



## About this report



Abengoa's annual Corporate Social Responsibility Report (CSRR) contains reliable information on the most important changes to have occurred over the year in relation to the social, **economic and environmental impacts of company business**, while also addressing any other aspects that might prove relevant to company stakeholders.

Remaining true to its commitment to transparency, Abengoa has now published a report for the last ten years in order to describe the company's performance across the territories in which it operates, encompassing the three core activities around which business at Abengoa revolves: Engineering and construction, Infrastructures under concession and Industrial production.

In preparing this report, the company has followed the guidance provided in version 3.1 of the **Global Reporting Initiative (GRI)** and the principles the **AA1000AS standard, the world's first sustainability assurance norm**, with the aim of aiding **comprehension, allowing for benchmarking and providing the utmost transparency to our stakeholders**.

The information contained in this report reflects the quality principles set by the GRI and is balanced, comparable, accurate, periodic, clear and reliable.

The CSRR also provides information on Abengoa's unflinching commitment to the UN **Global Compact**, the ten principles of which govern all company action, activity and strategy.

Similarly, in defining its **Corporate Social Responsibility Management System**, Abengoa has relied on the guidance provided by international standard **ISO 26000:2010 "Guidance on Social Responsibility"**.

Within the company, the rules and guidance established under ISO 26000:2010 are reflected in the following norms of obligatory compliance (NOC) for all Abengoa employees, without exception:

- **NOC-10/003, on Corporate Social Responsibility:** This norm embraces all aspects relating to CSR management and strategy, the associated reporting and auditing system, disclosure of company performance in terms of sustainability and CSR, analysis of material issues and management of social action, among others.
- **NOC-04, on Human Resources:** Encompasses all aspects relating to policies, principles and commitments relating to labor practices, human rights, diversity, equality, staff training, industrial relations, professional development and pay, occupational risk prevention, the system for managing Labor Social Responsibility (LSR), the Code of Conduct and the Whistleblower Channel, among others.
- **NOC-05, on Quality and Environmental Management,** which includes aspects relating to quality management and relations with customers, environmental concerns, the preparation of the Greenhouse Gas Inventory and the Social Responsibility Code for suppliers, among others.
- **NOC-08, on Consolidation, Auditing and Fiscal Management,** covering all aspects relating to auditing and internal control, the audit committee, corporate governance, transparency and anticorruption policies, among others.
- **NOC-03, on Management of Legal Affairs, Risk Analysis and Insurance Management,** which brings together aspects related to regulatory compliance, risk analysis and management (including sustainability risks and corporate social responsibility), contractual relations with suppliers and partners and good corporate governance, among others.

Unless stated otherwise, all **performance indicators included in this report** relate to the business undertaken in 2012 by all Abengoa companies that have a **significant social, environmental or economic impact** and whose management is under the effective control of Abengoa. This report also includes information on previous years, insofar as relevant and available, thus providing readers with a wider picture of how the company has been performing and evolving.

Due to the acquisitions and divestments undertaken in 2012, the report perimeter is not the same as for 2011. Please see the list of Abengoa companies provided in **appendix E**.

## Principles governing this report

In order to identify material matters, determine the content of the report and guarantee the quality of the information contained herein, Abengoa has applied:

- The three principles established by the **AA1000AS standard: inclusivity, materiality and responsiveness.**
- The four principles of the **GRI guidance in defining report content: materiality, stakeholder inclusiveness, sustainability context and completeness.**
- The principles for **defining quality** in preparing reports: **balance, clarity, accuracy, timeliness, comparability and reliability.**

These principles are all interrelated, with the company choosing **materiality** as the cornerstone underpinning all the others.

## Materiality and relevance

The information contained in this CSRR covers those aspects and indicators that reflect the significant social, environmental and economic impacts of the company or any such aspects or indicators that could **substantially influence** the assessments and decisions of **stakeholders**. This means any information which, if omitted or distorted, could influence the decisions or actions of the stakeholders of the reporting company. To find out what matters are material and relevant to the company and its stakeholders, Abengoa conducts **a yearly materiality analysis.**

### Analyzing materiality at Abengoa

For the fifth year in a row, Abengoa conducted a **materiality analysis** in 2012 through a process of selecting material CSR matters founded on two crossing analytical bases: external factors (related to the expectations of Abengoa stakeholders and the importance these attach to the different issues) and internal factors (which determine the importance of the different matters to business, to company management and, ultimately, to accomplishing the objectives envisaged in the business strategy). Making use of both perspectives is essential if we are to respect the **principle of inclusivity** defined under the AA1000AS (2008).

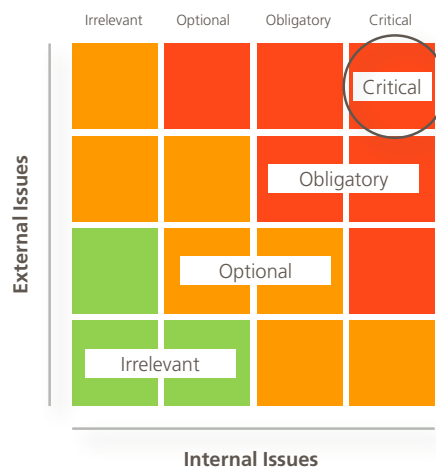
The company relied on the following sources when drawing up the list of external factors:

- International **reporting standards**, primarily the GRI and AA1000AS (2008).
- A sector-wide **analysis of the main companies similar to Abengoa** and of our competitors, both domestic and foreign.
- **Socially responsible investors.** Analyzing indexes such as the DJSI and the FTSE4Good enables us to pinpoint material issues for investors and shareholders alike.
- **International initiatives**, such as the UN Global Compact and Caring for Climate. These and other voluntary agreements create a raft of principles that impose commitments on the company. These commitments are assessed every year, allowing the company to identify new material issues.
- Analyzing **readers' reactions** to the report for the previous year, which are received through the communication channels set up for precisely this purpose.
- The **press and media: analyzing the press exposure and presence** of Abengoa and other similar and competing companies. This allows the company to identify positive and negative CSR-related aspects that garnered the most attention from the press.

- **Opinion leaders.** Abengoa examined the public documents of independent social and sector-specific (energy and the environment) associations and organizations involved in areas of interest to Abengoa and its activities.
- Questions and recommendations put forward by the **Independent Panel of Experts in Sustainability Development (IPESD).**
- **Interviews with stakeholders:** the company has taken into account the main aspects unearthed through 24 interviews with stakeholders selected by 2011 Abengoa's relevant matters committee.
- **Internal relevant matters** committees attached to the different areas of the company.
- Analyzing the results of the **CSR risk assessment process** undertaken at Abengoa facilities over the course of 2012.
- **Historical log of aspects** addressed by Abengoa in previous reports: material matters identified in previous reports.

To assist in the selection of internal factors, the company set up a **relevant matters committee**, comprising fourteen employees representing different areas of the company and chaired by the director of corporate social responsibility. The committee settled on a series of internal factors by secret ballot (related to the company's values, policies and strategies and the concerns of the workforce) before analyzing the materiality of both the internal and external factors and the relevant matters gathered from the analogous processes carried out across the company. A list of priorities was then drawn up based on the nature and scale of each aspect analyzed.

The matrix resulting from this relevant matters process flags matters as critical, significant, emerging or immaterial, dictating whether or not it warrants inclusion in the CSR Report.

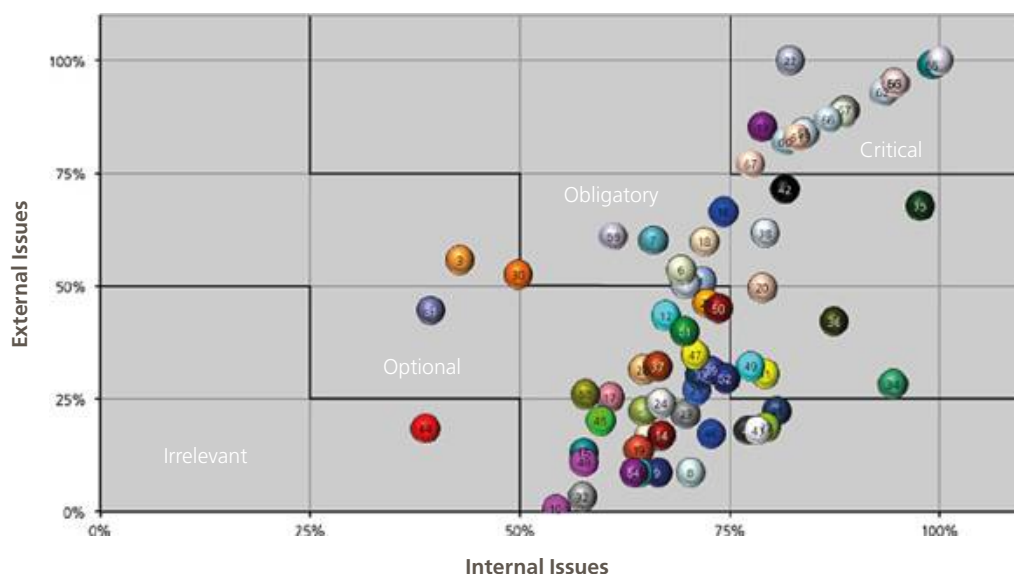


The five compulsory aspects to obtain the highest score are flagged as **critical** and must be **analyzed** in the CSRR in greater detail. Follow-up indicators have been designed for aspects tagged as critical and significant, enabling the company to track them over time.

This year's analysis revealed the following aspects to be most critical and material:

Relevant matters 2012: results			
No. of matters	Identification no.	Relevant matter	Follow-up indicators
1	1	Including ESG <sup>(1)</sup> risks in the risk management	P1C2I1, P1C2I2, P4C2I1, EC2
2	2	Legal risks and opportunities	EC2, 1.2
3	6	Mechanisms to ensure compliance with the code of conduct	4.9, 4.8
4	7	Anti-corruption measures	SO2, SO3, SO4
5	11	Mechanisms and analysis any project that threatens to infringe human rights	HR1, HR2, responsible management balance sheet
6	13	Challenges, barriers and opportunities related to renewable energies	EN6
7	16	Initiatives that champion R&D	Responsible management balance sheet
8	18	Measures to improve efficiency in water consumption	EN8
9	20	Specific energy efficiency initiatives and plans	P9C2I1, EN5
10	22	Strategy, objectives and measures implemented to reduce the CO <sub>2</sub> footprint	EN16, EN17, EN18
11	34	Practices and policies to champion job stability	LA1, LA2, LA3, LA10, LA11, LA12, L11, L12, L13, L14
12	35	Promotion of diversity, non-discrimination, equal pay between men and women, and work-life balance	HR4, HR9, HR10, LA14
13	36	Measures to promote gender equality, especially within the senior management	HR4
14	38	Managing the attraction and retention of talent	PD, LA11
15	42	Health and safety systems	LA6, LA7, LA8, LA9, P2C2I1, P1C2I1, P1C2I3
16	49	Aligning social action strategy with the business	1.1, 1.2, P1C2I5, P10C1I1, P7C1I1
17	55	Balance	LA7, P4C2I2, P4C3I1, P4C1I1
18	56	Managing professional development	LA11
19	57	Compensation policy	LA14, EC5
20	58	Impact of the prevailing economic climate on the business	SO5, SO6, SO7
21	59	Supply chain security	PR9
22	60	Expansion/internationalization policy of the business	1.1, 1.2, 2.5
23	61	Incorporating sustainability into the business strategy	EC2
24	62	Reporting, financial and labor transparency	P3C3I1
25	63	Equal opportunities, gender equality and discrimination due to lack of work-life balance	LA14, HR4
26	64	Communicating shortages of female staff	P3C3I1
27	65	Work-life balance	P6C2I2
28	66	Women in the senior management and on the Board	4,1
29	67	Volume of emissions avoided	EN22, EN24

(1) Environmental, social and governance.



## Stakeholder inclusivity and engagement

Abengoa identifies its **stakeholders** and factors them in when defining its strategy. In addition to maintaining fluid ongoing dialog with them, the company addresses and **responds to** all their expectations and concerns in its annual report.

In 2012, Abengoa identified approximately 18 endorsers<sup>2</sup> for the purpose of consulting them regarding their concerns and to carry out a series of **interviews with outside experts** who are members of international organizations. The aim is to gain an understanding of both the challenges and trends involving critical CSR-related issues in the sectors where Abengoa operates, and the perception of the company's performance with respect to these critical issues.

Moreover, and for the fifth year in a row now, having started in 2008, Abengoa underwent assessment in 2012 by an **Independent Panel of Experts in Sustainability Development (IPESD)**<sup>3</sup>. This panel voices the views and opinions of company stakeholders and ensures that Abengoa conveys stakeholder-relevant information in its report. The IPESD also provides advice on how the company should **tackle** these issues. Abengoa's responses to the questions raised by the IPESD have been **verified externally** by KPMG and have been awarded a reasonable level of assurance.

## Responsiveness

Abengoa can avail itself of numerous **resources** and **tools** in order to respond to the concerns and interests of its stakeholders. The company has made every attempt to ensure that the information requested by its stakeholders through its report is as **relevant** and **accessible** as possible for the parties concerned. The company therefore has a **CSR Master Plan**, which defines the sustainability framework and guidelines the company must follow through a raft of actions to help factor stakeholder concerns and expectations into the company's strategy.

In 2011, the company devised a **Responsible Management Balance Sheet**, which is reported periodically and comprises a selection of CSR-relevant indicators, thus enhancing the trust of company stakeholders and enabling them to analyze changes in key figures. The company also has an **Integrated Sustainability Management System (ISMS)** in place, bringing together all

Note 2: Associations and social organizations and sectors (energy and environment) which are independent and work in areas of interest to Abengoa and its activities.

Note 3: More information in the chapter titled Independent Panel of Experts on Sustainability Development.

material information relating to sustainability, thus making the task of measuring and controlling company performance more accurate and, as a product, improving company management and decision-making.

## Completeness

Abengoa attempts to provide full coverage of all material data and aspects significant to its stakeholders so that the latter can evaluate the company's performance over the period covered by this report.

## Sustainability context

Throughout this report, Abengoa assesses its performance in terms of the contribution made to its **stakeholders**, to the **communities** in which its presence is felt and to the **environment**. Also in 2012 the company repeatedly communicated and disclosed aspects relating to sustainability so as to **raise awareness** among its stakeholders and society at large of the imminent need to ensure that further progress is rooted in sustainable economic growth, allowing future generations to enjoy the same resources that we are enjoying at present.

## Principles governing the quality of the information reported

The aim in preparing this report was to reflect the information in keeping with the principles for defining report quality stipulated by the GRI.

### Balance

This report provides information on **positive aspects, areas in which our performance can be improved** and also the company's objectives. The process of identifying material subject matter (see section on Materiality) also helps us draw up the report. Furthermore, the opinion of the IPESD, as published in this report, provides a picture of how society at large perceives the company's performance.

### Comparability

The content and data published in this report allow readers **to analyze changes in the company and how it has evolved**. Comparative figures have therefore been included for the previous year, while changes in calculation methods have also been mentioned.

### Accuracy

The independent review which this report underwent assures both accuracy of quantitative data and confirmation of evidence and appropriate context for qualitative information.

### Timeliness

The report must be presented **on time and on a regular schedule**, allowing stakeholders to reach informed decisions. Abengoa has been publishing its annual CSRR since 2003. All these reports are available from [the company's website](#).



## Clarity

The information must be made available in a manner **that is understandable and straightforward**, ensuring that the report can be understood by readers. Abengoa prepares a [pdf version](#) and a [digital version](#) of its report, both available to the public, and sends the report out to its shareholders, main customers, the media and press, responsible investment institutions and any other interested parties.

In preparing the CSR report, Abengoa has taken on board the recommendations of stakeholders on how the information should be presented. This report also includes a glossary containing definitions of technical terms and any others that readers may be unfamiliar with.

## Reliability

Information and processes used in preparing a report should be gathered, recorded, compiled, analyzed and disclosed in a way that could be subject to examination and that establishes the quality and materiality of the information.



## Assurance of this report

To gauge the impact of company activity on the environmental, social and economic affairs of the areas in which it operates, Abengoa relies on its Integrated Sustainability Management System (ISMS), which boasts an array of instruments designed to capture and compute information to provide reliable and consistent data in real time. This system enables the company to **manage sustainability-related information on a daily** basis by streamlining the process of securing and documenting reliable information, thereby facilitating the task of reviewing and consolidating data.

In order for information to be reliable, consolidated data must be systematically consistent, traceable or reconstructible, accurate and complete in identifying and assessing the sources. Abengoa therefore has **effective internal controls** in place to help prevent, detect and correct any significant errors in the information it reports. All the reporting systems from which the indicators included in this report are obtained have undergone exhaustive control, oversight and audit processes, both internal and external.

In 2009, Abengoa created a specific sustainability audit area tasked with conducting regular periodic internal controls to guarantee the effectiveness and efficiency of Abengoa's sustainability information. The ISMS therefore undergoes periodic internal audits at all levels **to ensure the reliability of the information** contained in the system. The following internal audit, review and control processes were undertaken in 2012:

- Exhaustive corporate audits (of CSR, the Greenhouse Gas Inventory and system implementation).
- Control and follow-up visits (quality, environment, prevention, inventory, labor social responsibility (LSR) and CSR).
- Audits from the business units. Review and control from the companies.
- Review and control from the companies.

The Corporate Social Responsibility Report was prepared in accordance with **Version 3.1 of the Global Reporting Initiative Guide (GRI G3)**, with a self-declared **A+ level** of application confirmed by the Global Reporting Initiative (GRI). In addition, as an independent external verifier, the firm of KPMG reviewed the application of the **AA1000APS (2008) Standard** with a reasonable level of assurance, as well as all of the main and supplementary indicators reported in the CSRR, thereby obtaining sufficient evidence to reduce the risk of material error to an acceptably low level. The report issued by KPMG outlines the scope of review, relevant standards, tasks conducted and conclusions drawn, and can be found in Section 10 of the CSRR.

The method followed for the assurance process has been defined in accordance with the ISAE 3000 standard.

Similarly, KPMG has reviewed the manner in which the Corporate Social Responsibility Management System devised by Abengoa has been adapted to reflect the guidelines and recommendations contained in the **ISO 26000:2010** international standard.

The Greenhouse Gas (GHG) Inventory was also verified in 2012, following the specific requirements set forth in section 7.3 of **ISO 14064-1:2006**. The report has been verified through a systematic, independent process documented by AENOR, with a reasonable level of assurance.