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Annual Report 2011

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Abengoa has undertaken a commitment to **growing** alongside the **communities** in which it **operates**, strengthening ties between the company and society and promoting respect for human rights within its sphere of influence.

Through the Focus-Abengoa Foundation, the company guides and channels its relationship with the community by creating initiatives that generate tangible and intangible assets and **contributing** to local engagement by **establishing roots**, while at the same time promoting **scientific and cultural research** and dissemination of foundation heritage. The strategic orientation of the Focus-Abengoa Foundation serves companies through which Abengoa conducts its business activities.

Since its inception in 1982, Focus-Abengoa has been engaged in pursuits of general interest in four major areas: aid and **assistance, culture, education and research**, and **employee welfare**. The foundation has thus effectively become the social force driving Abengoa forward.

The foundation understands culture as a hallmark of advanced societies that plays an essential role in social development and progress. Business activity must transcend the economic dimension and play a role in addressing social and environmental challenges.

Major foundation initiatives in recent years include:

- Diego Velázquez Research Center.
- From the Earth to the Sun, linked to the Focus-Abengoa Campus.
- "Learning and Physical Education Practices: Everyone's Right", a universalized social program implemented in Argentina, Peru, Brazil, Mexico and India.
- Focus-Abengoa Forum on Energy and Climate Change.
- Creation of the Loyola-Abengoa Research Center in collaboration with the Loyola University Andalusia.

Since the 1940s, the work conducted through the Focus-Abengoa Foundation has sought to balance out economic, social and cultural development in the communities in which the company operates. In **2011**, Abengoa invested over **13 M€** in the areas mentioned above.

Area of activity	M€
Cultural area	3.9
Employee welfare action	3.9
Social development area	3.7
Education and research area	2.3
Total	13.8

Percentage distribution of total economic investment in community action in 2011



Preservation, dissemination and advancement of art and culture

Temporary ABC exhibition, “The Iceberg Effect. Spanish drawing and illustration between the ends of two centuries”

The “**The Iceberg Effect. Spanish drawing and illustration between the ends of two centuries**” exhibition took place between May and July 2011 at the Hospital de los Venerables in Seville. Curated by art critic and historian Juan Manuel Bonet, the exhibit included **350** exemplary **pieces** from the ABC Collection, which comprises around **200,000** works.

Visitors were treated to **over a century of Spanish history**, illustrated through the works of important painters such as Maruja Mallo, Ramón Gaya, Benjamín Palencia, Penagos and Bartolozzi; newspaper cartoon masters including Joaquín Xaudaró, Tono, K-Hito, Antonio Mingote, Chumy Chúmez, Máximo and Sancha; and professional illustrators and sculptors.

The importance of this exhibit lies in the wide range of works included, enabling visitors to find out about the mechanics of Spanish drawing in the 19th century, illustration, and caricature art.



Music

The Focus-Abengoa Foundation has been organizing a variety of musical activities with the aim of disseminating organ music for 20 years:

- **Promotional concerts**, featuring Spanish organists who have earned top grades in completing their organ studies at the higher music conservatories.
- **Master Concert Series**, with performances by three prominent figures in organ music of renowned international prestige.
- **Organ course**, offering prestigious organists the chance to take master classes.
- **Organ teaching** recitals for students.

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International painting Award

The winner of **first prize** at the 28th edition of the Painting Award held in 2011 was Miguel Galano. He received a cash prize of **24,000 €** for his work titled "Népliget".

The two second awards, each receiving a cash prize of 6,000 €, were Álar Haro Sánchez for his work titled "Embarque para Citerea", and Ismael Iglesias Serrano of Bilbao for his work titled "CTRL+Z (XXX)".

Miguel Galano's award-winning canvas in this years painting prize.



Collection of paintings, sculptures and graphic artwork

The **painting, sculpture and graphic artwork** collection comprises more than **200 works**, thanks to activities such as the painting award, monographic exhibitions of prominent figures on the contemporary art scene, foundation acquisitions, and donations. In 2011, 33 graphic works of artists from the Juana de Aizpuru Gallery were acquired. Rendered using a variety of techniques, silk screen printing and etching, all of these works from the 70s to the 90s are numbered and signed by the artist.

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Library and engravings room

The **Focus-Abengoa Foundation** library contains over **6,000 titles** spanning the 16th century to our time, and all of them share the common elements of Sevillian authorship and a connection to the history of Seville.

Employee welfare

Abengoa considers its **employees** to be the company's **main asset** and driving force of today and tomorrow, and for this reason special emphasis is placed on **pursuing and providing ideal working** conditions through a pledge to personal growth, training and recognition of employees in all working areas. Abengoa seeks the personal and professional satisfaction of its people and establishes policies accordingly to help each of the company's workers achieve their goals.



Employee welfare assistance

Each year, the Focus-Abengoa Foundation awards academic financial aid to Abengoa staff members, spouses, children or orphans, at different educational levels, and also provides aid for special education.

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In 2011, **2,545** scholarships were granted to the children of company employees, benefiting a total of **1,405** families.

Study completion awards

Below is a list of awards granted in 2011 according to education level and prize amount:

- **First and second compulsory secondary education prizes**, each totaling 600 €.
- **First and second higher secondary education prizes**, each totaling 600 €.
- **First and second intermediate training school prizes**, each totaling 600 €.
- **First and second higher training school prizes**, each totaling 600 €.
- **First and second associate degree study prizes**, each totaling 800 €.
- **First and second bachelor's, engineering and architecture degree study prizes**, each totaling 800 €.

Research grant

This year's research grant was awarded to María del Pilar Ayuda Durán for her work titled "**Initiation of replication and genome stability in *Saccharomyces cerevisiae***", which will be carried out at the Biology Faculty of the University of Salamanca.

Grants and funding

Two 900 € foreign language study grants were awarded to children of company employees in 2011. The beneficiaries were Miguel Vicente de Miguel Tristancho and Miguel Ybarra Abaurrea.

Professional enhancement awards

This award program is intended for staff members who have participated over the course of the year in one of the training courses or programs promoted by Abengoa. **Four editions** of the program are held **every year**, and each edition awards a 600 € cash prize for academic excellence.

Vuela Program for children of Abengoa employees

The Vuela Program was conceived in 2008 with the aim of giving the children of company employees the chance to obtain firsthand knowledge of the company where their parents work while gaining their first practical professional experience in a leading company in sustainability and discovering a different country and culture.

In 2011, there were **15 beneficiaries from Europe, Latin America and North America** in the winter and summer editions of the internship grant program.

Social development area

Achieving balance in the economic, social and cultural development of the communities in which Abengoa operates is a top **priority for the company**. Abengoa pays particular attention to the most vulnerable social groups, including children, women, and the elderly and disabled people; as well as underprivileged communities. The company conducts analyses to determine overriding needs and establishes channels of cooperation and development to provide assistance to those who are most vulnerable.

In 2011, Abengoa earmarked **3.7 M€ for the aid** and assistance area, of which 0.1 M€ was allocated to Argentina, 1.0 M€ to Peru, 2.2 M€ to Spain, and the remainder to India and Brazil.

Aid and assistance area by country	M€
Spain	2.2
Peru	1.0
Brazil	0.2
India	0.2
Argentina	0.1
Total	3.7

Learning and Physical Education Practices: Everyone's Right (LPEP)

The **"Learning and Physical Education Practices: Everyone's Right" (LPEP)** program was created in 2005. The aim of the program is to provide **assistance to and cooperate** with exemplary institutions in supporting the most vulnerable social groups (children, women, the elderly, and the disabled) in communities where Abengoa operates.

The LPEP was launched in **Argentina** in the towns of Quimilí, Monte Quemado and Alderetes in collaboration with the Hermanas de la Cruz convent, and subsequently implemented in Tintina together with the Franciscan Sisters. Program presence extended in 2008 to include **Peru**, through centers belonging to the congregation of the Hermanas Josefinas de la Caridad sisterhood and the Nuestra Señora del Rosario parish in Manchay. In 2010 the program expanded to include **Brazil** in collaboration with the Hermanas del Buen Consejo congregation.

In 2011 the program spread to **India** through collaboration with Jesuit missionaries and the Hermanas Hijas de la Cruz congregation, specifically in the regions of Nani Singlioti and Mandal; the program was also implemented in **Mexico**, in this case in conjunction with Celamex, a Jesuit institution that has been serving people in marginalized situations for over 50 years. The LPEP Program will soon be deployed in **Chile**.



Those who have been there since the beginning

The Adivasis ("those who have been there since the beginning") are an indigenous community of India that lives in extreme poverty and is discriminated against socially because of their caste. LPEP efforts focus on three major areas: basic education, nutrition, and development of local village economies.

Focus collaborates in 18 bal baris or nursery schools with the aim of getting 3- to 6-year-old children ready to start school by teaching the country's official language, writing, and the other basic skill requirements for school access; thereby improving prospects for family development.

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The LPEP works with vulnerable groups in four areas:

- **Non-formal education area**, involving, among other things, school support, follow-up and tutoring for conventional students and those with special educational needs, as well as adult literacy.
- **Physical and sports education area**, involving the promotion of children’s sports activities, and physical therapy for disabled and elderly people.
- **Occupational training area**, through which professional training is provided to members of the community where the program is carried out, as well as adolescents, and the disabled.
- **Social protection and food safety area**, where workshops are conducted on nutrition, health and hygiene, as well as tasks aimed at providing psychological support to children.



Peru’s first power linemen school

Abengoa has implemented the first power line operator school in Peru. This program seeks to **recruit and train high-voltage** tower assembly technicians from among **people without experience** in the communities in which the company operates within the country. Selected individuals will study for two months at the Senati technical school, and, once they have completed this stage successfully, Abengoa will recruit them for a year so that they can apply what they have learned. Abengoa will provide funding for the course through an agreement signed with the **Inter-American Development Bank (IADB)**.

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Ainhoa Arteta in concert for the San Rafael senior citizens residence

In March 2011, the foundation held a **special benefit concert** performed by renowned soprano **Ainhoa Arteta** accompanied by Father Ayarra, organist of the chapel of the Hospital de los Venerables and Seville Cathedral. for the San Rafael senior citizens residence, which serves 49 senior residents in the care of the Hermanas Josefinas de la Caridad sisterhood in Dos Hermanas, Seville.

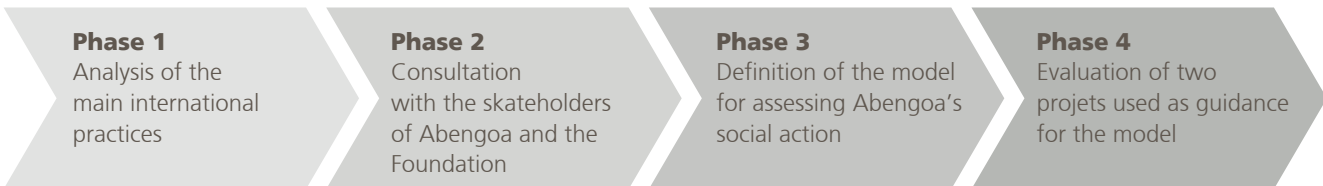


Methodology for measuring the impact of social action

Resources earmarked for **social action** must undergo an **assessment of their effectiveness** in order to concentrate social action wherever the community may obtain the best returns.

To this end, Abengoa has implemented a **project** intended to define a model for **determining the tangible and intangible impact** of the social action carried out by the company.

Abengoa began to devise a methodology for creating a simple and practical analytical tool in 2010.



The tool will enable the company to:

- Calculate **value generated** for stakeholders.
- Help improve the **management of activities** involving social affairs.
- Increase **transparency**.
- Demonstrate the **effectiveness of investments** in social activities.
- Determine **intangible impact**, as well as the effect on company reputation.
- Facilitate **alignment** of activities with business objectives.
- **Enhance decision-making** when investing in different initiatives.
- Facilitate application of the model to projects that are already in progress, completed projects or to plan out in which projects to invest.
- **Facilitate verification** by an independent third party in order to certify truthfulness.

The final phase of the procedure, consisting of the assessment of two pilot projects, was carried out in 2011. The chosen projects were the **Vuela internship** grant program and the **LPEP program in Argentina**.

Education, research, and dissemination of knowledge

Diego Velázquez Research Center

The creation of the Diego Velázquez Research Center came about as the result of the acquisition in 2007 of Velázquez's canvas titled "Santa Rufina" by the Focus-Abengoa Foundation for the city of Seville.

This facility addresses the **need** for a place of **research, dissemination** and **reflection** concerning the beginnings and consequences of the Sevillian painter's works.

The collection includes three paintings from Velázquez's Sevillian period: "Santa Rufina", "The Imposition of the Chasuble on San Ildefonso", and "Immaculate Conception", as well as works by Francisco Pacheco, Herrera el Viejo, Martínez Montañés, Cavarozzi, Zurbarán and Murillo.

View of Seville

An endless number of cultural works came into Seville through the Guadalquivir River to turn the city into one of the most bustling hubs of artwork during the first third of the 17th century.

Some paintings remained in the city and served as the impetus and point of reference for a good number of artists, who saw reflected in them the developments achieved in other cities such as Antwerp or Rome. The canvas that best captures this juncture is "**View of Seville**", an anonymous work from the 17th century, regarding which Juan Miguel Serrera pointed out that the details reveal more than the whole, in presenting a city which at the time was the spitting image of the world better than any other perspective representation that has been preserved.



Prize for the best doctoral thesis on a Sevillian theme

The prize was awarded to Dr. Clara Bejarano Pellicer for "**Music and Musicians in Seville under the Reign of the Habsburgs**", constituting an original and innovative contribution to the historiography of the Modern Age in approaching a little known topic.

International Alfonso E. Pérez Sánchez Award

In this year's third edition of the International Alfonso E. Pérez Sánchez Award **created by the Focus-Abengoa Foundation to stimulate scientific studies related to art**, history, culture, literature and aesthetics during Velázquez's century, the panel of judges decided not to award the prize in that sufficient eligibility requirements had not been met.

8th Javier Benjumea Puigcerver Research Award

The Social Council of the University of Seville and the Focus-Abengoa Foundation awarded the **"8th Javier Benjumea Puigcerver Research Award"** to Antonio Gómez Expósito, professor of electrical engineering and director of the Electrical Engineering Department of the University of Seville, for his work titled "Estimating multi-level status: a new paradigm for networks in the 21st century".

Alfonso E. Pérez Sánchez Legacy Endowment

In 2011, the Focus-Abengoa Foundation was presented with the Alfonso E. Pérez Sánchez Legacy Endowment from the honoree's legal heirs, Francisco Rocha Nicolás and Benito Navarrete Prieto. Prof. Pérez Sánchez was a key director of the Prado National Museum (1983 – 1991) and artistic advisor to the Foundation.

This Legacy Endowment, as the result of its thematic singularity, focusing on the study of Spanish and Italian Baroque painting and drawing, constitutes Spain's most important text and photographic Art History library. It comprises essentially monographs on Spanish, Italian and European artists from the 14th to the 20th century.

The collection is presently found at Foundation headquarters, the Hospital de los Venerables in Seville, and will eventually serve as an international center dedicated to the Baroque and Velázquez's Sevillian period.

Focus-Abengoa Foundation schools

In November, the Focus-Abengoa Foundation, in collaboration with Menéndez Pelayo International University (UIMP), inaugurated the **8th edition of the Baroque School, "The Moral Landscape of the Baroque"**, under the direction of Amelia Valcárcel, professor of moral philosophy and politics at the UNED.

Forum on Energy and Climate Change

Through its initiatives involving renewable energies, the Forum on Energy and Climate Change contributes to the debate on changing the energy model from a multi-disciplinary perspective.

The 7th School of Energy and Climate Change was held in 2011 around the theme of "Which Energy Model?" under the direction of Professor Carlos Sebastián. The 10th edition of the World Biofuels Conference also took place in 2011.

2011- 2012 academic year program

The program essentially uses its existing assets to convey knowledge in an enjoyable manner to students and to stimulate creativity and critical expression.

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The organ of the Chapel of Los Venerables, incorporated in 1991, is integrated into the educational program through teaching recitals for students conducted by José Enrique Ayarra, head organist of the Cathedral of Seville and Hospital de los Venerables.

In 2012 teaching recitals will be expanded to include an organ seminar for university students: **"The Baroque Organ: Essence and Music"**.

The foundation's artistic heritage has been enriched since 2007 through the acquisition of Velázquez's Santa Rufina canvas and the creation of the permanent collection at the Velázquez Center, enabling a combination of diffusion and education through the preparation of a program of tours focused especially on students: for preschool and **elementary schoolchildren**, workshop visits are conducted at the Velázquez Center, and for compulsory secondary education and upper secondary students there are guided tours of the Velázquez Center and Hospital de los Venerables.

Focus-Abengoa Campus

The campus is a place of encounter that was created by the Focus-Abengoa Foundation for the purpose of historical-landscape, archeological, technological and environmental education alongside the Green Corridor of the Guadiamar River. This protected landscape was created by recovering the land affected by the toxic mine tailings that were released after a holding dam collapsed at the Aznalcóllar mine in 1998.

The campus is engaged in a heritage project called "From the Earth to the Sun. History of the Landscapes of the Guadiamar" with the aim of illustrating existing archeological reality through the transformation of landscapes since the dawn of humanity to our time.

Campus headquarters are located at the Casa Quemada estate adjacent to the Solúcar Solar Complex, taking in a rural building from the early 20th century dedicated to farming and livestock that at the same time integrates campus infrastructure through facility refurbishment.

This place features a permanent exhibit room, where, upon entering, a wall map illustrates implementation in this territory of the Solúcar Complex, highlighting the historical and environmental heritage elements of the region. Two integrated screens provide real-time images of the solar plant and its production process. A showcase and exhibition panels illustrate results of archeological exploration carried out through the project.

A second space houses the projection room for viewing the scientific documentary "From the Earth to the Sun", which lends a multi-disciplinary perspective to the analysis of construction in surrounding landscapes and the significance of clean energies from an ecological and socially responsible approach.

Here there is also an exhibit on the existing relationship between different energy sources and the evolution of the landscape throughout history.



Impacts of Abengoa activity on the community

Business area	Description of the project generating public benefit	Description of actual and anticipated positive impacts	Description of actual and anticipated negative impacts
Engineering and construction	El Zapotillo Aqueduct- Los Altos de Jalisco-León Guanajuato, Mexico	<ul style="list-style-type: none"> ■ Efficient, sustainable and secure supply of drinking water to 1.5 M inhabitants 	No current or anticipated negative impacts
	Construction of a power transmission line between the towns of Carhuamayo - Carhuaquero in Peru	<ul style="list-style-type: none"> ■ Supply of electricity to towns and villages ■ Job creation ■ Local development 	No current or anticipated negative impacts
	Construction of a power transmission line between the towns of Chilca - Marcona - Montalvo in Peru	<ul style="list-style-type: none"> ■ Supply of electricity to towns and villages ■ Job creation ■ Local development 	No current or anticipated negative impacts
Concession-type infrastructure	Solar thermal plant with 50 megawatts of power at the Écija Solar Complex - Helienergy 2	<ul style="list-style-type: none"> ■ Local industry development ■ Job creation ■ Clean energy supply ■ Reduction in CO₂ emissions 	No current or anticipated negative impacts
	Sea water desalination plant	<ul style="list-style-type: none"> ■ Improved access to drinking water supply ■ Improved level of service through increased service coverage in the region ■ Local economic development ■ Boost to business opportunities, mainly tourism, food and small-scale industries ■ Maximization of the social and health benefits of secure and reliable clean water supply ■ Creation of new long-lasting jobs 	No current or anticipated negative impacts
	Sea water desalination plant	<ul style="list-style-type: none"> ■ Improved access to drinking water supply ■ Improved level of service through increased service coverage in the region ■ Local economic development ■ Boost to business opportunities, mainly tourism, food and small-scale industries ■ Maximization of the social and health benefits of secure and reliable clean water supply ■ Creation of new long-lasting jobs 	No current or anticipated negative impacts
	Solar thermal plant with 50 megawatts of power at the Écija Solar Complex - Helienergy 1	<ul style="list-style-type: none"> ■ Local industry development ■ Job creation ■ Clean energy supply ■ Reduction in CO₂ emissions 	No current or anticipated negative impacts

Business area	Description of the project generating public benefit	Description of actual and anticipated positive impacts	Description of actual and anticipated negative impacts
Industrial production	Construction of Solana, a 280 MW storage-equipped parabolic trough plant in Arizona (USA)	<ul style="list-style-type: none"> ■ Job creation ■ Local economic development ■ Boost to local industry ■ Clean energy supply ■ Reduction in CO₂ emissions 	No current or anticipated negative impacts
	Construction of Mojave Solar, a 280 MW parabolic trough plant in California (USA)	<ul style="list-style-type: none"> ■ Job creation ■ Local economic development ■ Boost to local industry ■ Clean energy supply ■ Reduction in CO₂ emissions 	No current or anticipated negative impacts
	Construction of two parabolic trough plants at the El Carpio Solar Complex	<ul style="list-style-type: none"> ■ Job creation ■ Local economic development ■ Boost to local industry ■ Clean energy supply ■ Reduction in CO₂ emissions 	No current or anticipated negative impacts
	Construction of two 50-MW plants at the Castile-La Mancha Solar Complex	<ul style="list-style-type: none"> ■ Job creation ■ Local economic development ■ Boost to local industry ■ Each plant will power 25,700 households ■ Each plant will prevent the emission of over 31,400 tons of CO₂ per annum 	No current or anticipated negative impacts
	Construction of two parabolic trough plants at the Extremadura Solar Complex	<ul style="list-style-type: none"> ■ Job creation ■ Local economic development ■ Boost to local industry ■ Clean energy supply ■ Reduction in CO₂ emissions 	No current or anticipated negative impacts

Risk associated with trucks hauling waste in close proximity to the community was detected in industrial production activity in chicla region, in the south of Lima (Peru). Measures applied to prevent and mitigate risks consist of irrigating facility entrances using sodium chloride.

Protection of human rights

There were no reports in 2011 via Abengoa's information channels of any discrimination-related incidents, nor is there any record of incidents involving infringements of the rights of indigenous people.

2011 milestones

- **Conservation and upkeep** of the **Focus-Abengoa Foundation** headquarters: **Hospital de los Venerables**.
- Promotional concerts: **"The Baroque organ as an expression of the popular soul"**.
- **Master concert** cycle: **"The Central European Organ: Forging Cultures"**.
- **Master Course** on **"The Baroque Organ in the Netherlands"**, taught by Dutch organist Pieter Van Dijk.
- **Concert performed by Ainhoa Arteta**.
- 1,638 visitors to the **"The Iceberg Effect"** exhibition.
- Publication of the book titled **"From the Earth to the Sun"**.
- Publication of the book titled **"Roman Bética Art. Mosaics. Painting. Decorative Art"**.
- Alfonso E. Pérez Sánchez Legacy Endowment.

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- Incorporation of the **Foundation library into the Idea network**.
- Inauguration of **educational visits** to the Focus-Abengoa campus.
- Reopening of the "Explore Seville. Five Glances through One Hundred Engravings" exhibition.
- **Organ teaching recitals** for students.
- **Guided workshop** tours to the Velázquez Center and Hospital de los Venerables.
- Participation in World Youth Day (WYD).
- Antonio López's "**The Quince Tree**" canvas on loan to the exhibitions on the painter held in Madrid and Bilbao.
- Exhibition of the winning entries from the **2011 Painting Award**.
- 8th edition of the School of the Baroque, "**The Moral Landscape of the Baroque**".
- 7th edition of the School of Energy and Climate Change, "Which Energy Model?".
- Incorporation of the LPEP Program into other group companies.
- **Assessment of local impact** of social action channeled through the LPEP Program in Argentina.
- Improvement in **health and nutrition** in schools in India through the **LPEP** Program.

Improvement areas

The following issues were identified in 2011 as areas for improvement:

- **Expanding** musical activity to include the **university crowd**.
- Enhancing and expanding **diffusion** of the **contemporary art** collection.
- Stepping up the number of **visits** to **Foundation schools**.
- Increasing the **international scope** of **awards**.
- Expanding the **employee welfare** action area.

Future goals and challenges

The following objectives have been established for 2012:

- International "**Murillo and Justino de Neve**" exhibition organized in conjunction with the Prado National Museum and the Dulwich Picture Gallery of London.
- International "**Light: Noor. A Reflection of Islamic Civilization through Art and Science**" exhibition.
- **Expanding the LPEP to the Dadwada** mission in India, where efforts will focus on basic education and nutrition at the bal bari schools.
- **Extending social education of children** and teenagers in Mandal, India to one of the poorest "Adivasis" tribes.
- **Building a nursery school** with English as the official language in Nani Singlioti, India.
- Encouraging Abengoa **employee participation** in the **social program**.