E - Answers to the Independent Committee of Experts
Q1. The Abengoa Corporate Social Responsibility Report claims, with no further detail provided, that the company does not operate in areas rich in biodiversity, or where there are species at risk of extinction, and that no “notable impacts on biodiversity resulting from its own activity” have been identified (p. 70). How does Abengoa evaluate the existing biodiversity, as well as the impact of its operations on that biodiversity, in the places where it operates and in its areas of influence?

At Abengoa, a corporate requirement is in force stating that all of the material works companies must implement and certify an environmental management system in accordance with the ISO 14001 standard. Among the requirements created by this system, the most notable is the obligation to identify the legal requirements and regulations which are applicable, including the identification and classification of the spaces where the company operates, in accordance with their status of special protection, and the environmental requirements inherent to each classification. During the process to gather information carried out during the drafting of the CSR Report for 2007, a specific question was posed to all of the companies regarding this topic, and it was thereby confirmed that, in the financial year of 2007, none of Abengoa’s companies had installations in areas officially classified (by the UN) as rich in biodiversity.

At the same time, for the construction of turnkey projects or financed projects, and in accordance with local legal requirements, an environmental impact study is completed as a necessary prerequisite for obtaining the building permits. In the case of construction activities (electricity transmission lines and others), it is the clients who carry out the environmental impact study during the permit process prior to the project, and they then ask Abengoa to make any corrections at the end of the construction, by way of the specifications documents. The impacts caused by the construction itself are taken into consideration by Abengoa’s companies through the project’s Environmental Plan, required by the companies’ environmental management systems.

Moreover, Abengoa, advised by a committee of experts, has designed a system of environmental indicators which will make it possible, among other things, to measure the impacts of its operations on biodiversity and to set limitations and control targets. Specially protected spaces are defined within a set of indicators related with biodiversity, which take into account: the Ramsar Convention on Wetlands of International Importance, the world network of Biosphere Reserves, UNESCO’s Program on Man and Biosphere and the network Natura 2000 within the European Union, which takes into consideration areas of importance to the EU, special conservation zones and special protection zones for birds. Furthermore, the following indicators related with biodiversity are included within the system:

- Percentage of installations located within protected spaces or unprotected areas of high biodiversity and adjacent spaces.
- Number of formal complaints received during the year regarding biodiversity.
- Number of fines involving the topic of biodiversity.
- Percentage of activity covered by certified environmental management systems.
- Percentage of activity covered by preventative environmental measures and contingency plans.
- Spending on environmental protection.

The system of sustainability indicators currently being implemented complements, reinforces and systematizes the environmental data reporting tools that exist at Abengoa, allowing Abengoa companies (and their installations) to
be able to establish specific targets for improvement from one year to the next, while using risk matrices to evaluate which of its activities are the most delicate in terms of the impact they may have on the environment.

Q2. The company's CSR Report clearly establishes its scope and organizational limits. The same is not true for the operational limits, in which indirect consumption and impacts are also considered. In this respect, what criteria were used to delimit the subjects which give rise to the consumption of natural resources and to negative, indirect environmental impacts? Have the parties concerned expressed themselves, and if so how, regarding the definition of these limits? Are they considered the main client when estimating indirect impacts?

The 2007 CSR Report took into account the direct consumption and impacts of the work sites, associated activities and projects promoted directly by Abengoa. With respect to indirect consumption and impacts, those related with indirect energy consumption were reported.

The companies which were taken into account in the report and in the consolidation of data are those whose management is controlled by Abengoa. The parties concerned have issued no statement with respect to the definition of these limits. They were not considered to be the main clients when estimating the indirect impacts.

Q3. In terms of those aspects related with some of the company's environmental activities: why has the monetary assessment of the relations between Abengoa and the environment not been included (investments, income, spending, etc.) in the Corporate Social Responsibility Report? What policies and commitments with an effect on the environment does the group have for the end of its products' useful life span, especially its engineering and construction projects?

When drafting the CSR Report for 2007, some additional indicators were included, as well as all those which are required in accordance with the GRI classification. The process for including additional indicators is being implemented gradually, and this year, for instance, our intention is to include the aforementioned indicator.

Included in the system of sustainability indicators under development is an indicator on the percentage of materials that are recycled, which will enable us to establish recycling targets for products at the end of their useful life span.

Q4. What is the carbon footprint of the company as a whole, and by business areas? Has the company set an ambitious, public target for reducing its CO2 emissions? What is it, if applicable, and in what timeframe? And regarding the consumption of wood and paper, can the company guarantee that the wood and paper it uses is of a legal and sustainable origin? Does the company have a policy of buying products certified by the FSC to ensure this?

In the 2007 CSR Report, we reported the direct global emissions of CO2 and the indirect emissions due to energy consumption. During that same year, a project was started up to complete an inventory of all the greenhouse gas emissions of all of Abengoa’s companies and business groups, including therein those emissions due to the value chain of all supplies. Once the inventory is completed in 2008, it will be externally audited, and targets will be set for the future reduction of these emissions. The results of the inventory will be published in the CSR Report for 2009.

Included in the system of sustainability indicators under development is an indicator on recycled materials in production inputs, which will allow us to establish specific wood and paper objectives for the purchases made by
Abengoa. Up to now, there has been no requirement at Abengoa to monitor the origin of the paper and wood that is consumed, except for that related with the requirement to increase the use of recycled paper to the greatest extent possible. However, during this year, the implementation of a requirement to monitor the origin of the paper and wood consumed is being developed.

Q5. It’s interesting that nearly all of the companies in the group: Telvent, as well as Matchmind, Dedini Agro and Abencs, fall outside the information on environmental indicators. Because, in our opinion, the environmental impact and, therefore, indicators must always be taken into account, in any of the company’s activities and the fields of those activities, how does the company justify this lack of information? And, in the short term, does it intend to include information on these indicators for the aforementioned companies?

The companies Telvent Venezuela, Telvent Argentina, Telvent Scandinavia, Telvent Turkey and Telvent Thailand, all from the Information Technologies business group, were not included, because they are immaterial works companies for environmental purposes. The companies Telvent China, Telvent Australia and Telvent Netherlands, again from the same business group, were not included because they do not have appropriate systems for gathering information, since they have not yet implemented ISO 14001. As for Matchmind, Dedini Agro and Abencs, they were not included, because their program for integration into Abengoa had not yet been completed. This year, all of the above companies will be reporting their greenhouse gas emissions, and in addition to this, Telvent China, Dedini Agro and Abencs will begin to report environmental indicators.

Q6. What systems does the company use to guarantee the traceability of the raw materials that it uses in the production of its biofuels? Can it guarantee that they come from sources that have not damaged the environment in order to be obtained? Does the company have data on the amount of pesticides, nitrates and other types of polluting substances used for their production?

As a part of its sustainability policy, the Bioenergy business group is developing advanced systems in order to put traceability procedures in place for its raw materials.

Requesting the Social Responsibility Code from its Suppliers

Since June 2008, Abengoa has required that its suppliers, including those of raw materials, sign a Code of Social Responsibility (CSR), made up of 11 clauses. By adhering to this CRS, Abengoa promotes the adherence to and compliance with the established social and environmental regulations among its suppliers, as well as the fulfillment of every aspect of social responsibility included within the Global Compact, encompassing all of the company’s production processes.

All of the suppliers must agree to comply with this code in writing.

Development of the BioGis Traceability Tool

The Bioenergy business group has developed a tool known as BioGis, which, depending on the origin of the raw materials, enables it to identify the greenhouse gas emissions associated with their production and logistics with a high degree of accuracy. BioGis is actively used in Europe and is being extended to Brazil and the United States. This tool will be the basis for developing a certification system for the biofuels activity and includes data on the amount of pesticides, nitrates and potential polluting substances.
Joining External Initiatives in the Field of Sustainability Certification

Abengoa proactively participates in several initiatives at the international level spearheaded by prominent and respected entities, with the goal of defining systems that enable us to ensure compliance with all of the environmental and social rules on the production of biofuels to third parties. The scopes of these initiatives include, amongst others, traceability systems for the entire production process (mainly Mass Balance or Book & Claim management systems), or the harmonization of compliance with criteria for existing sustainability certification systems (both environmental and social).

Abengoa cooperates on the following initiatives within the field of biofuels:

- **The ISCC** Project (International Sustainability & Carbon Certification), under the auspices of the Ministry of Agriculture, Foods and Consumer Protection of the German Government;
- **CEN/TC383.** Project for a European standard to certify the sustainability of biomass for energy uses, rolled out by the European Committee for Standardization (CEN);
- Participation in the Implementation Working Group of the **Roundtable on Sustainable Biofuels** (RSB), an initiative with a widespread international outreach promoted by the École Polytechnique Fédérale de Lausanne.

Abengoa promotes compliance with environmental and social regulations in all of its processes, including the source of the raw materials it uses (for example, in those cases in which genetically modified organisms have been used, they were legally authorized), and is involved in sustainability certification initiatives, which will allow it to stay one step ahead of the future regulatory developments for numerous aspects, including:

- Tracing the production chain (from the collection of the raw materials);
- Ensuring that ecological values and relevant biodiversity are not damaged;
- Verifying internationally applicable regulations and agreements governing the abusive use of fertilizers and pesticides, or the efficient use of natural resources, among others.

As we have pointed out, at Abengoa there is a corporate requirement for all of the material works companies to implement and certify an environmental management system in accordance with the ISO 14001 standard. Therefore, at present more than 80% of companies are certified under that standard. Because of its requirements, such companies all have a system in place to identify and evaluate aspects related with the standard.

**Q7. Is there a person or a committee on the Board of Directors with responsibilities covering aspects that have to do with climate change or sustainability in a broad sense? If there is not, does Abengoa have any plans to assign this responsibility to some member or committee? What is the relationship between the new Secretary’s Office for Sustainability and the Board of Directors that allows the company’s sustainability strategy to be taken into account in the Board’s decision-making process?**

On the Board of Directors, the Chairman of the Board and company Chairman assumes the responsibilities for the aspects involving climate change and sustainability. In order to achieve good synchronization of Abengoa’s sustainability policies and its business groups, Abengoa’s president meets with the general secretary for sustainability management once per week in a specific committee known as the “Emissions Reduction Plan and Carbon Model Review.” Moreover, once per month an expanded committee is organized, at which the Chairman of Abengoa and the general secretary for sustainability are joined by the managers of the departments of strategic corporate development, social responsibility, quality and environment management, and the managing director of Zeroemissions, the Abengoa company specializing in climate change.
As a complement to this, and in order to act with complete synchronization in the coordination of Abengoa’s sustainability policies, the general secretary for sustainability drafts a monthly report for Abengoa’s strategy committee, made up of the Chairman himself, the Chairman’s attaché, the executive Vice-Chairman, the Secretary to the Board of Directors, the chairmen or the business groups, the technical general secretary, the financial director, the director of organization and budgeting, and the director of investor relations.

Q8. Abengoa’s CSR Report (pg. 36) mentions its declared policy of non-discrimination, and the following is stated in terms of gender: “Abengoa... actively seeks to promote equal opportunities and treatment between women and men,” but for the time being only 15% of its employees are women. Does the company have a strategy to increase the percentage of women who work for its companies, so as to achieve a better balance between the number of men and women that work in them? Does it have any indicators to measure the improvements that take place in this respect? Does the company have policies and procedures for dealing with sexual harassment?

In its employment practices, Abengoa assumes and accommodates the professional activity of its employees to the United Nations’ Universal Declaration of Human Rights and its protocols, as well as the International Conventions approved by said international entity and by the International Labor Organization (ILO) regarding social rights (expressly, the United Nations Convention on the Rights of the Child, the United Nations Convention on the Elimination of all forms of Discrimination Against Women, and the specific agreements related with child labor, forced labor, workplace health and safety, freedom of association, discrimination, disciplinary practices, working hours and compensation). Likewise, it assumes the Tripartite Declaration of Principles concerning Multinational Companies and Social Policy of the ILO and the OECD’s Principles for Multinational Companies.

Abengoa seeks to ensure and fosters equality between men and women, applying this principle to all of its human resources management policies, such as hiring, selection, training, assessing performance, promotions, compensations, working conditions, family and working life reconciliation, communication and harassment prevention.

With a view to developing these values, while perfecting its level of social action, Abengoa started up an Equality Framework Plan in 2008, which contains the Company’s commitments and specific activities geared towards ensuring, fomenting and promoting equal treatment and opportunities for women and men alike in Abengoa. The implementation of this Equality Framework Plan, developed in 2008, has brought with it the creation of an Office and a Commission for tracking its implementation and the proper adherence thereto, in addition to other oversight and control initiatives.

More specifically, as part of the Equality Framework Plan, it is established that, within the realm of harassment, Abengoa undertakes to carry out activities to prevent sexual harassment and workplace harassment, in accordance with its prior policies, which have been made universal, including:

- Effectively channeling cases of sexual harassment and moral harassment.
- Seriously punishing, through internal codes of conduct, all behavior or verbal comments of a sexual or discriminatory nature that take place towards a female co-worker as a result of her gender.
- Guaranteeing full respect for the rights of those people who submit complaints, claims, lawsuits or appeals of any type aimed at preventing their discrimination (or that of other men or women), and demanding effective fulfillment of the principle of equality, in the good faith which must preside over the use of these rights.

Indicators such as the change in the percentage of men and women on Abengoa’s staff are subject to monthly tracking by the strategy committees of the business groups and by the committees with the company’s Chairman.
As part of the start-up of the equality plan, the follow-up committee will investigate any formal claim received due to non-fulfillment of any of the aspects defined in the plan, including sexual harassment, provided that the complaint is well-grounded. A Claims Channel has been enabled so that any employee may report acts of non-compliance with the internal regulations anonymously, if they so desire.

Q9. It is always advisable to describe aspects related with the application of the Law on Social Integration of the Disabled, the elimination of architectural barriers in old buildings and accessibility and ergonomics in new buildings and work stations. Would it be feasible for Abengoa to include, or does the company have the intention of including, information on any of these important social aspects in its CSR Report?

Since 2007, the social action of the Focus-Abengoa Foundation has been strengthened by including skills and training in its Bylaws, as well as employment integration in the fields in which Abengoa operates, as well as social reintegration in areas of high poverty and social marginalization.

With this new approach, a training program has been started up over the last three years aimed at preparing professionals with disabilities in the field of administrative secretarial work. This course boasts the cooperation of the Department for Employment of the Andalusian Autonomous Regional Government and the Safa Foundation, and it is subsidized almost in its entirety by the European Social Fund.

The course is given with the commitment to hire at least 60% of the students who complete the program successfully for at least six months. The program consists of 310 class hours and 24 paid internship days. Since its inception, 26 students have signed up, 65% of which were hired, and 88% of them remain Abengoa employees today.

Moreover, in accordance with Articles 54 and 55 of the Law on the Social Integration of the Disabled, regarding the elimination of architectural barriers, Abengoa is gradually adapting its buildings to the needs and disabilities which may be required by its employees, thereby facilitating mobility and accessibility in the group’s companies.

In a similar vein, work began in April 2007 on the Palmas Altas Technological Center, Abengoa’s future headquarters in Seville. The new center, which will be opened in late 2009, features the most advanced technologies in energy savings and efficiency, and was also designed to guarantee the full mobility, accessibility and integration of disabled persons within its spaces and installations, in accordance with the current laws in force.

Both the 2007 and 2008 reports contain information on Abengoa’s involvement with disabled persons’ groups, as well as on the initiatives for training and employment integration that have been started up.

Q10. In relation with the company’s employment policy, an allusion is made as to the non-existence of employment discrimination on the basis of sex, age, religious beliefs, etc. Is there an oversight committee or observatory that allows the company to perform adequate monitoring of these activities? Is the company’s personnel adequately informed regarding the criteria to take into consideration when hiring new workers or promoting internal personnel? Are activities promoted which are aimed at the company’s personnel and which foster volunteer work in those regions where the different companies are located?

Abengoa maintains a policy of recruiting, hiring, training and promoting the most qualified people, regardless of their race, religion, color, age, gender, marital status, sexual orientation, national origin and physical or mental disabilities, and it expressly and actively rejects any form of discrimination.
With the goal of seeking to ensure, foment and promote equality between women and men, thereby perfecting its level of social action, Abengoa has considered it appropriate to draft its own Equality Framework Plan.

Putting in place this Equality Framework Plan, developed in 2008, entails the creation of an Office and a Commission for monitoring its implementation and proper compliance therewith, in addition to other oversight and monitoring initiatives.

Moreover, the Common Management Systems (NOC), accessible to all of the Company’s employees and regarding our Human Resources principles and policies, explicitly establish the different Required Compliance Procedures (RCP) to be followed, as well as the requirements to take into account in the various stages of hiring, employee promotions, transfers abroad, etc.

Furthermore, in accordance with the Social Responsibility commitments acquired through its signing of the United Nations Global Compact and the company’s own Code of Conduct, Abengoa has assumed its own Policy of labor-related Social Responsibility, thereby establishing a Social Responsibility management system in accordance with the international SA 8000 standard, which guarantees ongoing improvement in the company’s social performance.

In 2009, the organization intends to promote volunteer work amongst its employees in the regions where it operates.

Q11. In the company’s CSR Report, it is stated that (pg. 46): “Abengoa respects and supports the free association of its workers, which it considers to be an inalienable right.” In addition to developing systems for dialogue and openness with workers, are there initiatives within the company for workers so that they can approach their own representatives in order to raise problems and suggest solutions to the management? Have there been cases of labor unions formed or collective bargaining agreements reached within the company? Can you indicate a few examples of good practices and experiences involving dialogue between labor unions and the company?

At Abengoa, there are different types of worker organizations and associations through which to pursue interaction with the company’s management. These can be found in companies, divisions and work sites. Examples include: Eucomsa, Inabensa, Ecocarburantes Españoles, Befesa Gestión de Residuos Industriales, and many more.

In some cases, this worker representation is affiliated with or supported by labor unions, although this is not always the case. In all cases, negotiations and interaction are ongoing, and the results thereof include the collective bargaining agreements or accords which are signed between the parties, on both industry-wide and company-wide scales, as well as for specific work sites or activities.

Any of the collective bargaining agreements reached each year bears witness to the ongoing, transparent dialogue conducted between the parties in good faith.

Q12. Through the Focus-Abengoa Foundation, specific activities are carried out which lead to social, educational or health-related aid in different countries where the company does business:

(a) Do these activities undergo evaluation in order to measure their effectiveness in the place where they are carried out?

The Focus-Abengoa Foundation designs its social programs with the participation of the members of the communities where it operates, in accordance with a specific evaluation process determined by the common management rules defined within the realm of social action, through which, among other aspects, the type of action proposed, the reasons behind the action and the group for which it is intended are all analyzed. The foundation acts intensively in
marginalized areas with high rates of poverty, in an attempt to provide a response to the different needs that exist there. With this in mind, a prior analysis of conditions in the area is performed, which makes subsequent action more effective, followed by an evaluation to determine the efficiency of the proposed activities.

Most of the aid activities which are provided by the Focus-Abengoa Foundation undergo evaluation so as to measure the effectiveness of their implementation and to detect possible areas for improvement in the short to medium term.

- Teyma Abengoa issues weekly reports on the aid projects carried out with the Congregation of the Sisters of the Holy Cross (Congregación de las Hermanas de la Cruz) in the regions of Montequemado, Quimili and Alderetes. These reports state the advancement of the projects, the activities which are being carried out, the conclusions reached from interaction with the institutions in the area, the possible areas for improvement, etc.
- Abengoa Peru provides weekly reports on the advancements in social action projects in Peru.
- Befesa Peru, through the Papa León XIII Agency, issues weekly reports in which it provides information on the aid activities that have been carried out in the period between reports, the reception of the public, the exposure in the media, etc. For instance, the local Papa León XIII Agency performs the specific tasks of providing advice on and monitoring the programs put in place in Peru by the Focus-Abengoa Foundation, acting through Befesa.
- Abengoa Chile, through the “A Roof for Chile” program, sets very specific annual targets, in order to find a dignified home by 2010 for all Chilean families who live in camps with no access to drinking water, electricity or sewers. Achievement of the planned objectives enables the company to gauge the success of the activities carried out as part of the plan, allowing it to set its next objectives.

The priorities for action are pursued by taking into account the social needs inherent to each region and the vulnerable groups that exist, whether they are the elderly, the disabled, children and teenagers in risk situations, young women with no education, marginalized groups… Therefore, a specific program is firstly developed on the basis of existing needs, before moving on to periodically measure and evaluate the impact and success of the implemented program, so as to analyze areas for improvement in the short, medium and long term.

(b) Do they promote the inclusion of especially underprivileged sectors (long-term unemployed, young people, women, ethnic groups, etc.) depending on the regions where they are implemented?

One of the fundamental goals of the social programs carried out by the Focus-Abengoa Foundation is the integration and re-integration into society of people facing situations of marginalization, such as the homeless elderly, children and teenagers in situations of social risk, young women without schooling, people in situations of poverty, etc.

The Focus-Abengoa Foundation cooperates with institutions and organizations devoted to re-integrating persons in socially disadvantageous situations into society, including work with the Milagrosa Foundation (Cádiz), the San Rafael Home for the Elderly (Dos Hermanas, Seville), the Hermanas de la Cruz sisterhood (Spain and Argentina), that Hermanas Josefinas de la Caridad sisterhood (Peru), the Society of Jesus (Chile).

- Throughout 2007, the Focus-Abengoa Foundation carried out the following activities, as well as others, aimed at promoting the integration of economically and socially disadvantaged groups into society:
  - Through Abengoa Brazil, the Focus-Abengoa Foundation rebuilt the Santa Clara Municipal School, in the town of Nova Linda and improved existing infrastructures at the Emanuel Municipal School in Santa Fé do Araguaia, thereby providing the children in both communities with fully furnished classrooms for studying, which leads to an increase in the rate of school attendance amongst the children in the area and their later integration into society as skilled professionals.
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• Through Abengoa Chile, the Focus-Abengoa Foundation signed a cooperation agreement with the “A Roof for Chile” program to construct homes to do away with the undignified situation in which more than 20,000 Chilean families are current living, and likewise to develop the education and work and business skills of this underprivileged group.

• Through Teyma Abengoa, and with the cooperation of the Hermanas de la Cruz sisterhood, the Focus-Abengoa Foundation continues to promote the improvement of living standards for dozens of disabled children, the integration of women into employment, education, health care and nutrition programs for hundreds of children in the regions where they work.

• Through Abengoa Peru, and with the cooperation of the Hermanas Josefinas de la Caridad sisterhood, the Focus-Abengoa Foundation continues to promote the full integration of disadvantaged groups in Peruvian society, especially marginalized children and the elderly. In 2007, Abengoa Peru helped to rebuild the Santa Ana children’s day care center in Chiclayo and donated educational materials, as well as providing monthly financing for the food at the center’s canteen. It likewise improved existing conditions at the geriatric homes of Madre Caterina in Callao and Comas (Lima), and at the San José asylum in Chontabamba (Cerro de Pasco).

(c) Has the company assumed any commitment of permanence or stability over time for these policies?

The Focus-Abengoa Foundation implements social programs that provide a response to the needs of social sectors which are in situations of vulnerability, by promoting social and human progress. To do so, it commits to long-term policies and programs in which the status of these social groups can be improved in an ongoing manner.

The social action carried out by Abengoa and its business groups promotes the creation of long-term permanent ties with society, and the promotion of Human Rights and sustainable development in local communities.

A fine example of this is the long-standing relationship of cooperation which has brought Abengoa together with the Hermanas de la Cruz and the Hermanas Josefinas de la Caridad sisterhoods.

In the late seventies, Javier Benjumea Puigcerver, the founder of Abengoa, moved by the aid work being performed by the Hermanas de la Cruz in Argentina, offered them his cooperation. This forged an ever stronger and more committed relationship between the Hermanas de la Cruz and Abengoa, with which the company is heavily involved, particularly in the project carried out in Argentina.

The company then began to collaborate with Hermanas Josefinas de la Caridad, who were carrying out important aid work in Peru helping disadvantaged social groups.

For years, Abengoa has worked jointly with both sisterhoods, devoting special attention to the elderly, the disabled and those people with few economic and educational resources, thereby facilitating their integration into society.

Q13. On page 21 of the CSR Report, it is indicated that Abengoa’s business model is oriented towards the growth of the companies in which it performs its activities.

(a) What measures has Abengoa adopted to identify the needs of local communities, especially in developing countries, and to ensure that the effects of its activities on society respond to the population’s actual needs?

Abengoa’s commitment to society is to promote the development and growth of the communities in which it operates, and to do so it makes use not only of its own business activities, but also of evaluation and consulting tools which detect the different potential areas for improvement. The company offers ongoing, transparent and accurate information on the activities which it performs, and it promotes dialogue with stakeholders through the channels best suited to each situation.
In developing countries, Abengoa pays special attention to existing socio-educational problems in the communities where it performs its activities. The analysis of statistical data produced by government institutions and the interaction with NGOs and educational organizations that work in the area are fundamental to identifying the needs of the local population, especially those of the most disadvantaged social groups:

- In Argentina, the statistical information provided by the National Statistics and Census Institute (INDEC) in the First National Survey of People with Disabilities for 2002-2003 shows that 20.6% of Argentine households have at least one person with a disability. In the province of Santiago del Estero, the figures show that 27.5% of all households have at least one person with a disability. The statistical data shows us that in the region where the “Educational Activities and Body Exercises, A Right for All” program is being implemented, aimed at disabled children and provided by the Focus-Abengoa Foundation, through Teyma Abengoa, and the Hermanas de la Cruz, the data is substantially higher than the national average.

- In 2007, more than 28,000 Chilean families were living in camps, settlements with no access to drinking water, electricity or sewer system in most cases. In 2007, the Focus-Abengoa Foundation, through Abengoa Chile, signed a cooperation agreement with the program “A Roof for Chile,” the aim of which was to raise funds and labor for the acquisition and construction of a set of huts or cabins which allow these families below the poverty line to have a home, as a way to improve their standard of living. This program’s mission is to award a dignified home to all of these families by 2010 and to decrease the social vulnerability of this group of people, by taking advantage of the opportunities which are offered by the State, the market and society to overcome their status of poverty in an independent manner, through:

  - Education Plan
  - Productivity Promotion Plan (granting microloans)
  - Community Plan
  - Legal Plan
  - Health Plan
  - Infocap in Camps

- In 2007, the populations of Peru and Mexico fell victim to a powerful earthquake and floods, respectively, which in both cases ravaged the poorest parts of the population and left thousands of families without a home, with no access to the minimum infrastructures and without schools. In the wake of such disasters, interaction with organizations and institutions from the affected areas is fundamental to detecting the most urgent needs and designing the most effective aid plans. Abengoa’s employees around the world made donations which were matched by the company and used to improve infrastructures, build schools and cover the population’s basic needs.

- In Argentina, the coordinators of the “I Bet You I Can” program, developed by the Focus-Abengoa Foundation, through Teyma Abengoa, and the Hermanas de la Cruz sisterhood, have started up the blog http://tejuegoaquepuedo.blogspot.com/ in order to improve fluency in communication, as well as the active participation of the entire staff and volunteers who take part in the program by contributing ideas and opinions in order to improve the program, insofar as it provides a response to the population’s real needs.

In 2008, Abengoa designed a master plan for Corporate Social Responsibility, which will help, among other things, to detect and evaluate the needs of different interest groups in a more effective way, in each of the countries and regions where the company has a presence. It will therefore further enhance the efficiency of the actions being

(1) This blog was created with the goal of providing information on the advancements in the “I Bet You I Can” program and is not a marketing tool of the company, so the attempt was made not to include direct references to Abengoa. In certain cases, though, references are made to the work done by people related to the company.
conducted. The master plan for Social Responsibility will establish, among other things, periodic evaluations in which the beneficiary groups of the social action will directly take part, and an analysis will be carried out that takes into account the impact (direct and indirect effects in the medium and long term) of the social action and its actual performance (by comparing what was planned with what was actually rolled out).

(b) Is there a strategy of support for local development, for example through inclusive businesses, to guide Group companies when carrying out activities within this realm?

In accordance with the provisions of its business mission, Abengoa is “a technological company which applies innovative solutions to sustainable development in the sectors of infrastructure, environment and energy, contributing value to its shareholders in the long term through management characterized by the promotion of entrepreneurial spirit, social responsibility, transparency and rigor.” Likewise, as stated in the company’s vision, it intends to “become a worldwide point of reference in the development of innovative technological solutions for sustainable development.”

Abengoa’s mission and vision explicitly reflect the need to focus the company’s growth on businesses which contribute to sustainable development and, therefore, to the promotion of social and economic development as an essential part thereof.

The strategic plans of Abengoa’s different companies apply these general lines of action by seeking a perfect fit between Abengoa’s mission and vision and its own strategic proposals. Therefore, to the extent that the mission and vision include proposals related with social development, all of Abengoa’s companies must include this element within their strategy, starting up specific local CSR programs adapted to the country and the community where they operate.

Q14. In reference to the social programs carried out by the Focus-Abengoa Foundation in Latin America, how are the social impacts of these programs evaluated? Are impact indicators used and, if they are, what are they? Do members of the communities take part in the evaluation of these social programs’ impacts and, if they do, how do they participate?

The priorities for action in Latin America are established on the basis of the socio-educational needs of each of the regions where Abengoa has a presence, and on the most socially and economically vulnerable groups. In this sense, the programs carried out in Latin America seek to balance the opportunities to which the population gains access, to improve the accessibility of education and culture, and to improve integration and social participation.

Having analyzed the existing problems, priorities for action are established which take into account needs for urgent intervention. Work is performed using methods to research the needs of specific vulnerable groups in the community where they are located, using the data produced by the institutions in the community itself, and the interaction with NGOs and educational institutions. After collecting this data, a specific project is drafted which includes a process of stages to be completed. Determined within this project are the initiatives, seminars and events that will take place in the fields of work and their respective lines of action. The building of meeting spaces, unofficial educational and work training centers are positioned as key strategies for starting up the activities.

Moreover, throughout 2008, a specific system of indicators for external activities was set in motion and included in the company’s CSR Master Plan, with the goal of formalizing the system for evaluating and tracking these activities, whether they are performed by Abengoa or by its business groups. This system of indicators enables us to classify the type of action, scope, duration and results achieved in accordance with the relevance of the action, defined as the development of policies which contribute to social and human progress with goals in the general interest, including educational, cultural and aid-related work. The main purpose and result of all this is to alleviate inequalities...
and allow for growth alongside the communities in which Abengoa operates. The company also promotes the creation of long-term ties with society and promotes Human Rights and sustainable development.

The programs are periodically evaluated by the company and by the members of the beneficiary communities. Furthermore, several of them have been acknowledged with accolades and awards from social organizations.

Q15. Abengoa declares that it has signed the Global Compact, the tenth principle of which establishes the commitment to combat corruption. In this respect, in its CSR Report, it declares that it has assumed a steadfast commitment to transparency, by virtue of which it intends to avoid corruption activities, especially in those cases in which there are links with bodies of the public administration in different countries. How are these potentially corrupt activities monitored, from the perspective of the company’s employees, administrators and even suppliers? Has the company created an Ethical Suggestions Box? If it has, how can it guarantee that formal claims remain anonymous so as to avoid reprisals? What measures are foreseen in the event that a case of corruption and/or bribery is detected internally?

In accordance with our commitment to promoting integrated ethical action amongst our employees, we have a Code of Conduct at Abengoa that is periodically reviewed and made known to employees, managers and board members.

The Code of Conduct establishes, in addition to other things, the most appropriate way to act for employees, managers and board members in commercial relations with clients, potential clients, administrative bodies, suppliers, competitors, institutions and media in contact with the Company, in terms of the acceptance/giving of gifts, favors, entertainment activities and other similar items. As established in the code itself, non-compliance with the provisions “could result in disciplinary measures, including termination of the employment relationship, depending on the nature and seriousness of the non-compliance. Similarly, any supervisor, director, manager or board member who directs, approves or pardons acts of non-compliance, or who gains knowledge thereof and fails to communicate or correct them immediately, will be subject to disciplinary measures, including termination of the employment relationship.”

In conjunction with this, we have also voluntarily implemented the internal control requirements put in place by the Sarbanes-Oxley Act (SOX Act), since 2006 in one of our business groups, and since 2007 on a general basis throughout the entire company. In financial year 2007, we voluntarily underwent an internal control audit in accordance with PCAOB (Public Company Accounting Oversight Board) standards, which was performed by our external auditors, who issued an unqualified opinion. Likewise, as part of the internal auditing program carried out by the company itself, internal monitoring reviews are carried out which encompass fraud-related matters.

In order to achieve full compliance with all of the aforementioned rules and regulations, a Whistleblower Channel has been created, guaranteeing that all company employees can report any incident related with the company’s management or finances, as well as any fraudulent activities.

The Whistleblower Channel therefore constitutes an attempt to encourage and allow employees to make statements regarding any activity they deem inappropriate, while preventing any sort of reprisal against the whistleblowers themselves. The workings of the Whistleblower Channel are described in a procedure which is available to all employees on the company’s Intranet. The procedure for ensuring the anonymity of the report establishes the following:

“The whistleblower may, either confidentially or anonymously, report any acts of non-compliance or alleged acts of non-compliance with the Code, or accounting matters, or internal controls over financial information, or topics related with auditing.
All of the denunciations, with the exception of those related with Abengoa’s Management, must be submitted in writing, in Spanish or English, and must be sent in a sealed envelope to the Director of Internal Auditing of the Business Group, or to the Director of Corporate Internal Auditing, or to the Secretary to the Board of Directors of Abengoa. Said envelope must bear a label containing roughly the following words: “To be opened only by the Director of Internal Auditing of the Business Group / the Director of Corporate Internal Auditing / the Secretary to the Board of Directors of Abengoa. Sent in accordance with the policy for channeling formal claims/complaints adopted by the Auditing Committee.

If the denunciation involves Abengoa Management, it must be sent to the Chairman of the Auditing Committee in the same manner as described above.”

Employees are constantly reminded of the existence of the Whistleblower Channel so as to increase their joint awareness of it. This occurs, for example, during the courses on internal rules and regulations (Common Management Systems), which are held annually and are aimed at all employees, during which reference is made to the existence of the Whistleblower Channel.

In order to avoid improper functioning, the Whistleblower Channel seeks to ensure the good faith of the Whistleblowers, for which purpose it asks, to the extent possible, that reasonable indications or evidence be given as to the veracity of the events being denounced. Therefore, the system itself warns that appropriate action will be taken in those cases in which it is demonstrated that a denunciation was made in a knowingly malicious manner. Such an instance would be defined as a serious breach of discipline.

All of the denunciations are periodically reported to the Auditing Committee so that it may proceed to investigate them and, where appropriate, to take the appropriate steps (corrective or disciplinary), in light of the importance of the facts.

Moreover, Abengoa, as a signatory of the World Compact, is therefore committed to Principle 10: “Companies must work to fight corruption in all of its forms, including extortion and bribery.” It establishes the requirement that all suppliers adhere to the Code of Social Responsibility, as a way of guaranteeing greater transparency between the parties and ensuring compliance with laws, coupled with respect for human rights and the environment.