

IV Annual Analyst and Investor Day

October 22nd – 23rd, 2008

Sustainability and GHG Inventory



The world is aware that the Earth's climate is changing.

Although the future is uncertain, climate change consequences are being predicted in:

- Water and Oceans
- Ecosystems
- Health
- Ozone layer
- Agriculture
- Weather
- Communities
- Other

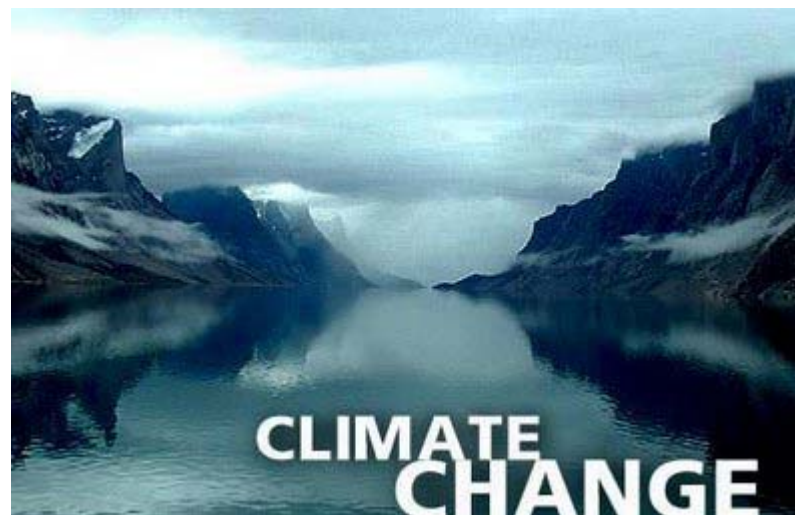


But the impact of climate change into businesses and companies is being underestimated

Companies are starting to care about having a consistent strategy, informed analysis, participating in regulatory-policy discussions and to engage with policy makers effectively and coherently across business units.

This is being translated into companies acting more aggressively to reduce carbon emissions, so major shifts in the valuations of sectors and companies will start to become clear.

Over the next 2 years, a big number of regulatory and policy events (Copenhagen 2009 conference to replace Kyoto treaty), will probably reduce the uncertainty and spark a rethinking on how carbon reduction efforts will affect valuations across a wide range of industries.



Regardless of the pace of the physical manifestations of climate change, its effects on companies are rapidly materializing, mainly in their valuations.

The value of companies is likely to change as factors related with climate change start to affect their performance. The immediate impact might be limited, but it will eventually be significant.

Key factors are:

Exposure to regulatory measures

- Carbon pricing
- Taxes
- New standards
- Subsidies

New technologies

Changes in consumer behavior

In accordance with the realities of climate change, new corporate decisions should be sustainable in order to remain competitive over investment life cycles and to thrive in a low-carbon economy.

Climate change can expose companies to 4 main risks:

Regulatory

Companies should be able to adjust to a changing environment created by

- a) Traditional legislation (permits and energy-efficiency)
- b) Market-based regulation (carbon taxes, emissions-trading schemes and fuel tariffs)

in order to face competitive disadvantages.

Reputational

Attitudes of the public, consumers and stakeholders make companies reconsider their C.S.R towards our planet. Maintaining the brand as an asset is critical

Physical

Weather related surprises will have a severe impact (installations, plants, HQ locations will be critical decisions to take)

Litigation

Increased legislation leads to increased risk of litigation

A better understanding of the risks involved in climate change can help companies to make the most of the coming opportunities

At Abengoa we invest in:

1

Understanding and managing

- Financial risks
- Operational risks
- Climate change risks



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**Key
Strategic
Management**

2

Seizing opportunities

If there are risks, opportunities exist. We take early action to gain competitive advantages

3

Providing disclosure

There are not accepted whole-coverage reporting procedures yet but methodologies to partially calculate the "footprint". We are developing a complete one ourselves and we expect to get its homologation in a short term.

We have incorporated our commitment to sustainable development into our strategic approach.

- We are deeply committed to sustainable development and to combating climate change, and we have incorporated this commitment into our strategic approach, reconsidering our current business from the perspective of sustainability, and focusing our future business on bearing environmental and sustainability variables in mind.
- We are developing a system of sustainability in order to ensure a full and reliable account based on measuring the global impact of our activities on the environment with a view to setting goals for change and improvement.



Sustainability is at the core of Abengoa's business strategy.

- Abengoa's policy on sustainability is part of our business commitments in the areas of certification and accreditation of activities and installations, commitments derived from the United Nations Global Compact or those associated with good corporate governance.
- Our products and services are intended not only to be geared toward sustainability, but they must also be produced and carried out in a sustainable way, and their degree of sustainability must be assured through measurement and validation using instruments that are deemed to be transparent and recognizable by the market and by society at large.

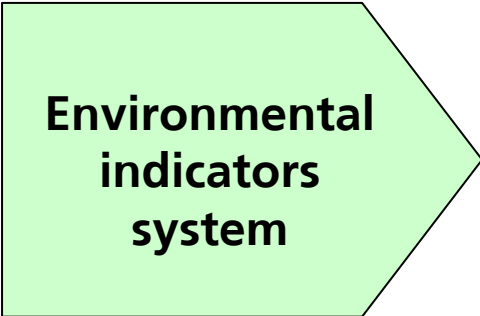


Sustainability policy is developed through two instruments: the emissions inventory and the environmental indicators system.



**Emissions
inventory**

- **Inventory of greenhouse gases**, with internal regulations established for this purpose, and validating this inventory through an external auditing process. Based on this inventory, plans are drawn up for reducing, compensating and neutralizing emissions.



**Environmental
indicators
system**

- **System of nine indicators of the sustainability**: energy consumption; water consumption; biodiversity; emission of atmospheric contaminants; odor emissions; contaminated water dumping; soil and aquifers; noise; recycling potential of materials and products, and we undertake improvement actions for enhancing the sustainability of our own activities.

Inventory of greenhouse gases emissions integrates sustainability into Abengoa's business strategy.

The inventory will provide an accurate account of the traceability of all of our activities conducted in over 70 countries; It will allow:

- Gain in-depth knowledge of the GHG emissions deriving from each activity in order to assess the situation with respect to competitors and determine options for improvement
- Assess Abengoa suppliers depending on their emission levels
- Label Abengoa products and services, identifying their GHG emissions
- Develop and carry out plans for reducing, compensating and neutralizing emissions.



The aim is to measure the greenhouse emissions generated by Abengoa in a direct or indirect way as a result of the company's activities.

▪ **This encompasses three different scopes:**

1 Direct emissions: Greenhouse gas emissions associated with sources that are under Abengoa's control.

2 Indirect emissions: Emissions generated by Abengoa indirectly.

3 Other: GHG emissions by acquired supplies and services and other sources.



The inventory is being implemented on the basis of an internal norm by an own methodology. The program of development is the following one:

- **Internal regulation NOC05/003 published in June 2008**

- This internal regulation includes the suppliers obligation to provide emissions associated with the equipment or services requested, or a commit in written to setting up a system to report them.
- A new purchasing policy derives from this new internal regulation
- NOC05/003 is homologable to ISO 14064

- **A first complete and external audited inventory in January 2009.**

A sustainability index system will complement emissions inventory analysis.

- We are developing a system of sustainability indicators for completing our analysis. We will work on aspects of preserving resources or the recycling potential of materials and products that can not be translated into greenhouse gas emissions.
- All together, this information constitutes a very important tool for decision-making. It will favor the deployment of Abengoa's strategy of sustainability and social responsibility among the company's business groups and units in their different geographical locations. And, finally, it will allow us to gain an understanding of the effects of activities which, in relation to environmental sustainability, could affect Abengoa's reputation and position, and safeguard them accordingly through improvement initiatives.

The sustainability index system is a set of measurements that allow us to determine the effect of Abengoa's different activities on environmental sustainability.

We are working on nine different indicators:

- Energy consumption.
- Water consumption.
- Biodiversity.
- Emission of atmospheric pollutants (excluding greenhouse gases).
- Odor emission.
- Contaminated water dumping.
- Soil and aquifers.
- Noise.
- Recycling potential of materials and products.



At General Secretariat for Sustainability Management, we work for defining and executing Abengoa's sustainability policy.