



Annual Report 2009
ABENGOA

15

**Independent Review
of the CSR Report 2009**



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A free translation from the original in Spanish. In the event of a discrepancy, the Spanish language version prevails.

INDEPENDENT ASSURANCE 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 the following aspects of the 2009 Corporate Social Responsibility Report (hereon, the 2009 CSRR) of Abengoa, S.A. and its Group companies (hereon Abengoa) for the year ended 31 December 2009:

- reasonable assurance on the core and additional performance indicators for FY 2009 (referred to on pages 294 to 297 of the 2009 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.
- reasonable assurance of 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 2009 CSRR, as described on pages 13, 14 and 227 to 245 of the 2009 CSRR.

The preparation of the 2009 CSRR, its contents and drafting of the information that replies to the IPESD is the responsibility of Abengoa Management, which is also responsible for defining, adapting and maintaining the management systems and internal control from which the information is obtained. Our responsibility is to issue an independent report on the core and additional performance indicators proposed in the GRI-G3 and the information that replies to the IPESD, based on the procedures applied during our verification, which refers exclusively to the information for the year 2009. This report is issued in accordance with the terms and conditions of our engagement letter dated 30 October 2009.

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 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.

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 2009 CSRR, and in the application of certain procedures that are broadly described below:

- Interviews with personnel of Abengoa responsible for compiling and validating the information, for ascertaining the management principles and approaches applied in the preparation of the 2009 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.
- Evaluation of the information systems and internal control in relation to the preparation of the indicators selected.
- Testing by sample of the information reported and validation of the key controls identified.
- 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 2009 CSRR, we have verified that they are obtained from the 2009 audited annual accounts of Abengoa, with an unqualified audit report dated 24 February 2010.
- Interviews with the persons responsible for the preparation of the responses to the IPESD, verifying that the information in these responses is properly based on internal or third-party evidences and documents.

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)*.

Conclusion

As a result of our work we can conclude that:

- The core and additional performance indicators proposed in the GRI-G3 for FY 2009, referred to on pages 294 to 297 of the 2009 CSRR, have been prepared reliably and appropriately, in all significant aspects, in accordance with Abengoa's Corporate Social Responsibility 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.

PricewaterhouseCoopers Auditores, S.L.

A handwritten signature in blue ink, appearing to read 'Ferran Rodríguez', is written over a circular stamp or seal.

Ferran Rodríguez
Partner
24 February 2010



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INDEPENDENT ASSURANCE 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 the following aspects of the 2009 Corporate Social Responsibility Report (hereon, the 2009 CSRR) of Abengoa, S.A. and its Group companies (hereon Abengoa) for the year ended 31 December 2009:

- The quality of the disclosed information on sustainability performance through the verification of the core and additional performance indicators for FY 2009 (referred to on pages 294 to 297 of the 2009 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 2009 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)).

The preparation of the 2009 CSRR and its contents is the responsibility of Abengoa Management, which is also responsible for defining, adapting and maintaining the management systems and internal control from which the information is obtained and the systems for applying the principles of the AA1000APS (2008). Our responsibility is to issue an independent report based on the procedures applied during our review. This report is issued in accordance with the terms and conditions of our engagement letter dated 30 October 2009.

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), and in accordance also with AA1000 *Assurance Standard 2008* (hereon, AA1000AS (2008)), of AccountAbility, under a Type 2 assurance engagement, in order to provide:

- a reasonable level of assurance on the core and additional performance indicators for FY 2009 in accordance with ISAE3000, consistent with a high level of assurance in AA1000AS (2008).
- a limited level of assurance on the application of the AA1000APS (2008) principles in accordance with ISAE3000, consistent with a moderate level of assurance in AA1000AS (2008).



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 2009 CSRR, and in the application of certain procedures that are broadly described below:

- Interviews with personnel of Abengoa responsible for compiling and validating the information, for ascertaining the management principles and approaches applied in the preparation of the 2009 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.
- Evaluation of the information systems and internal control in relation to the preparation of the indicators selected.
- Testing by sample of the information reported and validation of the key controls identified.
- 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 2009 CSRR, we have verified that they are obtained from the 2009 audited annual accounts of Abengoa, with an unqualified audit report dated 24 February 2010.

For this type of reasonable assurance engagements, verification procedures and the procurement of sufficient evidence that supports the information presented are required in order to reduce the risk of error or omission in said information to an acceptably low level

Our limited assurance work to review the adaptation of the 2009 CSRR to the AA1000APS (2008) principles has consisted in conducting interviews with Abengoa Management and the application of certain procedures, which are broadly described below:

- Interviews with Abengoa personnel in order to ascertain the procedures, systems and management approaches in relation to the consideration and compliance of AA1000APS (2008) principles.
- Analysis of the process of dialogue and engagement with the stakeholders and the process of identifying material issues and the consideration of the requirements of the stakeholders in the 2009 CSRR.
- Review of the effectiveness of the processes used to comply with the AA1000APS (2008) principles.

The scope of a limited assurance work is substantially lower than that of a reasonable assurance work. Accordingly, less assurance is provided.

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).



Conclusion

As a result of our work carried out under ISAE3000 and AA1000AS (2008), in relation to the quality of the disclosed information on sustainability performance, we can conclude that the core and additional performance indicators for FY 2009, referred to on pages 294 to 297 of the 2009 CSRR, have been prepared reliably and appropriately, in all significant aspects, in accordance with the Sustainability Reporting Guidelines GRI-G3 and with Abengoa's Corporate Social Responsibility reporting system.

Furthermore, nothing has come to our attention that causes us to believe that the 2009 CSRR has not been prepared, in all significant 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 nothing has come to our attention that causes us to believe that Abengoa Management have not set up a process of engagement and participation of its stakeholders through which Group Management identify their stakeholders and have a balanced, thorough understanding of the latter's expectations, as well as how to get involved with them.
- In respect of the AA1000APS (2008) principle of materiality, nothing has come to our attention that causes us to believe that Abengoa Management does not have a solid, balanced understanding and prioritisation of the sustainability material issues that are relevant to the organisation and its stakeholders.
- In respect of the AA1000APS (2008) principle of responsiveness, nothing has come to our attention that causes us to believe that Abengoa Management does not have a process for preparing the appropriate responses to the material issues and the expectations of the stakeholders, or a solid, balanced communications system with its stakeholders in relation to the establishment, management and monitoring of sustainability policies and objectives.

Recommendations

Additionally, on the basis of our verification, we bring to your attention various findings and recommendations relating to areas for improvement in the application of the principles of inclusivity, materiality and responsiveness. We set out below a summary of the most significant recommendations, which do not modify the conclusions expressed in our report.

Inclusivity

At the beginning of 2009 Abengoa carried out a survey of its main stakeholders with the participation of the corporate area and all its business groups. Abengoa has also an ongoing dialogue with its stakeholders through different communication channels and has had the collaboration in 2009 of an Independent Panel of Experts in Sustainable Development (IPESD).

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 the direct involvement of the stakeholders in the development and scope of a responsible, strategic response to sustainability. We also recommend the continuation of the Panel of Experts so that it can act as an independent external committee of Abengoa in the definition of its sustainability policies.

**Materiality**

Abengoa has implemented a procedure for the analysis of material issues and description of the process to be followed annually, under which a Working Committee, coordinated by the Director of Corporate Social Responsibility and with representation from the key transversal areas of Abengoa, determines the issues which, due to their materiality, must be included in the CSRR, based on an analysis of internal and external factors.

We recommend extending this system to all Abengoa business groups individually and that its application serve as a basis for the periodical updating of Abengoa's Executive Plan for Corporate Social Responsibility. Furthermore, we recommend taking deeper strides in the effective prioritisation of the issues analysed, in order to be able to respond appropriately on the basis of the resources available.

Responsiveness

In 2009 Abengoa prepared an Executive Plan for Corporate Social Responsibility, emphasising corporate governance, relations and dialogue with the stakeholders, social commitment, environmental performance and climate change, amongst others. Abengoa has also reinforced and improved during 2009 its CSR reporting system for obtaining consolidated information that allows it to properly manage aspects of CSR. Abengoa also began in 2009 to work on the development of a balanced scorecard for sustainability, ESI (Environmental Sustainability Indicators), and on a computer tool for automating all procedures related to these indicators and the CSR reporting system.

We recommend including the ESI scorecard as a point in the independent external review process in order to assure that decisions on sustainability management are made on the basis of solid, reliable information. Accordingly, we recommend that Abengoa take advantage of this tool in order to properly monitor the CSR commitments through key indicators, providing a swifter, more efficient response to the expectations of the stakeholders.

PricewaterhouseCoopers Auditores, S.L.

A handwritten signature in blue ink, appearing to read 'Ferrán Rodríguez'.

Ferrán Rodríguez
Partner
24 February 2010