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About this report

Abengoa's annual **Corporate Social Responsibility Report (CSRR)** consistently 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 may be relevant to company stakeholders, with an emphasis on progress achieved in 2013 and on challenges and goals for the following years.

Remaining true to its commitment to transparency, for the eleventh consecutive year Abengoa describes in this report the company's performance across the geographical areas where 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 guidelines provided in version 3.1 of the **Global Reporting Initiative (GRI) Guide** were taken into account, as well as the principles of 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 Abengoa stakeholders**.

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

The CSRR also provides information on Abengoa's progress in its unwavering 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 guidelines set down under the international standard **ISO 26000:2010 "Guidance on Social Responsibility"**.

Within the company, these rules and guidance are reflected in a set of internal norms of obligatory compliance for all Abengoa employees, without exception. Are the following:

ISO 26000

Norm on **Corporate Social Responsibility** (NOC 10/003), covering 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.

Norm on **Quality and Environmental Management** (NOC-05), which includes aspects relating to quality management and customer relations, environmental concerns, the preparation of the Greenhouse Gas Inventory and the Social Responsibility Code for suppliers, among others.

Norm on **Human Resources** (NOC 04), which encompasses all aspects relating to policies, principles and commitments involving labor practices, human rights, diversity, equality, staff training, industrial relations, professional development and compensation, occupational risk prevention, the system for managing Labor Social Responsibility (LSR), the Code of Conduct and the Whistleblower Channel, among others.

Norm on **Management of Legal Affairs, Risk Analysis and Insurance Management** (NOC 03), 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.

Norm on **Consolidation, Auditing and Management of Fiscal Affairs** (NOC 08), covering all aspects relating to auditing and internal control, the audit committee, corporate governance, transparency and anticorruption policies, among others.

About this report

Unless stated otherwise, all **performance indicators** included in this report relate to the activity undertaken in 2013 by all Abengoa companies that have a significant **social, environmental or economic impact** and whose management is under the effective control of Abengoa. The report also includes information on previous years, insofar as relevant and available, thus enabling readers to form a more comprehensive opinion regarding the company's evolution.

Due to the acquisitions and disinvestments that took place over the year, the consolidation perimeter is not the same as for 2012, with the main difference, with respect to previous years, being that all of the companies that made up the Environmental Services business unit (Befesa)¹, accounting for approximately 8 % of Abengoa's overall sales in 2012, no longer belong to the company. In order to be able to show comparative data, the data relative to the Befesa business unit, were recomputed without taking the entity into account, and are indicated throughout the report.

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 following:

- 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 report preparation: **balance, clarity, accuracy, timeliness, comparability and reliability.**

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

Materiality and relevance

The information contained in CSRR13 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 ascertain which matters are material and relevant to the company and its stakeholders, Abengoa conducts a **yearly materiality analysis**.²

Note 1 Further information on the sale of Befesa is available in [Volume III](#) of Abengoa's Annual Report 2013.

Note 2 This chapter includes detailed information on the materiality analysis conducted in 2013 and the conclusions gathered from the same.

About this report

Stakeholder inclusivity and engagement

Abengoa identifies its **stakeholders** and takes them into account when defining its strategy. In addition to maintaining fluid ongoing dialog with them, the company endeavors to address and **respond** to all their expectations and concerns in its annual report.

In 2013, Abengoa conducted interviews with 22 stakeholder representatives selected by the members of the internal committee in charge of analyzing the company's material issues³ for the purpose of taking an in-depth look at stakeholder perception of the company, the challenges it faces, and stakeholder expectations in regard to how these challenges should be approached.

Furthermore, for the sixth consecutive year since 2008, Abengoa was assessed by the **Independent Panel of Experts on Sustainable Development (IPESD)**. This panel voices the views and opinions of company stakeholders and ensures that Abengoa conveys stakeholder-relevant information in its report. The IPESD also offers advice on how the company should handle these matters accordingly. Abengoa's responses to the questions raised by the IPESD were **verified externally** by KPMG and were awarded a reasonable level of assurance⁴.

Responsiveness

Abengoa has a variety of **resources** and **tools** in place for responding 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 **Strategic CSR Plan** which defines the sustainability framework and guidelines the company must follow through a range of actions intended to integrate stakeholder expectations into company strategy.

Along these lines, in 2011 the company devised a [Responsible Management Balance Sheet](#), comprising a selection of CSR-relevant indicators and reported periodically since then, thus enhancing the trust of company stakeholders and enabling them to analyze changes in key figures. In 2013, via the corporate website, the company published the responsible management balance sheet containing data for the first half of the year which were verified by an independent third party. The company also has an **Integrated Sustainability Management System (ISMS)** in place, bringing together all material information relating to sustainability, thereby making the task of measuring and controlling company performance more accurate and, consequently, improving company management and decision-making⁵.

Completeness

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

Note 3 This chapter includes detailed information on the materiality analysis conducted in 2013 and the conclusions gathered from the same.

Note 4 For more information, see the [Independent Panel of Experts on Sustainable Development](#) section of this report.

Note 5 For more information, see the [Strategy for a sustainable future](#) section of this report.

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Sustainability context

Throughout this report, Abengoa assesses its performance in terms of the contribution made to its **stakeholders**, to the **communities** in which it operates and to the **environment**. Over the course of 2013, the company also 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 that will empower future generations to enjoy the same resources available to us 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 performance can be improved** and also on the company's challenge. The process of identifying material issues (see section on Materiality) also helps us draw up the report. Furthermore, the opinion of the IPESD, as published in this report, affords the reader 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, with any changes in calculation methods being duly indicated.

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 according to a regular schedule** so that stakeholders may make informed decisions based on the right information. Abengoa has been publishing its annual Corporate Social Responsibility Report since 2003. All of these reports are available on [the corporate website](#).

Clarity

The information must be presented in an **understandable** and straightforward manner so as to ensure that the report can be understood by readers. Abengoa publishes a pdf version and a [web](#) version of its report, both of which are 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 who so request.

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

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Reliability

The information and procedures followed in preparing a report should be gathered, recorded, compiled, analyzed and disclosed in such a way that they may be subject to examination, and which establishes the quality and materiality of the information.

Analyzing materiality at Abengoa

For the sixth year in a row, Abengoa conducted a **materiality analysis** in 2013 in line with the requirements of the GRI G4 Guide⁶. This process involves examining issues of relevance to Abengoa's stakeholders (external perspective) and those that are relevant for company business (internal perspective). Making use of both perspectives is essential in upholding the **principle of inclusivity** defined under the AA1000AS (2008) Standard.

Furthermore, the distribution of these matters along the company value chain was also taken into account in the 2013 analysis. In other words, the importance for the company of issues deemed to be of material relevance for stakeholders was analyzed while also taking into consideration the entire value chain in order to factor in what is relevant as well as where it is relevant.

The following sources were taken into account in drawing up the list of material issues for stakeholders:

- **International reporting standards**, primarily the GRI and AA1000AS (2008).
- **Best practices analysis of the leading companies** in the fields of energy and environment.
- **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 make up a set 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 this purpose.
- The **press and media**, by analyzing press coverage and **presence** of Abengoa. This enables the company to identify CSR-related aspects that received the most attention from the media.
- **Endorsers**. 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 were examined.
- Questions and recommendations put forward by the **Independent Panel of Experts on Sustainable Development (IPESD)**.

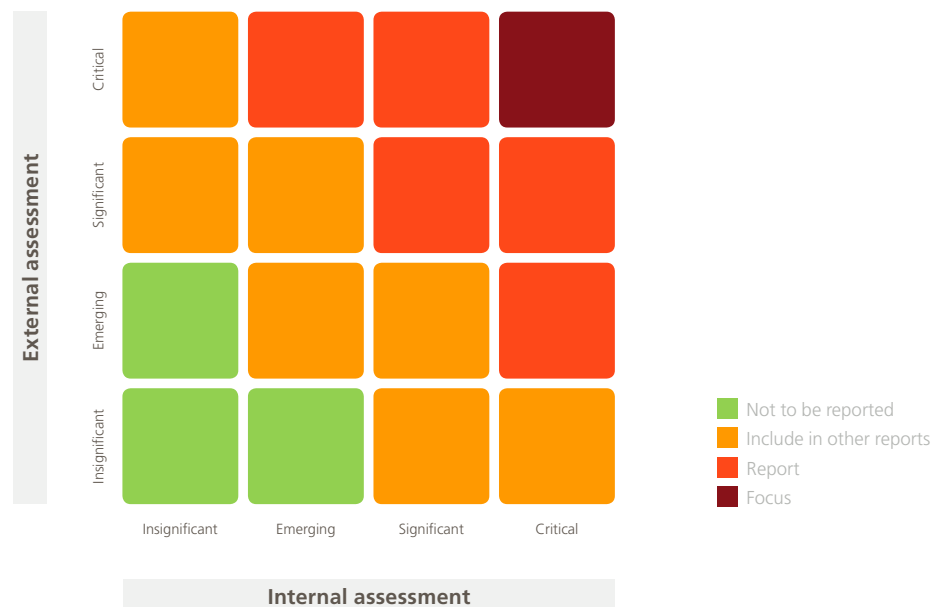
Note 6 Abengoa's CSRR 2013 was prepared in line with Version 3.1 of the GRI Guide; however, in order to progressively adapt the report's structure to Version 4 guidelines, the materiality procedure was carried out based on the new guide.

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- **Interviews with stakeholders:** the company has taken into account the main topics that emerged 13 through 22 interviews with stakeholders selected by Abengoa's Committee on Relevant Matters⁷.
- **Internal committees** on relevant matters attached to the different areas of the company.
- Analysis of the results of the **CSR risk assessment** process implemented at 52 Abengoa facilities in 2013.
- **Historical record** of aspects addressed by Abengoa in previous reports: material matters identified in previous reports.

And in order to analyze internal perspective and determine which matters are relevant for company business (the complete value chain) a **committee on relevant matters** was set up, comprising 14 employees representing different areas of the company and chaired by the director of Corporate Social Responsibility. The committee verified the company's value chain and assessed material issues for stakeholders (external perspective) and those it deemed to be material for the company and other components that make up the value chain.

Once the evaluations of both perspectives have been obtained, the results are presented using a matrix that enables us to determine which matters need to be reported in the CSRR and which do not.



Issues deemed to be more material or critical are found in the **"Focus"** area and must be **analyzed** in greater depth in the CSRR. Those found in the **"Report"** area should also be included in the report. In both cases, monitoring indicators have also been devised to enable the company to oversee their evolution over time.

Note 7 The remaining interviews were held after the RMD (PAR in its Spanish acronym) was carried out for this reason were not included as a source for the list of stakeholder relevant issues.

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In the materiality analysis conducted in 2013, 14 issues were considered to be materially relevant, 3 of which were flagged as critical.

Critical issues (Focus)

Issues	Monitoring indicators ⁽¹⁾
Financing	G4-EC4
Corporate Governance	G4-LA12, G4-34, G4-38, G4-39, G4-38, G4-37, G4-49, G4-53, G4-51, G4-41, G4-40, G4-56, G4-45, G4-47, G4-44, G4-35, G4-36, G4-42, G4-43, G4-46, G4-48, G4-50, G4-52, G4-54, G4-55.
Need for a stable legal framework (associated with the sector and geographical locations where Abengoa operates)	G4-PR2, G4-PR4, G4-PR6, G4-PR7, G4-PR8, G4-PR9, G4-SO2, G4-SO7, G4-SO8, G4-EN29.

(1) Indicators corresponding to [GRI4 guidelines](#).

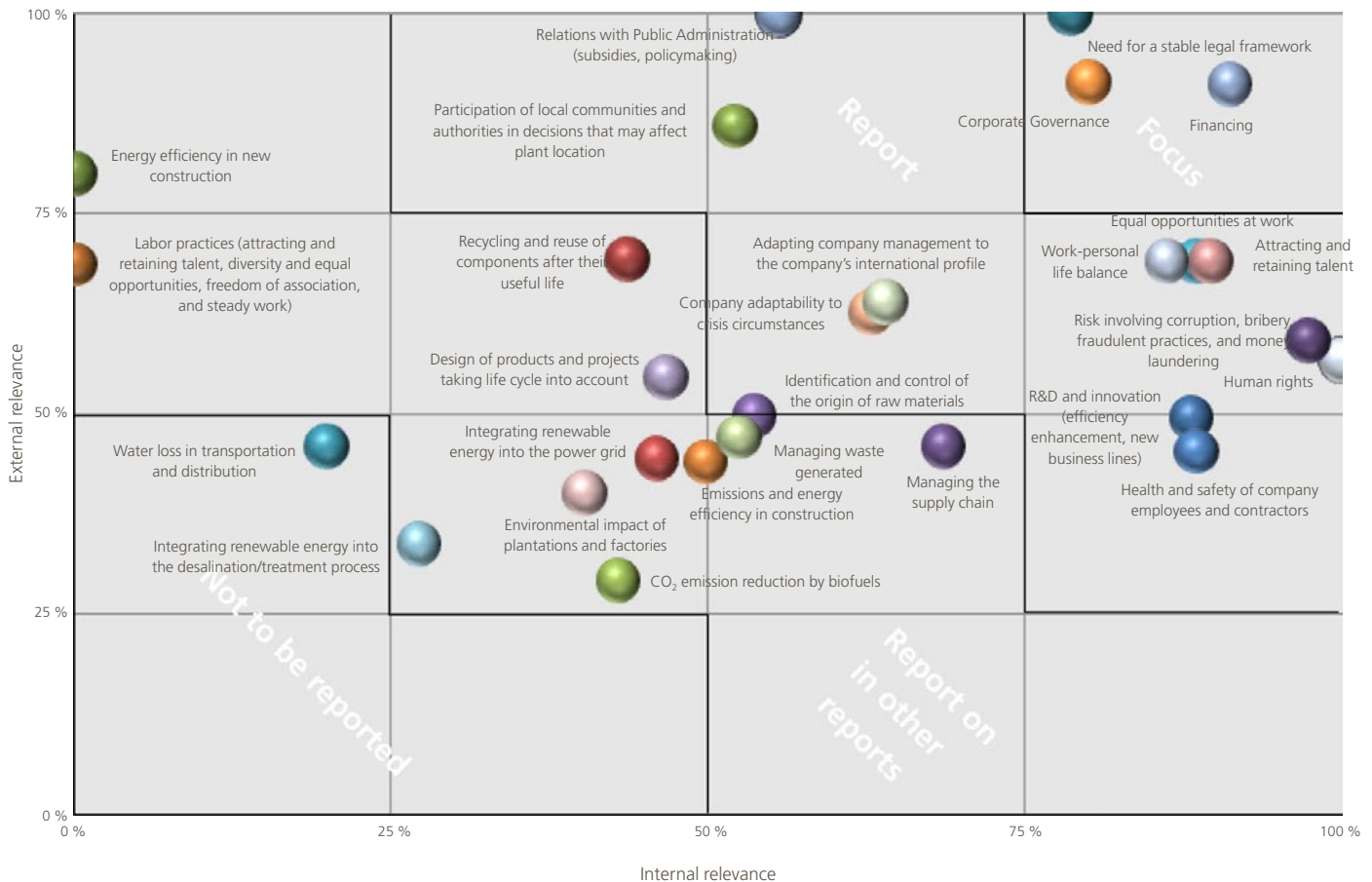
Significant issues (Report)

Issues	Monitoring indicators ⁽¹⁾
Human Rights	G4-HR1, G4-HR2, G4-HR3, G4-HR4, G4-HR5, G4-HR6, G4-HR7, G4-HR8, G4-HR9, G4-HR10, G4-HR11 and G4-HR12
Adapting company management to the company's international profile	G4-4.1
Risks involving corruption, bribery, fraudulent practices and money-laundering	G4-SO3, G4-SO4, G4-SO5, Analyses conducted to meet FCPA compliance (Included in the Responsible Management Balance Sheet)
R&D and innovation	ID1, ID2, ID3_4 (Included in the Responsible Management Balance Sheet)
Attracting and retaining talent	G4-LA10 and G4-LA9
Health and safety of company employees and contractors	G4-LA6 and G4-LA8
Company adaptability to circumstances tied to the economic crisis	G4-1, G4-2, G4-4 and G4-8
Personal work/life balance	G4-LA2, G4-LA6 and G4-LA3
Equal opportunities in the company environment	G4-LA13 and G4-HR3
Participation of local authorities in plant location	G4-SO2, G4-HR8 and G4-SO1
Relations with Public Administration	G4-37, G4-49, G4-53, G4-24, G4-EC4, G4-2 and G4-EC2

(1) Indicators corresponding to [GRI4 guidelines](#).

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Relevant issues in 2013



Verification of this report

Abengoa has instruments in place for capturing and computing information that enable the company to gather reliable and consistent data in real time. As a product of the **Integrated Sustainability Management System (ISMS)**, Abengoa is able to **determine** the environmental, social and economic **impact** of company activity in the areas and locations where it operates.

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 detect, prevent 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.

As part of the ISMS, which is the application used to manage and report most of the information contained in this report, the Corporate Social Responsibility management system has its own control systems which supplement those already in place in the data source systems to ensure information reliability and consistency.

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In addition, in 2009 Abengoa created a specific area for internal auditing of non-financial information tasked with conducting regular periodic internal controls to guarantee the effectiveness and efficiency of the company's sustainability information. The system 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 are carried out on an annual basis:

- **Exhaustive corporate audits:** verification of the corporate social responsibility indicators, the Greenhouse Gas Inventory and the degree of systems implementation.
- **Monitoring and follow-up visits:** reviewing quality, environment, prevention, GHG Inventory, Labor Social Responsibility (LSR) and Corporate Social Responsibility systems.
- **Internal audits** from the business units.
- **Review and control** from the **companies**.

The CSRR was prepared in accordance with Version 3.1 of **the Global Reporting Initiative Guide**, with an **A+ level** of application as self-declared by company management, which was confirmed by the Global Reporting Initiative (GRI), having evaluated this report in its entirety.

As an independent external verifier, the firm, KPMG, reviewed the application of the **AA1000 APS (2008)** Standard, with a **reasonable level of assurance** as well as the answers given to IPEDS, the main and supplementary indicators reported in the CSRR and the Responsible Management Balance Sheet, 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 verification report provides a detailed description of the scope of the work conducted and the resulting conclusions. The method followed in the review was defined in accordance with the ISAE 3000 Standard.

The Greenhouse Gas (GHG) Inventory was verified in 2013 in accordance with the specific requirements set forth in Section 7.3 of the **ISO 14064-1 Standard**. The report was verified by means of a systematic, independent process documented by Aenor, with a reasonable level of assurance.

In addition, aslo has been reviewed the coherence of Abengoa's Integrated Sustainability Management System (ISMS) with the ISO 26000:2010 guide criteria.