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CSR Aspects at Abengoa

This 2009 Abengoa Report on Corporate Social Responsibility reflects Abengoa's performance throughout the year in economic, social and environmental terms and seeks to address the expectations of its audience.

Abengoa conducts all of its activities while bearing in mind the company's model of sustainable development. This model seeks to integrate stakeholder expectations into company strategy, striking a balance so as to maximize benefits for each and every stakeholder, and always following the governing principles of integrity and transparency.

Stakeholder expectations were taken into account through formal analysis of issues that are relevant for them. Following analysis of the results obtained throughout stakeholder exchange, the following chapters were established: "Abengoa and its Shareholders", "Abengoa and its Customers", "Abengoa and its Suppliers", "Abengoa and its People", "Abengoa and the Community" and "Environment and Climate Change". In addition, the principles of integrity and transparency are reflected in the chapter entitled "Transparency and Rigor in Management".

To help readers understand the text and seek out relevant information, and to ensure consistent presentation, a common structure was devised for all chapters and sections. The following is a description of the structure common to all chapters.

1 Activity Report 2009
ABENGOA Environment and Climate Change**Environmental Policy and Management****Environmental Policy**

Abengoa has pledged to conduct business by aligning its activities with the struggle against climate change.

Abengoa is a company deeply committed to sustainable development and to conservation and care of the environment. This unrelenting commitment has led the company to redirect the strategy behind its present businesses from the perspective of sustainability, focusing future business endeavors according to these new environmental considerations.

Abengoa applies innovative solutions for sustainable development in the energy, transportation, engineering and environmental sectors. The company is heavily involved in building and operating solar thermal power plants, producing first and second-generation bioethanol in different places around the world, building and operating desalination plants for generating potable water on four continents, and recycling industrial waste in many different countries.

In addition, Abengoa has a sustainability assessment and management system comprising a range of tools and integrated into the company to ensure thorough and reliable measurement of the global impact of its activity on the environment and to establish objectives for change and improvement.

Foto realizada por Flavia de Almeida de Abengoa Bioenergia para el I Concurso de Fotografía de Abengoa sobre Desarrollo Sostenible

**Introduction**

States the company's position and the way of approaching the issue at hand.

1 Activity Report 2009
ABENGOA Abengoa and the Community**Our Social Policy**

Abengoa committed to growing alongside the communities in which it operates

Abengoa has embraced a commitment to growing alongside the communities in which it operates, fostering the creation of ties that reinforce the company's long-term relationship with society, while abiding by and promoting human rights in its sphere of influence.

Company development cannot be approached from the standpoint of economic growth alone, but rather must integrate the perspectives of its members, endeavoring to guarantee them the potential to pursue a rewarding life. Abengoa believes that the success of its social action lies in its dialogue with company stakeholders: taking their expectations into account when drawing up strategy and executing activity through a process of fluid communication among equals in order to establish a close relationship based on trust and collaboration between the company and society, thereby enabling us to progress together towards a sustainable future for all.

Abengoa upholds a genuine commitment to society in the communities in which the company operates, a commitment that materializes in clear and transparent communication between the company and society, striving for shared growth and promoting actions that lead to progress.

With the fundamental aim of helping to meet general needs through a multidisciplinary approach, the Focus-Abengoa Foundation, established in 1982, is the instrument through which the company interacts with society beyond its business activity.

Abengoa pursues mutual progress for the company and the community by developing and promoting initiatives that contribute towards balanced growth and to reinforcing the ties that bring the company and society together. Under this premise, the Focus-Abengoa Foundation channels its general efforts towards serving the community into five major areas: aid and assistance, culture, education, research, and employee social action.

Main Projects (M€)	2008	2009
Aid and Assistance	1.45	1.67
Culture	4.74	3.67
Education and Research	2.12	0.82
Employee Social Action	2.16	2.37
Total	10.47	8.53

Social action initiatives performed by Abengoa and its business groups over 2010

➤ **Aid and Assistance**

Additional information

Provides the reader with further informational support. This may refer to the company's website or previously published reports.

Main indicators

Lists the indicators selected by the company for reporting on performance.

Tables and graphs
These enable the reader to easily assess trends and reach conclusions on the company's performance.

70 Annual Report 2009 ABENGOA Commitment to Innovation

Innovative Solutions for Sustainability

Abengoa's R&D investment in 2009 totaled 96.4M€, up 12.8% from last year, thus representing approximately 2.2% of company sales and an upward trend of 10% annual growth of said investment.

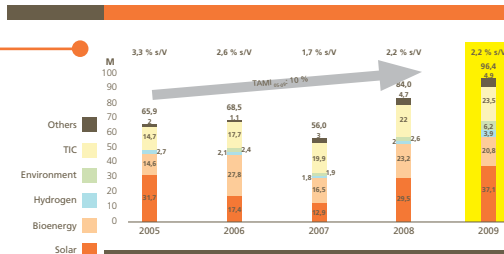
Innovation is the vehicle through which Abengoa develops innovative solutions for sustainability, and the key driver of the global evolution towards a sustainable world boasting high standards of well-being for peoples and nations.

A commitment to innovation means a commitment to sustainability. R&D investment ensures that technological development is the cornerstone of Abengoa's sustainable growth, as well as the basis for meeting the company's chief strategic objectives. R&D management takes into account the characteristics of business R&D, which is focused on results and aligned with strategy.

Innovation, geared towards obtaining results, pursues three types of tangible goals: diversification, achieved by developing new products and services; differentiation, attained by perfecting and adapting existing products and services to new demands; and process improvement. Abengoa also pursues the intangible aim of acquiring essential competencies and, above all, generating future options, an aspect that is closely linked to value through expectations of growth and new business development.

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The table below shows Abengoa's R&D investment evolution over the past five years by sector.



Chapter

Detailed information on the issue through sections that order the information and facilitate understanding.

Information support

Throughout each chapter there may also be references to websites or to other documents to expand the information published in the report.

1 Annual Report 2009 ABENGOA Abengoa and Its Shareholders

Share Performance

According to the information provided to Abengoa by the Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A. (Securities Registry, Clearing and Settlement Management Company) on occasion of the last Extraordinary Shareholders' Meeting held on October 19, 2009, Abengoa, S.A. shareholders amounted to 10,982.

As of December 31, 2009, the company reported its free-float capital at 43.96%, after deducting the equity held by the shareholders Inversión Corporativa I.C.S.A. and its subsidiary Finarpisa (56.04%).

Share Holding Structure	% of Share Capital	% s/ Capital Social 2009
Inversión Corporativa S.A.	50.0	50.0
Finarpisa, S.A. (*)	6.0	6.0
Free float	44.0	44.0

(*) Corporate Investment Group

Abengoa's shares closed fiscal year 2009 trading at 22.6€, up 91.5% on figures for December 31, 2008 (11.80€).

Share Performance since Going Public in 1996

For purposes of historical reference, since Abengoa began trading shares on the stock market on November 29, 1996, the company's stock has appreciated by 961.7% equivalent to 10.6 times the initial share price. During this same period, the IBEX-35 index has appreciated by 155.8%.



1 **Annual Report 2009
ABENGOA** Abengoa and Its People**Acknowledgment as the "Best Company to Work for"**

For the third consecutive year, Abengoa participated in the Corporate Reputation Business Monitor (MERCOR in its Spanish acronym), which started life in 1999 at the Complutense University of Madrid.

Since then, Abengoa went from being ranked 96th, in 2007, to occupying the 34th position in 2009, while also representing one of the 10 most highly valued companies by human resource directors.

This acknowledgment underpins the value of Abengoa's management model, including a range of initiatives for attracting, developing and retaining talent, which has made the company one of the most attractive for professionals.

**Case Study
Palmas Altas Campus Social Model**

Located in Seville, Abengoa's new headquarters, the Palma Altas Campus, symbolizes Abengoa's pledge to creating a sustainable business environment, fostering technological innovation and research, attracting talent and enabling employees to strike a balance between a high level of productivity and an advanced social model.

The different areas, the environment, element layout, orientation, energy and architectural concepts, everything is designed to achieve the desired goal: a sustainable complex that is highly responsible, both technologically and socially.

Fotografía
de CPA realizada
por Víctor Sájara

**Case Studies**

Description of activities conducted over the course of the present year which the company understands to be particularly significant or innovative, or which constitute a noteworthy example of the company's management focus.

1 **Annual Report 2009
ABENGOA** Commitment to Sustainability

Foto realizada por
Eduardo Riquelme García
de Inabensa para el I
Concurso de Fotografía
de Abengoa sobre
Desarrollo Sostenible

**Other Aspects**

Active landscaping and the creation of microclimates.

Leed Platinum Pre-certification, an evaluation by the Green Building Council, a non-profit organization, that promotes the sustainability of buildings.

2009 Milestones

Development of the second GHG emissions inventory.

The GHG inventory was declared to be of national interest by the presidency of the Republic of Uruguay.

Completion of the construction of the Palmas Altas Campus, the new Abengoa headquarters in Seville, representing a model of sustainable building.

Advancements in the sustainability indicator system (nine environmental factors which Abengoa can act upon) with the aim of conducting in-depth analysis of the environmental impact generated by company activity.

Beginning of emission reduction planning development, based on the 2008 inventory, for subsequent implementation.

Abengoa received the Corporate Social Responsibility prize from the Dossier Empresarial economic journal.

The FTSE Group maintained Abengoa as a member of the FTSE4Good IIBEX, the index of socially responsible investments, in its 2009 review.

As a founding member, Abengoa Solar was a signatory to the Desertec Industrial Initiative project.

2009 Milestones

Shows the most relevant events of the present year and outlines initiatives the company plans to undertake.

Issues Tagged as Critical by Abengoa's Stakeholders

Atmospheric Missions

Climate change is the greatest challenge facing the world today. Its consequences will affect productive systems, resource availability and, in short, the social equilibrium of the planet. It is therefore necessary to take steps to reduce greenhouse gas (GHG) emissions and thereby manage to maintain their concentration in the atmosphere in such a way that, while still producing the unavoidable alterations of the Earth's climate, these stay at levels that are compatible with present conditions for life.

In keeping with the above, in 2008 Abengoa implemented a complete system of GHG emission measurement through an internal norm that is comparable to international standards and audited by an independent and external firm.

Impact on Sustainability

Combating climate change is one of the main axes to Abengoa's commitment to sustainable development; however, there are other aspects that are not directly associated with Greenhouse Gas (GHG) emissions but which nevertheless are part of the concept of sustainability.

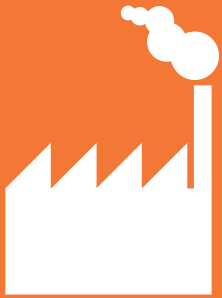
For this reason, Abengoa designed a system of Environmental Sustainability Indicators (ESI), which will be launched during the first quarter of 2010 in order to contribute to enhanced business management, enabling the company to measure and compare the sustainability of its activities and to establish future improvement targets.

Personal-Professional life Balance (social model, day care center)

A personal and professional life balance seeks equilibrium among the different aspects of work and personal life by resolving conflicts that may arise and which can affect the company, its employees, families and society.

Abengoa has implemented a wide range of initiatives aimed at making the working environment more personal and pleasant, increasing quality of life at work and facilitating a work and family life balance.

Noteworthy among these measures is the implementation of the Day Care Plan, which, through the use of a day care voucher system, enables parents of children under the age of three to deduct the amount of the vouchers used for this purpose from their gross salary, with this amount being exempt from personal income tax.





Equal Opportunities (gender, salary, race)

Equal opportunities and treatment is essential in creating a fair, competitive and pleasant working environment.

Abengoa neither accepts nor abides by any actions that entail discrimination of candidates or employees in any hiring process due to race, color, sex, religion, political or other views, nationality or social background, or economic or birth status, and upholds a policy of equal pay for equal work.

Abengoa has its own Gender Equality Framework Plan that applies to all Company personnel and which seeks to ensure equality in the treatment and opportunities between men and women, and to prevent any situation that may imply or constitute labor discrimination, whether direct or indirect, for reasons of gender.



Biofuels

Greenhouse Gas (GHG) emissions are produced by the consumption of fossil fuels, and there cannot be a significant reduction in GHG emissions without a change to the energy model that gives rise to these emissions. Maintaining the present model, which is based on more than 80% of the energy consumed in the world being of fossil origin, is simply incompatible with halting climate change.

Renewable energies must play a key role in this new model. Solar energy, wind power and biofuels constitute a viable alternative that is already commercially available today.

Abengoa, through the Bioenergy business unit, produces and develops transportation biofuels that utilize grain or cellulosic biomass as their raw material.