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10

# Abengoa and Its People

## **Human Resource Vision and Management**

Abengoa's true competitive edge lies in its people, and in the preparation and commitment of each and every individual. This team of professionals makes a key difference to corporate results

Abengoa is a multinational and multicultural company made up of more than 24,000 people who conduct their business through subsidiaries and affiliates, facilities and offices distributed throughout more than 70 countries around the world.

The management model implemented by Abengoa has made it a market leader and a point of reference for the activities it conducts and the industries in which it operates. The success of this model lies in having the right strategy and optimal management, and, above all else, in having an ideal human team to help achieve the strategic objectives pursued.

Abengoa believes that its people constitute its differentiating value as a company, and it is these people, through their preparation and commitment, who truly make a difference to the company's results.

People represent genuine capital, an asset that generates value and wealth, and Abengoa's human resource policies therefore underscore the importance of creating ideal conditions for people to develop and for their talent to flourish, enabling them to provide excellent levels of performance.



# Adherence to the Global Compact and Respect for Universal Declarations

In 2002, Abengoa signed up to the United Nations' Business Leadership Global Compact, a commitment which entails, on the one hand, support of and respect for the protection of human rights and, on the other, and in the field of employment rights, the need to eliminate all forms of discrimination in the workplace, all forms of forced or compulsory

labor, the effective abolishment of child labor, respect for freedom of association and effective recognition of the right to collective bargaining.

In the company's labor practices, Abengoa adheres to the United Nations' Universal Declaration on Human Rights and its protocols, aligning the professional conduct 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 the Rights of the Child, the UN Convention on the Elimination of all Forms of Discrimination against Women, and those specifically related to forced child labor, occupational health and safety, freedom of association, discrimination, disciplinary practices, working hours and compensation. Likewise, Abengoa adheres to the ILO Tripartite Declaration of Principles Concerning Multinational Companies and the ILO Social Policy, and also the Organisation for Economic Cooperation and Development's (OECD) Guidelines for Multinational Enterprises.

With this in mind, Abengoa neither accepts nor abides by any action that entails discrimination of candidates in any hiring process due to race, color, sex, religion, political or other views, nationality or social background, economic or birth status, and similarly upholds a policy of equal pay for equal work. For this reason, Abengoa upholds a policy of recruiting, hiring, training and promoting the most qualified individuals, regardless of race, religion, color, age, sex, marital status, sexual orientation, physical or mental disability, expressly and actively condemning all kinds of discrimination.

Abengoa also condemns all forms of child labor, in accordance with the terms of Convention 138 of the ILO on minimum age.

# Abengoa's Social Responsibility Policy on Labor Practices and Human Resource Policy

In accordance with the social responsibility commitments acquired through adherence to the United Nations' Global Compact and the company's own Code of Conduct, Abengoa has undertaken a policy on labor-related social responsibility, having integrated a social responsibility management system in compliance with the international SA 8000 model, thereby assuring ongoing improvements in the company's social performance. The aims of this policy are as follows:

- Integrating labor-related social responsibility management into the company's corporate strategy.
- Guaranteeing compliance with legal regulations in force and any other commitments undertaken in this area.
- Promoting the principles of the Global Compact in the company's sphere of action: partners, suppliers and contractors.
- Promoting and fostering the personal and professional development of the people who make up the Abengoa organization through the creation of ideal working conditions and ongoing training.
- Recruiting, hiring, training and promoting the most qualified individuals, regardless of race, religion, color, age, gender, marital status, sexual orientation, country of origin or physical or mental disability.
- Ensuring appropriate preventive culture at Abengoa in accordance with its policy on Occupational Risk Prevention.

# Abengoa and Its People

- Creating the conditions necessary for striking a balance between personal and professional life.
- Assessing and reviewing the company's social performance, informing thereon in a transparent manner and establishing programs for continuous improvement.

Abengoa's human resource policy is in concert with the company's mission, vision, and values, as well as its operational strategy, and is therefore aligned with strategic objectives.

Fulfillment of these objectives, through the execution of the strategic plan, is the raison d'être of the company's structure and human capital.

Photo taken by Mª Victoria Sánchez Jiménez from Abengoa



## Principles of Human Resource management at Abengoa

Human resource management in the area of labor-related social responsibility is backed by SA 8000 standard (GIRH) certification, which guarantees that the policies and processes defined and implemented at Abengoa follow the standards of this norm. There were no reports of any incidents involving discrimination in 2009 via Abengoa's information channels to this effect.

For Abengoa, human capital is what effectively enables the company to reach its objectives, while affording the company competitive edges that mark it apart through the team's talent and excellent performance. For this reason, commitment, motivation, talent, initiative and the relentless search for excellence at work are currently key attributes for those wishing to join Abengoa.

The pursuit of the ideal is one of the basic underpinnings of human resource policy: the ideal in terms of each particular position and mission; the ideal in technical and generic matters.

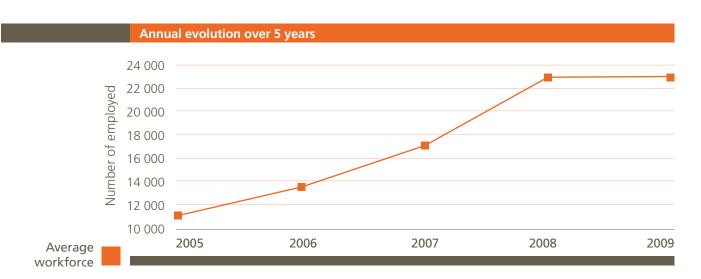
### Case Study Attracting and Retaining Talent

Operating in more than 70 countries, Abengoa remains loyal to its policy of growth based on creating new technologies that contribute to sustainable development.

This growth has been made possible as a product of Abengoa's ability to attract, develop and retain talent; a stable and highly-competitive team of professionals, and the company's management model, characterized by corporate social responsibility, transparency and rigor in management, while championing the spirit of enterprise.

The talent and outstanding performance of the people who make up Abengoa's staff constitute the driving force behind growth and the cornerstone of human resource management policy.

Abengoa's workforce has grown over the last 10 years at a rate of 110%.



#### 2009 Milestones

- GIRH certification under the new version of the SA 8000 standard.
- Consolidation of the human resource management model throughout the business units.
- Implementation of Palmas Altas Campus social model.

# **Labor Practices and Equal Opportunities**

### **Abengoa Workforce**

In 2009, Abengoa's average staff headcount totaled 23,323, up 0.4% from 2008.

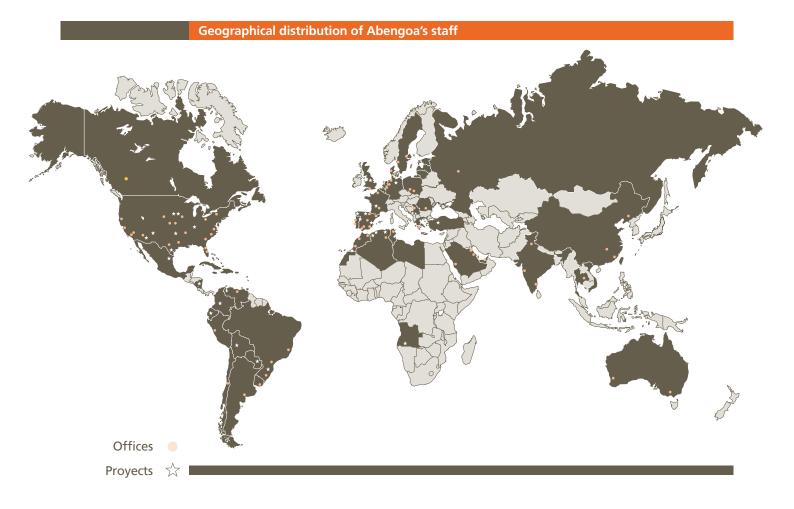
As of December 31, 2009, Abengoa staff totaled 24,015 people, up 3.4% from year-end 2008.

The table below shows average staff numbers by business group, as well as a comparison with 2008 figures.

Business Group	2007	2008	2009	08-09 %
Solar	104	241	358	48
Bioenergy	2,430	6,172	4,224	-32
Environmental Services	1,969	2,263	2,698	19
Information Technologies	3,895	5,324	5,787	9
Industrial Engineering and Construction	8,847	9,234	10,256	11
Total	17,245	23,234	23,323	0.4

In terms of the different territories in which Abengoa operates, the staff percentage breakdown was as follows at December 31, 2009:

Geographical distribution	2008	08 %	2009	09 %
USA and Canada	2,257	10.4	2,371	9.9
Latin America	8,585	39.4	9,961	41.5
Europe (Spain)	9,522	43.7	9,633	40.1
Europe (Rest)	872	4.0	1,125	4.7
Africa	230	1.1	530	2.2
Asia	295	1.4	360	1.5
Oceanic	49	0.2	35	0.1
Total	21,810	100	24,015	100



Evolution in the different geographical areas in 2009 with respect to 2008 is as follows:

Geography	09 %
Spain	1.17
Europe	29.01
North America	5.05
Latin America	16.03
Africa	130.43
Asia	22.03
Oceania	-28.57

In terms of the nature of the labor relationship, and distinguishing between employees and operators, the total percentage of permanent employees in 2009 stood at 50%.

Labor Relationship	2008		2009		
	% Permanent	% Temporary	% Permanent	% Temporary	
Employees	61.1	38.9	68.2	31.8	
Operators	50.2	49.8	32.7	67.3	

Most employees (90%) have a full-time contract, with the proportion of part-time contracts bearing little relevance.

The following depicts the age pyramid and the average age of Abengoa's staff, drawing a distinction between men and women:

Age Pyramid	08 %	09 %
>60	2.5	2.3
51-60	12.2	11.2
41-50	20.1	21.1
31-40	35.6	36
20-30	29.6	29.4

Average Age (years)	2008	2009
Staff average	38.6	37
Male average	39.6	37.4
Female average	35.7	34.7

La plantilla media de Abengoa por categorías profesionales es la siguiente:

Professional Categories	2009
Directors	682
Managers	2,045
Engineers and other degree holders	5,210
Assistants and technicians	3,636
Operators	11,750

Employee turnover rate (voluntary, undesired terminations) at Abengoa stands at 1.31%, as reflected in the table below, broken down by gender:

Turnover	2009 %
Men	1.32
Women	1.28

## **Equality Between Men and Women and Staff Diversity**

Abengoa has its own Framework Gender Equality Plan, which extends to all company employees.

In concert with its statement on the condemnation of all types of discrimination, Abengoa actively encourages the promotion of equal opportunities and treatment between men and women.

Abengoa safeguards and promotes equality between men and women by applying this principle in all of its human resource management policies, including hiring, recruiting, training, performance assessment, promotion, compensation, working conditions, familywork life balance, communication and the prevention of harassment.

Within this context, Abengoa has its own Framework Gender Equality Plan, which extends to all company employees and seeks, on the one hand, to ensure equal treatment and opportunities between men and women and, on the other, to avoid any situation that constitutes, or could constitute, direct or indirect labor discrimination on the grounds of gender.



This plan has led to the creation of the Office for Equal Treatment and Opportunities, the mission of which is to advocate for gender equality throughout the organization, as well as an international committee for monitoring and development, which, on an annual basis, and presided over by the director of Human Resources, brings together those in charge of Human Resources from each business unit, as well as Abengoa's directors of Development and Corporate Social Responsibility as permanent committee members. This committee is supported, depending on the case in question, by international experts in the field, as well as professionals and technicians from governmental institutions and organizations.

The diversity of Abengoa's staff is an undisputed fact; different nationalities, ages and religions coexist within the company, which, in pursuit of smooth and complete integration, has opted for optimal talent management and the pursuit of excellence in performance.

In 2009, Abengoa implemented a whistleblower protocol for harassment in the workplace in order to deal with any potentially discriminatory situation within the company.

This protocol addresses whistleblower procedure and defines the situations that may constitute harassment. This is handled in accordance with the principles of confidentiality, credibility and timeliness in order to ensure and protect the privacy, dignity and rights of company employees.

# Staff Breakdown by Gender; Proportion of Women in Managerial Positions; Origin of Local Managers

The distribution between men and women at Abengoa at year-end 2009 stood at 16.81%, representing a year-on-year increase of 0.06 points in percentage terms.

In terms of the total number of employees, the proportion of women rose to 28.03%, up 0.44 points in percentage terms from year-end 2008.

Female representation on Abengoa's Board of Directors stands at 20%.

90% of Abengoa's managers come from the local community in which key operations are conducted.

Local managers	08 %	09 %
Europe	98	96
America	87	75
Asia-Oceania	67	75
Average	94	90

#### **Abengoa's Remuneration Policy**

At Abengoa there are no differences in starting salary data between men and women for positions of equal responsibility, for both are based on the salary tables established under applicable collective agreements or on Abengoa's internal salary tables, which do not differentiate for reasons of gender.

The compensation system adheres to legal regulations and to the commitments and principles that govern Abengoa policies. It takes into account structure, capacity, performance and work quality, thereby ensuring equal treatment and opportunities.

The table below depicts the percentage difference between Abengoa's standard starting salary and local minimum wage, taking different professional categories into account.

2009	MIW	Average monthly starting sa- lary paid out by category (€)		% pa	id out above	e MIW	
Countries		Degree holder	Adminis- trative personnel	Operator	Degree holder	Adminis- trative personnel	Operator
Spain	624.00	2,026.21	1,136.43	1,111.14	325	182	178
Brazil	164.36	361.44	197.48	217.84	220	120	133
Mexico	88.37	1,358.62	471.79	247.44	1,537	534	280
Argentina	296.15	596.30	387.60	625.92	201	131	211
USA (*)	5.51	61.22	35.93	16.79	1,111	652	305

This shows countries which, due to the number of Abengoa employees, have considerable weight within the organization, providing details on the most representative company by volume in each country.

# Condemnation of Forced and Child Labor and the Right to Freedom of Association and Union Representation

All Abengoa employees fall within the scope of labor regulations, according to the nature of their activities and the countries involved, and are also subject to the company's own internal standards. In addition to the legal protection offered in each country, special emphasis is placed on the collective bargaining agreements of the industry, territory, or those of the company itself, as signed by workers or their union representatives, depending on each case.

Abengoa's Code of Conduct, which applies to all employees, is based on the fundamental idea that the company's reputation and success depend on the honesty, integrity and sound judgment of its employees, directors and officers in their relations with customers and prospects, colleagues, competitors, governing bodies, the media and all other parties or institutions with which the company has contact.

Abengoa's principles and commitments, highlighted at the beginning of this chapter, also come into play.

With the foregoing in mind, Abengoa respects and supports the free association of its workers, holding this to be an inalienable right, and through ongoing dialogue with workers' representatives, employees are kept abreast of all areas of interest to them.

Furthermore, Abengoa condemns all forms of forced labor and child exploitation, and supports all efforts to eradicate child labor.

<sup>(\*)</sup> USA. IMW per working hour.

As a basic labor right, Abengoa also guarantees that workers will be informed in advance of any structural or organizational changes taking place within the company, whether individually or through their representatives, in accordance with requirements governing advance notice established by law or through collective agreements applicable to each country.

### Case Study Inserta & Integra Project for the Disabled

People with disabilities are particularly vulnerable in the labor market, with the resulting risk of a lack of social integration and equal participation with other citizens.

Sponsored by the Focus-Abengoa Foundation, the "Inserta & Integra" project seeks, through academic research, to reach conclusions that will help organizations suitably manage their processes for ensuring labor integration of the disabled, thereby enhancing their possibilities for integration. The project is intended to analyze different ways of breaking down the barriers that hinder integration within the company of these groups immediately following recruitment.



Project execution is being led by a group of researchers from the Psychology Faculty at the University of Seville under the direction of Lourdes Mundéate Jaca, professor of Social Psychology at the University of Seville.

Numerous organizations, businesses and institutions have come on board the project, including the Employment Council of the Regional Government of Andalusia.

In 2009, field data was collected and focus groups were held among human resource directors and participating institutions. During the first half of 2010, an in-depth analysis of the data will be conducted and the conclusions will subsequently be published.

# Abengoa and Its People

#### **2009 Milestones**

- Framework Gender Equality Plan
- Implementation of a whistleblower protocol for harassment in the workplace

## **Training and Developing Human Capital**

### Importance of Training in HR Policy

Abengoa remains committed to marking itself apart from the pack by investing heavily in employee training. This is because the company understands that in order to attain a higher level of recognition and market success, improving and developing employee skills and abilities through education and training is essential.

With more than 1,000,000 hours of training, Abengoa has once again demonstrated the pivotal role of training in achieving company success.

# Abengoa's Training Strategy: existing Approaches and Management Model

Abengoa's training strategy is part of its response to a complex challenge: tremendous geographical diversity, a considerable number of employees from different cultural backgrounds and a wide range of training needs in more than 70 different countries.

In order to face this challenge, Abengoa combines new learning-applied technologies, such as e-learning, with traditional methodologies, including attendance-based methods. Abengoa also added multimedia resources and virtual classrooms to its training in 2009, in addition to expanding the online catalogue of content available to employees.

The key to integrating new technologies and training needs is Campus Abengoa, a collaborative environment of learning and management, which has been consolidated as the basic tool for developing Abengoa's training model.

#### **Management Model**

The first stage in drawing up the training plans is to identify needs, a process in which there is active participation from both the professionals for whom training is intended, as well as their direct superiors.

Abengoa's training model encompasses the contents required for maintaining a team of highly qualified professionals in line with corporate culture and best market practices:

 Corporate training: that which transmits corporate culture, the Common Management Systems, strategy, financial models, corporate identity and the values this represents.

Familiarity with the Common Management Systems, the instrumental keys to Abengoa's corporate culture, and the company's commitment to human rights and integrity, are one of the cornerstones of the annual training program.

In 2009, more than 1,000 instructional hours were dedicated to corporate social responsibility, and an online course was also implemented to enable greater dissemination of these matters and to serve as an introduction to the CSR indicator reporting system.

- General training, focusing on the professional improvement of employees, through knowledge of new working tools and techniques, updating professional content, as well as management models, among others.
- Training in occupational risk prevention, including health and safety standards in the workplace and the use of protective elements. It also involves training risk prevention technicians in this area and in performing the duties established under legal regulations.
- As in previous years, specific programs were also implemented in 2009 for directors and middle managers, in order to reinforce occupational safety at all company levels.
- Languages are a key component in Abengoa's international growth model. Therefore, our future demands employees that are prepared to tackle and execute projects anywhere in the world.
- Professional practices, enabling knowledge acquisition as the product of enhanced competencies in the job position. Among others, these include company interns and scholarship holders.

#### **Professional Programs**

Another core element of Abengoa's training model are the professional programs, designed to support professional careers in key company positions:

- Project manager program: expertise in project management is key to Abengoa strategy, and therefore each year professionals from different business groups receive this type of training. In 2009, the program was completed successfully through the 5th edition in Spain, and the 4th in Latin America.
- Project head program: since its inception in October 2006, a total of 114
  professionals from five different promotions have successfully completed the
  program. Furthermore, this year marked the addition of a part-time attendance
  multilingual (Spanish, English and Portuguese) methodology, which has enabled
  the company to increase the number of participants.
- Worksite manager program: continuous improvement initiatives and the
  outstanding results in previous years led Abengoa to set up three new sessions
  in 2009, two in Spain and one in Mexico. In total, more than 88 employees have
  participated in this program.
- Solar power management program: 21 Abengoa professionals are receiving specific training on solar power thanks to this course.

• Lidera program: aimed at potential executives in Latin America, this new edition had 36 students who, on the basis of part-time attendance, consolidated their training in three areas: personnel management, executive skills and business management.



### **Abengoa's 2009 Training Plan**

Abengoa's 2009 training plan was executed successfully, achieving the objectives defined in each area, and in terms of number of participants and hours of instruction.

Type of Training	2008 Participants	2008 Hours	2009 Participants	2009 Hours
Language	2,804	75,560	1,996	59,904
Corporate	44,220	116 ,138	61,999	126,205
Prevention	63,901	185,636	182,448	270,162
General	24,048	206,799	50,258	202,970
Professional Practices	539	360,545	678	423,500
Total	135,512	944,678	297,379	1,082,741

Comparison of number of training hours and participants between 2008 and 2009:

Training Hours by Business Unit	2007	2008	2009
Bioenergy	74,490	135,662	200,533
Abeinsa*	247,070	358,514	534,586
Environmental Services	37,389	93,297	92,149
Solar	20,768	30,475	39,094
Information Technologies	227,876	326,730	216,379
(*) Abeinsa includes information on ICI, Latin America and Corporate			

Number of participants by Business Group	2007	2008(*)	2009
Bioenergy	9,573	11,822	14,362
Abeinsa	44,123	78,147	224,757
Environmental Services	6,231	10,098	12,450
Solar	839	3,599	5,807
Information Technologies	15,996	31,846	40,003
(*) 2008 attendance data was calculated based on 71% of company staff.			

The average number of training hours per person in 2009 totaled 44.9.

Abengoa conducts courses on the Common Management Systems (NOC) for all of its employees. These courses are aimed at, among other issues, explaining the Code of Professional Conduct and transmitting the values and norms of conduct as specified in the company's anti-corruption policies. NOC training sessions in 2009 amounted to 113 on-site courses, distributed among 23 countries and attended by more than 7,000 participants.

These attendance-based courses are complemented by online NOC training through Campus, where nearly 6,000 people receive training in this area.

Furthermore, and in the area of social responsibility in labor practices, specific training was conducted for each issue, including auditor training in the SA 8000 standard.

# **Case Study Project Director Program**

For Abengoa, excellence in project management is a strategic objective. As part of this goal, the project director professional itinerary was designed to include individual career plan management and homogeneous training in line with corporate culture.

Through part-time attendance courses, which are best suited to Abengoa's training needs given the geographical diversity of its staff, training is conducted in all project management areas. The program reflects best market practices and enables participants to obtain the PMP certificate from the Project Management Institute, an entity of renowned international prestige in project management. This certificate requires candidates to possess at least 4,500 project team working hours, pass a knowledge test and adhere to a stringent code of professional conduct.

Course content has been adapted over time according to students' assessments, market trends and Abengoa's strategic concerns. Participant satisfaction levels have always been outstanding, consistently scoring over 4 out of 5.

A total of 179 students on four continents have completed the program successfully, thereby ensuring excellence within the company: 2 participants from Algeria, 10 from Argentina, 16 from Brazil, 12 from Chile, 1 from Ecuador, 18 from Mexico, 9 from Peru, 21 from Uruguay, 72 from Spain, 2 from France, 2 from Holland, 2 from the United Kingdom and 12 from China.

Furthermore, and to lend continuity to this training, a series of refresher courses have been set up for former students. This initiative will be launched in January 2010.

#### 2009 Milestones

- More than 1,000,000 hours of training, over 270,000 of which were dedicated to matters concerning occupational health and safety.
- Support of the university community in creating and developing a postgraduate master's program, the Executive Master's in Business Administration of the University of Seville. The first promotion is scheduled to commence at the beginning of 2010.
- Participation in the Latin American Forum on Human Resource Management.

## Attracting and Retaining Talent

developing and retaining

ABENGOA

Attracting, Abengoa's human resource management model is based on competencies, which therefore facilitates integration between strategic objectives and the position and individual, while helping to identify talent.

talent is key Abengoa is aware that in the current environment characterized by innovation and to success at change, the performance of its professionals and the company's ability to attract, develop Abengoa and retain talent are the keys to success. Abengoa is therefore firmly committed to human resources with the twofold aim of:

- Promoting, maximizing, transmitting and managing knowledge, making the most of the expertise of its professionals; guiding them in developing competencies, and striving to make sure that Abengoa has the right people for each position, mission and duty.
- Making Abengoa a company with the right conditions for developing talent, one that is attractive in terms of its environment and conditions, and in its people management model.



## **Human Resource Management Model**

Attracting, developing and retaining talent is the key to Abengoa's success. The company therefore utilizes its management model to nourish the qualities and talents of its employees so that their contributions meet company needs.

Abengoa is aware of the importance of employee motivation and for them to take part in company activities, feel that they belong to a common project and make the most of the range of opportunities. All of these are elements of professional motivation fostered by the company in pursuit of personal and professional development.

The company is firmly committed to improving business processes, working conditions, improving environmental conditions and solving problems. To this end, it implements a wide range of programs and improvement initiatives; IT mechanisms are developed: Troubleshooting Reports and Improvement Actions, etc.; permanent suggestion boxes are made available through the employee portal; work climate surveys are conducted in order to gauge satisfaction levels; and labor issues are identified where corrective or improvement action is required.

Abengoa believes that commitment, initiative and proactiveness are key aspects in employee relationships. Abengoa therefore understands that the company must guarantee the elements required for development, although once the resources and conditions are in place, employees must assume responsibility and commitment and respond accordingly, not only through mere participation, but also through excellent performance, which thus becomes the backbone of the system.

In turn, information and communication are essential parts of the relationship between Abengoa and its employees. Commitment and trust must necessarily involve the company informing its stakeholders and allowing them to participate in the process. Abengoa therefore ensures that all of its communication channels enable and facilitate fluid two-way communication.

Communication is paramount to the company's culture, and Abengoa understands that sharing information is an enriching experience, by bringing people together and generating opportunities.

## **Tools for Personnel Development**

Company growth is based on the development of the people who make up the organization, and fulfilling strategies stems from the performance of personnel teams. Thus, the key to success lies in the quality of the company's employees and in their managers.

Abengoa therefore has an executive development program and a specific system for assessing their performance based on the 360° approach. In 2009, over 700 company professionals were signed up to the program.

On a monthly basis, the strategy committee meetings of each of the business groups analyze director profiles and those of potential company directors, assess the professional development and training plans in place, and define career opportunities, new duties, destinations and missions.

Abengoa also has a competency-based management model in place throughout all of its companies. This model facilitates integration of personnel with the strategic objectives, annual performance assessment and development. In 2009, 72% of employees were attached to a performance assessment program.

Photo taken by Mª Victoria Sánchez Jiménez from Abengoa



#### **Personal and Professional Life Balance**

Abengoa has rolled out a host of initiatives to make the working environment more human and pleasant, enhance quality of life at work and promote a balance between work and home life.

The following stand out among these initiatives:

- Mobility and telecommuting: Abengoa realizes that in today's environment, employee
  mobility is key to achieving strategic objectives, and therefore the company has
  increased accessibility to online corporate applications, subject to the highest levels of
  security in order to protect the information, thereby attaining a significant increase in
  process efficiency.
  - These tools are backed by a solid user support and computer assistance service capable of effectively and efficiently addressing user needs. This service, available in various languages 24 hours a day, 365 days a year, can be accessed by employees via computer application, telephone or mobile devices.
- Promotion of physical activity and sports: to contribute to employees' quality of life, Abengoa has installed gyms at its major work centers. These are equipped with everything needed for physical exercise and are set up for different activities, including dance, step aerobics, Pilates, etc.
- Day care centers: marking yet another step towards achieving a personal and professional life balance, the day care service is subsidized for children up to the age of 3 and available at the Valgrande offices in Madrid, and at the Palmas Altas Campus in Seville. The latter has been operating since October 2009 and has a capacity for up to 90 children.
  - In addition, the Day Care Plan has been implemented, by means of which employees who are parents of children aged under 3 may deduct the amount of day care vouchers used for this purpose from their gross salary, with this amount being exempt from personal income tax. More than 100 employees took advantage of this initiative in 2009.

- Within the new social model defined for the Palmas Altas Campus, a food court has been set up at the center, featuring three restaurants that offer a variety of healthy food choices with different menus and styles in order to meet the needs and tastes of all employees. In addition, a website has been implemented so that users can consult the daily menus of each establishment.
- Work schedule flexibility: in its working calendar, Abengoa has established different alternatives for starting times, lunch-time and ending times, allowing employees to select the schedule that best suits their personal and family life.
- Employee social assistance: Abengoa's has set up a social action department, aimed at building relationships with a human side, in which employees can receive advice, support and orientation and raise doubts or follow up on specific family, medical, social or economic problems. The Focus-Abengoa Foundation, through GIRH, has social funds available to provide economic aid in situations of need.
- Medical Services: to reinforce employee medical coverage, medical service is provided at all work centers with more than 300 employees. In addition, the company's major worksites have their own facilities, staffed by specialized personnel and equipped with the latest in modern technology.
  - In addition to regular health center opening hours and the appointment service for medical examinations in accordance with the specific health monitoring programs, all Abengoa worksites have an emergency service available throughout the working day.

Employee benefits are enjoyed by all employees irrespective of the nature of their contractual relationship.

Management procedures require that all Abengoa employees have life and disability insurance coverage, and the companies in each country are responsible for taking out these policies for all employees.

## **Employee Satisfaction**

#### Work climate surveys

Every two years, Abengoa prepares working climate surveys in order to gain insight into employee perception of the company and its management of employees. The last survey was conducted in 2008 and the results obtained have led to the implementation of a range of initiatives with the sole aim of improving aspects receiving poorer employee evaluation and enhancing those that are most positive.

Here the following are worthy of mention:

- Enhancing internal and external communication through the new Connect@ portal, the websites of Abengoa and its business groups and other communication channels, thus improving options for participation from employees and other stakeholders.
- Increase in the number of training schemes geared towards improving executive skills.
- Reinforcement of online training through C@mpus Abengoa. In 2009, online training received a substantial boost in both relative and absolute terms with respect to 2008: an increase of 56%, which represents 12% in the training plan.
- Promotion of volunteer programs in order to encourage employees to donate their time and share their skills to benefit the community through social and environmental projects.
- Certification of the latest version of the CSR SA 8000 standard.

### Acknowledgment as the "Best Company to Work for"

For the third consecutive year, Abengoa participated in the Corporate Reputation Business Monitor (MERCO 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, 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.

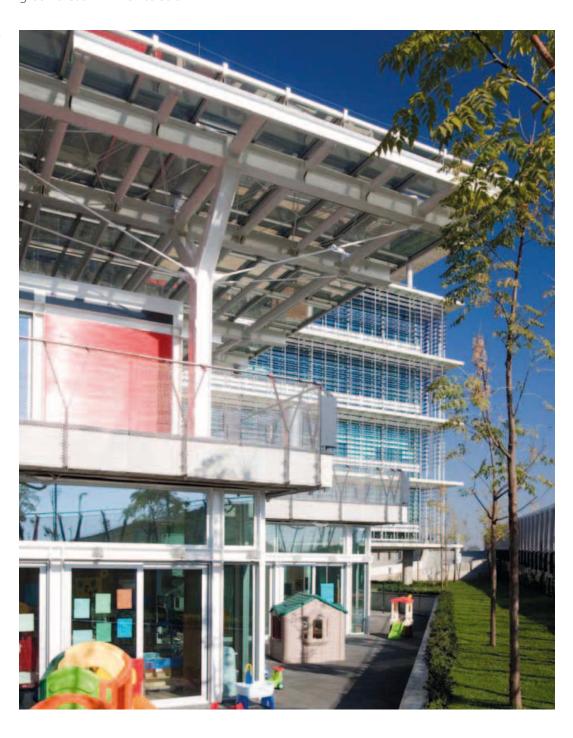




Palmas Altas Campus, inaugurated in 2009, provides the perfect backdrop for the social model Abengoa pursues for its employees; a model which gives priority to a richer balance in personal and professional life; a place for addressing all employee needs.

The Campus offers Abengoa employees an ample food court spanning 1,600 m², divided into three restaurants that offer different kinds of varied and balanced food; day care services for employees' children aged between 0 and 3; medical service with specialized healthcare professionals and an innovative system of telemedicine for online consultation with specialists, who are able to diagnose the problem and optimize treatments in real time; two sports facilities for a range of different sporting activities; recreation room with computers, television, newspapers and magazines; a mini-market; and generously sized green areas in which to stroll.

CPA Photo taken by **Victor Sájara** 



It is important for Abengoa that the benefits of Palmas Altas Campus have a positive effect on all of the company's employees, customers, suppliers, shareholders, investors, etc., thereby making the Campus a place of encounter for all of the group's companies.

Furthermore, the Campus is the first European building to obtain the highest level of sustainability pre-certification (LEED Platinum), awarded by the Green Building Council, a non-profit organization dedicated to promoting sustainable construction.

#### **2009 Milestones**

- Inauguration of the new Palmas Altas Campus headquarters.
- Implementation of day care service at the Palmas Altas Campus.
- Certification of the latest version of the SA 8000 standard (GIRH).
- Ranked among the Top Ten in the MERCO study on Human Resource management.

## **Occupational Health and Safety**

Abengoa's Occupational Risk Prevention Policy abides by the different occupational health and safety regulations in force in the countries in which the company operates, while seeking the integration of occupational risk prevention into company strategy through information and training.

## **Occupational Health and Safety Management Objectives**

Fulfillment of the objectives set throughout the year within the companies, the integration and participation of workers in the execution of prevention activities, follow-up and control of the system by management, and the advice received by the company in prevention issues, all ensure implementation at Abengoa of an occupational risk prevention culture that has a significant impact on reducing work-related accidents and illnesses and on the continuous improvement of safety within the workplace.

All Abengoa companies have designated specialized technicians working part- or full-time on the development, management and control of the prevention systems. The organizational models implemented in risk prevention are aligned with the legal requirements of each country, and the formula chosen by Abengoa is having its own prevention services, which means having specialized technicians in this area on staff.

In accordance with Abengoa's prevention policy and the Common Management Systems, prevention committees have been set up throughout all group companies to monitor and control the system. These committees comprise company management, departmental heads and the prevention service technicians. The committees meet regularly to establish objectives; monitor and analyze the occupational accident rate together with the corresponding statistical indicators; conduct studies on the Annual Prevention Activity Plan (PAP), in accordance with the results of the risk assessment; prepare Troubleshooting Reports (TSR) and Improvement Actions (IA); and address internal audit reports and new legislation.

Each company monitors work-related accidents and illness occurring at the worksites (official report, medical leave and discharge certificates, etc.), as well as investigation reports prepared by prevention service technicians and other components of the preventive organization, in accordance with internal management and the general procedure of the PGP-000/08 prevention system. This information is reported monthly to Global Human Resource Management (GIRH) in order to prepare the corresponding indicators so that effective control and follow-up of the Improvement Action (IA) proposal may be conducted if necessary.

In accordance with the PGP-000/08 standard, serious accidents must be reported immediately to the management departments involved and to Abengoa's most senior management, followed by immediate investigation and circumstantial analysis through two channels:

- The Incident and/or Accident Investigation Report form.
- The pertinent Troubleshooting Report.

### **Figures on Incidents**

Work-related incident rates are remarkably low at Abengoa in comparison with figures from similar sectors and taking into account the nature of the company's activities. Thus, the number of incidents, in 2009, number of incidents entailing medical leave for every one thousand workers, totaled 34.72, and a serious incident rate, number of working days lost for every one thousand working hours, of 0.33.

Figures for 2009:

- The total percentage of absenteeism at Abengoa (disciplinary proceedings, illness, accident, and justified and unjustified absences) stood at 1.59%.
- Absenteeism deriving from common illness amounted to 1.02%, whereas the total for labor-related accidents stood at 0.25%.

By region, the absentee rate is as follows: Spain 2%, Europe 6% (ex. Spain), Asia 2%, Latin America 1%, North America 1% and Oceania 1%.

The number of work-related accidents leading to authorized sick leave over one day totaled 957, of which 62 occurred during commutes to and from work. These accidents led to 16,901 lost working days, of which 1,494 are attributed to in itinere accidents.

Four very serious work-related accidents occurred in 2009, all resulting in fatalities: two through train impact, one after becoming trapped and the other the victim of cable laying.

As established in the statement on preventive policy, training in prevention is a basic underpinning of the Prevention Management System. Training action contents are geared towards ensuring that people are able to identify the occupational risks associated with their position, and to disseminate the preventive, protective and emergency measures implemented to eliminate and control them. Thus, particular priority and attention is given to personnel exposed to risks of a more serious nature and to new employees.

The VIII Seminar on Risk Prevention for Executives was held in 2009. The aim of this gathering each year is to advocate continuing efforts in raising awareness on all levels, stressing the importance of maintaining the preventive culture dictated by Abengoa in

all areas. This past year, the seminar was presided over by Felipe Benjumea, and involved analysis of different incidents occurring in different activities and geographies with the aim of understanding their consequences and extracting conclusions with a view to improvement.

Furthermore, and 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, health 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.

In this regard, the work climate surveys also focus on these issues.

# Occupational Health and Safety Training. Continuous improvement of the ORP Management System

The involvement and commitment of all employees to ongoing improvement of the Prevention System at each Abengoa company continue to represent one of the underpinnings of the management system.

All employees have access to Abengoa computer management applications, Troubleshooting Reports (TSR) and Improvement Actions (IA). It is the duty of the management to promote the use of these tools throughout the entire organization.

In order to verify the safety conditions under which the activities of the work centers and worksites are carried out, visits were conducted in order to assess occupational health and safety conditions. The corresponding TSRs and IAs were generated from the deficiencies and anomalies identified.



At Abengoa, we are constantly striving to provide our employees and their families with information on, and training in serious illnesses. Over the course of 2009, our medical service issued a raft of practical recommendations on how to prevent Influenza A (H1N1).

Combating work-related stress is one of the key focal points of our training program.

Based on the prevalence of different illnesses in different countries, numerous countries have staged informal chats and training sessions on acute respiratory illnesses, parasitosis, hypercholesterolemia and HIV. The group has also staged various workshops to heighten awareness of the consequences of emotional and mental stress caused by a variety of factors: work, personal life, family life, etc.

# **Certification of Prevention Models according to OHSAS** 18001

Abengoa's Common Management Rules establish, as a strategic objective for all companies, the implementation and certification of prevention management models in accordance with the OHSAS 18001:2007 standard.

At present the number of certified companies amounts to 75.

# Occupational Safety Requirements imposed on Contractor Suppliers

In accordance with the company's internal rules, companies assess compliance by contractors in the field of occupational risk prevention. These internal rules require that suppliers and contractors adhere to Abengoa's Social Responsibility Code, which expressly specifies occupational health and safety conditions for all employees.

# Case Study Mandatory Procedure for ensuring Worksite Safety and Security Rules

The checklist is a mandatory verification procedure that Abengoa has established as yet another step towards ensuring compliance in the area of occupational risk prevention. These succinct guidelines address potential occupational risks, enabling the individual in charge of the projects to verify the safety of his or her workers.

This helps ensure that projects are not initiated without being checked by the project head beforehand, or without due regard to the safety criteria defined in the protocols.

#### 2009 Milestones

- Firm commitment to occupational health and safety: more than 270,000 hours of training in this area.
- Seminar on risk prevention for executives.
- Occupational health and safety awareness events for middle managers.
- Definition of the Mandatory Compliance Procedure (POC) to ensure worksite safety rules.

### **Internal Communication**

Communication is a key component of Abengoa's philosophy, and at the same time essential in getting people who make up the company to become involved in fulfilling its mission, objectives and commitment to customer service.

Proper internal communication can help to achieve greater staff integration and cohesion, from both a functional and cultural standpoint, contributing to shared values and common objectives among all employees.

Fully aware of the importance of two-way internal communication for Abengoa's healthy operation, the company is promoting, through the senior management, the development and use of tools and channels that enable all company employees to gain support and benefit from suitable in-house communication.

Noteworthy among Abengoa's internal communication channels and tools are the following:

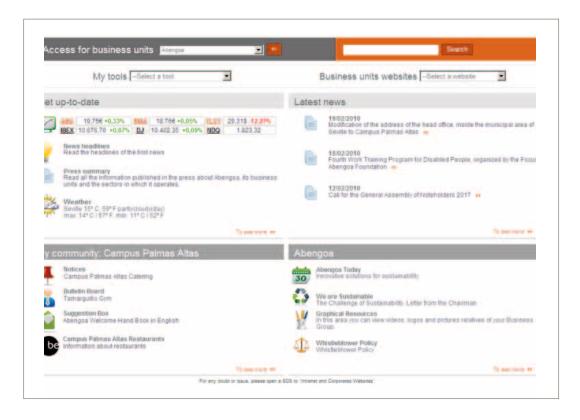
- **Connect@**, the new corporate intranet, launched in September 2009. This site was conceived with the idea of offering its users closer, local and personalized information related to business activity, the world that surrounds us and the opportunities and activities the company offers.
- The **Corporate Identity Manual**, which outlines general guidelines for making good use of Abengoa's image.
- The style guide is a tool for making sure that the information transmitted by the
  company meets the expectations of its stakeholders. It establishes the main guidelines
  for proper text preparation, basic grammatical and lexical rules for proper usage of
  Spanish, specific spelling recommendations and a brief compendium of common
  doubts.
- The Welcome and Integration Manual for welcoming new employees, facilitating
  their integration into the company and offering them a general overview of activities,
  structure and the internal regime. The manual is available through the employee
  portal.
- The **People Center** computer application, accessible through Connect@, where employees can consult a wide range of information (payroll, assessments, training, job openings, etc.). This tool also enables direct team consultation and management throughout all processes: recruitment, training, assessment, etc.

- The bimonthly **corporate magazine**, published in Spanish and English, containing sections on each of the business units, including the main news items related to Abengoa activities, innovation, and news of interest to the company. This bulletin, which is published thanks to employee involvement, is distributed in print form to the work centers and in digital format via Connect@ and Abengoa's website.
- **Abengoa's website** constitutes the company's most global communication tool. It is a place where the company transmits information related to businesses and activities in a clear and transparent manner to all of its stakeholders.
- The **Abengoa blog** is a virtual corporate platform in which the company gives its opinion on issues involving sustainable development, thereby facilitating close, open and fluid public dialogue with all of the company's stakeholders.

# Case Study Connect@

In mid-September 2009, Abengoa launched its new corporate intranet: Connect@, a place created with the aim of offering users more personalized, local and up-close information, out of a desire to make this tool a meeting point for all company employees.

The chief innovative aspect of Connect@ with respect to the previous version lies in the possibility of customizing the website by business unit and corresponding work center. In order to do this, the My Community concept was created. This allows employees to consult, in addition to general company information, notices, suggestions or information on services associated with their work site.



In addition, Connect@ reflects current information and news items of interest to the company and its business units, as well as including weather information and real-time stock quotes.

It is also a large global database that enables employees to access corporate services and applications, while providing graphics and useful information to help employees perform their work.

To access Connect@, simply type either of the following addresses into a browser: http://connecta; http:// portal o http://intranet.

#### **2009 Milestones**

- Start-up of Connect@, the new corporate intranet
- Communication process developed to complete migration to the new headquarters at the Palmas Altas Campus.