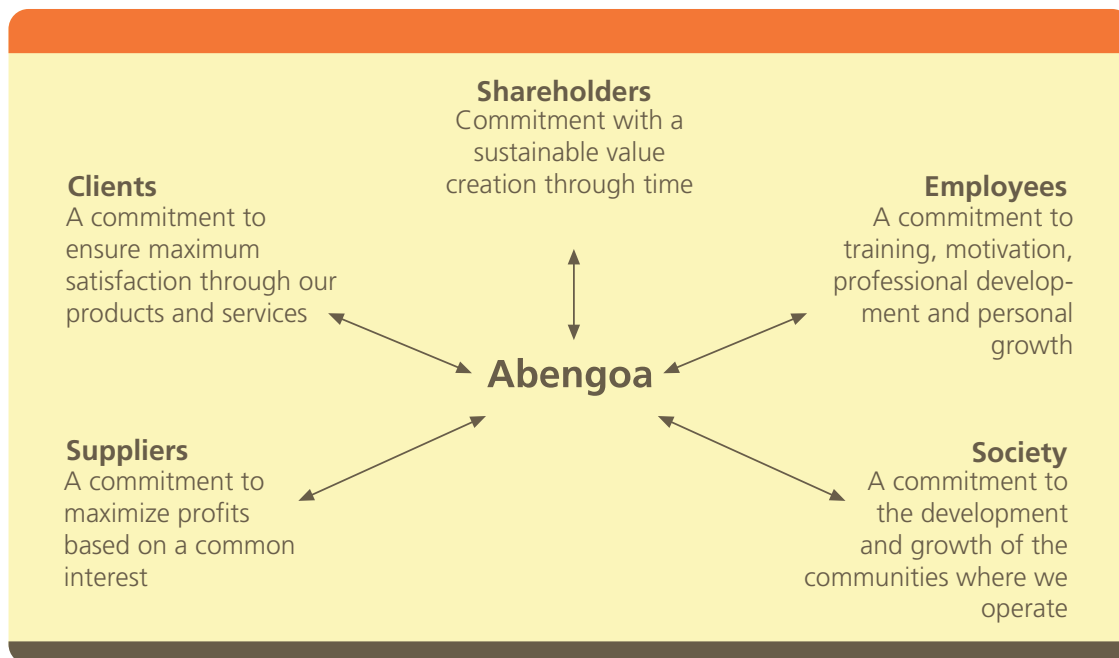




Abengoa is fully aware of the importance of all its stakeholders for its business and growth. Therefore, in addition to providing them with transparent and truthful information on all its activities on an ongoing basis, the company seeks to promote dialogue with them via the customary channels, and launches new ones, so as to achieve our vision of a dynamic and enriching process for both sides.

Understood as a two-way communicative process, dialogue is key to achieving one of the company's main objectives: to create maximum long-term value for all business groups. Our principal stakeholders are our employees, clients, suppliers, and investors – given that Abengoa is a listed company and society per se.

Abengoa's commitment to each of these groups engenders an ongoing, simple and direct dialogue that the company has promoted and nourished for years.



In order to facilitate and foment a process with a stable balance, Abengoa employs a wide range of communication and listening channels, which are aligned with the needs and expectations of each of the aforementioned stakeholder groups. The most important of these are listed in the following table.

### Dialogue channels

Stakeholders	From the company to stakeholders	From the stakeholders to the company
<b>Shareholders</b>	Corporate website and business units Information on relevant facts Investor Relations Department Public presentations (road shows) Meetings with analysts and investors Analyst and Investor Day General Shareholders' Meeting Quarterly reports Annual report	Investor Relations Department Shareholder's mailbox Satisfaction studies Public presentations (road shows) Meetings with analysts and investors Analyst and Investor Day General Shareholders' Meeting
<b>Employees</b>	Corporate website and business units Corporate intranet Employee Portal Employee self-service Welcome manual Internal bulletin Human Resource Interlocutor (GIRH) Health and Safety Committee Works Council	Employee Portal Employee self-service Satisfaction and work environment surveys IT tool: IRP for problem-solving IT tool: AM for improvement actions Social assistance for staff Human Resource Interlocutor (GIRH) Health and Safety Committee Works Council
<b>Clients</b>	Corporate website and business units Working days with clients Focus groups Security Management System Tool Publicity and marketing	Working days with clients Focus groups Satisfaction surveys IT tool: IRP for problem-solving IT tool: AM for improvement actions Security Management System Tool Customer's mailbox
<b>Suppliers</b>	Corporate website and business units Structured procedure for measuring supplier efficiency Security Management System Tool Regular visits to suppliers	Satisfaction surveys Structured procedure for receiving information and the supplier's opinion IT tool: IRP for problem-solving IT tool: AM for improvement actions Security Management System Tool Supplier's mailbox
<b>Society</b>	Corporate website and business groups Annual report Communications Department Corporate Social Responsibility Department Focus-Abengoa Foundation Meetings with NGOs, the media and educational institutions	Communications Department Corporate Social Responsibility Department Meetings with NGOs, the media and educational institutions

For Abengoa, the dialogue channels included in the table form the ideal instrument to ensure mutual information exchange. Many of the dialogue channels are directly managed by the departments and persons in charge of maintaining ongoing relations with the group in question. However, the overall aim is that the opinions, suggestions, considerations and complaints collected on a daily basis by Abengoa's interlocutors influence company strategy. This information is analyzed at meetings of Abengoa's strategy committee, which are held every six months, and which, as far as possible, ensure that these contributions are taken on board, in accordance with the ten-year strategic plan.

The feedback that Abengoa generates vis à vis its stakeholders culminates in the communication of company strategy to all of them and, naturally, has a bearing on the company's relations with them.

Above all, the stable dialogue channels that Abengoa promotes with its stakeholders seek to define a cross-cutting improvement model aligned with the expectations of each stakeholder group and with the company's vision and mission.

Through these channels and communication tools, the company becomes aware of the stakeholders' main concerns, enabling improvements to be made to potential system dysfunctions by the departments involved. Each department, in accordance with its links with affected stakeholders, establishes action plans to respond to the requests received.

During the last fiscal year, the main concerns detected by business group were:

Stakeholder feedback		
Affected stakeholders	Field for improvement	Solution implemented
<b>Clients</b>	In certain instances, the regular satisfaction surveys revealed a degree of customer concern in regard to achievement of the schedules for project milestones.	In 2007, an action plan was launched to detect which organizational units had an impact on the project delay, and average times were improved, thereby increasing our clients' overall satisfaction levels
<b>Suppliers</b>	Following a supplier analysis it was concluded that their main concern was compliance with schedules for payment of their bills.	An improvement plan was established to speed up the administrative procedures that both banks and suppliers have to execute in management of payments.
<b>Shareholders</b>	Analysts and investors have displayed interest in acquiring a better understanding of the renewable energy business.	Explanatory and training presentations - road shows - were held for analysts and investors on the renewable energy business.
<b>Employees</b>	The environment surveys revealed that one of the concerns of this business group was work-life balance.	As part of the work-life balance project launched by Abengoa in 2006, projects to improve work-life balance continue to be studied and implemented within each business group, in response to employee needs.
<b>Society</b>	In meetings held with community representatives, it was expressed that there are varying opinions and interests among the different countries.	Draw up a communicative plan that includes the main communities in which Abengoa conducts its activities.

Abengoa maintains fluid communications with all of the stakeholders involved in the projects it proposes, as well as in the actions it carries out, with the aim that they all feel part of the same once they have received the relevant information. This is an approach which benefits all.

Calling informative meetings and exchanging opinions on the company's different actions helps to ensure that the stakeholders feel a sense of project ownership, since while it is true that the benefits from the former have a positive effect on company results, they are essentially noted in all types of improvement to the region and the specific community where they take place.

Abengoa also participates in all scientific, technological and cultural calls that occur in the zones, cities and regions in which it operates.

### Our employees

#### Company staff

In 2007, at Abengoa the average figure for company staff was 17,245, up 27% from the previous year. This increase was due to the company's own organic growth and to acquisitions made during the fiscal year.

The following table shows average staff by business group and its evolution in time.

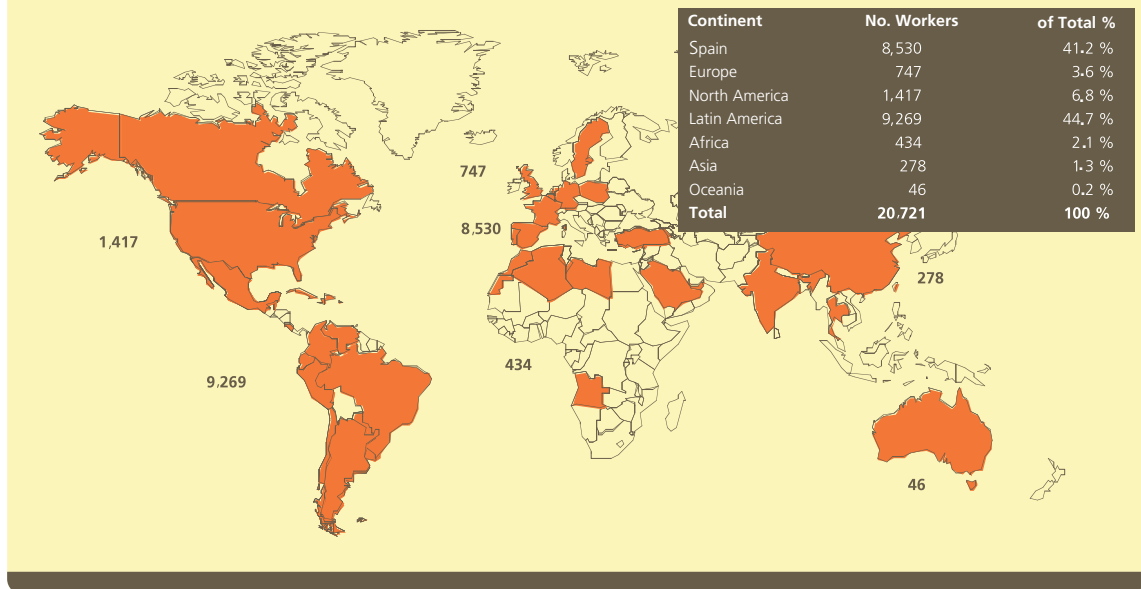
Employee evolution by business unit				
Business Groups	2005	2006	2007	%
Solar	19	41	104	154 %
Bioenergy	421	527	2,430	361 %
Environmental Services	1,348	1,563	1,969	26 %
Information Technologies	2,373	3,155	3,895	23 %
Industrial Engineering and Construction	6,921	8,322	8,847	6 %
<b>Total</b>	<b>11,082</b>	<b>13,608</b>	<b>17,245</b>	<b>27 %</b>

As of December 31, 2007, company staff figures had risen to 20,721; a net increase of 42% (compared to the figure for December 31, 2006: 14,605 people)

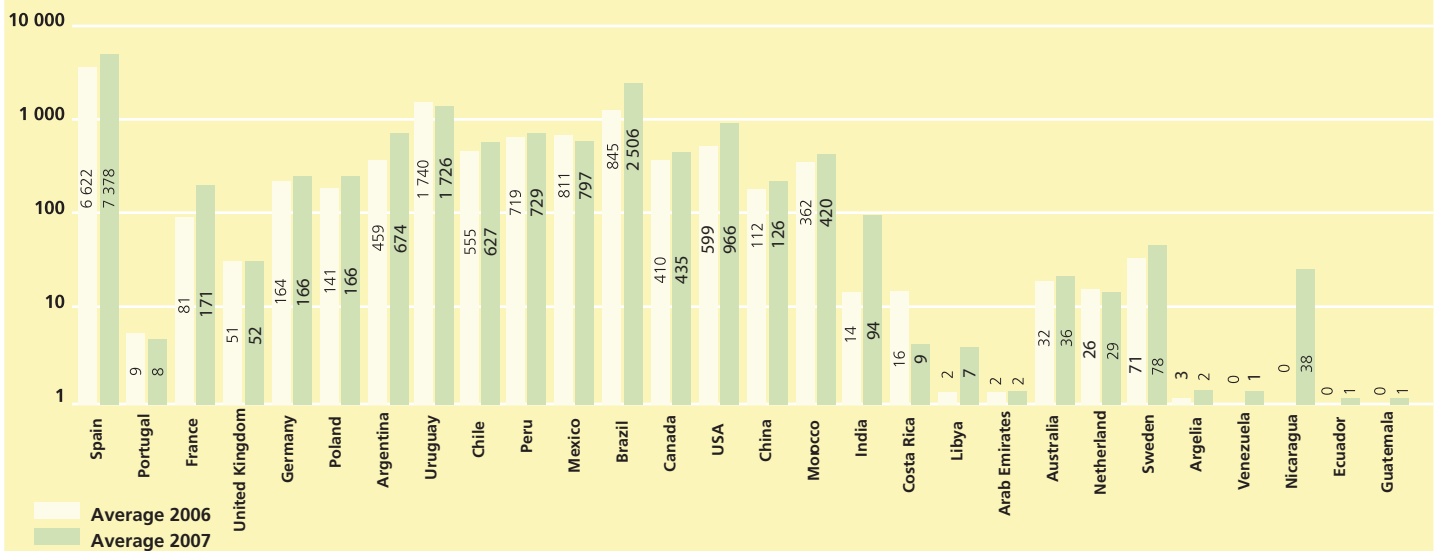
## Abengoa and its Direct Stakeholders

In terms of the different geographical areas where Abengoa operates, the breakdown for company staff figures as of December 31, 2007 is as follows:

Geographical distribution



Average employees 2006-2007



\* Logarithmic Scale

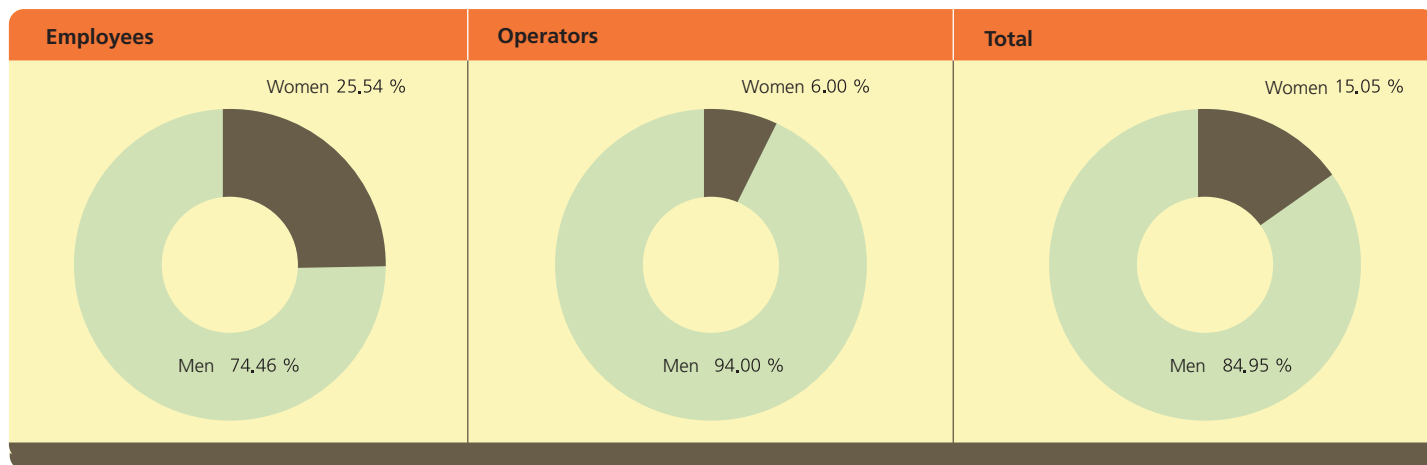
The following percentage table gives figures for employees and operators according to the type of contract. The overall rate for permanent staff is 55%.

Operators		
Permanent	Site	Temporary
47.8 %	24,8 %	27,4 %

Employees		
Permanent	Site	Temporary
69.5 %	17,6 %	12.9 %

Most Abengoa employees have a full-time contract, with low figures for half-day workers.

Statistics on contract distribution between men and women show that 15% of the hired staff are women, which breaks out as 25% of woman employees, and 6% of blue-collar workers.



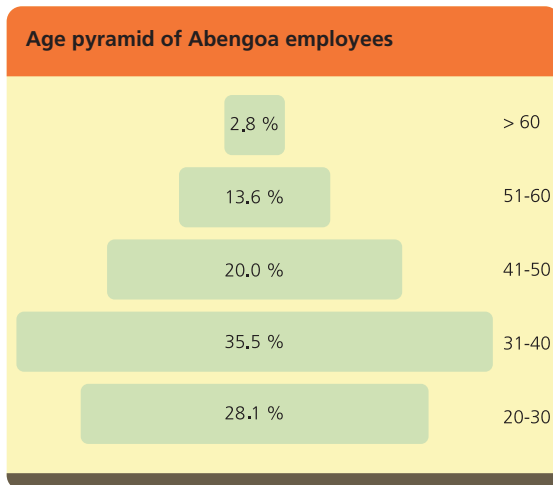
The female representation at the senior management committees responsible for the strategy of each of Abengoa's group companies stands at over 14%.

Abengoa rejects all forms of gender discrimination, whether direct or indirect, and proactively drives forward the promotion of equality of opportunities and treatment for women and men.

The principle of equality between women and men is applied in all human resource management policies, including hiring, selection, training, performance analysis, promotion, remuneration, working conditions, work-life balance, communication and prevention of harassment.

At Abengoa, there are no gender-related wage differentials for employees. The only differentials applied are in accordance with the different professional categories, in terms of responsibility levels, and in no circumstances are these related to gender-based inequality.

The analyses on the ages of Abengoa employees reveal the balance existing in the different scales, with over 60% aged under 40.



(\*) Statistics related to the age pyramid do not include recently acquired Matchmind and Dedini Agro.

In terms of turnover, (that is to say, the rate for voluntary, undesired leaves) the average percentage for the 2007 fiscal year was 3.52%, with there being variations according to geographic zones (ranging from 7% in North America to 2.4% in Latin America).

(\*) Turnover statistics do not include recently acquired Matchmind and Dedini Agro.

### General policy

Human resources policy responds to Abengoa's mission, vision, values, and operational strategy and is therefore at all times oriented and aligned with its strategic objectives.

Achievement of said objectives, through execution of the strategic plan, is the *raison d'être* of the company's structure and its human team.

### It is essential to align human resources and strategic objectives

Active in over 70 countries throughout the five continents and with over 20,000 staff members, Abengoa is a multinational, multicultural company with a business focus on achieving sustainability through innovation.

Abengoa's successful business model means that it is a leading company and a point of reference in the industries and markets in which it operates.

This successful model is based on the right strategy and the correct management model, but above all on having the ideal human team to be able to achieve the strategic objectives set.

Abengoa believes that its people form its differentiating value as a company, and that it is its people, with their preparation and commitment, who really make the difference in the results achieved by the company.



We believe that people are real capital, an asset generating value and wealth, and Abengoa's human resources policies therefore emphasize the importance of creating ideal conditions for their development, so that their talent can flourish and they can achieve excellent performance.

**Growth is ensured by the talent and excellent performance of people.**

At Abengoa, we think that it is the human capital that makes it possible to achieve objectives, bringing to bear differentiating competitive values through the application of talent, conscientiousness and excellent performance.

Therefore, when considering our employees, the concept of 'ideal' is key: commitment, motivation, talent, initiative, conscientiousness and an ongoing search for excellence in performance must form Abengoa's professional base.

The search for the ideal is thus one of the basic pillars of our policy de human resources; in terms of each particular position, the mission, technical and generic issues.

And this search for the ideal, the best, inspires our policies for training, recruitment, performance appraisal, organization by position and by responsibilities, as well as those for remuneration and conditions, infusing each of them with the priority for employee development.

In order to achieve this, Abengoa is committed to a competence-based human resource management model enabling this alignment between strategic objective, position and persons (the ideal situation) and allowing us to identify and discover talent.

Abengoa is aware that in the current environment - characterized by innovation and change, la the performance of its professionals, and its ability to attract, develop and retain talent is key to the success of any company. Abengoa is therefore firmly committed to human resources policy with the dual aim of:

- Promoting, capitalizing on, transmitting and managing knowledge; capitalizing on the experience its highly-qualified professionals, guiding the development of competences, and at all times striving to ensure Abengoa has the professionals required for each position, mission and responsibility.
- Making Abengoa a company with the right conditions for developing talent, one that is attractive in terms of its conditions and its environment, and in its people management model.

**The key to success is attracting, developing and retaining talent**

Developing, promoting and rewarding human resources so they can give the best of themselves so that their contribution is aligned with Abengoa's needs.

At Abengoa we are fully aware of the importance of motivation.

A sense of belonging to the company, feeling part of the project, participating, the capacity to influence events, solutions, to take advantage of opportunities are all elements clearly involved in professional motivation. Valuable personnel do not need ongoing exogenous motivation since they are self-motivated, part of the capacity to develop oneself both professionally and personally.

Employee participation in ongoing improvement forms part of Abengoa's culture; participation at all levels and improvement in all fields.

It is the role of the organization as a whole to take the initiative in improving business processes, working conditions, improving environmental conditions and solving problems. To enable this to happen, a wide range of programs and groups of improvement actions are promoted, computer tools (IRP/AM) are provided, and permanent suggestion boxes are available on the intranet. In addition, work-environment surveys are carried out in order to measure satisfaction levels, thereby identifying labor questions where corrective or improvement action is required.

### Commitment

Employee commitment is key; initiative, proactiveness. At Abengoa, we believe that the company must ensure the required elements, but once the resources and conditions are in place, employees must take on responsibility and commitment and respond, and not only by means of their participation, but also through excellent performance levels. Performance thus becomes the backbone of the system.

### Without good performance, talent is not profitable

The natural allies of excellence in performance are commitment, motivation, tenacity and attaching importance to daily tasks.

As part of this culture, Abengoa must exercise its commitment to information and communication. It is an essential part of the overall process, since the foregoing would make no sense without ensuring that people participate, are informed, and make themselves known. Abengoa therefore makes full use of its communication channels and the flow of information being key to our culture. Sharing information enriches, brings people together, and generates opportunities.

### Sharing information creates opportunities

This is why Abengoa has developed a comprehensive, integrated management system:

- Comprehensive. Because it includes all the human resource processes: definition, description and classification of positions, recruitment and selection – to attract the best professionals on the market, training and development, with the attached career plans, assessment, performance management and remuneration, as well as internal communication and social action.
- Integrated. Since it includes not only inter-related processes but also Abengoa as a whole, covering the different companies regardless of the industry, geographic area, and business unit they belong to.

### Universal Principles

In its employment practices, Abengoa adheres to the United Nations Universal Declaration on Human Rights and its protocols, aligning the professional performance of its employees to the same. It also abides by the international agreements approved by the UN and the International Labor Organization (ILO) on social rights (expressly, the UN Convention on Children's Rights, the UN Convention on the Elimination of all forms of Discrimination against Women, and those specifically related to forced child labor, health and safety at work, freedom of association, discrimination, disciplinary practices, working hours and compensation). Likewise, it adheres to the ILO's Tripartite Declaration of Principles on Multinational Companies, its Social Policy and the OECD's Principles for Multinational Companies.

Abengoa upholds a policy of recruiting, hiring, training and promoting the most qualified people, regardless of race, religion, color, age, sex, marital status, sexual orientation, physical or mental disability, expressly and actively rejecting any kind of discrimination.

In accordance with the social responsibility commitments acquired through our adhesion to the United Nations Global Compact our own Code of Conduct, Abengoa is presently developing a social responsibility management system to comply with the international SA 8000 model, in order to guarantee ongoing improvement in the company's social performance.

### GIRH

**Global Human Resource Management, S.A. (GIRH)** is a company specializing in the management and development of Abengoa's employees, working within the respective Human Resources departments to serve the group companies.

Its mission is to ensure that human resource policies, strategies and actions will enable Abengoa to fulfill its strategic plan, mainly by:

- Attracting, hiring and retaining the right professionals for each position, mission and responsibility.
- Consolidating, promoting and transmitting knowledge.
- Developing talent and skills.
- Ensuring that Abengoa is a company with optimal conditions for personal and professional development, attractive working conditions and environment and an effective employee-management model.
- And collaborating in corporate social responsibility

For each of the companies, its management model employs outsourcing through service supply contracts and quality-level agreements with customers, using purpose-built indicators to enable precise control of the processes involved.

Its services are vertically structured:

- Selection
- Training
- Personnel Administration
- Labor Relations
- Quality, Environment and Occupational Risk Prevention
- Development
- Social Action

GIRH currently has established sites in Spain (mainly in Madrid and Seville), Central Europe (Rotterdam), North America (Saint Louis) and Mexico (D.F. and Querétaro) and, as part of its corporate and horizontal responsibilities, globally coordinates human resource activity for Abengoa worldwide.

GIRH staff is comprised of 120 professionals.

### Training

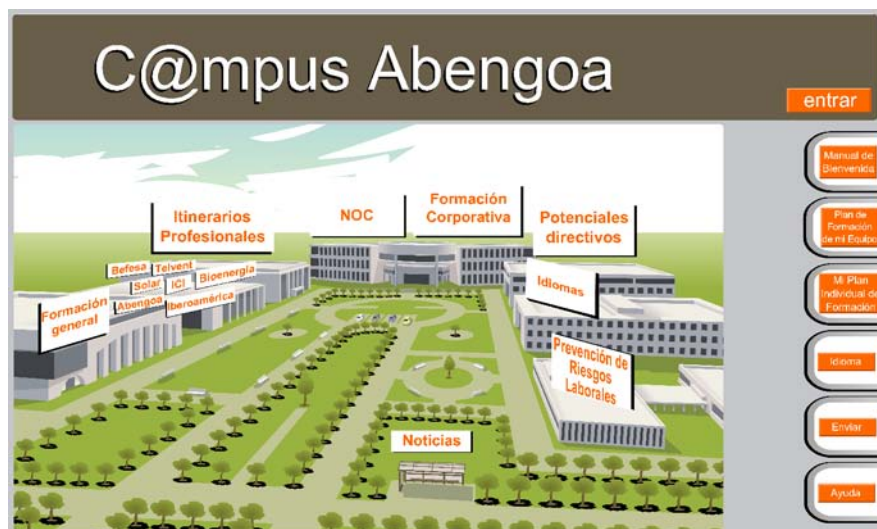
As stated above, we are aware of the fact that in the current environment, which is defined by innovation and change, the action and talent of our professionals form the key competitive element to distinguish us from our competitors. Attracting, developing and retaining talent is crucial to our success. Training is therefore one of our priorities. At Abengoa, it includes subjects identified as required to line up a team of highly-qualified professionals with corporate culture and the best market practices as follows:

- **Corporate Training.** Understood to mean training that transmits the common culture, internal rules, strategy, financial models, corporate identity, and the values it represents.
- **General Training.** In other words, training focusing on the professional improvement of employees, by teaching the new working tools and techniques, and updating professional contents, and management methods, for example. Although there is no specific training on human rights, it is important to note that in training courses on the company's common management systems, employees are provided with full information on all aspects of human rights related to their work.
- **Health and Safety Training.** This features not only training about the health and safety levels required at work and the use of both individual and collective protection elements, but also training for risk prevention technicians at different levels (basic, medium and higher levels). Training is specific to the legislation in force and how to interpret its regulations, and covers the official authorization required to undertake certain responsibilities in this field.
- **Languages.** A key element in an international growth model such as Abengoa's, requiring professional employees to be prepared to tackle and develop projects in any location worldwide.
- **Professional Practices.** These entail all types of knowledge acquisition as a result of following a program based on the implementation of competences with regard to a given position.

In order to efficiently satisfy the new and growing needs in this field, at Abengoa we have chosen to combine attendance-based training with methods based on the new technologies: e-learning.

This choice is intended to standardize messages throughout the organization, to speed up knowledge transmission by allowing each employee to manage his/her own learning pace based on capacity and previous knowledge, and to select the right time for training. It is also designed to optimize costs by cutting indirect dedication times (such as traveling), and avoiding incompatibilities with critical business times.

This initiative was introduced in 2007 as Abengoa's C@mpus.



C@mpus is the virtual space on Abengoa's employee portal, where the different on-line training contents will be hosted: including corporate and technical training, language training and health and safety training.

C@mpus will enable tutor guidance, virtual academic forums, learning assessment, training follow-up and registration.

As part of its professional development model, Abengoa has originated a series of professional itineraries based on training itineraries to produce highly-qualified professionals in key business disciplines, in line with corporate culture and the best market practices. These are known as Abengoa's Professional Programs:

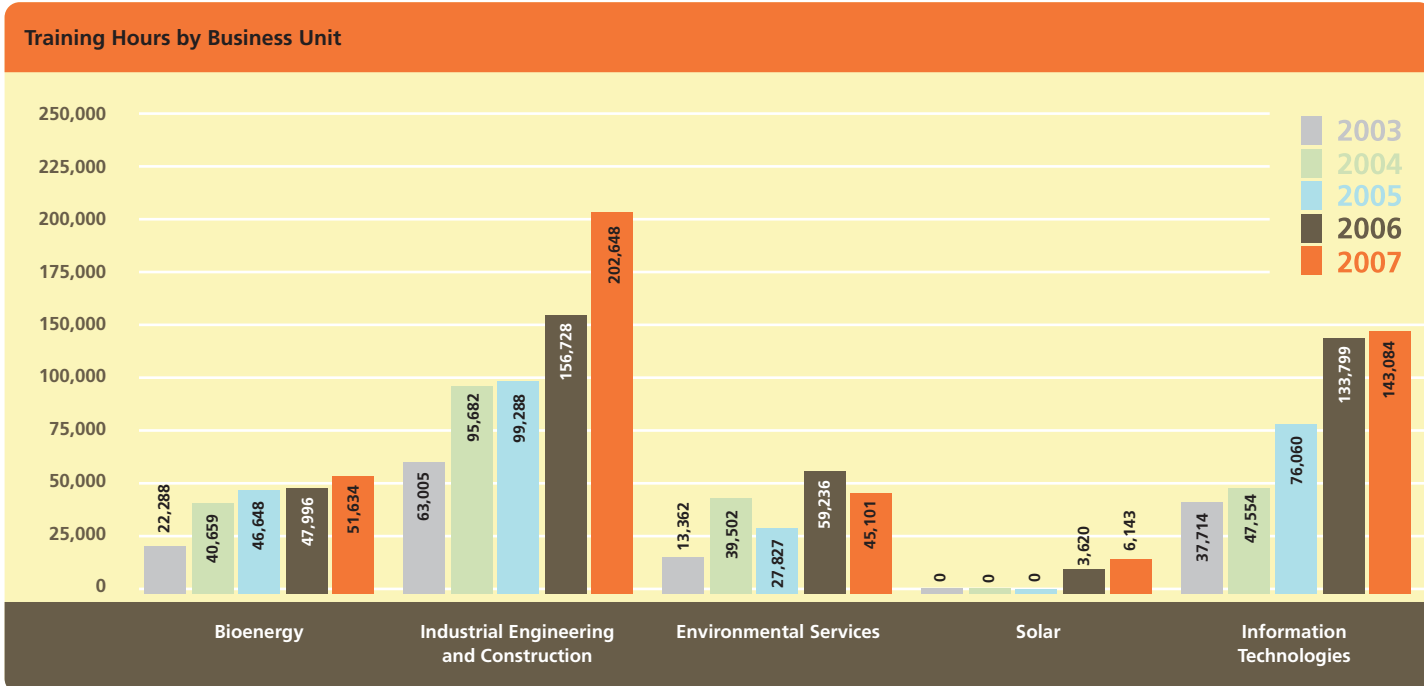
- Project directors' program: this is run not only in Spain but also worldwide, for example, in Latin America and China. Currently, 60% of participants are from outside Spain, with a total number of 104 participants in the program.
- Project managers' program: three editions have been launched since October 2006, and a total of 65 professionals have participated.
- Site supervisors' program: three editions are running at present, with the participation of a total of 54 employees.
- Director development program: over and above the specific professional programs, Abengoa requires a program for key individuals, enabling it to ensure that it has a highly-skilled team to respond to strategic challenges at all times. To this end, it has a directors' plan. Over 500 employees are participating in this program, receiving specific training to increase their competences and leadership skills.
- Abengoa's 2007 Training Plan was successfully executed, achieving the objectives set in each area, both in terms of participant numbers and hours of training.

The breakdown by type of training is as follows:

Summary	Attendees 2007	Hours 2007
Languages	2,038	61,275
Corporate	7,239	41,810
Prevention	44,180	185,327
Professional Practices	372	236,181
General	22,933	160,198
<b>Total</b>	<b>76,762</b>	<b>684,791</b>

Summary	Attendees 2007	Hours 2007
E-learning	5,275	15,589
Correspondence learning	1,162	79,241
Attendance-based	70,325	589,961
<b>Total</b>	<b>76,762</b>	<b>684,791</b>

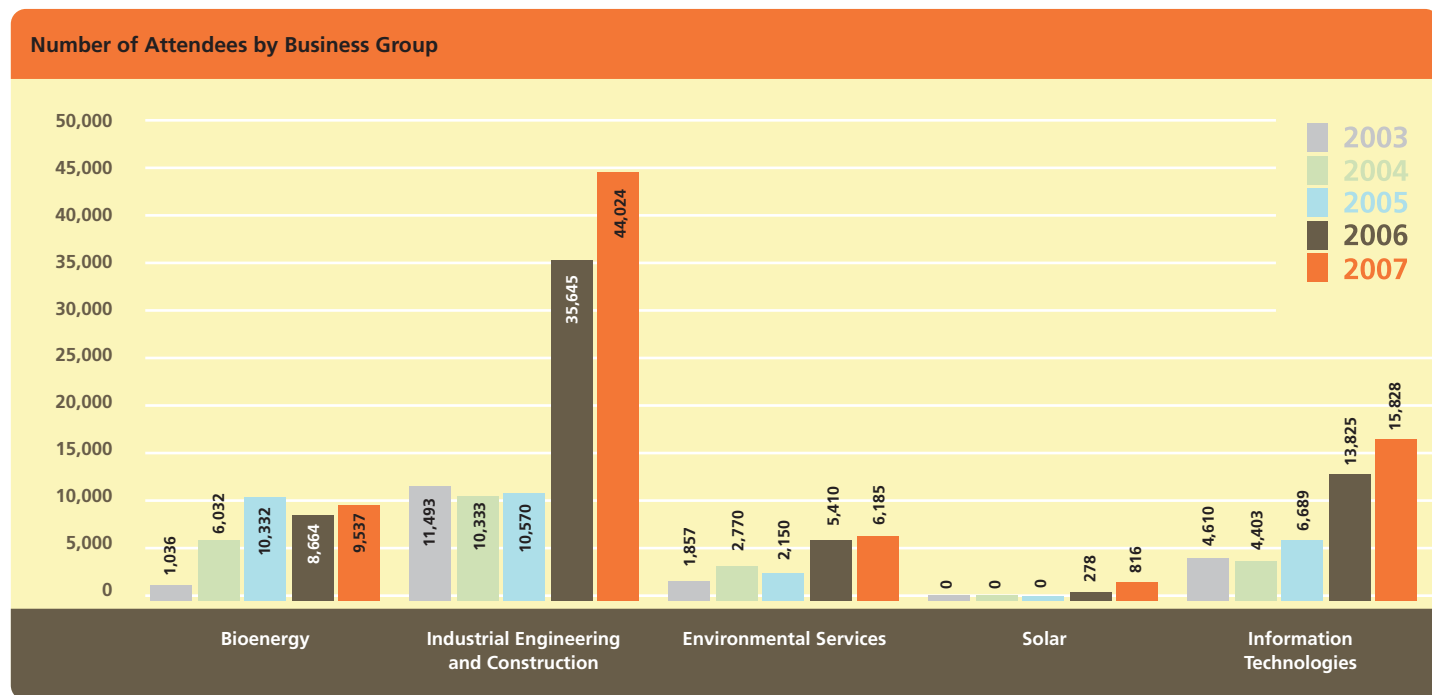
(\*) Statistics on training do not take into account the new companies incorporated in 2007.



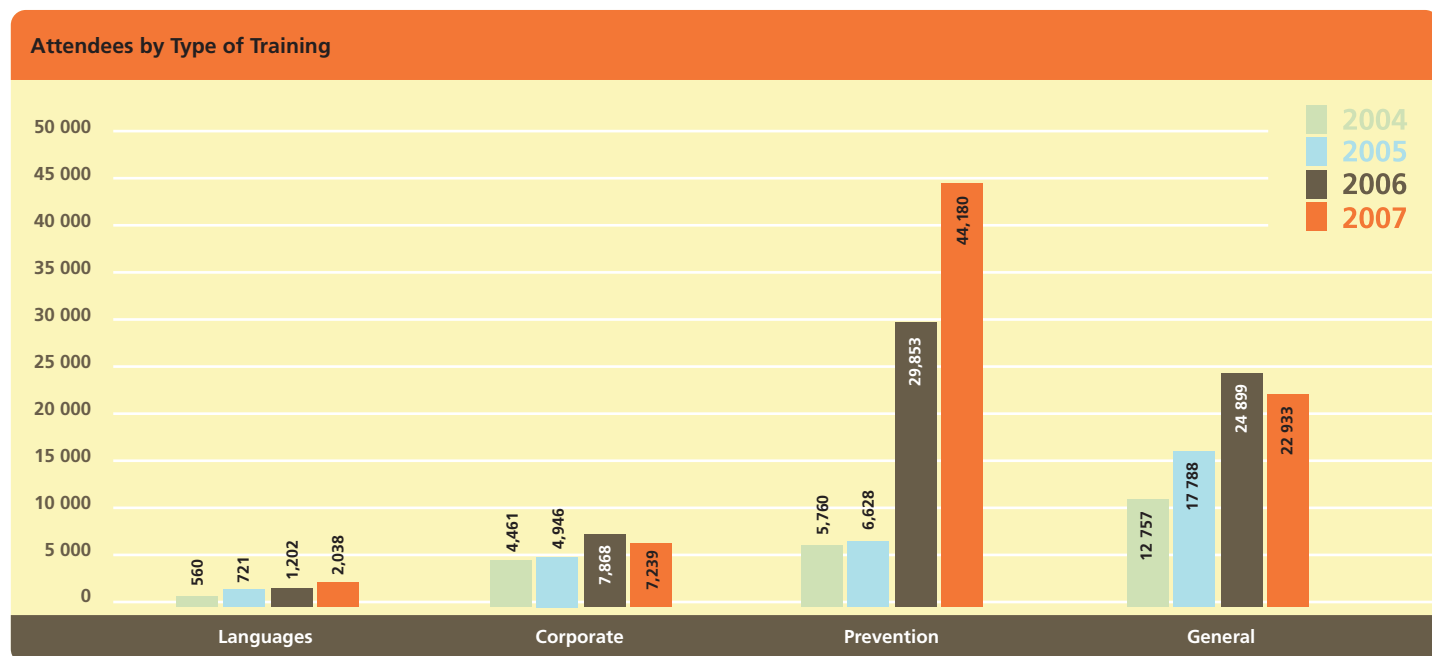
Evolution of parameters compared to previous years (comparisons of professional practices were excluded):

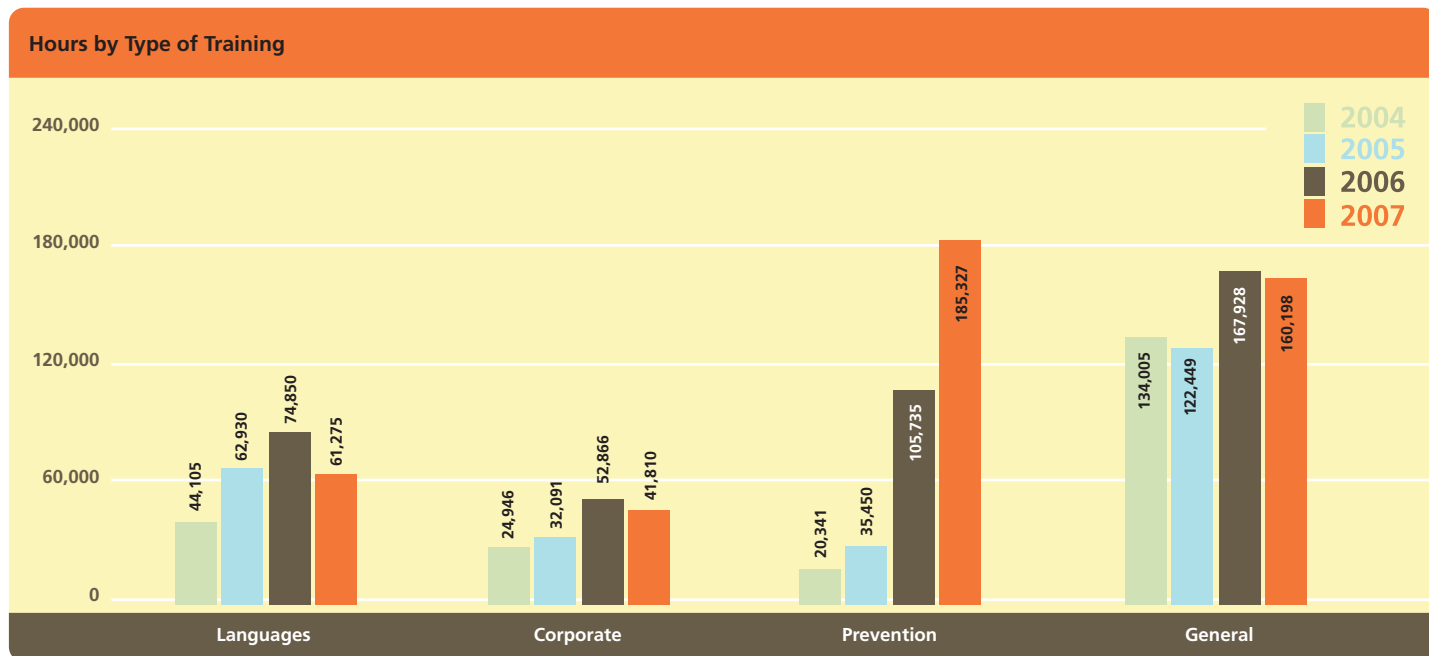
## Abengoa and its Direct Stakeholders

The following graphs show comparisons in the evolution in attendee numbers over the last five years by business units.



The following graphs illustrate hours and attendees by type of training over the last four years.





These are the training hours for each professional group:

Professional Groups	Hours per Person
Directors	69
Managers	73
Engineers and other Degree Holders	51
Assistants and Professionals	31
<b>Average Employees</b>	<b>50</b>
Operators	9
<b>Total Average</b>	<b>29</b>

(\*) Statistics on training do not take into account recently incorporated: Matchmind and Dedini Agro.

### Labor regulation

All Abengoa's employees are now under the scope of application of labor regulations, according to the nature of activities and the countries involved, in addition to the company's own standards. Furthermore, as applicable under the national legal system of each country, special emphasis is placed on the collective bargaining agreements of the industry, territory, or those of the company itself, signed up to by workers, or their union representatives, as appropriate.



It should be emphasized that the Abengoa Professional Code of Conduct applies to everybody and that is based on the idea that the company's reputation and success depend on the honesty, integrity and the sound judgment of employees, managers and directors in their relations with customers and prospects, colleagues, competitors and administration entities, the media, and all the other parties or institutions with which the Abengoa has contact. Similarly, and in addition to express adherence to the Universal Declaration on Human Rights, it has also been agreed to include within the Code, the Abengoa commitment to promote all the principles and rights covered by the International Labor Organization (ILO) Declaration adopted in 1998. This Declaration covers freedom of association, trade union freedom, effective recognition of the right to collective bargaining, the elimination of forced or obligatory work, the abolition of child labor, and the elimination of all types of discrimination in regard to employment and occupation.

Abengoa respects and supports the free association of its workers, holding it to be an inalienable right. In addition, dialogue with workers' representatives is ongoing and they are kept informed on all areas of interest to them.

There are no specific procedures on monitoring and evaluating actions on the formal representation of employees. But Abengoa drives forward fluid, two-way communication and ongoing dialogue with workers' representatives both within the organization and in the supply chain. The company stimulates the participation of workers and their representatives by means of updated information provided at meetings, and during conversations and negotiations.

Abengoa encourages multi-directional communication within the company, in such a way that senior managers remain informed of the positions, concerns and suggestions of employees and their representatives.

The aim of ensuring fluid in-house communication does not only cover workers and their rights, ensuring they have extra protection, but also enables the company to detect errors through criticism it may receive, and to acquire new knowledge. Abengoa's specific measures in this field include a suggestions box accessible to all company employees, which is directly administered by Abengoa's senior Human Resource managers; and tools for identifying problems and improvement actions, ensuring that all employees have the possibility of passing on their opinions to senior management.

Abengoa totally condemns all forms of forced labor and the exploitation of children, and supports all initiatives to eradicate them. Abengoa abides by international standards on child labor, and its internal regulations prohibit it. Abengoa is a signatory to the United Nations Pact including this subject as one of its nine principles.

Abengoa's hiring policy is especially strict regarding all issues linked to child labor, even though the nature of its work requires highly-qualified personnel and it is not considered a risk factor within the company.

As a basic employment right, Abengoa guarantees prior informing of all workers of any structural or organizational changes produced in the company, whether individually or through their representatives, with whom ongoing dialogue is a basic premise. It is usually the collective bargaining process which sets the minimum schedules for said notifications. Normally, they range from 15 to 30 days.

### Health and Safety

In compliance with the health and safety legislation in force in different countries and to execute Abengoa's own health and safety policy, relevant steps were taken in 2007 to ensure ongoing improvement of the health and safety measures implemented.

Development of the goals planned throughout the year within the companies, the integration and participation of workers in the development of health and safety activities, follow-up and control of the system designed by senior management, and advice received from health and safety organizations created in the companies ensure the development of a health and safety culture in Abengoa that has a significant influence on the reduction of work accidents and professional illnesses, and on the continuous improvement of safety conditions at work.

All the Abengoa companies have designated, named persons, working part-time or full-time or on the development, management and control of the health and safety system. The organization models implemented in health and safety are aligned with the legal requirements of each country in which Abengoa operates. Abengoa has chosen to have its own health and safety services staffed by specialist technicians.

In all the companies, in accordance with Abengoa's health and safety policy and the Common Management Rules, Prevention, committees have been created to be responsible for monitoring and control of the health and safety system. The health and safety Committee comprises senior company management, departmental heads, and the health and safety service technicians. The Committee meets regularly to approve goals and set follow-up actions to be performed. Its work includes analysis of the labor accident rate, the creation of statistical indicators, and the annual planning of health and safety activities (PAP) in accordance with the results of the risk assessments undertaken, the IRP and AM, the internal audit reports, published legislation, etc. Senior management reviews results and recommends actions for the ongoing cycle of improvement.

As established by the health and safety policy Statement, training in prevention is essential to the Prevention Management System. The contents of training actions are designed to ensure that employees are qualified to identify labor risks at their workplace, and that they know the prevention, protection and emergency measures to implement for their elimination or control. There is a special focus on workers subjected to serious risks and on new recruits.

With the aim of forestalling and controlling factors that could create an imbalance for workers, a wide range of training events are being offered. These range from stress prevention to an explanation of ergonomic, hygiene and psycho-social issues. The events are informative and also provide participants with the guidelines to stimulate physical and/or psycho-social situations to diminish the stress factors acting to block effective professional, personal, social and family development.

With an incidence rate of 42.01 and a seriousness rate of 0.46, labor accident rates in Abengoa are very low taking into account the potential risks and danger inherent to the operations of many of the companies, and in comparison with data from similar industries published by Spain's Ministry of Employment and Social Affairs: Construction 2006: Incidence 129 and seriousness 1.62 and Industry 2006: Incidence: 111 and seriousness 1.30.

(\*) Health and safety statistics do not include recently acquired Matchmind and Dedini Agro.

Each company monitors the work accidents and professional illnesses that occur at their work centers (official reports, sick leave certificates etc.), as well as the research reports made by health and safety service technicians and others involved in health and safety, in accordance with an internal management regulation and the general procedure of the health and safety system, PGP-000/08. This information is communicated to GIRH on a monthly basis for preparation of the corresponding indicators by company, and the consolidated reports, to enable efficient follow-up and control with a view to an Improvement Action proposal where appropriate.

According to the aforementioned management rule, serious accidents must be immediately communicated to the Chairman, the Director of the Business Unit, the Human Resources Director and the head of Health and Safety. An analysis and investigation of the particular circumstances are performed right away, by means of the two aforementioned paths: the Event and/or Accident Investigation Report, and the corresponding Problem-Solving Report.

Some statistics from 2007

- The total percentage of absenteeism in Abengoa (sanction, illness, accidents, and justified and unjustified leaves of absence) was 1.53%. Illness-related absenteeism was 1.17%, and that related to accidents at work 0.18%.
- The number of work accidents leading to authorized sick leave of over one day totaled 567, of which 48 occurred during journeys to and from work. Said accidents led to 10,402 lost working days, of which 872 were caused by in itinere accidents.
- In 2007, there was one fatality at work. The deceased worker was employed by Inabensa's Railway Division and the cause of death was an electric shock.
- In 2007, there were no discrimination-related incidents at Abengoa.

(\*) These statistics do not include recently acquired Matchmind and Dedini Agro.

The promotion of participation, staff or group initiative, pro-activity, in summary the implication and commitment of everybody with the continuous improvement of the Risk Prevention System at each of the Abengoa companies is still one of the biggest goals and something to change regarding the traditional system of formal character and vertical operation.

Computer applications for management and trouble-shooting (TS), and for dealing with improvement actions (IA), are strategic tools facilitating achievement of this objective. All personnel working for the companies have access to them and it is a management responsibility to promote their usage throughout the organization. In 2007, over 1,740 TSs were recorded, and more than 590 IAs on health and safety at work issues; increases of 33% and 15%, respectively.

As a support to the documentation of the Health and Safety Management System, there is a very useful computer application for companies and the various Risk Prevention Services of the Group. It is managed by the Associated Prevention Service in its company scope.

Common Management Rules in Abengoa establish as a strategic goal for all the Companies, the implementation and certification of Prevention Management models according to the OHSAS 18001:1999. In 2007, the certificates of 53 companies were renewed.



To verify the safety conditions under which the activities of the work centers and work sites are developed, visits were made to work sites and hygienic measurements taken. From detected defects and anomalies, the corresponding Trouble-Shooting Reports (TSRs) and Improvement Actions (IAs) were created.

The implemented check-list self-assessment system is still being promoted; it allows the people in charge of work centers and work sites to know the elements lacking in the application of the Risk Prevention System.

According to the goals and programs, 142 internal audits were made in companies and organization units. Regarding the non-conformities and recommendations made, the corresponding PSs and IAs have been created at the companies.

In 2007, the Junta de Andalucía (Andalusian regional government) awarded Abengoa the 2007 Health and Safety Prize for its organization and management of the system implemented and for its sound preventive practices. In addition, Abeinsa Chile received the "National Security Council" prize from Chile's "Consejo Nacional de Seguridad" for its low accident rates. It was top in the "Construction Companies" category.

### Quality of life, social action and work-life balance

Abengoa has launched series of actions to make the environment more human and pleasant by increasing life quality at work and promoting work-life balance.

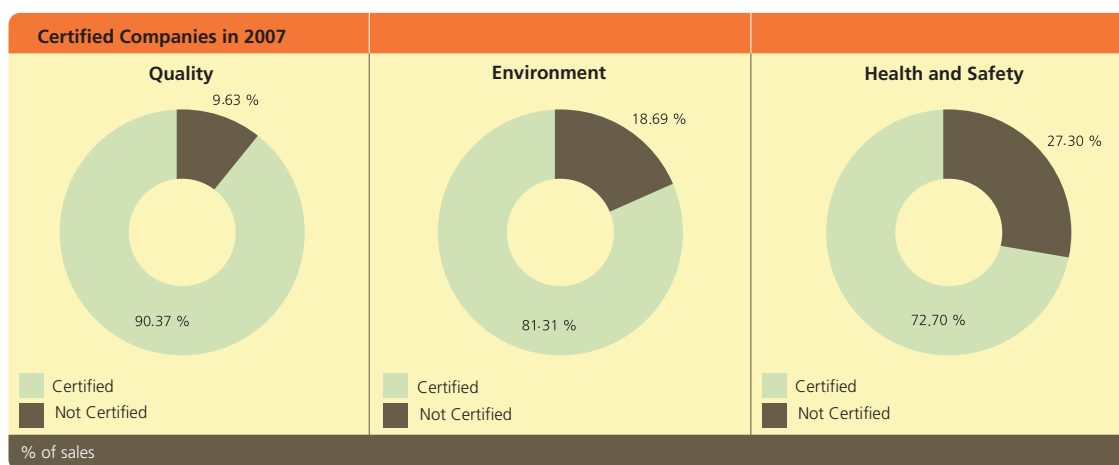
Initiatives executed include:

- **Promotion of physical activity and sports.-** To contribute to employees' quality of life, Abengoa has installed gyms at its work centers. They are equipped with everything necessary for physical fitness, and have space for different activities (dance, step, aerobics, Pilates etc.). Said facilities are currently operated at the Seville (Buhaira and Tamarguillo), Madrid (Valgrande), and Calgary (Canada) headquarters.
- **Day care centers.-** Another project that is part of the Quality of Life Policy in Abengoa and part of the work-life balance initiative is the funded Day Care Service for toddlers under the age of three, for workers at the Valgrande building in Madrid. This initiative also features in the design for the new site in Seville (Palmas Altas).
- **Accumulation of leave for child care/nursing.** In accordance with Spanish labor legislation, fathers or mothers of children under nine months have the right to periods of one-hour paid leave for nursing/child care. However, within the framework of the work-life balance initiative, at Abengoa we go beyond legal requirements by offering new fathers and mothers the possibility to accumulate periods of nursery/child care leave either totally or partially; in practice this may be equivalent to extending maternity leave to approximately one month.
- **Work schedule flexibility.** In its work schedules, Abengoa has established different alternatives for the morning start time, lunch-time, and evening finish (or start) times, enabling employees to select the schedule that best suits their professional and family life.
- **Social assistance for employees.** This is a project to build relationships with a human face in which employees can raise specific and very diverse situations, such as the need to be heard, to receive support and orientation, to get information, or to control specific family, medical, social or economic problems. The Focus-Abengoa Foundation, through GIRH, has Social Funds to provide economic aid in situations of need.
- **Medical services.** As part of our reinforcement of coverage for employees, we have a policy to provide a medical service at our work centers of more than 300 people. Currently the work centers including those at Buhaira, Tamarguillo, Valgrande, Velasco Pando, Mexico D.F. have their own medical service, staffed by specialized personnel, equipped with the required health-care material.

In addition to health center opening times and the appointment service for medical examinations in accordance with the specific health monitoring programs, both also have an emergency service available throughout the working day, and there is a telephone extension to call said service available at each building.

### Our clients

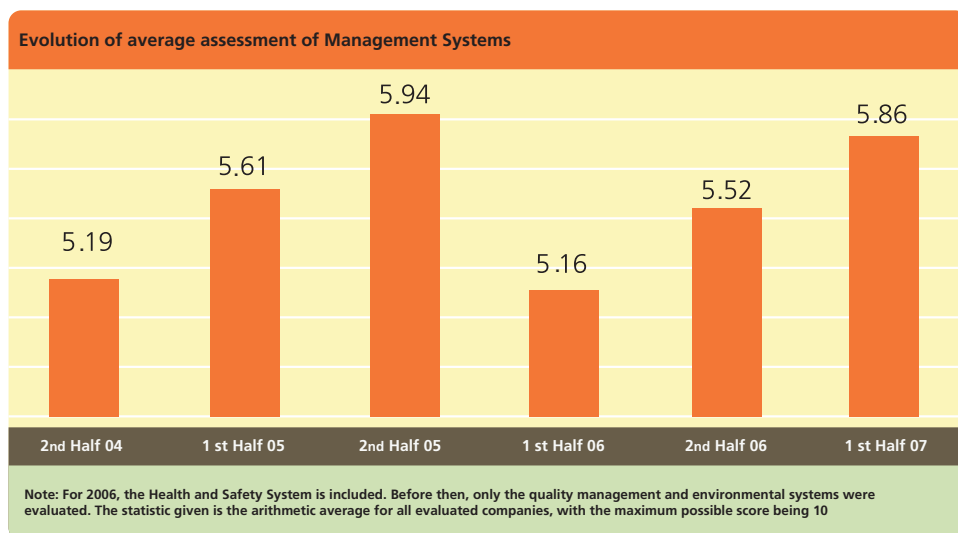
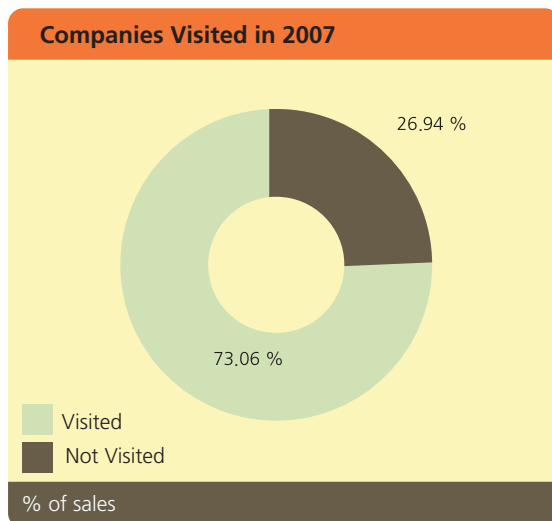
Since its creation, Abengoa has acquired a commitment to ensure that its products and services are always focused on guaranteeing full customer satisfaction. This commitment was explicitly inserted into the Common Management Standards (NOC) applicable to all group companies. These establish the obligation to implement and certify the quality management, environmental and health and safety systems in compliance with the international ISO 9001, ISO 14001 and OHSAS 18001 standards.



Effective implementation of the management systems is facilitated by the guidelines set by senior management in the quality, environment and health and safety policy, the annual objectives, ongoing monitoring, continuous improvement, training and the unconditional support of all Abengoa personnel.

General senior management holds the overall responsibility for the proper functioning of the management systems within each of the companies, which is delegated to the managers of the quality, environment and health and safety department, who are ultimately responsible for ensuring compliance with regulations, procedures and the legislation in force in each case.

There is also a direct reporting line to the Abengoa Chairman's office, and corporate senior management for organization, quality, environment and health and safety department, with its own resources. The responsibility of the latter, in relation to management systems, is to report to the Chairman on performance and on the situation of the management systems in the different group companies. Said duty involves half-yearly visits to each of the companies, for which an internal specification has been developed in order to define the way in which the maturity of these systems is assessed. This plan takes the form of an annual program featuring approximately one hundred visits to a dozen different countries.



### Customer Health and Safety

Each Abengoa company has an established management system focusing on processes, which underlies and executes the organization's policy and strategy, and which is oriented towards its ongoing improvement, in accordance with the requirements of international standards. Within this context, it is the management system itself, along with its control and monitoring mechanisms, which ensures that during each of the lifecycle phases of products and services there is assessment of the impacts on the health and safety of clients. The graph on the number of certified companies and the evolution of methods to measure their maturity give some idea of the percentage of products and services assessed.

**There were no reports of incidents related to non-compliance of legal regulations or voluntary codes, in regard to the impacts of products and services on health and safety during their lifecycle.**

### Product and Service Labeling

In order to ensure compliance with international regulations and internal specifications, it is essential to identify all the applicable legal requirements and other requirements with respect to each of the companies and their respective products and services. At Abengoa, we also undertake regular monitoring of compliance with all the established requirements, such that, should non-compliance occur, the trouble-shooting methods (TS) and improvement actions (IA) employed must be recorded in the corporate applications for their control and monitoring. The requirements include those relating to information and labeling used for products and services. There were no incidents of non-compliance in this regard in the course of the present fiscal year.

For equipment shipped by Telvent a declaration of EC conformity and EC labeling is required. In accordance with community law, devices are awarded the EC marking only once a technical report generated to indicate that all the required tests have been conducted.

In regard to the labeling of products shipped by Bioenergy, the requirements for which depend on national or international legislation in regard to transportation, or on their status as animal feed, we differentiate between two types of product:

- Bioethanol. However it is transported, ethanol is shipped with a safety certificate and a loading letter. The product is shipped bulk and does not require labeling; which is not the case for the container. The latter must be identified in compliance with the ADR for the road transport of dangerous goods, or with the RID in the case of rail freight.
- Ecoprotein. It does not require labeling since it is shipped bulk. Nevertheless, given its status as animal feed, the product is shipped with documentation which includes – for example – information on the shipper and marketing organization, the technical name of the product, an OGM declaration (if applicable), the protein content and batch traceability.

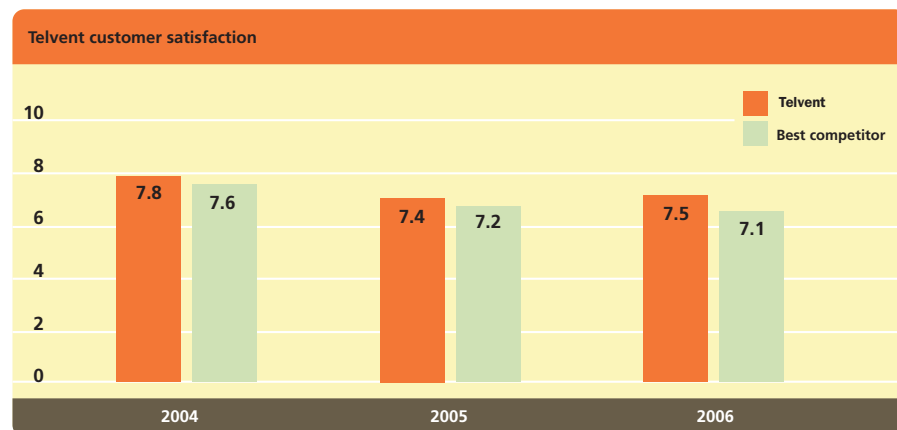
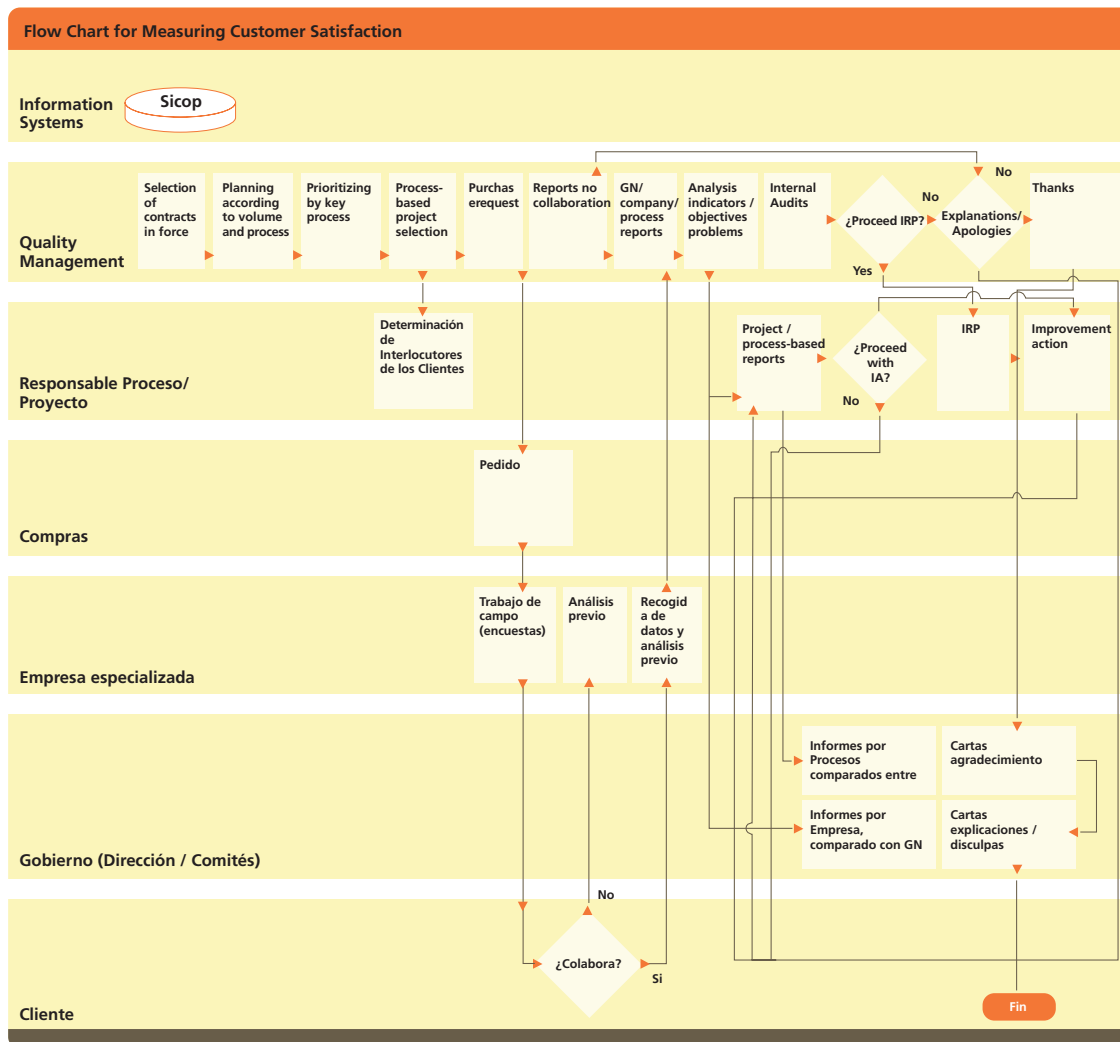
With regard to works, usually it is the customer who sets requirements, guidelines, types of material to be fitted etc., such that all the information required for responsible use of the executed work is in the documentation submitted with the product or service supplied: safety details, installation instructions, user's manuals, bulletins for electrical fittings, legalizations, start-up, connectivities, recommendations etc.

The management systems implemented, in compliance with international standards and internal requirements described in the specifications defining the way to assess the maturity of these systems establish the need to implement systems to evaluate customer satisfaction and of being able to analyze the latter's needs and expectations. This analysis concludes by setting specific objectives and action plans to cover said expectations and improve satisfaction. It is taken into account by senior management when setting and defining each company's strategy. The implementation of this practice is reviewed and assessed in the annual program of visits to control and monitor the management systems.

Given the diversity of Abengoa's activities, its products and services, and the clients on whom the satisfaction survey focuses, said survey is designed on an individual basis by each company, and in certain cases there is a consolidated business unit version. The following diagrams illustrate the methodology used and the results obtained.



## Abengoa and its Direct Stakeholders



### Marketing Communications

Abengoa has not signed up to any voluntary standard or code related to marketing, advertising or other promotional or sponsorship activities. However, there is a demanding and strict internal control procedure for external communications, which is included in the NOC (standards that must be complied with).

This control system involves the existence of a chain of internal authorizations, which may even involve the company Chairman's office. Information is authorized and completed by the heads of all departments involved in the contents of the communication, in such a way that the information issued is unified, truthful and complete. This process ensures that the communications produced do not contravene the company's principles and values or its Code of Conduct.

There is no record of any complaints on this issue to Abengoa companies.

### Client privacy

Abengoa guarantees the validity, integrity and security of all information that it processes, especially in terms of clients' personal details. With the aim of ensuring effective security measures for communications and information systems, there is a company security policy declaration covering all Abengoa companies. This declaration informs on the implementation of a Management System for Information Security, as a tool enabling the achievement of security objectives, understood to mean confidentiality, integrity and availability.

The Management System for Information Security explicitly covers everything relating to policy, the standards and obligations applicable to the users of information systems, regardless of whether they are Abengoa employees or otherwise.

The Management System for Information Security develops: the policy of usage for information systems, management security-related incidents, the password policy, security at the workplace, antivirus protection, wireless networks, system administration, perimeter security, protection of data of a personal nature, and the classification of information. No complaints have been made to Abengoa companies regarding privacy or leaks of clients' personal information.

Abengoa has not been fined for non-compliance with legislation on the supply and use of products and services offered by any of the companies belonging to the group.

In 2007, Abengoa received recognitions from a range of sources for excellence in management, its entrepreneurial initiative and customer satisfaction.

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"The 2007 Award for Entrepreneurial Initiative", awarded by the Junta de Andalucía (regional government of Andalusia)

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"The Andalusian Award for Excellence" in the section for Management Systems in Large Companies, awarded by the Council for Innovation, Science and Commerce of the Andalusian government.

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"Silver Recognition of the Ibero-American Quality Award" based on a model of excellence similar to EFQM, awarded to Teyma Uruguay by the Ibero-American Foundation for Quality.

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"Diploma for participation in development of the Reference Framework for Innovation" awarded to Telvent Energy and Environment by the Excellence in Management Club

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"The Castilla y León Prize for Management Excellence in" in the Large Companies section, with a special mention of our CSR work; awarded by the Junta de Castilla y León (regional government of Castilla y León)

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"Seal of Excellence EFQM Silver/4" awarded by EFQM/Club de estrellas (expires in 2009)

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"2007 Award for Customer Trust", awarded by la Comunidad de Madrid (regional government of Madrid)

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### Our shareholders

In order to facilitate the existence of permanent contact with company shareholders, we run an investor relations department at Abengoa, the aim of which is to ensure transparent and fluid communication with the shareholders / investors. The director for investor relations, in coordination with the financial director, is in charge of the design and implementation of the communication program for domestic and international financial markets, with the aim of providing information on the company's main aggregates and strategic actions, to both individual and institutional investors.

**Abengoa is committed to providing shareholders and financial analysts excellent attention, ensuring that they have full and exact information within the framework of corporate governance practices aligned with the most demanding criteria.**

### Shareholder and investor dialogue channels

Abengoa's relationship with its investors and shareholders in the 2007 fiscal year has been strengthened, and their suggestions and requests have been addressed with the aim of improving our service to them. This relationship is marked by absolute reporting transparency and proximity of relations with interested interlocutors.

Since 2006, quarterly results reports, in addition to the standard compulsory information, have included a complete document analyzing the performance of each of Abengoa's business units and main aggregates. Said quarterly results have been presented using audio systems by telephone, and by means of internet audio/video streaming.

In addition, senior managers responsible for attending to shareholders and investors have participated in a total of 18 public presentations - road shows - domestic and international, where they had the opportunity to personally address over 500 institutional investors. The execution of this activity with investors and analysts has involved visits to the most important financial centers in Europe and the United States.

When referring to the meetings with analysts and investors, we must make special mention of the presentation held in Madrid on February 27, 2007, which coincided with the publication of our results for 2006, and the III Analyst and Investor Day, which took place on November 21, 2007, also in Madrid, and provided a platform for updating the company's relevant information.

The corporate website, in Spanish and English, is an excellent instrument, which has special relevance in our communication policy vis à vis all stakeholders and, especially shareholders, investors and financial analysts. Through ongoing updates, we seek to include all relevant information so that decisions can be taken with perfect knowledge of the company's financial and strategic situation.

In 2007, Abengoa was awarded the "Best European Business", the top award in the category for "Mergers, Mid-Sized Acquisitions, Companies", for the acquisition operation for the companies B.U.S. Group AB, which was awarded by Roland Berger Strategy Consultants, CNN, and the IESE Business School. And the "Competitive Company Program Award", for the performance of the companies involved in the Competitive Company Program, which was awarded by the Chilean Construction Chamber.

### Share performance

According to data provided to Abengoa by Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores S.A. at the last General Shareholders' Meeting, held April 15, 2007, Abengoa, S.A. had 10,192 shareholders.

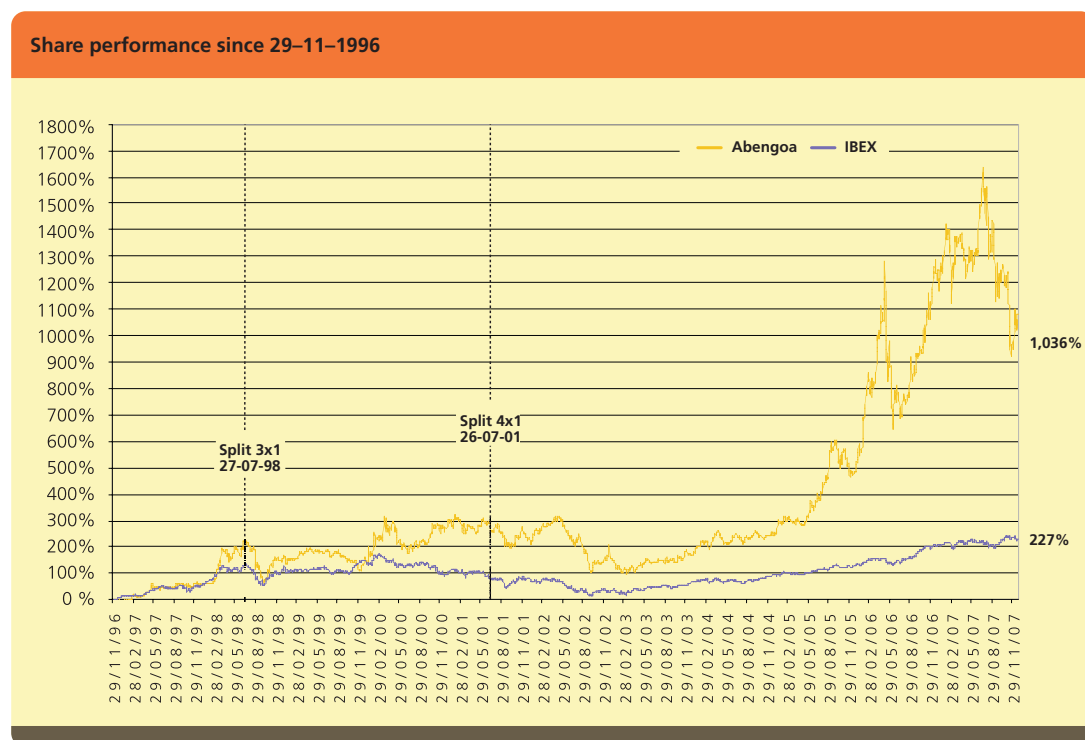
As of December 31, 2007 understands that its free float capital was 43.96% on discounting the holdings of its shareholders Inversión Corporativa I.C.S.A. and its subsidiary Finarpisa (56.04%).

According to data provided to the company by Sociedad Rectora de la Bolsa de Valores de Madrid, in 2007 a total of 134,132,538 shares were bought or sold. The average volume of daily acquisition for the year was 530,166 shares. The minimum, maximum and average listed prices for the 2007 fiscal year were 21.54 Euros, 37.50 Euros and 28.62 Euros, respectively. The last listed price for Abengoa shares in 2007 was 24.18 Euros, down 13% over December 31, 2006, and 1.036% up on the OPV for November 29, 1996.

The IBEX-35 Technical Assessment Committee (CAT) at its meeting of December 11, 2007 agreed to include Abengoa in the IBEX-35 index as of January 2, 2008. It is the first time in Abengoa's history that it will feature among the 35 companies with the highest stock exchange capitalization and turnover, as part of the index most closely followed by financial investors and analysts.

### Performance since floating in 1996

As a historic reference since Abengoa became a listed company on November 29, 1996, company shares have risen in value by 1.036%, meaning that the initial price has multiplied by 11.36. During the same period of time, the IBEX 35 index did so by 227%.



### Our suppliers

Abengoa directly integrates suppliers in the development of its operations, through the application of their experience and technology. The implementation of the best solutions proposed by our suppliers enables us to minimize risks and optimize costs and schedules.

Good supplier performance is critical to efficiency in the production of high-quality products and services, reducing costs and increasing profitability. A structured procedure is employed in order to measure supplier efficiency. This procedure includes receipt of information and opinions from the suppliers evaluated.

Five basic guidelines are used to execute the above, setting the tone for our relationship with suppliers and reinforcing our strategy: outsourcing, leadership, globalization, local development and integration.

- **Outsourcing**

By means of the outsourcing of services identified as complementary for production, we are able to ensure maximum optimization of operations.

Outsourcing makes it possible to concentrate on improving our knowledge, increasing the performance of the cornerstones of our business, incorporating the most professional service by means of directly involving our suppliers in operations on a day-to-day basis.

Services such as workers specialized in different aspects of maintenance and utilities, as well as supplies and application of critical products, are outsourced in view of the specific training, technology and experience required.

- **Leadership**

The ongoing search, and hiring suppliers who are industry leaders, ensures that we can produce innovative improvement solutions with a significant technological component, enabling Abengoa to maintain its high competitiveness and quality levels.

We use reputed suppliers with wide-ranging experience for the supply of critical products and the maintenance of essential units.

- **Globalization**

Hiring common suppliers at the different production centers enables us to incorporate the most developed and homogeneous service, with standardized scopes supporting corporate procedure and balanced growth between the different production plants.

These synergies facilitate the application of global solutions ensuring cost optimization, both in management and in service development and supplies.

- **Local Development**

The focus on local supplier development and involvement ensures coverage of the essential and basic requirements, and allows for flexibility in terms of consumption of volumes and response times, with positive impacts on commercial and industrial growth in the geographic areas involved, and the guarantee of a close, social relationship.

- **Integration**

Integration of our suppliers' improvement proposals enables the ongoing improvement of productivity and yields.

Results-based price-setting is a basic principle of commitment to business.

And respect for human rights and ethics in our companies in accordance with our environmental and health and safety policy complements said commitment.

### **Our relationship with suppliers**

Efficiency in project management, ongoing process improvement and administration of the new developments is crucial to consolidating and developing the positions we have achieved in the markets in which we are established. And the framework for this is our common corporate culture, values and identity, which drive forward our quest for innovation and search for new business opportunities.

Integration of our suppliers is key to achieving these objectives. We view them as strategic partners based on the principle of partnership and unity in securing our common goals. In many cases this involves the signing of long-term agreements, loyalty commitments and mutual agreements.

Suppliers actively participate in bid preparation, development of our commercial activity, and in our customer presentations. Without a coordinated strategy in relation to them, we would not be able to market the products and services that we presently offer.

In view of their importance to the organization and the need to successfully meet objectives, both before and during our relationship with them we undertake detailed assessment of their compliance in terms of legal and commercial questions, logistics, health and safety, quality, the environment, technical issues and post-sales services. All Abengoa companies have standardized selection processes and supplier control and monitoring mechanisms. Agreements with suppliers are formalized by the issuing of all relevant documentation, listing the agreements reached between both parties, both from the standpoint of the technical requirements to be met by the supplier, and that of the commercial conditions to be applied.

In order for our relationship with suppliers to be as fruitful as possible, we demand from them –just as we do from ourselves - the highest levels of quality, respect for the environment, and labor safety totally compliant with the corporate occupational risk prevention policy. In many instances, this will entail an obligation to comply with the different validation criteria, such that the technical and economic capacities and of the supplier will be certified, and special attention will be paid to the internal policy and procedures of the integrated quality, environment and health and safety management systems implemented throughout our organization in accordance with the ISO 9001, ISO 14001, EMAS and OHSAS 18001 standards, respectively.

Within the context of the partnership arrangements with our suppliers and collaborators, and in order to ensure consolidation and improvement of the aforementioned high-level trouble-shooting applications (TS) and proposals for improvement actions (IA) have been developed and made available throughout the organization.

Said corporate applications form a strategic tool for increased competitiveness, promoting bottom-up participation of all the elements of the organization, and therefore of our suppliers and collaborators too. It is a tremendous source of knowledge, ongoing assessment; it mitigates risk, is self-critical and generates ideas, which in themselves ensure continuous improvement to processes, activities, services and products offered by our company.

We sometimes aid our strategic partners who are small service suppliers or who operate in more slowly developing areas by:

- Securing funding (or identifying channels for accessing the same),
- Improving their health and safety systems
- Providing technical training – in occupation risks, for example.

At Abengoa, we understand that a close relationship involving communication, knowledge and mutual support with our suppliers and collaborators creates value for the whole organization.

### Suppliers and Human Rights

At present, Abengoa is working on requesting that all suppliers adhere to the Universal Declaration on Human Rights, as long as they undertake random human rights audits.

During the present fiscal year it was decided to insert within the Abengoa Professional Code of Conduct an express Declaration of the company's adherence to the Universal Declaration on Human Rights. Abengoa shall only maintain contractual relations with suppliers who explicitly adhere to the Universal Declaration on Human rights and to the declaration relating to basic principles and rights at work.

**Abengoa totally condemns all forms of forced labor and the exploitation of children, and supports all initiatives to eradicate them.**

All Abengoa employees are now covered by cross-company labor regulations – in accordance with the nature of activities and the countries involved. Furthermore, as applicable under the national legal system of each country, special emphasis is placed on the collective bargaining agreements of the industry, territory, or those of the company itself, signed up to by workers, or their union representatives, as appropriate. Through contractual clauses, Abengoa verifies that its suppliers comply to the principle of a reasonable amount of working hours for their workers.

Abengoa has a very strict internal policy focusing on compliance with the labor laws and standards of each country in which it operates, and which, in addition, provides benefits exceeding the legal minimum. Compliance with this policy is subject to strict control and checks by the company.

We have no knowledge that there have been any cases of forced labor or work carried out under coercion within Abengoa. Given that we are a technological company providing solutions for sustainable development in the infrastructure, environmental and energy industries, we do not perceive forced labor as being a potential risk of our activities.

**Abengoa promotes a culture, values and a common corporate identity promoting maximum respect for human rights in its social environment. It requires that companies working in partnership with it share this respect.**