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External verification



KPMG Asesores S.L.
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**Independent Assurance Report
on the Corporate Social Responsibility Report 2012**

(Free translation from the original in Spanish.
In case of discrepancy, the Spanish language version prevails.)

To the Management of Abengoa, S.A.

According to our engagement letter, we have reviewed the non-financial information contained in the Corporate Social Responsibility Report of Abengoa, S.A. and its group of companies (hereinafter Abengoa) for the year ended 31 December 2012 (hereinafter "the Report"). The information reviewed corresponds to:

- the indicators referred to in the section entitled Economic Performance, Environmental Performance and Social Performance in chapter "GRI index", including the indicators detailed in section "Greenhouse Gas Inventory" and the indicators included in the Report chapter entitled "Responsible Management Balance Sheet",
- the application of the AA1000 APS 2008 standard principles of inclusivity, materiality and responsiveness as detailed in the Report section "Principles governing this report",
- the information with which Abengoa answers to the questions asked by the Independent Panel of Experts on Sustainable Development, presented in section "Independent Panel of Experts on Sustainable Development (IPESD) on the 2011 CSR Report".
- the coherence of Abengoa's Integrated Sustainability Management System (ISMS) with the ISO 26000:2010 guide criteria in accordance with what is described in the Report chapter entitled "About this report".

Abengoa management is responsible for the preparation and presentation of the Report in accordance with the Sustainability Reporting Guidelines version 3.1 (G3.1) of the Global Reporting Initiative as described in chapter "About this report". This chapter details the self-declared application level, which has been confirmed by Global Reporting Initiative. Management is also responsible for the information and assertions contained within the Report; for the implementation of processes and procedures which adhere to the principles set out in the AA1000 AccountAbility Principles Standard 2008 (AA1000 APS); for determining its objectives in respect of the selection and presentation of sustainable development performance; and for establishing and maintaining appropriate performance management and internal control systems from which the reported performance information is derived.

Our responsibility is to carry out an assurance engagement designed to provide a reasonable level of assurance and express a conclusion based on the work done, referred exclusively to the information corresponding to the year 2012. Data corresponding to previous years have not been the object of review. We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000, "Assurance Engagements other than Audits or Reviews of Historical Financial Information", issued by the International Auditing and Assurance Standards Board (IAASB). This standard requires that we comply with the independence requirements included in the International Ethics Standards Board for Accountants Code of Ethics which outlines detailed requirements regarding integrity, objectivity, confidentiality and professional qualifications and conduct. We have also conducted our engagement in accordance with the Accountability Assurance Standard of Sustainability AA1000 AS 2008 high level (Type 2) that corresponds to a reasonable assurance as per ISAE 3000, which covers not only the nature and extent of the organisation's adherence to the AA1000 APS, but also evaluates the reliability of performance information as indicated in the scope.

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A reasonable assignment consists in applying procedures to obtain evidence on the processes and controls used by the company to prepare the Corporate Social Responsibility Report. The procedures selected depend on professional opinion, including the assessment of the risks of material incorrectness due to fraud or error. In undertaking those risk assessments, we considered internal controls relevant to the preparation and fair presentation by the entity of the information to be reviewed, in order to design the review procedures appropriate in the circumstances.

In our work we have carried out the following procedures:

- Inquiries of management to gain an understanding of Abengoa's processes for determining the material issues for their key stakeholder groups.
- Interviews with relevant Abengoa staff concerning the application of sustainability strategy and policies.
- Interviews with relevant Abengoa staff responsible for providing the information contained in the Report.
- Visit to 10 sites selected based on a risk analysis considering quantitative and qualitative criteria.
- Analysing the processes of compiling and internal control over quantitative data reflected in the Report, regarding the reliability of the information, by using analytical procedures and review testing based on sampling.
- Reading the information presented in the Report to determine whether it is in line with our overall knowledge of, and experience with, the sustainability performance of Abengoa.
- Verifying that the financial information reflected in the Report was taken from the annual accounts of Abengoa, which were audited by independent third parties.
- Verifying that the information on greenhouse gases included in the Report has been audited by independent third parties in accordance with ISO 14.064-3 standard and that it includes the appropriate and consistent application by Abengoa, of the criteria for the development of greenhouse gas inventory established in the procedures, systems of calculation and indices as well as minimum quality levels determined in the internal standard NOC-05/003.
- The analysis of the coherence between the ISMS descriptive documentation included in the Report and the non certifiable guide, ISO 26000:2010.
- Analysing the information with which Abengoa answers to IPESD's questions and monitoring the dialogue process (face to face and remote) between IPESD and Abengoa.

Our multidisciplinary team included specialists in AA1000 APS, stakeholder dialogue, social, environmental and economic business performance.

We believe that the evidence that we have obtained, provides a sufficient and appropriate basis for our conclusion.

Based on the work performed, we conclude that:

- the indicators included in the sections entitled Economic Performance, Environmental Performance and Social Performance of chapter "GRI Index", in section "Greenhouse Gas Inventory" and in the Report chapter entitled "Responsible Management Balance Sheet" can be considered reliable and comply, in all significant aspects, with version 3.1 of the Global Reporting Initiative's Sustainability Reporting Guidelines, as detailed in the chapter "About this report", and Abengoa's Corporate Social Responsible reporting system, respectively,

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- Abengoa has applied, in all significant aspects, the principles of inclusivity, materiality and responsiveness of AccountAbility's Principles Standard AA1000 APS 2008, as detailed in the Report section "Principles governing this report",
- the information with which Abengoa answers to the questions asked by the IPESD, presented in section "Independent Panel of Experts on Sustainable Development (IPESD) on the 2011 CSR Report" is reliable and representative of the company's activities,
- Abengoa's Integrated Sustainability Management System (ISMS) is coherent with the criteria of the non certifiable guide, ISO 26000:2010 as described in chapter "About this report".

Under separate cover, we will provide Abengoa management with an internal report outlining our complete findings and areas for improvement. Without prejudice to our conclusions presented above, we present some of the key observations and areas for improvement below:

In relation to the Inclusivity principle

Abengoa has again been subject to the questions made by the Independent Panel of Experts on Sustainable Development (IPESD). Also, it has updated the materiality test that has been carried out for various years, and which serves as a starting point for the development and updating of the Master Plan, both at corporate level and for each business group. The company could move forward, however, in a systematic involvement of stakeholders across the organization, using this information to adapt the master plans at country or business unit level as it is being done in certain pilot projects. Thus, the concrete lines of action that respond to local stakeholders will be formulated from the organizational levels that are most involved in the company's real local situation.

In relation to the Materiality principle

Abengoa, in order to continue making advances, has again updated its procedure for determining material issues with the aim of introducing improvements that have been identified in previous processes. An example of this has been the strengthening of the aspects identified in interviews with representatives of some of the main stakeholders as one of the inputs for the identification of material issues. However, it would be recommended to continue with the formal integration of material issues into the company's management system to effectively manage these.

In relation to the Responsiveness principle

Abengoa has undertaken the development of a responsible management balance that takes into account material aspects for its stakeholders with regards to sustainability and that is reported with a greater regularity. In addition, the company has updated its Master Plan in order to adapt it to its stakeholders' expectations, both at corporate and business group level. Furthermore, bidirectional communication channels have been established in the company to manage the relations with each of the main stakeholders. It is considered that Abengoa should continue working on the involvement of stakeholders in the design of the answers provided on their needs through these bidirectional channels, as well as with the integration of these answers into the company's strategy.

KPMG Asesores, S.L.



José Luis Blasco Vázquez

18 February 2013





Statement GRI Application Level Check

GRI hereby states that **Abengoa** has presented its report "2012 Corporate Social Responsibility Report" to GRI's Report Services which have concluded that the report fulfills the requirement of Application Level A+.

GRI Application Levels communicate the extent to which the content of the G3.1 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3.1 Guidelines. For methodology, see www.globalreporting.org/SiteCollectionDocuments/ALC-Methodology.pdf

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, 18 February 2013

A handwritten signature in blue ink, appearing to read "Nelmar Arbex".

Nelmar Arbex
Deputy Chief Executive
Global Reporting Initiative



The "+" has been added to this Application Level because Abengoa has submitted (part of) this report for external assurance. GRI accepts the reporter's own criteria for choosing the relevant assurance provider.

The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. www.globalreporting.org

Disclaimer: Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 6 February 2013. GRI explicitly excludes the statement being applied to any later changes to such material.

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Verification Statement of AENOR for ABENGOA on the Inventory of greenhouse gas emissions corresponding to the year 2012

DOSSIER: 1993/0205/HCO/01

Introduction

Abengoa (hereinafter the company) commissioned the Spanish Association for Standardisation and Certification (AENOR) to make a reasonable revision of the inventory of greenhouse gases (GHG) for the year 2012 of its activities included in the GHG report of 2012, which is part of this Declaration.

Inventory of GHG emissions issued by the Organisation: Abengoa, Campus Palmas Altas c/ Energía Solar, 1- Palmas Altas 41014 Seville (Spain).

Representatives of the Organisation: Fernando Martínez Salcedo, Sustainability Secretary, and José Manuel Delgado Rufino, manager of the Corporate Control Department.

Abengoa was responsible for reporting its GHG emissions considered in accordance with the reference standard ISO 14064-1:2006.

Objective

The objective of the verification is to provide the interested parties with an independent and professional opinion on the information and data contained in the above mentioned GHG Report issued by Abengoa.

Scope of the Verification

The scope of the verification is established for the activities carried out by the companies belonging to Abengoa represented in 2012 annual report, "Corporate Social Responsibility", available in Abengoa's website (<http://www.abengoa.com>).

During the verification the information was analysed according to Operational control approach. The company reports all the GHG emissions attributable to the operations under its control.

The scope of the activities of the company is identified in accordance with the guidelines of standard ISO 14064-1:2006 in direct and indirect activities.

Direct, indirect activities and exclusions from the verification.

Scope 1- Direct GHG emissions

Direct emissions occur from sources that are the property of or are controlled by Abengoa. These include:

- Stationary combustion sources
- Mobile combustion sources
- CO₂ emissions in metal recovery processes
- Emissions of CO₂ from the bioethanol production process
- Emissions from the composting process
- Emissions from the decomposition of organic matter in landfills.
- Process emissions from wastewater treatment plants
- Fugitive emissions of natural gas

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- Fugitive emissions of HFC from refrigeration systems
- Fugitive emissions of SF6 from electrical equipment
- Emissions of HFC/PFC from the use of solvents (not aerosols)
- Emissions of HFC/PFC from the use of aerosols
- Emissions of HFC/PFC from the use of foam blowing agents
- CO₂ emissions derived from the use of lubricants
- CO₂ emissions derived from the use of paraffinic waxes.
- Diffuse emissions derived from the use of greenhouse gases

Scope 2 – Indirect GHG emissions

Indirect emissions are those derived from the activity but generated by other entities, including the emissions of the generation of electricity acquired and consumed by the company. These emissions are:

- Emissions associated with generating purchased thermal energy.
- Emissions associated with generating purchased electrical energy.

Scope 3- Other indirect emissions

The rest of the indirect emissions are a consequence of the activities of the company, but occur in sources that are not the property of the company or controlled by it. These other emissions are:

- Business trips.
- Employee commuting to the workplace.
- Indirect emissions from losses during electricity transport and distribution.
- Indirect emissions due to the value chain of the fuels employed for the production of the electricity consumed.
- Goods and services purchased.

Exclusions

Abengoa companies have been able to exclude from their inventories those sources which imply a value less than or equal to 0,5 % of their total emissions.

Greenhouse gases taken into consideration

The greenhouse gases taken into consideration for the inventory are those defined under the Kyoto Protocol which can be divided into the following categories:

- Carbon dioxide.
- Methane.
- Nitrous oxide.
- Perfluorocarbons.
- Hydrofluorocarbons.
- Sulphur hexafluoride.

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Base year

Abengoa's inventory is the result of consolidating the inventories of its companies and each one of them define their own base year depending on their characteristics and, in this way, the perimeter variations are carried out at a subsidiary company level.

Directed Actions

Companies belonging to Abengoa have started for the first time in 2012 to verify reduction initiatives that had been driving since 2009, as directed actions according to ISO 14064-1. Successfully verified directed actions will be included in the verification statement of Aenor as well as in the corresponding ghg inventory for each Company belonging to Abengoa.

Materiality

For the verification it was agreed to consider as material discrepancies those omissions, distortions or errors that could be quantified and result in a difference of more than 5% with respect to the total of emissions declared.

Criteria

The criteria and information that have been taken into consideration to carry out the verification were the following:

- 1) Standard ISO 14064-1:2006: Specification with guidance at the organization level for quantification and reporting of greenhouse gas emissions and removals.
- 2) Standard ISO 14064-3:2006: Specification with guidance for the validation and verification of greenhouse gas assertions.
- 3) Internal Standard of Abengoa NOC-05/003 "Quality and Environment Management. Sustainability Management. Greenhouse gas emissions inventory"
- 4) Technical Instructions and procedures of Abengoa companies.

Finally, the "Abengoa Greenhouse gas emissions report 2012" was subject to verification.

AENOR waives any responsibility for decisions, regarding investment or of any other type, based on this declaration.

Conclusion

Based on the above, in our opinion *the information on the GHG emissions reported in "Abengoa Greenhouse gas emissions report 2012" is materially correct and is a fair representation of the emissions of its activities.*

In consequence with this Declaration below is a list of the emissions data that were finally verified. The information is broken down according to two different criteria:

I) by scope according to Standard ISO 14064-1

II) by activity segment

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Director of New Products: Jaime FONTANALS RODRIGUEZ

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I) Verified data broken down by scope according to Standard ISO 14064-1

Scope 1

a) GHG emissions.

Scope 1 emissions-Greenhouse Gases			
Non biomass emissions (t CO ₂ -eq)		Biomass emissions (t CO ₂ -eq)	
Mobile combustion	93.056	Mobile combustion	1.572
Stationary combustion	2.294.097	Stationary combustion	1.339.026
Fugitive emissions	27.286	Fugitive emissions	0
Processes	580.732	Processes	1.578.642
Total	2.995.171	Total	2.919.240

b) Emissions per GHG type.

Scope 1 emissions -CO ₂ *	
Total emissions (t CO ₂ -eq)	
Mobile combustion	93.700
Stationary combustion	3.578.407
Fugitive emissions	11.301
Processes	1.859.768
Total	5.543.176

* Emissions from biomass are included

Scope 1 emissions -CH ₄	
Total emissions (t CO ₂ -eq)	
Mobile combustion	107
Stationary combustion	13.666
Fugitive emissions	12.537
Processes	8.427
Total	34.737

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Scope 1 emissions –N ₂ O	
Total emissions (t CO ₂ -eq)	
Mobile combustion	821
Stationary combustion	41.050
Processes	291.179
Total	333.050

Scope 1 emissions –HFC	
Total emissions (t CO ₂ -eq)	
Fugitive emissions	2.974
Total	2.974

Scope 1 emissions –SF ₆	
Total emissions (t CO ₂ -eq)	
Fugitive emissions	474
Total	474

Note: PFC emission sources have not been identified.

Scope 2

Total emissions (t CO ₂ -eq)	
Electric energy consumption	536.694
Thermal energy consumption	121.496
Total	658.190

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Scope 3

Total emissions (t CO ₂ -eq)	
Acquired supplies	4.389.269
Business trips	18.956
Employee commuting	19.659
Electric energy distribution losses	74.064
Value chain of the fuels used to generate de energy consumed	89.009
Total	4.590.957

II) Verified data broken down by activity segment

The business of Abengoa is organized into three different activities: Industrial production, Concession-type infrastructures and Engineering and construction. Below is a list of the emissions data that were verified broken down by activity segment according to the ISO 14064-1 scopes.

	Industrial production	Concession-type infrastructures	Engineering and construction	Total
Scope 1	2.144.359	794.142	56.670	2.995.171
Scope 2	622.261	23.138	12.791	658.190
Scope 3	3.209.963	440.905	940.089	4.590.957
Total	5.976.583	1.258.185	1.009.550	8.244.318

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In addition, the emissions from biomass are:

	Industrial production	Concession-type infrastructures	Engineering and construction	Total
Combustion of biomass	1.340.359	0	239	1.340.598
Other emissions from biomass	1.578.642	0	0	1.578.642
Total	2.919.001	0	239	2.919.240


Lead Verifier: Raúl BLANCO BAZACO
Madrid, 4 February 2013


Director of New Products: Jaime FONTANALS RODRIGUEZ