by PwC, which issued an unqualified audit report dated 23 February 2011.
- Interviews with Abengoa personnel and management, both at the corporate and business group level, in order to ascertain the procedures, systems and management approaches in relation to the consideration and compliance of *AA1000APS (2008)* principles, and review of the opinions of external stakeholders and of the *IPESD*.
- Evaluation and sampling of the management practices and documentation available in relation to the systems of participation of the stakeholders and the communications and response processes in relation to the material issues.
- Interviews with the persons responsible for the preparation of the responses to the *IPESD* questions, verifying that the information in these responses is properly based on internal or third-party evidence and documents.
- Meetings with Abengoa personnel responsible for the preparation of the policies, management standards and procedures that make up Abengoa's CSR Management System in order to ascertain the management principles and approaches applied in its design, and obtain the information necessary for external verification.
- Review of the existence of policies, management standards and/or procedures, within Abengoa's CSR Management System, for each of the guidelines and recommendations under *ISO 26000* in the matters referring to organizational governance, human rights, labour practices, environment, fair operating practices, consumer issues, community involvement and development, and ways of integrating socially responsible behaviour in the organisation.

In relation to *ISO 26000*, this report in no way can be construed as certification thereof, in light of the fact that *ISO 26000* does not contain requirements but guidelines and recommendations, and is treated, therefore, by definition, as an uncertifiable standard.



### **Independence**

We have performed our work in accordance with the independence standards required by the Code of Ethics of the *International Federation of Accountants* (IFAC). Our work has been carried out by a team of sustainability specialists with a wide range of experience in the review of reports of this type.

### **Conclusion**

As a result of our work we can conclude that:

- The core and additional performance indicators for FY 2010 proposed in the GRI-G3, referred to on pages 248 to 253 of the 2010 CSRR, have been prepared reliably and appropriately, in all significant aspects, in accordance with Abengoa's CSR reporting system.
- The responses given by Abengoa to the queries formulated by the IPESD respond reliably and appropriately, in all significant aspects, to the evidence analysed.
- The 2010 CSRR has been prepared, in all material aspects, in accordance with the principles of inclusivity, materiality and responsiveness established under the AA1000APS (2008). Specifically:
  - In respect of the AA1000APS (2008) foundation principle of inclusivity, Abengoa Management has set up various processes of engagement and participation of its stakeholders, both at the corporate and different levels of the organisation, in order to include their expectations in the development of its sustainability strategy.
  - In respect of the AA1000APS (2008) principle of materiality, Abengoa Management has set up a structured proper system for identifying and prioritising the material sustainability issues that are relevant to the organisation and its stakeholders.
  - In respect of the AA1000APS (2008) principle of responsiveness, Abengoa Management has various processes for developing appropriate responses to the material issues and the expectations of the stakeholders.
- Abengoa's CSR Management System described on page 224 of the 2010 CSRR, has been prepared and adapted, in all significant aspects, to the guidelines of ISO 26000.

### **Recommendations**

On the basis of our verification, we bring to your attention various findings and recommendations that will be presented to Abengoa Management. We set out below a summary of the most significant recommendations for improving the application of the AA1000APS (2008) principles of inclusivity, materiality and responsiveness, which do not modify the conclusions expressed in our report.

#### **Inclusivity**

Abengoa maintains an ongoing dialogue with its stakeholders through different channels of communication and has systematic mechanisms for ascertaining their expectations and priorities. As part of this process, during 2009 and 2010, the Company has carried out surveys to find out the opinions of its main stakeholders and relevant key entities. Furthermore, Abengoa once again has had the collaboration in 2010 of an Independent Panel of Experts in Sustainable Development (IPESD) and has created an External International Advisory Board made up of persons with renowned careers and experience in economics and the environment. The function of this board is to guide the Board of Directors of the Group on matters related to activities abroad.

We recommend extending the analysis of stakeholders' expectations in order to include, with the same depth, all stakeholders and to cover new geographic areas in which the Group is operating, as well as



continuing to boost, systematise and prioritise dialogue that makes possible the direct involvement of the stakeholders in the development and scope of a responsible, strategic response to sustainability.

**Materiality**

In 2010 Abengoa has revised and improved its procedure for analysing material issues, extending it to all Abengoa's business groups individually. We recommend continuing to move forward within a system of effective prioritisation of the issues analysed. This will permit greater discrimination as to which areas require more resources and the periodical updating of the CSR executive plan, both at the corporate level and at the level of specific business groups and companies.

**Responsiveness**

In 2009 Abengoa prepared a CSR executive plan, which has begun expanding in 2010 across various Abengoa business companies. Additionally, Abengoa has reinforced and improved during 2010 its CSR reporting system through the development of an IT tool for obtaining CSR management information automatically, while continuing to work on the development of a balanced scorecard of Environmental Sustainability Indicators (ESI). We recommend continuing to foster transparency mechanisms in relation to both internal and external stakeholders. We also recommend using the developed CSR IT tool to monitor and communicate more frequently the CSR commitments through verified key indicators. Likewise, we recommend that Abengoa periodically update the CSR executive plans prepared at all levels in order to bring them into line with the possible changes in expectations of the stakeholders.

PricewaterhouseCoopers Auditores, S.L.

MªLuz Castilla  
Director  
23 February 2011





*A free translation from the original in Spanish. In the event of a discrepancy, the Spanish language version prevails.*

## INDEPENDENT ASSURANCE REPORT ON THE 2010 GREENHOUSE GAS EMISSIONS INVENTORY

To the Board of Directors of Abengoa, S.A.:

### Scope of our work

We have been engaged by the Board of Directors of Abengoa, S.A. to verify with reasonable assurance the *2010 Abengoa Greenhouse Gas (GHG) Emissions Inventory (Inventario GEI Sociedades Abengoa 2010)*, attached hereto as an appendix, dated 18 February 2011, of Abengoa S.A. and its Group companies (hereon, Abengoa), for the year ended 31 December 2010, in accordance with Abengoa's Internal Standard NOC-05/003 (described on pages 173 to 175 of Abengoa's 2010 Corporate Social Responsibility Report) for the preparation and calculation of the GHG Emissions Inventory.

Internal Standard NOC-05/003 sets down the procedures and specifications for the preparation and calculation of the emissions inventory of the Abengoa companies. The scope of NOC-05/003 affects the following business segments: production, construction and maintenance, offices, factories and warehouses and transport, and all GHG gases included in the Kyoto Protocol (carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride). NOC-05/003 also includes the direct and indirect emissions, relating to scopes 1, 2 and 3 indicated in the "*Greenhouse Gas Protocol, A corporate accounting and reporting standard*" prepared by the *World Business Council for Sustainable Development* and the *World Resources Institute*.

The preparation and the updating of the *2010 Abengoa GHG Emissions Inventory*, as per NOC-05/003 criteria, is the responsibility of Abengoa Management, which is also responsible for defining, implementing, adapting and maintaining the management systems and internal control from which the information is obtained for the performance of the GHG emissions inventory, as well as the processes and basis for its preparation.

Our responsibility is to issue an independent report on whether NOC-05/003 has been applied appropriately to the preparation of the *2010 Abengoa GHG Emissions Inventory*, based on the procedures used in our examination to verify the following:

- Whether Internal Standard NOC-05/003, approved by the Abengoa Management and applied to all its activities and companies, has been prepared in accordance with the provisions of the international standard ISO 14064-1 in respect of *Principles* (section 3), *GHG Inventory Design and Development* (section 4) and *Quantification of Direct and Indirect Emissions*, including those related to acquired goods and services (section 5.1 and Annex B).
- Whether the criteria for the preparation of the GHG emissions inventory set down in Internal Standard NOC-05/003 have been applied appropriately and consistently by Abengoa and its five business groups (Solar, Bioenergy, Engineering and Industrial Construction, Information Technologies and Environmental Services).

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- Whether the volume of emissions in the inventory carried out by Abengoa has been prepared reliably, in all significant aspects, in accordance with the procedures, calculation systems and quality indicators set down in Internal Standard NOC-05/003.

This report is issued in accordance with the terms and conditions of our engagement letter dated 30 September 2010.

#### **Criteria for performance of our verification**

We have carried out our work in accordance with ISAE 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* issued by the *International Auditing and Assurance Standard Board* (IAASB) of the *International Federation of Accountants* (IFAC), for a reasonable level of assurance that requires, for engagements of this type, verification procedures and the procurement of sufficient evidence that supports the information presented in order to reduce the risk of error or omission in said information to an acceptably low level. Furthermore, the directives set down in ISO 14064-3 (*Specification with guidance for the validation and verification of greenhouse gas assertions*) have been taken into consideration.

Our verification has consisted of the formulation of queries presented to Management, and the different units of Abengoa and its Group companies, who have participated in the preparation of the 2010 Abengoa GHG emissions inventory, and in the performance of certain analytical procedures and tests, which, in general, are described below:

- Interviews with personnel of Abengoa and its Group companies in order to learn about the process of preparation of the 2010 GHG emissions inventory under the provisions of NOC-05/003 and to obtain the information required for our external verification.
- Analysis of the processes for compiling and validating the data of the Abengoa's 2010 GHG emissions inventory.
- Analysis of compliance of the NOC-05/003 with the provisions set down in ISO 14064-1 in respect of *Principles* (section 3), *GHG Inventory Design and Development* (section 4) and *Quantification of Direct and Indirect Emissions*, including those related to acquired goods and services (section 5.1. and Annex B).
- Evaluation of the compilation and internal control systems in relation to the preparation of Abengoa's 2010 GHG emissions inventory.
- Testing by sample of the information reported and validation of the key controls identified.
- Verification by analytical and substantive testing based on a selected sample of the quantitative information (source data, calculations and information generated) for determining the Abengoa's 2010 GHG emissions inventory and its appropriate compilation in accordance with the provisions of NOC-05/003 for Abengoa.
- Evaluation of the IT general controls of the IT tool developed by Abengoa for reporting and calculating its GHG emissions inventory. Analysis and review of this tool, in relation to its adaptation and proper functioning as per the provisions of NOC-05/003.

Our work has not included an examination of the reliability of the information provided by third parties.



### Independence

We have performed our work in accordance with the independence standards required by the Code of Ethics of the *International Federation of Accountants* (IFAC). Our work has been carried out by a multi-disciplinary team, including verification specialists and environment and emissions experts.

### Conclusion

As a result of our work we can conclude that:

- Abengoa's Internal Standard NOC-05/003 applicable to all its activities and companies has been prepared, in all significant aspects, in accordance with the provisions of ISO 14064-1 in respect of *Principles* (section 3), *GHG Inventory Design and Development* (section 4) and *Quantification of Direct and Indirect Emissions*, including those related to acquired goods and services (section 5.1. and Annex B).
- The criteria for the preparation of the GHG emissions inventory set down in Internal Standard NOC-05/003 have been applied, in all significant aspects, appropriately and consistently by Abengoa and its five business groups as a whole (Solar, Bioenergy, Engineering and Industrial Construction, Information Technologies and Environmental Services).
- The volume of emissions in Abengoa's inventory for the period beginning 1 January 2010 and ending 31 December 2010 (*Inventario GEI Sociedades Abengoa 2010*, dated 18 February 2011) has been carried out, in all significant aspects, reliably and properly in accordance with the procedures, calculation systems and quality indicators set down in Abengoa's Internal Standard NOC-05/003.

PricewaterhouseCoopers Auditores, S.L.

A handwritten signature in blue ink, appearing to read 'Mª Luz Castilla', with a horizontal line underneath.

Mª Luz Castilla  
Director  
23 February 2011



**Appendix**  
**Summary of the *Inventario GEI Sociedades Abengoa 2010***  
**(dated 18 February 2011)**

| Abengoa's 2010 GHG emissions inventory |                 | t CO <sub>2</sub> eq.<br>(without biomass) | t CO <sub>2</sub> eq.<br>(biomass) |
|--|-----------------|--|------------------------------------|
| Scope 1                                |                 | 2,432,644                                  | 1,795,727                          |
| Scope 2                                |                 | 593,086                                    | 0                                  |
| Scope 3                                | Supplies        | 4,564,984                                  | 0                                  |
|  | Rest of Scope 3 | 175,576                                    | 39                                 |
| <b>Total Abengoa</b>                   |                 | <b>7,766,290</b>                           | <b>1,795,766</b>                   |







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| Code                          | Definition  | Indicator type | Chapter     |                                      | Page    | Included in the Report |
|-------------------------------|---|----------------|-------------|--------------------------------------|---------|------------------------|
| <b>Profile</b>                |   |                |             |                                      |         |                        |
| <b>Strategy and Analysis</b>  |   |                |             |                                      |         |                        |
| 1.1                           | Statement from the most senior decision-maker of the organization.  | -              | 0           | Letter from the Chairman             | 5       | ✓                      |
| 1.2                           | Description of key impacts, risks, and opportunities.   | -              | 2           | Committed to Sustainable Development | 18-20   | ✓                      |
|                               |   |                | 12          | Transparency and Rigor in Management | 196-202 | ✓                      |
| <b>Organizational Profile</b> |   |                |             |                                      |         |                        |
| 2.1                           | Name of the organization.   | -              | 1           | Abengoa: Company Profile             | 8       | ✓                      |
| 2.2                           | Primary brands, products, and/or services.  | -              | 1           | Abengoa: Company Profile             | 10-13   | ✓                      |
|                               |   |                | 3           | Committed to Innovation              | 33-34   | ✓                      |
| 2.3                           | Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.   | -              | 1           | Abengoa: Company Profile             | 13      | ✓                      |
|                               |   |                | Appendice A | Report Perimeter                     | 260-271 | ✓                      |
| 2.4                           | Location of organization's headquarters.  | -              | 1           | Abengoa: Company Profile             | 10      | ✓                      |
| 2.5                           | Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.                    | -              | 1           | Abengoa: Company Profile             | 14      | ✓                      |
| 2.6                           | Nature of ownership and legal form.   | -              | 1           | Abengoa: Company Profile             | 10      | ✓                      |
|                               |   |                | 11          | Abengoa and its Shareholders         | 184     | ✓                      |
| 2.7                           | Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).  | -              | 1           | Abengoa: Company Profile             | 10 -14  | ✓                      |
|                               |   |                | 3           | Committed to Innovation              | 33 -34  | ✓                      |
| 2.8                           | Scale of the reporting organization.  | -              | 0           | Letter from the Chairman             | 5       | ✓                      |
|                               |   |                | 11          | Abengoa and its Shareholders         | 184     | ✓                      |
| 2.9                           | Significant changes during the reporting period regarding size, structure, or ownership.  | -              | 1           | Abengoa: Company Profile             | 15      | ✓                      |
| 2.10                          | Awards received in the reporting period.  | -              | 14          | Awards and Acknowledgments           | 218-221 | ✓                      |
| <b>Report Parameters</b>      |   |                |             |                                      |         |                        |
| Report Profile                |   |                |             |                                      |         |                        |
| 3.1                           | Reporting period (e.g., fiscal/calendar year) for information provided.   | -              | 15          | Report Preparation Process           | 231     | ✓                      |
| 3.2                           | Date of most recent previous report (if any).   | -              | 15          | Report Preparation Process           | 237     | ✓                      |
| 3.3                           | Reporting cycle (annual, biennial, etc.)  | -              | 15          | Report Preparation Process           | 237     | ✓                      |
| 3.4                           | Contact point for questions regarding the report or its contents.   | -              | 15          | Report Preparation Process           | 239     | ✓                      |
| Report Scope and Boundary     |   |                |             |                                      |         |                        |
| 3.5                           | Process for defining report content.  | -              | 15          | Report Preparation Process           | 232-239 | ✓                      |
| 3.6                           | Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.  | -              | 15          | Report Preparation Process           | 230-231 | ✓                      |
| 3.7                           | State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).  | -              | 15          | Report Preparation Process           | 231     | ✓                      |
| 3.8                           | Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations. | -              | 15          | Report Preparation Process           | 231     | ✓                      |

| Code  | Definition   | Indicator type | Chapter |  | Page                | Included in the Report      |
|---|--|----------------|---------|--|---------------------|-----------------------------|
| 3.9   | Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.    | -              | 15      | Report Preparation Process                   | 231                 | ✓<br>Partially <sup>1</sup> |
| 3.10  | Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).  | -              | 15      | Report Preparation Process                   | 231                 | ✓                           |
| 3.11  | Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.  | -              | 15      | Report Preparation Process                   | 231                 | ✓                           |
| <b>GRI Content Index</b>                      |  |                |         |  |                     |                             |
| 3.12  | Table identifying the location of the Standard Disclosures in the report.  | -              | 17      | GRI Index                                    | 246-253             | ✓                           |
| <b>Assurance</b>                              |  |                |         |  |                     |                             |
| 3.13  | Policy and current practice with regard to seeking external assurance for the report.  | -              | 15      | Report Preparation Process                   | 225                 | ✓                           |
|   |  |                | 16      | Verification Reports                         | 236-239,<br>240-243 | ✓                           |
| <b>Governance, Commitments and Engagement</b> |  |                |         |  |                     |                             |
| <b>Governance</b>                             |  |                |         |  |                     |                             |
| 4.1   | Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.   | -              | 12      | Transparency and Rigor in Management         | 192-195             | ✓                           |
| 4.2   | Indicate whether the Chair of the highest governance body is also an executive officer.  | -              | 12      | Transparency and Rigor in Management         | 193                 | ✓                           |
| 4.3   | For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.   | -              | 12      | Transparency and Rigor in Management         | 193-195             | ✓                           |
| 4.4   | Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.  | -              | 11      | Abengoa and its Shareholders                 | 182-184             | ✓                           |
| 4.5   | Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).  | -              | -       | Corporate Governance Report                  | 23-24,<br>70-71     | -                           |
| 4.6   | Processes in place for the highest governance body to ensure conflicts of interest are avoided.  | -              | 12      | Transparency and Rigor in Management         | 194, 204            | ✓                           |
| 4.7   | Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics.  | -              | -       | Corporate Governance Report                  | 20                  | -                           |
| 4.8   | Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.   | -              | 1       | Abengoa: Company Profile                     | 8-9                 | ✓                           |
|   |  |                | -       | Committed to Corporate Social Responsibility | 46                  | ✓                           |
|   |  |                | 12      | Transparency and Rigor in Management         | 203                 | ✓                           |
| 4.9   | Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles. | -              | 12      | Transparency and Rigor in Management         | 192-196             | ✓                           |

1 All of the methodology and the basis for calculating the indicators has been done in accordance with the protocols established by the reporting system.

| Code                                | Definition   | Indicator type | Chapter |  | Page     | Included in the Report      |
|-------------------------------------|--|----------------|---------|--|----------|-----------------------------|
| 4.10                                | Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.  | -              | 12      | Transparency and Rigor in Management         | 192-196  | ✓                           |
| Commitments to External Initiatives |  |                |         |  |          |                             |
| 4.11                                | Explanation of whether and how the precautionary approach or principle is addressed by the organization.   | -              | 12      | Transparency and Rigor in Management         | 201- 203 | ✓                           |
| 4.12                                | Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.  | -              | 4       | Committed to Corporate Social Responsibility | 54-56    | ✓                           |
| 4.13                                | Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: * Has positions in governance bodies; * Participates in projects or committees; * Provides substantive funding beyond routine membership dues; or * Views membership as strategic. | -              | 3       | Committed to Innovation                      | 30       | ✓                           |
|                                     |  |                | 8       | Abengoa and the Community                    | 117-124  | ✓                           |
| Stakeholder Engagement              |  |                |         |  |          |                             |
| 4.14                                | List of stakeholder groups engaged by the organization.  | -              | 4       | Committed to Corporate Social Responsibility | 50-51    | ✓                           |
|                                     |  |                | 11      | Abengoa and its Shareholders                 | 181      | ✓                           |
| 4.15                                | Basis for identification and selection of stakeholders with whom to engage.  | -              | 4       | Committed to Corporate Social Responsibility | 49-51    | ✓                           |
| 4.16                                | Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.  | -              | 4       | Committed to Corporate Social Responsibility | 51-53    | ✓<br>Partially <sup>2</sup> |
| 4.17                                | Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.  | -              | 15      | Report Preparation Process                   | 226-229  | ✓                           |

2 All of the dialogue channels used by the company with its stakeholders are detailed. However, participation frequency by type and category is not specified, as this information would be too exhaustive and fall outside the scope of this report.

## Economic Performance Indicators

| Code                 | Definition  | Indicator type | Chapter |  | Page    | Included in the Report      |
|----------------------|---|----------------|---------|--|---------|-----------------------------|
| Economic Performance |   |                |         |  |         |                             |
| EC1                  | Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments. | P              | 4       | Committed to Corporate Social Responsibility | 57-58   | ✓                           |
| EC2                  | Financial implications and other risks and opportunities for the organization's activities due to climate change.   | P              | 2       | Committed to Sustainable Development         | 18-23   | ✓                           |
| EC3                  | Coverage of the organization's defined benefit plan obligations.  | P              | 5       | Abengoa and its People                       | 74      | ✓<br>Partially <sup>1</sup> |
| EC4                  | Significant financial assistance received from government.  | P              | 4       | Committed to Corporate Social Responsibility | 57      | ✓                           |
| Market Presence      |   |                |         |  |         |                             |
| EC5                  | Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation.  | A              | 5       | Abengoa and its People                       | 70      | ✓                           |
| EC6                  | Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.   | P              | 7       | Abengoa and its Suppliers                    | 104-106 | ✓<br>Partially <sup>2</sup> |

1 The management procedures specify that all Abengoa employees have life and accident insurance provisions, and that companies in each country are responsible for making the necessary contract arrangements.

2 The factors that generate the selection of suppliers are not specified as this information would be too exhaustive and fall outside the scope of this report.



| Code                       | Definition   | Indicator type | Chapter | Page   | Included in the Report |                             |
|----------------------------|--|----------------|---------|--|------------------------|-----------------------------|
| EC7                        | Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.                        | P              | 5       | Abengoa and its People                       | 70                     | ✓<br>Partially <sup>3</sup> |
| Indirect Economic Im pacts |  |                |         |  |                        |                             |
| EC8                        | Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement. | P              | 4       | Committed to Corporate Social Responsibility | 59                     | ✓<br>Partially <sup>4</sup> |

<sup>3</sup> The classification of local managers has been made in accordance with the protocols established in the reporting system.

<sup>4</sup> No information about the evaluation of community needs has been included, as this information would be too exhaustive and fall outside the scope of this report.

## Environmental Performance Indicators

| Code         | Definition  | Indicator type | Chapter | Page   | Included in the Report |   |
|--------------|---|----------------|---------|--|------------------------|---|
| Materials    |   |                |         |  |                        |   |
| EN1          | Materials used by weight or volume.   | P              | 9       | Sustainability, Environment and Climate Change | 143-146                | ✓ |
| EN2          | Percentage of materials used that are recycled input materials.   | P              | 9       | Sustainability, Environment and Climate Change | 145                    | ✓ |
| Energy       |   |                |         |  |                        |   |
| EN3          | Direct energy consumption by primary energy source.   | P              | 9       | Sustainability, Environment and Climate Change | 146-147                | ✓ |
| EN4          | Indirect energy consumption by primary source.  | P              | 9       | Sustainability, Environment and Climate Change | 147                    | ✓ |
| EN5          | Energy saved due to conservation and efficiency improvements.   | A              | 9       | Sustainability, Environment and Climate Change | 147-148                | ✓ |
| EN6          | Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.          | A              | 9       | Sustainability, Environment and Climate Change | 148                    | ✓ |
| EN7          | Initiatives to reduce indirect energy consumption and reductions achieved.  | A              | 9       | Sustainability, Environment and Climate Change | 148                    | ✓ |
| Water        |   |                |         |  |                        |   |
| EN8          | Captación total de agua por fuentes.  | P              | 9       | Sustainability, Environment and Climate Change | 149                    | ✓ |
| EN9          | Fuentes de agua que han sido afectadas significativamente por la captación de agua.   | A              | 9       | Sustainability, Environment and Climate Change | 149                    | ✓ |
| EN10         | Porcentaje y volumen total de agua reciclada y reutilizada  | A              | 9       | Sustainability, Environment and Climate Change | 149                    | ✓ |
| Biodiversity |   |                |         |  |                        |   |
| EN11         | Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.                        | P              | 9       | Sustainability, Environment and Climate Change | 158-160 (Tabla I)      | ✓ |
| EN12         | Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas. | P              | 9       | Sustainability, Environment and Climate Change | 161 (Tabla III)        | ✓ |
| EN13         | Habitats protected or restored.   | A              | 9       | Sustainability, Environment and Climate Change | 163-164 (Tabla V)      | ✓ |
| EN14         | Strategies, current actions, and future plans for managing impacts on biodiversity.   | A              | 9       | Sustainability, Environment and Climate Change | 162 (TablaIV)          | ✓ |
| EN15         | Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.                        | A              | 9       | Sustainability, Environment and Climate Change | 161 (Tabla II)         | ✓ |

| Code                            | Definition  | Indicator type | Chapter |  | Page    | Included in the Report      |
|---------------------------------|---|----------------|---------|--|---------|-----------------------------|
| Emissions, Effluents, and Waste |   |                |         |  |         |                             |
| EN16                            | Total direct and indirect greenhouse gas emissions by weight.   | P              | 9       | Sustainability, Environment and Climate Change | 155     | ✓                           |
| EN17                            | Other relevant indirect greenhouse gas emissions by weight.   | P              | 9       | Sustainability, Environment and Climate Change | 155     | ✓                           |
| EN18                            | Initiatives to reduce greenhouse gas emissions and reductions achieved.   | A              | 9       | Sustainability, Environment and Climate Change | 156     | ✓                           |
| EN19                            | Emissions of ozone-depleting substances by weight.  | P              | 9       | Sustainability, Environment and Climate Change | 156     | ✓                           |
| EN20                            | NOx, SOx, and other significant air emissions by type and weight.   | P              | 9       | Sustainability, Environment and Climate Change | 156     | ✓<br>Partially <sup>1</sup> |
| EN21                            | Total water discharge by quality and destination.   | P              | 9       | Sustainability, Environment and Climate Change | 149     | ✓                           |
| EN22                            | Total weight of waste by type and disposal method.  | P              | 9       | Sustainability, Environment and Climate Change | 151-152 | ✓<br>Partially <sup>2</sup> |
| EN23                            | Total number and volume of significant spills.  | P              | 9       | Sustainability, Environment and Climate Change | 150     | ✓                           |
| EN24                            | Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally. | A              | 9       | Sustainability, Environment and Climate Change | 152     | ✓                           |
| EN25                            | Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.                          | A              | 9       | Sustainability, Environment and Climate Change | 150     | ✓                           |
| Products and Services           |   |                |         |  |         |                             |
| EN26                            | Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.  | P              | 9       | Sustainability, Environment and Climate Change | 165-166 | ✓<br>Partially <sup>3</sup> |
| EN27                            | Percentage of products sold and their packaging materials that are reclaimed by category.   | P              | 9       | Sustainability, Environment and Climate Change | 167     | ✓<br>Partially <sup>4</sup> |
| Compliance                      |   |                |         |  |         |                             |
| EN28                            | Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.  | P              | 9       | Sustainability, Environment and Climate Change | 168     | ✓<br>Partially <sup>5</sup> |
| Transport                       |   |                |         |  |         |                             |
| EN29                            | Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.                                   | A              | 9       | Sustainability, Environment and Climate Change | 152     | ✓                           |
| Overall                         |   |                |         |  |         |                             |
| EN30                            | Total environmental protection expenditures and investments by type.  | A              | 9       | Sustainability, Environment and Climate Change | 168     | ✓                           |

1 There are no significant POC, VOC or HAC emissions.

2 The method for determining the treatment method to use is not specified due to being deemed information that is too exhaustive for the purpose of the report.

3 Consumption patterns were not listed due to being considered information that is too exhaustive for the purpose of the report.

4 The methodology for obtaining the indicator was not specified due to being deemed too exhaustive for the purpose of the report.

5 All significant incidents detected were reported

## Social Performance Indicators

| Code  | Definition  | Indicator type | Chapter |                             | Page          | Included in the Report |
|---|---|----------------|---------|-----------------------------|---------------|------------------------|
| <b>Labor Practices and Decent Work Performance Indicators</b> |   |                |         |                             |               |                        |
| Employment  |   |                |         |                             |               |                        |
| LA1   | Total workforce by employment type, employment contract, and region.  | P              | 5       | Abengoa and its People      | 66-68         | ✓                      |
| LA2   | Total number and rate of employee turnover by age group, gender, and region.  | P              | 5       | Abengoa and its People      | 67-68         | ✓                      |
| LA3   | Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.  | A              | 5       | Abengoa and its People      | 74            | ✓                      |
| Labor/Management Relations                                    |   |                |         |                             |               |                        |
| LA4   | Percentage of employees covered by collective bargaining agreements.  | P              | 5       | Abengoa and its People      | 71            | ✓                      |
| LA5   | Minimum notice period(s) regarding significant operational changes, including whether it is specified in collective agreements.   | P              | 5       | Abengoa and its People      | 71            | ✓                      |
| Occupational Health and Safety                                |   |                |         |                             |               |                        |
| LA6   | Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs. | A              | 5       | Abengoa and its People      | 75            | ✓                      |
| LA7   | Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.  | P              | 5       | Abengoa and its People      | 75            | ✓                      |
| LA8   | Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.     | P              | 5       | Abengoa and its People      | 76            | ✓                      |
| LA9   | Health and safety topics covered in formal agreements with trade unions.  | A              | 5       | Abengoa and its People      | 75            | ✓                      |
| Training and Education  |   |                |         |                             |               |                        |
| LA10  | Average hours of training per year per employee by employee category.   | P              | 5       | Abengoa and its People      | 73            | ✓                      |
| LA11  | Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.                            | A              | 5       | Abengoa and its People      | 72, 78        | ✓                      |
| LA12  | Percentage of employees receiving regular performance and career development reviews.   | A              | 5       | Abengoa and its People      | 74            | ✓                      |
| Diversity and Equal Opportunity                               |   |                |         |                             |               |                        |
| LA13  | Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.            | P              | 5       | Abengoa and its People      | 70            | ✓                      |
|   |   |                | -       | Corporate Government Report | 14, 18-22, 37 | ✓                      |
| LA14  | Ratio of basic salary of men to women by employee category.   | P              | 5       | Abengoa and its People      | 70            | ✓                      |

| Code  | Definition   | Indicator type | Chapter     |   | Page    | Included in the Report      |
|---|--|----------------|-------------|---|---------|-----------------------------|
| <b>Human Rights Performance Indicators</b>            |  |                |             |   |         |                             |
| Investment and Procurement Practices                  |  |                |             |   |         |                             |
| HR1   | Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.                              | P              | 7           | Abengoa and its Suppliers   | 110     | ✓<br>Partially <sup>1</sup> |
| HR2   | Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.   | P              | 7           | Abengoa and its Suppliers   | 106-110 | ✓<br>Partially <sup>2</sup> |
| HR3   | Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained. | A              | 5           | Abengoa and its People  | 73      | ✓<br>Partially <sup>3</sup> |
| Non-discrimination                                    |  |                |             |   |         |                             |
| HR4   | Total number of incidents of discrimination and actions taken.   | P              | 5           | Abengoa and its People  | 69      | ✓                           |
| Freedom of Association and Collective Bargaining Core |  |                |             |   |         |                             |
| HR5   | Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.   | P              | 5           | Abengoa and its People  | 65,71   | ✓                           |
| Child Labor   |  |                |             |   |         |                             |
| HR6   | Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.                             | P              | 5           | Abengoa and its People  | 65,71   | ✓                           |
| Forced and Compulsory Labor                           |  |                |             |   |         |                             |
| HR7   | Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor.     | P              | 5           | Abengoa and its People  | 65,71   | ✓                           |
| Indigenous Rights                                     |  |                |             |   |         |                             |
| HR9   | Total number of incidents of violations involving rights of indigenous people and actions taken.   | A              | 5           | Abengoa and its People  | 69      | ✓                           |
| <b>Society Performance Indicators</b>                 |  |                |             |   |         |                             |
| Community   |  |                |             |   |         |                             |
| SO1   | Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.    | P              | 8           | Abengoa and the Community   | 116-120 | ✓                           |
|   |  |                | Appendice B | Social action initiatives deployed by Abengoa and its business groups over 2010 | 272-279 | ✓                           |
| Corruption  |  |                |             |   |         |                             |
| SO2   | Percentage and total number of business units analyzed for risks related to corruption.  | P              | 12          | Transparency and Rigor in Management  | 199-200 | ✓                           |
| SO3   | Percentage of employees trained in organization's anti-corruption policies and procedures.   | P              | 3           | Abengoa and its People  | 73      | ✓                           |
|   |  |                | 12          | Transparency and Rigor in Management  | 200     | ✓                           |
| SO4   | Actions taken in response to incidents of corruption.  | P              | 12          | Transparency and Rigor in Management  | 199-200 | ✓                           |
| Public Policy   |  |                |             |   |         |                             |
| SO5   | Public policy positions and participation in public policy development and lobbying.   | P              | 4           | Committed to Corporate Social Responsibility                                    | 53      | ✓                           |

1 Given that information on the number of agreements signed with suppliers adhering to the Abengoa CSR Code was reported in 2010, 2009 and 2008, data on the percentage of significant investment agreements that include clauses pertaining to Human Rights or which underwent analysis were not reported. This fact does not have a significant impact on indicator reporting or performance with respect to the indicator.

2 No information on percentage of rejected contracts is included, but, instead, case studies on real situations have been incorporated.

3 The number of employees trained in human rights issues was reported; however, this does not include the corresponding % due to the fact that this would entail information that is too exhaustive for the purposes of the report.



| Code   | Definition   | Indicator type | Chapter |  | Page  | Included in the Report |
|--|--|----------------|---------|--|-------|------------------------|
| SO6  | Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.   | A              | 4       | Committed to Corporate Social Responsibility | 53    | ✓                      |
| Compliance   |  |                |         |  |       |                        |
| SO8  | Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.   | P              | 12      | Transparency and Rigor in Management         | 200   | ✓                      |
| <b>Product Responsibility Performance Indicators</b> |  |                |         |  |       |                        |
| Customer Health and Safety                           |  |                |         |  |       |                        |
| PR1  | Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures. | P              | 6       | Abengoa and its Customers                    | 90-91 | ✓                      |
| PR2  | Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.           | A              | 6       | Abengoa and its Customers                    | 91    | ✓                      |
| Product and Service Labeling Core                    |  |                |         |  |       |                        |
| PR3  | Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.  | P              | 6       | Abengoa and its Customers                    | 91-92 | ✓                      |
| PR4  | Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.   | A              | 6       | Abengoa and its Customers                    | 91    | ✓                      |
| PR5  | Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.  | A              | 6       | Abengoa and its Customers                    | 88-90 | ✓                      |
| Marketing Communications                             |  |                |         |  |       |                        |
| PR6  | Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.   | P              | 6       | Abengoa and its Customers                    | 93    | ✓                      |
| PR7  | Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.           | A              | 6       | Abengoa and its Customers                    | 93    | ✓                      |
| Customer Privacy                                     |  |                |         |  |       |                        |
| PR8  | Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.   | A              | 6       | Abengoa and its Customers                    | 92    | ✓                      |
| Compliance   |  |                |         |  |       |                        |
| PR9  | Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.  | P              | 6       | Abengoa and its Customers                    | 92    | ✓                      |



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- **AA1000AS Standard:** In 2003, AccountAbility launched the AA1000 Assurance Standard (AA1000AS), the world's first sustainability assurance standard. Following its review and update in 2008, the standard contains three core principles that sustainability reports must comply with:
  - Inclusivity: Refers to the involvement of stakeholders in developing and attaining a responsible and strategic response to the issue of sustainability.
  - Materiality: Involves determining the relevance and importance of an issue to the organization and its stakeholders.
  - Responsiveness: Reflects how an organization responds to its stakeholders and remains accountable to them. This takes the form of policies, objectives and goals, action plans, and measurement and control of performance or assurance.
- **Abengoa Common Management Systems:** These represent a common and shared culture for Abengoa's different businesses, pinpointing risks, determining hedging and defining control activities. They comprise ten rules that define how each of the potential risks included in Abengoa's Risk Model are to be managed, and dictate the specific procedures for hedging against these risks.
- **Carbon footprint:** The total carbon dioxide and other greenhouse gases generated by the supply chain relating to a single unit of the product in question, meaning the total net amount of carbon dioxide and other greenhouse gases that are emitted to produce and dispose of a single product.
- **Caring for Climate:** Joint platform between the Global Compact and the United Nations Environment Programme to strengthen the role that the business world has to play in the strategic fight against climate change.
- **Certification of Leadership in Energy and Environmental Design (LEED):** Certification system created to define the concept of sustainable construction by establishing a common standard of metrics; to champion project-oriented practices that extend to the entire building; to recognize environmental leadership within the built environment industry; to stimulate competition in terms of sustainability; to heighten social awareness and appreciation of the benefits provided by sustainable buildings, and to transform the built environment market. LEED certification is awarded by the Green Building Council, a non-profit North American organization.
- **Dow Jones Sustainability Index (DJSI):** The DJS index assesses, on a yearly basis, the environmental, financial and social performance of leading sustainability-driven companies worldwide.
- **Eco-Management and Audit Scheme (EMAS):** Voluntary rule developed by the European Union that recognizes those companies that have managed to implement an Environmental Management System and have undertaken a commitment to continuous improvement. Compliance is monitored by independent audit firms.
- **European Foundation for Quality Management (EFQM):** Model to help create solid European organizations that fully implement quality principles in their business processes and in relations with employees, customers, shareholders and the communities in which they operate.
- **FTSE4Good IBEX:** Stock market that tracks the performance of companies that abide by globally recognized corporate responsibility standards. Managed by the FTSE Group in collaboration with the Spanish Bolsas y Mercados Españoles (BME), the index was created in 2001 by the London Stock Exchange and launched in Spain in April of 2008.
- **Global Reporting Initiative (GRI):** Organization created in 1997 by the Coalition for Environmentally Responsible Economies (CERES) and the United Nations Environment Programme (UNEP). The GRI has developed "Sustainability reporting guidelines" so as to improve the quality, rigor and utility of sustainability reports and to ensure that their quality and accuracy rivals that of financial reports. This approach is based on implementation of the "triple bottom line" concept (economic, social and environmental), which is implemented through an array of quantitative and qualitative indicators.
- **Independent Panel of Experts on Sustainable Development (IPESD):** Bringing together a team experts of international renown in the field of sustainable development, the panel analyzes the contents of Abengoa's Corporate Social Responsibility Report (CSRR), weighing up the company's responsiveness to the expectations of its stakeholders and its level of performance. The conclusions of the IPESD are published every year in the CSRR.



- **ISAE 3000:** Benchmark standard that lays down parameters for verifying non-financial information.
- **ISO 9001:** Embraces a raft of different standards on quality and management that dictate the requirements needed for a good quality management system.
- **ISO 14001:** International standard that establishes a number of environmental controls.
- **ISO 26000:** Voluntary guidance providing guidelines for all kinds of organizations in areas related to social responsibility, such as the environment, human rights and consumer rights.
- **ISO 27001:** International standard that imposes requirements for Information Security Management Systems, and which enables a company to assess its risks and implement appropriate controls to guarantee the confidentiality, integrity and availability of its information resources.
- **Management system rules:** There are a host of different sector-specific rules governing various different aspects that fall within the concept of corporate social responsibility, such as environmental management systems (ISO 14001, EMAS standards), quality management (ISO 9000 series standards), and occupational risk prevention (OHSAS 18000 certificate).
- **Master CSR Plan:** Defines the framework and the guidelines to be pursued by the company in this area through a raft of actions that embrace the expectations of stakeholders and factor these into the company's strategy, while identifying specific goals and designing specific actions that help tighten the company's relationship with society.
- **Materiality:** Material CSR-related issues or affairs are those that could have significant economic, environment or social impacts and which could significantly affect the company's performance. Issues or affairs tagged as material will have a substantial effect on the decisions, actions and decisions of the company and also its stakeholders. In order to determine whether an issue is material, companies must bear in mind the nature and scale of the issue in question and weigh up what would happen without it. When taking this decision, the company must follow the procedure for analyzing material issues set forth in this document.
- **OHSAS 18001:** Internationally recognized assessment standard covering occupational health and safety management systems. The standard is compatible with ISO 9001 and ISO 14001, and helps companies ensure effective compliance with their health and safety obligations.
- **R&D+i:** Within the realm of science and technology, this concept refers to research, development and innovation. It takes the previous concept of research and development (R&D) one step further.
- **Stakeholders:** In accordance with the GRI, stakeholders are defined as those entities or individuals that could be significantly affected by the company's activities, products and/or services, and whose actions could reasonably affect the company's capacity to implement its strategies successfully and accomplish its goals. This includes those entities or individuals whose rights arising from law or international agreements fully entitle them to make certain demands of the company.
- **SA8000:** First auditable international certification standard in the field of corporate social responsibility. The rule envisages the development and audit of a management system that champions socially responsible employment practices for the benefit of the entire supply chain.
- **Sarbanes-Oxley Act (SOX):** Binding on all stock-market listed companies in the United States, this act seeks to ensure the reliability of the information prepared by these companies and to protect the interests of shareholders and investors alike by insisting on a suitable internal control system.
- **Social action:** Any action geared towards meeting social needs and expectations.
- **Socially Responsible Investors (SRI):** Socially responsible investment is any investment that factors in social and environmental concerns, in addition to more traditional financial investment criteria.
- **Spanish Business Monitor of Corporate Reputation (Monitor Empresarial de Reputación Corporativa, or Merco):** assessment instrument that measures the reputation of companies operating in Spain.



- **Sustainable development or sustainability:** The Brundtland Report was drawn up by various different nations in 1987 for the UN through a commission headed by the physician Gro Harlem Brundtland. The report defines sustainable development as any development that aims to meet the needs of the present without compromising the ability of future generations to meet their own needs.
- **System of Environmental Sustainability Indicators (ESI):** System of indicators created by Abengoa that helps the company manage its businesses, enabling it to measure and compare the sustainability of its activities and to establish goals for future improvement.
- **United Nations Global Compact:** This United Nations initiative seeks to secure voluntary undertakings from companies in relation to social responsibility by implementing ten principles based on universal declarations and conventions.
  - **Principle 1.** Businesses should support and respect the protection of internationally proclaimed human rights within the scope of their influence.
  - **Principle 2.** Businesses must make sure that they are not complicit in human rights abuses.
  - **Principle 3.** Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.
  - **Principle 4.** Businesses must support the elimination of all forms of forced and compulsory labour.
  - **Principle 5.** Businesses must support the effective abolition of child labour.
  - **Principle 6.** Businesses must support the elimination of discrimination in respect of employment and occupation.
  - **Principle 7.** Businesses should support a precautionary approach to environmental challenges.

- **Principle 8.** Businesses must undertake initiatives to promote greater environmental responsibility.
- **Principle 9.** Businesses must encourage the development and diffusion of environmentally friendly technologies.
- **Principle 10.** Businesses should work against corruption in all its forms, including extortion and bribery.

Companies that adhere to the Global Compact undertake not only to comply with these principles, but also to draw up a Progress Report (COP-Communication on Progress), which includes 36 questions on their degree of compliance and progress.

- **Universal Declaration of Human Rights:** On 10 December 1948, the United Nations General Assembly approved and adopted the Universal Declaration of Human Rights as a common ideal that all people and nations must aspire to, the ultimate aim being for both individuals and institutions to foster respect for these rights and liberties through teaching and education, and to ensure that they are recognized and applied universally.







## List of Companies as of December 31<sup>th</sup> 2010

| Bussiness Units                         | Corporate Name                                    |
|---|---|
| Bioenergy                               | Abengoa Bioenergy France, SA                      |
| Bioenergy                               | Abengoa Bioenergy Hannover GmbH                   |
| Industrial Engineering and Construction | Abacus Project Management, Inc.                   |
| Bioenergy                               | ABC Issuing Company, Inc.                         |
| Abeinsa Latin America                   | Abeinsa Brasil Projetos e Construcoes Ltda.       |
| Industrial Engineering and Construction | Abeinsa Ingenieria y Construccion Industrial, SA  |
| Abeinsa Latin America                   | Abelec, SA  |
| Abeinsa Latin America                   | Abema Ltda.                                       |
| Abeinsa Latin America                   | Abencasa-Abengoa Comer. Y Administraçao, SA       |
| Industrial Engineering and Construction | Abencor Suministros, SA                           |
| Industrial Engineering and Construction | Abener Engineering and Construction Services, LLC |
| Industrial Engineering and Construction | Abener North America Construction Services, Inc.  |
| Industrial Engineering and Construction | Abencs Construction Services, LP                  |
| Industrial Engineering and Construction | Abencs Investments, LLC                           |
| Industrial Engineering and Construction | Abener Argelia, SL                                |
| Industrial Engineering and Construction | Abener Energía, SA                                |
| Industrial Engineering and Construction | Abener Energie, SARL                              |
| Industrial Engineering and Construction | Abener Engineering Privated Limited               |
| Industrial Engineering and Construction | Abener France, EURL                               |
| Industrial Engineering and Construction | Abener Inversiones, SL                            |
| Industrial Engineering and Construction | Abener México, SA De C.V.                         |
| Bioenergy                               | Abengoa Bioenergía Agroindustria Ltda.            |
| Bioenergy                               | Abengoa Bioenergía Biodiesel, SA                  |
| Bioenergy                               | Abengoa Bioenergía Brasil                         |
| Bioenergy                               | Abengoa Bioenergía Inversiones, SA                |
| Bioenergy                               | Abengoa Bioenergía Nuevas Tecnologías, SA         |
| Bioenergy                               | Abengoa Bioenergía Outsourcing, LLC               |
| Bioenergy                               | Abengoa Bioenergía San Roque, SA                  |
| Bioenergy                               | Abengoa Bioenergía Santa Fe Ltda.                 |
| Bioenergy                               | Abengoa Bioenergia Trading Brasil Ltda.           |
| Bioenergy                               | Abengoa Bioenergía, SA                            |
| Bioenergy                               | Abengoa Bioenergy Biomass of Kansas, LLC          |
| Bioenergy                               | Abengoa Bioenergy Corporation                     |
| Bioenergy                               | Abengoa Bioenergy Engineering & Construction, LLC |
| Bioenergy                               | Abengoa Bioenergy Funding                         |
| Bioenergy                               | Abengoa Bioenergy Germany                         |
| Bioenergy                               | Abengoa Bioenergy Hybrid of Kansas, LLC           |
| Bioenergy                               | Abengoa Bioenergy Investments, LLC                |
| Bioenergy                               | Abengoa Bioenergy Maple, LLC                      |
| Bioenergy                               | Abengoa Bioenergy Meramec Renewable, Inc.         |
| Bioenergy                               | Abengoa Bioenergy Netherlands BV                  |
| Bioenergy                               | Abengoa Bioenergy New Technologies, Inc.          |
| Bioenergy                               | Abengoa Bioenergy of Illinois, LLC                |
| Bioenergy                               | Abengoa Bioenergy of Indiana, LLC                 |
| Bioenergy                               | Abengoa Bioenergy of Kansas, LLC                  |
| Bioenergy                               | Abengoa Bioenergy of SW Kansas, LLC               |
| Bioenergy                               | Abengoa Bioenergy Operations , LLC                |
| Bioenergy                               | Abengoa Bioenergy Renewable Power US, LLC         |

| Bussiness Units                         | Corporate Name   |
|---|--|
| Bioenergy                               | Abengoa Bioenergy Technology Holding, LLC                      |
| Bioenergy                               | Abengoa Bioenergy Trading Europe, BV                           |
| Bioenergy                               | Abengoa Bioenergy Trading US, LLC                              |
| Bioenergy                               | Abengoa Bioenergy UK Limited                                   |
| Bioenergy                               | Abengoa Bioenergy US Holding, Inc.                             |
| Abeinsa Latin America                   | Abengoa Chile, SA  |
| Abeinsa Latin America                   | Abengoa Cogeneración Tabasco, S. de RL de CV                   |
| Abeinsa Latin America                   | Abengoa Concessoes Brasil Holding, SA                          |
| Abeinsa Latin America                   | Abengoa Construção Brasil, Ltda.                               |
| Abengoa                                 | Abengoa Finance  |
| Solar                                   | Abengoa Hellas Solar Power Systems Limited Liabilities Company |
| Abeinsa Latin America                   | Abengoa México, SA de CV                                       |
| Abeinsa Latin America                   | Abengoa Perú, SA   |
| Abengoa                                 | Abengoa Puerto Rico, SE  |
| Abeinsa Latin America                   | Abengoa Servicios, SA de CV                                    |
| Solar                                   | Abengoa Solar Australia Pty Limited                            |
| Solar                                   | Abengoa Solar Engeneering (Beijing), Co. Ltd.                  |
| Solar                                   | Abengoa Solar España, SA                                       |
| Solar                                   | Abengoa Solar Extremadura, SA                                  |
| Solar                                   | Abengoa Solar Inc.   |
| Solar                                   | Abengoa Solar India Private Limited                            |
| Solar                                   | Abengoa Solar Internacional, SA                                |
| Solar                                   | Abengoa Solar New Technologies, SA                             |
| Solar                                   | Abengoa Solar Power, SA  |
| Solar                                   | Abengoa Solar PV, Inc.   |
| Solar                                   | Abengoa Solar PV, SA   |
| Solar                                   | Abengoa Solar, SA  |
| Solar                                   | Abengoa Solar Sicilia Sr.l                                     |
| Solar                                   | Abengoa Solar South Africa (Pty) Ltd.                          |
| Solar                                   | Abengoa Solar Ventures, SA                                     |
| Abeinsa Latin America                   | Abengoa T&D Corporation  |
| Abeinsa Latin America                   | Abengoa Transmisión Norte, SA                                  |
| Abeinsa Latin America                   | Abengoa Transmisión Sur, SA                                    |
| Abeinsa Latin America                   | Abenta Concessões Brasil                                       |
| Abeinsa Latin America                   | Abenta Construção Brasil Ltda.                                 |
| Industrial Engineering and Construction | Abentel Telecomunicaciones, SA                                 |
| Industrial Engineering and Construction | Abentey Brasil, Ltda.  |
| Industrial Engineering and Construction | Abentey Hugoton General Partnership                            |
| Industrial Engineering and Construction | Abentey Mojave General Partnership                             |
| Industrial Engineering and Construction | Abentey, SA  |
| Industrial Engineering and Construction | Aelsa, Abener El Sauz, SA de CV                                |
| Environmental Services                  | Aguas de Skikda  |
| Solar                                   | Aleduca, SL  |
| Environmental Services                  | Alianza Medioambiental, SL                                     |
| Solar                                   | Almadén Solar, SA  |
| Environmental Services                  | Aludisc, Aluminios en Disco, SA                                |
| Industrial Engineering and Construction | Aprofursa, Aprovechamientos Energéticos Furesa, SA             |
| Industrial Engineering and Construction | Arao Enerxías Eólica, SL                                       |
| Solar                                   | Arizona Solar One, LLC   |
| Bioenergy                               | Asa Bioenergy Holding, AG                                      |

| <b>Business Units</b>                   | <b>Corporate Name</b>                              |
|---|--|
| Bioenergy                               | Asa Bioenergy of Nebraska, LLC                     |
| Abengoa                                 | Asa Environment & Energy Holding, AG               |
| Abeinsa Latin America                   | Asa Iberoamérica, SL                               |
| Abeinsa Latin America                   | Asa Investment AG                                  |
| Abeinsa Latin America                   | ASA Investment Brasil Ltda.                        |
| Solar                                   | Ashalim Solar Power One Ltd.                       |
| Solar                                   | ASI Operations Inc.                                |
| Solar                                   | ASO Holdings LLC                                   |
| Abeinsa Latin America                   | ATE II Transmissora de Energia, SA                 |
| Abeinsa Latin America                   | ATE III Transmissora de Energia, SA                |
| Abeinsa Latin America                   | ATE IV Sao Mateus Transmissora de Energia, SA      |
| Abeinsa Latin America                   | ATE IX Transmissora de Energia, SA                 |
| Abeinsa Latin America                   | ATE Transmissora de Energia, SA                    |
| Abeinsa Latin America                   | ATE V Londrina Transmissora De Energia, SA         |
| Abeinsa Latin America                   | ATE VI Campos Novos Transmissora de Energia, SA    |
| Abeinsa Latin America                   | ATE VII Foz do Iguaçu Transmissora de Energia, SA  |
| Abeinsa Latin America                   | ATE VIII Estação Transmissora de Energia SA        |
| Abeinsa Latin America                   | ATE X Abengoa Brasil Administração Predial Ltda.   |
| Abeinsa Latin America                   | ATE XI, Manaus Transmissora de Energia, SA         |
| Abeinsa Latin America                   | ATE XIII, Norte Brasil Transmissora de Energia, SA |
| Abeinsa Latin America                   | ATE XV Transmissora de Energia, SA                 |
| Abeinsa Latin America                   | ATE XVI Transmissora de Energia, SA                |
| Abeinsa Latin America                   | ATE XVII Transmissora de Energia, SA               |
| Industrial Engineering and Construction | ATN 1, Abengoa Trasmisión Sur, SA                  |
| Solar                                   | Aznalcóllar Solar, SA                              |
| Abeinsa Latin America                   | Bargoa, SA   |
| Environmental Services                  | Befesa Agua, SAU                                   |
| Environmental Services                  | Befesa Agua Internacional, SL                      |
| Environmental Services                  | Befesa Agua Nungua, SL                             |
| Environmental Services                  | Befesa Agua Tenes,SL                               |
| Environmental Services                  | Befesa Aluminio, SL                                |
| Environmental Services                  | Befesa Apa, SRL                                    |
| Environmental Services                  | Befesa Argentina, SA                               |
| Abeinsa Latin America                   | Befesa Brasil                                      |
| Environmental Services                  | Befesa Chile Gestión Ambiental Limitada            |
| Environmental Services                  | Befesa CTA Qingdao SLU                             |
| Environmental Services                  | Befesa Desulfuración, SA                           |
| Environmental Services                  | Befesa Escorias Salinas, SA                        |
| Environmental Services                  | Befesa Gest. Res. Ind, SL                          |
| Environmental Services                  | Begri Portugal                                     |
| Environmental Services                  | Befesa Infrastructure India, Pvt. Ltd.             |
| Environmental Services                  | Befesa Limpiezas Industriales México, SA de CV     |
| Environmental Services                  | Befesa Medio Ambiente, SA                          |
| Environmental Services                  | Befesa México, SA de C.V.                          |
| Environmental Services                  | Befesa PCB   |
| Environmental Services                  | Befesa Perú, SA                                    |
| Environmental Services                  | Befesa Plásticos, SL                               |
| Environmental Services                  | Befesa Reciclaje de Residuos de Aluminio, SL       |
| Environmental Services                  | Befesa Salt Slag, Ltd.                             |
| Environmental Services                  | Befesa Salzschlacke GmbH                           |
| Environmental Services                  | Befesa Scandust AB                                 |
| Environmental Services                  | Befesa Servicios Corporativos, SA                  |



| <b>Bussiness Units</b>                  | <b>Corporate Name</b>                          |
|---|--|
| Environmental Services                  | Befesa Servicios, SA                           |
| Environmental Services                  | Befesa Silvermet Turkey, SL                    |
| Environmental Services                  | Befesa Steel R & D, SLU                        |
| Environmental Services                  | Befesa Steel Services GmbH                     |
| Abeinsa Latin America                   | Befesa Uruguay                                 |
| Environmental Services                  | Befesa Valera, SAS.                            |
| Environmental Services                  | Befesa Valorización de Azufre, SLU             |
| Environmental Services                  | Befesa Valorización SL Sociedad Unipersonal    |
| Environmental Services                  | Befesa Water Projects, SL                      |
| Environmental Services                  | Befesa Waterbuilt GP, Inc.                     |
| Environmental Services                  | Befesa Zinc Freiberg GmbH & Co KG              |
| Environmental Services                  | Befesa Zinc Amorebieta, SA                     |
| Environmental Services                  | Befesa Zinc Aser, SA                           |
| Environmental Services                  | Befesa Zinc Comercial, SA                      |
| Environmental Services                  | Befesa Zinc Duisburg GmbH                      |
| Environmental Services                  | Befesa Zinc Gravelines, SASU                   |
| Environmental Services                  | Befesa Zinc Sondika, SA                        |
| Environmental Services                  | Befesa Zinc Sur, SL                            |
| Environmental Services                  | Befesa Zinc, SL                                |
| Information Technologies                | Beijing Blue Shield High & New Tech. Co., Ltd. |
| Bioenergy                               | Biocarburantes de Castilla y León, SA          |
| Industrial Engineering and Construction | Bioeléctrica Jienense, SA                      |
| Bioenergy                               | Bioetanol Galicia Novas TecnoloXías, SA        |
| Bioenergy                               | Bioetanol Galicia, SA                          |
| Environmental Services                  | BUS France                                     |
| Environmental Services                  | BUS Germany GmbH                               |
| Industrial Engineering and Construction | C.D.Puerto San Carlos, SA de CV                |
| Industrial Engineering and Construction | Captación Solar, SA                            |
| Solar                                   | Captasol Fotovoltaica 1, SL                    |
| Solar                                   | Captasol Fotovoltaica 2, SL                    |
| Solar                                   | Captasol Fotovoltaica 3, SL                    |
| Solar                                   | Captasol Fotovoltaica 4, SL                    |
| Solar                                   | Captasol Fotovoltaica 5, SL                    |
| Solar                                   | Captasol Fotovoltaica 6, SL                    |
| Solar                                   | Captasol Fotovoltaica 7, SL                    |
| Solar                                   | Captasol Fotovoltaica 8, SL                    |
| Solar                                   | Captasol Fotovoltaica 9, SL                    |
| Solar                                   | Captasol Fotovoltaica 10, SL                   |
| Solar                                   | Captasol Fotovoltaica 11, SL                   |
| Solar                                   | Captasol Fotovoltaica 12, SL                   |
| Solar                                   | Captasol Fotovoltaica 13, SL                   |
| Solar                                   | Captasol Fotovoltaica 14, SL                   |
| Solar                                   | Captasol Fotovoltaica 15, SL                   |
| Solar                                   | Captasol Fotovoltaica 16, SL                   |
| Solar                                   | Captasol Fotovoltaica 17, SL                   |
| Solar                                   | Captasol Fotovoltaica 18, SL                   |
| Solar                                   | Captasol Fotovoltaica 19, SL                   |
| Solar                                   | Captasol Fotovoltaica 20, SL                   |
| Solar                                   | Captasol Fotovoltaica 21, SL                   |
| Solar                                   | Captasol Fotovoltaica 22, SL                   |
| Solar                                   | Captasol Fotovoltaica 23, SL                   |
| Solar                                   | Captasol Fotovoltaica 24, SL                   |

| <b>Business Units</b> | <b>Corporate Name</b>        |
|-----------------------|------------------------------|
| Solar                 | Captasol Fotovoltaica 25, SL |
| Solar                 | Captasol Fotovoltaica 26, SL |
| Solar                 | Captasol Fotovoltaica 27, SL |
| Solar                 | Captasol Fotovoltaica 28, SL |
| Solar                 | Captasol Fotovoltaica 29, SL |
| Solar                 | Captasol Fotovoltaica 30, SL |
| Solar                 | Captasol Fotovoltaica 31, SL |
| Solar                 | Captasol Fotovoltaica 32, SL |
| Solar                 | Captasol Fotovoltaica 33, SL |
| Solar                 | Captasol Fotovoltaica 34, SL |
| Solar                 | Captasol Fotovoltaica 35, SL |
| Solar                 | Captasol Fotovoltaica 36, SL |
| Solar                 | Captasol Fotovoltaica 37, SL |
| Solar                 | Captasol Fotovoltaica 38, SL |
| Solar                 | Captasol Fotovoltaica 39, SL |
| Solar                 | Captasol Fotovoltaica 40, SL |
| Solar                 | Captasol Fotovoltaica 41, SL |
| Solar                 | Captasol Fotovoltaica 42, SL |
| Solar                 | Captasol Fotovoltaica 43, SL |
| Solar                 | Captasol Fotovoltaica 44, SL |
| Solar                 | Captasol Fotovoltaica 45, SL |
| Solar                 | Captasol Fotovoltaica 46, SL |
| Solar                 | Captasol Fotovoltaica 47, SL |
| Solar                 | Captasol Fotovoltaica 48, SL |
| Solar                 | Captasol Fotovoltaica 49, SL |
| Solar                 | Captasol Fotovoltaica 50, SL |
| Solar                 | Captasol Fotovoltaica 51, SL |
| Solar                 | Captasol Fotovoltaica 52, SL |
| Solar                 | Captasol Fotovoltaica 53, SL |
| Solar                 | Captasol Fotovoltaica 54, SL |
| Solar                 | Captasol Fotovoltaica 55, SL |
| Solar                 | Captasol Fotovoltaica 56, SL |
| Solar                 | Captasol Fotovoltaica 57, SL |
| Solar                 | Captasol Fotovoltaica 58, SL |
| Solar                 | Captasol Fotovoltaica 59, SL |
| Solar                 | Captasol Fotovoltaica 60, SL |
| Solar                 | Captasol Fotovoltaica 61, SL |
| Solar                 | Captasol Fotovoltaica 62, SL |
| Solar                 | Captasol Fotovoltaica 63, SL |
| Solar                 | Captasol Fotovoltaica 64, SL |
| Solar                 | Captasol Fotovoltaica 65, SL |
| Solar                 | Captasol Fotovoltaica 66, SL |
| Solar                 | Captasol Fotovoltaica 67, SL |
| Solar                 | Captasol Fotovoltaica 68, SL |
| Solar                 | Captasol Fotovoltaica 69, SL |
| Solar                 | Captasol Fotovoltaica 70, SL |
| Solar                 | Captasol Fotovoltaica 71, SL |
| Solar                 | Captasol Fotovoltaica 72, SL |
| Solar                 | Captasol Fotovoltaica 73, SL |
| Solar                 | Captasol Fotovoltaica 74, SL |
| Solar                 | Captasol Fotovoltaica 75, SL |
| Solar                 | Captasol Fotovoltaica 76, SL |

| Bussiness Units                               | Corporate Name                                       |
|---|--|
| Solar   | Captasol Fotovoltaica 77, SL                         |
| Solar   | Captasol Fotovoltaica 78, SL                         |
| Solar   | Captasol Fotovoltaica 79,SL                          |
| Solar   | Carpio Solar Inversiones, SA                         |
| Solar   | Casaquemada Fotovoltaica, SL                         |
| Industrial Engineering and Construction       | Centro Industrial y Logístico Torrecuéllar, SA       |
| Abengoa                                       | Centro Tecnológico Palmas Altas, SA                  |
| Abeinsa Latin America                         | Construcciones Metalicas Mexicanas, SA de CV         |
| Environmental Services                        | Complejo Medioambiental Tierra de Campos, SL         |
| Environmental Services                        | Construcciones y Depuraciones, SA                    |
| Abeinsa Latin America                         | Construtora Integração Ltda.                         |
| Solar   | Copero Solar Huerta Uno, SA                          |
| Solar   | Copero Solar Huerta Dos, SA                          |
| Solar   | Copero Solar Huerta Tres, SA                         |
| Solar   | Copero Solar Huerta Cuatro, SA                       |
| Solar   | Copero Solar Huerta Cinco, SA                        |
| Solar   | Copero Solar Huerta Seis, SA                         |
| Solar   | Copero Solar Huerta Siete, SA                        |
| Solar   | Copero Solar Huerta Ocho, SA                         |
| Solar   | Copero Solar Huerta Nueve, SA                        |
| Solar   | Copero Solar Huerta Diez, SA                         |
| Industrial Engineering and Construction       | Covisa, Cogeneración Villaricos, SA                  |
| Solar   | Cycon Solar, LTD                                     |
| Solar   | Dimange Inversiones, SL                              |
| Information Technologies                      | DTN, Data Transmission Network                       |
| Solar   | Ecija Solar Inversiones, SA                          |
| Bioenergy                                     | Ecoagricola, SA                                      |
| Bioenergy                                     | Ecocarburantes Españoles, SA                         |
| Environmental Services                        | Ecovedras, SA  |
| Industrial Engineering and Construction       | Energoprojekt-Gliwice, SA                            |
| Industrial Engineering and Construction       | Enernova Ayamonte, SA                                |
| Abeinsa Latin America                         | Enicar Chile, SA                                     |
| Industrial Engineering and Construction/Solar | Europea Construcciones Metálicas, SA                 |
| Abeinsa Latin America                         | Faritel, SA  |
| Abeinsa Latin America                         | Financiera Soteland, SA                              |
| Solar   | Fotovoltaica Solar Sevilla, SA                       |
| Solar   | Freener-g LLC  |
| Industrial Engineering and Construction       | Fundación Santa Angela para Grupos Vulnerables       |
| Environmental Services                        | Galdán, SA   |
| Environmental Services                        | Geida Skikda, SL                                     |
| Solar   | Gestión de Evacuación Don Rodrigo, SL                |
| Information Technologies                      | Gestión Integral de Proyectos e Ingeniería, SA de CV |
| Information Technologies                      | Gestión Integral de Recursos Humanos, SA             |
| Industrial Engineering and Construction       | Global Engineering Services LLC                      |
| Solar   | Harper Dry Lake Land Company LLC                     |
| Solar   | Helio Energy Electricidad Tres, SA                   |
| Solar   | Helio Energy Electricidad Cuatro, SA                 |
| Solar   | Helio Energy Electricidad Cinco, SA                  |
| Solar   | Helio Energy Electricidad Seis, SA                   |
| Solar   | Helio Energy Electricidad Siete, SA                  |
| Solar   | Helio Energy Electricidad Ocho, SA                   |
| Solar   | Helio Energy Electricidad Nueve, SA                  |

| Business Units                          | Corporate Name  |
|---|---|
| Solar                                   | Helio Energy Electricidad Diez, SA  |
| Solar                                   | Helio Energy Electricidad Once, SA  |
| Solar                                   | Helio Energy Electricidad Doce, SA  |
| Solar                                   | Helio Energy Electricidad Trece, SA   |
| Solar                                   | Helio Energy Electricidad Catorce, SA                                       |
| Solar                                   | Helio Energy Electricidad Quince, SA  |
| Solar                                   | Helio Energy Electricidad Dieciseis, SA                                     |
| Solar                                   | Helio Energy Electricidad Diecisiete, SA                                    |
| Solar                                   | Helio Energy Electricidad Dieciocho, SA                                     |
| Solar                                   | Helio Energy Electricidad Diecinueve, SA                                    |
| Solar                                   | Helio Energy Electricidad Veinte, SA  |
| Solar                                   | Helioenergy Electricidad Veintiuno, SA                                      |
| Solar                                   | Helioenergy Electricidad Veintidos, SA                                      |
| Solar                                   | Helioenergy Electricidad Veintitres, SA                                     |
| Solar                                   | Helioenergy Electricidad Veinticuatro, SA                                   |
| Solar                                   | Helioenergy Electricidad Veinticinco, SA                                    |
| Solar                                   | Helios I Hyperion Energy Investments, SL                                    |
| Solar                                   | Helios II Hyperion Energy Investments, SL                                   |
| Abeinsa Latin America                   | Hidro Abengoa, SA de CV   |
| Industrial Engineering and Construction | Hynergreen Technologies, SA   |
| Solar                                   | Hypesol Energy Holding, SL  |
| Industrial Engineering and Construction | Inabensa Bharat Private Limited   |
| Industrial Engineering and Construction | Inabensa Electric and Electronic Equipment Manufacturing (Tiajin) Co. Ltda. |
| Industrial Engineering and Construction | Inabensa Fotovoltaica, SL   |
| Industrial Engineering and Construction | Inabensa France, SA   |
| Industrial Engineering and Construction | Inabensa Maroc, SA  |
| Industrial Engineering and Construction | Inabensa Portugal   |
| Abeinsa Latin America                   | Inabensa Rio Ltda.  |
| Industrial Engineering and Construction | Inabensa Saudí Arabia, LLC  |
| Industrial Engineering and Construction | Inabensa Seguridad, SA  |
| Industrial Engineering and Construction | Inabensa, SA  |
| Environmental Services                  | Iniciativas Hidroeléctricas de Aragón y Cataluña, SL                        |
| Environmental Services                  | Iniciativas Hidroeléctricas, SA   |
| Environmental Services                  | Iniciativas Medioambientales, SL  |
| Solar                                   | Insolation 1, SRL   |
| Solar                                   | Insolation 2, SRL   |
| Solar                                   | Insolation 3, SRL   |
| Solar                                   | Insolation 17, SRL  |
| Solar                                   | Insolation 18, SRL  |
| Solar                                   | Insolation 19, SRL  |
| Solar                                   | Insolation 20, SRL  |
| Solar                                   | Insolation Sic 4, SRL   |
| Solar                                   | Insolation Sic 5, SRL   |
| Solar                                   | Insolation Sic 6, SRL   |
| Solar                                   | Insolation Sic 7, SRL   |
| Solar                                   | Insolation Sic 8, SRL   |
| Solar                                   | Insolation Sic 9, SRL   |
| Solar                                   | Insolation Sic 10, SRL  |
| Solar                                   | Insolation Sic 11, SRL  |
| Solar                                   | Insolation Sic 12, SRL  |



| <b>Bussiness Units</b>                  | <b>Corporate Name</b>                          |
|---|--|
| Solar                                   | Insolation Sic 13, SRL                         |
| Solar                                   | Insolation Sic 14, SRL                         |
| Solar                                   | Insolation Sic 15, SRL                         |
| Solar                                   | Insolation Sic 16, SRL                         |
| Industrial Engineering and Construction | Instalaciones Fotovoltaicas Torrecuéllar, 1 SL |
| Industrial Engineering and Construction | Instalaciones Fotovoltaicas Torrecuéllar, 2 SL |
| Industrial Engineering and Construction | Instalaciones Fotovoltaicas Torrecuéllar, 3 SL |
| Industrial Engineering and Construction | Instalaciones Inabensa. Pty. Limited           |
| Abeinsa Latin America                   | Inversora Enicar, SA                           |
| Solar                                   | Kaxu CSP South Africa (Proprietary) Limited    |
| Solar                                   | Khi CSP South Africa (Proprietary) Limited     |
| Abeinsa Latin America                   | Klitten, SA                                    |
| Industrial Engineering and Construction | L.T. Rosarito y Monterrey, SA de CV            |
| Solar                                   | Las Cabezas Fotovoltaica, SL                   |
| Solar                                   | Las Cabezas Solar, SL                          |
| Solar                                   | Linares Fotovoltaica, SL                       |
| Abeinsa Latin America                   | Lineas 612 Norte Noroeste, SA de CV            |
| Abeinsa Latin America                   | Linha Verde Transmisora de Energia, SA         |
| Solar                                   | Logrosán Solar Inversiones, SA                 |
| Abeinsa Latin America                   | Manaus Constructora Ltda.                      |
| Solar                                   | Marismas PV A1, SL                             |
| Solar                                   | Marismas PV A2, SL                             |
| Solar                                   | Marismas PV A3,SL                              |
| Solar                                   | Marismas PV A4, SL                             |
| Solar                                   | Marismas PV A5, SL                             |
| Solar                                   | Marismas PV A6, SL                             |
| Solar                                   | Marismas PV A7, SL                             |
| Solar                                   | Marismas PV A8, SL                             |
| Solar                                   | Marismas PV A9, SL                             |
| Solar                                   | Marismas PV A10, SL                            |
| Solar                                   | Marismas PV A11, SL                            |
| Solar                                   | Marismas PV A12, SL                            |
| Solar                                   | Marismas PV A13, SL                            |
| Solar                                   | Marismas PV A14, SL                            |
| Solar                                   | Marismas PV A15, SL                            |
| Solar                                   | Marismas PV A16, SL                            |
| Solar                                   | Marismas PV A17, SL                            |
| Solar                                   | Marismas PV A18, SL                            |
| Solar                                   | Marismas PV B1, SL                             |
| Solar                                   | Marismas PV B2, SL                             |
| Solar                                   | Marismas PV B3, SL                             |
| Solar                                   | Marismas PV B4, SL                             |
| Solar                                   | Marismas PV B5, SL                             |
| Solar                                   | Marismas PV B6, SL                             |
| Solar                                   | Marismas PV B7, SL                             |
| Solar                                   | Marismas PV B8, SL                             |
| Solar                                   | Marismas PV B9, SL                             |
| Solar                                   | Marismas PV B10, SL                            |
| Solar                                   | Marismas PV B11, SL                            |
| Solar                                   | Marismas PV B12, SL                            |
| Solar                                   | Marismas PV B13, SL                            |
| Solar                                   | Marismas PV B14, SL                            |

| Business Units                          | Corporate Name   |
|---|--|
| Solar                                   | Marismas PV B15, SL                                      |
| Solar                                   | Marismas PV B16, SL                                      |
| Solar                                   | Marismas PV B17, SL                                      |
| Solar                                   | Marismas PV B18, SL                                      |
| Solar                                   | Marismas PV C1, SL                                       |
| Solar                                   | Marismas PV C2, SL                                       |
| Solar                                   | Marismas PV C3, SL                                       |
| Solar                                   | Marismas PV C4, SL                                       |
| Solar                                   | Marismas PV C5, SL                                       |
| Solar                                   | Marismas PV C6, SL                                       |
| Solar                                   | Marismas PV C7, SL                                       |
| Solar                                   | Marismas PV C8, SL                                       |
| Solar                                   | Marismas PV C9, SL                                       |
| Solar                                   | Marismas PV C10, SL                                      |
| Solar                                   | Marismas PV C11, SL                                      |
| Solar                                   | Marismas PV C12, SL                                      |
| Solar                                   | Marismas PV C13, SL                                      |
| Solar                                   | Marismas PV C14, SL                                      |
| Solar                                   | Marismas PV C15, SL                                      |
| Solar                                   | Marismas PV C16, SL                                      |
| Solar                                   | Marismas PV C17, SL                                      |
| Solar                                   | Marismas PV C18, SL                                      |
| Solar                                   | Marismas PV E1, SL                                       |
| Solar                                   | Marismas PV E2, SL                                       |
| Solar                                   | Marismas PV E3, SL                                       |
| Solar                                   | Marudhara Akshay Urja Private Limited                    |
| Information Technologies                | Matchmind Software Ltda.                                 |
| Solar                                   | Mojave Solar LLC   |
| Environmental Services                  | MRH-Resíduos Metálicos, SL                               |
| Information Technologies                | Mundiland, SA  |
| Environmental Services                  | New Cairo Wastewater Company                             |
| Industrial Engineering and Construction | Nicsa Fornecimiento de Materiais Eléctricos Ltda.        |
| Industrial Engineering and Construction | Nicsa Industrial Supplies Corporation                    |
| Industrial Engineering and Construction | Nicsa Mexico, SA de CV                                   |
| Environmental Services                  | Nicsa Suministros Industriales, SA                       |
| Industrial Engineering and Construction | Nicsa, Negocios Industr. y Comer. SA                     |
| Industrial Engineering and Construction | Norventus Atlántico, SL                                  |
| Environmental Services                  | NRS Consulting Engineers                                 |
| Abeinsa Latin America                   | NTE, Nordeste Transmissora de Energia, SA                |
| Industrial Engineering and Construction | OMEGA Operação e Manutenção de Linhas de Transmissão, SA |
| Industrial Engineering and Construction | Palmatir, SA   |
| Abeinsa Latin America                   | Palmucho, SA   |
| Abeinsa Latin America                   | Power Structures Inc.                                    |
| Industrial Engineering and Construction | Precosa, Puerto Real Cogeneración, SA                    |
| Environmental Services                  | Procesos Ecológicos Carmona 1, SA                        |
| Environmental Services                  | Procesos Ecológicos Carmona 2, SA                        |
| Environmental Services                  | Procesos Ecológicos Lorca 1, SA                          |
| Environmental Services                  | Procesos Ecológicos Vilches, SA                          |
| Abengoa                                 | Proyectos de Inversiones Medioambientales, SL            |
| Environmental Services                  | Qingdao BCTA Desalinataion Co. Ltd.                      |

| Bussiness Units                         | Corporate Name  |
|---|---|
| Solar                                   | Rajathan Photon Energy                                  |
| Environmental Services                  | Residuos Ind. de la Madera de Córdoba, SA               |
| Solar                                   | Rioglass Solar, Inc.                                    |
| Abeinsa Latin America                   | S.E.T Sureste Peninsular, SA de CV                      |
| Solar                                   | Sanlucar Solar, SA                                      |
| Bioenergy                               | SAS Abengoa Bioenergia Biomasse France                  |
| Abeinsa Latin America                   | Scios. Aux. Admon., SA de CV                            |
| Abeinsa Latin America                   | Servicios de Ingenieria IMA, SA                         |
| Environmental Services                  | Shariket Tenes Lilmiyah Spa                             |
| Abengoa                                 | Siema AG  |
| Abengoa                                 | Simosa IT, SA   |
| Abengoa                                 | Simosa IT Uruguay, SA                                   |
| Abengoa                                 | Simosa IT US, LLC                                       |
| Abengoa                                 | Servicios Integrales de Mantenimiento y Operaciones, SA |
| Abeinsa Latin America                   | Sinalan, SA   |
| Industrial Engineering and Construction | Sistemas de Desarrollo Sustentables, SA de CV           |
| Abengoa                                 | Soc. Inver. En Ener. y Medioambiente, SA                |
| Abeinsa Latin America                   | Sociedad Inversora Lineas de Brasil, SL                 |
| Solar                                   | Sol3G   |
| Solar                                   | Solaben Electricidad Uno, SA                            |
| Solar                                   | Solaben Electricidad Dos, SA                            |
| Solar                                   | Solaben Electricidad Tres, SA                           |
| Solar                                   | Solaben Electricidad Cuatro, SA                         |
| Solar                                   | Solaben Electricidad Cinco, SA                          |
| Solar                                   | Solaben Electricidad Seis, SA                           |
| Solar                                   | Solaben Electricidad Siete, SA                          |
| Solar                                   | Solaben Electricidad Ocho, SA                           |
| Solar                                   | Solaben Electricidad Nueve, SA                          |
| Solar                                   | Solaben Electricidad Diez, SA                           |
| Solar                                   | Solaben Electricidad Once, SA                           |
| Solar                                   | Solaben Electricidad Doce, SA                           |
| Solar                                   | Solaben Electricidad Trece, SA                          |
| Solar                                   | Solaben Electricidad Catorce, SA                        |
| Solar                                   | Solaben Electricidad Quince, SA                         |
| Solar                                   | Solaben Electricidad Dieciseis, SA                      |
| Solar                                   | Solaben Electricidad Diecisiete, SA                     |
| Solar                                   | Solaben Electricidad Dieciocho, SA                      |
| Solar                                   | Solaben Electricidad Diecinueve, SA                     |
| Solar                                   | Solaben Electricidad Veinte, SA                         |
| Solar                                   | Solacor Electricidad Uno, SA                            |
| Solar                                   | Solacor Electricidad Dos, SA                            |
| Solar                                   | Solacor Electricidad Tres, SA                           |
| Solar                                   | Solar de Receptores de Andalucía, SA                    |
| Environmental Services                  | Solar Nerva, SLU  |
| Industrial Engineering and Construction | Solar Power Plant One (SPP1)                            |
| Solar                                   | Solar Processes, SA(PS-20)                              |
| Solar                                   | Solargate Electricidad Uno, SA                          |
| Solar                                   | Solargate Electricidad Dos, SA                          |
| Solar                                   | Solargate Electricidad Tres, SA                         |
| Solar                                   | Solargate Electricidad Cuatro, SA                       |

| <b>Business Units</b>    | <b>Corporate Name</b>                         |
|--------------------------|---|
| Solar                    | Solargate Electricidad Cinco, SA              |
| Solar                    | Solargate Electricidad Seis, SA               |
| Solar                    | Solargate Electricidad Siete, SA              |
| Solar                    | Solargate Electricidad Ocho, SA               |
| Solar                    | Solargate Electricidad Nueve, SA              |
| Solar                    | Solargate Electricidad Diez, SA               |
| Solar                    | Solargate Electricidad Once, SA               |
| Solar                    | Solargate Electricidad Doce, SA               |
| Solar                    | Solnova Electricidad, SA AZ-50                |
| Solar                    | Solnova Electricidad Dos, SA                  |
| Solar                    | Solnova Electricidad Tres, SA                 |
| Solar                    | Solnova Electricidad Cuatro, SA               |
| Solar                    | Solnova Electricidad Cinco, SA                |
| Solar                    | Solnova Electricidad Séis, SA                 |
| Solar                    | Solnova Electricidad Siete, SA                |
| Solar                    | Solnova Electricidad Ocho, SA                 |
| Solar                    | Solnova Electricidad Nueve, SA                |
| Solar                    | Solnova Electricidad Diez, SA                 |
| Solar                    | Solnova Electricidad Once, SA                 |
| Solar                    | Solnova Electricidad Doce, SA                 |
| Solar                    | Solnova Solar Inversiones, SA                 |
| Solar                    | Solúcar Andalucía FV1, SA                     |
| Solar                    | Solúcar Andalucía FV2, SA                     |
| Solar                    | Solúcar Castilla FV1, SA                      |
| Solar                    | Solúcar Castilla FV2, SA                      |
| Solar                    | Solúcar Extremadura FV1, SA                   |
| Solar                    | Solúcar Extremadura FV2, SA                   |
| Environmental Services   | Soluciones Ambientales del Norte Limitada SA  |
| Solar                    | Solugas Energía, SA                           |
| Solar                    | Son Rivieren (Pty) Limited                    |
| Abeinsa Latin America    | STE-Sul Transmissora de Energia, Ltda.        |
| Environmental Services   | SYI Metalurji Madencilik Sanayi ve Ticaret AS |
| Abeinsa Latin America    | Tarefix, SA                                   |
| Information Technologies | Telvent Arce Sistemas, SA                     |
| Information Technologies | Telvent Argentina                             |
| Information Technologies | Telvent Australia Pty Ltd.                    |
| Information Technologies | Telvent Brasil, SA                            |
| Abengoa                  | Telvent BV                                    |
| Information Technologies | Telvent Canada, Ltd.                          |
| Information Technologies | Telvent Chile                                 |
| Information Technologies | Telvent China                                 |
| Information Technologies | Telvent Corporation, SL                       |
| Information Technologies | Telvent Deutschland GmbH                      |
| Information Technologies | Telvent Dinamarca                             |
| Information Technologies | Telvent Energía, SA                           |
| Information Technologies | Telvent Environment, SA                       |
| Information Technologies | Telvent Export, SL                            |
| Information Technologies | Telvent Factory Holding AG                    |
| Information Technologies | Telvent Farradyne Engineering, PC             |
| Information Technologies | Telvent GIT, SA                               |
| Information Technologies | Telvent Global Services, SA                   |
| Abengoa                  | Telvent Implantación de Sistemas, SL          |



| <b>Bussiness Units</b>                  | <b>Corporate Name</b>  |
|---|--|
| Information Technologies                | Telvent Investment, SL   |
| Information Technologies                | Telvent México, SA   |
| Information Technologies                | Telvent Netherlands BV   |
| Information Technologies                | Telvent Portugal, SA   |
| Information Technologies                | Telvent Saudi Arabia, Co. Ltd.                                       |
| Information Technologies                | Telvent Scandinavia, AB  |
| Information Technologies                | Telvent Servicios Compartidos, SA                                    |
| Information Technologies                | Telvent Tráfico y Transporte, SA                                     |
| Information Technologies                | Telvent USA Corporation  |
| Information Technologies                | Telvent Venezuela, CA  |
| Abeinsa Latin America                   | Teyma Abengoa, SA  |
| Abeinsa Latin America                   | Teyma Construcción, SA   |
| Abeinsa Latin America                   | Teyma Forestal, SA   |
| Industrial Engineering and Construction | Teyma Gestión de Contratos de Construcción e Ingeniería              |
| Abeinsa Latin America                   | Teyma Medioambiente, SA  |
| Abeinsa Latin America                   | Teyma Paraguay, SA   |
| Abeinsa Latin America                   | Teyma Servicios de Ingeniería y Construcción Internacional, SA       |
| Abeinsa Latin America                   | Teyma Sociedad de Inversión, SA                                      |
| Abeinsa Latin America                   | Teyma Uruguay ZF, SA   |
| Industrial Engineering and Construction | Teyma USA & Abener Engineering and Construction Services Partnership |
| Abeinsa Latin America                   | Teyma USA Inc.   |
| Solar                                   | Thar Sand Saur Vidyut Private Limited                                |
| Information Technologies                | Trafinsa, Tráfico e Ingenier., SA                                    |
| Abeinsa Latin America                   | Transportadora Cuyana, SA  |
| Abeinsa Latin America                   | Transportadora del Atlántico, SA                                     |
| Abeinsa Latin America                   | Transportadora del Norte, SA   |
| Abeinsa Latin America                   | Transportadora Rio de la Plata, SA                                   |
| Industrial Engineering and Construction | Transportadora Sanjuanina, SA  |
| Environmental Services                  | Trinacria Spzoo  |
| Environmental Services                  | Valorcam, SL   |
| Industrial Engineering and Construction | Zero Emissions Technologies, SA                                      |
| Industrial Engineering and Construction | Zeroemissions (Beijing) Technology Consulting Service Co. Ltd.       |
| Industrial Engineering and Construction | Zeroemissions Carbon Trust, SA                                       |
| Industrial Engineering and Construction | Zeroemissions do Brasil, Ltda.                                       |
| Industrial Engineering and Construction | Zeroemissions Eastern Europe, LLC                                    |

## Social Action Initiatives deployed by Abengoa over 2010

| CSR initiative or action performed   | Business Unit | Company                       | Country       |
|--|---------------|-------------------------------|---------------|
| Staging of sports league   | Abeinsa       | Abengoa México                | Mexico        |
| Donation   | Abeinsa       | Abencs                        | United States |
| III Paddle Tennis Tournament   | Abeinsa       | Abener                        | Spain         |
| I Poster Competition   | Abeinsa       | Abener                        | Spain         |
| III Christmas Competition  | Abeinsa       | Abener                        | Spain         |
| V Photography Competition  | Abeinsa       | Abener                        | Spain         |
| Construction of a well for irrigation  | Abeinsa       | Abener Energie SARL           | Morocco       |
| Development of the EBE (Educational and Body Exercise program)   | Abeinsa       | Abengoa Brasil                | Brazil        |
| "Children's drawing competition<br>Subject: "I care for the environment when..."   | Abeinsa       | Abengoa México                | Mexico        |
| "Reforestation - Soil conservation program through annual planting of trees in the wooded areas of the city at high risk of deforestation and unauthorized logging of trees in the "San Mateo Tlaltenango" community, in which 1,200 oyamel trees have been planted. The first children's drawing competition was also held under the subject "I care for the environment when...". The contest included 30 children of Abengoa México employees and involved children from the Guadalupano children's home. | Abeinsa       | Abengoa México                | Mexico        |
| "Reforestation - Soil conservation program through annual planting of trees in 2 areas of the State of Tabasco at high risk of deforestation and unauthorized tree logging. Under the initiative, 4,250 trees of native species will be planted.   | Abeinsa       | Abengoa México                | Mexico        |
| Maintenance of green areas. Creation, adaptation and maintenance of green areas on public roads, essentially involving landscaping and tree pruning work, daily grass watering, maintenance when required, and plant replacements.   | Abeinsa       | Abengoa México                | Mexico        |
| Vegetable garden and watering program  | Abeinsa       | Abengoa Peru                  | Peru          |
| Construction and implementation of workshops   | Abeinsa       | Abengoa Peru                  | Peru          |
| Residential painting   | Abeinsa       | Abengoa Peru                  | Peru          |
| Upkeep at Oxapampa and Chiclayo  | Abeinsa       | Abengoa Peru                  | Peru          |
| Construction of playground   | Abeinsa       | Abengoa Peru                  | Peru          |
| Educational and body exercises (EBE) social responsibility program   | Abeinsa       | Abengoa Peru                  | Peru          |
| Social responsibility program - educational and body exercises (EBE)   | Abeinsa       | Abengoa Peru                  | Peru          |
| Support in developing communities (livestock, social growth units)   | Abeinsa       | ATN                           | Peru          |
| Support for the Telesecundaria 369/Caleras school in Ameche, involving the donation of five Samsung LN32C350 32", series 3, wide color, HDMI televisions   | Abeinsa       | Comemsa                       | Mexico        |
| Preparation of a 2011 Calendar, featuring photos of the company and its employees and intended as a gift at the end-of-year event  | Abeinsa       | Consorcio Ambiental del Plata | Uruguay       |
| Mother's Day Party   | Abeinsa       | Consorcio Ambiental del Plata | Uruguay       |
| Addiction Prevention and Detection Workshops   | Abeinsa       | Consorcio Ambiental del Plata | Uruguay       |
| Awards implemented to celebrate meeting objectives of 30 days elapsing without accidents at each work center   | Abeinsa       | Consorcio Ambiental del Plata | Uruguay       |
| Internal football championship and pilates classes for Teyma employees   | Abeinsa       | Consorcio Ambiental del Plata | Uruguay       |

| CSR initiative or action performed   | Business Unit | Company                       | Country   |
|--|---------------|-------------------------------|-----------|
| Children's drawing competition titled "What I want to be when I grow up"   | Abeinsa       | Consortio Ambiental del Plata | Uruguay   |
| Intake of staff from the Objetivo Empleo job bank. 13 new street sweepers were hired.  | Abeinsa       | Consortio Ambiental del Plata | Uruguay   |
| Schooling and completion of studies grants awarded to children of Teyma workers  | Abeinsa       | Consortio Ambiental del Plata | Uruguay   |
| Workshops to provide guidance and promote youth employment for workers' children   | Abeinsa       | Consortio Ambiental del Plata | Uruguay   |
| Paper purchased for two associations for the disabled.   | Abeinsa       | Inabensa France               | France    |
| Sports activity subsidized for an orphanage in Casablanca.   | Abeinsa       | Inabensa Maroc                | Morocco   |
| Collaboration with the Hermanas de la Cruz sisterhood.   | Abeinsa       | Teyma Abengoa                 | Argentina |
| Staging of Almanaque 2011, with photos of the works and the company's employees. This was handed out as a gift at the company's end-of-year event.           | Abeinsa       | Teyma Construcción            | Uruguay   |
| Internal football championship and pilates classes for Teyma employees   | Abeinsa       | Teyma Construcción            | Uruguay   |
| Mother's Day Party   | Abeinsa       | Teyma Construcción            | Uruguay   |
| Installation of PCs at homes of relocated workers  | Abeinsa       | Teyma Construcción            | Uruguay   |
| Addiction prevention and detection workshops   | Abeinsa       | Teyma Construcción            | Uruguay   |
| Awards implemented to celebrate meeting objectives of 30 days elapsing without accidents at each work center   | Abeinsa       | Teyma Construcción            | Uruguay   |
| Children's drawing competition titled "What I want to be when I grow up"   | Abeinsa       | Teyma Construcción            | Uruguay   |
| End-of-year party for employees and operators  | Abeinsa       | Teyma Construcción            | Uruguay   |
| Schooling and completion of studies grants awarded to children of Teyma workers  | Abeinsa       | Teyma Construcción            | Uruguay   |
| Children's Day Party   | Abeinsa       | Teyma Construcción            | Uruguay   |
| Workshops to provide guidance and promote youth employment for workers' children   | Abeinsa       | Teyma Construcción            | Uruguay   |
| Asedown association pays visit to the Sánlucar la Mayor solar plant  | Abeinsa       | Teyma España                  | Spain     |
| TF yearbook prepared (involvement of family members, outside work activities, photos, etc.), requiring the company to compile all the material for the year. | Abeinsa       | Teyma Forestal                | Uruguay   |
| End-of-year event for all Teyma Forestal employees   | Abeinsa       | Teyma Forestal                | Uruguay   |
| Mother's Day Party   | Abeinsa       | Teyma Forestal                | Uruguay   |
| Internal football championship and pilates classes for Teyma employees   | Abeinsa       | Teyma Forestal                | Uruguay   |
| Addiction Prevention and Detection Workshops   | Abeinsa       | Teyma Forestal                | Uruguay   |
| Awards implemented to celebrate meeting objectives of 30 days elapsing without accidents at each work center   | Abeinsa       | Teyma Forestal                | Uruguay   |
| Children's drawing competition titled "What I want to be when I grow up"   | Abeinsa       | Teyma Forestal                | Uruguay   |
| Installation of PCs at homes of relocated workers  | Abeinsa       | Teyma Forestal                | Uruguay   |
| Schooling and completion of studies grants awarded to children of Teyma workers  | Abeinsa       | Teyma Forestal                | Uruguay   |
| Workshops to provide guidance and promote youth employment for workers' children   | Abeinsa       | Teyma Forestal                | Uruguay   |
| Children's drawing competition titled "What I want to be when I grow up"   | Abeinsa       | Teyma Internacional, S.A.     | Uruguay   |
| Mother's Day Party   | Abeinsa       | Teyma Internacional, S.A.     | Uruguay   |
| Internal football championship and pilates classes for Teyma employees   | Abeinsa       | Teyma Internacional, S.A.     | Uruguay   |
| Workshops to provide guidance and promote youth employment for workers' children   | Abeinsa       | Teyma Internacional, S.A.     | Uruguay   |
| Donation of office furniture by Zeroemissions  | Abeinsa       | Zeroemissions                 | Spain     |

| CSR initiative or action performed   | Business Unit | Company                             | Country       |
|--|---------------|-------------------------------------|---------------|
| Renovation of the 2011 municipal bus Eco Pass, which is handed out to employees as a means of cutting emissions                    | Solar         | Abengoa Solar Inc                   | United States |
| Support in organizing local festivities - Corpus Christi Day donation  | Solar         | Abengoa Solar España                | Spain         |
| Support for initiatives to raise environmental and cultural awareness - Book Fair  | Solar         | Abengoa Solar España                | Spain         |
| Sponsorship of local cultural and sports material - commemorative book   | Solar         | Abengoa Solar España                | Spain         |
| Support in organizing local festivities - Andalusia Day  | Solar         | Abengoa Solar España                | Spain         |
| Support in organizing local festivities - donation for the Three Kings procession  | Solar         | Abengoa Solar España                | Spain         |
| Contribution to the performing arts circuit  | Solar         | Abengoa Solar España                | Spain         |
| Contribution of sports material  | Solar         | Abengoa Solar España                | Spain         |
| Support for the project to convert the old grain silo into a cultural center   | Solar         | Abengoa Solar España                | Spain         |
| Contribution of classroom experience   | Solar         | Abengoa Solar España                | Spain         |
| Involvement with the community of the Mojave Desert  | Solar         | Abengoa Solar Inc                   | United States |
| Support for the Solar Energy Technological Interpretation Center (Centro de Interpretación Tecnológico de Energía Solar, or Cites) | Solar         | Abengoa Solar España                | Spain         |
| Donation to Seville University to help fund the Inserta&Integra research project   | Telvent       | GIRH, S.A.                          | Spain         |
| Charitable Contribution  | Telvent       | Telvent DTN Inc.                    | United States |
| Charitable Contribution  | Telvent       | Telvent DTN Inc.                    | United States |
| Charitable Contribution  | Telvent       | Telvent DTN Inc.                    | United States |
| Charitable Contribution  | Telvent       | Telvent DTN Inc.                    | United States |
| Charitable Contribution  | Telvent       | Telvent DTN Inc.                    | United States |
| Charitable Contribution  | Telvent       | Telvent DTN Inc.                    | United States |
| Charitable Contribution  | Telvent       | Telvent DTN Inc.                    | United States |
| Charitable Contribution  | Telvent       | Telvent DTN Inc.                    | United States |
| Charitable Contribution  | Telvent       | Telvent DTN Inc.                    | United States |
| Charitable Contribution  | Telvent       | Telvent DTN Inc.                    | United States |
| Charitable Contribution  | Telvent       | Telvent DTN Inc.                    | United States |
| Charitable Contribution  | Telvent       | Telvent DTN Inc.                    | United States |
| Charitable Contribution  | Telvent       | Telvent DTN Inc.                    | United States |
| Charitable Contribution  | Telvent       | Telvent DTN Inc.                    | United States |
| Charitable Contribution  | Telvent       | Telvent DTN Inc.                    | United States |
| Charitable Contribution  | Telvent       | Telvent DTN Inc.                    | United States |
| Charitable Contribution  | Telvent       | Telvent DTN Inc.                    | United States |
| Donation to the ICAI Engineers Foundation to help roll out various projects targeting underprivileged groups of society            | Telvent       | Telvent GIT, S.A.                   | Spain         |
| Sponsorship of the Science Networks scientific awareness website   | Telvent       | Telvent GIT, S.A.                   | Spain         |
| Furniture donated to the Loyola Foundation from the Tamargillo offices   | Telvent       | Telvent GIT, S.A.                   | Spain         |
| Donation to Focus Abengoa to meet the requirements of the Spanish Disabled Social Integration Act                                  | Telvent       | Telvent Global Services             | Spain         |
| Sponsor of the III International Congress on Excellence  | Telvent       | Telvent Servicios Compartidos, S.A. | Spain         |
| Sponsor of the 2010 Business ICT congress  | Telvent       | Telvent Servicios Compartidos, S.A. | Spain         |
| Sponsor of the III ICT and Sustainability Forum  | Telvent       | Telvent Servicios Compartidos, S.A. | Spain         |
| Sponsor of the XVII Healthcare Computing Event in Andalusia  | Telvent       | Telvent Servicios Compartidos, S.A. | Spain         |
| Sponsor of the EMC Forum   | Telvent       | Telvent Servicios Compartidos, S.A. | Spain         |



| CSR initiative or action performed  | Business Unit          | Company                                 | Country |
|---|------------------------|---|---------|
| Sponsor of SITE 2010 (International Technology Exhibition)  | Telvent                | Telvent Servicios Compartidos, S.A.     | Spain   |
| Donation through Focus Abengoa to help Abengoa employees affected by the earthquake   | Telvent                | Telvent Tráfico y Transporte, S.A.      | Spain   |
| Sponsor of Spring of Culture event in Barcelona   | Telvent                | Telvent Tráfico y Transporte, S.A.      | Spain   |
| Sponsor of the X Spanish Congress on Smart Transport Systems  | Telvent                | Telvent Tráfico y Transporte, S.A.      | Spain   |
| Sponsor of the Global Water Awards 2010 awards ceremony   | Environmental Services | Befesa Agua                             | Spain   |
| Sponsor of the "Water Management in Andalusia" event, to be staged in Seville by Expansión Conferencias, in collaboration with the Regional Government of Andalucía, on 17 March                                | Environmental Services | Befesa Agua                             | Spain   |
| Project of the Doñana Foundation entitled "Recovery of mountain rabbit populations and adaptation of senescent vegetation. Creation of vegetation mosaics and enhancements to biodiversity at Finca Los Cerros. | Environmental Services | Befesa Agua                             | Spain   |
| Sponsor of the "InDA-APDA Conference on Desalination and Water Purification 2010"   | Environmental Services | Befesa Agua                             | Spain   |
| Sponsorship of the II International Desalination Seminar, which will run from 29 November to 1 December 2010 in Antofagasta, Chile  | Environmental Services | Befesa Agua                             | Chile   |
| NGO aid   | Environmental Services | Befesa Gestión de Residuos Industriales | Spain   |
| Sponsorship   | Environmental Services | Befesa Gestión de Residuos Industriales | Spain   |
| Sponsorship   | Environmental Services | Befesa Gestión de Residuos Industriales | Spain   |
| Sponsorship   | Environmental Services | Befesa Gestión de Residuos Industriales | Spain   |
| Sponsorship   | Environmental Services | Befesa Gestión de Residuos Industriales | Spain   |
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| Sponsorship   | Environmental Services | Befesa Gestión de Residuos Industriales | Spain   |
| Sponsorship   | Environmental Services | Befesa Gestión de Residuos Industriales | Spain   |
| Sponsorship   | Environmental Services | Befesa Gestión de Residuos Industriales | Spain   |
| Sponsorship   | Environmental Services | Befesa Gestión de Residuos Industriales | Spain   |
| Sponsorship   | Environmental Services | Befesa Gestión de Residuos Industriales | Spain   |
| Training  | Environmental Services | Befesa Infraestructure India, Pvt. Ltd. | India   |
| Donation of 12 baskets  | Environmental Services | Befesa Perú                             | Peru    |

| CSR initiative or action performed   | Business Unit          | Company                                    | Country       |
|--|------------------------|--|---------------|
| Donation of 30 bicycles to celebrate Christmas for Children (Navidad del Niño)   | Environmental Services | Befesa Perú                                | Peru          |
| Celebration of Christmas for Children with approx. 300 children  | Environmental Services | Befesa Perú                                | Peru          |
| Basket donated   | Environmental Services | Befesa Perú                                | Peru          |
| Mother's Day lunch   | Environmental Services | Befesa Perú                                | Peru          |
| Crafts workshop  | Environmental Services | Befesa Perú                                | Peru          |
| Donation to help rent audio equipment  | Environmental Services | Befesa Perú                                | Peru          |
| Donation of 100 polo shirts  | Environmental Services | Befesa Perú                                | Peru          |
| Donation of 24 balls   | Environmental Services | Befesa Perú                                | Peru          |
| Crafts workshop  | Environmental Services | Befesa Perú                                | Peru          |
| Laptop computer donated  | Environmental Services | Befesa Perú                                | Peru          |
| Sponsorship  | Environmental Services | Befesa Steel Services                      | Germany       |
| Sponsorship of the basketball team   | Environmental Services | Befesa Valera                              | France        |
| Donation   | Environmental Services | Befesa Zinc Duisburg                       | Germany       |
| Wheelchair donated to the child of an operator (sugarcane cutter) suffering from cerebral palsy  | Bioenergy              | Abengoa Bioenergía Agroindustria Ltda      | Brazil        |
| Donation of 300 liters of alcohol per month to the Catholic Church (Santa Rita de Cássia parish) of the city of Santa Cruz das Palmeiras. The parish is involved in a project tied up with human development.                          | Bioenergy              | Abengoa Bioenergía Agroindustria Ltda      | Brazil        |
| Donation of structure to assemble tents for events (quermesse festivals) for the Catholic Church (Santa Rita de Cassia parish) of Santa Cruz das Palmeiras. The parish organizes these festivities to raise money for its social work. | Bioenergy              | Abengoa Bioenergía Agroindustria Ltda      | Brazil        |
| Sponsorship of the International Conference on Lignocellulosic Ethanol; From Demonstration to Market Deployment  | Bioenergy              | Abengoa Bioenergía Nuevas Tecnologías, S.A | Spain         |
| Abengoa Vuela Program  | Bioenergy              | Abengoa Bioenergía Nuevas Tecnologías, S.A | Spain         |
| Charitable contributions   | Bioenergy              | Abengoa Bioenergía Corporation - Colwich   | United States |
| Charitable contributions   | Bioenergy              | Abengoa Bioenergía Corporation - Colwich   | United States |
| Charitable contributions   | Bioenergy              | Abengoa Bioenergía Corporation - Colwich   | United States |
| Charitable contributions   | Bioenergy              | Abengoa Bioenergía Corporation - Colwich   | United States |
| Charitable contributions   | Bioenergy              | Abengoa Bioenergía Corporation - Colwich   | United States |
| Charitable contributions   | Bioenergy              | Abengoa Bioenergía Corporation - Colwich   | United States |
| Charitable contributions   | Bioenergy              | Abengoa Bioenergía Corporation - Colwich   | United States |
| Charitable contributions   | Bioenergy              | Abengoa Bioenergía Corporation - Colwich   | United States |
| Charitable contributions   | Bioenergy              | Abengoa Bioenergía Corporation - Colwich   | United States |
| Charitable contributions   | Bioenergy              | Abengoa Bioenergía Corporation - Colwich   | United States |

| CSR initiative or action performed   | Business Unit | Company                                 | Country       |
|--|---------------|---|---------------|
| Charitable contributions   | Bioenergy     | Abengoa Bioenergy Corporation - Colwich | United States |
| Charitable contributions   | Bioenergy     | Abengoa Bioenergy Corporation - Colwich | United States |
| Adopt-A-Family: Holiday gifts purchased for less fortunate people living in our community  | Bioenergy     | Abengoa Bioenergy Corporation - York    | United States |
| 4 employees participated in a charity 4-H Trap Shoot   | Bioenergy     | Abengoa Bioenergy Corporation - York    | United States |
| ABF signed an agreement with the "Handi'réseau" association, which works to find employment for disabled workers - €14,000 donated to CSR-related associations | Bioenergy     | Abengoa Bioenergy France, S.A.          | France        |
| Vlaggenparade (flag parade)  | Bioenergy     | Abengoa Bioenergy Netherlands, B.V.     | Netherlands   |
| External social action carried out over the course of the annual reporting period  | Bioenergy     | Abengoa Bioenergy of Illinois, LLC      | United States |
| Housing and other living expenses provided to an employee whose home was destroyed by fire   | Bioenergy     | Abengoa Bioenergy of Indiana, LLC       | United States |
| Sponsorship  | Bioenergy     | Abengoa Bioenergy of Nebraska, LLC      | United States |
| Sponsorship  | Bioenergy     | Abengoa Bioenergy of Nebraska, LLC      | United States |
| Sponsorship  | Bioenergy     | Abengoa Bioenergy of Nebraska, LLC      | United States |
| Sponsorship  | Bioenergy     | Abengoa Bioenergy of Nebraska, LLC      | United States |
| Sponsorship  | Bioenergy     | Abengoa Bioenergy of Nebraska, LLC      | United States |
| Sponsorship  | Bioenergy     | Abengoa Bioenergy of Nebraska, LLC      | United States |
| Sponsorship  | Bioenergy     | Abengoa Bioenergy of Nebraska, LLC      | United States |
| Sponsorship  | Bioenergy     | Abengoa Bioenergy of Nebraska, LLC      | United States |
| Sponsorship  | Bioenergy     | Abengoa Bioenergy of Nebraska, LLC      | United States |
| Sponsorship  | Bioenergy     | Abengoa Bioenergy of Nebraska, LLC      | United States |
| Sponsorship  | Bioenergy     | Abengoa Bioenergy of Nebraska, LLC      | United States |
| Sponsorship  | Bioenergy     | Abengoa Bioenergy of Nebraska, LLC      | United States |
| Sponsorship  | Bioenergy     | Abengoa Bioenergy of Nebraska, LLC      | United States |
| Patron Saint festivities in the locality of Cordovilla   | Bioenergy     | Biocarburantes de Castilla y León, S.A. | Spain         |
| Patron Saint festivities in the locality of Huertas  | Bioenergy     | Biocarburantes de Castilla y León, S.A. | Spain         |
| Donation to the As Mamoas cultural association   | Bioenergy     | Bioetanol Galicia, S.A.                 | Spain         |
| Patron Saint festivities in Teixeira   | Bioenergy     | Bioetanol Galicia, S.A.                 | Spain         |
| Sponsorship of the I International Occupational Risk Prevention Conference, organized by the Science Faculty of the Lugo Campus                                | Bioenergy     | Bioetanol Galicia, S.A.                 | Spain         |
| Collaboration with bordering neighborhood associations and support for a children's football team in Murcia  | Bioenergy     | Ecocarburantes Españoles, S.A.          | Spain         |
| Expenses incurred from prizes and assistance awarded to Abengoa personnel  | Corporate     | Corporate Control Dept.                 | Spain         |
| Restoration of Palmas Altas Technology Center  | Corporate     | Corporate Control Dept.                 | Spain         |
| Palmas Altas Technology Center daycare center  | Corporate     | Corporate Control Dept.                 | Spain         |

| CSR initiative or action performed                           | Business Unit | Company                 | Country   |
|--|---------------|-------------------------|-----------|
| Palmas Altas Technology Center vending area                  | Corporate     | Corporate Control Dept. | Spain     |
| Awards and assistance for Abengoa personnel                  | Corporate     | Corporate Control Dept. | Spain     |
| Palmas Altas Technology Center shuttle                       | Corporate     | Corporate Control Dept. | Spain     |
| Grants for Latin American staff                              | Corporate     | Corporate Control Dept. | Spain     |
| National study grants  | Corporate     | Corporate Control Dept. | Spain     |
| Proyecto Hombre  | Corporate     | Corporate Control Dept. | Spain     |
| Santa Ángela Foundation                                      | Corporate     | Corporate Control Dept. | Argentina |
| La Milagrosa Foundation                                      | Corporate     | Corporate Control Dept. | Spain     |
| Contribution to the S. Rafael care home                      | Corporate     | Corporate Control Dept. | Spain     |
| Grants competition for the recruitment of disabled workers   | Corporate     | Corporate Control Dept. | Spain     |
| Support for victims of the Chilean earthquake                | Corporate     | Corporate Control Dept. | Chile     |
| Support for Andex  | Corporate     | Corporate Control Dept. | Spain     |
| Expenses of the La Milagrosa Foundation                      | Corporate     | Corporate Control Dept. | Spain     |
| Universidad de Sevilla Research Foundation                   | Corporate     | Corporate Control Dept. | Spain     |
| Doctoral Thesis Award  | Corporate     | Corporate Control Dept. | Spain     |
| Structure  | Corporate     | Corporate Control Dept. | Spain     |
| Painting Prize   | Corporate     | Corporate Control Dept. | Spain     |
| APS Award  | Corporate     | Corporate Control Dept. | Spain     |
| APS tribute event  | Corporate     | Corporate Control Dept. | Spain     |
| Institutional relations                                      | Corporate     | Corporate Control Dept. | Spain     |
| Andalusian Roman Art   | Corporate     | Corporate Control Dept. | Spain     |
| Real Academia de Medicina                                    | Corporate     | Corporate Control Dept. | Spain     |
| Exhibitions  | Corporate     | Corporate Control Dept. | Spain     |
| Real Academia de BB.AA Santa Isabel de Hungría               | Corporate     | Corporate Control Dept. | Spain     |
| Trustee fee for the Príncipe de Girona Foundation            | Corporate     | Corporate Control Dept. | Spain     |
| Support for the Pro Real Academia Foundation                 | Corporate     | Corporate Control Dept. | Spain     |
| Real Academia de Buenas Letras                               | Corporate     | Corporate Control Dept. | Spain     |
| Asociación Española de Fundaciones                           | Corporate     | Corporate Control Dept. | Spain     |
| Centro Velázquez   | Corporate     | Corporate Control Dept. | Spain     |
| Focus-Abengoa advisor  | Corporate     | Corporate Control Dept. | Spain     |
| Juventudes Musicales young musicians' association in Seville | Corporate     | Corporate Control Dept. | Spain     |
| Museo Naval Foundation                                       | Corporate     | Corporate Control Dept. | Spain     |
| Madrid Vivo Foundation                                       | Corporate     | Corporate Control Dept. | Spain     |
| Concerts   | Corporate     | Corporate Control Dept. | Spain     |
| Awards expenses  | Corporate     | Corporate Control Dept. | Spain     |
| Príncipe de Asturias Foundation                              | Corporate     | Corporate Control Dept. | Spain     |
| Publications   | Corporate     | Corporate Control Dept. | Spain     |
| Al Andalus project   | Corporate     | Corporate Control Dept. | Spain     |



| CSR initiative or action performed                         | Business Unit | Company                 | Country |
|--|---------------|-------------------------|---------|
| Store  | Corporate     | Corporate Control Dept. | Spain   |
| Congress for African women                                 | Corporate     | Corporate Control Dept. | Spain   |
| Santa Cruz parish  | Corporate     | Corporate Control Dept. | Spain   |
| Hispania Nostra  | Corporate     | Corporate Control Dept. | Spain   |
| APS Award expenses   | Corporate     | Corporate Control Dept. | Spain   |
| Consejo España-China Foundation                            | Corporate     | Corporate Control Dept. | Spain   |
| Ideas para el Progreso Foundation                          | Corporate     | Corporate Control Dept. | Spain   |
| Contribution to the Comillas University Chair              | Corporate     | Corporate Control Dept. | Spain   |
| Support for CTA 2010                                       | Corporate     | Corporate Control Dept. | Spain   |
| Fundación Corporación Tecnológica de Andalucía             | Corporate     | Corporate Control Dept. | Spain   |
| Fundación Valenciana de Estudios Avanzados                 | Corporate     | Corporate Control Dept. | Spain   |
| Cotec Foundation   | Corporate     | Corporate Control Dept. | Spain   |
| Grant scheme   | Corporate     | Corporate Control Dept. | Spain   |
| Fundación de Estudios Sociológicos                         | Corporate     | Corporate Control Dept. | Spain   |
| Focus-Abengoa Campus                                       | Corporate     | Corporate Control Dept. | Spain   |
| Consejo España-India Foundation                            | Corporate     | Corporate Control Dept. | Spain   |
| JBP Research Prize   | Corporate     | Corporate Control Dept. | Spain   |
| Carolina Foundation  | Corporate     | Corporate Control Dept. | Spain   |
| Conferences and seminars                                   | Corporate     | Corporate Control Dept. | Spain   |
| La Antilla care home                                       | Corporate     | Abengoa S.A.            | Spain   |
| Tribute to Abengoa employees for 25 years of loyal service | Corporate     | Abengoa S.A.            | Spain   |
| Abengoa internal magazine                                  | Corporate     | Abengoa S.A.            | Spain   |
| Donation to Hermanitas de los Pobres                       | Corporate     | Abengoa S.A.            | Spain   |
| Donation to United Nations Global Compact Network in Spain | Corporate     | Abengoa S.A.            | Spain   |
| Donation to Las Carmelitas                                 | Corporate     | Abengoa S.A.            | Spain   |
| Donation to S. Bernardo and S. Benito parishes             | Corporate     | Abengoa S.A.            | Spain   |
| Donation to the Regional Development Inst.                 | Corporate     | Abengoa S.A.            | Spain   |
| Donation to the Pro Rebus Foundation                       | Corporate     | Abengoa S.A.            | Spain   |
| Donation to Fundéu BBVA                                    | Corporate     | Abengoa S.A.            | Spain   |
| Donation to the Instituto de Empresa Foundation            | Corporate     | Abengoa S.A.            | Spain   |
| Donation to the Hermanas Josefinas de la Caridad Institute | Corporate     | Abengoa S.A.            | Spain   |
| Donation to Hermanitas de la Cruz                          | Corporate     | Abengoa S.A.            | Spain   |
| Donation to Universidad Pontificia de Salamanca            | Corporate     | Abengoa S.A.            | Spain   |
| Donation to the Consejo España USA Foundation              | Corporate     | Abengoa S.A.            | Spain   |
| Donation to Seminario Metropolitano de Sevilla             | Corporate     | Abengoa S.A.            | Spain   |
| Donation to I.C.A.I.                                       | Corporate     | Abengoa S.A.            | Spain   |
| Donation to the Padre Pulgar association                   | Corporate     | Abengoa S.A.            | Spain   |
| Donation to Beaterio Stma Trinidad                         | Corporate     | Abengoa S.A.            | Spain   |
| Books on climate change                                    | Corporate     | Abengoa S.A.            | Spain   |



## Statement GRI Application Level Check

GRI hereby states that **Abengoa** has presented its report "Corporate Social Responsibility 2010" to GRI's Report Services which have concluded that the report fulfills the requirements of Application Level A+.

GRI Application Levels communicate the extent to which the content of the G3 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3 Guidelines.

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

24 February 2011, Amsterdam

A handwritten signature in blue ink, appearing to read "Nelmara Arbex", is written over a faint background watermark of the GRI logo.

Nelmara Arbex  
Deputy Chief Executive  
Global Reporting Initiative



The "+" has been added to this Application Level because Abengoa has submitted (part of) this report for external assurance. GRI accepts the reporter's own judgment for choosing its assurance Provider and for deciding the scope of the assurance.

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*Disclaimer: Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 17 February 2011. GRI explicitly excludes the statement being applied to any later changes to such material.*

**ABENGOA**