

Independent assurance report on the 2014 corporate social responsibility report



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INDEPENDENT ASSURANCE REPORT ON THE 2014 CORPORATE SOCIAL RESPONSIBILITY REPORT

To the Board of Directors of Abengoa, S.A.:

Scope of the work

We have performed a reasonable assurance engagement on the following aspects of the 2014 Corporate Social Responsibility Report (hereinafter referred to as "2014 CSRR") of Abengoa, S.A. and its Group of Companies (hereinafter referred to as "Abengoa") for the financial year ending 31 December 2014:

- the 2014 indicators regarding the general and specific standard disclosures proposed in the "Sustainability Reporting Guidelines" of the Global Reporting Initiative (GRI) version 4 (G4) (hereinafter referred to as "G4") and referred to in the section entitled "GRI Index" of the CSRR, and those included in the section on "Responsible Management Balance Sheet" of the CSRR, reviewing that they are in line with the Internal Protocols of Abengoa's Integrated Sustainability Management System (ISMS),
- the adaptation of the contents of the 2014 CSRR, so that it is in line with the principles of inclusivity, materiality and responsiveness established in the "AA1000 AccountAbility Principles Standard 2008" issued by AccountAbility, Institute of Social and Ethical Accountability (hereinafter referred to as "AA1000APS (2008)"), as stated in the section entitled "Principles governing this report" of the CSRR,
- the information used by Abengoa to respond to the recommendations of the Independent Panel of Experts on Sustainable Development (hereinafter the "IPESD"), included on pages 7-8, 38-39, 63-64, 86 and 96 of the CSRR, in the context of the process described in the section entitled "Procedures and functions of the Independent Panel of Experts on Sustainable Development (IPESD)" of the CSRR, and of the IPESD's Concluding Report included as an Appendix of the CSRR,
- the adaptation of the Abengoa's Corporate Social Responsibility Management System, referred to in its internal NOC-10/003 standard, so that it is in line with the international ISO 26000:2010 standard "Guidance on Social Responsibility" (hereinafter "ISO 26000"), as stated in the section on "Corporate Social Responsibility Management System" of the CSRR.

Responsibility of Abengoa's Management

The preparation of the 2014 CSRR and the contents of the report are the responsibility of Abengoa's Management, which is also responsible for establishing, adapting and maintaining the internal control and management systems where information is obtained and the systems for applying the AA1000APS (2008) principles, and for establishing and updating Abengoa's Corporate Social Responsibility Management System in accordance with ISO 26000 guidance.

PricewaterhouseCoopers Auditores, S.L., C/Concejal Francisco Ballesteros, 4, 41018 Sevilla, España
Tel.: +34 954 981 300 / +34 902 021 111, Fax: +34 954 981 320, www.pwc.es

R. M. Madrid, Ibois 87 26011, Ibois 76, Ibois 9 267 Ibois R.054, España © Inserta en el B.O. de C. con el número S0145 - CIF: B78 011290



Our responsibility

Our responsibility is to issue an independent reasonable assurance report based on the work that we have carried out in accordance with the guidance of the ISAE 3000 Standard "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC) for a reasonable level of assurance. 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.

A reasonable assurance engagement consists of applying procedures to obtain evidence on the processes and controls used to prepare the CSRR. The procedures selected depend on professional judgment and include an assessment of the risks of material inaccuracies due to fraud or error. In carrying out this risk assessment, we have taken into account relevant internal controls for adequate preparation and presentation by the company of the information to be reviewed, to establish review procedures which are appropriate in the circumstances.

For the purpose of this report, we have asked Management and the units of Abengoa which have helped Abengoa to prepare and create its 2014 CSRR and Corporate Social Responsibility Management System various questions and we have applied certain procedures including, in general and amongst others, the following procedures:

- Meetings with Abengoa's staff and management at a corporate level and at the level of its business groups, to ascertain the procedures for collecting information and the control environment for each of the selected indicators, the management procedures, systems and approaches used when considering and complying with AA1000APS (2008) principles, and the management principles and approaches applied when creating Abengoa's Corporate Social Responsibility Management System, in order to obtain the information required for the external review.
- Analysis of the adaptation of the indicators of the "Responsible Management Balance Sheet" and those included in the general and specific standard disclosures of the GRI Index, to the GRI's G4 Guidelines and to the Internal Protocols of the Integrated Sustainability Management System (ISMS) of Abengoa.
- Analysis of the procedures for obtaining and for internal control and validation of the selected indicators, including control reviews.
- Review of the internal IT control environment in relation to information systems which support the preparation and reporting of selected indicators.
- Verification, by substantive testing applied to a random sample, of the quantitative and qualitative information of the selected indicators and whether they have been appropriately compiled from the data provided by Abengoa's sources of information. For financial information included in the selected indicators, we have verified that it is obtained from Abengoa's 2014 consolidated annual accounts, audited by independent third parties and with an audit report dated 23 February 2015.
- Verification that an independent third party has verified the data on energy consumption and greenhouse gas emissions included in the selected indicators and whether such data are in line with Abengoa's internal NOC-05/003 standard, in accordance with the international ISO 14064-3:2012 standard and with a report dated 6 February 2015.
- Assessment and sampling of management practices and documentation available regarding the systems for participation by stakeholders and procedures for communications and responses to material issues, and review of the opinions of external stakeholders and the IPESD.
- Analysis of the information used by Abengoa to respond to the recommendations of the IPESD and monitoring the dialogue process (in person and by remote) between the IPESD and Abengoa, verifying that the information in these responses is properly based on evidence, in the context of the process described in the section entitled "Procedures and functions of the Independent Panel



of Experts on Sustainable Development (IPESD)” of the CSRR, and of the IPESD’s Concluding Report included as an Appendix of the CSRR.

- Review of the existence of policies, management standards and/or procedures in Abengoa’s Corporate Social Responsibility Management System for each of the guidelines and recommendations indicated in the ISO 26000 on matters of organisational 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.

We consider that the evidence which we have obtained provides an adequate basis for our conclusions.

Regarding the ISO 26000, in no event may this report be regarded as certification, as the ISO 26000 only contains guidance and recommendations and does not establish requirements, and therefore by definition it is not a certifiable standard.

Independence

We have carried out our work in accordance with the independence standards required by the Code of Ethics of the International Federation of Accountants (IFAC).

In accordance with the International Standard on Quality Control 1 (ISQC 1), PwC has a global quality control system which includes documented policies and procedures on the compliance of ethical requirements, professional standards and applicable regulations.

The work has been carried out by a team of people specialised in the company’s social, environmental and financial performance, with a wide range of experience in reviews of this type of information.

Conclusion

In our opinion, on the basis of the work which we have carried out:

- The indicators regarding the general and specific standard disclosures, whose scope and limitations in the review are stated in section “GRI Index” of the CSRR, and the indicators of the “Responsible Management Balance Sheet” for 2014 have been reliably and adequately prepared, in all significant aspects, in accordance with GRI’s G4 Guidelines and the Internal Protocols of the Integrated Sustainability Management System (ISMS) of Abengoa.
- The information used by Abengoa to respond to the recommendations of the Independent Panel of Experts on Sustainable Development (hereinafter the “IPESD”), included on pages 7-8, 38-39, 63-64, 86 and 96 of the CSRR, reliably and appropriately responds, in all significant aspects, to the evidence analysed in relation with company’s activities, in the context of the process described in the section entitled “Procedures and functions of the Independent Panel of Experts on Sustainable Development (IPESD)” of the CSRR, and of the IPESD’s Concluding Report included as an Appendix of the CSRR.
- The 2014 CSRR has been prepared, in all material aspects, in accordance with the principles of inclusivity, materiality and responsiveness established in the AA1000APS (2008). Specifically:
 - Regarding the foundation principle of inclusivity, Abengoa’s Management has established several procedures for the engagement and participation of its stakeholders at both a corporate level and at the various levels of the organisation, to incorporate its expectations on the development of its corporate social responsibility strategy.
 - Regarding the principle of materiality, Abengoa’s Management has an adequate structured system to identify and prioritise material issues for the organisation and its stakeholders.
 - Regarding the principle of responsiveness, Abengoa’s Management has established several procedures to give appropriate responses to material issues and expectations of stakeholders.



- Abengoa’s Corporate Social Responsibility Management System, described in the section “Corporate Social Responsibility Management System” of the 2014 CSRR, is in line, in all significant aspects, with guidance of the ISO 26000.

Recommendations

During our review, some observations and recommendations have come to our attention which we will present to Abengoa’s Management. Set out below is a summary of the main recommendations regarding improvements in the application of the AA1000APS (2008) principles of inclusivity, materiality and responsiveness, which do not alter the conclusions given in this report.

Inclusivity

Abengoa has ongoing talks with its stakeholders via different communication channels and has systematic mechanisms to ascertain their expectations and priorities. As part of these procedures, Abengoa has carried out surveys since 2009 to find out the opinions of its main prescribers and stakeholders and it has an Independent Panel of Experts on Sustainable Development (IPESD). We recommend that further analysis be made on the expectations of stakeholders, concentrating mainly on stakeholders who are specifically relevant to Abengoa’s business and geographies. We also suggest that Abengoa take more action to foster, systematise and prioritise dialogue which enables stakeholders to get directly involved in the development and scope of a responsible and strategic answer to sustainability.

Materiality

In 2014 Abengoa has reviewed and improved its procedures for analysing material issues in line with the recommendations of GRI’s G4 Guidelines and has analysed the effect of these issues throughout its value chain at both a corporate level and the level of its business groups. We recommend that Abengoa continue with its procedures to identify and notify its material issues and give priority to its key stakeholders and geographies, which will enable it to prioritise its resources in line with the master plans for Corporate Social Responsibility (CSR) at the level of the business groups and specific companies.

Responsiveness

Abengoa has finished preparing its new Strategic Corporate Social Responsibility Plan (SCSRP) with a timeframe up to 2020, in which CSR is regarded as a fundamental tool for the strategic development of its business. It has continued to reinforce its CSR reporting system. We recommend that Abengoa continues to promote transparency mechanisms with its stakeholders, both internally and externally, and notify its CSR commitments and levels of performance more frequently using key indicators which gain a deeper understanding of its activities and geographies. We also recommend that Abengoa take further action to update and develop its CSR master plans at business group and specific companies’ levels in line with the new corporate SCSRP and incorporating the changing expectations of the stakeholders in the geographies where Abengoa has a presence.

PricewaterhouseCoopers Auditores, S.L.

Mª Luz Castilla

23 February 2015

