

Scope and focus | **155**

Verification | **157**

Level of application | **158**

Principles regarding quality of information  
governing report preparation | **159**

Principles regarding quality of information  
disclosed under the GRI | **164**

## Scope and focus

Abengoa, true to its commitment to transparency, has published a **Corporate Social Responsibility Report (CSRR)** for the **ninth<sup>1</sup> consecutive year**. This report includes trustworthy and balanced information on the company's performance, the main social, economic and environmental impacts of its activity and any other matters that may substantially influence stakeholder assessments and decisions.

The report covers all of Abengoa's activities in every country in which the company operates, and therefore the information disclosed includes the three activities around which the company's business is structured: engineering and construction, concession-type infrastructures, and industrial production.

The report preparation process followed the guidelines stipulated in **Version 3.1 of the Global Reporting Initiative (GRI)**, whose aim is to define a common structure for corporate social responsibility reports by orienting companies on report content, scope and coverage so that readers may compare the performance of different companies, thus providing assurance of the quality of the information disclosed.

This report also takes into account the principles of the **AA1000AS** standard, the world's first sustainability assurance norm, to lend quality and accuracy to the information contained in the CSRR, ensuring transparency in Abengoa's communications and helping to build confidence among company shareholders. The principles established under the standard require that the organization be actively involved with its stakeholders, identifying and fully understanding the sustainability aspects that will have an impact on performance for subsequent use of this knowledge in developing 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, while managing risk and complying with non-financial aspects.

CSRR11 also reports on the commitment Abengoa upholds to 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 the company operates.

Abengoa has defined a Corporate Social Responsibility Management System in line with the guidelines established under the international non-certifiable ISO 26000:2010 "Guidance on Social Responsibility" standard, which provides orientation for the company on the principles underlying social responsibility, recognition thereof, and engagement of interested parties, fundamental matters and issues comprising this social responsibility (corporate governance, human rights, labor practices, the environment, fair operating practices, active participation in consumer issues, and community development), as well as the ways to integrate socially responsible conduct into the organization.

At Abengoa, these orientations are covered under the internal corporate social responsibility standard (NOC-10/003), which includes and is referenced to the following Common Management Systems (NOC):

- NOC-04, on **Human Resources**, which covers all aspects related to policies, principles and commitments pertaining to labor practices, human rights, diversity, equality, personnel training and development, industrial relations, professional development and compensation, occupational risk prevention, the Labor Social Responsibility (LSR) management system, Code of Conduct, and whistleblower channel, among others.
- NOC-05, on **Quality Management and the Environment**, including aspects relating to quality management and customer relations, management of environmental aspects, preparation of the greenhouse gas emissions inventory, and the Social Responsibility Code for suppliers, among others.

<sup>1</sup> The CSRR10 erroneously stated that it was the company's sixth report published when in fact it was the eighth publication.

- NOC-08, on **Consolidation, Auditing, and Management of Tax Affairs**, encompassing all aspects related to auditing and internal control, the audit committee, corporate governance, transparency, and anti-corruption policies, among others.
- NOC-03, on **Management of Legal Affairs, Risk Analysis, and Insurance Management**, covering aspects relating to regulatory compliance, risk analysis and management (including sustainability and corporate social responsibility-related risks), contractual relationships with suppliers and partners, and good governance, among others.
- NOC-10, on **Corporate Identity and Communication and Corporate Social Responsibility**, which includes all aspects pertaining to CSR management and strategy, CSR reporting and auditing, performance disclosure in the realm of sustainability and CSR, analysis of relevant issues, and social action management, among others.

In accordance with the policies, regulations and procedures designed, a series of measures relating to the introduction of the following key aspects of the CSR Management System were revised in 2011:

**Code of Conduct**

- Accessibility of the code of conduct by all employees of Abengoa through the Webpage (Corporate Intranet and Webpage).
- Imparting annual training that is compulsory for all employees and new incorporations through its Welcome and Integration Handbook, for the purpose of encouraging knowledge of the Code of Conduct. 8,493 employees underwent the Code of Conduct training in 2011.

**Whistleblowing Channel:**

- Confidentiality of and accessibility to the whistleblowing channel, available to all employees through the Corporate Intranet or Webpage.
- Imparting annual training that is compulsory for all employees and new incorporations through the company's Welcome and Integration Handbook, for the purpose of encouraging knowledge of said channels, together with procedures to followed if there is need for whistleblowing. 8,493 employees underwent the Whistleblowing Channel training in 2011.

**CSR Agreements with Suppliers:**

- Developing and introducing a Supplier Certification and Endorsement procedure by which, as prerequisite to working with Abengoa, companies within its supply chain are bound to undersign a Social Responsibility Code based on the SA 8000 International Standard, by which they undertake to comply with all the aspects of social and environmental responsibility outlined in the United Nations World Pact and by which they accept possible inspections of their facilities.

**Quality and Environmental Management System:**

- Annual program of Control and Monitoring Visits (VCS), through which the corporate management for Organization, Quality and the Environment is responsible, under the scope of the environment, for reporting on the evolution and situation of the Management Systems in the various companies of the group, verifying the fulfilment of objectives and progress of synergies generated through control and monitoring visits.
- 93.03 % of our companies hold valid ISO 9001 Standard certificates for their Quality Management Systems and another 88.18 % hold valid ISO 14001 for their Environmental Management Systems.
- Imparting supplementary training to the companies, depending on the age of the certificates, on the various aspects considered in said certifications.

**Equality Framework Plan**

- Developing an Equality Plan at corporate level, that applies to everyone in the company.
- Imparting specific training on the SA 8000 Standard.

Unless otherwise indicated in the text, The performance indicators cover the activities in 2011 of all Abengoa companies that have a significant social, environmental or economic impact and whose management lies under the effective control of the organization. Also included, depending on relevance and availability, is information from previous years to offer report readers a chance to formulate a more complete view of the company's evolution.

**Material changes on the report**

Due to the acquisitions and divestments that took place over the course of 2011, the consolidation perimeter is not identical to that of 2010, with the main difference with respect to previous years being that all companies that were part of the Information Technologies (Telvent) business group, and which accounted for approximately 33 % of Abengoa's total revenue for 2010, no longer belong to the group. The list of companies can be found in **Appendix A**, and further information on the sale of Telvent is provided in Volume III on "Legal, Economic and Financial Information" of Abengoa's 2011 Annual Report.

## Verification

By means of the Integrated **Sustainability Management System (ISMS)** featuring capture and computation instruments that enable us to obtain reliable and consistent real-time data, and through a set of quantitative and qualitative indicators, Abengoa gains knowledge on the environmental, social and economic impact of company activity in the areas in which the company operates. This facilitates daily management of sustainability-related information by simplifying the process of gathering and documenting reliable information, in turn facilitating data review and consolidation.

The system relies on the indicators listed in Guide v.3.1 of the GRI (Global Reporting Initiative), the Greenhouse Gas (GHG) Inventory, the Environmental Sustainability Indicators (ESI), and any other indicator devised to measure the company's performance in the working areas specified under the Strategic Plan, on the Responsible Management Balance Sheet, or the indicators extracted from the relevant issues procedure.

The purpose of this system is to obtain reliable consolidated data on relevant CSR-related quantitative and qualitative indicators in order to manage the data appropriately and disclose the information in a transparent fashion to company stakeholders.

Information reliability requires systematic consistency in the consolidated data, and that data be traceable or reconstructible, accurate and complete in identifying and taking data sources into consideration. Accordingly, Abengoa has effective internal control mechanisms in place to help prevent, detect and rectify significant errors in the data reported. All information systems from which the indicators included in this report are obtained underwent rigorous processes of internal and external control, supervision, and auditing.

In 2009 Abengoa set up a specific sustainability auditing area, which has been in charge since then of performing ongoing and periodic internal controls to ensure the efficiency and effectiveness of Abengoa's sustainability information.

11  
Report  
preparation process

The ISMS is therefore audited internally on a regular basis at all levels in order to guarantee the reliability of the information contained in the system. In 2011 the following internal auditing, review and control procedures were performed:

- Corporate audits (on CSR, the Greenhouse Gas Inventory, and system implementation).
- Control and monitoring visits (quality, environment, prevention, inventory, LSR and CSR).
- Audits conducted at business group-level.
- Review and control performed at company-level.

As an independent external verifier, the firm PwC reviewed the report in order to check application of the AA1000 Assurance Standard (2008) and Version 3 of the Global Reporting Initiative Guide (GRI G3), according to the Level A requirements. The review was conducted with a reasonable degree of assurance for all principal and additional indicators reported, for which sufficient proof was obtained to reduce the risk of material error to an acceptably low level. The verification report outlines the scope of the work conducted, as well as the conclusions reached. The methodology followed for the review process was defined according to the stipulations of the ISAE 3000 standard.

PwC likewise reviewed the extent to which the Corporate Social Responsibility Management System devised by Abengoa reflects the orientations and recommendations defined under the international **ISO 26000:2010** standard, reviewing implementation within the group companies of certain relevant aspects: Code of Conduct, whistleblower channel, social responsibility covenants with suppliers, quality and environmental management systems, Equality Plan.

During 2011, the **Greenhouse Gas Inventory** was verified in accordance with the specific requirements laid down in section 7.3 of ISO 14064-1. The report was verified through a systematic and independent process duly documented by Aenor, which provided a reasonable degree of assurance.

The report was also reviewed in its entirety by the **Global Reporting Initiative** and by Abengoa management, and received a grade of **A+**.

## Level of application

AA1000AS Standard	GRI	External Verification
		
✓	✓	✓

## Principles governing report preparation

As its method for determining relevant issues, defining contents, and ensuring the quality of the information contained in this report, Abengoa chose to apply the three principles defined under the AA1000 AS (2008) standard: inclusivity, materiality and responsiveness; as well as the four GRI principles: materiality, stakeholder inclusiveness, sustainability context and completeness.

### Materiality (under GRI and AA1000)

Information is considered material if 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.

Therefore, the information contained in the CSRR 2011 covers aspects and indicators that reflect the company's significant social, environmental and economic impacts or those which may have a substantial influence on stakeholder evaluations and decisions.

In 2011 Abengoa conducted an analysis of materiality through a procedure for determining relevant CSR matters, which is centered on two bases for analysis that subsequently intersect to obtain the final result: 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 the different issues for the business, company management, and, ultimately, in meeting objectives envisaged under business strategy). The use of both perspectives is essential in fulfilling the principle of inclusivity defined under AA1000 AS (2008).

The following sources were taken into account in preparing the list of external factors:

- **International reporting standards**, consisting primarily of the GRI and the AA1000 AS (2008).
- **Sector-wide analysis** of the main homologous and competing companies, both domestic and international.
- **Socially responsible investors**. Index analysis, including the DJSI and the FTSE4Good, enables the company to identify issues that are material to investors and shareholders.
- **International initiatives**, including the United Nations Global Compact and Caring for Climate. These and other voluntary agreements consist of a series of principles that demand certain commitments from the company, which are evaluated on a yearly basis in order to identify new material issues.
- **Analysis of reader response to last year's report** submitted through the communication channels made available for this purpose.
- **The media**, by analyzing Abengoa's media exposure and that of homologous and competing companies; positive and negative CSR-related matters receiving the most attention from the media have been identified.
- **Prescriptors**. The company has examined public documentation from social and sectorial (energy and environment) associations and organizations working in areas of interest to Abengoa and its business.

To select internal factors, a committee on relevant matters was set up, composed of **14 employees** from representative company areas and presided over by the director of Corporate Social Responsibility. Through a secret voting process, the committee came up with a selection of internal issues (related to company values, policies and strategies, and staff concerns) and analyzed the degree of materiality of each issue, that of the external factors, and of relevant issues extracted from comparable procedures performed within the company; also taking into account the nature and dimension of each aspect analyzed to prepare a list of priorities.

11  
Report  
preparation process

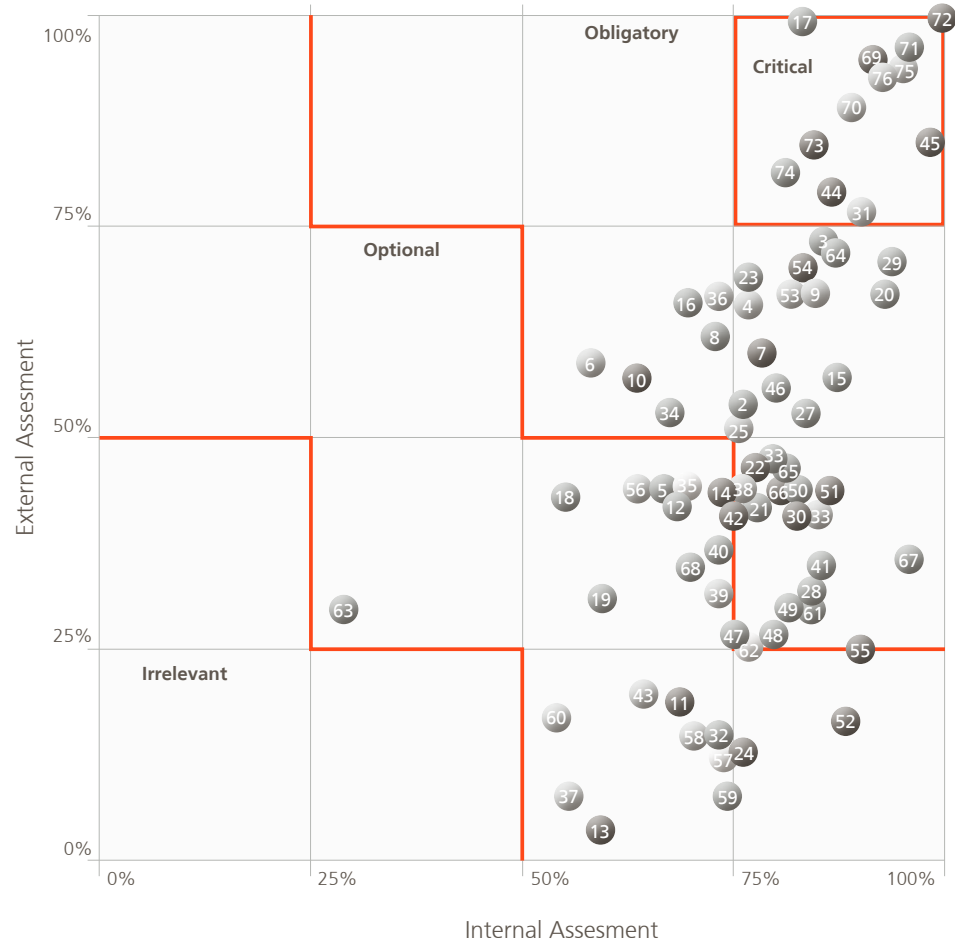
As a way to reinforce the identification and definition of material issues, a series of stakeholder interviews were conducted with the aim of honing the selection of critical or priority issues for each stakeholder.

The matrix resulting from the Material Issue Procedure classifies matters as obligatory, optional or non-material, according to whether or not they should be included in the CSRR. The five obligatory matters with the highest score are flagged as critical and should be analyzed in greater depth in the CSRR. Monitoring indicators are devised for obligatory and critical matters to enable the company to monitor them over time.

Relevant Matters - Results			
Matter No.	Identification No.	Relevant Matters	Monitoring Indicators <sup>2</sup>
1	2	Good practices in corporate governance	LA13, P6C2I1, Tomo IV
3	4	Legal and regulatory risks and opportunities	EC2
4	6	Awards and acknowledgments	2.10
5	7	Code of conduct	4.8, 4.9, P3C1I1, P3C2I1, P5C4I1, P10C2I2, P10C2I1, P10C6I1, P1C3I1, P3C1I1
6	8	System to ensure compliance with code of conduct	P3C3I1, P10C3I1, P6C3I1,
7	9	Corruption	SO2, SO3, SO4, P10C2I2, P10C3I1, P10C2I1
8	10	Lobbying	SO5
9	15	Mechanism involving assessment of projects posing potential risk of violation of human rights	HR1, HR2, BGP
10	16	Project development	P1C5I2,
11	17	Future of renewable energies*	EN6, P8C1I1
12	20	R&D	BGR
13	23	Efficiency and water demand management systems	EC2, EN8, EN9, EN10, P8C5I2, P8C5I3, P8C7I1, P8C7I2
14	25	Discharges	EN10, EN21, EN25, P8C10I1, P7C2I2, ISA
15	27	Specific energy efficiency initiatives and plans	P9C2I1
16	29	Climate change policy/strategy	EC2, P9C1I1, P7C1I1
17	31	CO <sub>2</sub> footprint*	EN16, EN17, EN18
18	34	Other emissions (NoX, SoX, coolants)	EN19, EN20, P8C9I1,
19	36	Waste production and management	EN22, EN24, P8C8I1, P8C10I2, P8C10I3
20	44	Policies, practices aimed at fomenting labor stability*	LA1, LA2, LA3, LA10, LA11, LA12, L11, L12, L13, L14,
21	45	Promoting diversity, non-discrimination*	HR4, HR9, P6C2I3, P6C2I2, P6C2I3, P6C3I1,
22	46	Processes employed to manage knowledge and organizational learning	LA10, LA11
23	53	Programs developed to foment safe practices	PR1, PR2, P1C4I1
24	54	Health and safety performance	LA6, LA7, LA8, LA9, P2C2I1, P1C2I1, P1C2I3
25	64	Policies and practices pertaining to social commitment. Definition of a social investment strategy or program	EC1, EC8, HR1, SO1,
26	69	Promoting internal communication*	4.16, P3C3I1, P1C3I1,
27	70	Excellence in management, innovation, and entrepreneurship*	BGR, P1C4I2
28	71	Universal risk model*	4.11, EC2, SO2, BGR, 1.2, 4.11, P8C2I4, P1C2I1,
29	72	Career training and internal promotion plan*	LA11
30	73	Projects and research*	EN6, P8C1I1, P8C7I2, P8C11I2, BGR
31	74	Mechanisms ensuring effective fulfillment of working hours*	LA7, P4C2I2, P4C3I1, P4C1I1
32	75	Motivation as growth driver*	LA11,
33	76	Alignment of business with strategy*	1.1, 1.2, P1C2I5, P10C1I1, P7C1I1

2 GRI indicators; GC: Global Compact Progress Report indicators; RMBS: Responsible Management Balance Sheet; ESI: Environmental Sustainability Indicators; SP: Strategic Plan performance guidelines; matters indicated by an asterisk (\*) were extracted from the internal committee

Relevant matters  
2011



Stakeholder inclusiveness (GRI) and inclusivity (AA1000)

These two principles dictate that the reporting organization identify its stakeholders, take them into account in drawing up strategy, and describe in the report how the organization has addressed stakeholder expectations and interests. Abengoa, during the process of preparing and developing its Strategic CSR Plan, identified approximately 100 key stakeholder prescriptors in order to ascertain the importance they attach to the challenges identified, and to gauge their perception of Abengoa’s performance with respect to each of the matters, and the state of matters deemed material.

As an accompaniment to the procedure for analyzing relevant CSR-related matters, in 2011 Abengoa conducted a series of interviews with external experts and members of prestigious international organizations, including the Business Social Compliance Initiative, the Nature Conservancy, the World Resources Institute, the Man and Nature Foundation, the Association of Renewable Energies, the International Labor Organization, Transparency International, and Oxfam, among others, to learn about the challenges and trends in critical CSR matters in the sectors to which Abengoa belongs, and to find out their perception of the company’s performance with respect to these critical matters.



11

Report preparation process

The following issues were addressed in the interviews:

- Supplier requirements.
- Conservation of resources and biodiversity in developing renewable energies.
- Current challenges and trends in developing renewable energy (solar).
- Good CSR practices in developing renewable energy (solar).
- Climate change.
- Biofuels.
- Future of renewable energies.
- Risks and opportunities derived from laws and regulations.
- Good practices and labor risks (ILO standards).
- Transparency.
- Corruption.
- Local community relations.

For the fourth consecutive year, Abengoa has undergone an evaluation by an Independent Panel of Experts on Sustainable Development (IPESD), made up of independent professionals of renowned international prestige in the environmental, social and economic spheres. This panel lends a voice to the perspectives and opinions of Abengoa's stakeholders so as to ensure that the company reports information on the issues they find material, while providing recommendations on expected company performance with respect to these matters.

The members of the panel conducted an analytical review of the CSRR published by Abengoa in 2010 with the aim of fostering information transparency by participating in an open dialog 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 by PwC and obtained a reasonable level of assurance.

Prior to preparing the questions, the members of the IPESD also held face-to-face meetings with those in charge of the areas they considered CSR-critical in order to conduct an up-close analysis of company strategy and performance and thereby supplement the information they had gathered from reading the report.

Furthermore, Abengoa has a range of communication channels and mechanisms in place with which the company maintains ongoing open dialog with its stakeholders in order to ascertain needs and expectations.

### Sustainability context (GRI)

The reporting organization should present its performance within the broader context of sustainability. 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 this report, evaluates company performance within the context of its contribution to its stakeholders and to the environment.

Abengoa has been a very active company in terms of communicating and disseminating initiatives associated with sustainability. In 2011 seminars were organized around themes such as climate change, sustainability, and renewable energies; forums for heightening society awareness were promoted, such as the Focus-Abengoa Forum on Energy and Climate Change; numerous articles were published internally and externally on these

subjects, and distributed to different company stakeholders and included on the website, the contents of which are structured around the cornerstones underpinning the company's business model: environmental sustainability, social responsibility, and transparency and rigor in management. The company also features a corporate blog consisting of articles of opinion published on a variety of matters related to sustainability. This [blog](#), accessible through the corporate website, is open to comments from any reader with the aim of encouraging dialog.

## Completeness (GRI)

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.

This report was prepared with the intention of appropriately reflecting the intrinsic implications, risks and challenges of each line of company business, making information accessible to a wide-ranging and heterogeneous audience. The document gives greater priority to certain aspects over others, depending on the materiality matrix established in the analysis of material matters, and is complemented by case studies and specific examples. To help understand the text and find information, and so as to ensure uniform presentation, a common structure was devised for all chapters and sections.

Indicator coverage, understood as all entities whose performance is described in the report, extends to all Abengoa subsidiaries, including joint ventures, operating on the five continents, over which the company has effective control of management. Appendix A lists the companies included within the scope of the report. Any additional exclusion is specified accordingly within the indicator itself.

## Responsiveness (AA1000)

In 2011 Abengoa continued to implement its Strategic CSR Plan, which defines the framework and guidelines to be followed by the company in the realm of sustainability through a set of actions that integrate stakeholder expectations into company strategy.

In addition, a corporate scorecard or Responsible Management Balance Sheet was introduced during the year. Comprising a selection of relevant CSR-related indicators for which reporting was conducted on a more regular basis, it has helped to improve stakeholder confidence while enabling us to analyze changes in key figures.

In 2011 Abengoa reinforced and enhanced the company's CSR reporting system through the Integrated Sustainability Management System, which combines all material information pertaining to sustainability, thus improving measurement and control of company performance.

11  
Report  
preparation process

## Principles regarding quality of information disclosed under the GRI

In preparing this report, every effort was made to present the information in accordance with GRI principles pertaining to quality.

### Balance

The report should reflect positive and negative aspects to enable a reasonable assessment of company performance.

The CSRR 2011 provides data on positive and improvable aspects of performance, as well as the objectives facing the company. The process of identifying material issues (see section on materiality) also contributes to compliance in this regard. In addition, the opinion of the IPESD, published in the report, allows the reader to gain an understanding of the perception of company performance held by society at large.

### Comparability

The contents and data published in the report enable the reader to analyze evolution and change, and the report therefore includes a comparison with the previous year and also indicates any changes in calculation methods.

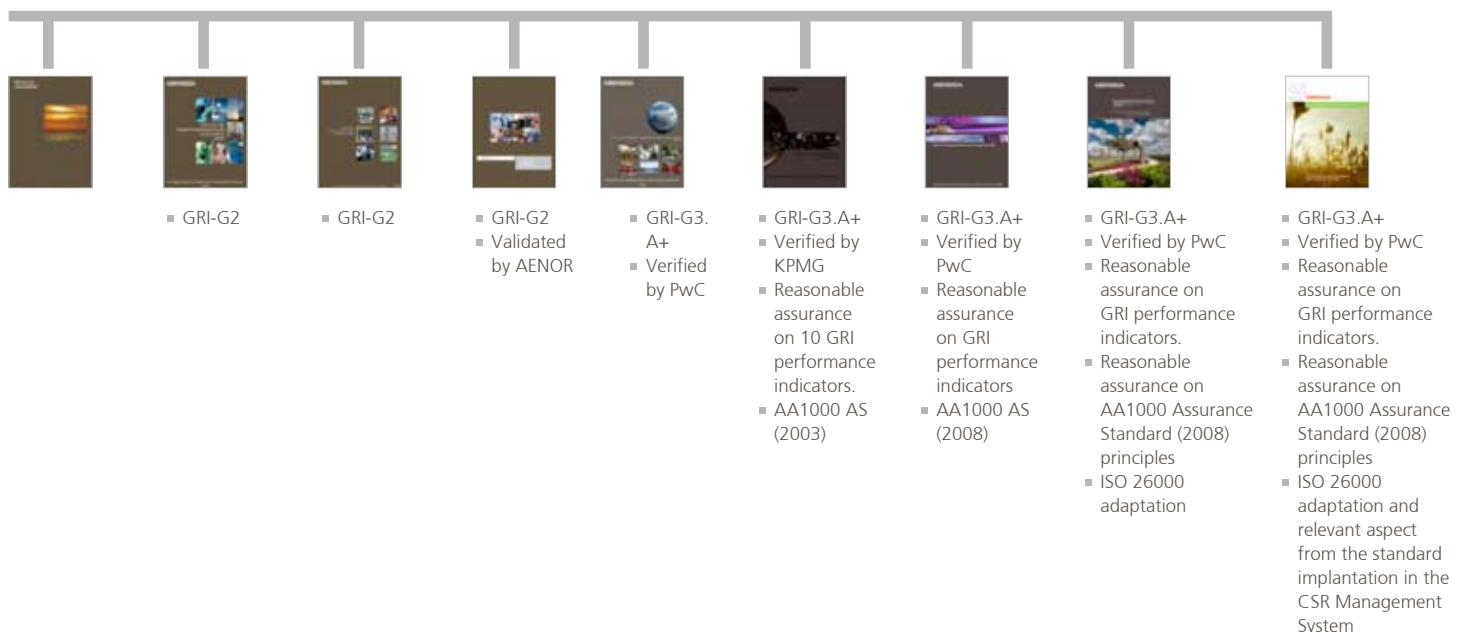
### Accuracy

This report underwent a verification process to ensure the accuracy of quantitative data and confirm evidence 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 2003. These reports are available from the [company's website](#).



11  
Report  
preparation process

Clarity

Information should be presented in a way that is understandable and accessible. Abengoa prepares a digital edition of the report, which can be accessed by the public via the following address: [annualreport.abengoa.com](http://annualreport.abengoa.com). The company also distributes the report to its shareholders, main customers, the media, responsible investment institutions, and other interested parties.

The CSRR was prepared by taking into account stakeholder recommendations on how the information should be presented. This report also includes a glossary of technical terms and terms with which readers may be less familiar.

Reliability

The information and procedures followed in preparing the report must be gathered, recorded, compiled, analyzed and presented in such a way as to hold up to examination and guarantee the quality and materiality of the information disclosed.

The procedure for consolidating information adhered to the following scheme:

