



ABENGOA

Innovative technology solutions for sustainability

Annual Report 2014

02 Corporate Social Responsibility



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01
A message
from our
chairman



G4-1, G4-2

In 2015, environmental concerns will continue to be at the center of attention worldwide in a climate of progressive recovery from the economic and financial crisis. This will contribute to continued growth of Abengoa's potential markets and opportunities. According to the International Energy Agency, the global demand for energy will rise by 37 % to 2040, and this year's global energy supply will come in equal proportions from oil, gas, coal and low-carbon sources. In the midst of serious tensions affecting the international energy system as the result of conflicts in the Middle East, Russia and the Ukraine, the electrical power generation sector will lead the transformation of the world energy map, where renewables will prove the drivers of change. Renewable energy sources will represent nearly half of the increase in electricity generation until 2040 and biofuel use will triple. The water sector will continue to be characterized by shortages and the need for major improvements in water infrastructure and management. The report published by Global Water Intelligence indicates an anticipated 3.9 % increase per annum until 2018.

The environmental challenges facing the world today remain pressing. Putting the brakes on rising temperatures and cutting greenhouse gas emissions continue to be prevailing objectives, as described in the latest report from the IPCC (Intergovernmental Panel on Climate Change). This is a huge responsibility that is shared by all of the world's economies. At the Conference of the Parties (COP-20) held in Lima, a draft agreement was drawn up for signing in 2015 at the decisive Paris conference: an international gathering that will set out a new Kyoto Protocol, which should emerge as a momentous milestone in the struggle against climate change.

All of these trends are fully in concert with the Abengoa philosophy and facilitate the forward-looking prospects of the portfolio of opportunities which the company has been making the most of as the product of its commitment to technology and solid position in the markets.

Felipe Benjumea Llorente



Over the course of 2014, Abengoa succeeded in executing the envisaged strategic plan, and the company's technological advancements led to the completion of highly innovative projects such as the Solana solar plant with energy storage capability located in the Arizona desert and the KaXu facility in South Africa, and new contracts that include the Atacama molten salt tower in Chile. At the same time, we have expanded the project map to include new regions like Costa Rica and Colombia, while maintaining our position of leadership in the U.S., Brazil, South Africa, Chile, Peru and Uruguay.

The essential role Abengoa attributes to the team of people who make up the company was recognized with the awarding of the +500 EFQM Gold Seal for European Excellence for our management of human resources. We obtained a score of over 600 points.

We know that the future depends on the creativity of the present, which in turn depends on the training and engagement of the people that are part of the company. Keenly aware of this, we carried out more than two million hours of training this year. Many of these training instruction hours took place in collaboration with some of the most prestigious universities in the world.

Constant concern for the safety and security of our teams and operations around the world is part of our corporate culture, which results in a demanding system of quality and occupational risk control and prevention on all company levels.

In keeping with our commitment to transparency and rigor, the Annual Report incorporates seven components of independent verification. Some are groundbreakers and attest to our desire to be a point of reference in transparency and ensure the reliability of both financial and non-financial information. These components encompass the following areas: annual accounts, the internal control system for preparing financial information in accordance with U.S. SOX (Sarbanes-Oxley) requirements, the Corporate Social Responsibility Report, the Corporate Governance Report, design and application of the company's Risk Management System in line with ISO 31000 specifications, design and implementation of the

compliance system for the prevention of corruption regulations and fulfillment of the criteria for use of funds obtained through Green Bond issuance.

As a product of our commitment to responsible business management, we have drawn up a new Strategic Plan for Corporate Social Responsibility (CSR), with an outlook to 2020 and including impact reduction targets.

In relation to the struggle against climate change, this year we were one of the first twenty businesses to commit to setting an internal carbon price within the United Nations Caring for Climate framework with the aim of gearing company activity toward a low-carbon economy. In addition, through the Focus-Abengoa Foundation, we carried out the initiative of launching the Energy Transition and Climate Change Forum, a platform for observation, analysis and debate regarding the energy transition process within the context of combating climate change.

In 2014, we became a component of the London Benchmarking Group in order to continue to improve return on our social engagement efforts and increase the value generated in the communities where we operate. This year, our investment in social action totaled € 9.5 M.

This report was prepared for the first time in accordance with the G4 guidelines of the Global Reporting Initiative and was verified by an independent third party to a reasonable level of assurance.

With these intentions, you will find the following at your disposal: the Corporate Social Responsibility mailbox (csr@abengoa.com), our website (www.abengoa.com), the Energy Transition and Climate Change Forum website (www.transicionenergeticaycc.org), our profile on Twitter, LinkedIn, Instagram, Facebook, Google +, Youtube, Pinterest and Slideshare and our corporate blog (www.theenergyofchange.com).



For more information visit:
www.abengoa.com



02

About this report



G4-28, G4-29, G4-30, G4-32

Principles governing this report

This now the twelfth straight year in which Abengoa has published its Corporate Social Responsibility Report (CSRR). This report describes the company's main **activities** and **impacts, strategy and business model**, changes in its **scope** and structure, as well as **goals** and **challenges**. The CSRR was prepared this year in accordance with the directives set out in the Global Reporting Initiative (GRI) **G4 Guidelines**¹ in line with the exhaustive option (**exhaustive**). Abengoa also adheres to the principles of the Accountability **AA1000 APS**² (2008) standard and is committed to furthering and upholding the ten principles of the **United Nations Global Compact** governing the company's performance, activity and strategy.

Additionally, the company continues to work toward improving its report, including new **reporting frameworks** that may bring added quality and new contents to the information published. For this reason, Abengoa progressively incorporates aspects defined by the International Integrated Reporting Council (IIRC)³. The report presented here now includes specific contents pertaining to this reporting framework, such as the information contained in the chapter titled "Business Model" on the company's operating mechanism and activities, or the description provided in "CSR Strategy" regarding the connection that exists between strategy and the definition of report content and focus based on the challenges facing the company.

Note 1 GRI4 (guidelines): [new guidelines published by the Global Reporting Initiative](#) for the preparation of sustainability reports.

Note 2 AA1000 AS standard: international standard for sustainability assurance based on the principles of inclusivity, relevance and responsiveness.

Note 3 International integrated reporting council (IIRC) organization founded in 2010 for the purpose of preparing the Integrated Reporting guide, aimed at integrating financial and non - financial information into the annual reports of corporations. [\(+info\)](#)

Independent Panel of Experts Sustainable Development Recommendation 2014

Materiality assessment

"The most precise definition possible of those issues which have the greatest environmental, social and governance (ESG) impact should form the basis for Abengoa's sustainability strategy and policies.

While the identification of internally generated material issues is again well described, the weighting of issues from external stakeholders is less clear. Additionally, given Abengoa's strong presence in Latin America, there are no specific references to key regional issues or related stakeholder input.

The three focus areas identified in the 2013 Report of Financing, Corporate Governance and the Need for a Stable Legal Framework are not explained in terms of their ESG impact. They contrast strongly with the Chairman's statement which highlights climate change, energy efficiency and renewable energy growth as top issues for the company. Indeed the latter areas reflect expected stakeholder concerns for an engineering and construction company with strong activities in water and waste management and solar power. Abengoa is strongly encouraged to set out its longer term vision of how to achieve these fundamental goals and what risks and opportunities exist in the near and medium term future?."

Reporting Framework

"The criteria used in preparing the CSRR 2013 are clearly laid out but by including "full coverage" under the completeness category, the focus on key ESG material issues becomes lost in the length of the report. Following the above three issue categories the CSRR could be greatly improved by:

- › Concentrating on the key issues determined via the materiality assessment.
- › Stating the key sustainability policies and the performance indicators used to measure them.
- › Reporting on achievements against set targets as the process of accountability by the company to its sustainability commitments.

Where material issues and related targets have been determined by region, sector or unit of business, as opposed to the company as a whole, performance reporting should be differentiated accordingly."

G424, G425, G426, G427

Principles underlying report content

Principle	Who defines it?	How is it defined?	How does Abengoa apply it?
Inclusivity/ Stakeholder engagement	AA1000 (APS)/ GRI	This refers to the manner in which the company considers stakeholder engagement in designing and developing its strategy.	<p>Abengoa addresses stakeholder engagement⁽¹⁾ at all company levels:</p> <ul style="list-style-type: none"> > In designing company strategy and while preparing the Strategic CSR Plan (SCSRP)⁽²⁾. > In the course of company activity through the different consultation channels in place⁽³⁾. > In preparing the CSRR, including the recommendations of the Independent Panel of Experts on Sustainable Development (IPESD)⁽⁴⁾ and through the consultation processes carried out as part of the procedure for determining materiality. <p>With the aim of bolstering these consultation processes, the company directs ongoing efforts toward enhancing the consistency and homogeneity of its communications throughout the organization.</p>
Relevance/ Materiality	AA1000 (APS)/ GRI	The company should provide information that is relevant to its stakeholders, meaning information that influences stakeholder decisions and which has an impact on company business.	<p>As described later on in this same chapter, the company performs annual consultations among its stakeholders, thus enabling the materiality analysis to be updated accordingly.</p> <p>Abengoa also intends to conduct deeper analysis in the coming years of the information related to the most relevant topics according to geographic regions and the risks associated with each territory.</p>
Responsiveness	AA1000 (APS)	This refers to the way an organization addresses stakeholder issues that may affect the organization's sustainability performance.	<p>In addition to the responses provided to stakeholders through the channels the company has in place for this purpose, Abengoa considers its CSRR as a key instrument in addressing stakeholder concerns. The report provides in-depth coverage of the issues deemed most significant by company stakeholders and by the Independent Panel of Experts on Sustainable Development (IPESD), and includes a sustainability scorecard; the Responsible Management Balance Sheet (RMBS), whose contents include the most relevant CSR indicators.</p> <p>The company uses the RMBS to disclose its targets in terms of impact and performance for the RMBS indicators on the 2020 horizon.</p>
Sustainability context	GRI	The CSRR should present the organization's performance in the wider context of sustainability.	To continue moving forward in this direction, Abengoa has geared its CSRR toward explaining how the company responds to the global challenges facing today's society. The report also describes how, through company activity and performance, Abengoa seeks to minimize the negative impacts and maximize the positive impacts deriving from company operations.
Completeness	GRI	The report should include topics reflecting the company's main impacts in the realm of CSR and their corresponding degrees of coverage.	For the past two years, Abengoa has engaged in the exercise of identifying relevant issues and their level of coverage. To this end, the company has taken into consideration its entire value chain (from suppliers to customers) in its process of prioritization and has begun to include the main regions in which the company operates at each point along the chain.

(1) The chapters titled "Access to financing", "Talent for business success" and "Connecting with the social environment" describe the company's main stakeholders.

(2) Further information in the chapter titled "CSR Strategy".

(3) Further information in the chapter titled "Connecting with the social environment".

(4) Independent group of experts on different areas of sustainability that evaluates Abengoa's Corporate Social Responsibility performance and strategy on an annual basis.

Principles underlying information quality

Principle	Who defines it?	How is it defined?	How does Abengoa apply it?
Balance	GRI	The report should reflect positive and negative aspects of the organization's performance.	Abengoa continues to work toward providing the information (both positive and negative) derived from company management processes. Additionally, as a way to ensure transparency, the company voluntarily undergoes evaluation by the IPESD.
Comparability	GRI	The organization should select, compile and disclose information systematically in order for the information to be comparable with other organizations and to show company evolution over time.	Indicators deemed most relevant by the company are reported so that information can be compared with that reported by its main competitors. Additionally, the report presents comparative data for the past three years to provide readers with historical information on the company's performance.
Accuracy	GRI	The reported information should be sufficiently accurate and detailed for stakeholders to assess the organization's performance.	The independent review this report has undergone ensures the accuracy of the quantitative data, and provides assurance of proof and suitable context for the qualitative information included.
Timeliness	GRI	The organization should present its CSRR on a regular schedule so that information is available in time for stakeholders to make informed decisions.	Abengoa publishes its CSRR each year in February. Additionally, together with its financial information, the company publishes key indicators in the area of CSR on a biyearly basis (Responsible Management Balance Sheet). These indicators are verified by an independent third party as part of the company's commitment to providing up-to-date information to its stakeholders.
Clarity	GRI	The organization should make information available in a manner that is understandable and accessible to stakeholders.	Given the complexity of its business, the company has made efforts this year round to showing its activity in as clear and effective manner as possible, using simple and understandable language.
Reliability	GRI	The organization should compile, analyze and disclose information and processes used in the preparation of the CSRR such that they can be subject to examination under quality and materiality criteria.	As an indication of the reliability and internal control in place in the organization's reporting systems, the company is among the few Ibex 35 companies to have reviewed its CSR indicators with a reasonable level of assurance.

G4-13, G4-17, G4-18, G4-22

Scope of the information included in CSRR 2014

Unless specified otherwise in the text or in the data reported, all information and all performance indicators included in the CSRR refer to **activity conducted in 2014** by the **companies under the control** of Abengoa (reflected in the annual accounts) when this has a social, environmental and economic **impact both within and outside the corporation's perimeter**. So as to ensure the information reported can be compared, data for previous years has also been included. Data for 2012 was recalculated in CSRR 2013 to include comparable data with the exclusion of the Environmental Services business division⁴.

Focusing the report on materiality

In order to identify the issues which are material for Abengoa, the company **has applied the content requirements established** under the **GRI G4 Guidelines in preparing this report**. This guide defines the materiality process as the task of identifying **what is important and where it is important**, which increases the relevance of two variables: the company's **value chain**⁵ and the **main regions** in which the company operates. Abengoa performed a materiality analysis in 2014, lending continuity to the analysis conducted in previous years, while taking both variables into account.

This definition of material information constitutes a **formal procedure** adhered to by the company in its CSR management, which also enables it

to detect information that has sufficient relevance to be included in the CSRR, information that should be published on other media (such as the corporate website), and information which is not relevant.

The process got under way by taking the issues determined to be relevant in the preceding year and adding in other new issues identified during the external documentation process. The company also paid close attention to public information issued by other competing companies operating in the sectors in which Abengoa operates and the questions posed by the Independent Panel of Experts on Sustainable Development (IPESD). In addition to identifying new topics, the aim of this process is **to focus efforts on delving deeper into the matters** already deemed relevant by the company in order to approach prioritization from different perspectives and progressively adopt different variables, such as the components that make up the company's value chain and the regions in which the company carries out its activities.

The next step was to categorize the issues raised based on their importance for a company such as Abengoa (sector). A methodology was also developed to enable the company to perform **external and internal prioritization** of the list of previously identified issues.

External prioritization was carried out by analyzing the information deemed important by different endorsers and opinion creators, taking into account the influence of each topic in the **decision-making process of the company's stakeholders**, analyzing the requirements of investors, who take into account environmental, social and governance aspects, and examining the reputational crises arising in 2014. In selecting endorsers for consultation, the different **sectors of company operation** (water, energy and construction) were taken into consideration. In total, priorities were established based on 20 organizations.⁶

Note 4 The Environmental Services business division was sold in July 2013.

Note 5 Value chain: The series of actions and activities that make up a company's productive process, encompassing both the organization itself and agents involved in the life cycle of the products and services the company offers to the market

Note 6 Direct interviews and documentation analysis were carried out.

Also taken into account were the **stakeholder channels** the company has in place (including customers, investors, suppliers and local communities).

Internal prioritization was carried out with diversity criteria in mind –in terms of responsibility, region and gender– at the annual meetings held by the Committees on Relevant Issues at Abengoa.

These committees are made up of employees from all areas of management of non-financial information considering diversity criteria — both responsibility as geographic and gender —. During these committee meetings, assessments were made regarding the importance in terms of impact on the business of each matter at the different points along the value chain.

Phase I: Identifying relevant issues

Based on examination of materiality from the preceding year, issues defined by the IPESD, issues included in the SCSR, matters defined by SASB ⁽¹⁾ and those analyzed in Phase II.

Phase II: External assessment of relevant issues

External identification and prioritization of issues and interviews held with endorsers.



Phase III: Internal prioritization of issues

Prioritization of relevant issues by the company's management team.

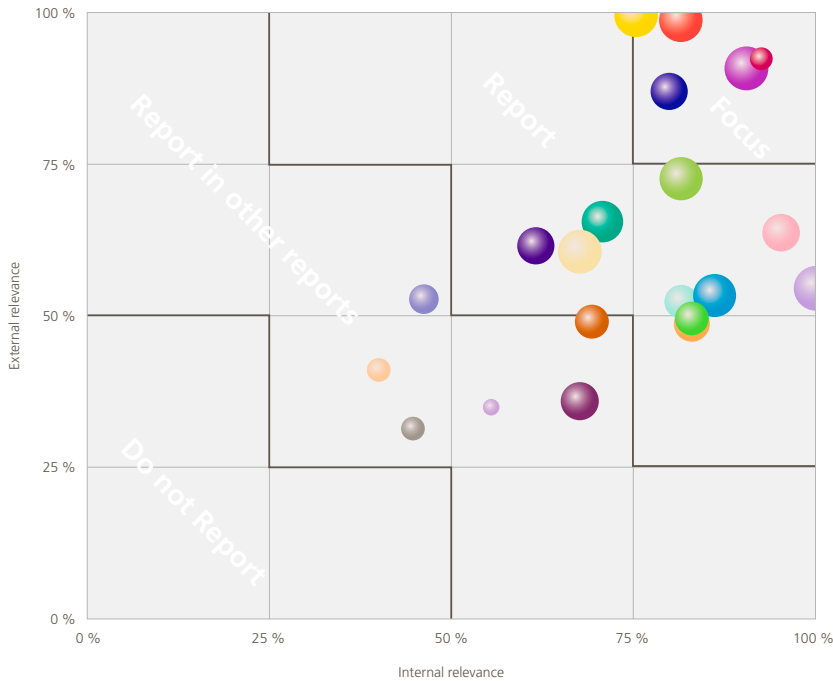


Ongoing process of change to assess the relative importance of issues within the value chain and the regions in which the company operates.

(1) SASB: Sustainability Accounting Standards Board.

G4-19, G4-20, G4-21, G4-23

The diagram shows the **results obtained from internal and external prioritization**. This provides the basis for determining the topics on which exhaustive information (“**focus**”) ⁷ must be included in the CSRR (“**report**”), and indicates **the number of times that each matter impacts the components of the value chain**, which is represented by the size of the spheres. The company continues to work on **identifying the main geographies** in which the “focus” issues bear greater relevance.



Shown below is the internal relevance assigned to each issue at each point along the value chain.

	Relevance	Impact in the value chain
● Communication with the investor community	Focus	2
● Reliability in upholding our commitments	Focus	7
● Risk of corruption, bribery, fraudulent practices and money-laundering	Focus	7
● Need for a stable legal framework	Focus	6
● Adaptation of the company to the environment in which it operates	Focus	7
● R&D and innovation (efficiency improvements, new lines of business)	Focus / Report	7
● Attracting and retaining talent	Report	5
● Financing	Report	7
● Relations with Public Administration	Report	6
● Women in senior management positions	Report	5
● Corporate governance	Report	5
● Climate change	Report	7
● Health and safety of company workers and contractors	Report	2
● Working conditions: work-family life balance, equal opportunities at work, professional development, etc	Report	5
● Product and service quality	Report	7
● Communication with local communities	Report / Report in other reports	4
● Human rights	Report / Report in other reports	5
● Identification and control of the source of raw materials	Report / Report in other reports	1
● Water: efficiency in water use, purification and treatment	Report / Report in other reports	3
● Biodiversity	Report / Report in other reports	2
● Reducing waste generation	Report / Report in othe reports	2

Note 7 Upper right quadrant of the diagram.

Process and functions of the Independent Panel of Experts on Sustainable Development (IPESD)

Since 2007, the company has engaged each year in a voluntary **exercise** aimed at **further transparency** by undergoing the evaluation of an **Independent Panel of Experts on Sustainable Development (IPESD)**.

During this process, the company works continuously in conjunction with the panel so that each evaluation brings greater added value to the company rather than carrying out a mechanical or systematic assessment process. Therefore, in 2014, the IPESD opted for assessments **focused more on the company's CSR policy** and performance in lieu of doing so on the basis of the information published in reports from previous years.

At a personal meeting held in Madrid, Abengoa presented the members of the panel with its responses to each of the recommendations issued by the panel.

The recommendations of the IPESD are included in pertinent chapters throughout this report and indentified as follows: "2014 Recommendation of the IPESD".

Additionally, the Recommendation Report prepared by the panel based on the analysis sessions conducted can be found in both Appendix E and on the Abengoa website.

Corporate Social Responsibility Management System

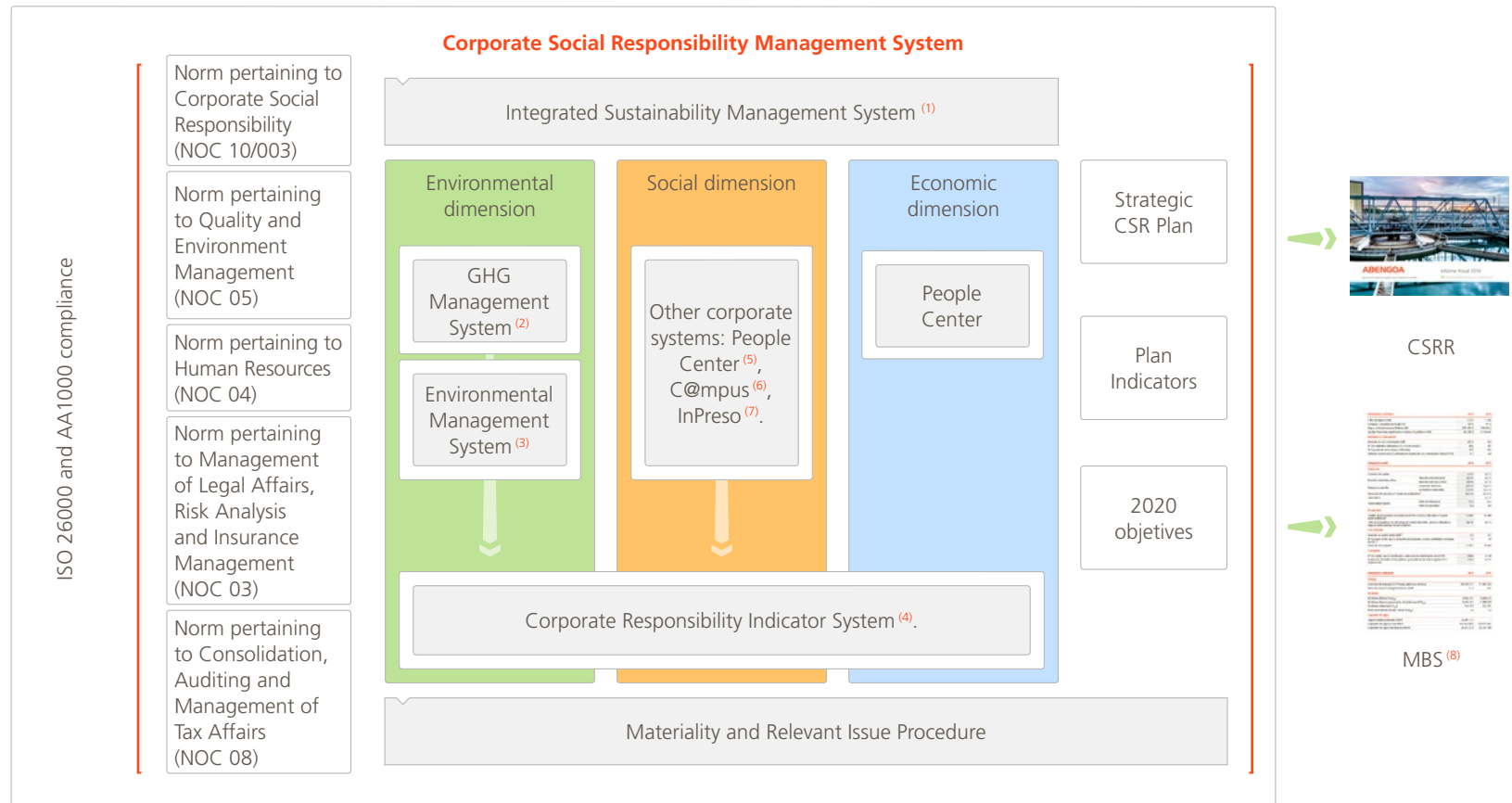
Abengoa's Corporate Social Responsibility Management System⁸ is intended to provide information control to facilitate responsible management that seeks to minimize the negative impacts associated with company operations, while increasing the positive impacts derived from company activity. The system is grounded in Abengoa's mission, vision and values and encompasses policies defined by the company as well as the public commitments undertaken throughout the company's history. Additionally, this system was designed in accordance with the international ISO 26000:2010⁹ standard and alignment to the standard is verified on an annual basis by an independent third party.



Note 8 Social Responsibility Management System: covering indicators of relevance in managing company performance in the three CSR areas (social, environmental and economic).

Note 9 ISO 26000: international standard which provides performance guidelines for all types of organizations in areas related to social responsibility, the environments, human rights and consumer rights.

Below is a description of the different components that provide input to the system:



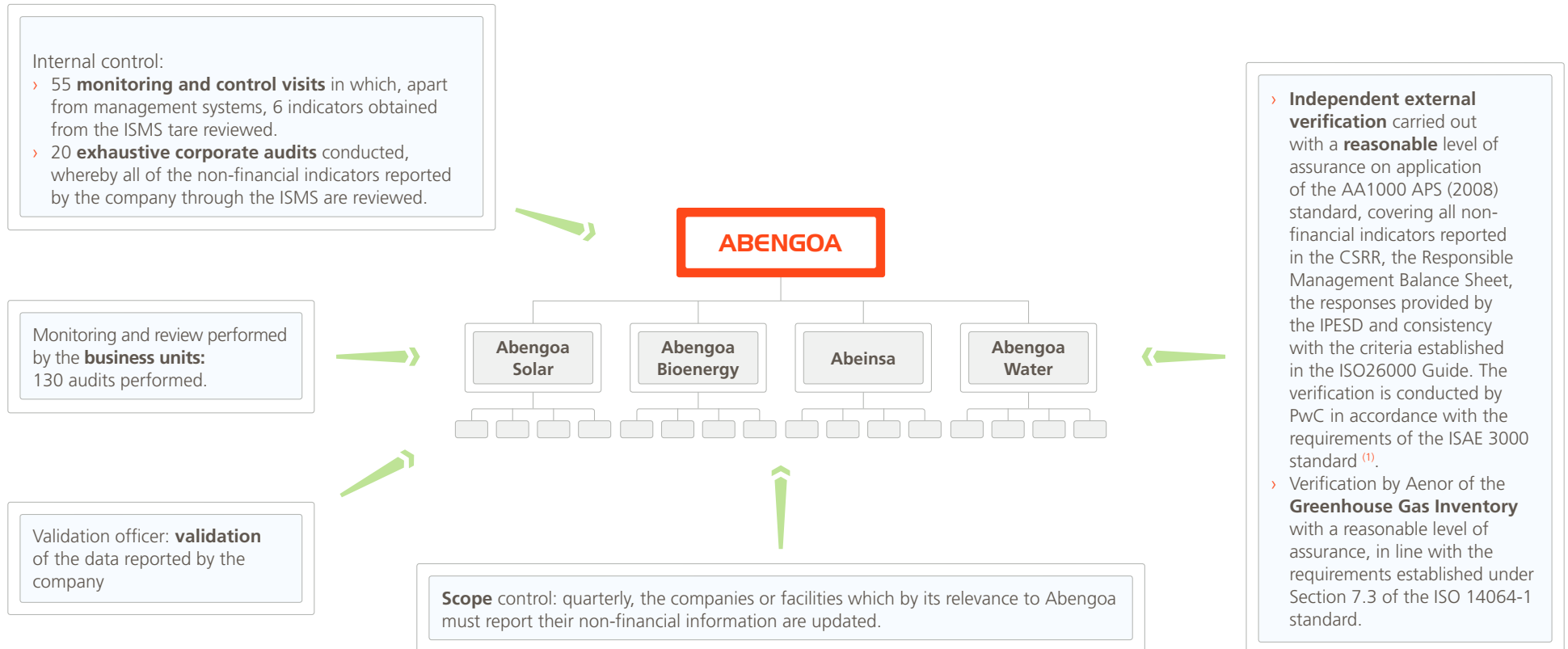
- (1) Integrated Sustainability Management System: computer tool enabling management of the company's non-financial information through subsystems.
- (2) Greenhouse Gas (GHG) Management System: managing the GHG emissions associated with Abengoa products and services, including supplier emissions.
- (3) Environmental Management System: managing the facility-level impact of Abengoa operations on the environment.
- (4) Corporate Social Responsibility (CSR) Management System: covering indicators that are relevant for the company in the three dimensions comprising CSR: environmental, social and economic.
- (5) People Center: computer tool that manages all of the information pertaining to employee contracts and payroll.
- (6) C@mpus: used to manage training at Abengoa.
- (7) InPreso: contains information relating to employee health and safety and hours worked.
- (8) Management Balance Sheet.

G4-33

How Abengoa ensures information quality

It is essential for Abengoa **to have reliable and rigorous information readily** available to enable the company to accurately determine the impact of company operations. To this end, Abengoa has devised a set of **internal controls** that are part of the CSR management system which applies to the different tools used for reporting and consolidating non-financial information (including the EMS and GHG systems, among others).

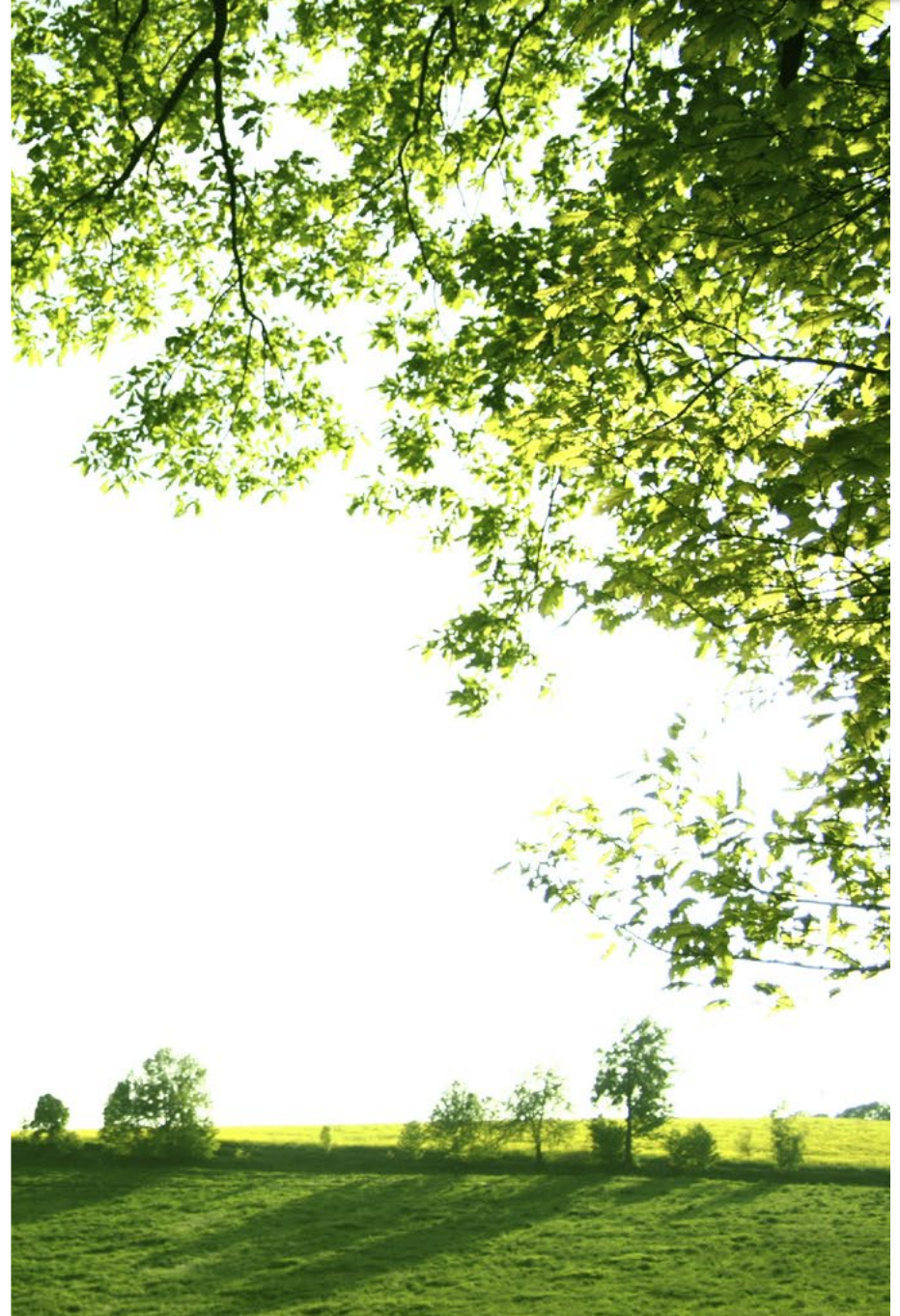
These control mechanisms are overseen by the non-financial internal auditing unit, which is dedicated solely to verifying the information pertaining to the three dimensions of CSR.



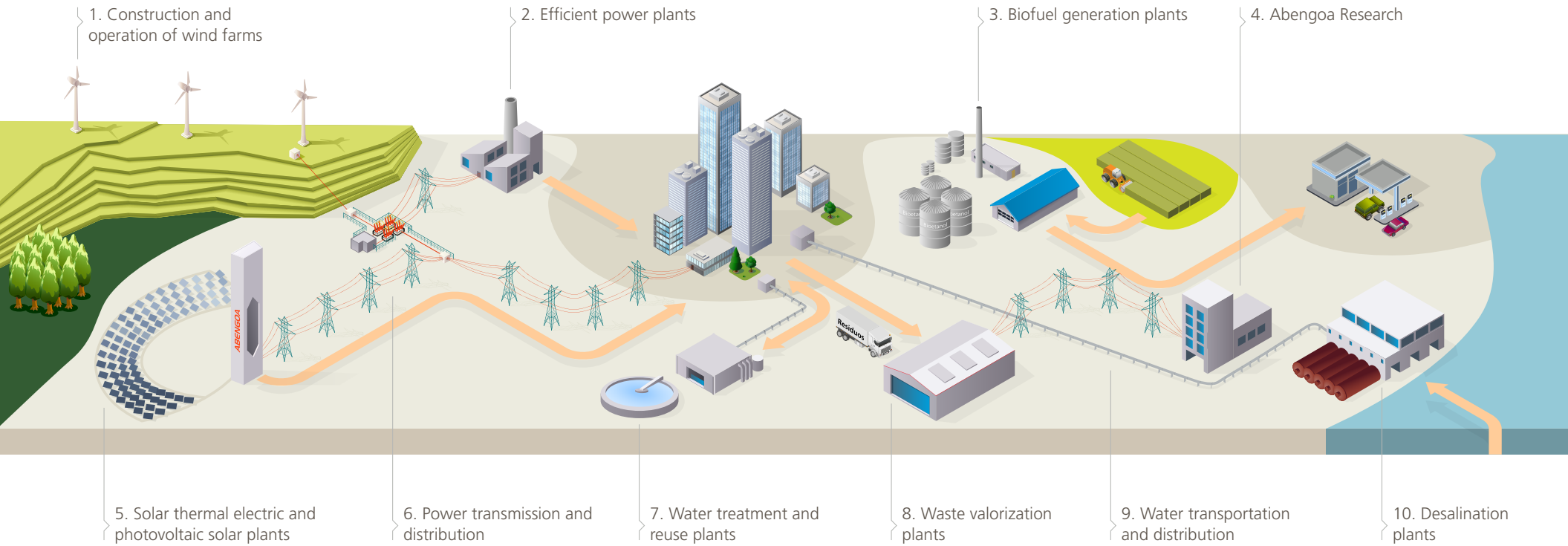
(1) ISAE 3000: Benchmark establishing parameters for the verification of non-financial information.



03
Business
model



G4-3



Abengoa applies innovative technology solutions for sustainability in the **energy and environment sectors**. It meets the basic needs of towns and cities centers and their inhabitants by generating and transporting energy and drinking water, producing biofuels, treating wastewater and valorizing waste.

Abengoa's business focuses on two main activities strongly associated with technology and innovation: engineering and construction, on the one hand, and Operation and Maintenance (O&M) on the other, both including assets awarded under concession and technology-heavy free market business, such as biofuel production.



1. **Construction and operation of wind farms:** Abengoa designs, builds and operates wind farms, which it uses to generate renewable energy. The company had 50 MW of wind power under management in 2014. Abengoa also continued construction of a further 50 MW during the year while developing new projects to boost its operating capacity in the coming years.



2. **Efficient power plants:** Abengoa designs, builds and operates thermal power stations, embracing both combined cycle plants and cogeneration facilities (heat plus electricity). In 2014, the total installed and in construction capacity from combined cycle and cogeneration plants is 2,363 MW.



3. **Biofuel generation plants:** Abengoa builds and operates plants capable of producing first- and second-generation biofuels. The company started up 16 new plants in 2014, while a total of 1,700,913 m³ t of bioethanol and 103,474 m³ t of biodiesel were produced.



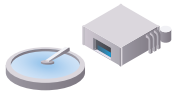
4. **Abengoa Research:** the company's R&D and innovation activity has been consolidated through Abengoa Research, which remains in constant contact with each of the company's business areas. A total of 882 individuals work at the R&D and innovation division, which invested € 597.8 M in R&D and innovation in 2014 and has been granted 312 patents to date.



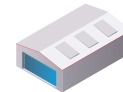
5. **Solar thermal electric and photovoltaic solar plants:** Abengoa designs, builds and operates plants capable of generating electrical power, solar thermal electric and photovoltaic, from the sun. It markets components for solar power plants, O&M equipment and other industrial applications. In 2014, the company commissioned a solar thermal power plant with an installed capacity of 280 MW. Abengoa manages and operates 15 plants in 5 different countries, with a total installed capacity of 1,503 MW. These facilities generated a total of 1,959 GWh in 2014.



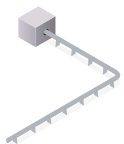
6. **Power transmission and distribution:** Abengoa designs, builds and offers O&M services for power transmission and distribution installations (transmission lines and substations). The company is therefore able to transport the energy generated at renewable and thermal power stations, which tend to be located far away from end consumers. In 2014, a total of 2,375 km of transmission lines were completed and entered into operations. Worldwide, Abengoa has installed up wards of 25,000 km of transmission line.



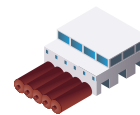
7. **Water treatment and reuse plants:** Abengoa designs, builds and operates water treatment and reutilization plants in order to provide the necessary basic service involving the treatment of water used and reuse or discharge there of under suitable conditions. To date , this technology has rendered the production of over 2 Mm³ of drinking water per day, an amount sufficient to meet the supply needs of more than 10 M people.



8. **Waste valorization plants:** Abengoa designs, builds and operates waste valorization plants to recover the value of both municipal solid waste and forestry waste, either to convert them into other useful products or to generate power.



9. **Water transportation and distribution (pipelines, aqueducts, etc.):** Abengoa designs and builds the installations required to transport water, allowing the valuable commodity to be carried to industrial or urban water treatment, purification or regeneration plants, or to move treated water from desalination plants to towns and cities and industrial facilities. The company brought a further 240 km of water pipeline into service in 2014.

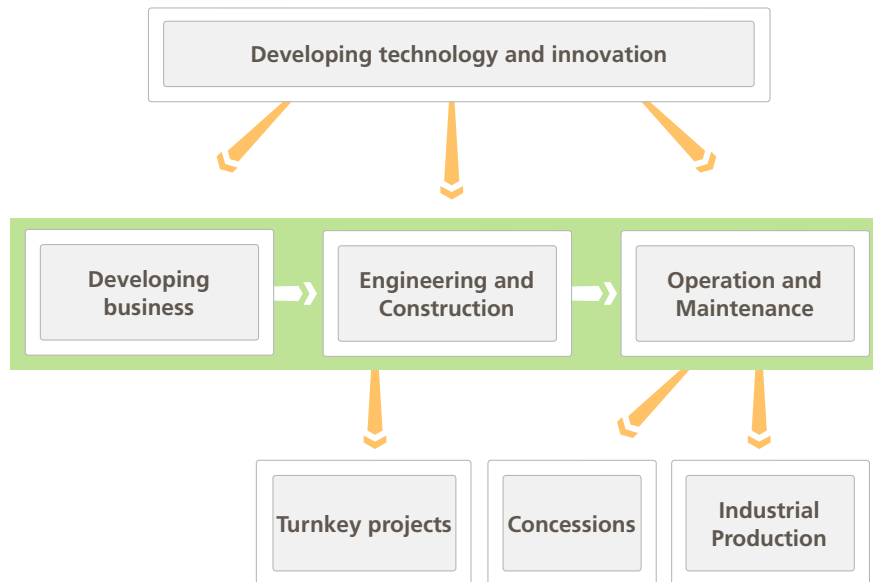


10. **Desalination plants:** Abengoa designs, builds and operates desalination plants to turn seawater and brackish water into water fit for drinking or industrial use. A plant were brought into service in 2014, while the company operated a total of 6. The facilities are capable of desalinating 815 Mm³ of water a day to supply a population of more than 4 M. Moreover, the company has been selected as the partner of [Advanced Water Technology \(AWT\)](#) to develop the world's first large-scale desalination plant to run on solar energy.

G4-14

There are essentially three categories of project development and plant operation:

1. **Turnkey:** Abengoa designs and constructs the facility while the end client handles the operation (carried out by Engineering and Construction).
2. **Concessions:** Abengoa operates the plant over a given period (carried out by Engineering and Construction and Operation and Maintenance).
3. **Industrial production:** Abengoa develops proprietary technology, seeks out business opportunities and designs and constructs the facilities, which are then managed, operated and ultimately owned by Abengoa. Business here tends to focus on the production and sale of both first- and second-generation bioethanol (carried out by Engineering and Construction and O&M).



Technological distinctiveness is our trademark

All of Abengoa's lines of business are heavily based on **technology and innovation**, which are key to the company's ongoing ability to access new markets (geographically and by business). The **main lines of research center on new desalination technologies, developing and improving efficiency at solar power plants and developing catalysts, enzymes and new biofuel production techniques.**

This **technological slant** is an Abengoa hallmark. It enables the company to integrate vertically throughout all its business areas, spanning the entire life cycle of the projects it undertakes. The company is therefore fully capable of developing its own technology (at its six research centers) and making it operational, whether for facilities under concession, industrial production or turnkey projects. A prime example of this commitment to innovation is the high R&D and innovation investment to EBITDA ratio, which stood at 36.6 % in 2014.

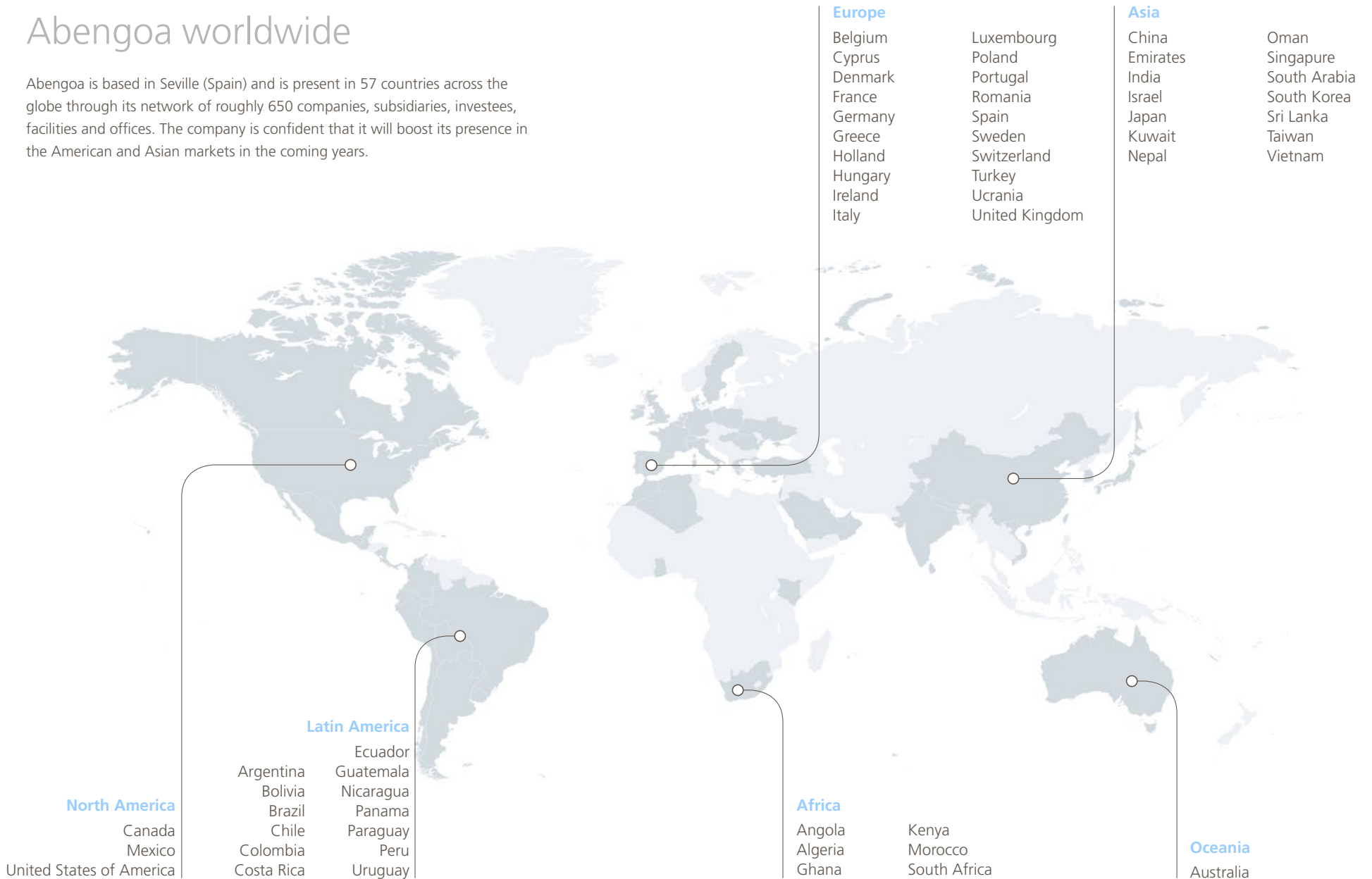
The success of this business model is largely driven by **our human team**, since the company's presence in such a **highly specialized** sector means only the very best professionals will do. Most projects are headed and coordinated by the company's own personnel, who bring the necessary experience and know-how to meet the objectives that have been set.

Abengoa's **sharp internationalization**, around 84 % of turnover generated outside Spain, means that the company seeks out new business opportunities in many different regions worldwide. Moreover, its tireless efforts at detecting and minimizing risk mean that it remains completely in control of any possible contingencies that could affect its projects. The main risks associated with each project are thoroughly assessed from the bidding phase through to project completion.

G4-5, G4-6, G4-7, G4-8

Abengoa worldwide

Abengoa is based in Seville (Spain) and is present in 57 countries across the globe through its network of roughly 650 companies, subsidiaries, investees, facilities and offices. The company is confident that it will boost its presence in the American and Asian markets in the coming years.

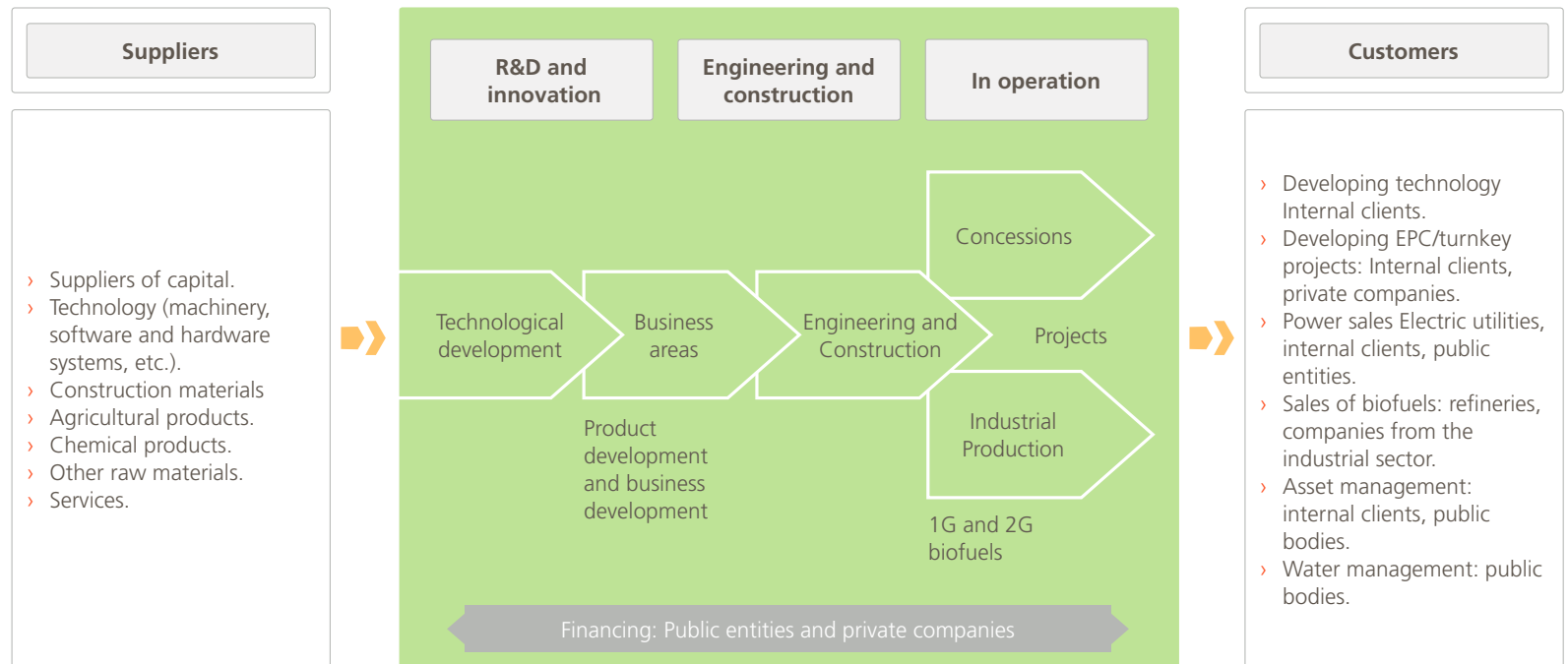


G4-ID1, G4-ID2, G4-ID3, G4-ID4

Abengoa's value chain

In 2013 and 2014, Abengoa flagged the main elements in its value chain to analyze and better understand the impact and influence that each of these can have on its business while also improving transparency so that the company's stakeholders are fully aware of the interactions taking place between the main players involved in the business.

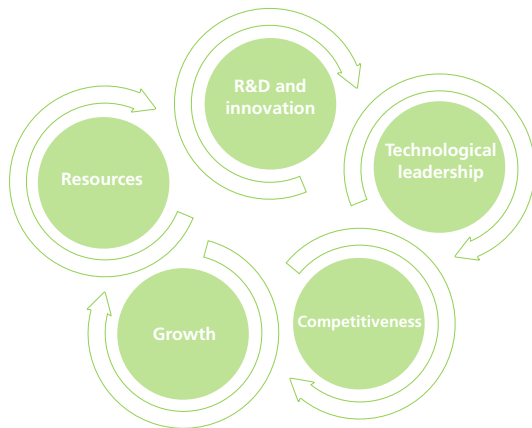
Given Abengoa's complex structure it is very important to map out its value chain. With this in mind, mapping out the chain provides a global picture of Abengoa's activities and how the company works, with the ultimate aim of enhancing competitiveness and offering clients increasingly innovative products.



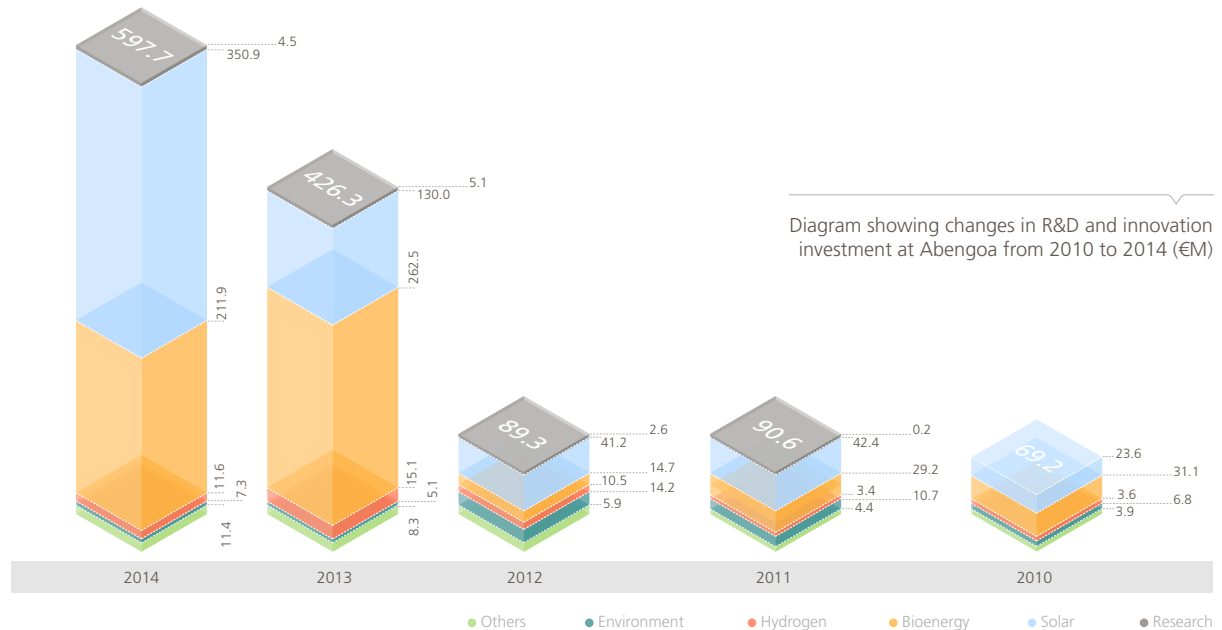
G4-ID1, G4-ID2, G4-ID3_4

R&D and innovation, key to Abengoa's business model

R&D and innovation is Abengoa's main growth driver. It makes the company a leader in technology and affords it a competitive edge against its peers. Technological differentiation as a product of innovation opens up sustainable growth while providing the necessary resources to fuel R&D and innovation activity.



In 2014, the company invested € 597.8 M in R&D and innovation, representing 8.1 % of revenue. Most of this investment was put towards applied research and technological innovation, in line with the company's strategic objectives. The total number of employees involved in R&D and innovation activity stood at 882¹.



Thanks to innovation at Abengoa, numerous patents are applied for and obtained through the company's Patents and Technology Oversight Office, which manages all activities involving intellectual and industrial property rights. At December 31, the company had 312² patents (applied for and granted) since 2008.

Note 1 For more information about the R&D and innovation see Appendix A.

Note 2 Priority patent application.



597.8 M€

R&D and innovation investment

312

patents granted and applied for

882

employees involved in R&D and innovation

Abengoa Research

Abengoa's commitment to an innovation-driven business model branching the entire company prompted the company to centralize its innovation activity in Abengoa Research.

The consolidation in 2014 of Abengoa Research addresses the need to generate science-related synergies between the different research areas and to focus R&D and innovation from a global market-based perspective.

By having a multi-disciplinary R&D and innovation center, the company is able to shift its research focus as needed and base research on areas of knowledge that affect and benefit different areas and divisions of the company to increase the effectiveness and reach of its research activity. Abengoa conducts research in the following fields of technology: thermoelectric and photovoltaic energy, power systems, biotechnology, chemical processes and a simulation group.

This new approach provides not only valuable scientific synergies, but also a much more complete vision of investment in R&D and innovation and the direct return on this investment. It also makes the company more versatile in tackling new challenges and developing future solutions.

R&D and innovation
Campus Palmas Altas
laboratory, Seville (Spain).



New laboratories at Campus Palmas Altas

With the aim of centralizing all research activity at Abengoa Research, the company constructed and opened a number of multi-disciplinary laboratories in 2014 at Campus Palmas Altas, the company's headquarters in Seville (Spain). The facilities have a combined floor area of 2,150 m² and house a team of over 80 individuals, bringing together researchers, doctorate students and highly qualified laboratory technicians, all spread across the following research units:

- › **Thermofluids laboratory:** research at this facility centers on the study of new materials to improve the heat storage and transfer capacities of the salts/fluids used at solar thermal power plants.
- › **Electrics laboratory:** this center explores the interactions between renewable generation plants and the commercial power grid to which they are connected, the aim being to improve and validate new plant control systems and the impact these renewable power plants have on the grid, while also studying how the plants can provide auxiliary services.
- › **Biotechnology laboratory:** engaged in activities related to the development of bioproducts and biofuels, focusing on the improvement of microorganisms that generate compounds valuable for industry and enzymes to generate second-generation (2G) bioethanol or microorganisms for producing high added value bioproducts.
- › **Chemical processes laboratory:** work here is largely focused on developing and characterizing new catalysts for bioenergy applications, such as developing new processes to obtain value added products from lignin, reformers and electrolyzers for the production of hydrogen and, lastly, processes for treating water and eliminating contaminants.
- › **Materials laboratory:** employs techniques to synthesize and characterize new materials. These include materials designed for applications in photovoltaic, solar thermal and water treatment technologies.

Main projects

In 2014, Abengoa secured a large number of new contracts and completed many other projects across the globe. These projects come in many different shapes and forms, illustrating the different areas of business and sectors in which the company operates. Flagship projects for the year included:

Largest solar thermal facility in South America

Abengoa will build a 110 MW solar thermal electric plant employing tower technology and a 100 MW capacity photovoltaic plant in the Atacama Desert, the region receiving the highest solar radiation in the world. The plant is expected **to prevent the release of 870,000 t of CO_{2eq}** per annum.

Smart water management grid spanning 250 km in Turkey

Abengoa will handle the engineering, design and construction of the project, which has been arranged as a turnkey project. The grid will cover close to 250 km and **will serve** the city of Denizli and its population of roughly **half a million**.

World's largest single-axis photovoltaic plant

With an installed capacity of 206 MW, the facility **will generate enough energy for 72,000 households** while **curbing yearly CO_{2eq} emissions by 356,000 t**.

First second-generation biofuel plant

Abengoa unveiled the [first commercial plant capable of producing bioethanol](#) from cellulosic biomass, a huge milestone in terms of innovation since the raw materials or inputs used do not compete

with grain otherwise used for food. The facility is expected to generate upwards of **94 ML of bioethanol a year**.



Hugoton plant, Kansas (U.S.).

World's largest biomass plant

Worth in the region of € 315 million, and boasting an installed capacity of 215 MW of electrical power and 100 MW of thermal power, the plant runs solely on biomass. The facility will supply electrical power to **industrial clients** and thermal energy to heat the **city of Ghent** (Belgium).

G4-56

A business model with responsibility at its heart

The world needs solutions that push towards sustainable development.

This approach shapes the company's mission, vision and values and is the hallmark of Abengoa.

Mission, vision and values

The company's mission, vision and values are directly related to the business objectives it has set itself.

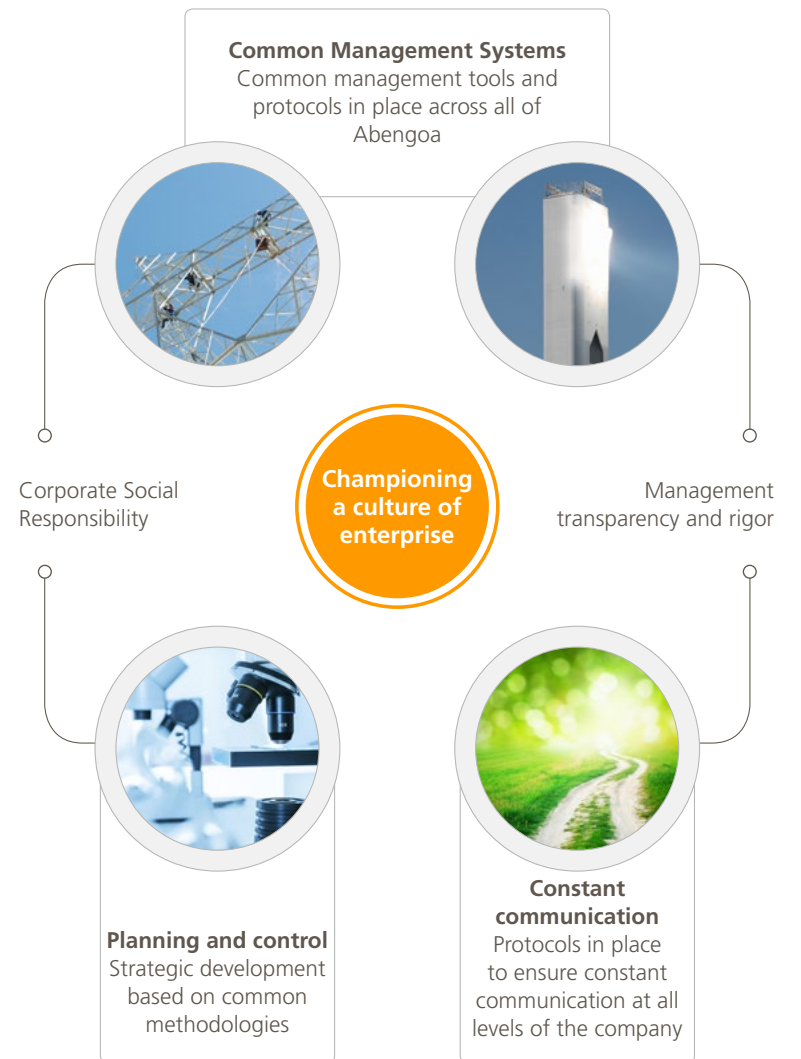
All lines of business operate in strict compliance with these three principles.

Mission: Abengoa is a technology company that applies groundbreaking solutions geared towards sustainable development in the energy and environment sectors. Company management champions a culture of enterprise and is heavily focused on social responsibility and transparency and rigor in management, thus providing long-term value to shareholders.

Vision: Abengoa aims to become an international benchmark in the development of groundbreaking technological solutions geared towards sustainable development.

The company's management and business model are rooted in the following **values**:

- › **Integrity:** Abengoa strives to operate honestly in everything it does, both within the company itself and with the communities in which its presence is felt.
- › **Legal compliance:** each action undertaken by the company must be legally compliant so as to ensure legal security in relation to its work and reduce risks.



G4-15, G4-16 (partial)

- › **Professional rigor:** involvement in and full commitment to all Abengoa activities are essential to the company's ongoing success.
- › **Reliability:** discretion and prudence govern Abengoa's relationships with stakeholders. This is absolutely essential it hopes to forge close ties and improve dialog and relations between the company and its surrounding community.
- › **Quality:** excellence is present in all the products and services the company offers.

Moreover, the company has fully assumed the ten principles of the **Global Compact**.

Global Compact

Since 2002, Abengoa has remained fully committed to the Global Compact of the United Nations, meaning it has undertaken to honor and implement into its business, business model and strategy the [ten principles](#).

Since 2005, Abengoa has been publishing a yearly [Communication on Progress \(COP\)](#) on the Global Compact website to inform its stakeholders of the actions carried out in the last year in relation to implementation of the governing ten principles. The report, which the company is under no obligation to prepare, also identifies the advances and improvements made in comparison to the previous year, making the company more transparent.

In 2014, the Global Compact Network Spain officially [recognized](#) Abengoa for the ten-plus years it has spent collaborating with the Global Compact.



03.1

Management
Balance Sheet



G4-DMA, G4-9, G4-EC1, G4-EC4, G4-EC8, G4-EC9, G4-LA1, G4-LA6, G4-LA9, G4-HR2, G4-HR10, G4-SO1, G4-SO4, G4-EN3, G4-EN8, G4-EN9, G4-EN10, G4-EN15, G4-EN16, G4-EN17, ID1, ID2, ID3, ID4

The Responsible Management Balance Sheet was devised in 2011 for the purpose of grouping together the CSR-related indicators which, due to their relevance, are critical for the company and for its stakeholders. Given their importance, the company carries out more exhaustive ongoing monitoring of such data in order to ensure higher reliability in information management and reporting. This scorecard is verified by an independent third party, and is published twice a year on the Abengoa website and in this report in order to provide information on the evolution of company performance to stakeholders.



The Responsible Management Balance Sheet comprises a selection of the most relevant CSR indicators

Economic dimension	2014	2013
Total revenue (€M)	7,151	7,356
Purchases from local suppliers	76 %	78 %
Payment to the Public Administration (k€)	237,427.5	168,602.2
Significant financial support received from governments (k€)	43,338.8	25,384.4
R&D and innovation		
Investment in R&D and innovation (M€)	597.8	426
R&D and innovation employees	882	781
Patents accumulated and applied for	312	261
R&D and innovation investment effort (R&D and innovation investment/revenues)*100% ⁽¹⁾	8.1	5.8
Environmental dimension		
Energy		
Energy consumption (GJ) (primary, electrical, thermic)	88,696,317	77,485,620
Energy consumption (GJ) / revenues ⁽¹⁾	12.0	10.5
Emissions		
Direct emissions (tCO _{2eq})	3,802,197	3,390,613
Direct emissions from biomass (tCO _{2eq})	3,445,101	2,999,670
Indirect emissions (tCO _{2eq})	747,378	822,691
Direct emissions (tCO _{2eq}) / revenues ⁽¹⁾	1.5	1.5
Water withdrawal		
Desalinated water produced (m ³)	72,381,117	–
Sea water withdrawal (m ³)	161,825,953	170,975,651
Water withdrawal from other sources (m ³)	39,423,280	26,347,289

Social dimension	2014	2013	
Employees			
Job creation ⁽²⁾	1.4 %	0.6 %	
Critical voluntary turnover	Voluntary turnover	6.9 %	4.0 %
	Critical voluntary turnover	0.9 %	0.7 %
Female employees	In management positions	10.9 %	12.8 %
	In middle management positions	21.8 %	23.1 %
Training (hours of training / number of employees)	63.7	47.9	
Absenteeism	2.3 %	2.7 %	
Work-related accidents	Frequency rate	14.2	15.4
	Severity rate	0.2	0.3
Suppliers			
Analysis of suppliers with respect to human rights, laboral practices and environmental risks	12,391	14,389	
Total of high-risk suppliers with respect to human rights, laboral practices and environmental risks that have been audited	8.4 %	9.6 %	
Communities			
Total investment in social action (€M) ⁽³⁾	9.5	9.1	
Countries in which Abengoa operates and has social engagement activities ⁽⁴⁾	17	23	
Volunteering hours	11,521	10,443	
Corruption			
Analysis carried out in accordance with the FCPA ⁽⁵⁾	5,806	4,139	
Employees trained in company anti-corruption policies	7,467	8,727	

(1) In order to calculate these ratios, aggregate revenues of Abengoa and Abengoa Yield (€ 7,356 M for 2013 and € 7,375 M for 2014) were taken into account.

(2) The ratio was calculated using the data on average employee headcount (27,181) in order to eliminate the seasonal component.

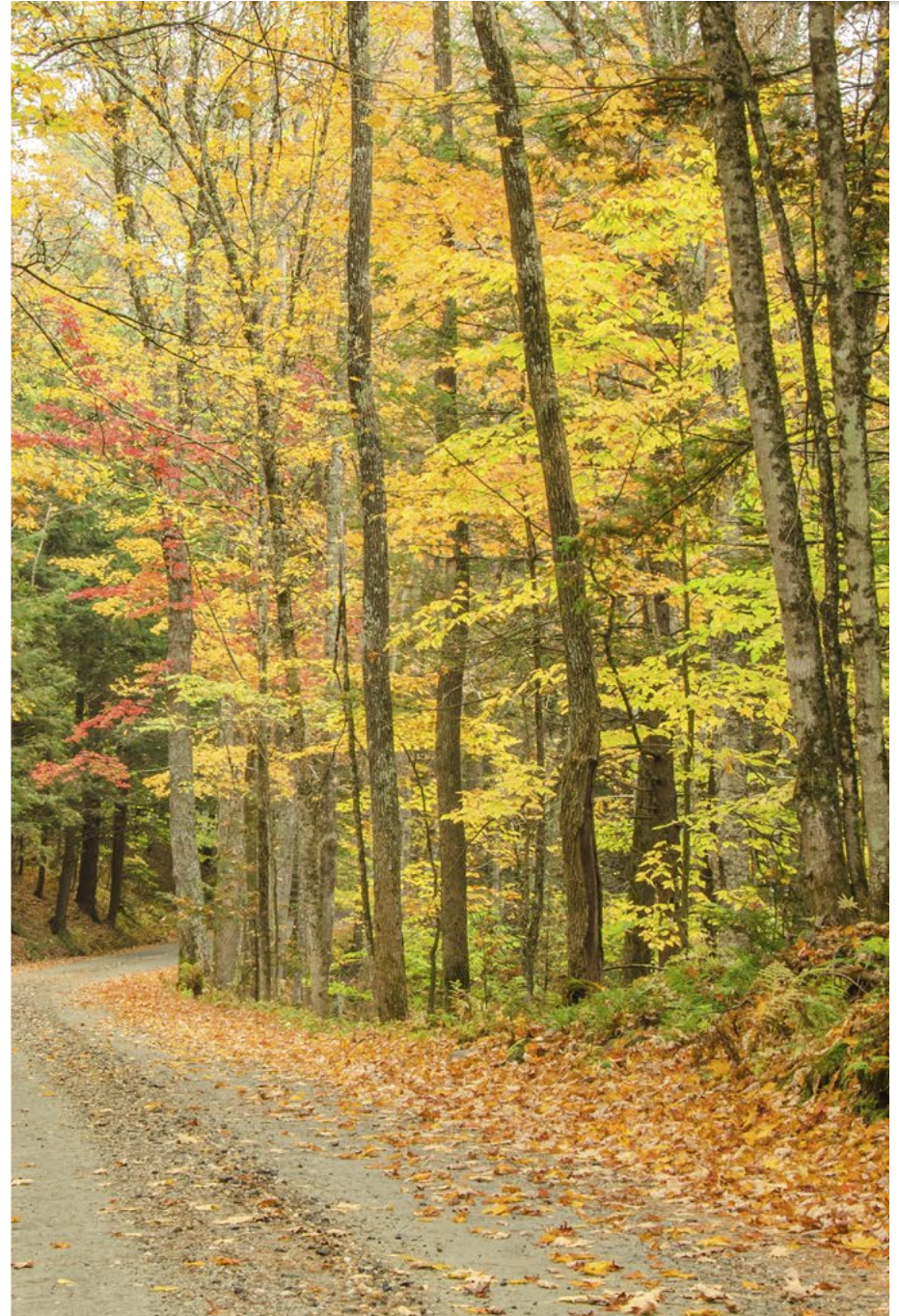
(3) Data for investment in social engagement in 2014 were calculated in accordance with LBG (London Benchmarking Group) methodology.

(4) The countries in which Abengoa operates and has social engagement activities were calculated in accordance with LBG methodology.

(5) Foreign Corrupt Practice Act (FCPA): North American law governing corrupt practices abroad. [\(+ info\)](#)



04
Milestones
in 2014

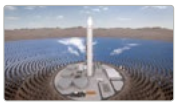


January



General Electric and Rodamientos Bulnes, winners of the [Focus-Abengoa Sustainable Business Prize](#).

Centralization of all R&D and innovation activity out of [Abengoa Research](#).



Announcement of the development of the [largest solar-thermal project](#) in Latin America, Atacama 1 (Chile).

February



Publication of [Corporate Social Responsibility Report 2013](#).



Completion of construction of the [Mojave plant](#) in Arizona (U.S.).



Completed the construction of a [water treatment plant in Angola](#) benefitting more than 250,000 people

March

Positive credit outlook from [Standard & Poors](#). ⁽¹⁾



The Dallas Museum of Art (DMA) welcomes the [Nur: Light in Art and Science from the Islamic World](#) exhibition, organized by the Focus-Abengoa Foundation.



Abengoa hosts its 8th [Annual Analyst and Investor Day](#).

April

Implementation of the [carpooling](#) program at company work facilities in Latin America.



Abengoa rings the bell at the [Nasdaq closing bell](#) ceremony.



Commencement of construction in Brazil on one of the [largest transmission lines in the world](#).

May



The Focus-Abengoa Foundation unveils the [Energy Transition and Climate Change School](#). Opening lecture delivered by Lord Nicholas Stern.

Development of a 250-km intelligent [water management network in Turkey](#).



Completion of construction of the world's [largest single-axis photovoltaic plant](#).

Abengoa selected by Masdar to develop [an innovative R&D desalination project](#).

Completion of the first [photovoltaic plant in Japan and a new simulator in China](#).

June



[Abengoa Yield](#) begins trading on the Nasdaq.



Abengoa donates its ["San Pedro Penitente de los Venerables"](#) by Bartolomé Esteban Murillo to the Focus-Abengoa Foundation.











Development of the first [desalination project in Chile](#).



Abengoa employee open house event at the [Solúcar Complex](#).

[Appointment of the Chief Compliance Officer](#).

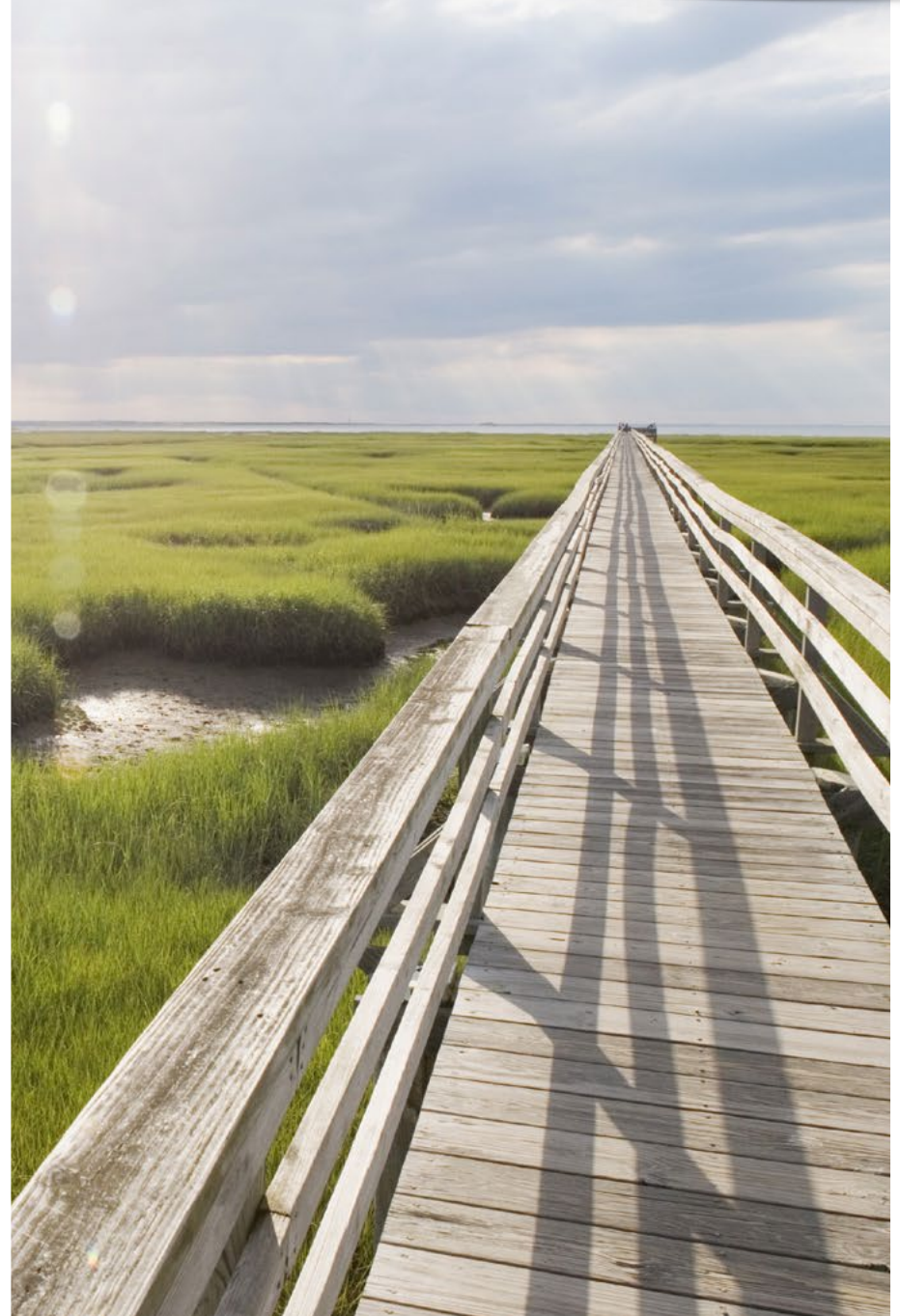
(1) Standard & Poors: credit-rating agency that provides investors with the market information they need in the form of credit rating, indexes, investment analyses, risk assessments and solutions. [\(+info\)](#)

July	August	September	October	November	December
<p>First transmission project concession in India.</p>	 <p>Launch of the new "The Energy of Change" blog.</p>	<p>Launch of the first issuance of high-yield Green Bonds.</p>	<p>Abengoa recognized for transparency in climate change management with a score of 99 out of 100 on the CDP Index ⁽³⁾.</p>	<p>Development in Belgium of the largest biomass plant in the world.</p>	<p>Abengoa awarded its first transmission project in Oman.</p>
<p>Development of a first-of-its-kind water delivery project in San Antonio, Texas, U.S.</p>	<p>Consolidation of the _____ of Campus Palmas Altas</p>	 <p>Manchester United introduces Abengoa as its official sustainable technology partner.</p>	 <p>Focus-Abengoa Foundation participation in the exhibition devoted to Velázquez in Vienna and Paris.</p>	<p>The Focus-Abengoa Foundation presents the first seminar of the "Road to Paris 2015" series.</p>	 <p>Óscar Seco wins the 2014 Focus-Abengoa International Painting Prize for his work titled "Little Nemo in Secoland".</p>
		 <p>ONCE ⁽²⁾ presents award to Abengoa for its contribution to integrating disabled persons into the workplace.</p>	 <p>Solana, Abengoa Yield's solar plant located in Arizona, receives one of the Energy Storage North America Innovation Awards.</p>	 <p>Abengoa and Manchester United announce the Reds Go Green competition.</p>	 <p>Abengoa's Ain Beni Mathar hybrid solar-gas plant receives award from the African Development Bank. ⁽⁴⁾</p>
		 <p>Inauguration of the new Abengoa Research laboratories at Campus Palmas Altas.</p>	 <p>Inauguration of the first commercial-scale second-generation biofuel plant.</p>	<p>Completion of the 2020 Strategic Corporate Social Responsibility Plan.</p>	<p>International leadership in the development of power transmission and solar energy projects.</p>
		<p>Opening of the new PE&C: People, Education and Communities social development program headquarters in South Africa and Sri Lanka.</p>			<p>2020 targets set.</p>

(2) ONCE: Acronym in Spanish for Spain's National Organization for the Blind.
 (3) Carbon Disclosure Project (CDP): international organization which provides the largest and most comprehensive global system for environmental disclosure. [\(+ info\)](#)
 (4) African Development Bank: organization dedicated to spurring economic development and social progress in African countries. [\(+ info\)](#)



05
Corporate
strategy





We pursue new challenges to drive growth and help forge our vision of being a global point of reference in the development of innovative technology-based solutions for sustainability

The strategic vision of our company

Abengoa's strategy is based on ongoing identification of sustainability challenges and opportunities associated with new businesses and presence in new territories, at all times employing **R&D and innovation** as a differentiating element.

The use of new technologies requires a certain degree of maturity in order to achieve optimal returns and for these technologies to be considered as a reliable alternative to traditional technologies in terms of competitiveness. Thus, from a solely economic standpoint, without taking into account externalities, it is now a fact that energies such as solar thermal power are beginning to be compete effectively with conventional energy sources in specific regions of the world (those featuring high levels of solar radiation, high gas prices, etc). There are nevertheless externalities, such as those linked to the carbon economy or to the cost of emissions, that are **beginning to be included in economic assessments of investments** and which will ramp up the competitiveness of these alternative energy sources.

Underlying Abengoa's strategic vision is the company's aim of striking a balance between long-term and short-term project management. Therefore, the company seeks to optimize processes and lower costs in its businesses with a higher degree of maturity (H1), while backing strategic projects that require substantial initial investment, yet are self-sufficient in their development (H2), and continuing to evaluate and analyze new business areas and technologies (H3). All of this ensures a sustainable business model with its sights ever set on the long term.

H1 Cash generation

- › Conventional power plants.
- › Electricity transmission systems.
- › Solar thermal power plants with mature technologies. (power tower and parabolic trough).
- › Photovoltaic plants.
- › Bioenergy (1G and 2G).
- › Water desalination and reuse.
- › Other renewable energies: wind and waste to energy.

H2 Growth

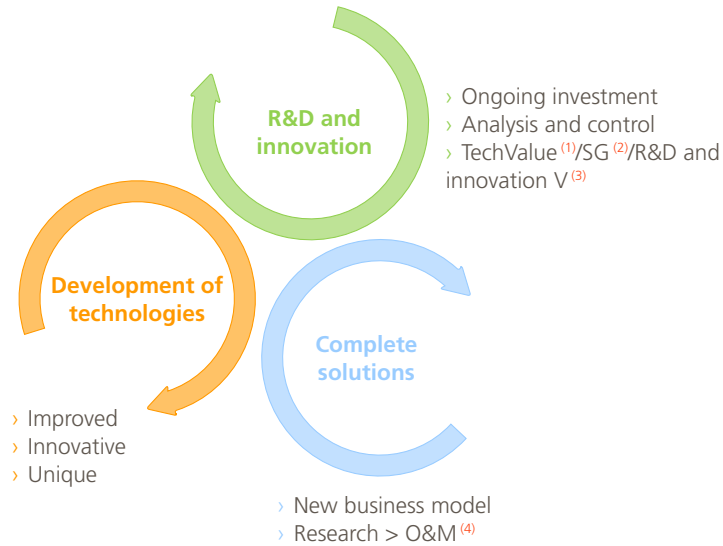
- › Engineering and construction of new products and in new regions.
- › Electricity transmission systems in new regions.
- › Rail transport infrastructures.
- › First-of-a-kind solar thermal power plants (power tower and parabolic trough).
- › High concentration photovoltaic plants (HCPV).
- › Energy storage for electricity systems (molten salts and batteries).
- › Waste to biofuels.
- › Bioethanol processing system for submarines.
- › Pellets plant.
- › Water reuse and treatment for industry.

H3 Future options

- › Engineering and construction in new sectors.
- › Hydrogen: other applications.
- › Marine energy.
- › Solar thermal electric power plants featuring new technologies and in new regions.
- › New photovoltaic technologies.
- › Biorefining (new bioproducts).
- › Energy crops (biomass and energy crops).
- › New membrane technologies.

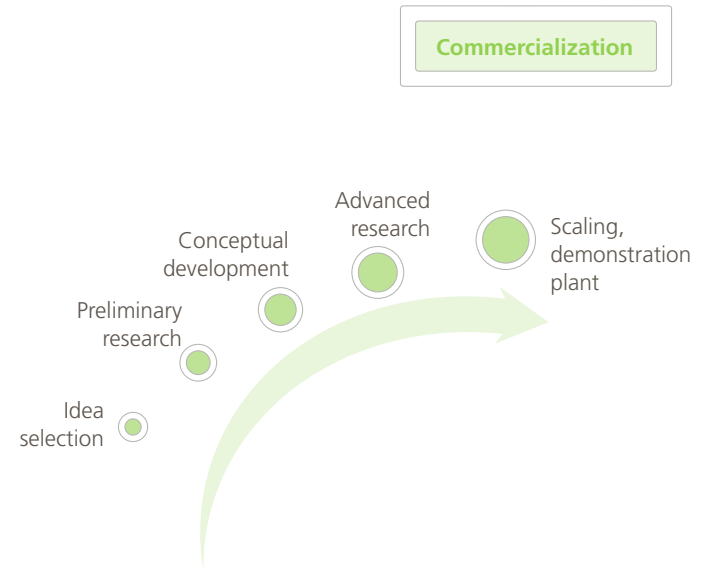
Abengoa develops complete solutions that require integrated, robust R&D and innovation able to provide the company with proprietary technology development.

Technology is a key factor for Abengoa and constitutes the company's hallmark.



- (1) TechValue or "technology valuation" is an instrument for measuring the evolution of technologies
- (2) Stage-Gate is a methodology applied to R&D and innovation project assessment (further information found in the glossary chapter)
- (3) R&D and innovation Value or "R&D and innovation valuation"
- (4) O&M: Operation and Maintenance.

Abengoa has opportunity management tools in place which enable the company to determine the moment in which new technologies will become fully profitable by themselves. Noteworthy among such instruments is the Stage-Gate methodology model.



Stage-Gate methodology is a robust standardized and sequential procedure for determining the degree of development of a given project and the amount of investment required to take it to the next level. Each process (**stage**) has a corresponding set of requirements and objectives to be accomplished in determining project success or transition to the next stage.

Strategic challenges

Abengoa is a firm believer in the need to achieve a system for generating clean, CO₂ free energy, and the company pushes towards this goal through its technology and position of leadership in innovation.

In an energy scenario characterized by rising consumption and a pressing need for emissions abatement, Abengoa is among the global leaders in renewable power generation, turning challenges into opportunities by developing new technologies to address the major problems posed by today's environmental and natural resource crisis.

Managing water resources is another strategic area for Abengoa. Here the company is committed to developing efficient technologies for water desalination, treatment and reuse.

Linked to the strategic opportunities that have been identified, the innovation projects currently being executed by Abengoa are enabling the company to make progress in enhancing a series of technologies:

- › **Fully manageable solar thermal plants that are also wholly competitive with respect to conventional power generation.** Abengoa's leading facility in terms of energy storage capacity is the Atacama-1 plant in Chile, which can store power for 17 hours, enabling it to operate around the clock.
- › **Plants dedicated to treatment and use of municipal solid waste (MSW) for biofuel production.** A demo plant featuring waste to biofuel (W2B)¹ technology has been in operation in Salamanca (Spain) since 2013. The facility is able to process 25,000 t of MSW to generate up to 1.5 ML of bioethanol.
- › **Global water management through treatment and reuse.** The company currently has two plants in construction and five plants in operation, one of which has already been sold.
- › **Hydrogen technologies.** Abengoa operates a hydrogen service station in Seville.
- › **Production, transportation and distribution of high-efficiency biomass in pellet or chip format**². Abengoa has a number of highly advanced industrial ventures set up in South Carolina, Australia and Uruguay, enabling the company to provide forestry and biomass services.

As far as business development by region is concerned, the solar thermal business is expected to improve notably in the next few years in Latin America, Africa and the Middle East. In relation to the water reuse business, higher energy demand is expected to drive growth in the U.S. and in the Middle East. With respect to the biofuel business, efforts will be focused on the U.S. and Brazil in the coming years. Finally, an upturn in construction business activity is anticipated to take place in the U.S., Latin America, Africa and the Middle East.

Miguel Herrador, accesit in the 6th Edition of the Sustainability Photography Contest ⁽¹⁾. *Luz de mediodía en el desierto.*



(1) Photography contest for employees organized annually by Abengoa. The jury awarded the first prize and up to three runners.

Note 1 Waste to Biofuels (W2B): technology developed by Abengoa to obtain second-generation biofuels from MSW through a fermentation and enzymatic hydrolysis treatment process.

Note 2 Pellets: ground forestry biomass that has been dried and compacted to obtain cylinders with a diameter of just a few millimeters and with the lignin contained therein acting as a natural bonding substance for use as biofuels. Wood chips: small pieces of wood obtained by cutting or chipping forest biomass.

Strategic Corporate Social Responsibility Plan for 2020

In 2014, Abengoa completed the design of its new Strategic Corporate Social Responsibility Plan (SCSRP) ³ on the 2020 horizon. Replacing the previous program in force since 2008, the new plan finds leverage in responsible business management for a performance framework that is going **to empower the company in moving towards fulfillment of its strategic business vision.**

Francisco Javier Rodríguez, winner of the 6th Edition of the Sustainability Photography Contest ⁽¹⁾. *Mirando Hacia el Cielo.*



Abengoa updated and refreshed its commitments in the preceding SCSRPlan in order to align them with the new challenges facing the business, thus helping **to generate new opportunities.**

SCSRP 2020 has been devised as a support tool for effective management of the potential impacts of business activity on society and the environment while addressing the particular features of the regions in which the company operates. The plan is also intended to fortify the position Abengoa has gained in recent years in the realm of CSR to become a leader in the implementation of good practices for responsible business management.

Along these lines, Abengoa boasts two major competitive advantages:

- › The **commitment of the company's highest governance bodies**, which acts as a decisive driver of progress in these areas.
- › The degree of **maturity of the tools** implemented for regular monitoring of indicators and objectives established in all regions of company operation.

The three strategic cornerstones of SCSRPlan 2020

The new SCSRPlan design is based on analysis and validation of macro trends: issues which are anticipated to be considered top priorities in the medium and long term on the agendas of multinational corporations. This analysis has enabled Abengoa to draw up strategic lines which, coupled with the issues flagged during the materiality analysis conducted in the previous year and the key priorities in the countries where the company has a more significant presence, constitute the basis for the new plan.

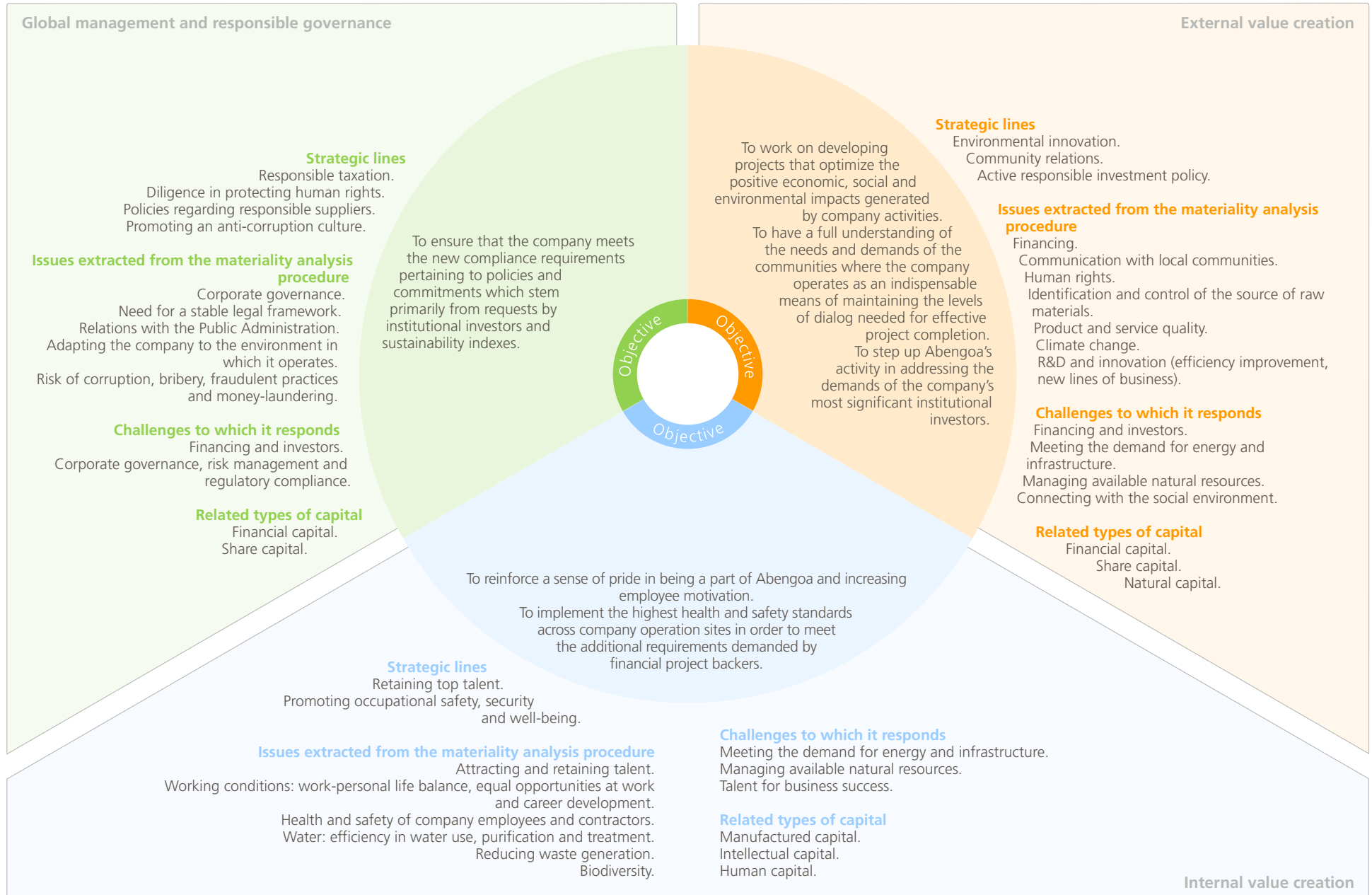
Additionally, to bring the 2020 SCSRPlan to completion, interviews have been held with members of senior management, directors and technicians (23 in-person interviews with a duration of approximately one hour) to obtain their view of the issues which major companies, specifically a company such as Abengoa, should include in their agendas and how this matters converge and affect business strategy. This exercise enabled us to group lines of progression into the three strategic focal points that encompass the activities conducted by the company in CSR affairs: global management and responsible governance, external value creation and internal value creation.

Listed below are the three strategic cornerstones along with the issues that were prioritized through the materiality analysis, the challenges to which they respond, the strategic lines and the related types of capital as defined under the working framework established by the **International Integrated Reporting Council (IIRC).**

(1) Photography contest for employees organized annually by Abengoa. The jury awarded the first prize and up to three runners.

Note 3 Strategic Corporate Social Responsibility Plan (SCSRPlan): defining the framework and guidelines to be followed by the company in this area through a set of initiatives aimed at integrating stakeholder expectations into company strategy, identifying specific targets and drawing up specific measures contributing to closer ties with society.

Strategic cornerstones of Abengoa's SCSR 2020



2020 objectives

Under the framework of the Strategic CSR Plan, Abengoa drew up a set of **impact targets** linked to improving company performance with an outlook to 2020. In order to achieve these objectives, the individuals in charge of the related areas shall carry out regular monitoring of each one of them and determine the most suitable measures for rectifying any deviations.

The targets set in 2014 were defined using values from base-year 2013. Therefore, efforts will be stepped up over the coming year in order to meet these commitments.

Economic Dimension	2020 Targets	Reference Value (2013)	2014
Procurement			
Purchases from local suppliers	To reach 85 % in purchases from local suppliers	78 %	76 %
R&D and innovation			
Investment in R&D and innovation (€M)	Commitment to reaching/maintaining an innovation rate representing 2 % of company revenues.	€ 426 M, 5.8 % of revenues	€ 597.8 M, 8.1 % of revenues
Patents accumulated and applied for	To reach by 2020 the figure of 600 patents accumulated and applied for	261	312
FCPA Compliance			
Employees trained in the company's anti-corruption policies and procedures	100 % of employees having received training in anti-corruption policies and procedures	35 % of the company workforce	31 % of the company workforce
Audits performed by the fraud detection and prevention unit	Effective implementation of a monitoring system with preventive fraud alerts covering all geographical locations of Abengoa operation.	50	143



This logo is found alongside contents that have an associated 2020 target.

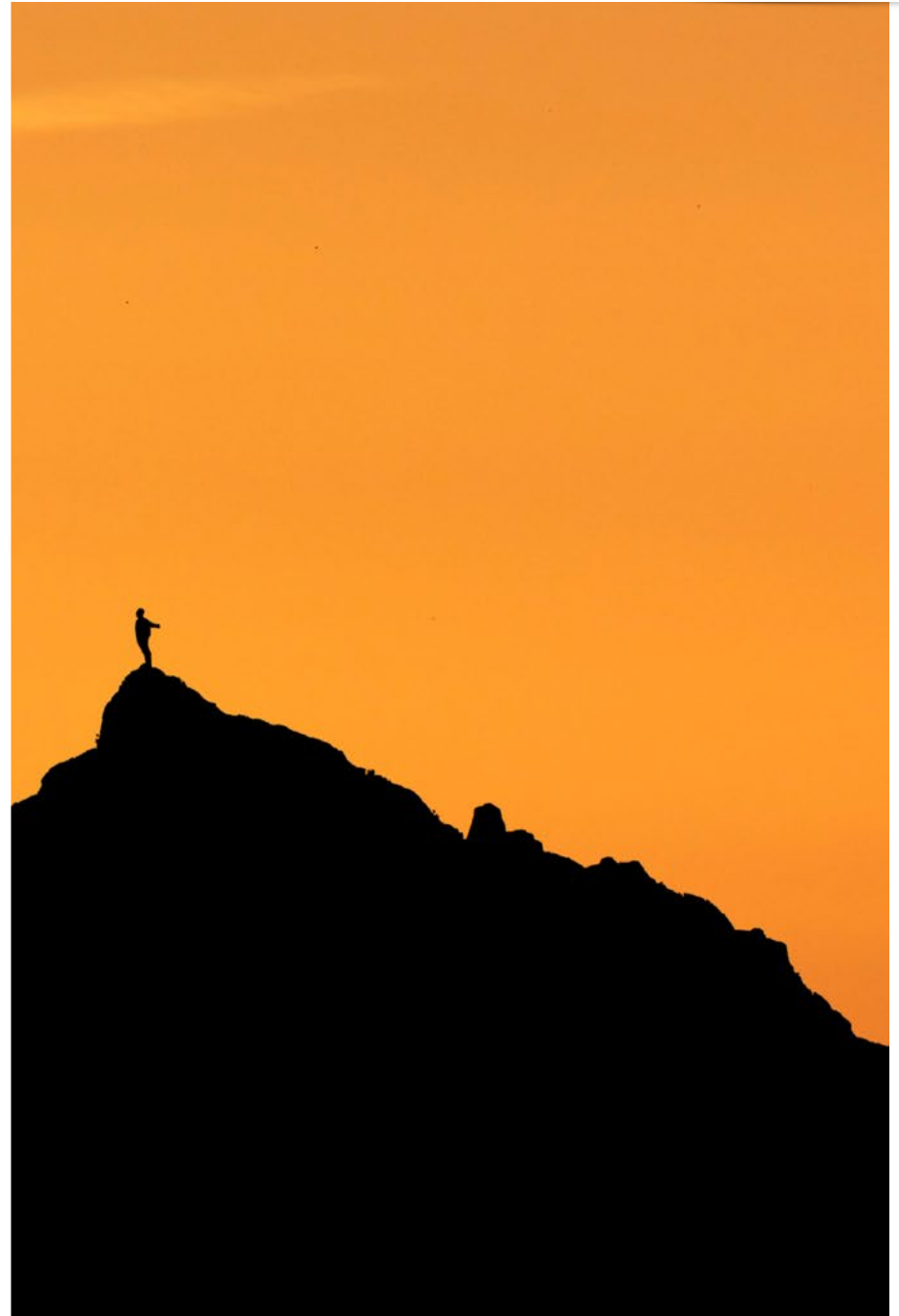
Independent Panel of Experts Sustainable Development Recommendation 2014

Target setting

“To measure the achievement of sustainability goals Abengoa should set ESG targets, including, for instance, those for emissions reductions, for bio-diversity and human rights impact assessments and risk management and ESG performance in their supply chain. Reporting could then be focused on the level of achievement against each of these targets. Comparisons with prior years should continue to be provided wherever possible together with explanations of the reasons for major changes.”

Social Dimension		2020 Targets	Reference Value (2013)	2014
Employees				
Job creation	Percentage of female senior managers	To reach a figure of 20 % in the number of women in senior management positions by 2020 (with respect to total number of senior managers in 2020).	12.8 %	10.9 %
	Percentage of female middle managers	To reach a figure of 35 % in the number of women in middle management positions by 2020 (with respect to the total number of middle managers in 2020).	23.1 %	21.8 %
Training (no. of hours over the average no. of employees)		To maintain an average training figure of 45 hours per employee.	47.9	63.7
Absenteeism		5 % reduction in the total rate of absenteeism with respect to 2013.	2.7 %	2.3 %
Work-related accidents		15 % reduction in the accident frequency rate with respect to 2013.	15.4	14.2
		Target of 0 % in employee and subcontractor accidents resulting in fatalities.	1	2
Suppliers				
Supplier analysis conducted in human rights, labor practices and environmental impact.		Screening of 100 % of the company's suppliers	Screening of 100 % of the company's significant suppliers	Screening of 100% of the company's significant suppliers
Total number of high-risk suppliers audited with respect to human rights, labor practices and environmental impact.		Auditing of 25 % of high-risk suppliers	9.6 %	8.4 %
Communities				
Investment in social engagement (€M)		To maintain an investment in community action of around € 10 M.	9.1	9.5
Hours dedicated to volunteering (hours per employee)		To increase the total number of volunteering hours to reach a ratio of 1 hour per employee.	0.4	0.5
Environmental Dimension		2020 Targets	Reference Value (2013)	2014
Energy				
Energy consumption (GJ) (Primary, electric and thermal)		Reduction in energy intensity (GJ used / revenues) by 15 %, taking 2013 figures as the point of reference.	10.5	12
Emissions				
Total emissions (tCO _{2eq})		To achieve a cumulative emissions cut of 20 % by 2020.	11,132,612 tCO _{2eq}	11,249,413 tCO _{2eq} and 459.658 tCO _{2eq} as the result of reduction measures.
Direct emissions (tCO _{2eq}) / revenues		To reduce the emissions ratio (tCO _{2eq} generated/revenues) by 5 % with respect to 2013.	1.5	1.5
Water				
Water reused and recycled (%)		To attain a figure of 15 % in reutilized water by 2020	9 %	10.8 %
Waste				
Waste management		To achieve 50 % in the amount of waste recycled or revalorized	–	35.9 %

06
Challenges





Global risks start set the agenda in the business world

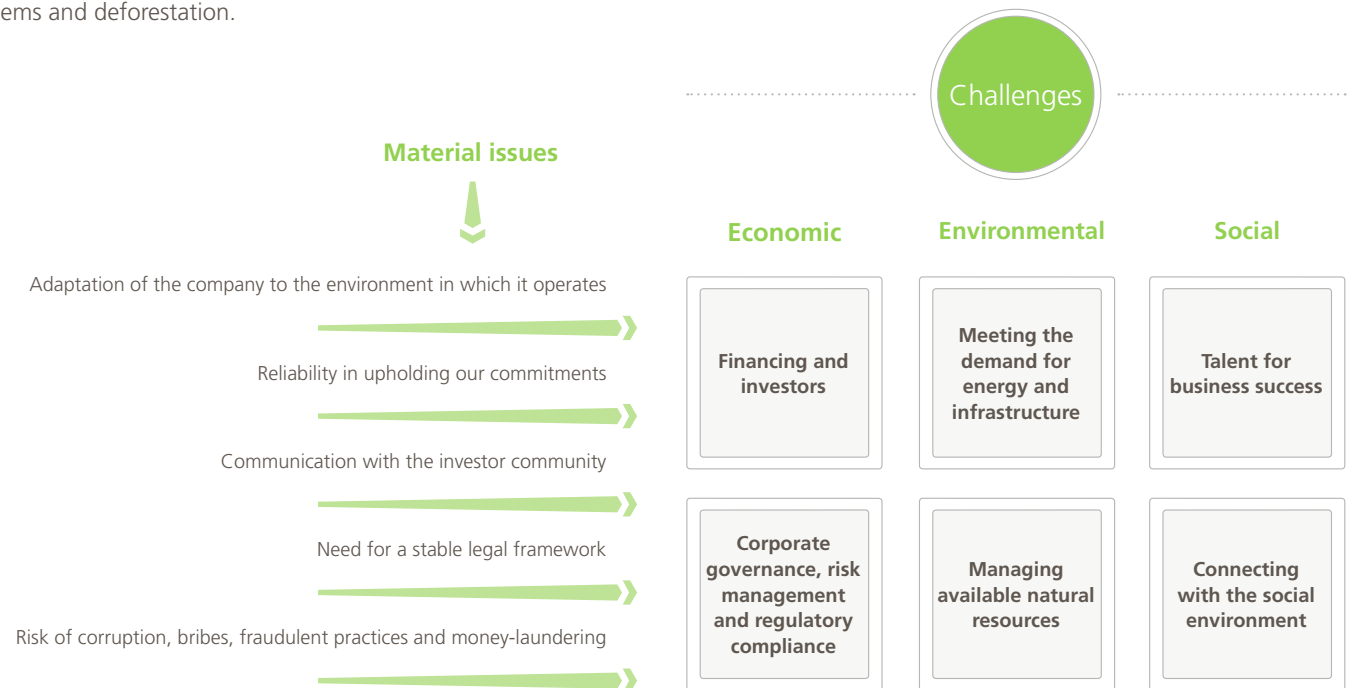
The way of doing business has been changing at a rapid pace, especially over the past two decades. The manner in which corporations conduct their operations has an impact on society and society is in turn showing an ever-increasing ability to influence the way organizations carry out their activities.

Bearing this in mind, there is a series of global risks in the medium and long term that is beginning to determine and shape business agendas. And these risks are taking on increasing importance for public opinion, governments and institutions, for a lack of control over such risks could subject humanity to an unsustainable future. Preventing and mitigating these risks has become the major challenge facing organizations and society at large for the coming years. Particularly worth mentioning are the following risks: climate change, rising energy and fuel consumption, shortages of material resources, water scarcity, population growth, redistribution of wealth, increasing rate of urbanization, food security, degradation of ecosystems and deforestation.

The survival and success of enterprises largely depends on how well they are able to manage these global risks in conjunction with those related to the short term and to their own business management. The ability of organizations to adapt to new paradigms will be a deciding factor in ensuring their future.

The importance of taking on these new challenges (and opportunities) has led Abengoa to structure its Corporate Social Responsibility Report in such a way as to **respond to six challenges** determined by the company to be of **most relevance** to its business model and activities.

The **following chapters** of the report provide a detailed overview of Abengoa's **response** to each one of these **challenges**.



06.1
Financing
and investors



Commitments and targets in 2013	Milestones in 2014	Commitments for 2015	Working areas
<p>Increasing and intensifying contact with ESG investors (environmental, social and governance-related responsibility-driven) (CSRR 2013, p. 38).</p>	<ul style="list-style-type: none"> › Attendance at three ESG investor conferences, where the company met with over 70 investors. › Issuance of a green bond linked to responsible, environmentally-sustainable projects. › Raising ESG investor interest in the company. Green bond demand reached 35 %. 	<p>Expanding the universe of investors interested in sustainable assets.</p>	<p>Teamwork involving the Investor Relations and Social Responsibility departments to provide integrated information to ESG investors.</p>
<p>Increasing company value and ensuring maximum market visibility and transparency (CSRR 2013, p. 38).</p>	<p>Preparing an action plan to increase market transparency.</p>	<p>Maintaining communication consistency in quarterly presentations, including:</p> <ul style="list-style-type: none"> › Specifics on the different types of debt: corporate, non-recourse in process and non-recourse. › Consolidated and corporate cash flow. › Accounting value of concession assets under construction. 	<p>Maintaining and raising degree of investor and shareholder assistance to ensure market access to information.</p>
<p>Creating dialog channels adapted to new technologies to enable a better flow of information between the company and domestic and international financial communities (CSRR 2013, p. 38).</p>	<ul style="list-style-type: none"> › Although no new technologies were incorporated over the year, the number of roadshows and conferences attended increased. › In addition the customary channels, financial results and business highlights were announced through social networks (Twitter and LinkedIn). 	<p>Analyzing and incorporating new technologies to ensure better information accessibility.</p>	<p>Teamwork between the Investor Relations and Communications departments to evaluate and utilize new technological support to enable increased accessibility of the market to company information.</p>
<p>No explicit commitment was published in the CSRR 2013.</p>	<p>Consolidating Abengoa's presence on main sustainability indexes.</p>	<p>Inclusion of the company in the next edition of Sustainability Yearbook 2015.</p>	<p>Developing an improvement plan to achieve higher scores on the main sustainability indexes on which the company is listed.</p>



We create long-term value based on sustainable strategy

In order to keep investing and consolidating its position of leadership in the energy and environment sectors, the company continues to strengthen its financing model, a model which ensures the company's solvency and viability. Due to the international financial crisis, access to financing has posed a **significant challenge** for companies in recent years; however, thanks to its business model and potential for growth, Abengoa has been able to access **sources of financing** that allow the company to successfully move forward in conducting its activities.

Abengoa's **business model** is grounded in the development of new businesses, maintaining a highly competitive **team of people**, **geographical diversification** and **R&D and innovation** investment effort. In short, Abengoa embraces an unwavering commitment to a sustainable business strategy focused on creating long-term value, which makes the company's business model attractive to potential investors.

In terms of financing, Abengoa has two **key objectives**: accessing a level of financing that will enable the company to **continue to enjoy sustainable growth while gradually reducing debt**.

Accomplishing these two objectives requires a high degree of **financial flexibility** and a **stable shareholding**. Financial flexibility is needed to be able to access fixed income and equities markets in order to balance the business structure with the source of financing, build an investor base enabling access to more stable capital markets and diversify the financing structure towards more competitive global sources. Continuing to count on stable shareholding is vital to Abengoa because its business model, which is heavily based on technology and R&D and innovation, requires investors that are committed to the company's strategy and long-term vision.

3,318

requests managed through the shareholder mailbox

Attendance at

42

investor conferences in 12 cities

Issuance of a green bond for a total of

€ 500 M

equivalent

Abengoa's financing model

Abengoa has a financing model that is backed by the company's **solid business model** and **long-term vision**. As a product of both this and the solvency of its operations, the company has continued to finance itself in the principal markets in which it operates through the following mechanisms:

- › **Capital markets** (37 % of financing). Currently accounting, 72 % of Abengoa's corporate financing, these mostly include high-yield bonds¹, but also two convertible bonds and a short-term commercial paper program. This is corporate-secured debt.
- › **Loans held with financial institutions, non-recourse debt in process** (15 % of financing). The main source of corporate financing is a syndicated loan via a banking pool² with a five-year maturity. Financing is also secured through other lending institutions, including Instituto de Crédito Oficial (ICO), a state-owned bank, and a variety of export credit agencies. This type of debt has the same guarantees as corporate debt.
- › **Financing associated with concession-type projects** (48 % of financing). This type of financing is generally used as a means of building or purchasing an asset, taking as collateral exclusively assets and cash flows of the company or group of companies conducting the activity linked to the asset in question. This constitutes long-term financing of concession projects, which are secured by the projects themselves. Included in this type of debt is non-recourse financing in process which serves as bridge financing until the long-term non-recourse debt has been closed.

From the standpoint of guarantees, both bridge financing and long-term financing (project finance) enjoy the same technical guarantees in relation to price, time and performance.

The difference is that bridge financing also has a corporate guarantee from the project sponsor to cover the eventuality of a delay in project-finance closing.

Abengoa Yield

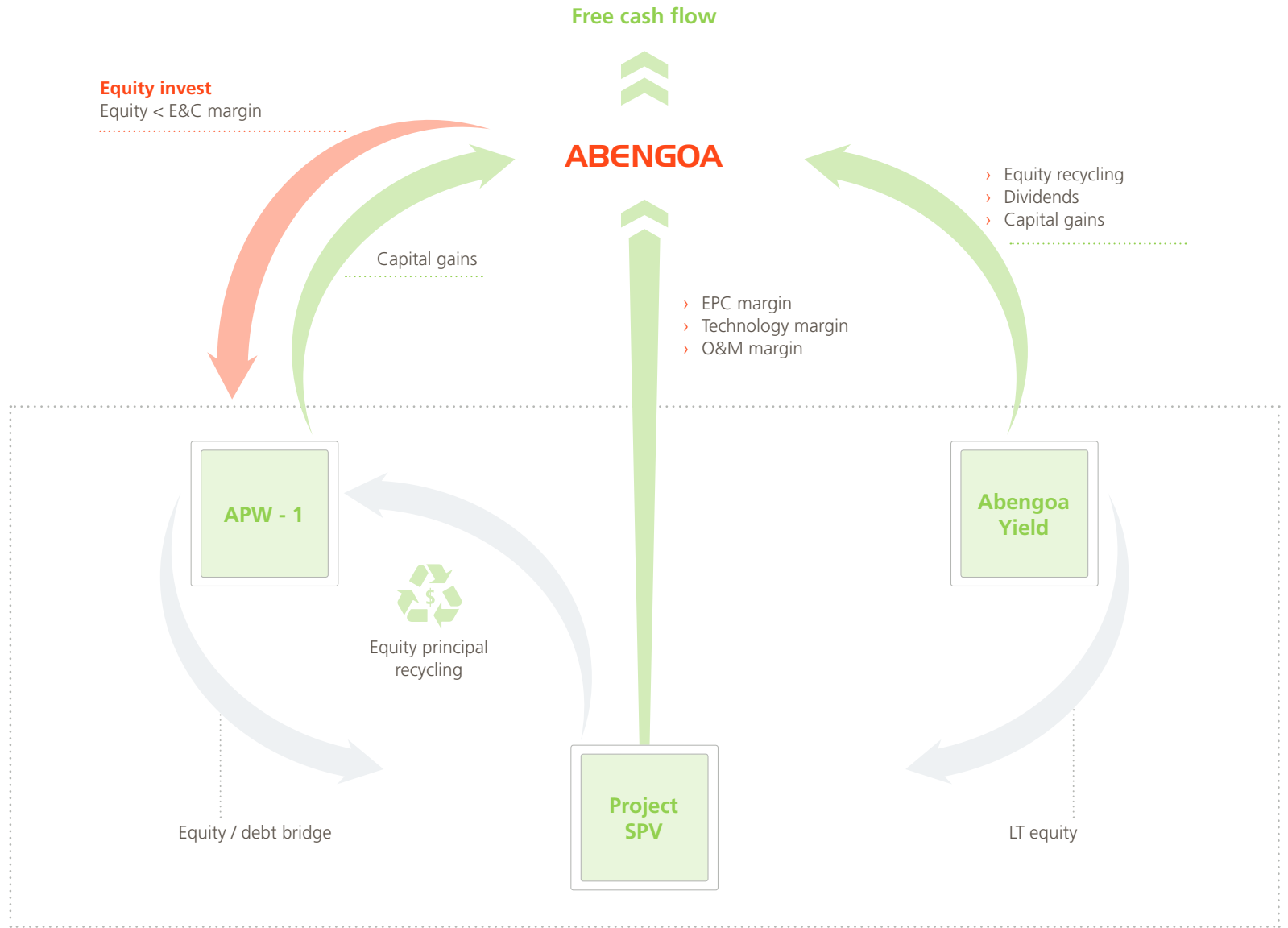
Abengoa Yield is a company listed on the NASDAQ exchange that has its own sources of financing which are separate from those of Abengoa. Abengoa Yield invests, manages and acquires renewable energy, conventional power generation and power transmission line assets, as well as other assets under concession. The company currently owns and manages 13 concession assets and holds a pre-emptive purchase right on certain Abengoa assets. Abengoa Yield has long-term non-recourse financing in all of its concession assets and access to capital markets and bank financing.

Abengoa Projects Warehouse 1

Abengoa Projects Warehouse 1 is a newly created company which, together with the energy infrastructure investor EIG Global Energy Partners (EIG), will acquire a portfolio of Abengoa projects in the construction phase, including renewable and conventional power generating, power transmission and water management assets in different geographic regions, including the U.S., Mexico, Brazil and Chile. The aim is to build up sufficient funds to have permanent capital to help finance the construction of new concession projects awarded to Abengoa. Thanks to Abengoa Projects Warehouse 1, Abengoa's business and financing model will be more efficient as projects will become less costly to finance and construction can get under way sooner, meaning earlier asset start-up and dividend generation.

Note 1 Convertible bond: a fixed-income financial asset that can be converted into a specific number of shares of the issuing company's stock through a capital increase

Note 2 Banking pool: document which provides detailed information on the financial operation risks of a physical or legal person with respect to banking instit



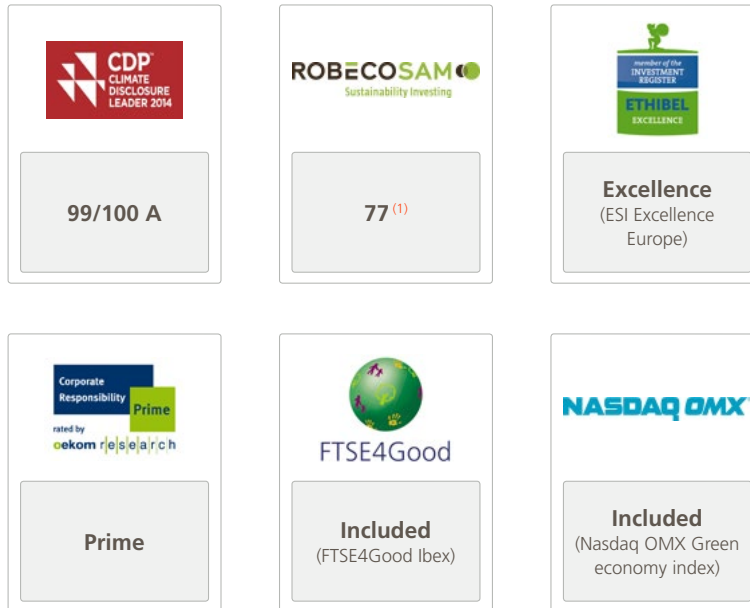


2014 saw a significant rise in socially responsible investor interest in Abengoa

Socially responsible investor market

Abengoa's affinity with socially responsible investors, also referred to as ESG (Environment, Social and Governance) investors, constitutes assurance for the company's long-term growth.

The company's responsible business management has been acknowledged by a variety of rating agencies and sustainability indexes.



(1) In its first participation in the Corporate Sustainability Assessment to be included in the Sustainability Yearbook, Abengoa has obtained a score of 77 points.

In 2014, the company actively participated in three conferences of this kind, and in June staged a roadshow ahead of the issuance of its first green bond aimed at ESG investors in the high-yield company spectrum. Abengoa seeks to increase its base financing among these investors with the aim of continuing to grow in the long term, optimizing financial costs and diversifying sources of financing.

Green bonds

In September 2014, Abengoa, through its Abengoa Greenfield, S.A. subsidiary, launched a green bond offering in euros and U.S. dollars for an amount equivalent to €500 M and maturing in 2019. This operation was intended for both investors traditionally interested in high-yield bonds³ and buyers of socially responsible investments with a specific mandate or portfolio allocated to purchasing green bonds.

The net proceeds obtained have been used to partially or wholly finance, until long-term financing funds are obtained, green projects which meet the eligibility criteria approved by Vigeo, a European agency dedicated to evaluating sustainable performance. Vigeo issued a [favorable outside opinion](#) with respect to the issuance of these bonds.

Eligibility criteria

In keeping with Abengoa's CSR strategy and policy and its commitment to sustainability and the fight against climate change, projects financed through green bonds must belong to one of the following categories:

Note 3 High-yield bonds: fixed-income financial assets that generate high yield by investing in bonds with a lower credit rating than investment-grade corporate bonds. They offer a higher yield in exchange for an also higher risk of default.

- › Renewable energy
- › Power transmission and distribution
- › Energy efficiency
- › Water management
- › Water transport and distribution
- › Bioenergy
- › Waste to energy

And these projects must meet a set of environmental, social and governance criteria, compliance with which is to be verified using a series of indicators that are audited by an independent third party and published by Abengoa in the CSRR each year throughout the life of the bond.

Addressed in the “Green Bond” Appendix D is detailed all the information related to the projects that have been financed with the green bond: project description, fund allocation, environmental and social outcomes, and responsible management indicators. All the information has been verified by PwC ⁴.

Transparent communication

The company continued to further its commitment to providing investors and analysts with the information needed to carry out a complete analysis of the company’s performance in different areas (economic and financial, social and environmental). Key for Abengoa is continual enrichment of the information the company provides to its stakeholders, offering increasingly more comprehensive content in line with their requirements, thereby building stronger relationships while enhancing dialog channels in order to provide an optimal flow of information.

Over the course of 2014, the company placed particular emphasis on communicating with its investors through the following initiatives:

Note 4 The PwC verification report is published in the chapter titled “External Verification”.

- › Conducting **five roadshows** ⁵ in **five countries**: the U.S., the United Kingdom, France, Canada and Italy.
- › Attendance at **42 conferences** in **12 cities**: Madrid, London, Paris, Copenhagen, Frankfurt, Cascais, Lyon, New York, Boston, New Orleans, Miami and San Francisco.
- › Visits to financial centers in London, New York, Paris, San Francisco and Milan.
- › 3,318 request managed through the shareholder mailbox.

In May, Abengoa hosted its **8th Annual Analyst and Investor Day** in **New York** and **London**. The event had a great turnout, particularly in New York, where more than 100 people were in attendance, illustrating Abengoa’s increased visibility in the U.S. market. The types of questions formulated by investors and analysts showed that they are now more aware of the company’s financial markets.

With a view to addressing stakeholder needs, the company has also set itself the objective of increasing the number of visits to and stepping up communication in places that have been identified for engaging potential investors.



Manuel Sánchez Ortega, executive vice chairman. Analyst day.

Note 5 Roadshow information session provided to investors and analysts by the company in order to present financial results.

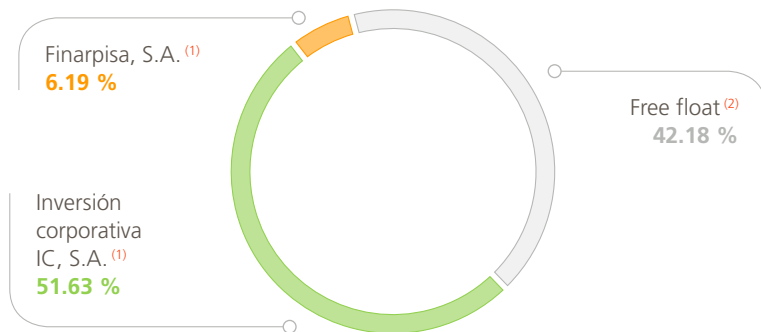
Shareholding structure

Abengoa is a listed company with share capital totaling € 91,798,900 ⁶, represented by 825,562,690 fully subscribed and paid-up shares belonging to two different classes:

- › 84,243,640 shares belonging to Class A ⁷, each with a par value of € 1 and individually conferring 100 votes.
- › 755,526,080 shares belonging to Class B ⁸, each with a par value of € 0.01 and individually conferring one vote.

Class A and Class B shares are admitted for official trading on the Madrid and Barcelona Stock Exchanges and on the Spanish Stock Exchange Interconnection System ⁹ (Continuous Market). [Class A shares](#) have been admitted for trading since November 29, 1996, and [Class B shares](#) have been admitted for trading since October 25, 2012. Additionally, the [ADS](#) (American Depositary Shares) constituted upon B shares are admitted for official trading on the U.S. NASDAQ electronic securities exchange.

The company's [shareholding structure](#) is as follows:



(1) Corporate Investment Group.
 (2) Free Float: the portion of shares of a corporation that are traded freely on the market without being in the hands of a shareholder.

Note 6 November 4, 2014 is the date of the last Abengoa share capital modification

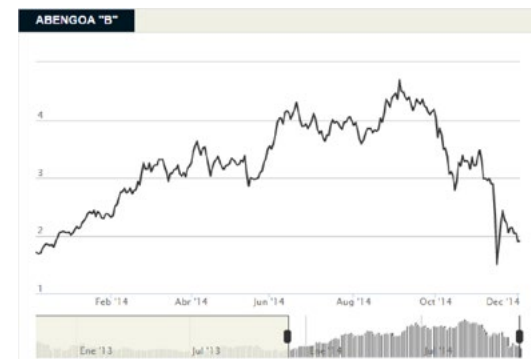
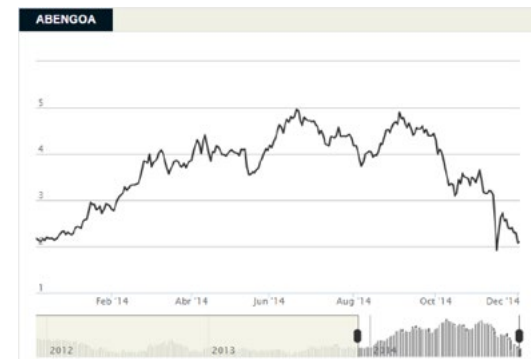
Note 7 Class A Shares: shares with a right to 100 votes per share [\(+ info\)](#)

Note 8 Class B Shares: shares with a right to 1 vote per share [\(+ info\)](#)

Note 9 Spanish Stock Market Interconnection System (SIBE): electronic platform for trading variable income securities on the national stock exchanges and which provides real-time information on security activity and trends

Share performance

Abengoa saw highly positive stock market evolution in 2014 through to September, recording an appreciation in value of over 100 % up until that time, given that the company's stock began the year at € 2.00 per share and went on to reach € 4.69 per share.



Volatility spiked in September, prompting shares to close at their lowest price, € 1.50 per share, in November after a severe correction. The reason for this sharp drop in share price seen in mid-November following the [presentation of third](#) quarter results was the increase in non-recourse debt in process.

06.2

Corporate governance, risk management and regulatory compliance



Targets and commitments in 2013	Milestones in 2014	Commitments for 2015	Working areas
<p>No explicit commitment was published in the CSRR 2013.</p>	<p>Adapting norms to Spanish Law 31/2014, which has brought about modifications to the Corporate Enterprises Act pertaining to corporate governance.</p>	<p>To put forward a motion to modify certain articles of the company bylaws, rules of the General Shareholders' Meeting, the Board of Directors and the Internal Rules and Regulations on Conduct. The changes are intended to incorporate the recommendations of the Spanish Securities Market Commission (CNMV) and will be laid before the first general meeting to be held in 2015.</p>	<p>Preparing the motion to modify the texts on company norms by the General Secretary (GS).</p>
<p>Stepping up independent review of governing bodies (CSRR 2013, p. 37).</p>	<p>Independent third-party review of the Corporate Governance Report (CGR). Abengoa is the first Spanish listed company to obtain this type of verification, which includes, among others, a review of the composition, duties and activities of the company's governing bodies and of its designated committees, in addition to verification of compliance with the recommendations contained in the Good Governance Code published in 2013.</p>	<p>To continue conducting review of the CGR by an independent third party, in addition to complying with the recommendations of the Good Governance Code. To ensure the independence of board members, on the board and in commissions and committees.</p>	<p>Continuing to work on information transparency so as to keep providing truthful, audited and up-to-date information.</p>
<p>No explicit commitment was published in the CSRR 2013.</p>	<p>Developing an increased number of fraud prevention and detection techniques. Big data analysis⁽¹⁾ and continuous global monitoring of cross-referenced data.</p>	<ul style="list-style-type: none"> › To adapt big data testing to corporate systems. › To endorse best practices for the anti-fraud and anti-corruption system. 	<p>Designing a pilot program of automatic alerts in mass revisions (Business Intelligence).</p>
<p>Consolidating and continuing to increase the number of activities conducted by the anti-fraud auditing team (CSRR 2013, p. 38).</p>	<ul style="list-style-type: none"> › Doubling the number of people that belong to the team (who have received specific anti-corruption and anti-fraud training). › Tripling the number of anti-fraud team actions and increasing the scope. › Adherence of the auditing team specializing in fraud prevention to the Association of Certified Fraud Examiners (ACFE)⁽²⁾. 	<ul style="list-style-type: none"> › For members of the team to obtain internationally recognized qualifications in anti-fraud affairs. › Practical application of these training techniques to a larger number of reviews. 	<p>Preparing the anti-fraud auditing team to obtain Certified Fraud Examiner (CFE) qualifications in the medium term⁽³⁾.</p>

Targets and commitments in 2013	Milestones in 2014	Commitments for 2015	Working areas
<p>Implementing the improvements needed in the Common Management Systems to ensure compliance with the components and principles of the Committee of Sponsoring Organizations (COSO) (CSRR 2013, p. 38).</p>	<p>Implementing improvements and adapting to the new COSO II framework of the Common Management Systems.</p>	<p>To complete the design and to adapt and implement the Common Management Systems to be audited by an independent third party (Big Four).</p>	<p>Updating and adaptation to the new framework of the POC database, in addition to processes and controls designed and implemented globally worldwide.</p>
<p>Creating a monitoring and follow-up program to ensure compliance with the stipulations of the Foreign Corrupt Practices Act (FCPA)⁽⁴⁾ (CSRR 2013, p. 38).</p>	<p>Creating a monitoring and follow-up program to ensure compliance with the stipulations of the FCPA, in line with the requirements of the U.S. Department of Justice.</p>	<p>To have the program evaluated by an independent third party (Big Four) with a view to obtaining certification in design and implementation with a reasonable level of assurance.</p>	<p>Creation and ongoing adaptation of a control matrix related to the FCPA Compliance Program.</p>
<p>Strengthen the system of risk assessment associated with climate change (CSRR 2013, p. 37).</p>	<p>Incorporating the risk analysis model into the Norm of Obligatory Compliance (NOC), which identifies the key points that may be affected by climate change (rising temperature and sea level).</p>	<p>To continue maintaining this analysis methodology and assessing project execution based on these factors.</p>	
<p>No explicit commitment was published in the CSRR 2013.</p>	<p>Reinforcing analysis and control measures to ensure that no work or businesses are undertaken that may violate human rights (HR) or international standards and which therefore may jeopardize the interests of Abengoa and its stakeholders.</p>	<p>To step up CSR-related risk control. More demanding in terms of the inclusion of all CSR risks in conducting analysis.</p>	<p>Paying particular attention to the matter and coordinating efforts with the CSR Department to continue to implement measures which help the company promote the security of the company's businesses in the area of HR.</p>
<p>No explicit commitment was published in the CSRR 2013.</p>	<p>Developing Universal Risk Model 2.0 (URM 2.0).</p>	<p>To implement URM 2.0 to obtain an executive field report that enables the extraction of ad hoc information from each business area or unit of usefulness in daily performance.</p>	<p>Continued research into new digital advancements to make the company's management tools more efficient.</p>

(1) Big data: large-scale analysis of massive data sets.

(2) Association of Certified Fraud Examiners (ACFE): with close to 70,000 members in over 150 countries, ACFE is the world's largest antifraud organization. It aims to serve the community through continuous education in areas associated with fraud prevention, detection, investigation and deterrence, and also by combating corruption. [\(+ info\)](#)

(3) CFE (Certified Fraud Examiners): group of antifraud experts to have accredited their knowledge of the subject through experience and who have passed an exam that includes issues such as fraudulent financial transactions, fraud investigation, legal aspects of fraud and fraud prevention and deterrence. [\(+ info\)](#)

(4) Foreign Corrupt Practice Act (FCPA): North American law governing corrupt practices abroad. [\(+ info\)](#)

G4-34, G4-35, G4-36



We uphold the most rigorous international standards to ensure sound performance in matters of corporate governance

Having governing bodies that generate confidence among stakeholders and ensure effective strategy and the dissemination of a culture of integrity is essential for companies if they hope to progress.

Corporate governance at Abengoa adheres to the principles of **effectiveness and transparency** established under existing recommendations and standards, including the **International Corporate Governance Network (ICGN)** and the **Unified Code of Good Governance of Listed Companies of the Spanish Securities Exchange Commission (CNMV, to use its Spanish acronym)**¹. Gearing decision-making to these guidelines not only facilitates appropriate management of company operations, but also improves profitability and contributes to sustainability wherever the company carries out its activities.

Another component of good governance is assuring compliance, which means taking due care to ensure that the company meets all applicable regulatory and legal requirements in every country of operation. In March 2013, Abengoa thus implemented the **Corporate Compliance Program**, aimed at preventing, detecting and sanctioning any conduct which could result in liability for the company or its employees. Through this program, the company has adopted a robust system which enables it to ensure compliance with all legal regulations applicable to the company in every country of operation.

Note 1 Unified Code of Good Governance of Listed Companies of the Spanish Securities Market Commission (CNMV): document setting out the requirements that listed companies must observe when meeting their obligation to detail, in their Annual Corporate Governance Report, the "degree of compliance with corporate governance recommendations, justifying any failure to comply". [\(+ info\)](#)

Corporate governance

Good corporate governance is realized at Abengoa through the implementation of a set of sound practices which govern the relationships between the company's range of governing bodies and company stakeholders. These practices are grounded in transparency and rigor in management.

A core aspect of Abengoa's corporate governance is fighting corruption, which is supported through internal prevention mechanisms and specific actions aimed at detecting corruption.

With the aim of reporting to stakeholders on the company's performance in the realm of corporate governance, Abengoa publishes a [Corporate Governance Report](#), which, since 2009, is verified by an independent third party.

Governing bodies

The [Board of Directors](#) is the body that regulates Abengoa's governance. In keeping with good governance practices, the board requires specialized committees to be able to carry out its work efficiently. Abengoa's Board of Directors is therefore assisted by the Audit Committee, the Appointments and Remuneration Committee and the Strategy and Technology Committee, with the latter having been created in 2014. The three committees are made up exclusively of directors and receive assistance from a non-director secretary. The committees are also supported by the [International Advisory Board](#) when addressing matters that require more detailed or specific knowledge.

18 meetings of the Board of Directors

143 actions undertaken by the Fraud Prevention and Detection Unit

4 new specific programs of compliance

G4-DMA, G4-36, G4-37, G4-42, G4-43, G4-47, G4-49, G4-50, G4-LA12



Board of Directors

Abengoa's **Board of Directors** is composed of sixteen directors who were designated and approved by the Chairman's Office: thirteen men and three women. Seven members are proprietary directors, five are independent and four are internal directors. None of them is a board member of any other listed company. In 2014, a **new independent director**, Ricardo Haussmann, who has ample experience in numerous public positions of relevance and is a professor at Harvard University².

Note 2 In its meeting held on January 19, 2015, Abengoa's Board of Directors named chief executive officer Manuel Sánchez Ortega as first vice-chairman (replacing José B. Terceiro), and appointed independent director Antonio Fornieles Melero to act as lead director, second vice-chairman and member of the Audit Committee and of the Appointments and Remuneration Committee.

The duties of the Board include determining the company's financial objectives and ensuring their viability and competitiveness. **The Board met 18 times** in 2014 to address the most significant operational matters and situations requiring responses from management. Due to the stock market crisis in mid-November, which led to a substantial drop in share value, the Board of Directors began to meet weekly to monitor events more closely. These weekly meetings were maintained over the course of one month and regular monthly meetings were resumed afterwards.

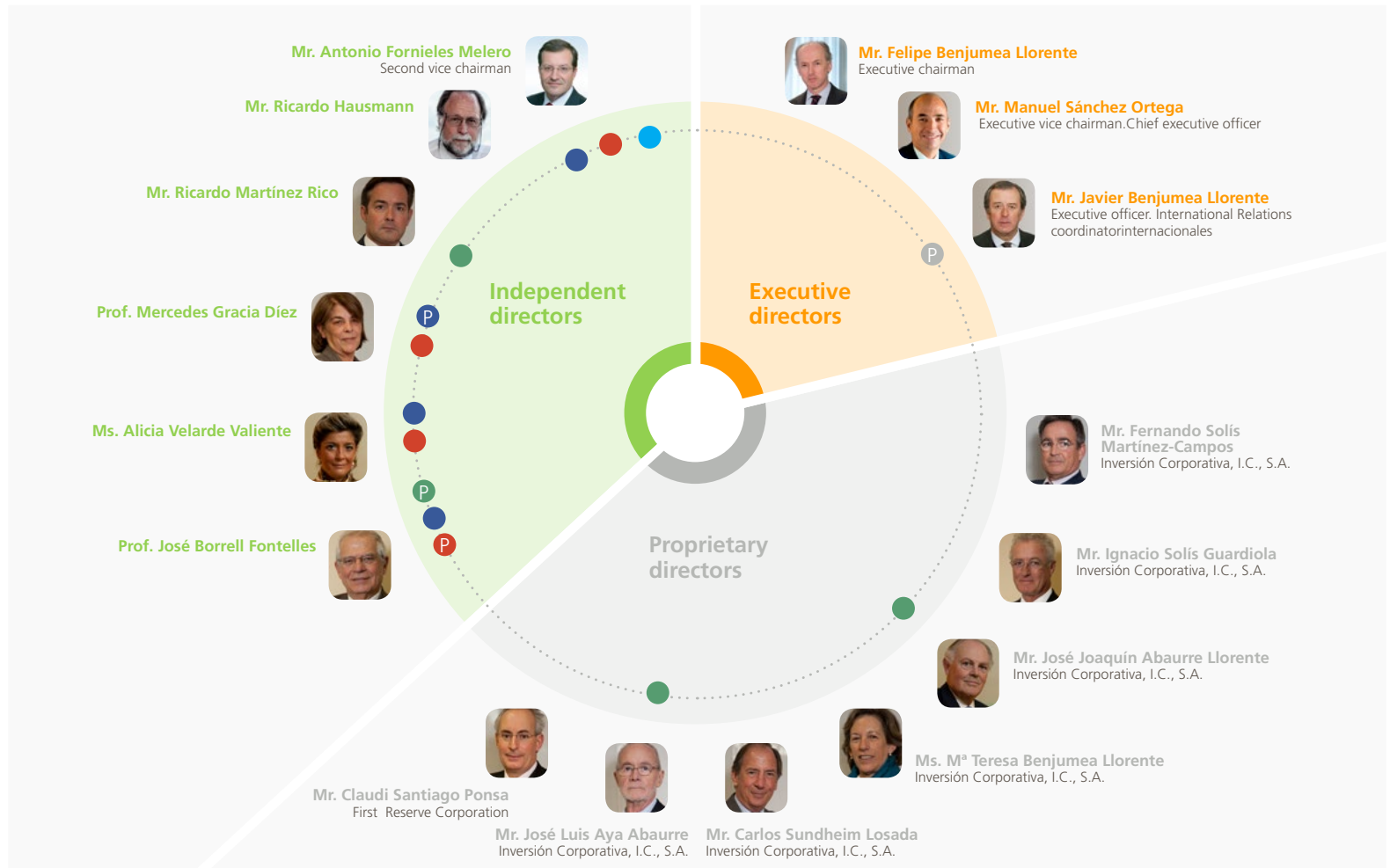
The Board also reviews the tasks assigned to the different committees and commissions that report to the Board. In this regard the Board of Directors is responsible for approving, among other aspects, general company policies and strategies, and, in particular, the company's strategic or business plan, in addition to management objectives, investment and financing policy, corporate social responsibility policy and risk management and control policy.

Abengoa has a non-executive general secretary who, with support from other directors, is in charge of social, economic and environmental affairs. Like the other directors, the secretary meets periodically with the Chairman's Office through the different committees to review and analyze all issues pertaining to social, economic and environmental matters.

The Rules of Procedure of the Board of Directors dictate that the principal of equal treatment be applied in dealings with shareholders. Accordingly, suitable mechanisms must be created to hear shareholder proposals related to company management, informative meetings held on company progress and the necessary channels implemented to exchange information with shareholder groups. The company thus created a shareholder portal, accessible through its website, whereby shareholders may submit their enquiries.

G4-38, G4-39, G4-48

Given that the chairman of the Board of Directors is also the chief executive officer, the internal rules of the Board authorize one of the independent directors to coordinate the concerns of external directors, request a meeting of the Board of Directors or include new business on the meeting agenda and direct the process of evaluating the chairman. Additionally, in 2010 the Board of Directors agreed upon the designation of a chief executive officer to share executive duties with the company chairman. The existence of four executive directors within an ample majority of independent or external directors ensures effective control of the decisions made by the chief executive officer, thus preventing a concentration of power, facilitating decision-making and optimizing the functioning of the company's governance.



G4-40, G4-41, G4-44, G4-45, G4-51, G4-52, G4-54, G4-55

Appointments and Remuneration Committee

The Appointments and Remuneration Committee was set up by Abengoa's Board of Directors in 2003 under the Rules of Procedure of the Board of Directors for the purpose of incorporating the recommendations contained in the Spanish Financial System Reform Act.

This committee has the principal duty of **advising and reporting** to the [Board of Directors](#) on appointments, **reelections, terminations and remuneration** of the Board and its officers, and on **general policy regarding compensation and incentives** for board members and senior management, which is also approved at the General Shareholders' Meeting. External consultants have not been involved in determining remuneration policy.

The committee also verifies on an annual basis that the different board members continue to meet the requirements to remain as such, including the category and nature of their directorship. It is in charge of selecting profiles that best represent the needs of different stakeholders from among experts of renowned national or international prestige in different fields. The selection procedure is based on merit and is intended to fill new vacancies with individuals whose professional profiles are not linked to personal interests. It also acts to ensure that in filling any vacancies that may arise selection procedures are not affected by matters of gender, religion, race, etc. Other tasks of this committee include assessing the performance of the Board of Directors and of its executive officers by examining and organizing the replacement of the chairman and the chief executive officer, communicating appointments and terminations of members of senior management, which the chief executive officer proposes to the Board, and providing information on matters of gender diversity.

The Appointments and Remuneration Committee **is composed exclusively of non-executive independent directors**, which lends greater objectivity when carrying out its duties.

The relationship between the chairman's annual salary (including his variable pay) and the average salary for all other employees, including

all regions and contract types, stood at 126³ to 1. However, while the General Manager's remuneration remained unchanged in 2014, the average salary of the other employees rose 14 %.

Audit Committee

Abengoa's Audit Committee was established by Abengoa's Board of Directors in 2002 under the company bylaws with the aim of incorporating the provisions on audit committees contained in the Spanish Financial System Reform Act. Acting as an independent body, the Audit Committee ensures that group companies act responsibly to ensure ethical conduct.

The committee also **oversees and resolves conflicts of interest**. As established under the Internal Rules of the Board of Directors, the committee chairman has the obligation to inform the Board beforehand on situations involving potential conflict and to abstain until the committee has been resolved. The functions and duties established under the rules can be summarized as follows: to report to the Board on the company's annual accounts; to communicate changes in accounting criteria; to oversee the internal auditing functions; to call meetings of the Board; to have an understanding of the financial reporting process and internal control system; and to interact with auditors in determining issues which may put their independence at risk. The committee is also in charge of preparing and executing the risk control system on the basis of internal auditing and risk management functions. The latter is tasked with analyzing risks of any kind involving the company's projects and businesses, which are in turn overseen by the internal auditing division.

Note 3 The salary base used in the calculation encompasses the salaries paid in 2014 across all regions and for all kinds of employee and contract.

The committee is **composed of independent non-executive directors** in compliance with the requirements established under standards of good governance, thereby lending the committee greater objectivity in carrying out its duties. The committee meets four times a year and is assisted by the secretary to the Board of Directors.

Strategy and Technology Committee

Created in 2014, the Strategy and Technology Committee addresses the Board's need for a **committee specialized in technology**, given that technology is one of the most important underpinnings of Abengoa's business model.

The committee is made up of directors that specialize in different areas of Abengoa's business.

Name	Position	Director type
Prof. José Borrell Fontelles	Chairman	Independent
Mr. José Luis Aya Abaurre	Member	External proprietary
Mr. José Joaquín Abaurre Llorente	Member	External proprietary
Mr. Martínez Rico	Member	Independent

International Advisory Board

In 2010, Abengoa created the International Advisory Board (IAB), a **non-regulated voluntary body** set up to provide expert technical advice to the Board of Directors on any matters requested by the latter. The mission of the International Advisory Board is to support the Board of Directors by collaborating and offering its knowledge, and to address any consultations made by the Board. It may also put any proposals before the Board it deems pertinent based on its experience and analysis.

The IAB is made up of **11 experts of renowned international prestige** in a variety of fields and who hold their office for a maximum two-year

term. Members are elected by the Board of Directors, which has the power to reelect them.

Joining the IAB in 2014 with extensive international experience in a variety of institutional and business fields was Noemí Sanín Posada. Also worth noting is that in 2014 Álvaro Fernández Villaverde y Silva, a member of the IAB, became a member of the Independent Panel of Experts on Sustainable Development (IPESD)⁴ with the aim **of reinforcing the interconnection** existing among Abengoa's range of advisory and governance bodies. He is also able to provide the members of the IPESD with a clearer vision of Abengoa's activities and way of doing business, while to the IAB he lends greater visibility to the relevant environmental, social or ethical issues identified through the work conducted by the IPESD.

Composition of the International Advisory Board

Mr. Javier Benjumea Llorente	Chairman
Mr. José Borrell Fontelles	Vice chairman
Mr. Kemal Dervis	Member
Mr. Mario Molina	Member
Mr. Nicholas Stern	Member
Mr. Bill Richardson	Member
Mr. Arthur Charles Valerian Wellesley	Member
Mr. Álvaro Fernández-Villaverde y Silva	Member
Mr. Alan García Pérez	Member
Wilmer Cutler Pickering Hale and Dorr LLP law firm (Pennsylvania, Washington D.C., U.S.)	Member
Ms. Noemí Sanín Posada	Member

Resumes for all members of Abengoa's governing bodies are available for consultation on the [corporate website](#).

Note 4 Further information can be found in the chapter titled "About this report"».

G4-56



We incorporate best practices into our governing bodies, which enables us to strengthen and promote company success

Transparency and anti-corruption

The values governing corporate culture are **honesty, integrity, good judgment** and **professional rigor** and these are deemed essential to the company's reputation and success. Accordingly, transparency and sound professional judgment are essential to each of the company's activities.

Practices for preventing corruption

Abengoa has mechanisms and procedures in place to prevent and detect fraudulent and corrupt practices. These mechanisms have been incorporated into the **common management systems** and are updated continually to ensure a **balance between the best business opportunities and appropriate risk management**.

All company employees periodically receive information and training in the procedures to follow and channels available for reporting any irregular activities in this regard.

Abengoa has a variety of instruments for preventing corruption. Adherence to national and international laws and the Code of Conduct lays the foundations from a preventive standpoint, whereas the [Whistleblower Channel](#) and other detection mechanisms, such as audits, enable the company to pinpoint any potentially fraudulent activities.

Anti-corruption law

Abengoa adheres to local and international law pertaining to anti-corruption, particularly the provisions of the US Foreign Corrupt Practices Act (FCPA). This act applies to all companies that operate in the U.S., regardless of their country of origin, and supplements the internal control requirements established under Section 404 of the Sarbanes-Oxley Act.

The FCPA prohibits bribes and payments to foreign government officials intended to influence any act or decision resulting in undue advantage, not only in the U.S., but throughout the world.

Abengoa's common management systems are devised to ensure and watch over compliance by all company employees, executives and directors of the provisions of any legal regulations involving anti-corruption that are applicable to Abengoa, including the FCPA. In addition, the [Social Responsibility Code \(SRC\)](#), which all company suppliers are required to adhere, contains clauses which expressly prohibit any type of corrupt practice that benefits Abengoa.

The Internal Auditing Department also has resources for monitoring compliance with the Act through the **Fraud Prevention and Detection Unit**⁵.

In 2015, the company expects to be able to implement an internal control system in smaller group companies, increasing the frequency of visits and providing support to ensure homogenous control throughout the group.

Code of Conduct

Abengoa has a code of professional conduct that defines **working relations for employees, senior managers and directors** within the company in 16 areas, as well as **stakeholder relations**. The general aim of the code is to increase transparency and professional rigor by establishing standards of conduct expected from all Abengoa employees. The code is available through the intranet and on the corporate website. It is therefore accessible to all employees, senior managers, directors and related parties in the company's working languages: English, Spanish and Portugueses.

Note 5 More information can be found in the "Audits for preventing and detecting fraudulent activity" section of this chapter.

G4-57, G4-58

Abengoa considers the [Code of Conduct](#) a key component of corporate culture. With the aim of raising awareness of the code, and of how the whistleblower channels in place within the company work, **specific training** programs were designed and given to all employees in 2014.

The Code of Conduct is continually updated and, accordingly, modifications are made to adapt content to the new reality of the company and the communities in which it operates. The last review, which took place in 2014, adapted the code to reflect the separation of duties of the Compliance Unit and the General Secretary's Office. In order to ensure knowledge of and compliance with all aspects of the code, changes are communicated immediately throughout the organization.

Whistleblower channels

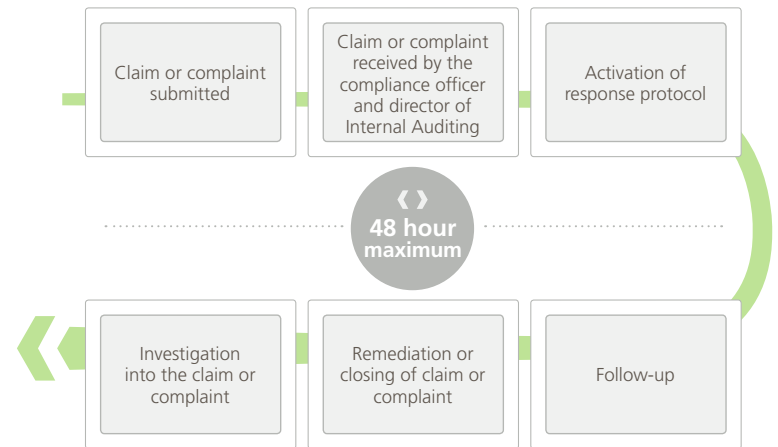
The [whistleblower channels](#) are an essential part of Abengoa's commitment to anti-corruption and constitute the mechanism through which **all company stakeholders** may anonymously report any irregular conduct they may detect when carrying out their professional duties

In effect since 2007, Abengoa's [whistleblower channels](#) whistleblower channels were devised pursuant to the specific requirements of the Sarbanes-Oxley Act.

- › **Internal:** available to all employees for them to report any complaints or claims concerning financial statements or other reports, accounting matters, internal controls over the financial information reported, auditing matters or breaches of the Abengoa Code of Conduct.
- › **External:** intended to enable anyone outside the company to report irregularities, fraudulent acts or conduct that contravenes the Abengoa Code of Conduct. This channel is available on the [Abengoa website](#).

In accordance with the policy on channeling claims and complaints, which defines the procedure for handling all information received, there is a specific guarantee of the utmost confidentiality of whistleblowers and the system allows information to be submitted anonymously without any risk

of reprisal for any claim made in good faith. The policy dictates that the response protocol must be initiated within 48 hours from the time the claim is made.



In addition to the whistleblower channels, any infraction may be reported directly to the compliance officer, and to supervisors, directors and duly authorized personnel.

Due to Abengoa's ever-growing international presence, claims and complaints received come from all geographical locations of company operation.

G4-DMA, G4-SO3

The geographical distribution of claims submitted is as follows:

	2014	2013
South America (%)	21	33.3
North America (%)	20	16.6
Europe (%)	24	16.6
Africa (%)	23	16.7
Asia and the Middle East (%)	12	16.7
Total (%)	100	100

Audits for preventing and detecting fraudulent activities

In 2012, Abengoa created the **Fraud Prevention and Detection Unit** tasked with identifying and mitigating the main fraud-related risks to which the company is exposed and investigating any claims received through the available channels. Thus, the tasks associated with the preventive audits are conducted according to a plan of action which includes geographical regions and business segments that are most susceptible to fraud, as well as a review of those areas entailing greater risk in the financial statements.

As of year-end 2014, the unit had **16 members**, in comparison to 8 in 2013. Thirteen of these members have previous experience in financial auditing at some of the leading firms from the sector.

In 2014, the fraud prevention auditing plan included **143 actions**, 93 more than in 2013. In carrying out these actions, 31 significant corruption-related risks were detected and analyzed accordingly.

In addition, over the course of the year various pilot tests were conducted using the Business Intelligence tool, increasing automatic detection control mechanisms and big data analytical capacities⁶.

Note 6 Big data: large-scale analysis of massive data sets.



Additionally, with the aim of bolstering its anti-fraud efforts, Abengoa joined the **ACFE Corporate Alliance** (Association of Certified Fraud Examiners) on November 1, 2014. The association helps companies by providing tools and specific training aimed at halting fraud and corruption, and also provides resources for obtaining CFE (Certified Fraud Examiner) accreditation for internal auditors involved in the detection of fraud and non-compliance.

Throughout the year, the effective implementation of **COSO II** enhanced internal documentation in various areas where informal mechanisms were already in place. In particular, a greater effort was made to document the company's general control environment.

In relation to prevention of financial risks, fraudulent activities and money-laundering, Abengoa's policy on investments made in tax havens is based strictly on justified business and economic criteria that are entirely distanced from other motivations, such as obtaining tax benefits or tax exemption. Among the countries considered to be tax havens by Spain's National Tax Agency (AEAT by its Spanish acronym), Abengoa operates in Oman only, where the company is building a desalination plant. It should likewise be noted that Abengoa conducts over 70 % of its business in Organization for Economic Cooperation and Development (OECD) countries.

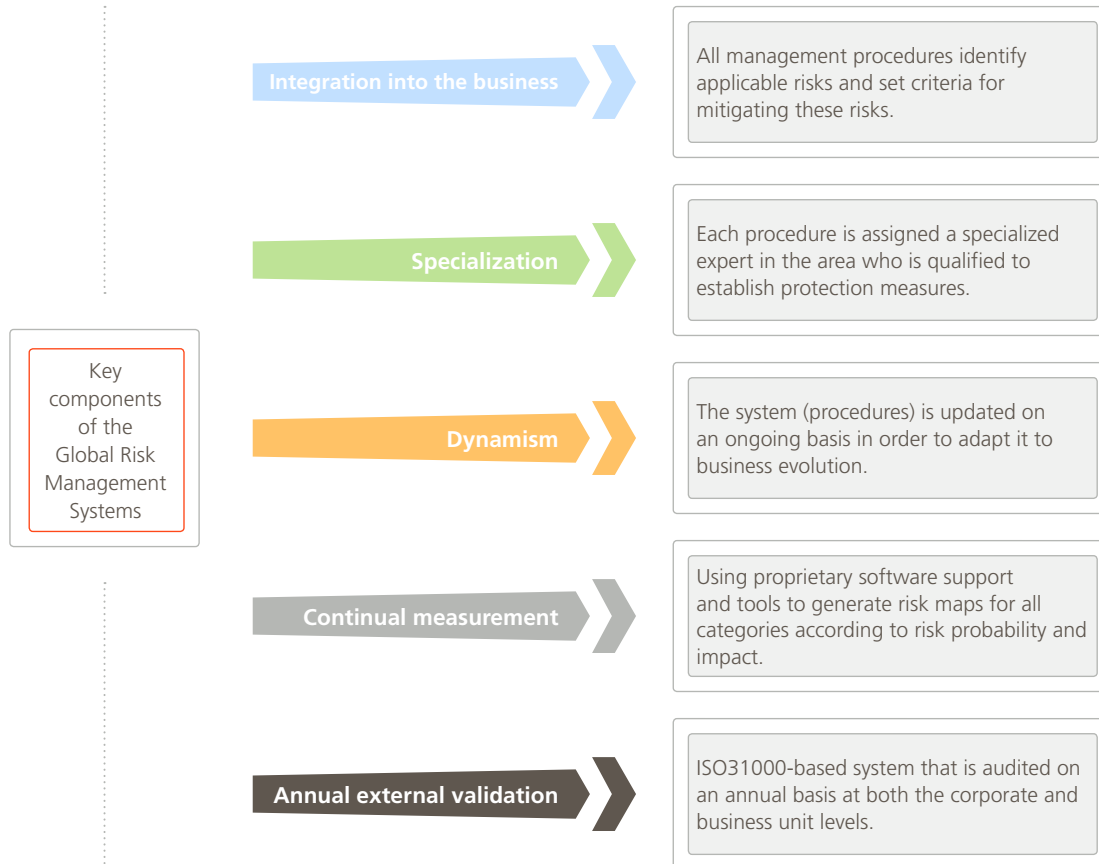
Additionally, Abengoa conducts activities in other geographical areas which, though not included on the list of tax havens by Spain's AEAT, are nevertheless considered by international observatories and organizations as territories whose tax system is more advantageous than the Spanish regime. The company has subsidiaries in Delaware (U.S.), Holland, Luxembourg, Uruguay, Singapore, Hong Kong, Switzerland and Panama. All of them are grounded in strictly economic or business rationale or simplification of commercial and administrative processes, and under no circumstances are motivated by tax evasion, money-laundering or financing of illicit activities.



G4-14, G4-46

Risk management

For Abengoa, risk management is key to creating value and improving the company's competitiveness, and risk management is therefore wholly integrated into the business. Risk management begins with the **identification and parameterization of any project prior** to its commencement, establishing its tolerance to risk and the likelihood of occurrence. When moving forward with a project, the risk function defines **the most appropriate mitigation measures** for each type of risk.



The **Global Risk Management System** enables the company to control and determine risks and is intended to create a common risk culture to help facilitate the fulfillment of objectives in this area and to allow it to act and adapt accordingly.

Conducting project-related risk analysis means coordinating efforts with the group companies in question, specifically with their bidding, commercial and technical departments and management teams, which analyze and undertake the different projects and associated procurement for the companies. It also requires special communication between the Risk, Finance, Internal Auditing and Legal Advisory departments. Although there are no periodic committee meetings planned among these departments, in practice meetings are held frequently to manage the regular course of business in a coordinated fashion.

In 2014, the following main innovations were implemented in relation to risk management policies:

- › **Classification of countries** where the company operates according to the risk they pose in terms of environment/security, political risk, sovereign rating, transparency index and natural risks. For each country, the measures to be applied have been defined according to their rating, and these must be implemented in order to do business in the countries.
- › Implementation of a **risk analysis methodology** with respect to climate change so that all activities may be evaluated and treated accordingly so as to support the sustainability of the business in accordance with corporate policy.
- › **Reinforcement of analysis and control** measures in order to prevent the undertaking of tasks and businesses which may violate international standards and prove detrimental to the interests of Abengoa and its stakeholders.

The Universal Risk Model (URM)

The Universal Risk Model (URM) is employed to gauge risk level according to risk probability and impact in all categories (strategic, financial, legal and operational risks). It provides online risk maps through automatic real-time connection to the company's information.

Risk measurement is carried out in each of Abengoa's business units by company and by relevant geographic region and is reviewed every six months. This allows for action plans to be drawn up for those risks that exceed the threshold defined as being tolerable in each case.

The URM is being adapted so that the model, apart from providing the risk map information, will aid in obtaining and monitoring the indicators that each business unit deems significant in daily business management, thus increasing system efficiency.

Risk mitigation

The company applies the controls needed to maintain the different identified risks within the established limits, determining the strategy to be followed for each one of them. The risk mitigation systems are applied at different levels:

- › **Business-level:** each and every procedure (legal, financial, procurement, quality, corporate social responsibility) contains measures for mitigating inherent risks, and application of such measures is obligatory.
- › **Project-level:** each company projects is preceded by risk analysis and quantification which extends to all project phases (development, construction and operation). No project is undertaken without

conducting this risk analysis, thus verifying that all potential risks have been taken into account and approval received from those in charge at all decision-making levels.

- › **Strategic-level:** measuring risks through the URM requires and allows for the definition of action plans aimed at maintaining risks at the level of tolerance established for each of them..

It should be pointed out that Abengoa has a unified and common system for compiling lessons learned, which enables feedback from the risk management system and the application of measures for new projects or businesses according to past experience.

Committees on risk management

Holding regular periodic committee meetings ensures that Abengoa's senior management has accurate knowledge of the main risks affecting the company as a whole and, in particular, each of its projects and lines of business. This **helps ensure that strategic decisions** are undertaken with **maximum assurance of success**.

Risk management committee meetings		
Committee meeting with the Risk Management director and the CEO.	Weekly.	50 committee meetings held in 2014.
Committee meeting with the Risk Management director, the chairman and the CEO.	Quarterly.	4 committee meetings held in 2014.
Committee meeting with the director of Risk Management and the chairman of the Safety Committee.	Monthly.	11 committee meetings held in 2014.
Committee on significant project/business monitoring meeting with the chairman.	Depending on the number of matters of this type to be followed up onr.	More than 50 committee meetings held in 2014.
Committee meeting with the director of Risk Management and the risk managers from each business unit.	Monthly.	More than 50 committee meetings held in 2014.
Annual committee meeting of "sponsors/risk owners" with the chairman's office.	Annual.	1 committee meeting held in 2014.

Compliance

In 2013, Abengoa set up the **Corporate Compliance Program (CCP)** with the aim of preventing, detecting, and sanctioning any conduct that may result in company or employee liability. This comprises the self-regulatory programs voluntarily put in place by the company to adapt to legal requirements, to further illustrate its hallmark commitment to ethical conduct, and to prevent and detect unlawful conduct.

The CCP reports directly to the Compliance Officer, who reports on a monthly basis to the Board of Directors regarding relevant issues in this area. The Corporate Compliance Officer also attends fiscal, consolidation, strategic development and corporate social responsibility committee meetings, which are held monthly.

This provides the CCP with information from all areas of the company so that it can report periodically to the Board of Directors.

Geographical and functional scope

The program defines the main actions involving detection, prevention, surveillance and control to be carried out by the Internal Compliance Unit, which is headed by the Compliance Officer, and by the control processes implemented by Abengoa to prevent and control the occurrence of unlawful conduct.

The program applies to **all companies controlled by Abengoa** in all countries of company operation and to any company activity. It also applies to company employees and third parties acting directly and expressly on behalf of Abengoa or its directors. All of these must uphold the laws undertaken voluntarily or obligatorily by the company when infringement could result in economic or administrative sanction, or criminal or civil liability or otherwise tarnish the company's reputation. The scope of the program is slated to be extended in the future to include suppliers, collaborators and other stakeholders.

The CCP is based on the **model** proposed by the **Open Compliance and Ethics Group (OCEG)**, as a means of attaining excellence in managing key processes involved in corporate governance, risk management and compliance. The model is based on six pillars:

- › **Leadership**
- › **Risks**
- › **Procedures**
- › **Training**
- › **Disciplinary procedure**
- › **Monitoring and improvement**

Independent Panel of Experts on Sustainable Development Recommendation 2014

Compliance function

"Compliance is not just about legal compliance (eg. Sarbanes/Oxley and the FCPA). Rather it covers oversight of the adherence to both internal as well as external standards and requirements. Abengoa set up this function only in 2013 so it will be important to explain how it is organized, to whom the function reports from the subsidiaries up to the parent company, and how it is designed to support both risk management and corporate sustainability goals. For instance, is compliance involved in reviewing bio-diversity and human rights impact assessments. What reports are prepared for the Board or its Audit Committee on compliance results."

Instruments available to the program

The CCP is carried out using prevention and control instruments, as well as the disciplinary measures the program has in place.

The company's **key prevention instruments** are the Risk Map, the Code of Conduct and training. Through these mechanisms, Abengoa analyzes corporate risks potentially posed by company activity and defines the norms and principles of ethics governing the conduct of all company agents, expressly forbidding any conduct that may be considered criminal. They are considered prevention instruments because their purpose is to ensure that all individuals lying within their scope assume and accept the values defined in it, while establishing a culture of respect for the law.

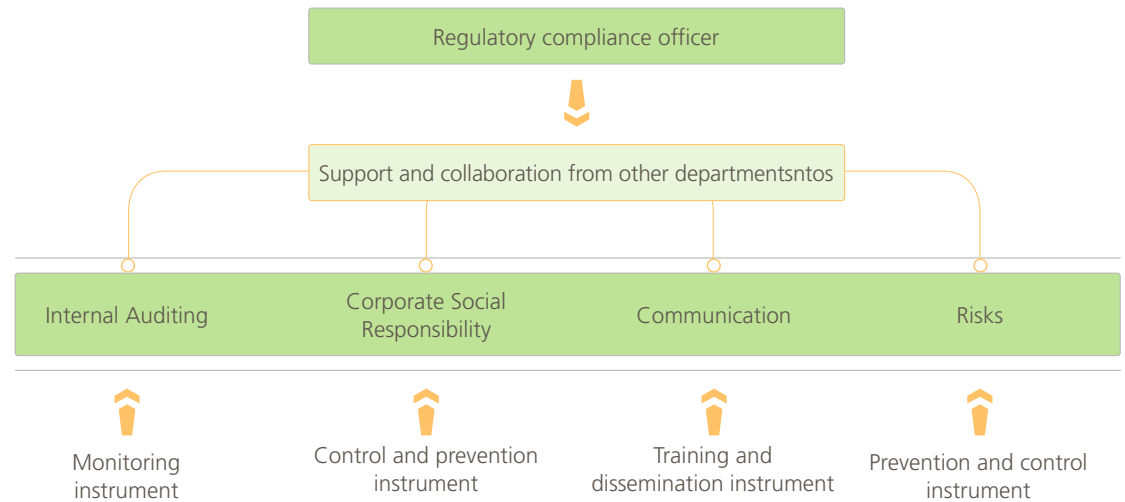
The control instruments are intended to provide continuous oversight of compliance with established regulations in order to forestall the occurrence of law-breaking or any other illicit conduct within the company and to evaluate the existence of new risks. Among the instruments devised to exercise control is the appointment of the Compliance Officer and the existence of the Whistleblower Channel, whereby company workers may report unlawful conduct anonymously.

Disciplinary measures are intended to ensure compliance with the norms of conduct established by Abengoa. A regime of internal sanctions has therefore been implemented and extends to all members of the company, including both officers and employees.

Compliance Unit Resources

The Compliance Unit and Compliance Program centralize their activity through the Compliance Officer, who has access to all the information sources needed to perform his or her duties.

The Compliance Officer is required to have full knowledge of any legal regulations that may apply to Abengoa, in addition to promoting upstanding conduct by all company employees by disclosing necessary legal information among those to whom regulations may apply.



Activities carried out under the program framework

In 2014 Abengoa implemented the associated Norm of Obligatory Compliance and control processes. The company also provided training to a number of employee groups and developed and implemented four specific programs aimed at segmenting the activities carried out under the CCP framework. These programs are the following:

- › Program of Compliance in **Matters Concerning Competition.**
- › Program of Compliance in **Matters Concerning Data Protection.**
- › Program of Compliance in **Matters Concerning Corruption.**
- › Program of Compliance in **Legal Matters.**

These 4 programs start by establishing forbidden or recommended conduct for each regulatory block. Using presentation of cases, the programs seek to create a corporate culture based on the strictest adherence to legal regulations.



06.3

Responding to the demand for energy and infrastructure



Targets and commitments in 2013	Milestones in 2014	Commitments for 2015	Working areas
No explicit commitment was published in the CSRR 2013	Abengoa recognized as a leader on the Carbon Disclosure Project (CDP) for its transparency in managing climate change. The company obtained a qualification of 99 A	Consolidating position of leadership on the Carbon Performance Leadership Index and the Carbon Disclosure Leadership Index.	Analysis of the company's main risks and opportunities related to climate change as one of the key inputs in reporting information for the CDP.
No explicit commitment was published in the CSRR 2013	Adherence to the "Business Leadership Criteria on Carbon Pricing" as part of the Caring for Climate initiative, and designation of a carbon price.	The economic amount that will be invested in reduction actions is the result of applying the internal price set to 5 % of the total emissions from the annual GHG inventory.	Follow-up on the implementation of the reduction initiatives resulting from the application of carbon pricing.
No explicit commitment was published in the CSRR 2013	Endorsement of the Green Growth Group «Going for Green Growth» initiative.	Addressing recommendations, tasks and information needs to meet group requirements.	Implementing initiatives to promote a low-carbon economy.
Continuing to move forward in CO _{2eq} labelling (CSRR 2013, p. 38)	Development of three new CO _{2eq} labels.	Diversifying the development of CO _{2eq} labeling in all company products and services.	Analysis of product typologies and development of new labeling methodologies.
Systematizing the establishment of emission reduction initiatives through directed actions. (CSRR 2013, p. 38)	Reduction of 459.658 tCO _{2eq} thanks to the implementation of reduction actions (directed actions).	Calculating investment in reduction initiatives based on carbon pricing	Collaboration with business units in drawing up reduction initiatives and monitoring of investment made.
Strengthening the system of risk assessment associated with climate change. (CSRR 2013, p. 38)	Updating of risk analysis in relation to climate change based on the IPCC AR5 Report ⁽¹⁾ .	Objective accomplished and brought to completion.	Not applicable

(1) Intergovernmental Panel on Climate Change (IPCC): body established in 1988 to provide comprehensive assessments on the state of scientific, technical and socio-economic knowledge with respect to climate change, its causes, potential repercussions and response strategies. [\(+ info\)](#)

The global demand for infrastructure over the next 15 years is estimated to require an investment of € 57 B, which means an annual average of € 3.2 B¹, over three times more than Spain's GDP. Around 40 % of this investment will target the energy and water sectors, where Abengoa enjoys a presence and conducts its activity, and linked to investment in infrastructure is the rising demand for energy. According to the International Energy Agency (IEA)², demand will increase by 37 % from now until 2040³.

Photograph taken by Daehyun Kim for the 6th Edition of the Sustainability Photography Contest⁽¹⁾.



(1) Photography contest for employees organized annually by Abengoa. The jury awarded the first prize and up to three runners.

Note 1 Unlocking Investment in Infrastructure. Standard and Poor's, McKinsey; June 2014.

Note 2 International Energy Agency (IEA): international organization dedicated to working to ensure reliable, affordable and clean energy for its member countries through its main areas of focus: energy security, economic development, environmental awareness and engagement worldwide. [\(+ info\)](#)

Note 3 [Word Energy Outlook 2014](#)

This chapter of the report describes the manner in which Abengoa responds to the challenges associated with the rising demand for infrastructure and energy and how the company turns these challenges into opportunities by drawing on its business model and R&D and innovation. Abengoa does so under the conviction that the future depends on complete restructuring of the energy model based on the transition to a paradigm based on **energy efficiency, energy saving and the use of clean energy sources**. This section also provides information on the company's performance from the standpoint of the energy it uses and the emissions associated with company activity⁴.

Main lines of R&D and innovation in the fields of energy

Abengoa is currently engaged in the development of a variety of lines of research in the energy. The company's aim is to make newly developed technologies marketable in the near future and move them into new market niches. Listed below are the most prominent among these technologies.

Thermal energy storage

Abengoa is working to develop new lines of research into technologies that help lower costs, achieve higher efficiency and enhance the manageability of the company's solar plants. The commercial thermal storage technologies the company has developed, which continue undergoing research with a view to improvement, are divided into the following types:

› **Molten salt storage:**

- **Indirect:** employing a heat exchanger to transfer calorific energy from the fluid that absorbs concentrated solar radiation (thermal oil) to the molten salts ([Solana, in Arizona U.S.](#)).

Note 4 Performance in relation to use and production of water resources is described in detail in the chapter titled «Managing available natural resources».

- **Direct:** where molten salts directly absorb concentrated solar radiation and store thermal energy in tanks prepared for this purpose. ([Atacama I, desert of Antofagasta, Chile](#)).
- › **Steam accumulator:** using a thermally insulated tank containing hot water and pressurized steam ([Khi Solar One in Upington, South Africa](#)).

The development of these technologies in different pilot plants enables Abengoa to test their effectiveness to commercialize them while acquiring experience in using the technologies and progressively improving their efficiency.

Photograph taken by Abdellah Boujediane for the 6th Edition of the Sustainability Photography Contest ⁽¹⁾.



(1) Photography contest for employees organized annually by Abengoa. The jury awarded the first prize and up to three runners.

Photovoltaic energy

Photovoltaic energy is another of Abengoa's prominent fields of research.

In 2014, Abengoa continued developing **thin film photovoltaic technology, high-concentration (HCPV)**⁵ demonstration high-concentrating photovoltaic technology-based plant was installed in the U.S. (SolarTac in Denver), and a 400 kWp commercial plant was implemented in France-; with regard to **low-concentration photovoltaics (LCPV)**⁶, Abengoa worked throughout 2014 in collaboration with the Fraunhofer Institute, the CSIC⁷, the University of Seville and the University of Cádiz on concept design and development, and on construction of a functional prototype which is currently being monitored and validated at the [Solucar Complex, in Seville \(Spain\)](#).

Additionally, Abengoa Research is working on solar cells based on perovskite, a material with extraordinary properties that is revolutionizing the field of photovoltaics as the result of its 20 %+ efficiency in converting light into electricity. In carrying out these new projects, Abengoa Research collaborates with institutions and universities that include the École Polytechnique Fédérale de Lausanne, the Max Planck Institute for Polymer Research and the University of Castilla-La Mancha.

Note 5 Concentrated photovoltaics (CPV) is a technology that employs lenses, curved mirrors and other types of optical devices to generate electricity by focusing a large amount of sunlight onto the smallest possible number of photovoltaic cells. In comparison with ordinary photovoltaic systems, CPV helps lower costs. High-concentrating (HCPV) systems use optics which concentrate light at an intensity of 1,000 suns or more

Note 6 Low concentration (LCPV) systems have a solar concentration of 2 to 100 suns.

Note 7 CSIC (acronym in Spanish for Spanish National Research Council): largest public institution dedicated to research in Spain and the third largest in Europe; its main objective is to develop and promote research to bring about scientific and technological progress. [\(+ info\)](#)

Power systems

Abengoa is working on the **development of intelligent solar plants** through the **Smart Solar Plant (SSP)** Project. These plants **combine solar thermal and photovoltaic technology** to achieve optimal integration into the electric system. In addition to generating clean energy with a cheaper tariff, these plants will have the capability to provide support services to the electrical power grid and optimize their share in the most competitive electric markets. To this end, the company is analyzing the impact and viability of these new breeds of power plants in diverse electric scenarios, including the U.S., Chile, South Africa and Germany..



Photograph taken by Adriana del Valle Gil for the 6th Edition of the Sustainability Photography Contest⁽¹⁾.

(1) Photography contest for employees organized annually by Abengoa. The jury awarded the first prize and up to three runners.

Solar energy 24 hours a day

Abengoa was selected in 2014 by the Ministry of Energy of the Chilean government and the Production Development Corporation (CORFO)⁸ to develop the [largest solar thermal plant in Latin America](#). This contract award is part of Chile's national program for the development of renewable energy sources, whose aim is to provide the country with a **cleaner energy future**. Chile aims to achieve by 2025 the goal of producing 20 % through clean energy.

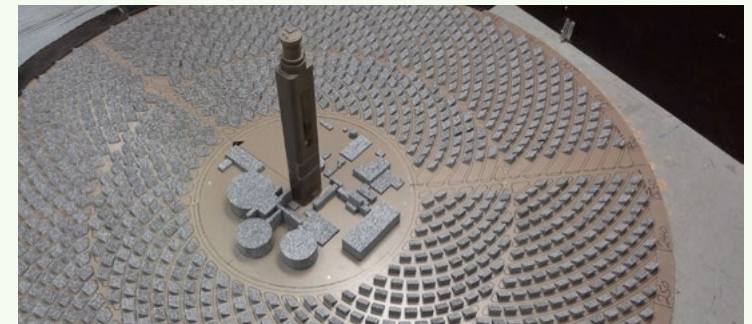
Located in the **Atacama Desert**, the region that receives the highest concentration of solar radiation in the world, the 110 MW tower technology-based solar plants equipped with 17.5 hours of molten salt thermal energy. This will enable non-stop **production of renewable energy 24 hours a day** and a 100 MW capacity photovoltaic plant.

Once it has entered into operation, the plant will prevent the emission into the atmosphere of approximately **870,000 tCO_{2eq}** per annum, and in addition it will respond to community and industry energy demand thanks to the combination of the two technologies.

Construction, operation and maintenance of this complex will serve as a catalyst for regional and national socioeconomic development, generating an average of **1,100 direct jobs**, up to a peak of 2,500. Once the project enters into commercial operation, **60 direct long term positions** will be created.

Project construction began in July 2014, and the plant will be ready to go operational in March 2017.

Reconstruction of the solar project being executed by Abengoa in Chile.



Note 8 CORFO (acronym in Spanish for Production Development Corporation): Chilean governmental organization tasked with promoting domestic production activity [\(+ info\)](#)

G4-DMA, G4-EC2

Cristina Cuesta, accésit in the 6th Edition of the Sustainability Photography Contest ⁽¹⁾. *El árbol y la luz.*



(1) Photography contest for employees organized annually by Abengoa. The jury awarded the first prize and up to three runners.

Biomass

Abengoa develops energy crops ⁹ and works through innovation to improve the **energy productivity** of harvested wood products and increase the volume of cultivated energy plantations.

The biomass, pellet ¹⁰ and wood chip ¹¹, chip market is expected to see significant growth in the next few years to meet the demands from different parts of the world. In order to address these needs, Abengoa already boasts a variety of projects that are at an advanced stage in areas comprising energy plantations, biomass transportation and wood chip and pellet plants.

Risks and opportunities associated with climate change

Abengoa's business model and strategy are designed around the creation of innovative technology-based solutions for sustainability, where climate change plays an essential role.

For this reason, Abengoa conducts extensive analysis ¹² of the different aspects associated with climate change, including potential related regulatory or physical changes, with the aim of **protecting company assets, contributing to mitigating inherent risks and exploiting potential business opportunities** that may arise as a result of this phenomenon.

Note 9 Energy crops: fast-growing plants grown for the purpose of energy production.z.

Note 10 Pellets: ground forestry biomass that has been dried and compacted to obtain cylinders with a diameter of just a few millimeters and with the lignin contained therein acting as a natural bonding substance for use as biofuels.

Note 11 Wood chips: small pieces of wood obtained by cutting or chipping forest biomass.

Note 12 In 2014, Abengoa revised its methodology for analyzing risks in relation to climate change based on the reflections of the Intergovernmental Panel on Climate Change (IPCC) in its fifth assessment report, which establishes 1.8°C as the estimate for the low scenario in average temperature rise.

Outlined below are the financial implications of the risks and opportunities linked to climate change and the measures adopted by the company to address the former:

Risks

The current backdrop of uncertainty regarding the continuation of **the Kyoto Protocol** could reduce **capital investments** in emissions reduction and renewable energy projects in developing countries. Given that part of Abengoa’s activity involves acting as an intermediary in the purchase and sale of emission rights, this activity would cease in the event that a post-Kyoto system is not established.

Financial implications

Abengoa addresses this risk by holding regular meetings with the Spanish Climate Change Office in order to analyze the evolution of carbon markets and monitor national and international policies.

Opportunity

Activities involving thermal power will not have any free allowances over the 2013-2020 period. This will present a tremendous opportunity for carrying **out low-carbon activities** with free allowances

Variations in environmental conditions (changes in temperature, precipitation levels, rising sea level, increase in the number of catastrophes, etc.) can lead to **water scarcity, destruction of facilities or stagnation of company operations** in affected territories.

Abengoa addresses this risk by taking into consideration worst-case meteorological and environmental parameters and by raising safety factors in project and process design and analyzing and estimating the chemical products and enzyme consumption established under the contingency plans developed during desalination, water treatment and bioethanol plant construction. The company also analyzes and monitors inputs to thermal processes taking place in solar plants.

According to IPCC forecasts, a rise in temperature and a drop in average precipitation is anticipated in certain geographical areas. A rise in temperatures could mean a **greater demand for water**. Furthermore, a decrease in annual precipitation levels could bring about an increased number of hours of sunlight, which would **increase energy production** by solar plants located in these areas..

Public awareness with respect to climate change presupposes that company stakeholders will pay increasingly more attention to Abengoa’s measures aimed at combating climate change. Therefore, all activities undertaken voluntarily in compliance with rules and regulations pertaining to climate change will have a positive effect on the company.

67 %

of energy produced come from renewable sources

Domestic carbon price, established in

9 € per tCO_{2eq}

Reduction of

459,658 tCO_{2eq}

G4-DMA, G4-EN3, G4-EN4, G4-EN5

Responsibility in relation to company activities with an impact on climate change

The activity carried out by Abengoa is characterized by its potential influence on the **effects occurring from climate change** and therefore the company takes into account all factors involved in the business that may have an impact on our natural surroundings. Keenly aware of its **responsibility**, Abengoa engages in diverse initiatives contributing to palliating these impacts and which involve each and every area of the organization. .

Abengoa's commitment to sustainable development and halting climate change accordingly extends to include all areas of company activity: including employees, through hours of training dedicated to these areas; the supply chain, by means of the GHG emissions inventory for quantifying the emissions of all of the company's products and services; customers, through CO_{2eq} labelling to inform the market on the carbon footprint associated with business development; and the community, through implementation of the Energy Transition and Climate Change Forum. In addition, the company has consolidated its risk assessment system over the past few years. This system includes risks that are directly linked to climate change.

Energy and emissions indicators

Energy

Abengoa seeks to contribute to mitigating the consequences of **climate change** by **producing clean, emission-free** energy and promoting **maximun efficiency** in company operations.



Energy production

Energy production, one of the pillars of the Abengoa business model, enables the company to contribute actively toward climate change mitigation and an emissions-free energy model.

In 2014, energy production from different sources totaled 101,552,784 GJ, distributed as shown below:

Type of energy (GJ)	2014	2013	2012
Biofuels	57,175,927	50,446,231	52,576,933
Electrical	28,371,617 ⁽¹⁾	21,232,968	14,000,671
Thermal	15,882,830	13,232,529	3,117,638
Biomass	122,410	8,770	17,630
Total	101,552,784	84,920,498	69,712,872

(1) Of the total amount of electrical power produced, 38% comes from a renewable source.

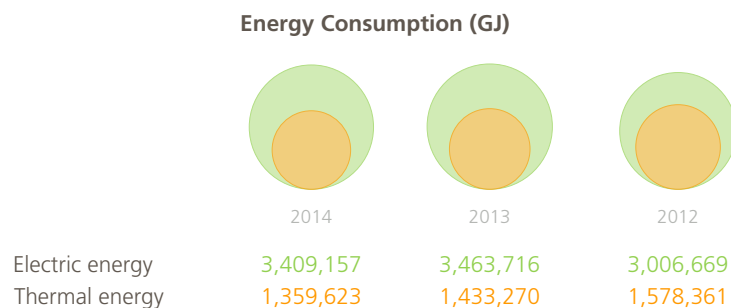
Energy consumption

Abengoa promotes the execution of measures aimed at optimizing energy efficiency in all company operations, as well as the use of renewable energy sources. Direct energy consumption, by source, was as follows:

Type of energy (GJ)	2014	2013	2012
Natural gas	64,897,055	55,074,305	38,872,639
Biomass	16,688,290	15,269,801	14,639,966
Petroleum derivatives	2,241,744	2,168,933	2,362,480
Biofuels	75,887	74,499	267,961
Others	24,560	1,096	1,319
Total	83,927,536	72,588,634	56,144,365

G4-DMA, G4-EN6, G4-EN7

Additionally, installations and work facilities consume intermediate energy in the form of electricity and thermal power. Over the last three years, consumption figures were the following:



In 2014, the percentage of electricity used by Abengoa coming from renewable sources was 21 %.

A breakdown of this intermediate energy consumption according to renewable and non-renewable primary sources shows that most of the energy Abengoa uses comes from hydro, wind and biomass.

Indirect energy consumption (GJ)

	2014	2013	2012
Renewable primary source	1,036,400	1,044,780	748,204
Non-renewable primary source	8,114,322	8,244,417	7,241,435

Note: Further information can be found in Appendix B.

Measures adopted to reduce energy consumption

Another fundamental aspect of fulfilling Abengoa's sustainability policies and objectives involves the implementation of measures to promote energy efficiency and emissions abatement in company operations and processes.

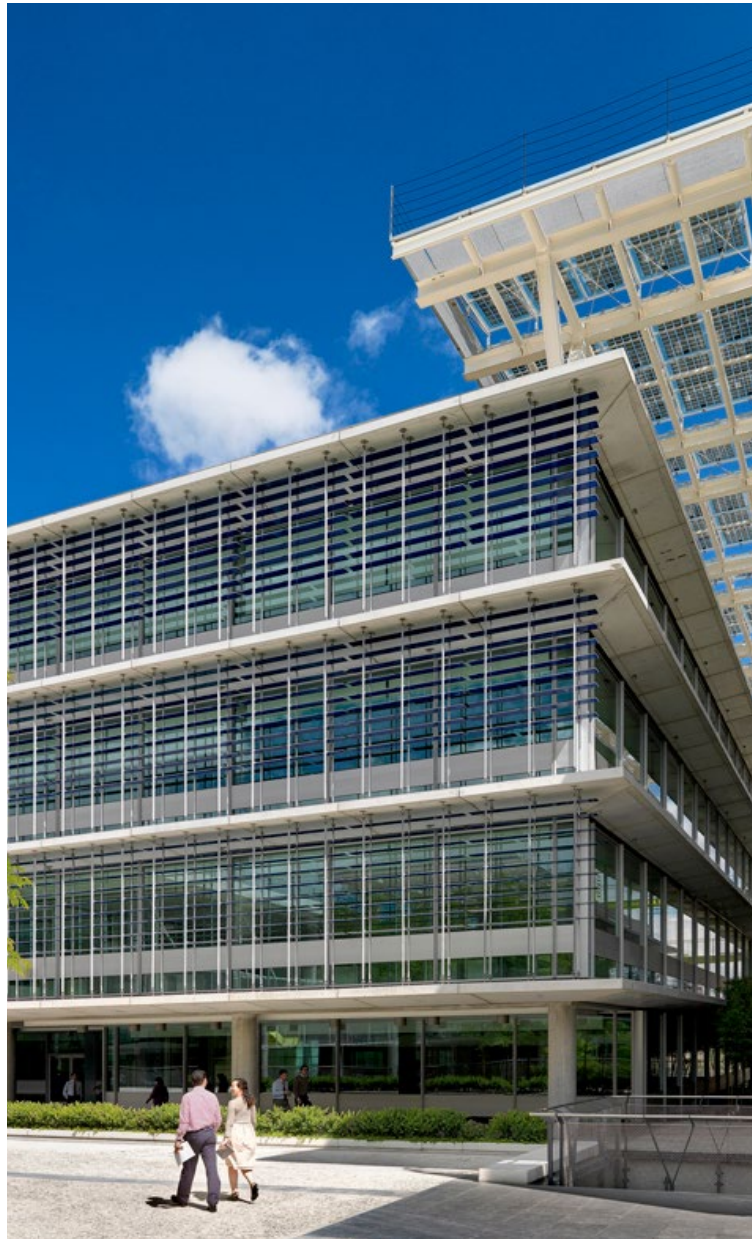
In 2014, Abengoa encouraged group companies to carry out initiatives aimed at achieving higher energy efficiency. Worthy of special mention among such undertakings were the measures adopted at the Solar Power One plant focused on enhanced focalization and reflectivity of the plant's solar field, as well as improved steam turbine performance by means of an improved vacuum system, thereby achieving a reduction in the amount of natural gas used in the process. Investment in the initiative totaled € 90,000.

Also worth noting are the reductions in LNG consumption achieved at the Solucar, El Carpio, Castilla la Mancha, Extremadura and Écija solar plants in Spain. Overall reduction amounted to 38,379 tCO_{2eq}.



Energy production	101,554,798 GJ
— Energy consumption	88,696,316 GJ
Net energy produced	12,858,482 GJ

	2014	2013	2012
Energy consumption revenues (GJ/k€)	12.0	10.5	8.8
Energy consumption workforce (GJ/person)	3,649	3,506	2,603
Energy consumption EBITDA (GJ/M€)	54,248	44,490	55,152



Campus Palmas Altas, Seville (Spain).

Efficient offices

Abengoa promotes energy efficiency in all of its areas of activity, which encompasses projects and company office locations and facilities as well. Along these lines, the company earned LEED certification in three of its singular buildings: Campus Palmas Altas, Seville (Spain), Abengoa’s main headquarters housing 3,000 employees, has **platinum LEED** pre-certification; Castellana, 43, Madrid (Spain), with 700 employees, obtained its **gold LEED** certificate in 2013; and the corporate office in Rio de Janeiro (Brazil), with 600 employees, is currently in the process of obtaining **silver LEED** certification.

LEED (Leadership in Energy and Environmental Design) certification, based on a set of rating systems, is a U.S. assessment method applied to determine the efficiency of **so-called green buildings** by means of objective design guidelines and quantifiable parameters.

These certifications recognize the commitment undertaken by Abengoa to the environment and responsible management, in addition to the company’s engagement in the development of measures and initiatives that contribute to improving efficiency in conducting its activities.



G4-EN15, G4-EN16, G4-EN17

Greenhouse gas emissions

Since 2008, Abengoa prepares its Inventory of Greenhouse Gases (GHG), management of which is handled through an internal application integrated into the ISMS (Integrated Sustainability Management System)¹³. The maturity of the system has enabled the company to draw up **emissions reduction plans** and develop CO2 labeling of the products and services it provides.



The Abengoa emissions management system is verified externally each year in accordance with **ISO 14064**¹⁴. Standard specifications. The information provided below corresponds to the data included in the GHG emissions report verified by AENOR for 2014¹⁵.

Scope 1 emissions

With a breakdown by source type, shown below are the GHG emissions derived from Abengoa sources or those controlled by Abengoa, distinguishing between emissions associated with biomass and those linked to other productive processes.

	Generic emissions (tCO _{2eq})	Emissions from biomass (tCO _{2eq})	
Mobile combustion	94,339	Mobile combustion	1,957
Stationary combustion	3,607,400	Stationary combustion	1,458,717
Fugitive	8,670	Fugitive	13
Processes	91,788	Processes	1,984,384
Total	3,802,197	Total	3,445,101

Scope 1 emissions by GHG type

Scope 1 emissions by GHG type	CO ₂	CH ₄	N ₂ O	HFC	SF ₆
Mobile combustion	94,582	145	1,568	-	-
Stationary combustion	5,020,706	6,121	39,291	-	-
Fugitive	912	4,048		2,975	958
Processes	1,990,219	8,697	77,256	-	-
Total	7,106,419	19,011	118,115	2,975	958

Note: no PFC or NF3 emission sources were identified.

Note 13 More information in «External Verification» chapter.

Note 14 ISO 14064: international environmental certification that lends credibility and assurance to reports on greenhouse gas emissions and reduction.

Note 15 More information in «External Verification» chapter.

Scope 2 emissions

Emissions derived from the consumption of electricity and thermal energy, generated by other entities and purchased and consumed by Abengoa across company activities, were as follows:

Scope 2 emissions (tCO_{2eq})	
Electric energy consumption	462,142
Thermal energy consumption	102,112
Total	564,254

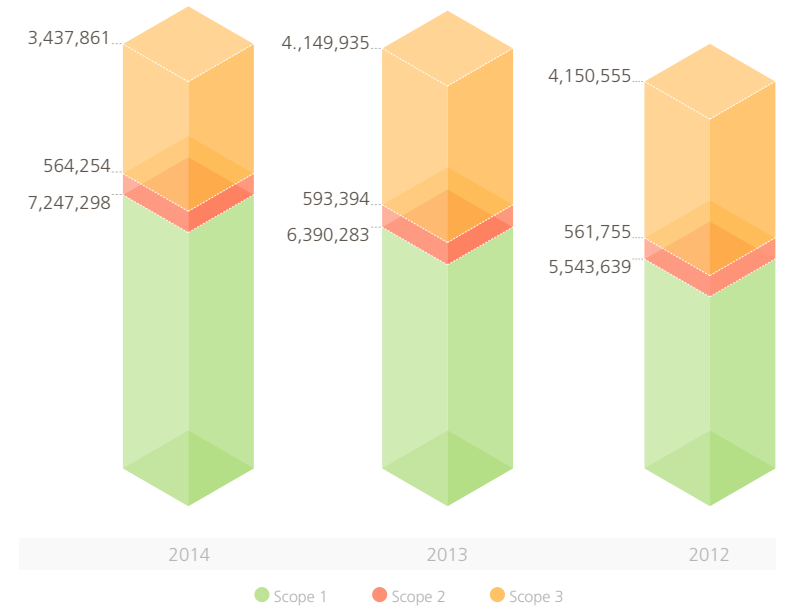
Scope 3 emissions

Scope 3 emissions are indirect emissions resulting from company activities but which occur in sources that are not owned or controlled by the company.

Scope 3 emissions (tCO_{2eq})	
Acquired products and services	3,254,737
Work-related travel	28,564
Work commutes	17,502
Losses occurring in electrical power distribution	66,533
Value chain of fuels consumed in acquired energy	70,525
Total	3,437,861

The graph below shows the evolution of GHG emissions derived from Abengoa activity. A reduction trend can be observed as the consequence of the efficiency measures implemented in recent years:

Historical GHG emissions data



Historical GHG emissions data (tCO_{2eq})

	2014	2013	2012
GHG emissions (tCO _{2eq})	11,249,413	11,132,612	10,255,949

The rise in GHG emissions was due primarily to the operational startup of the Tabasco cogeneration plant in Mexico, with a GHG inventory share of over 1.5 MtCO_{2eq}. The increase in the GHG inventory in 2014 with respect to the 2013 inventory was 1.04 %.

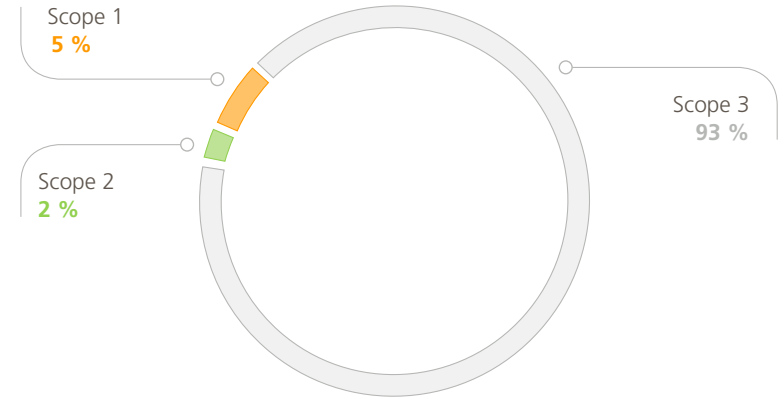
GHG emissions by area of activity

Emissions data by Abengoa activity area in 2014 for the three scopes were the following:

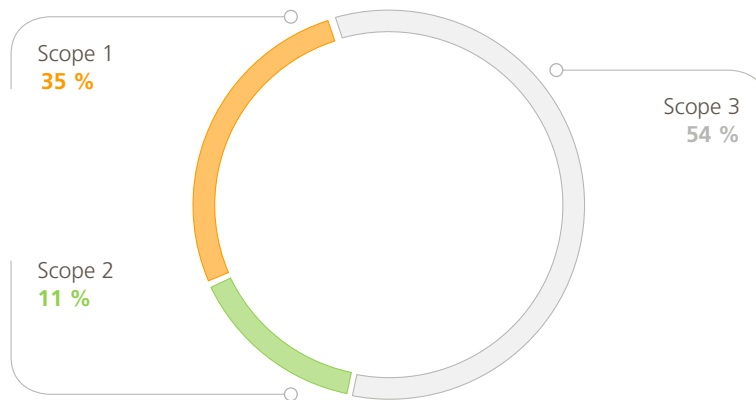
	Industrial production	Infrastructure under concession	Engineering and construction	Total
Scope 1	1,599,977	2,160,598	41,622	3,802,197
Scope 2	505,459	45,281	13,515	564,255
Scope 3	2,486,448	155,869	795,543	3,437,860
Total emissions	4,591,884	2,361,748	850,680	7,804,312

Expressed in tCO_{2eq}

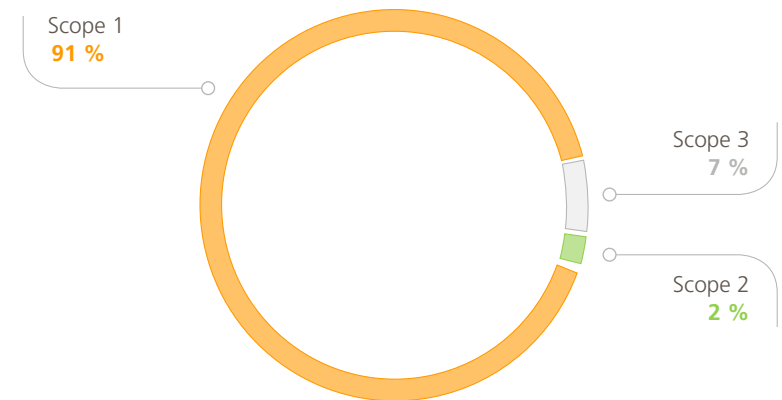
Engineering and construction



Industrial production



Infrastructure under concession



G4-DMA, G4-EN18, G4-EN19

CO_{2eq} emissions due to biomass were as follows:

	Engineering and construction	Concession-type infrastructure	Industrial production	Total
Biomass combustion	1,460,208	11	456	1,460,675
Other sources of biomass	1,984,426	0	0	1,984,426
Biomass total	3,444,634	11	456	3,445,101

Emissions intensity

In order to objectively quantify the evolution of GHG emissions, Abengoa employs ratios, that is, by weighing emissions based on different indicators. Shown below is the evolution of emissions weighted with respect to revenues, EBITDA and employee headcount, over the past three years.

	2014	2013	2012
GHG emissions/Revenues (tCO _{2eq} /€M)	1.5	1.5	1.6
GHG emissions/EBITDA (tCO _{2eq} /€M)	6.9	8.2	10.8
Emissions GHG/workforce (tCO _{2eq} /empleado)	462.8	449.9	428.7

It is important to point out that Abengoa promotes the annual design of emissions reduction programs for all group companies. Since 2011, these reduction plans have been optimized and executed as directed actions in accordance with ISO 14064-1 requirements.

The most relevant initiatives carried out in 2014 were the following:

- › Implementation of a CO₂ capture system at bioethanol plant of Lacq (France) resulting in a reduction of 45,253 tCO_{2eq}.
- › Promotion of procurement with lower emissions in the value chain at the desalination of Accra (Ghan) Limited (Scope 3). This measure consisted of modification of the metal structure with respect to the original project by opting for a structure with a variable profile, thereby reducing the material needed to execute the structures envisaged under the project by 65 %. The initiative rendered a reduction of 1,236 tCO_{2eq}.

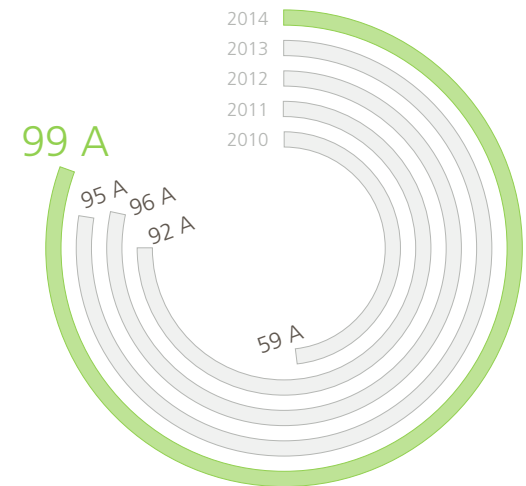
- › Operational optimization aimed at reducing electricity consumption at the Helios I and II and Solacor I and II plants (Spain). Measures focused on changes in programming logic in terms of operation, startups and shutdowns and achieved a reduction of 2,446 tCO_{2eq}.

In Abengoa contributed to the struggle against climate change with an emissions reduction totaling **459,658 tCO_{2eq}** achieved by optimizing productive processes, promoting CO₂ capture systems and driving forward a reduction in CO₂ emissions in the procurement value chain.

Carbon Disclosure Project

The company's effort toward halting climate change was recognized by the **Carbon Disclosure Project (CDP)**, the index which includes Abengoa among the **200 companies with the best performance in the struggle against climate change** in the world (**The A List**), and among the components included in the Iberia 125 report, which includes the 125 largest listed companies in Spain and Portugal demonstrating a strategy of commitment to halting climate change. This year, Abengoa consolidated its leading position by obtaining a score of 99 A.

Evolution of Abengoa in CDP



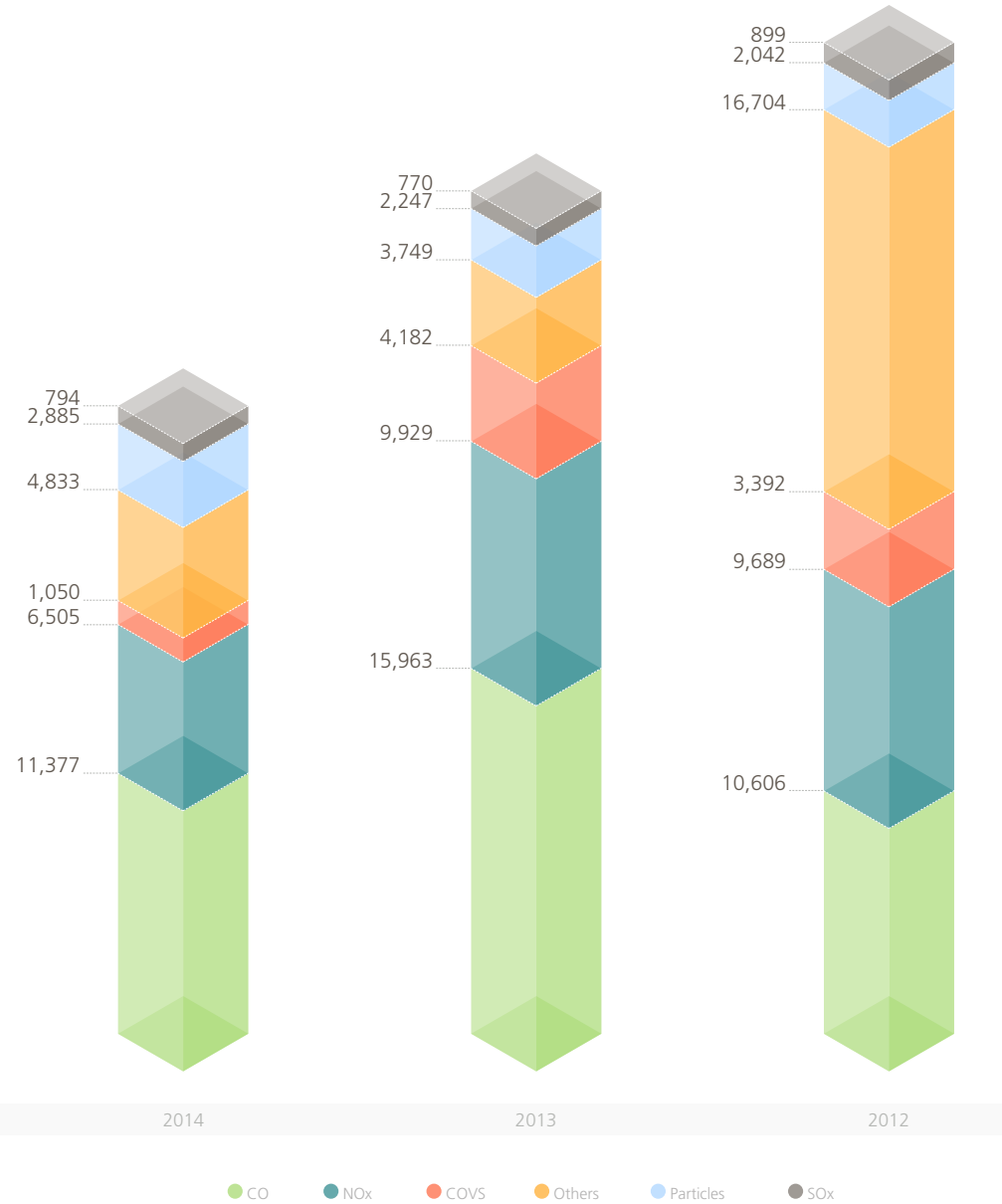
G4-EN21

Other emissions

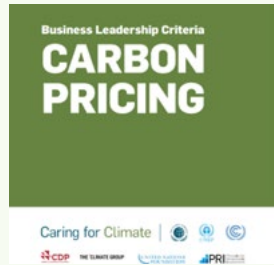
Having detailed knowledge on its emissions enables Abengoa to establish quantitative reduction targets by evaluating the progress and effectiveness of the measures implemented. Listed below are emissions other than CO₂ and ozone layer-depleting substances.

The emissions recorded for NO_x, SO_x, CO, COVs and particles, according to weight, were the following:

	2014	2013	2012
CO	11,377	15,963	10,606
NO _x	6,505	9,929	9,689
COVs	1,050	4,182	3,392
Otros	4,833	3,749	16,704
Partículas	2,885	2,247	2,042
SO _x	899	770	794



G4-DMA, G4-EN20



Putting price on CO₂

The United Nations Global Compact (to which Abengoa has been signed up since 2002), the United Nations Framework Convention on Climate Change (UNFCCC)¹⁶, the United Nations Environment Program (UNEP)¹⁷ and Abengoa's strategic Caring for Climate¹⁸ partners have driven forward an initiative aimed at putting a value on the cost of emissions as a necessary means to approaching

climate change [The Business Leadership Criteria on Carbon Pricing](#).

Abengoa signed the initiative on September 8, 2014 with the intention of gearing company activity toward a low-carbon economy. Upon doing so, the company undertook a set of commitments, among which are the following:

- › Setting an **internal price on carbon** that is high enough to affect investment decisions and thereby reduce greenhouse gas emissions.
- › **Publicly advocating** the importance of carbon pricing through policies that take into account the particular economic aspects and political contexts of each country .
- › **Reporting on progress** in terms of the two aforementioned criteria in the information disclosed by the company.

These considerations are intended to contribute to reaching the goal of limiting the rise in average global temperature to 2 °C above preindustrial levels.

To this end, Abengoa has established an **internal carbon price for the company of 9 €/tCO_{2eq}**. This price has been calculated using the volume and investment in emissions reduction initiatives, the volume and cost of carbon credits purchased and the cost of green energy acquired.

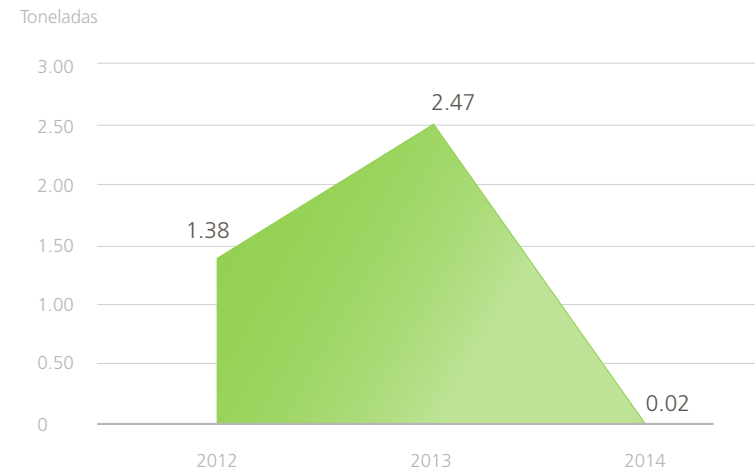
In addition, Abengoa has thereby undertaken **a commitment to reducing its overall CO₂ by 20 %** in 2020 with respect to 2013 emissions levels. To do so, the company will allocate an annual economic volume resulting from the application of the internal price set to the 5 % of the total emissions from the annual GHG inventory.

Note 16 United Nations Framework Convention on Climate Change (UNFCCC): treaty which reflects international reaction to the effects of climate change and its consequences in terms of human activity. [\(+ info\)](#)

Note 17 United Nations Environment Program (UNEP): the voice of the environment under the United Nations system, this agency acts as catalyst, champion, educator and facilitator to promote sound use of resources and sustainable development worldwide. [\(+ info\)](#)

Note 18 Caring for Climate: an international initiative created by the United Nations Global Compact to advance the role of the business sector in addressing strategy for halting climate change. [\(+ info\)](#)

The amount of weight in tons of these atmospheric emissions has dropped by 36 % since 2012. The most significant cuts in 2014 were seen in CO y NOx due to increased use of biomass as a fuel in bioethanol production plants in Brazill. The drop in the emission of VOCs is the result of a change in computation methodology¹⁹.

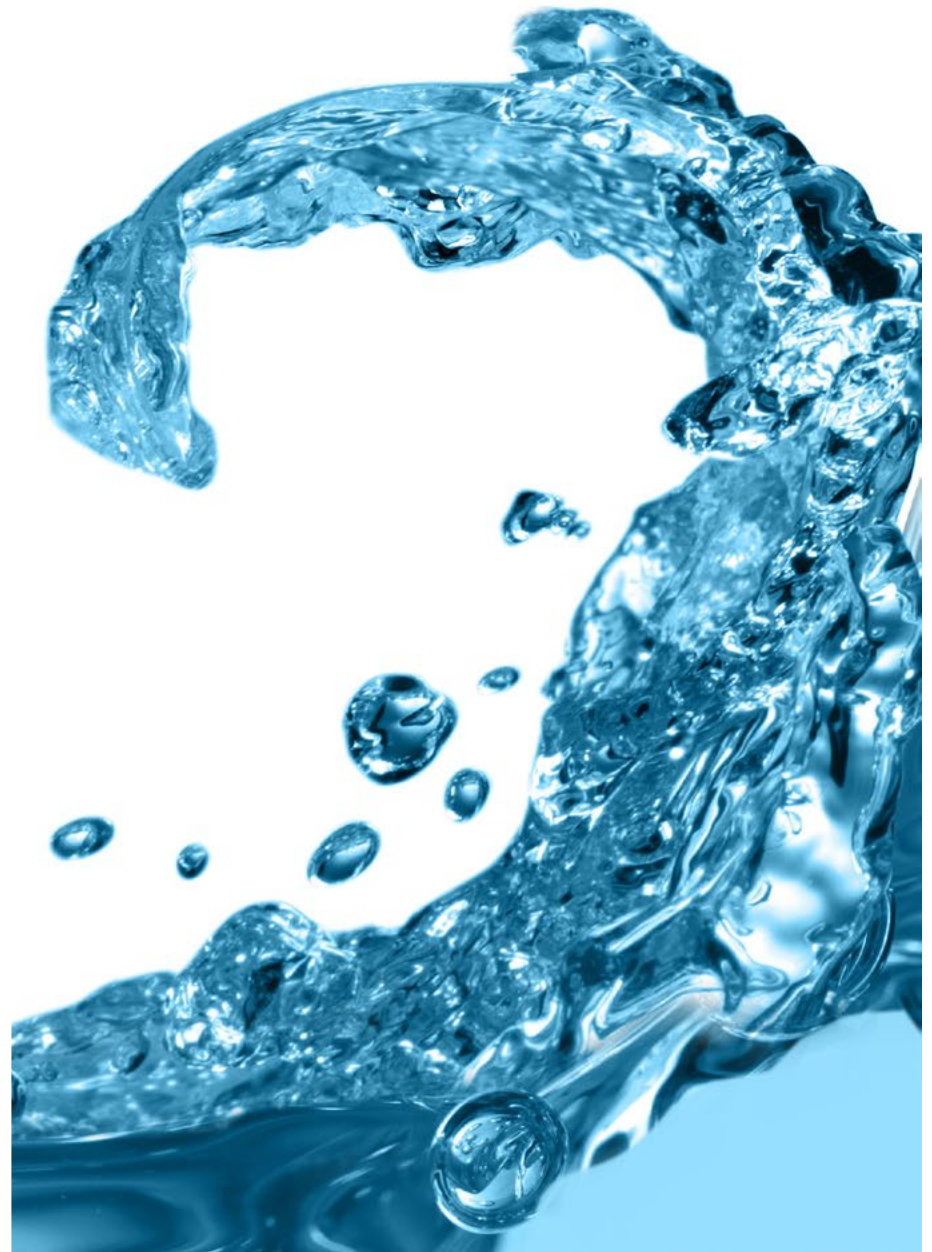


Despite the reduction in the use of these substances, amounting to **99.2 %** with respect to 2013 and it is fundamentally associated with biofuel production activity, given that the number of reloads of systems containing these types of gases was reduced in 2014.

Note 19 The IPCC emission factor was replaced with the U.S. Environmental Protection Agency (EPA) indicator at the ethanol production plant in Illinois.

06.4

Managing available natural resources



Commitments and objectives for 2013	Milestones for 2014	Commitments for 2015	Scope of work
Integrating the global footprint into the company's projects so as to communicate its environmental impact to the market (CSRR 2013, p. 38).	Launch and initial calculation of the standard global footprint.	Working towards the second calculation of the standard global footprint after incorporating benchmark parameters adjusted to the different types of project.	The success of the Global Footprint project is based in the coordinated work of different departments: Sustainability, CSR and people responsible of projects evaluated.
No explicit commitment was published in the CSRR 2013.	Abengoa chosen as the sustainable partner of Manchester United.	Implementing sustainability initiatives proposed at Old Trafford and at the AON Training Complex.	Creating working groups to analyze the information and prepare the documentation deriving from implementation of each of the initiatives.
Fostering the inclusion of environmental issues and concerns in decision-making process at all levels (CSRR 2013, p. 38).	Holding follow-up 3 meetings with the different business areas to coordinate efforts.	Arranging meetings with the company's business areas.	Sitting on the sustainability committees of the different business areas and monitoring the work carried out or ordered by these.



We contribute towards responsible resource management

According to UN data, global demand for drinking water in 2030 will have increased by 40 %¹ and the world population will total 8.4 billion² people. Moreover, estimates suggest that by 2030 most of the population from developed or developing regions (including Asia and Africa) will live in cities³, meaning more need for power generation and transmission, access to drinking water and proper waste management and reuse.

Demand for raw materials is also expected to see a sharp increase, which will impact those companies that are heavy consumers of such inputs, as access to natural resources will become steadily more difficult and costly. That said, it will also provide an **opportunity** for those companies that have processes in place to **reuse resources and generate new raw materials from waste**, as is the case with Abengoa.

Thanks to its business model and its management and operating processes, Abengoa champions **responsible resource management by generating** and transmitting clean energy, providing a one-stop water management service, using waste reuse processes and relying also on its research in the field of material recycling and reuse.⁴

This chapter describes how Abengoa approaches and carries out its efficient management and use of resources.



Photograph taken by Fernando Suviri Iglesias for the 6th Edition of the Sustainability Photography Contest Photographer⁽¹⁾.

Note 1 United Nations Environment Programme (2011). Towards a Green Economy: Pathways to Sustainable Development and Poverty Eradication.

Note 2 United Nations, Department of Economic and Social Affairs, Population Division (2011). World Population Prospects: The 2010 Revision.

Note 3 UN Habitat (2010). State of the World's Cities 2010/2011 – Cities for All: Bridging the Urban Divide.

Note 4 Further information in the chapter “Business Model” and in its Activities Report.

(1) Photography contest for employees organized annually by Abengoa. The jury awarded the first prize and up to three runners.



At Abengoa we apply R&D and innovation to our products and services in response to the real problems affecting our society

R&D and innovation projects geared towards the optimum management of available resources

Abengoa is working on a number of projects to cut consumption of raw materials and which involve innovation in biotechnology and chemical processes.

Biotechnology

In October 2014 Abengoa [inaugurated](#) a **second-generation (2G) biofuel plant at Hugoton** (Kansas, United States), the world's first commercial facility of its kind.

The project marks a huge step forward for the company in terms of quality, in that the plant is not only capable of generating biofuel from grain sugar and sugar cane (1G ⁵), but has also started commercial biofuel production from agricultural waste or **biomass** (2G ⁶). The facility is able to produce up to **95 ML** of **bioethanol** a year from nearly 350,000 t of biomass, thus cutting gasoline consumption by over **60 ML** while **creating more than 1,300 jobs**.

Bioethanol production from **agricultural waste** is a clear example of how R&D and innovation at Abengoa responds to the new challenges facing society. In this case, the company has developed the cocktail of enzymes needed to convert non-food organic material (cellulosic biomass) into sugar, which is then fermented to produce ethanol.

The Hugoton facility is able to generate **21 MW of energy** through its biomass boiler, making it **self-sufficient in energy**. The electricity generation system was made operational in December 2013 and channels surplus power into the grid.

Note 5 First-generation (1G) biofuels: fuels of biological origin that are obtained in a renewable manner from organic waste. First-generation biofuels are derived directly from farming crops for human consumption and animal feed.

Note 6 Second-generation (2G) biofuels: fuels of biological origin that are obtained in a renewable manner from organic waste. Second-generation biofuels come from non-food crops such as, for example: grain chaff, the organic fraction of municipal solid waste, etc. They require more advanced technology and a more complex process; however, the feedstock has a lower cost and these biofuels have a high potential for reducing emissions with respect to the fossil fuels they substitute, in addition to having the advantage of being able to be produced on marginal lands of low agricultural value.

Produced of

72.3 Mm³

desalinated water

53,704

environmental training hours

Used of

550,180 t

recycled materials

Enzymes and yeasts

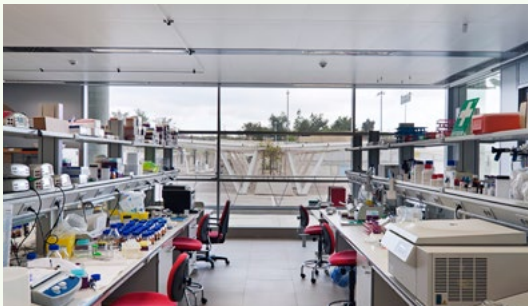
Enzymes are a kind of protein that facilitate and speed up chemical reactions in the human body, from transporting oxygen in the blood to helping the body digest a meal. They act as catalysts of biological reactions.

Yeasts are single-celled microorganisms that are hugely important in industry because of their ability to transform different organic substances, mainly sugar or carbohydrates.

Both enzymes and yeasts are used in biotechnology. They are essential for many traditional processes, such as alcohol fermentation and cheese production, and are also used for a range of industrial purposes, including detergents, stationary, clinical analysis, medicine and biofuels.

Both elements pose a number of limitations when it comes to industrial applications because they are sensitive to changes in temperatures and acidity, prefer certain substrates over others and depend also on the performance of the product they generate. In other words, each yeast or enzyme only works optimally within a specific temperature range and pH value.

Abengoa Research boasts one of the world's largest research teams when it comes to enzyme and yeast biotechnology. Work is ongoing at its Campus Palmas Altas laboratories (Seville, Spain) to seek out new and improve existing enzymes and yeasts, while its Fermentation and Separation Technology Center (FSTC) at Babilafuente (Salamanca, Spain) is developing and broadening the company's capabilities and experience in the production of enzymes and yeasts by optimizing sugar fermentation processes that rely on these elements.



Both centers are coordinating their work through a multi-disciplinary team of scientists and engineers. The team has already built up considerable know-how in developing laboratory-scale biotechnological processes that can then be scaled up to industrial use. This has allowed Abengoa to cement its position as one of the key figures worldwide in the development of industrial biotechnology.

Chemical processes

Scientific breakthroughs and advances in **nanotechnology**⁷ are providing extraordinary opportunities in the field of water treatment and desalination, yielding processes that are efficient, cheap and environmentally sustainable.

In the **Nano4water**⁸ project, researchers in material physics and organic chemistry and the chemical and water process engineers of both Abengoa and its partners are working together to come up with new nanomaterials intended for water treatment applications.

For example, Abengoa has partnered up with **IMDEA Nanociencia** to create a new family of materials⁹ that can be treated in different ways to provide a wealth of different properties, such as magnetism or hydrophily.

Water

The overriding objective of R&D and innovation in this area is to **lower the environmental impact associated** with water desalination and treatment processes. To this end, Abengoa is designing more efficient processes to **reduce energy consumption, greenhouse gas emissions** and the generation of sub-products through valorization.

The task of developing the next generation of desalination plants essentially involves optimizing and intensifying existing facilities through the integration and hybridization of new technologies.

Note 7 Nanotechnology: sciences and development techniques that are applied on a nanometric scale, enabling manipulation of material at the atomic, molecular and supramolecular level.

Note 8 Nano4water: new nanotechnology program for water treatment process applications. ([+info](#))

Note 9 Materials known as "covalent organic frameworks" (or COF, for short).

G4-DMA, G4-EN1, G4-EN2, G4-EN31

Independent Panel of Experts on Sustainable Development Recommendation 2014

Social and environmental performance

“In order to measure the impact of sustainability policies Abengoa should select a limited number of key performance indicators, both qualitative and quantitative. In terms of environmental performance Abengoa should move in the direction of explaining the return on investments made, such as the extent of cost reductions, process improvements, product innovation or the positive impact on local communities.

With the example of training activities, this would involve recording how improved skillsets and/or behavior resulted from training rather than just reporting training hours statistics.”

Modifying membranes and developing new materials employed in the reverse osmosis¹⁰ process will help reduce energy consumption at existing plants.

Valorizing the brine¹¹ generated from the desalination process is also a core objective of the desalination research program. Brine treatment systems will allow the company to produce products in great demand.

The arrival of the next generation of desalination facilities will herald a **significant reduction in their environmental impact**, thus helping to protect marine biodiversity at plant discharge points.

Main environmental indicators

Abengoa seeks to minimize the environmental impact of its business and its use of resources. To accomplish this, the company invests heavily in developing improvements to its processes in pursuit of optimum efficiency. In 2014, environmental investment and expenses totaled € 26,644 M, up 4 % year-on-year.

The company also relies on training as a means of attaining excellence in its business activities. All employees must be aware of the company's commitment to efficiency and the environmental impact of its activities. For this reason, environmental training hours have climbed 44 % since 2012 to reach 53,704 in 2014¹².

Note 10 Reverse osmosis: water purification technology which achieves the removal of a high percentage of dissolved and undissolved contaminants.

Note 11 Brine: water that contains a high concentration of dissolved salt.

Note 12 Further information in the Chapter “Talent for business success”.

Efficient use of resources

Abengoa is acutely aware that its lines of business are input-heavy and therefore strives to **minimize the associated impact**. The main focus of its efforts in this regard are the materials it acquires to carry on its business. The company establishes an exhaustive control of the purchases it makes and favors the acquisition of recycled and/or certified materials.

It also requests safety information on the substances it receives from its suppliers, enabling it to gauge the main environmental and health risks involved in handling such materials and the regulatory requirements for their proper transport.

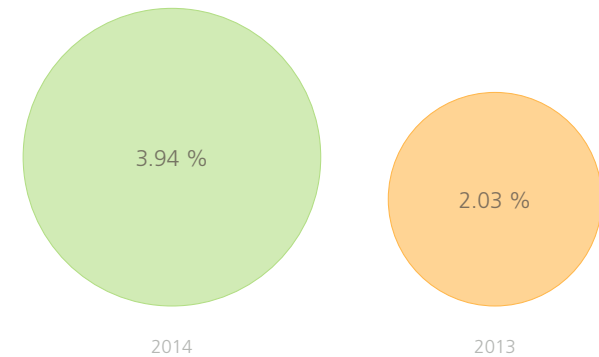
Abengoa treats the optimization of the resources it acquires as the cornerstone of its environmental policy.

Total consumption of materials in 2014 stood at 13,952,259 t, up 54.5 % on 2013. The increase can be put down to the company's rising consumption of raw plant-based inputs, in turn due to two factors: the start-up of the Hugoton bioethanol plant and increased production at the Indiana bioethanol plant.

Material	2014	2013	2012
Oils, fats and waxes	2,365	2,818	7,683
Construction aggregates	693,056	659,317	657,855
Aggregates and natural stone	539,727	565,377	883,176
Wood	3,276	7,568	5,156
Non-ferrous metals (Al, Cu, Zn, other)	18,757	25,002	19,972
Paper and board	300	998	791
Plant-based raw materials	11,790,909	4,248,304	4,683,644
Coating/lining material	919	3,578	3,144
Ceramic and glass materials	18,782	54,433	76,758
Fossil materials	8,401	11,019	9,720
Ferrous metals	160,109	436,914	372,354
Minerals for industrial uses	32,718	7,774	17,289
Plastics	4,667	5,968	3,505
Chemical products and additives	259,870	317,056	167,831
Others	418,403	-	-
Total	13,952,259	6,346,126	6,908,872

The company also champions the use of recycled and/or certified materials. In 2014, Abengoa used a total of 550,180 t of recycled materials for its processes (3.94 % of all materials used), chiefly plant-based raw materials and molasses.

Recycled material



Some of the raw materials acquired by Abengoa have the following **certificates or labels**:

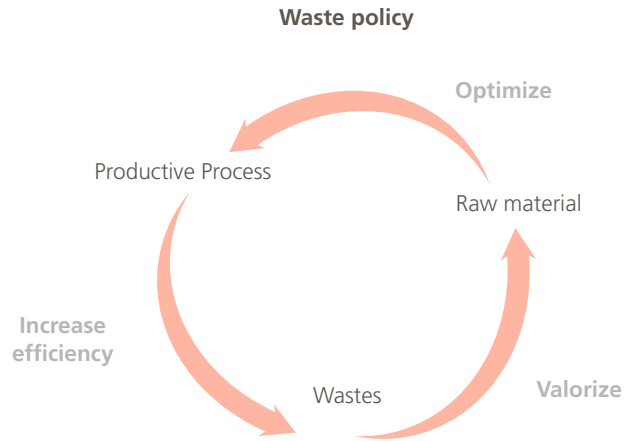
- › **RBSA**: the company's **own certification** standard enabling it to verify compliance with the sustainability requirements of the [European Renewables Directive](#). These include the need to cut greenhouse gas emissions in relation to the original fuel and protect biodiversity by carrying out an exhaustive control of the value chain through life cycle analyses.
- › **Ecolabel**: EU label used to identify products and services that have had their environmental impact reduced through a life cycle analysis, from initial extraction through to elimination as a waste.
- › **Blue Angel**: environmental label launched by the German government for environmentally-friendly products and services.
- › **FSC**: global non-profit organization that champions responsible forest management. The certification identifies the source of the product, ensuring its quality. It also guarantees that the product has been sustainably sourced.

G4-DMA, G4-EN23

Waste management

The expansion of the global economy based on consumption is triggering a huge increase in the generation of waste, making waste management an environmental headache that must be addressed.

Aware of this and also the opportunities it presents, Abengoa has rolled out cyclic mechanisms to minimize the environmental impact through optimum waste valorization.



Valorized waste

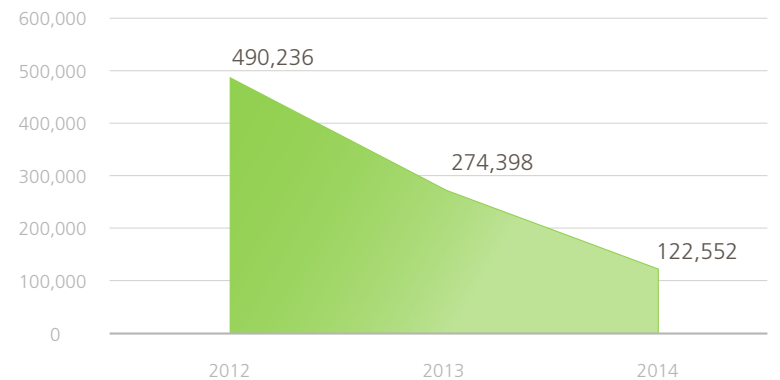
Total valorized waste in 2014 amounted to 44,010 tons, equivalent to 35.9 % of the total waste generated.



The most sustainable waste management decision was taken in nearly 30 % of cases.

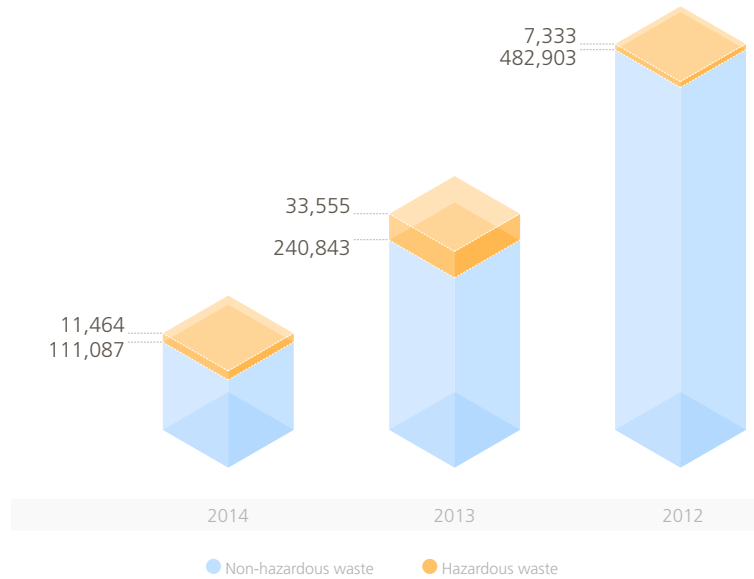
Treatment method	Waste generated in 2014 (tons)
Reuse	30,063
Recycling	9,944
Composting	3,896
Storage	33,426
Recovery	107
Incineration	10,487
Injection	24.2
Dumping	8,068
Other	26,537

Total **waste generated** from Abengoa business in 2014 totaled 122,552 tons, 44 % less than in 2013. Only 10 % of the total waste is considered hazardous.



G4-DMA, G4-EN8, G4-EN9, G4-EN10, G4-EN25, G4-EN30

The main kinds of waste generated from Abengoa business are as follows:



Transport of hazardous waste can pose a danger to both human health and the environment. Poor management will entail liability for non-compliance with applicable law. Abengoa ensures this activity is carried out through authorized management companies and thoroughly analyzes the hazardousness of the waste and the destination country. A total of 26 tons of hazardous waste was transported in 2014, mainly in Brazil and Uruguay.

Water: efficient consumption and production of drinking water

Water is a basic natural resource with unequal distribution and access worldwide. Water management at Abengoa therefore focuses on efficient water use, avoiding competition with human consumption and minimizing the impact on protected water bodies.

Water captured by source (m³)

Capture source	2014	2013	2012
River water	17,310,479	11,291,600	12,351,205
Seawater	161,825,953	170,975,651	153,765,890
Mains water	7,858,499	7,233,296	3,417,701
Well water	10,008,679	5,878,718	6,017,168
Rainwater	297,405	1,890,736	180.746
Used water	3,949,218	53,906	-
Total	201,249,232	197,323,907	175,732,710

During the capturing stage, Abengoa identifies all its water sources, ensuring that none of them are included on the Ramsar list¹³ of wetlands. There was no report in 2014 of any especially sensitive source, or of any source in which annual water consumption volume accounted for more than 5 % of the total.



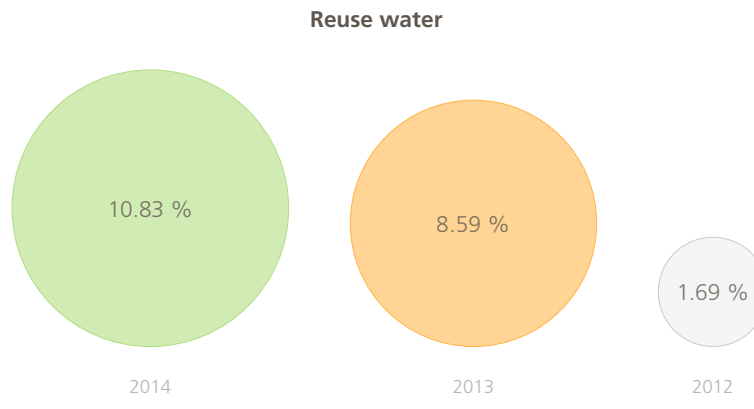
Note 13 Ramsar List: list of wetlands of international importance published by the Convention on Wetlands, an intergovernmental treaty which serves as a framework for national action and international cooperation in promoting conservation and rational use of wetlands and their resources.

Water consumption by use (m³)

By use	2014	2013
Process water	196,420,223	189,886,295
Cooling water	3,062,896	1,672,633
Irrigation	31,962	197,468
Domestic water	290,974	342,223
Other uses	1,443,178	5,224,140

Abengoa's commitment to efficient water use has required it to shift its focus, with the company now researching and developing technologies that can be applied in regions where water availability affects the company's business. A prime example of this is the fact that Abengoa Research is now experimenting with molten salts as heat accumulating fluids at its solar thermal power plants. This technology reduces water consumption at these kinds of facility, which are typically located in water-scarce regions.

Abengoa is also fully committed to water reuse and to lowering its water consumption. In 2014, reused water accounted for 10.83 %¹⁴ of the total volume captured by all Abengoa companies.



Note 14 This calculation excludes water used in desalination processes.

On the subject of reducing water consumption, highlight initiatives for the year included:

- › The company's bioethanol plant in Murcia (Spain) successfully modified its water outlet, lowering tank filling by 4 m³/h. The development cost € 25,200.
- › The bioethanol plants in Brazil carried out work to reduce water consumption to 1 m³ per ton of sugar cane processed. The initiative cost € 155,085.

Abengoa also generates drinking water through its desalination plants in regions where water availability is limited. A total of **72,381,117 m³ of desalinated water** was produced in 2014.



Photograph taken by Rafael Moreno Chacón for the 6th Edition of the Sustainability Photography Contest⁽¹⁾.

(1) Photography contest for employees organized annually by Abengoa. The jury awarded the first prize and up to three runners.

G4-DMA, G4-EN11, G4-EN12, G4-EN13 y G4-EN14, G4-EN22, G4-EN24, G4-EN26

Discharge and spillages

Despite Abengoa's tight control across all its businesses, certain aspects occasionally fall outside its control.

Dumping (m3)	2014	2013	2012
Delivered to third parties for reuse	7,455,368	81,946,987	76,381,089
Discharged into surface water bodies	94,421,928	96,379,204	79,902,159
Discharged into external sewage systems or treatment facilities	1,115,880	877,762	885,529
Discharged through soil infiltration	226,241	213,913	99,500
Discharged into the environment or to external treatment facilities (steam)	2,938,105	2,259,249	825,158
Delivered to third parties or other Abengoa companies (steam)	–	37,408	54,283
Total	106,157,522	181,714,523	158,147,718

In case of accidental spills, during 2014 there have been a total of 163 accidents that have not caused any significant damage into the environment. The cost of the actions taken by the company to correct the damage was € 89,500.

The company rolls out initiatives to mitigate the damage caused.

Substance spilled	Location	Recovery cost (€)	Description	Corrective action
Oil	United States	10,975	Spillage of 2g (7,6 L) of oil.	Elimination of contaminated oil.
Oil	Spain	1,740	Oil spillage due to a transformer being struck accidentally.	Treatment with sepiolite. ⁽¹⁾
HTF	Spain	200	Escape of HTF from the basin of the main pumps.	Absorbing mats and treatment with sepiolite.

(1) Mineral often used as industrial absorbent because of its porosity.

To repair the damage caused, Abengoa undertakes to treat used water correctly, meaning it treats it accordingly before discharging it, ensuring that the end quality of the water falls within the legal limits.

Biodiversity

Abengoa's strategy to protecting biodiversity involves a combination of instruments to prevent, manage and restore the damage caused by its activities.

Before embarking on a project, Abengoa conducts environmental impact studies in order to flag and assess the impact its activity will have on the environment. More specifically, the company analyzes whether and how each of its facilities will impact protected areas, including the flora and fauna affected.

In 2014, Abengoa activities affected a total of 1,128 ha of protected area.

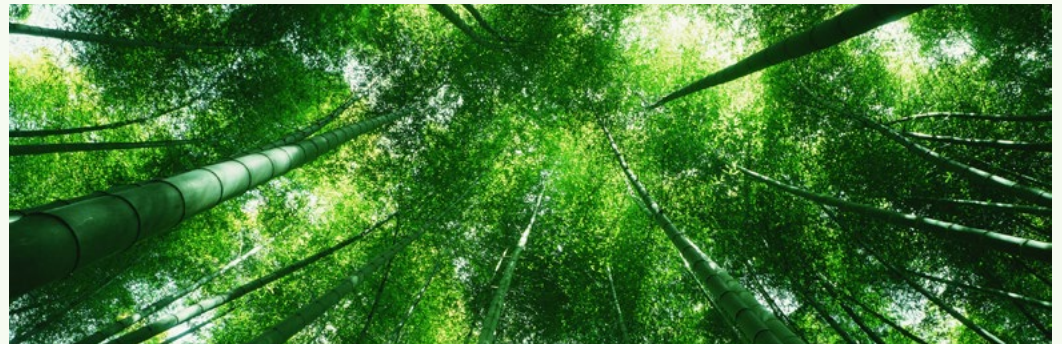
During project construction and operation, the company promotes the use of systems and techniques contributing to organic soil regeneration and thereby helping to reduce fire risk. The company also establishes plans for protecting species of flora and fauna, with a total investment in 2014 of € 797,000¹⁵. Additionally, damage repair and remediation initiatives were carried out over the course of the year through an investment of € 61,000.

Note 15 An example of this is maintaining the water profile near the combined-cycle plant being built by Abengoa in Poland, with an investment of € 696,975

Preserving Ecosystems

Abengoa has implemented a program to **rescue flora and fauna** in the cities of **Hermosillo** and **Nacozari (Mexico)** with the aim of mitigating any adverse ecological impact caused by the construction of power transmission lines while helping to preserve biodiversity and maintain a balanced ecosystem within the affected region.

The program commences before the ground is cleared and foundation work gets under way and before the maneuvering and assembly areas are set up. Preliminary work is carried out to **rescue any plant** life that could be affected by the work if regeneration will prove difficult within the meaning of state regulation¹⁶.



The organisms rescued are relocated to a distance of 200 and 300 m from the capture site and are assigned an identification code so they can be **subsequently tracked** to determine whether they survived the move. The survival rate tends to be more than 70 %, with this marking an end to the process.

To protect native animal life, including both mammals and reptiles, signs posts were restricted in order to not interfere with their camouflage.

The program culminates with awareness initiatives addressing the importance of environmental protection and reminding workers that they may not capture, damage, or hunt any organism living within the region. Signs are also erected in areas neighboring the site warning of the environmental importance of the area.

Note 16 According to national regulation NOM-059-SEMARNAT-2010

Global Footprint

In 2013, Abengoa set out to develop an internal standard referred to as the “**Global Footprint**” for the purpose of being able to determine the **main impacts of its activities**, quantify these impacts toward improved management thereof and establish commitments to improved performance.

The standard is materialized in a set of **indicators with the capacity to evaluate the impact** of a project on the **natural, social and economic environment** while at the same time enabling the company to anticipate future impact of projects with similar characteristics and set improvement targets.

Abengoa considers that the main impacts of its operations are linked to the following factors:

In the environmental dimension:

- › **Raw materials** used and consumption of recycled materials.
- › **Water withdrawal**, reutilization and efficiency.
- › Consumption of primary and intermediate **energy** and reuse and efficiency.
- › **Waste** generated and valorization.
- › Total of **GHG emissions** generated by scope.

In the social and economic dimension:

- › Purchases made from **local suppliers**.
- › **Local employees** (from the country and region in question) with respect to the total number of employees hired.
- › **Negative impacts** on local communities.
- › Investment in **external social engagement**.
- › **Accident** rate and frequency.

In 2014, Abengoa completed the development of the internal norm that includes the procedures and tools needed to calculate the company’s global footprint in accordance with international standards (ISO 14001, ISO 14067, ISO 50001, ISO 26000, SA8000, GRI G4 and OHSAS 18001) and which establishes the reference values for each indicator. These values will be adapted in 2015 to the different project types and locations.

Environmental management systems

Abengoa implements environmental management systems in all of its companies, in accordance with the international ISO 14001 ¹⁷ standard, in order to prevent and mitigate any environmental risks or negative impacts which inappropriate management thereof might cause.

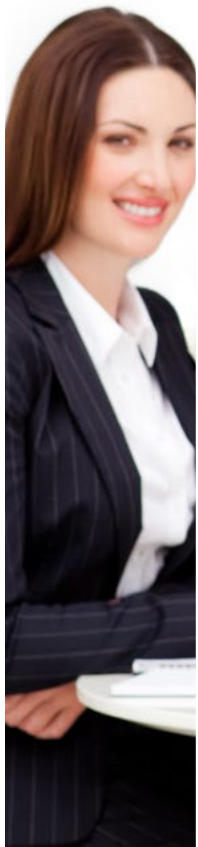
89.56 % of Abengoa’s companies had a certified environmental management system in 2014

ISO 14001

Certified companies according to sales volume (%)	2014	2013	2012
	89.56	92.92	91.98

The fluctuation in percentages is due to the creation of new companies. A period of time is needed between their creation and implementation and certification of environmental management systems.

Note 17 ISO 14001: International certification of environmental management systems.



06.5

Talent for
business
success



Commitments in 2013	Challenges in 2014	Commitments for 2015	Working areas
<p>Promoting and fostering the personal and professional development of the people who make up the Abengoa organization by creating optimal working conditions and promoting continuing training. (CSRR 2013, p. 99).</p>	<ul style="list-style-type: none"> › New blended Abengoa Executive Development Program (AEDP) . › More than M2 hours of training instruction. › Consolidation of the Language School and desing of new specific programs aligned with the atrategic needs of the company. 	<ul style="list-style-type: none"> › Maintaining Abengoa University excellence, with a target average score of 4.35 out of 5. › Promoting online training to achieve broader global scope and to facilitate enhanced personal and work life balance. › Designing and conducting programs reinforcing the manager and director capacities needed in Abengoa’s strategic areas 	<p>Periodic meetings with different areas of the Human Resources (HR) Department in order to detect areas for improvement in training programs. Analysis to determine employee training needs based on their performance.</p>
<p>Promoting training of young adults so they may acquire the best preparation and experience in getting ready to enter the working world (CSRR 2013, p. 31).</p>	<ul style="list-style-type: none"> › Implementation of new measures for selecting interns with the aim of maximizing benefit during the training period for the trainee and for the company. › Increased Abengoa presence among the main universities around the world in order to attract new talent 	<p>Promoting the internship grant program in order to attract and retain talent.</p>	<ul style="list-style-type: none"> › Implementation of a new methodology for increasing efficiency in selecting interns and obtaining a higher level of excellence. › Visits through Abengoa’s training area to universities in order to promote talent attraction.
<p>Ensuring compliance with a suitable prevention culture in accordance with Occupational Risk Prevention (ORP) policy (CSRR 2013, p. 95).</p>	<ul style="list-style-type: none"> › Over 800,000 hours of ORP training instruction. › Over 200,000 of ORP training instruction for subcontractors. › Execution of all internal auditing programs and worksite visits. › Implementation of a general ORP site. › Monthly ORP newsletters sent out to employees 	<ul style="list-style-type: none"> › Increasing the number of ORP training hours. › Securing efficient management systems to ensure exhaustive analysis of incidents and feedback to the system on lessons learned. 	<p>Continuous updating of ORP training for employees and subcontractors.</p>

Commitments in 2013	Challenges in 2014	Commitments for 2015	Working areas
Bolstering the human rights protection policy by developing mechanisms for due diligence and remediation in line with the Ruggie principles. (CSRR 2013, p. 37)	Different lines of action related to ensuring due diligence and duty to remediation were included in the 2020 strategic plan.	Implementing measures to reinforce the protection of human rights in all geographies of company operation in line with the Ruggie Principles.	Implementation of due diligence mechanisms through the Compliance, Human Resources and Corporate Social Responsibility (CSR) Departments.
Holding a meeting of the Commission for Equal Treatment and Opportunities, at least once a year, to monitor issues related to this area worldwide (CSRR 2013, p. 93)	<ul style="list-style-type: none"> › Two committee meetings were held. › Creation of guidelines and measures needed to meet the 2020 target ⁽¹⁾. 	Increasing the frequency of holding committee meetings to three times a year.	Planning and implementation of committee meetings through the CSR and HR Departments.

(1) A detailed description of 2020 targets is found in the chapter titled «Strategy».

People and their talent are an indispensable part of businesses and they have an unquestionable effect on their market success. The ever-increasing competitiveness that exists among organizations makes people a differentiating factor.

With a business base grounded in **innovation** and **technology**, Abengoa develops human resource policies aimed at the **development of employee talent**, abilities and **aptitudes by promoting and providing the training** needed to excel. This ensures that

the company is supported by top talent and personnel who are ideal for each position. All of this is approached with the aim of making Abengoa a highly **competitive company**.

The company lends particular importance to attracting, selecting and retaining its human capital and therefore has a comprehensive **management system** in place that encompasses all human resource processes and which is applied globally throughout the organization.

Independent Panel of Experts on Sustainable Development Recommendation 2014

Social and environmental performance

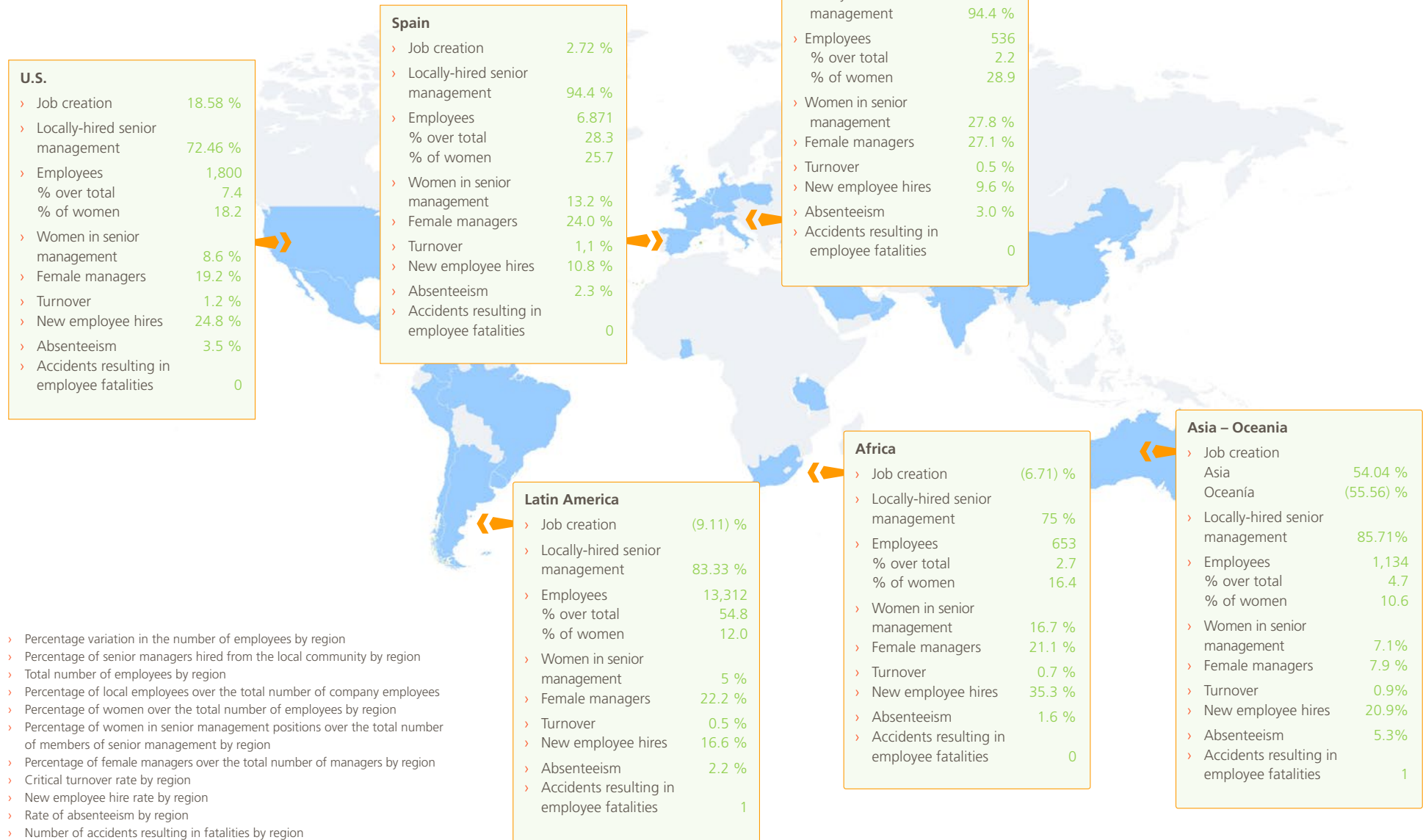
“In order to measure the impact of sustainability policies Abengoa should select a limited number of key performance indicators, both qualitative and quantitative.

In terms of environmental performance can Abengoa move in the direction of explaining the return on investments made, such as the extent of cost reductions, process improvements, product innovation or the positive impact on local communities.

With the example of training activities, this would involve recording how improved skillsets and/or behavior resulted from training rather than just reporting training hours statistics.”

G4-DMA, G4-EC6

Our team in figures



G4-10

In 2014, contract awards and implementation of new projects enabled Abengoa to increase its employee headcount in some regions, such as Europe, the U.S. and Asia. In other geographies, completion of projects under construction has led to a drop, although not significant, in the number of employees ¹.

Overall growth in the workforce amounted to 1.4 % with respect to 2013, having ended the year with a headcount of 24,306 employees.

The company promotes local employment, which empowers the organization in adapting to the challenges posed in each of its more than 57 countries of operation.

Abengoa staff distribution by gender, activity area, employee category and contract type was as follows ²:

Categories	Groups	Men			Women			Total		
		2014	2013	2012	2014	2013	2012	2014	2013	2012
Employee category	Senior managers	507	506	531	62	74	65	569	580	596
	Middle managers	1,668	1,382	1,543	466	415	360	2,134	1,797	1,903
	Engineers and other degree holders	3,120	3,460	2,555	1,392	1,311	1,122	4,512	4,771	3,677
	Assistants and technicians	1,531	1,407	1,468	1,111	1,079	1,070	2,642	2,486	2,538
	Operators	13,045	13,844	14,129	791	772	614	13,836	14,616	14,743
	Interns	366	268	259	247	230	209	613	498	468
	Total	20,237	20,867	20,485	4,069	3,881	3,440	24,306	24,748	23,925
Activity segment	Engineering and construction	16,120	16,421	15,130	3,262	3,028	2,371	19,382	19,449	17,501
	Concession-type infrastructure	298	366	213	164	138	88	462	504	301
	Industrial production	3,819	4,080	5,142	643	715	981	4,462	4,795	6,123
	Total	20,237	20,867	20,485	4,069	3,881	3,440	24,306	24,748	23,925
Contract type	Indefinite	9,260	9,252	7,481	2,084	1,884	1,712	11,344	11,136	9,193
	Temporal	10,610	11,347	12,745	1,739	1,767	1,519	12,349	13,114	14,264
	Trainee	366	268	259	247	230	209	613	498	468
	Total	20,237	20,867	20,485	4,069	3,881	3,440	24,306	24,748	23,925

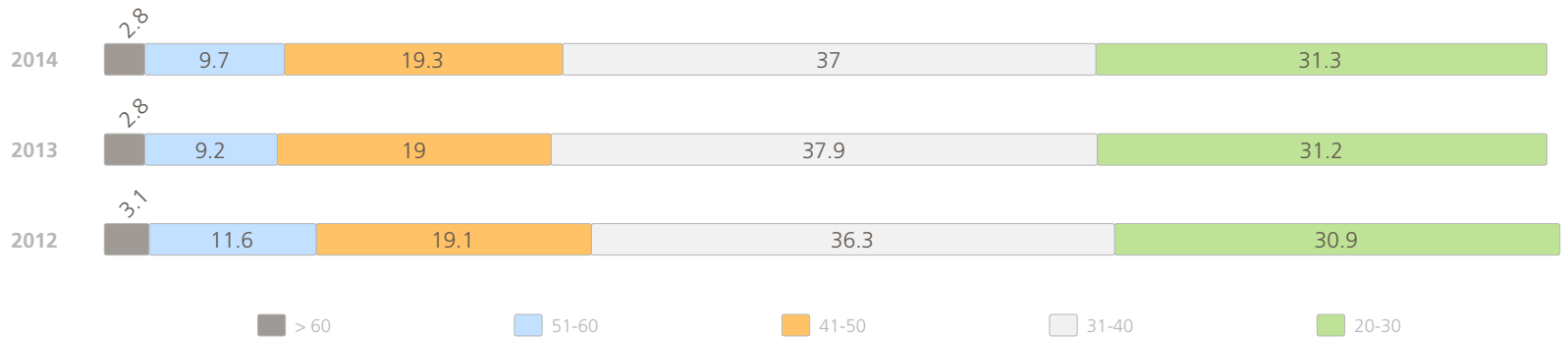
Note 1 This is the case of Latin America, where the a accomplishment of some projects, most of them transmission lines projects, and the end of collection of sugar cane have been made to decrease the volume of employees at December 31.

Note 2 The data breakdown by region in 2014 and evolution over the past three years can be consulted in the Appendix C.

Staff distribution by age bracket, gender, average age and evolution over the past three years was the following:

		Men			Women			Total		
		2014	2013	2012	2014	2013	2012	2014	2013	2012
Age	> 60	639	647	698	41	36	34	680	683	732
	51 - 60	2,137	2,062	2,357	218	209	187	2,355	2,271	2,544
	41 - 50	4,124	4,179	4,144	562	520	433	4,686	4,699	4,577
	31 - 40	7,272	7,744	7,266	1,713	1,640	1,412	8,985	9,384	8,678
	20 - 30	6,066	6,234	6,020	1,534	1,477	1,374	7,600	7,711	7,394
	Media	37.0	36.8	37.3	33.9	33.8	33.6	36.4	36.3	36.7

The percentage of company staff over the age of 50 is 12.5 %, and for those under 30 years of age the figure is 31.3 %.

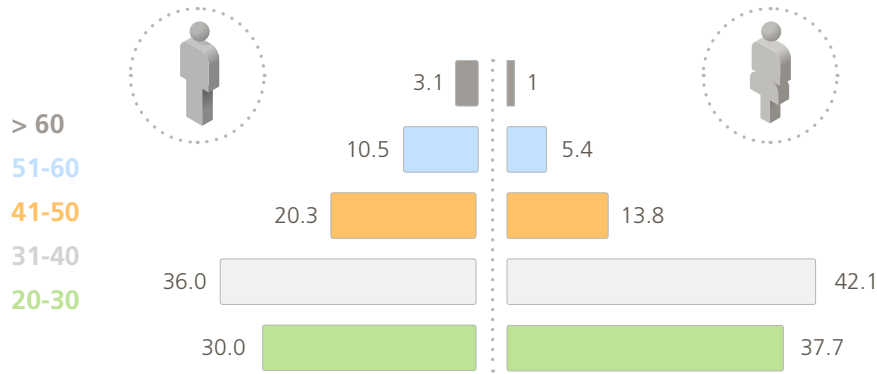


More than
24,000
employees

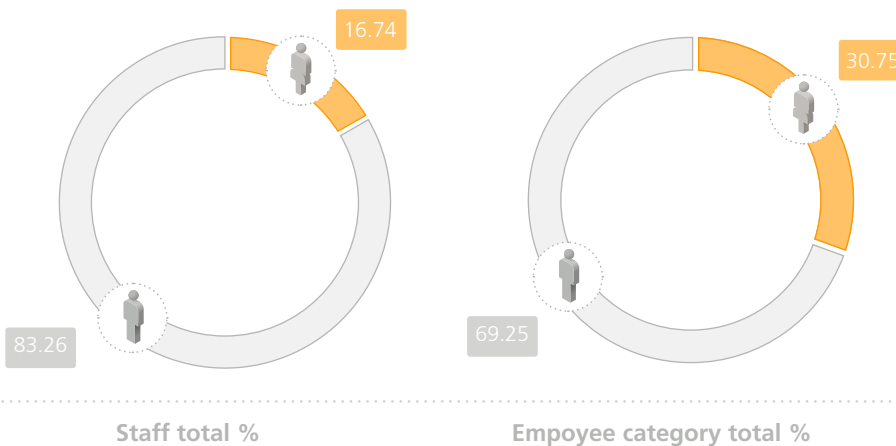
72.2_{/100}
overall satisfaction

2.4 M
hours of training

The average age of Abengoa's workforce in 2014 was 36.4 years, holding steady at ratios similar to those in previous years.



In 2014, the number of female staff members rose by 4.6 % with respect to last year, going from 15.7 % in 2013 to 16.7 % in 2014. Under the employee category³ women represent 30.75 % of the company's staff, with respect to the figure of 29.88 % from the previous year. However, the percentage of women in senior and middle management positions has dropped.



Note 3 There are two major categories: employees and operators.

Female presence in senior and middle management positions was 19.5 %.

Female presence in executive and managerial positions	2014	2013	2012
Total number of executive and managerial positions	2,703	2,377	2,499
Number of women in executive and managerial positions	528	489	425

As the result of the decrease in the number of women holding senior and middle management positions, Abengoa has set a target of 20 % for women in senior management positions and 35 % for women in middle management by 2020.



G4-DMA, G4-LA1, G4-LA3



Integrity, innovation, commitment and professionalism are the core values of our team of people

Employee commitment

Abengoa is aware that the future of the company and the international **prestige** of its projects **rest upon** the work and **commitment of its team** of people. Human capital is one of the fundamental levers in meeting expectations for growth and addressing arising business opportunities. This will require fresh talent trained in and focused on market demands. The importance Abengoa attaches to talent lends particular relevance to turnover indicators. In 2014, the turnover rate was 6.9 %, with respect to a figure of 4 % in 2013. Among these exits, those considered critical amounted to 0.9 %, over a figure of 0.7 % in 2013.

Critical turnover rates⁴ by gender and age bracket were as follows:

	Groups	2014 (%)	2013 (%)	2012 (%)
Gender	Men	1.0	0.8	0.7
	Women	0.5	0.4	0.3
Age	> 60	0.3	0.0	0.3
	51 - 60	0.0	0.8	0.6
	41 - 50	0.7	0.9	0.7
	31 - 40	1.1	0.9	0.7
	20 - 30	1.0	0.4	0.0
Voluntary turnover rate		6.9	3.4	3.0
Critical turnover rate		0.9	0.7	0.6

In cases of voluntary terminations, questionnaires and interviews are conducted in order to gain deeper understanding of a worker's reasons for leaving the company to thereby determine potential areas for improvement.

Note 4 Critical turnover: leave of people considered essential for the company because of their performance or position.

The table below shows new employee hire rates⁵ by gender and age brackce:

	Groups	2014 (%)
Gender	Men	14.6
	Women	16.7
Age	> 60	5.3
	51 - 60	7.6
	41 - 50	10.4
	31 - 40	11.3
	20 - 30	28.6

With respect to returns of workers following parental leaves, it can be observed that the percentage of employees who returned to their jobs holds steady at over 99 %, a figure that is similar to that seen in previous years.

	Men			Women		
	2014	2013	2012	2014	2013	2012
No. of employees who exercised their right to parental leave	466	513	419	187	179	127
No. of employees who returned to work following parental leave	466	512	417	184	177	125

Note 5 There is not comparable data verified by an external auditor dueto this is the first year publishing this information.

G4-DMA, G4-LA9, G4-HR2.

Training



In 2014 we conducted more than 2 M hours of training

Abengoa operates in a competitive industry, where employee knowledge and skills must be continually reinforced through specialized training in order to reach professional goals and meet the needs of the company's businesses.

Training plans

In order to have a top team of people in place, Abengoa draws up individualized training programs as the product of the analysis of each employee's competencies and which is part of company's Strategic Plan framework.

Abengoa's training plan covers all of the contents needed to boast a highly qualified team of people who are committed to corporate culture. This is achieved by combining attendance-based and **online** methodologies to adapt to worker requirements. As part of its commitment to mobility and new technologies, Abengoa raised the number of **online** courses available by 42 % in 2014 for a total of 503⁶.

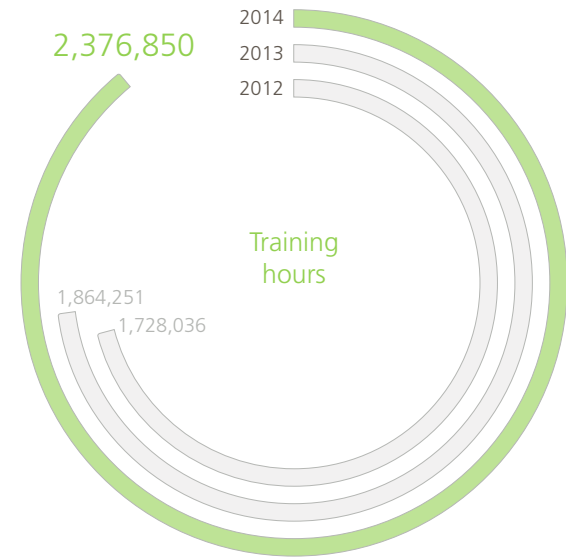
Over the course of the year, 2.4 M hours were dedicated to training, up by 33 % over 2013. The company achieved an average of 63.7 h⁷ per employee and made a direct investment totaling € 6.58 M, with an average investment of € 242 per person.



Note 6 Online training is carried out through the Campus Abengoa platform, which coordinates and systematizes all of the company's online training and is accessible from any computer or mobile device.

Note 7 Internship hours were not taken into account in computing the average number of training hours per employee, taking the average staff data without including trainees.

The increase in the number of training hours over the past three years is shown below:



+21.5 %

2013 - 2014

+7.9 %

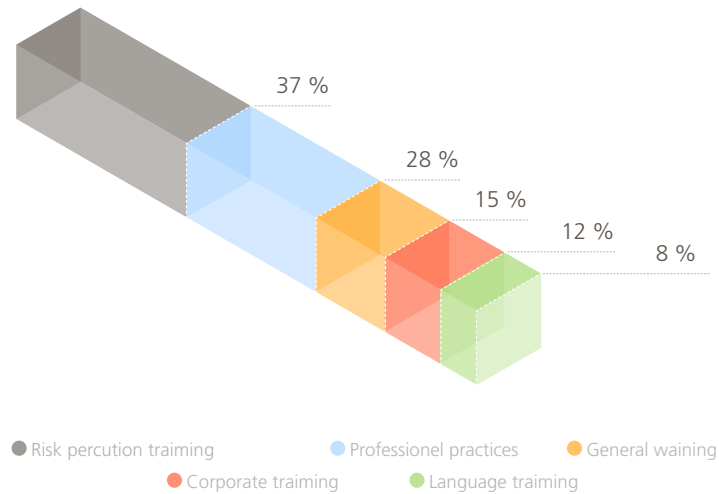
2012 - 2013

The training provided within the company encompasses both general topics and specific training plans geared towards the different personnel categories and duties

		2014				2013				2012			
		Men		Women		Men		Women		Men		Women	
Categories	Groups	Hours conducted	Attendees	Hours conducted	Attendees	Hours conducted	Attendees	Hours conducted	Attendees	Hours conducted	Attendees	Hours conducted	Attendees
Type of training	Corporate training	182,321	47,009	93,736	23,817	148,279	54,477	71,814	26,958	146,351	41,338	64,426	19,594
	General training	262,563	44,595	96,067	12,864	245,264	46,503	80,049	15,258	200,759	28,830	92,025	10,555
	Language training	115,701	3,293	67,917	5,137	101,215	3,271	75,372	2,452	56,759	2,564	45,833	1,890
	Risk prevention training	798,959	122,518	78,597	15,523	446,702	46,560	56,008	6,197	392,618	34,848	42,415	4,861
	Professional practices	422,204	850	258,784	521	355,795	279	283,755	222	402,243	–	284,608	–
Total		1,781,748	218,265	595,102	57,862	1,297,254	151,090	566,997	51,087	1,198,730	107,580	529,307	36,900

		2014						2013					
		Employees		Operators		Professional practices		Employees		Operators		Professional practices	
Categories	Groups	Hours conducted	Attendees	Hours conducted	Attendees	Hours conducted	Attendees	Hours conducted	Attendees	Hours conducted	Attendees	Hours conducted	Attendees
Employee categories	Corporate training	273,013	70,063	3,045	762	–	–	215,967	80,625	4,125	810	–	–
	General training	242,229	34,512	116,402	22,947	–	–	205,075	41,884	120,238	19,877	–	–
	Language training	178,891	8,253	4,727	177	–	–	168,915	5,556	7,672	167	–	–
	Risk prevention training	96,916	31,659	780,640	106,382	–	–	110,264	17,007	392,446	35,750	–	–
	Professional practices	–	–	–	–	680,988	1,371	–	–	–	–	–	639,550
Total		791,049	144,487	904,814	130,268	680,988	1,371	700,221	145,072	524,481	56,604	639,550	501

The distribution of training hours by training category in 2014 was as follows:



Abengoa has developed an **evaluation** procedure to gauge learner satisfaction with the training received in order to determine whether training is in line with personnel needs, from the standpoint of improving both employee performance and business results. This exercise enabled us to determine that in 2014 overall employee satisfaction scored 3.35 out of 4, which represents an increase of 3 % in the degree of satisfaction with respect to 2013.

In addition, progress was made in 2014 in implementing the **Language School**, through which more than **1,200 employees** in Seville and Madrid received instruction. This has also enabled the unification of class methodology and adaptation to the company's present reality and needs.

Mobile Learning

Abengoa has taken yet another step forward in incorporating new technologies for employee training. In addition to the already existing catalog under the **e-learning** mode, new contents are being developed that are especially geared for mobile devices.

The first phase of implementation included training in human resources and the Common Management Systems.

These new contents are based on a more visual, user-friendly and motivating offering for the purpose of reaching the end user in a more efficient and practical manner, especially intended for those who have to travel on a regular basis.



G4-DMA, G4-LA10

Abengoa University

Since 2012, Abengoa University acts as a catalyst for bolstering the strategic abilities of Abengoa's executives. Through the more than 90 editions of the variety of attendance- or semi-attendance-based programs implemented, it has consolidated to become an example in the realm of business training. Thus, Abengoa University has collaborated with more than **18 universities**, close to **2,900 employees** have participated, and over **250,000 hours of training** have been accumulated. All of this takes place in 17 different locations in 12 countries.

The new training contents developed in 2014 within the Abengoa University framework are the following:

Abengoa Executive Development Program (AEDP): in 2014, learning program design restructuring was carried out, adapting contents to Abengoa's global reality (presence in numerous geographies). This change began with application to the AEDP, modifying structure toward a blended⁸ format in order for employees to have access wherever they may be, whether it's a worksite or on business. During the first year of the model change, the AEDP had a total of 14 **e-learning** blocks and four in-person locations (two in Seville at the Loyola Leadership School, one in Washington, D.C., and one in Chicago at Loyola University Chicago). The program obtained a satisfaction score among participants of 4.42 out of 5.

Abengoa Direct Execution Management (ADEM): program designed to train project managers. This program has a highly practical component and is conducted around personal experiences of company heads, enabling the company to train 199 participants in different geographical locations (30 in Mexico and the U.S., 129 in Brazil, 17 in Poland and 23 in South Africa). The program received an average final evaluation score of 4.49 out of 5.

Abengoa Direct Execution Management (ADEM): a practical workshop with the primary aim of providing training and improving oral communication skills of company executives. This is a key tool in developing executive leadership and in increasing company productivity and competitiveness. The program received an average score of 4.48 out of 5.

Internship program

The pursuit of people with talent is characteristic of Abengoa, and this holds true for those seeking their first opportunity in the job market.

Abengoa's internship program is intended to help complete the training of future professionals through training internships. To this end, the company has signed 76 agreements with different academic institutions. This model of training integration enables interns to have access to a personal tutor who provides them with support for their personal and professional needs.

Abengoa is committed to young talent and, for this reason, of the more than 1,400 program participants who began their internships in 2014, 55 % of those who completed the program with a favorable evaluation have joined the Abengoa workforce

Note 8 Blended learning: training system which integrates face to face and on line methods.

G4-DMA, G4-LA11



Attracting, developing and retaining talent is the key to our success

Evaluation tool	For whom is it intended?	What does it involve?	Evaluation scope
Performance management.	All employees.	Based on a previously defined competency profile, by position and duty, every employee is evaluated annually by his or her direct superior.	8,712 people were evaluated using this system over the course of the year. The percentage of completed reviews was 99.17 %.
360° Feedback.	Executive Development Program (EDP) personnel.	Participants include superiors, colleagues, collaborators and the individual being evaluated, and the review is carried out by having all participants complete identical questionnaires.	In 2014, 936 people were reviewed using this method, with 3,610 people involved in the evaluation process, including superiors, colleagues and collaborators.
Executive Intercommunication Program.	Executives and managers.	Program for ascertaining staff perception of personal and career development.	1,108 executives participated in the program in 2014.

Attracting, developing and retaining talent

Abengoa firmly believes that the key to the company's success lies in **attracting, developing and retaining** top talent.

With the aim of **attracting** new generations and the very best people, Abengoa has reinforced its recruitment strategy through a broader and enhanced presence on the internet and in social networks..

As a result of this strategy, 25,110⁹ job applications were received through the employment website in 2014.

In order to **further the professional** development of its employees, the company considers having a formal performance review procedure in place to be essential. To this end, the company has tools in place, through which to evaluate each one of the people who make up the Abengoa team.

Among the tools in place at Abengoa for monitoring employee satisfaction is the **Work Climate Survey**. This survey is conducted every two years and helps the company to gather valuable information for gaining an understanding of employee perception of the company and company management. It is, without a doubt, a key instrument to concentrating efforts on improving working conditions and **retaining** personnel talent.

In the last implementation of the survey, which took place in 2014, 12,470 surveys were administered, with a response percentage of 86.3 %, up by 0.3 % over the previous edition, held in 2012. The overall satisfaction score was 72.2 out of 100, which represents an increase of 1.1 % with respect to 2012 results.

Note 9 Applications were also received through social networks and a variety of employment portals. These were not factored into this number.

G4-DMA, G4-LA4, G4-LA8, G4-LA11, G4-LA16

This survey has given rise to initiatives for **promoting pride in belonging** to the company, such as the open house events at Campus Palmas Altas (corporate headquarters located in Seville), Kaxu Solar One (South Africa) and the Solucar Complex (Seville).

In 2014, more than **60 different initiatives** were carried out, with an associated investment totaling close to **€ 70,000, for the purpose of promoting a smooth and pleasant working environment within the company.**

Noteworthy are the following initiatives:

- › Photography contests on different themes in different geographical areas.
- › Sports competitions.
- › Publication of in-house newsletters, by geography or business, to provide information on the company's day-to-day matters and employee experiences.
- › Talks on disease (unrelated to work) prevention linked to daily activities, particularly in countries with a high rate of communicable diseases.

Pictures about the open house events held during 2014.



On October 4, Abengoa held its 2nd Annual Open House at Campus Palmas Altas. The event was attended by around 400 people, including employees, family and friends. During the visit, participants had the chance to enjoy a guided tour of the campus, during which they learned details of the facilities and then enjoyed appetizers at the food court of the company's Sevillian headquarters. At the end of the activity, a satisfaction survey was conducted to learn about participant perception. The scores out of 5 obtained were the following: 4.88 in the Overall aspects and satisfaction with the event category; 4.98 in Attention received by organizing personnel and volunteers; 4.71 in Interest and suitability of content; and a 4.76 in Intention of continuing to attend upcoming events.

Protection of human rights

To ensure protection of the rights of its employees, all company personnel are included under supra-company labor regulations, regardless of the nature of their activities or the countries where such activities are carried out. In addition to the legislative protection offered in each country, of particular importance are collective bargaining agreements for the industry, territory, or those of the company itself, signed up to by workers or trade unions, depending on each case.

In addition, as a fundamental labor right, the company assures employees that they will be informed in advance of any structural or organizational change to occur within the company, either individually or via employees' representatives, pursuant to the notice periods prescribed by law and under collective bargaining agreements.

The entire company is called upon to take the initiative in improving business processes, working atmosphere conditions and in problem-solving. To this end, the company promotes the use of a variety of channels and computer tools, such as Abengoa Easy Management, suggestions through the Employee Portal and satisfaction surveys.

G4-DMA, G4-HR2, G4-HR3, G4-HR7, G4-R7, G4-SO4

In 2014, among the companies accounting for 62 % of the employees in the social perimeter that include the main geographies where the company operates, 211 claims involving labor practices ended up in lawsuits. Claims derived from collective proceedings were grouped together. Anticipated for inclusion in 2015 are data on the entire social perimeter.

In order to forestall incidents related to the violation of human rights, the company conducts training courses based on this issue, as well as in matters dealing with anti-corruption. In 2014, **more than 18,792 h of training were dedicated** to these areas for company employees and subcontracted personnel.

Categories	2014		2013		2012	
	Hours conducted	Attendees	Hours conducted	Attendees	Hours conducted	Attendees
Employee training in human rights	10,438	8,122	11,453	8,727	9,366	8,209
Employee training in anti-corruption	7,348	7,467	9,602	8,727	9,319	8,209

The percentage of subcontracted security personnel receiving training in aspects of human rights was 71.4 %, amounting to an increase of 31.5 % over 2013, with a total of 1,006 hours of training instruction.

Through the systems in place for this purpose, Abengoa reported six notifications in 2014 regarding discrimination-related issues. Two of them were resolved in favor of the company, three are pending resolution and one of the cases resulted in the termination of the employee reported. The Abengoa companies where these notifications were registered have undertaken a commitment to provide their employees with training in order to prevent future incidents of this kind.

Diversity and equality

Abengoa upholds an explicit commitment to equal opportunities and non-discrimination regardless of gender, race, color, religion, opinion, nationality, economic status or any other circumstances.

These principles are expressly stated in the company's different policies (regarding hiring, recruitment, training, performance review, promotion, compensation, working conditions, family-work life balance, prevention of harassment, etc.).

With the aim of ensuring equal treatment and opportunities with respect to gender, and to prevent any situations that might constitute labor discrimination, be it direct or indirect, Abengoa created its own **Equality Framework Plan** in 2008. This applies throughout the company and compliance therewith is evaluated through the established channels and in annual visits to group companies to verify compliance with SA 8000 directives.

The mission upheld by this corporate body is to advocate gender equality throughout the company, promoting, developing and managing the Equality Framework Plan and associated programs. Within the framework of this plan, the company has a work harassment whistleblower channel aimed at addressing any situation susceptible to being considered discriminatory. The Committee for Equality was also set up and tasked with conducting worldwide monitoring of issues related to gender equality.

In 2014, the **Equality Committee** met twice for the purpose of analyzing and evaluating the company's status and to draw up measures to achieve the 2020 target¹⁰.

Note 10 Attaining a 20 % ratio in women holding senior management positions and 35 % in women holding middle management positions.



We are working to incorporate disabled persons into social and work life by promoting employment, integration and accessibility

Among the measures that have already been implemented are the following:

- › Quarterly committee meetings to address two essential variables: 1) potential cases of discrimination or violations of the principles established under the plan, and 2) devising measures to promote equality.
- › Internationalization of the member profile to better address all possible cases.
- › Conducting an analysis of “invisible barriers” within the company.
- › Setting up lactation stations at work facilities with more than 50 employees ¹¹.

Creating business opportunities for disabled people

Since it began doing business, Abengoa has backed absolute integration of disabled people by carrying out efforts focused on social responsibility.

The company is working to achieve the incorporation of disabled people into social and working life by fomenting employment, integration and accessibility. To this end, the company promotes initiatives aimed at integration into the job market of groups which for different reasons suffer from exclusion, and giving priority to the person above his or her limitations.

In Spain, there were 110 disabled people among the company's workforce as of December 31, 2014.

Worth of special mention among the diverse programs and initiatives developed by Abengoa to promote the **integration of people with different disabilities** is the Inserta & Integra research project and the organization of contests for funding assistance for companies in integrating the disabled through the Focus-Abengoa Foundation, as well as courses conducted, including secretarial training, which is now in its sixth edition. The aim of this course is to help bring people with different disabilities into the job market through professional training. Students have the opportunity to receive theoretical and practical training while enjoying paid internships at a variety of Abengoa companies.

All of these programs are intended to attract and train people with some type of disability in order to facilitate their entry into the job market in the different dimensions of Abengoa activity.

Remuneration policy

Having a remuneration policy that is fair and competitive constitutes an indispensable aspect of ensuring success in attracting and retaining talent.

The company's remuneration policy reflects utmost observance of legal regulations and safeguards equal pay and equal treatment and opportunities between men and women, in keeping with the principles of equality and non-discrimination demanded by the policies and commitments undertaken by the company.

Note 11 This measure will be implemented during the first quarter of 2015.

G4-DMA, G4-EC3, G4-ECS, G4-LA2, G4-LA13

Employee compensation is established according to the wage reality and legal regulations of each geographical territory where Abengoa conducts its activities.

The table below shows the male-to-female salary ratio in the countries where the company has a greater presence.

Average monthly salary ^(1,2,3)	Female-to-male salary ratio in degree holder categories (%)
Brazil	96
Chile	102
Spain	100
United States	98
Uruguay	96

- (1) Data obtained from a representative sample of companies in significant geographic areas.
- (2) Trainee contracts were not taken into account in computing salary ratios.
- (3) The calculation took into consideration personnel from the degree holder category without taking differences in duties or positions into account.

The table below shows the percentage paid above the minimum inter-professional wage (MIW), taking into account the degree holder, administrative staff and operator categories, thus providing an indicator of the competitive salaries the company offers.

	Percentage over MIW		
	Degree holder	Administrative staff	Operator
Brazil	489	218	121
Chile	237	198	139
Spain	298	165	197
United States	264	182	152
Uruguay	579	290	197

The company's remuneration policy establishes supplementary variable remuneration as compensation for some company employees depending on their activity performance and the degree to which personal objectives are fulfilled. 30 % of company employees¹² have variable target-based remuneration.

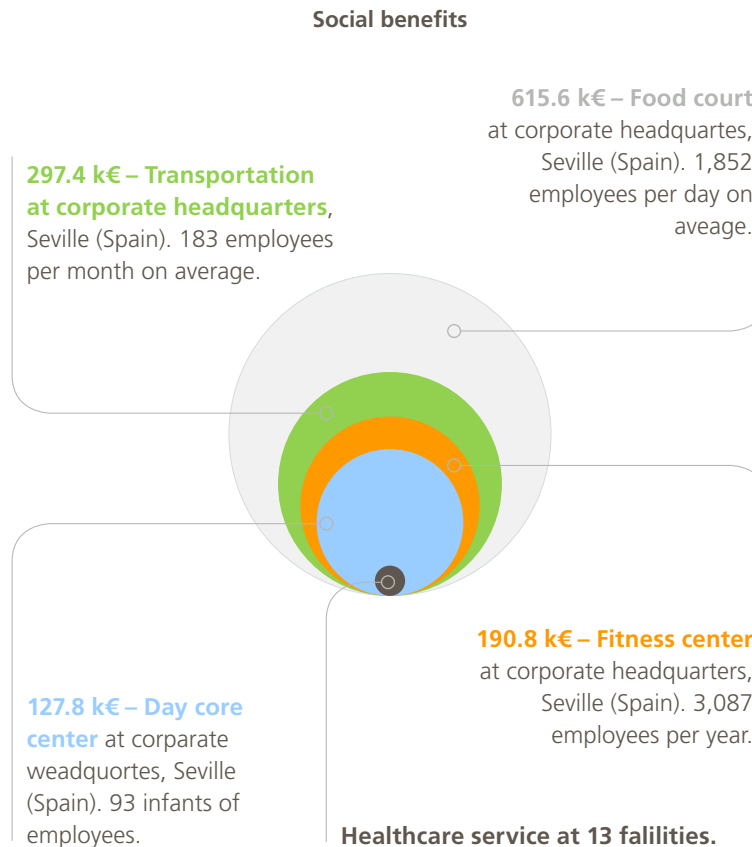
Employee benefits

Abengoa makes a series of benefits available to its employees with the aim of enhancing quality of life and **facilitating work and personal life balance**.

Employee benefits provided comprise a wide range of advantages and services in line with each geographical location and workforce.

Note 12 The data was calculated based on the employee category.

Shown below are some of the benefits available to company employees.



Occupational health and safety

Ensuring optimal working conditions in the area of occupational health and safety is a top priority for the company. Abengoa therefore implements occupational risk prevention systems that are audited periodically by authorized entities which certify their degree of alignment with legal regulations and efficiency level. These systems have four essential underpinnings:

- › **Principles of Abengoa's Occupational Risk Prevention (ORP) policy.**
- › **Legal provisions** that are applicable in each country of company operation.
- › **Contractual specifications** of the company's customers in this area.
- › Requirements of the **OHSAS¹³, Standard**, the international set of norms pertaining to occupational health and safety systems.

Certified companies according to sales volume (%)

	2014	2013	2012
OHSAS 18001 certified	85.64 ⁽¹⁾	92.81	91.56

(1) In the process of being certified are plants that were under construction in previous years and which began operating in 2014.

In 2014, the company worked on development and implementation of computer tools such as Abengoa Easy Management and the Global Footprint. These applications constitute a significant improvement in controlling occupational risks in group companies, work facilities and project sites, particularly in the construction and startup of Abengoa's major projects.

Note 13 OHSAS 18001: international certification for occupational health and safety management systems.

G4-DMA, G4-LA5

The company considers that the success of its occupational risk prevention campaigns, as well as the effectiveness of improvement measures, requires joint commitment and collaboration from everyone involved. With this aim in mind, **all Abengoa companies** have set up **health and safety committees** that meet **monthly** to monitor and warn about any aspects that may pose risks to the occupational safety of workers, analyze accident rates and implement the measures needed to meet objectives set in this regard.

These committees are made up of executive and ORP heads and represent 95 % of the company's entire workforce.

A fundamental part of meeting these objectives lies in training all company employees through specific ORP courses. These courses are extended to include subcontracted personal working in Abengoa activities or installations.

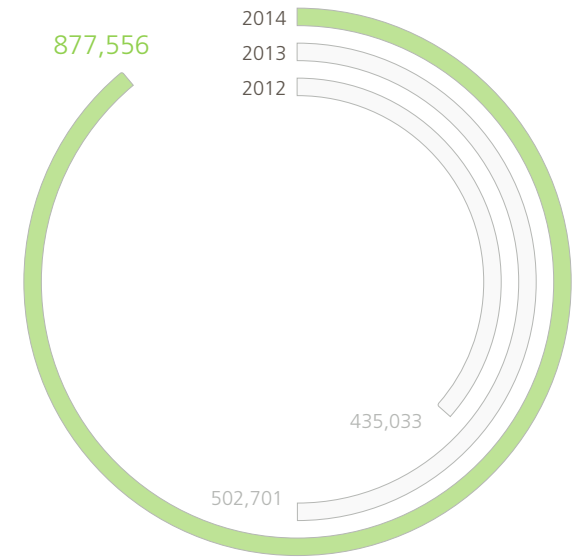
Hours dedicated to ORP training

	2014
Abengoa personnel	877,556
Subcontracted personnel trained by Abengoa	235,457
Total number of ORP training hours	1,113,013



The number of hours of ORP training provided to company employees continues to rise with respect to previous years.

The graph below shows the evolution since 2012:



+ 74.6 %

2013 - 2014

+ 15.5 %

2012 - 2013

In 2013, the Colabora computer platform was implemented for the company's technical personnel to exchange work experiences and best practices. Today there are more than 3,000 employees, up by 48 % over 2013, who are part of this network.

Abengoa continues to augment means and resources for meeting the objectives established under the company's «**zero accident**» policy.

The company places particular emphasis on evolution of work-related accidents and absenteeism, especially in the companies and working areas where construction work is being executed.

G4-DMA, G4-LA6, G4-LA7

Health and safety indicators	Employees		
	2014	2013	2012
Frequency rate	14.22	15.41	15.09
Severity rate	0.23	0.26	0.21
No. of work-related accidents entailing medical leave of more than one day	416	440	502
Lost working days due to accidents	11,731	12,033	8,802
Total absenteeism due to illness (%)	1.15	1.13	1.06
Total absenteeism due to work-related accidents (%)	0.20	0.17	0.19

Distribution of such data in the countries where the company has a higher presence was as follows:

	No. of work-related accidents entailing medical leave of more than one day	Lost working days	Frequency rate	Severity rate	Total absenteeism due to illness (%)
Brazil	141	1,326	12.62	0.1	1.47
Chile	5	45	2.58	0.01	1.29
Spain	68	3,397	21.2	0.33	1.63
United States	4	7	18.89	0	0.82
Uruguay	69	2,289	31.84	0.7	2.01

Some activities, due to the country of project location or associated processes, may result in employee exposure to certain risks or occurrences of communicable diseases. Abengoa strives to minimize these risks and, to this end, a range of preventive measures were carried out in 2014.

Among **specific illnesses** with a high rate of occurrence in particular geographical areas, **malaria, cholera** and **tuberculosis** are those which pose the greatest risk to employees. To prevent these diseases, Abengoa carries out vaccination of personnel transferring temporarily or permanently to countries with risks of these and other diseases, in addition to conducting medical checkups and tests and providing training on preventing and contracting diseases.

With respect to other **work-related** health conditions, **loss of hearing**, which can affect employees who carry out their work in an environment with high noise levels, or **legionnaire’s disease** for those working in laboratories, are two examples that can potentially be linked to professional duties. At Abengoa, **risk minimization plans** are implemented, as well as **ongoing training, prevention and monitoring** of these and other health conditions. These plans are drawn up by project and by geography. To prevent hearing loss, for example, one measure is the mandatory use of individual protection equipment. Machinery maintenance is ongoing and pertinent rooms are soundproofed. In the case of legionnaire’s disease, apart from requiring the use of protection equipment, chemical treatment is applied to prevent the presence of legionella bacteria.

«Zero accident» policy

Abengoa's target is zero accidents resulting in fatalities in all company works, projects and installations. The company promotes supervision, monitoring and training as fundamental tools in fulfilling this objective.

Employee and subcontractor accidents resulting in fatalities

	2014	2013
Employees	2	1
Subcontracted workers	6	-

In 2014, 2 serious accidents occurred among the company's own personnel. Despite these incidents, Abengoa is committed to continuing to reinforce its ORP policies and reduce the accident rate within the company.

Project Fingerprint

In 2013, Project Fingerprint was set in motion. This innovative project aids in managing all of the information pertaining to the health and safety of providers and employees involved in construction work and includes personal identification using fingerprints. The aim of the project is to ensure that all personnel accessing worksites meet the legal, safety, security and training requirements set down by the company.

This year implementation was carried out in more than 20 countries, including registration of over 20,000 people between company employees and subcontractors. Last year's figure was 14,000.



Abengoa's Human Resource unit received the highest award granted by the [European Foundation for Quality Management \(EFQM\)](#), the European Seal of Excellence +500. This recognition underscores the quality of this leading management model implemented in accordance with international standards.

The EFQM European Seal of Excellence was obtained following the successful completion of a rigorous external assessment process endorsed by AENOR and the Management Excellence Club. The evaluation rendered a score of over 600 points, thereby surpassing the 500 level achieved in the last examination.

The assessment process involved evaluation of different variables, including the capacity to maintain outstanding results over time; leadership with vision, inspiration.





06.6
Connecting
with the social
environment



Commitments and goals in 2013	Milestones in 2014	Commitments for 2015	Working areas
Reinforcing and systematizing stakeholder dialog (CSRR 2013, p. 37).	More regular contact established with stakeholders: the new Energy of Change blog set up; profiles created on six social networks; interviews held with five endorsers for the materiality process; a new opinion leader survey included for CSR risk analysis; the work climate survey conducted at Abengoa's main work centers, with total employee participation of 83.3 %.	Updating the company stakeholder map and establishing protocols for dialog with communities and other stakeholders in the areas under the influence of Abengoa projects.	A working team will be set up, comprising the company's heads of CSR (by business and region), with the aim of designing a procedure that will enable the company to systematize dialog with stakeholders in the areas of project influence. This new working group will also carry out the groundwork for updating the company's stakeholder maps.
In 2014, the company intended to implement a supplier registration and approval platform that will enable the systemization of all phases of the responsible procurement system (CSRR 2013, p. 121).	Ongoing development of the supplier registration and approval platform. Implementation over the course of the year as envisaged was unfeasible due to project complexity.	Implementation of the application in Spain as the pilot region for subsequent deployment of the tool to the other regions in which Abengoa operates.	The multidisciplinary team dedicated to the project will continue to design and implement a platform for efficient and secure management of Abengoa supplier-related information.
No explicit commitment was published in the 2013 CSRR	12,391 supplier analyses conducted (100 % of significant providers analyzed).	Use of the supplier registration and approval platform as the basis for analysis in regions where the platform is implemented.	Automated analysis of suppliers entailing risk through the supplier registration and approval platform.
Abengoa's goal is for at least 5 % of its audits of suppliers deemed critical to be carried out in person by visiting suppliers' facilities (CSRR 2013, p. 120).	On-site audits were carried out for 8.37 % of the company's critical providers.	Increasing the percentage of suppliers analyzed to meet the 2020 target of carrying out audits for 25 % of the suppliers flagged as high risk (and 100 % for suppliers deemed critical).	An audit system will be rolled out with greater coordination at central office and company/regional level to ensure a greater number of audits for high-risk suppliers.
Stepping up the number of supplier audits in areas at risk of human rights violations (CSRR 2013, p. 39).	Design and development of a supplier audit guide containing instructions on how to carry out work to ensure standardization and efficiency in the analyses performed.	Drawing up a supplier auditing procedure to be established as a Norm of Obligatory Compliance (NOC) for Abengoa companies.	Materialization of the supplier auditing procedure as a NOC for all group companies. Defining special cases that may arise.

Commitments and goals in 2013	Milestones in 2014	Commitments for 2015	Working areas
No explicit commitment was published in the 2013 CSRR.	The EFQM +500 European Seal of Excellence obtained by the group company dedicated to managing Abengoa's HR policies and procedures.	Attainment of the EFQM +500 Seal of Excellence by Abengoa.	The involvement of senior management and employees is essential if we are to maintain sufficient standards of quality to obtain the seal.
Establishing common policies to improve customer satisfaction (CSRR 2013, p. 34).	Implementation of the Abengoa internal Easy Management application to manage company action plans, report incidents and take corrective action.	Attaining optimum use of the application across all Abengoa companies and regions as a means of monitoring compliance with the highest quality standards.	Continuous training and development of control processes on the proper use of the tool in all regions where Abengoa projects are carried out Involvement of all Abengoa companies and regions.
No explicit commitment was published in the 2013 CSRR.	Creation of the Forum on Energy Transition and Climate Change.	Acknowledging the Forum as the ideal structure through which the company can share its and beliefs on the importance of energy transition in the fight against climate change.	Raising awareness of the Forum's activities through the communication channels of both Abengoa and the Foundation.
No explicit commitment was published in the 2013 CSRR.	Expansion of the PE&C social development program. Incorporation of two new regions: Sri Lanka and South Africa; and new communities in Tabasco (Mexico), the Atacama Desert (Chile) and in western Peru.	Expanding the PE&C social development program to include new regions (Morocco and Uruguay).	Determining needs (diagnosis) in the communities where we operate to assess potential program implementation.

12,391
supplier screening performed

73/100
customer satisfaction

€9.5 M
investment in social engagement



We manage our stakeholder relations with a view to generating positive impacts on the environment

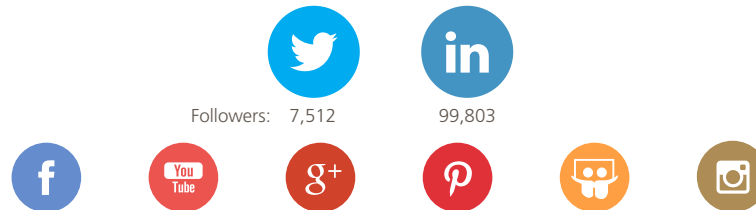
In an increasingly more global and interconnected world, the manner in which the company interacts with its surroundings can lead to economic profits or losses, while also triggering positive or negative effects for the players with whom the company interacts. Companies need to maintain **stable and beneficial relationships** with all the economic and social agents with whom they collaborate.

Businesses need to manage the impacts, both positive and negative, on these players as an essential part of maintaining their **“social license to operate”**.¹

An increased perception of the impact of companies on their environment, coupled with the fact that companies can and do influence their supply chains and customers can and should be involved in corporate decisions, means that it is key to view corporate strategy and performance in terms of how they tie in with the social environment.

It is worth noting that the company's relationship with the component members of its value chain is structured around the company's **communication channels**², through which Abengoa is able to determine the main impacts of its operations and address the concerns of each member.

Abengoa is present in the following social networks:



Note 1 Social license to generate refers to the acceptance of a project (be it commercial or non-profit) by a community. This license is linked to local perceptions with respect to the organization and therefore involves transparency, honesty, respect, ethics and impact mitigation efforts carried out by the company.

Note 2 Appendix C contains a diagram showing the company's most relevant communication channels by stakeholder.

Reds go Green Competition

Towards the end of 2014, Abengoa and Manchester United launched a [monthly contest](#) as a product of their joint [collaboration agreement](#). This initiative gives participants the chance to win a trip for two to attend a Manchester United match (including two tickets, transport and accommodation).

Contest winners are selected from among those who correctly answer a series of questions relating to renewable energy sources, climate change and responsible management. Answers to the questions can be found in the [Abengoa blog](#).

Through this initiative, Abengoa and Manchester United seek to advance society's knowledge of renewable energy sources, innovation, technology and sustainability.





Our suppliers are essential to achieving business success

This chapter describes the main activities carried out by the company in terms of relations with suppliers, customers, the communities where it operates and society at large, the aim being to explain how the company is working to **minimize its negative impacts and boost its positive impacts**.

Commitment to responsibility along the supply chain

Abengoa treats its suppliers and subcontractors as essential partners that are key to business development and to competing successfully in the market. Each day, the company works toward forging and reinforcing relationships based **on trust and mutual benefit**, not only to ensure the quality of the company's products and services, but also **to promote a culture of responsible management and to foster ethical conduct**.

The company lends particular importance to its own **responsibility** throughout **the supply chain**, due to its international presence in developing countries, the large number of suppliers with which it collaborates and the importance of these providers in carrying out company operations. For this reason, Abengoa pays particular attention to establishing, promoting and maintaining high standards of social responsibility in its lines of activity, promoting observance of ethical, labor, environmental and health and safety standards among its suppliers, while at the same time promoting efficiency in generating products and services with high quality standards, lowering costs and increasing benefits.

To measure this efficiency, the company employs a structured procedure that includes the information and opinions gathered from the suppliers through surveys. This is carried out through five basic guidelines that characterize the supplier relationship and bolster Abengoa's strategy: outsourcing, leadership, globalization, local development and integration.

Basic guidelines for supplier management

Outsourcing: which makes it possible to concentrate on knowledge improvement, increasing core business yield, incorporating highly professional service through the direct involvement of suppliers in day-to-day operations.

Leadership: ongoing pursuit and contracting of suppliers who are leaders in their sector ensures innovative and technology-heavy solutions focused on improvement, which enables Abengoa to maintain its high levels of competitiveness and quality.

Globalization: contracting common suppliers across the different production centers allows for a more developed and homogenous service with common scopes. These synergies facilitate global solutions that result in cost optimization when managing and developing the company's service and its purchasing process.

Local development: the focus on development and involvement of locally-based suppliers ensures that the most essential and basic needs are met, with the resulting flexibility in consumption volume and response time. All of this has a positive impact on commercial and industrial growth in the regions of implementation and ensures close relations with these regions.

Integration of proposed improvements from suppliers allows for continuous progress in productivity and yield. Pricing according to results is a fundamental principle of commitment to the business, in conjunction with integration, environmental safety policy, respect for human rights and business ethics.

G4- DMA, G4-12, G4-EN33, G4-LA15, G4-HR11, G4-SO10

In 2014, Abengoa worked with approximately 15,000 suppliers in 81 countries from all over the world. The countries with the highest number of suppliers are Brazil, Chile, the U.S., Spain, France, Mexico, Peru (comprising 90 % of the total number of suppliers) and Uruguay. With respect to the approximate monetary value of payments made to suppliers, this chapter provides details of the amounts invoiced.

As a result of **Abengoa's commitment to its supply chain**, and with the aim of better defining the impacts on all processes carried out by Abengoa, the company sought to delve deeper into the information reported in the materiality analysis³ in relation to the company's **suppliers and customers**. The process has thereby enabled the company to identify and define the main potential negative impacts of supplier and customer actions on Abengoa or society at large, so as to assess how the company is working to minimize these impacts.

Note 3 More information in the chapter titled "About this report".

Plastic caps for a new life

Abengoa, committed to helping those who are most vulnerable, made the decision in February 2014 to take part in the SEUR Foundation "[Plastic caps for a new life](#)" campaign by assisting through the collection of plastic caps at the company's office facilities in Seville and Madrid (Spain). The caps are later recycled to help cover the expenses of families with sick children.

The first anniversary of the company's participation in the initiative attests to the success of Abengoa employee engagement. Over the course of the year, more than **100,350 plastic caps** were collected to help a total of **31 sick children**, who received the orthopedic device or surgery they needed.

In addition, the collection of **200.7 kg of plastic** helped prevent the emission of **301 kg of CO_{2eq}** into the atmosphere, an amount that would require **50 trees** in order to be absorbed.



Main risks involving Abengoa suppliers

Risks	Economic impact	Social impact	Environmental impact	How Abengoa is working to minimize these risks
Corruption, bribes, fraudulent practices and money laundering.	Failure by suppliers to collaborate with the Public Administration (tax evasion).	Loss of confidence in the sector.	Not applicable	<ul style="list-style-type: none"> › All suppliers must endorse the Social Responsibility Code (SRC). › Supplier assessments. › Audits performed for suppliers flagged as critical.
Financing.	Market paralysis due to lowered production and supply scarcity.	Job losses.	Not applicable	In cases in which it is not possible to use regular suppliers, supply chain scope should be expanded globally. The supplier registration and endorsement platform will generate a supplier database available to the entire company that will mitigate the borrowing-related risks.
Human Rights.	Lack of salary parity with competitors.	<ul style="list-style-type: none"> › Obstacle for development of emerging countries. › Rise in poverty. › Violation of basic fundamental rights. 	Not applicable	<ul style="list-style-type: none"> › All suppliers must endorse the Social Responsibility Code (SRC). › Supplier assessments. › Audits performed for suppliers flagged as critical. › Subcontractor training in HR.
Identification and control of the source of raw materials.	Higher indirect costs due to materialization of potential risks.	<ul style="list-style-type: none"> › Potential infringement of HR. › Loss of confidence in the sector. 	<ul style="list-style-type: none"> › Risks involving excessive use of resources. › Failure to comply with legal requirements pertaining to raw materials. 	Traceability of agricultural raw materials in bioethanol production (RBSA) ⁽¹⁾ . HR traceability is in the process of being included under the RBSA. A compliance program was created in 2014 on the use of conflict minerals in accordance with Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act.
Product and service quality.	Loss of competitiveness.	Loss of trust and credibility.	Loss of trust and credibility.	<ul style="list-style-type: none"> › Process management systems. › Rating of Abengoa suppliers.
Health and safety of company employees and contractors.	<ul style="list-style-type: none"> › Accident rate-related costs. › Loss of credibility among investors. 	Higher likelihood of work-related accidents.	Not applicable	<ul style="list-style-type: none"> › Digital identification for access to projects by employees and subcontractors. ⁽²⁾ › Occupational risk prevention training for employees and subcontractors. › Daily talks before work starts.
Reliability in upholding commitments.	Costs associated with loss of credibility resulting from failure to uphold commitments.	Loss of trust and credibility.	Loss of trust and credibility.	<ul style="list-style-type: none"> › Supplier assessments. › Auditing of suppliers flagged as critical. › Establishing oversight committees.

(1) RBSA (RED BioenergySustainability Assurance Scheme): sustainability certification standard developed by Abengoa which establishes binding requirements for compliance with Renewable Energy Directive 2009/28/ EC (RED) throughout the supply chain, from agricultural production to end user in every member state of the European Union.

(2) More information in the chapter titled "Talent for business success"

G4-HR1

Managing the supply chain

Abengoa is conscious of its **responsibility in the supply chain** and therefore finds it necessary to implement and promote high standards of social responsibility across all of the company's lines of activity. Abengoa promotes the principles undertaken with the Global Compact, those included in the Declaration on Human Rights, the Global Reporting Initiative (GRI) and in the company's own Code of Conduct and ensures compliance with all these, while engaging company suppliers in a relationship based on trust and mutual benefit.



We understand the trickle-down effect of responsible management on supplier and contractor activities and therefore one of our main objectives is to extend our principles and values to the supply chain

In other words, the company works to ensure the existence of suitable conditions of health and safety, respect for HR in all regions, ensuring non-corrupt practices and sound use of natural resources (effective environmental management), while upholding quality standards applied to products and services.

To this end, Abengoa provides its suppliers and contractors with the means needed for them to comply accordingly with these principles through training and mandatory adherence to the following initiatives, among others:

Supplier emissions reporting for the greenhouse gas (GHG) management system

Abengoa **requires** that all of its suppliers **sign an agreement to implement a GHG emissions reporting system**, meaning all providers are required to provide information on the CO₂ emissions linked to each order that the company places with them. In cases where this information is not available to a supplier, the company grants a six-month period for implementing an emissions reporting system for the goods or services it provides.

Signing of the Abengoa Social Responsibility Code

With the aim of gearing its business toward deeper integrity and respect toward those who may be affected by company activities, Abengoa **requires all providers** the company works with to **adhere to the Social Responsibility Code for Suppliers and Subcontractors**. Comprising **11 clauses**, this code is based on the principles of the United Nations Global Compact and inspired by the international **SA8000** standard.

In addition to governing supplier activity through the code, by signing this agreement suppliers also agree to being fully available to undergo an Abengoa audit or other type of inspection for verifying compliance with the principles.

During 2014, **2,018** agreements with suppliers were undertaken.

Labor Social Responsibility (LSR) Policy and management system implementation

Abengoa's LSR management system was designed on the basis of the SA8000 standard, meaning that 100 % of Abengoa's companies have a certifiable system in accordance with this norm in place. Optionally, companies may be certified individually. All companies that belong to the Industrial Production area of activity and the company tasked with managing HR policies and procedures are SA8000 standard-certified through IQNet.

The system ensures that the company has the necessary tools to move forward with implementation of the [ten principles of the United Nations Global Compact](#), endorsed by the company in 2002 and which involves not only Abengoa, but also its supply chain.

Among the objectives of this management system is to engage suppliers and contractors in compliance with Abengoa's LSR directives, establishing supplier selection and evaluation procedures based on the concept of social responsibility, in addition to developing control mechanisms for ensuring observance of this policy.

G4-DMA, G4-HR2

Training

Abengoa works with both large and small suppliers. As the company is aware of the difficulty that emissions accounting may pose for some providers, and in pursuit of good practices, the company conducts training sessions to provide suppliers with guidance along these lines.

In addition, the company provides training relating to occupational risk prevention and other aspects such as effluents, spills and waste.

235,457 hours of training were dedicated to **suppliers** in 2014

Responsible Procurement System

In order to fulfill the commitments established with regard to its supply chain, Abengoa continues to develop **a system for responsible management of the purchases** made by the company. This process was designed to be approached in different stages depending on the level of criticality. It was initially necessary to design system methodology, considering the manner of conducting supplier evaluation and rating, as well as the types of audits to be conducted. The company is presently working on process automation through a supplier registration and approval platform which will enable supplier assessment to be carried out with a global scope.

The system includes sustainability criteria applied to the evaluations carried out among suppliers and is made up of tools and procedures that enable Abengoa to analyze the level of risk of its suppliers. By conducting internal audits, Abengoa seeks to forestall any conduct which may run contrary to the performance principles established by the company.

Implementation of the system is being carried out in **three phases: supplier assessment**, critical supplier **audits** and supplier **rating**.

1. Supplier assessment: risk identification and management

Abengoa treats supply chain sustainability as a management framework that enables the company **to mitigate risks and identify opportunities**. It is therefore a key element for the company's reputation.

Risk suppliers therefore undergo **a yearly analysis** to evaluate the supply chain in Abengoa operations, monitoring involvement in and acceptance by suppliers of corporate policies, determining risk level and establishing mitigation measures.

This analysis takes into account different variables, including the supplier's country, the nature of the product or service supplied or the type of activity conducted, as well as more subjective aspects deriving from the company's knowledge of its suppliers. To determine the level of risk of the country of supplier operation, Abengoa employs recognized international indices related to human rights (child labor, discrimination and freedom of association, among others), corruption and observance of political and civil rights.

In 2014, supplier analysis was updated to ensure a more exhaustive assessment of the supply chain. To this end, further social and environmental aspects were included, raising the number of criteria to be taken into account when performing assessments from 7 to 19.

Analysis of the risk level

Human rights and labor practices	<ul style="list-style-type: none"> > Human rights > Child labor > Discrimination > Freedom of association > Occupational vulnerability
Corruption	<ul style="list-style-type: none"> > Corruption perception index > Bribe payers index
Civil and political rights	<ul style="list-style-type: none"> > Freedom status > Observations

G4-DMA, G4-EN32, G4-HR9, G4-HR10, G4-LA14, G4-SO9

Analysis of the risk level

Political risks	<ul style="list-style-type: none"> › Exchange rate risk › Government non-payment › Political interference › Supply chain disruption › Legal and regulatory risks › Political violence › Business risk › Banking vulnerability
Environmental risks	<ul style="list-style-type: none"> › Energy-derived CO₂ emissions rate › Access to improved water source › Particulate matter concentration

19 issues analyzed.

2. Supplier audits

The aim of this phase is to determine the degree to which Abengoa suppliers are ensuring compliance with the principles set out in the Social Responsibility Code (SRC). For this purpose an auditing procedure was created to define the aspects to be reviewed and to base the scope of the work on the degree of supplier criticality, allowing analyses to be carried out via self-assessment questionnaires, remote audits or in-person audits that include visits to supplier facilities.

All Abengoa companies are responsible for analyzing and evaluating the risks inherent to the activities carried out by their suppliers. A **target** was set for 2014 to conduct audits for at least **5 % of the suppliers** flagged as critical or otherwise high-risk⁴.

Note 4 High-risk suppliers: suppliers operating in high-risk countries or those engaged in an activity classified through analyses as being of high risk. Critical suppliers: high-risk suppliers who, when taking other criteria related to image and the media into consideration, entail higher reputational risk.

A supplier audit guide was devised in 2014. This document contains general guidelines to be taken into account when conducting supplier audits. The medium-term objective was set to define all aspects and procedures involving supplier audits as a NOC.



3. Supplier rating

The last phase of this process consists of rating suppliers in terms of the assessment performed. This enables Abengoa to reward best practices and exclude providers that fail to comply with the requirements established in the SRC.

The results of the process are as follows:

Suppliers	2014	2013	2012
Supplier analyses conducted ⁽¹⁾	12,391	14,389	14,920
High-risk suppliers detected	765	950	564
High-risk suppliers detected (%)	6.17	6.60	3.78
Critical suppliers audited (%)	8.37	9.58	16.84
Number of audits conducted	64	91	95

(1) The supplier analysis performed factors in concerns relating to the environment, human rights, labor practices and the social environment.

In 2014, 64 audits were performed, including 38 conducted on-site through visits to supplier facilities, and 26 carried out remotely.

Abengoa's may end its relationship with any supplier that demonstrates "non-compliance", unless the incidents detected are rectified. There were no cases of Abengoa severing commercial ties with any suppliers in 2014.



Supplier audits

Over the course of the supplier audits conducted in 2014, some cases of “non-compliance” were detected, mainly in relation to compliance with legal requirements associated with health and safety: lack of worksite physician, failure to conduct a first-aid course, lack of an evacuation plan, lack of an occupational risk prevention program, etc.

One of the cases detected involved training of the operators in charge of the firefighting department at the facilities of a supplier to the bioenergy business in Brazil. Once this case of non-compliance was identified, consisting here of a lack of courses and drills, Abengoa contacted the supplier and monitored resolution of the problem based on the observations made.

When a case of non-compliance is detected, Abengoa establishes a **plan of action** that results in collaborative work with the supplier in order for them to be able to adapt to the established requirements. The goal is to work together with suppliers in order to resolve non-compliance, while seeking to convey **responsible performance** to the supply chain.

Supplier registration and approval platform

Abengoa has been working since 2013 on creating a supplier registration and approval platform to enable the company to systematize all phases of the existing Responsible Procurement System described in the previous section. The primary objectives of this project are as follows:

- › To establish a **standardized authorization process** for all Abengoa suppliers, including sustainability criteria and taking into account the geographical and operational diversity in the operations conducted by the company.
- › **To lower the risk involved in procuring** goods and services, maintaining or improving agility by setting up efficient administrative processes.
- › To carry out **more exhaustive evaluation** of the supply chain, generating an assessment and rating for every supplier in order to reward excellence and penalize a lack thereof (severing commercial ties). The purpose of this model is to quantify the relative position of suppliers according to the way they manage social responsibility affairs so that this can be taken into account when tendering or contracting with them. Some of the auditing processes will likewise be automated to make the process of selecting suppliers to be audited more efficient.
- › To facilitate **more effective communication** thanks to a single database containing information on suppliers, which can be consulted by anyone looking to place orders with these suppliers. The suppliers will in turn be assigned a single contact person to whom they should send their information.

Platform launch and implementation will take place gradually, with a pilot phase in Spain (2015) and progressive deployment according to region.

The supplier platform will feature an audit module that allows audit information and results to be shared across group companies. This will provide the company with information on incidents detected and observations stemming from the auditing process, as well as the action taken, including the ability to block suppliers that fail to meet the requirements in place.

These audits will enable Abengoa to carry out more exhaustive assessment of supplier activities.

G4-DMA, G4-EC9



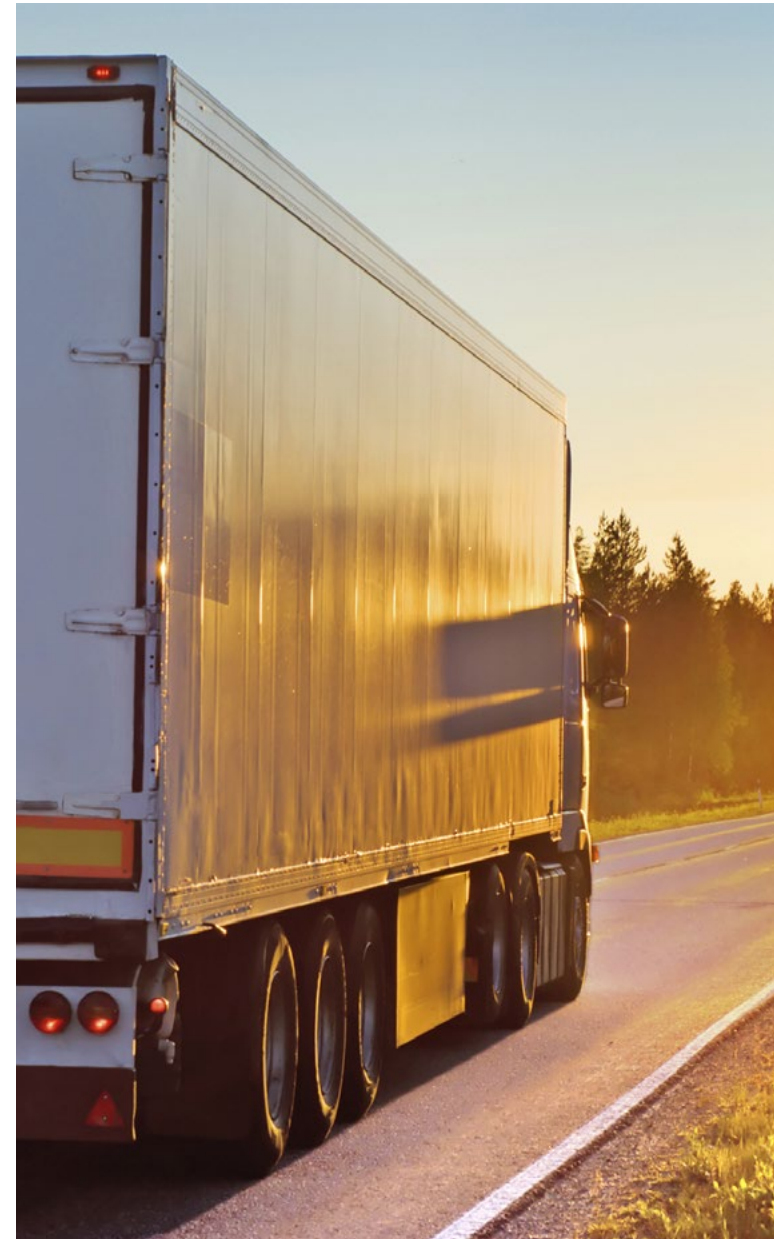
Locally-based suppliers

Abengoa is heavily committed to the **economic and social progress of the communities** where it operates and therefore seeks to drive wealth generation in the countries where the company is present by implementing and developing economic relations with local suppliers.

Working with **locally-based partners** enables the company to strengthen and support a stable local economy, helping improve living conditions in the areas where it carries out its activities through direct and indirect job creation and by indirectly attracting investment.

The percentage of purchases made from locally-based suppliers totaled 76 % in 2014 (78 % in 2013 and 82 % in 2012).

Country	2014		2013		2012	
	% purchasing with local suppliers	% purchasing country / Abengoa purchasing	% purchasing with local suppliers	% purchasing country / Abengoa purchasing	% purchasing with local suppliers	% purchasing country / Abengoa purchasing
Brazil	95	5	97	6	72	6
Holland	82	6	74	7	70	7
Spain	81	28	78	34	82	33
U.S.	78	32	86	30	91	36
South Africa	67	5	30	4	87	2
Mexico	59	9	85	4	73	4



G4-DMA, G4-EN27

A complete range of products and services to meet customer needs

Abengoa works to fulfill the needs of its customers by maintaining **fluid, transparent communication** to achieve **more effective management and minimize impacts**.

In a way that parallels the case describing suppliers, customers underwent further scrutiny in 2014 through a materiality study to identify the most relevant issues at each point of the value chain. The process yielded a set of risks and impacts which the company strives to mitigate through the initiatives described below:



Abengoa, we provide innovative technology-based solutions for sustainability that help lower the impact of our customer's activities

Main risks involving Abengoa customers

Risk	Economic impact	Social impact	Environmental impact	How Abengoa manages these risks
Corruption, bribes, fraudulent practices and money laundering.	Unfair competition.	Loss of confidence in the sector.	Not applicable	<ul style="list-style-type: none"> › Code of conduct. › Compliance program. › Audits conducted by the unit dedicated to prevention and detection of corruption and fraud.
Product and service quality.	Loss of competitiveness.	Loss of trust and credibility.	Failure to meet environmental requirements.	Product and service quality management systems.
Reliability in upholding commitments.	<ul style="list-style-type: none"> › Costs associated with loss of credibility due to failure to uphold commitments. › Loss of future projects. 	Loss of credibility and trust.	Loss of credibility and trust.	Direct and regular dialog with customers.

G4-DMA, G4-PR5, G4-PR7, G4-PR8, G4-PR9

Respect for clients and quality of the products and services provided by the company are company hallmarks and underpin the daily efforts of the team of people who make up the company. Over the course of the year, through the formal communication mechanisms in place at Abengoa, there were no reports of either fines or sanctions in relation to customer privacy or non-compliance with regulations involving product and service provision and use. Likewise, there were no reports of any incidents involving communication or marketing.

Client satisfaction, our priority

For Abengoa, **fulfillment of its commitments and a focus on full client satisfaction** drive all company endeavors and embody all Abengoa projects, products and services.

This approach to business is verified by accredited entities to assure that the company’s management systems are compliant with international standards such as ISO9001⁵, which ensures that company processes are aimed at improving client satisfaction year after year.

Each group company has a management system in place to gauge and evaluate client satisfaction by addressing any suggestion or complaint as quickly as possible. All complaints are rigorously reported, with an individual in charge of the matter assigned to resolve each one and identify the underlying causes, implementing the corrective measures need to prevent reoccurrence.

In addition, after client satisfaction and the effectiveness of the corrective steps taken have all been analyzed, action plans are implemented to maintain the highest degree of satisfaction among all Abengoa clients.

The score for overall Abengoa client satisfaction in 2014 was 73 points on a scale of 1 to 100, and the percentage of responses received totaled 73 %.

ISO 9001	2014	2013	2012
Certified companies according to sales volume (%)	89.88	96.39	99.00

The fluctuation in percentages is due to the creation of new companies. A period of time is needed between their creation and implementation and certification of quality management systems.

Note 5 ISO 9001: international certification of quality management systems.

G4-DMA, G4-EC7, G4-EC8

Tools for managing customer satisfaction

Abengoa has tools in place for effective monitoring of commercial matters through real-time communication across the organization to facilitate decision-making.

Commercial Action 3.0: application which provides daily updates on client management and commercial processes in progress. In 2013, a complete revision of the application was performed so as to streamline the management process and facilitate use of the application via mobile devices.

Salesforce: a computer application was created in 2014 for managing future businesses. It allows the commercial network to optimize processes by reporting opportunities detected anywhere in the world (all application users have access to information on such opportunities to monitor their evolution). This enables coordination between the different regions so as to have up-to-date, global information available for setting and monitoring commercial targets.

Abengoa Easy Management: this corporate application was implemented over the course of the year to manage any company action plan and to report incidents and the corresponding corrective measures taken. The instrument was designed to reflect Abengoa's reality, which has led to improvements in managing tasks and teams with a significant advancement in the model for managing knowledge management and lessons learned through employee experience and relations with other stakeholders. This standardized management provides consolidated information that is broken down by business, area, etc., which facilitates strategic decision-making and aids in establishing specific policies for moving forward in a culture of excellence and increasing client satisfaction.



Abengoa's relationship with society

Given that the company conducts its activities in 57 countries, with upward of 24,000 employees spanning the entire globe, Abengoa undoubtedly has a high impact on society, as does society on the company. Accordingly, the company **seeks to improve its impact on society** and thereby minimize risks.

In relation to the positive impacts Abengoa generates for society, and as described in the chapter titled "Business Model", the company provides water desalination, reuse and pipeline solutions **to offer access to drinking water** in regions in which water supply has been unfeasible until now. It also **generates electrical power using renewable sources**; ensures access to electricity in remote regions through **transmission** lines and promotes sustainable transportation through **bioethanol** production.

Abengoa, through its energy activity, seeks to impact positively in the local community and the environment.

In 2014, the company's main projects under construction or in operation resulting in public benefit were the following:

Project name	Investment for public benefit	Direct impacts	Indirect impacts	Region	Investment made at 31.12.2014 (%)
Peralta wind farm	50 MW wind farm	Supplies clean energy. Cuts annual CO _{2eq} emissions by 101,127 t.	Indirect job creation.	Uruguay	100
Talas de Maciel wind farm	50 MW wind farm	Supplies renewable energy. Cuts annual CO _{2eq} emissions by 118,414 t.	Staff recruited indirectly for transport, freight and other services.	Uruguay	88
Kaxu Solar One	100 MW parabolic trough plant	Supplies clean energy to 90,000 homes. Cuts annual CO _{2eq} emissions by 315,000 t. Creates direct employment	Indirect job creation. Developing the services sector in areas close the projects.	South Africa	90
Khi Solar one	50 MW superheated steam power tower	Supplies clean energy to 45,000 homes. Cuts annual CO _{2eq} emissions by 183,000 t. Creates direct employment	Indirect job creation. Development of the services sector in areas close to the projects.	South Africa	82
Mojave Solar	280 MW parabolic trough plant	Supplies clean energy to over 54,000 homes. Cuts yearly CO _{2eq} emissions by over 350,000 t. Creates direct employment	Upwards of 900 jobs created during the construction and operation phases and in the region of one thousand indirect jobs. Development of the services sector in areas close to the projects.	United States	99
Accra desalination plant	Desalination plant capable of generating 60,000 m ³ of desalinated water a day	Supplies drinking water to the towns of Teshie, Tema and Nungua, and to the outskirts of the capital city Accra. Maximizes social and health benefits by supplying clean, safe and reliable water	Development in the local community. Increases business opportunities in the tourism and restaurant sector and creates small-scale industries.	Ghana	26
Tenes desalination plant	Desalination plant capable of generating 200,000 m ³ of desalinated water a day	Provides the local community with access to drinking water. Maximizes social and health benefits by supplying clean, safe and reliable water	Development in the local community. Increases business opportunities in the tourism and restaurant sectors and creates small-scale industries	Algeria	17

Abengoa projects must be consistent with the mission and vision of the company and therefore its business model based on sustainable development. Therefore, it is essential having a methodology to manage (prevention and mitigation) any possible negative impact that may arise from their projects , designing appropriate preventive and corrective measures to each situation.⁶

Note 6 More detailed information about impacts and mitigation measures in some of the most important projects of Abengoa in Appendix C.

G4-DMA, G4-SO2

From the perspective of **society's potential impact on Abengoa**, as defined in the materiality analysis⁷, there are issues that are crucial for Abengoa and which have to do with how company activity is affected by different social agents.

Main risks involving society in relation to Abengoa

	Economic impact	Social impact	Environmental impact	How Abengoa manages these risks
Need for a stable legal framework.	Missed opportunities or financial instability due to the loss of trust among investors.	Migration to countries with more advantageous regulatory frameworks.	Failure to comply with legal requirements.	Abengoa has internal systems in place that provide the company with information on changes in legislation and the regulatory environment in its countries of operation.
Adaptation of the company to the environment in which it operates.	<ul style="list-style-type: none"> › Difficulties in securing financing in certain regions. › Lack of access to raw materials in changing environments (due to either scarcity or higher prices). 	<ul style="list-style-type: none"> › Cultural clashes. › Social rejection of certain projects. 	Regions with limited access to resources.	Abengoa has a Global Risk Management System for identifying and controlling risks, which allows the company to address global risks and adapt to changing environments.
Communication with local communities.	Obstacles to proper project development.	<ul style="list-style-type: none"> › Social rejection of the project. › Loss of trust and credibility. 	Not applicable	<ul style="list-style-type: none"> › As well as investing in the project itself, Abengoa invests in development projects in its regions of influence. › Open house events are held periodically with the local community.

Note 7 Further information can be found in the chapter titled "About this report".

Mechanisms for protecting human rights

Abengoa seeks sustainable growth based on respect for human [rights](#), both within and outside the company, and throughout the company's value chain and sphere of influence.

To uphold this commitment, the company embraces and integrates into its activities the principles which govern the [United Nations Universal Declaration of Human Rights](#), the SA8000⁸ standard and [the principles included under the Global Compact](#) and OCDE guidelines

Abengoa also categorically condemns all forms of child labor in accordance with Convention 138 of the International Labor Organization (ILO)⁹ on minimum working age.

As a multinational company Abengoa develops systems for controlling and preventing human rights violations. Along these lines, the so-called Common Management Systems were developed to ensure that the company upholds these commitments. The systems establish norms of obligatory compliance for all company employees, with no exceptions and regardless of where activities are conducted.

The company also has a Universal Risk Model (URM) to ensure proper management of the risks associated with violations of human rights in company activities or in supplier operations. Other mechanisms designed to protect human rights include the [whistleblower channel](#), adherence of company providers to the [Social Responsibility Code \(SRC\)](#), control visits to verify proper system implementation, monitoring of Abengoa companies deemed material, committees on human resources, compliance, internal auditing and corporate social responsibility, specific training and internal non-financial audits.

Note 8 SA8000: international certification establishing minimum conditions for engagement in socially responsible labor practices that bring benefits to the entire supply chain.

Note 9 Convention 138 of the International Labor Organization (ILO): Convention concerning minimum age for admission to employment (date of enactment: June 19, 1976). [\(+info\)](#)

There were no activities or incidents in 2014 that implied risks involving discrimination, freedom of association, child labor or forced labor.

The internal NOC pertaining to human resources lists all of the aspects relating to policies, principles and commitments in connection with labor practices, human rights, diversity, equality, personnel recruitment and training, industrial relations, professional development and compensation, occupational risk prevention, the Labor Social Responsibility (LSR) management system, the Code of Conduct and the whistleblower channel, among others.

Abengoa's compliance program was implemented in 2014 in the form of a new NOC, mandatory throughout the company and subject to control procedures. The NOC ensures compliance with all norms undertaken obligatorily or voluntarily by the company for the purpose of preventing, controlling and rectifying situations of potential non-compliance and the risks associated with these.

The [Abengoa Code of Conduct](#) contains guidelines and measures for preventing incidents from occurring in relation to infringements of human rights or other company values. The company also demands the highest standards of honesty and ethical conduct, including procedures for handling professional and personal conflicts of interest.

The entire company is called upon to take the initiative in improving business processes and working and environmental conditions, and in resolving problems. To this end, the company promotes the use of a range of instruments and computer applications, including Abengoa Easy Management, suggestions via the Employee Portal and satisfaction surveys.



The development in the social communities in which the company operates is essential to Abengoa

Positive impact on local communities

Abengoa believes that working alongside the local communities where it operates and invests in development and growth **reaps benefits that go beyond economic returns**, and views this as an indispensable part of the company's **"social license to operate"**¹⁰. This intangible is something that companies should protect above everything else because it is extremely difficult to obtain.

Abengoa's social engagement is channeled through the [Focus-Abengoa Foundation](#). The foundation has been working for over 30 years to advance social and cultural development in the communities where Abengoa is present.

In 2014, the company made the decision to report its social performance in line with the criteria proposed under [London Benchmarking Group \(LBG\)](#) methodology. This model provides a system to measure, manage, assess and report contributions, achievements and impacts of the company's social action on the community, which improves information transparency and comparability.

In 2014, investment in social engagement **was € 9.5 M**, up by 4.4 % year on year to reach 0.13 % of company sales for the year.



Girls in Nani Singloti Mission. Gujarat. India

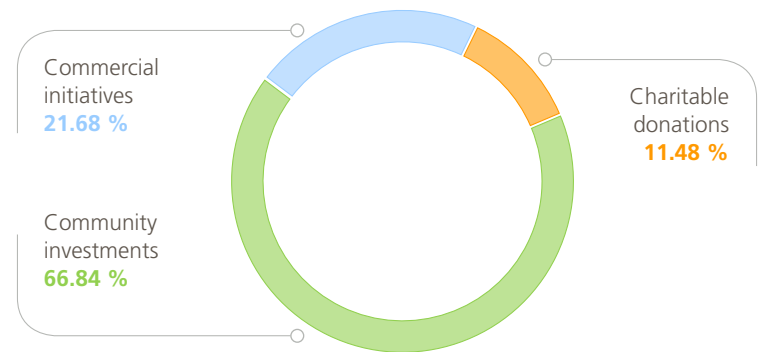
Note 10 "Social license to operate" refers to the acceptance of a project (be it commercial or non-profit) by a community. This license is linked to local perceptions with respect to the organization and therefore involves transparency, honesty, respect, ethics and impact mitigation efforts carried out by the company.

Breakdown of investment in social engagement

Category	2014 ⁽¹⁾	Prominent action
Charitable donations	1,086	Seven activities related with the education
Community investments	6,322.3	PE&C (more information in this chapter)
Commercial initiatives	2,050.7	Eight reforestation
Total	9,459	

(1) Given that this is the first year of application of this reporting methodology, comparisons with previous years cannot be provided.

Breakdown of investment in social action

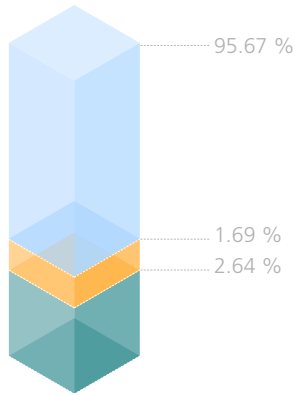


2020
Objective
associate

215

social implemented initiatives

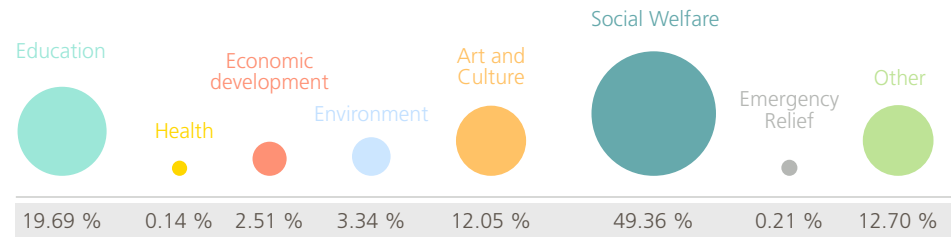
Social investment distribution by type of contribution



- Time
- In-Kind
- Cash

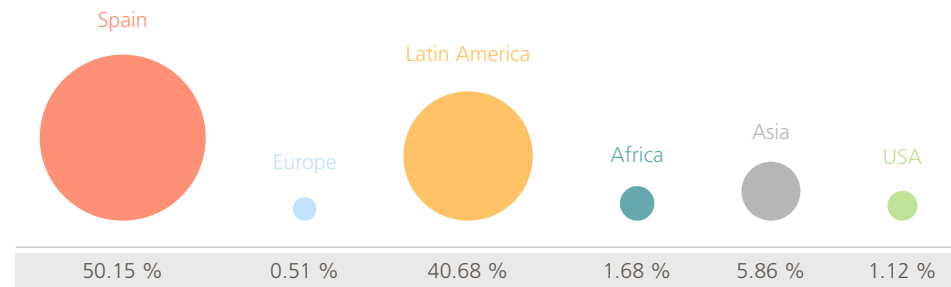
Type of contribution	Investment (k€)	%
Cash	9,049.7	95.67
Time	249.6	2.64
In-Kind	160.2	1.69
Total	9,459.5	

Social investment distribution by area of activity



Area of activity	Investment (k€)	%
Education	2,055.6	19.69
Health	59.7	0.14
Economic development	301.7	2.51
Environment	386.3	3.34
Art and Culture	1,275.6	12.05
Social Welfare	4,017.3	49.36
Emergency Relief	66.9	0.21
Other	1,296.4	12.70
Total	9,459.5	

Social investment distribution by region



Region	Investment (k€)	%
Spain	5,173.64	50.15
Europe	104.48	0.51
Latin America	3,138.46	40.68
Africa	224.15	1.68
Asia	651.50	5.86
USA	167.25	1.12
Total	9,459.5	

Together with the Focus-Abengoa Foundation, Abengoa has established **courses of action** that provide the foundations for the company's social engagement efforts: **supporting culture, social development and education and research.**

Supporting culture

Recovering Sevillian Baroque heritage and making it available to society.

Highlight initiatives carried out in 2014:

- › In 2014, the foundation lent the "Santa Rufina" and "Inmaculada" works by the Sevillian painter to the Velázquez exhibitions held in Vienna and Paris.
- › The [11th edition of the Baroque School](#) was held. Entitled "Enterprises and Entrepreneurs in Baroque Times", the event provided an overview of the role played by both economic actors during the period, which was considered the first globalization of markets and their role in relation to art heritage and the art market according to the principles of European capitalism in the 17th and 18th centuries.
- › Acquisition of the Bartolomé Esteban Murillo painting titled "San Pedro Penitente de los Venerables", marking its return 200 years later to its place of origin after being stolen in 1810 from the Hospital de los Venerables, the current headquarters of the Focus-Abengoa Foundation, as part of the pillaging that occurred during Napoleon's invasion.

In 2014, the Focus-Abengoa Foundation also awarded the following awards in relation to art and culture:

[Alfonso E. Pérez Sánchez Award.](#)

The Alfonso E. Pérez Sánchez International Award was unveiled in 2009 with the aim of promoting study and research of Spanish Baroque art and its influence in Europe and America. The competition is aimed at the entire scientific community and is held every two years.

[Award for the best doctoral thesis on a theme related to Seville.](#)

Established more than 30 years ago in collaboration with the University of Seville, the award recognizes outstanding research work and includes publication of the winning entry. This raises the exposure and prestige of the chosen researcher and therefore

improves his or her future professional options. The winner of the prize in 2014 was Juan Fernández Lacomba for his work titled "Pintura de paisaje y plein-air en Andalucía: 1800-1936. Procesos culturales y corpus global".

[International Painting Award.](#)

The aim of this accolade is to raise public awareness of emerging painters, help develop their professional careers and foster an exchange of artistic and cultural experiences. Once the contest has ended, a temporary exhibition is held featuring the works selected by the panel of judges, which are displayed in Hospital de los Venerables in Seville. The award is international and multidisciplinary, welcoming the use of any painting technique and subject matter. In 2014, the [prize was awarded](#) to a painter hailing from Madrid, Óscar Seco, for his work titled "Little Nemo in Secoland".



Little Nemo in Secoland, work awarded the International Painting Prize.

[The Javier Benjumea Puigcerver Research Award.](#)

The Javier Benjumea Puigcerver Research Award was set up in 2003 and is aimed at doctors, graduates and degree holders from the University of Seville and anyone who is or has been associated with the university. The 11th edition of the award program was held in 2014, and the prize was handed to Ernesto Carmona Guzmán, professor of inorganic chemistry at the University of Seville, and Jesús Campos Manzano, post-doctorate researcher at the university, for their work entitled "Catalytic incorporation of deuterium and tritium in hydrosilanes. Isotopic marking of organic molecules of biochemical and pharmacological interest".



In 2014, our employees conducted 11,521 hours of volunteering, up 10.3 % on 2013

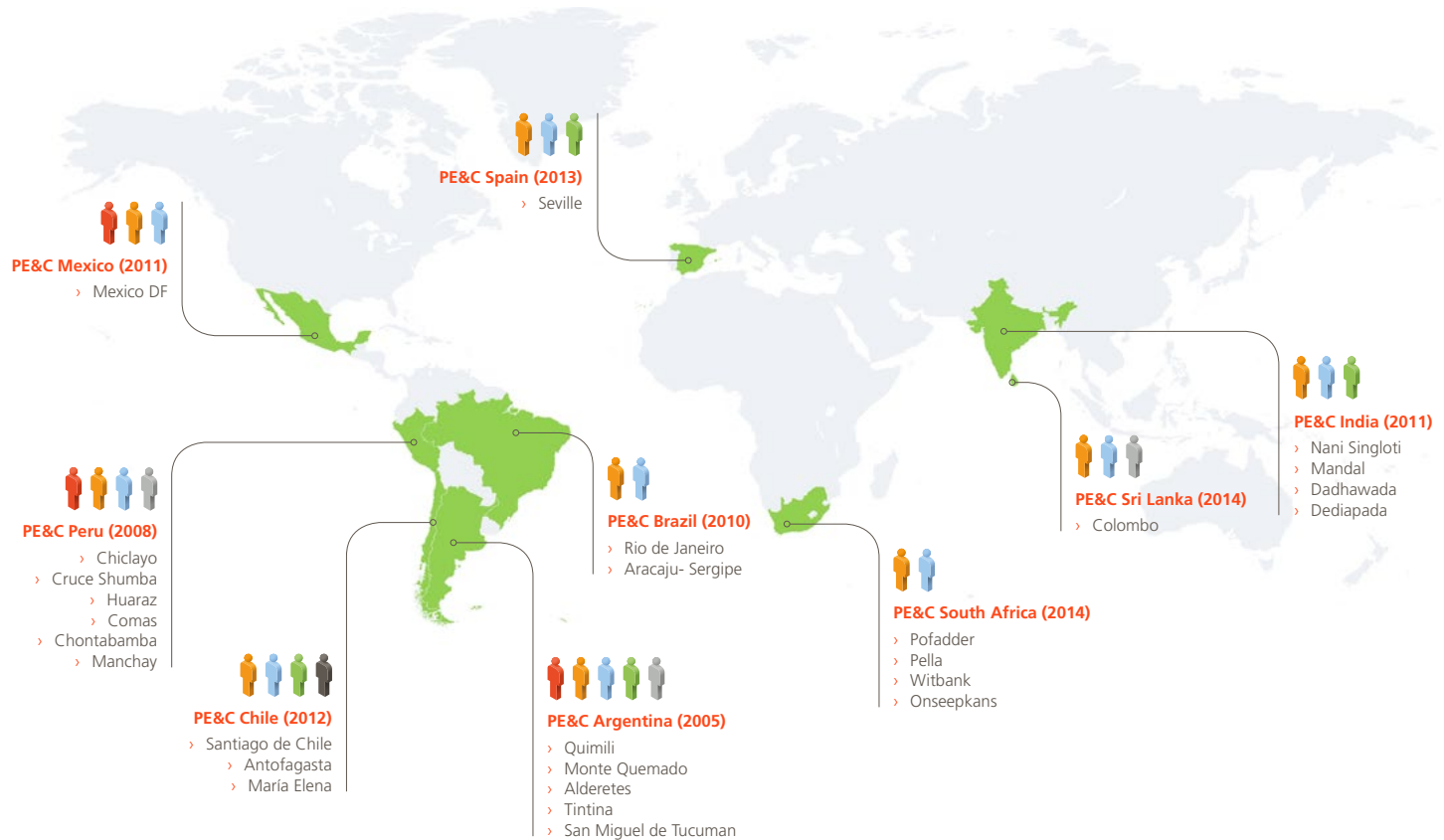
Social Development

Socio-economic development of the **communities** and regions where Abengoa has a presence through its projects and offices.

PE&C

A flagship initiative of the Focus-Abengoa Foundation is the **“PE&C: People, Education and Communities” social development program**. The program embraces the mission of **social development through education**.

The program was unveiled in 2005 in **Argentina** and is currently being implemented in nine regions: **Peru, Brazil, India, Mexico, Chile, Spain, Sri Lanka** and **South Africa** (the latter two offices were opened in 2014). New locations were also opened during the year in countries where the initiative was already active, namely in Chile (Maria Elena community, Atacama Desert), Mexico (communities in the state of Tabasco) and Peru (the Santa Rosa and Pachma communities in the western region of the country).



In these geographical regions, the program relies on education to foster the integration of the most vulnerable social groups: children, women, senior citizens, disabled persons or families in situations of poverty or social exclusion in 2014 the program had **5,795 direct beneficiaries**.

The PE&C is a program with its sights on long-term gains, always working alongside local organizations to ensure that the specific characteristics and needs of each community are duly taken into account.

The company's social development programs must respond effectively to the needs of the communities where they are implemented. It is essential to conduct exhaustive monitoring and follow-up periodically to be able to detect areas for improvement and ensure that programs are fulfilling anticipated objectives.

Abengoa has three basic tools for this purpose:

- › The aforementioned **LBG methodology**, applicable to all projects and initiatives.
- › **SROI (Social Return on Investment) Assessment**. In 2011, Abengoa devised an instrument based on the SROI model which enables the company to analyze the impact of and return on its social development programs on an annual basis. This analysis is used to evaluate PE&C projects, given their complexity and long-term nature. In 2014, analysis was conducted on 6 of the 9 program sites in place. ¹¹

Note 11 Program sites assessed using SROI methodology in 2014 (applying a 2013 base year and 2013 outcomes) were the following: Argentina, Peru, Brazil, India, Mexico and Chile. The remaining program headquarters, located in Seville, South Africa and Sri Lanka, did not have the maturity needed to undergo this assessment.

5,796
PE&C direct beneficiaries

- › **Annual community engagement plans and approval procedure**. Each year Abengoa subsidiaries must draw up social engagement plans in which every action carried out must undergo a specific authorization process which is finalized with approval from the company's chairman following analysis performed by the CSR director.

In order to engage employees and their families and friends and the community at large in these initiatives, a program was created to promote volunteering in the range of educational and cultural activities organized. In 2014 Abengoa's employees realize **11,521 volunteering hours**. The network of volunteers is structured into two major categories:

- › **Cultural volunteering**: aimed at young men and women who are either pursuing or have completed their university degrees in disciplines linked to the theme and/or activity in which they wish to participate. This initiative also features a special volunteer program for citizens over the age of 65 who wish to devote some of their spare time to promoting and disseminating the heritage of the city of Seville. To coordinate the program, the Focus-Abengoa Foundation participates in the "Senior Cultural Volunteer Program" promoted and coordinated by the Spanish Association for Senior Citizen Classrooms.
- › **Social volunteering**: social volunteer work is supported directly by the PE&C social development program and is geared towards people who wish to collaborate on program activities. There are different ways to get involved:
 - **Volunteering vacations**. Abengoa employees, along with a companion, have the chance to spend part of their vacation time at a PE&C program headquarters and thereby collaborate on site in the project by helping different program beneficiaries.

11,521 h
dedicated to social initiatives
engagement

- **Job pool.** This volunteering option is supported by a computer application through which PE&C coordinators periodically upload jobs requiring help that can be carried out by employees without having to leave the office.
- **Monetary donation.** Monetary contributions can be made to any PE&C project through a computer application.
- **Corporate volunteering.** In geographic regions where there is a PE&C headquarters, Abengoa employees and their family members can carry out hands-on volunteering. The program prepares an annual calendar of activities for people to participate in.

Education and research

Furtherance of **education** and **scientific research** on the subject of **renewable energies** and **climate change**

The [Forum on Energy Transition and Climate Change](#) was inaugurated in 2014. This initiative was conceived with the aim of raising social awareness of the importance of **energy transition** in migrating from fossil fuels to renewable energies. It has become an central pillar of the Focus-Abengoa Foundation, which has rolled out a series of measures and activities aimed at bringing about a change in the current energy model.

The forum is aimed at university students, professors and sector practitioners, and more generally to all citizens interested in these matters.

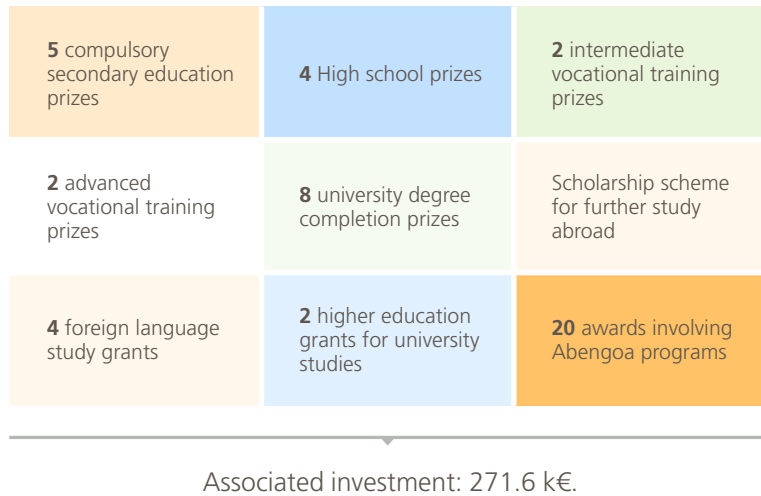
Over its first year of existence, the forum engaged in the following activities:

- › [Development of the forum website](#), the forum's principal instrument of dissemination containing information on the importance of energy transition and climate change, etc. Noteworthy among its sections is the forum [blog](#), where summaries of current topics are posted, as well as a monthly editorial analyzing a problem or theme of relevance during the month and, finally, a variety of articles providing in-depth coverage of specific issues.
- › [Opening conference, held in May in Seville and delivered by Lord Nicholas Stern](#), president of the Grantham Research Institute on Climate Change and the Environment, former economic director of the World Bank, and author of the "Stern Review on the Economics of Climate Change". The opening lecture was attended by around 200 people and the other presentations enjoyed attendance of around 80 people per day.
- › [Road to Paris 2015](#). The 'Road to Paris 2015' event took place in November in Madrid, with the first round table session discussing the state of international climate change negotiations and the prospects for an international agreement in Paris in 2015. The purpose of the seminar, to be held every three months, is to promote, through dialog with a variety of experts, **a change in the energy model in Spain** and provide support via public opinion.
- › [International seminar on renewable energies as an instrument for combating poverty](#). This event took place at the Loyola University of Andalusia in November and, like the other initiatives carried out by the forum, its objective was to observe and analyze what is happening in the world regarding energy transition and disseminate the information. Those in charge of delivering the training sessions were experts from the university and research sector, in addition to members of prestigious foundations, Spanish agencies, and Abengoa executives, among others.

In addition, the Focus-Abengoa Foundation continues to promote and further education through agreements held with nearly 30 academic institutions, five of which are located in Latin America and the rest in Spain. It also works on the scholarship and award program for employees and their family members.

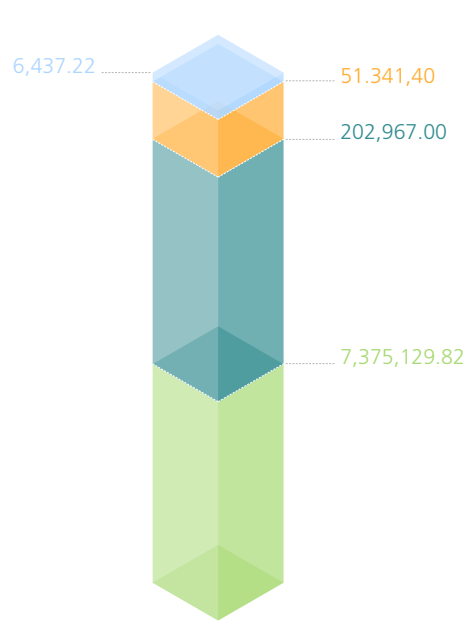
Contribution to the community: wealth creation

In 2014, the social cash flow (and distributed economic value) was € 7,366 M.



During 2014 we spent € 271,690 to awards and grants

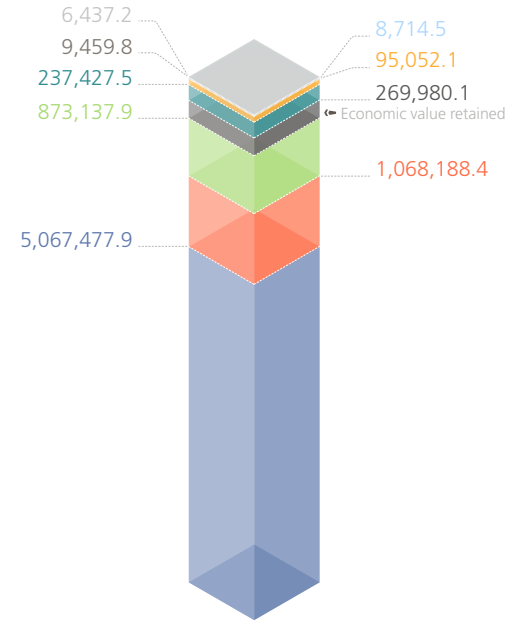
Economic value generated



- Profits of associates
- Financial income
- Other operating income
- Revenues

Data in euros

Economic value distributed and retained



- Others
- R&D
- Social investment
- Payment to the Public Administration
- Investors
- Economic value retained
- Employees
- Other capital suppliers
- Suppliers

Data in K€

07 External verification



Independent assurance report on the 2014 corporate social responsibility report



A free translation from the original in Spanish. In the event of a discrepancy, the Spanish language version prevails.

INDEPENDENT ASSURANCE REPORT ON THE 2014 CORPORATE SOCIAL RESPONSIBILITY REPORT

To the Board of Directors of Abengoa, S.A.:

Scope of the work

We have performed a reasonable assurance engagement on the following aspects of the 2014 Corporate Social Responsibility Report (hereinafter referred to as "2014 CSRR") of Abengoa, S.A. and its Group of Companies (hereinafter referred to as "Abengoa") for the financial year ending 31 December 2014:

- the 2014 indicators regarding the general and specific standard disclosures proposed in the "Sustainability Reporting Guidelines" of the Global Reporting Initiative (GRI) version 4 (G4) (hereinafter referred to as "G4") and referred to in the section entitled "GRI Index" of the CSRR, and those included in the section on "Responsible Management Balance Sheet" of the CSRR, reviewing that they are in line with the Internal Protocols of Abengoa's Integrated Sustainability Management System (ISMS),
- the adaptation of the contents of the 2014 CSRR, so that it is in line with the principles of inclusivity, materiality and responsiveness established in the "AA1000 AccountAbility Principles Standard 2008" issued by AccountAbility, Institute of Social and Ethical Accountability (hereinafter referred to as "AA1000APS (2008)"), as stated in the section entitled "Principles governing this report" of the CSRR,
- the information used by Abengoa to respond to the recommendations of the Independent Panel of Experts on Sustainable Development (hereinafter the "IPESD"), included on pages 7-8, 38-39, 63-64, 86 and 96 of the CSRR, in the context of the process described in the section entitled "Procedures and functions of the Independent Panel of Experts on Sustainable Development (IPESD)" of the CSRR, and of the IPESD's Concluding Report included as an Appendix of the CSRR,
- the adaptation of the Abengoa's Corporate Social Responsibility Management System, referred to in its internal NOC-10/003 standard, so that it is in line with the international ISO 26000:2010 standard "Guidance on Social Responsibility" (hereinafter "ISO 26000"), as stated in the section on "Corporate Social Responsibility Management System" of the CSRR.

Responsibility of Abengoa's Management

The preparation of the 2014 CSRR and the contents of the report are the responsibility of Abengoa's Management, which is also responsible for establishing, adapting and maintaining the internal control and management systems where information is obtained and the systems for applying the AA1000APS (2008) principles, and for establishing and updating Abengoa's Corporate Social Responsibility Management System in accordance with ISO 26000 guidance.

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Our responsibility

Our responsibility is to issue an independent reasonable assurance report based on the work that we have carried out in accordance with the guidance of the ISAE 3000 Standard "Assurance Engagements Other than Audits or Reviews of Historical Financial Information" issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC) for a reasonable level of assurance. Furthermore, we have also carried out our work in accordance with AA1000 Assurance Standard 2008 (hereon, AA1000AS (2008)), of AccountAbility, under a Type 2 high assurance engagement, which corresponds to reasonable assurance as per ISAE 3000.

A reasonable assurance engagement consists of applying procedures to obtain evidence on the processes and controls used to prepare the CSRR. The procedures selected depend on professional judgment and include an assessment of the risks of material inaccuracies due to fraud or error. In carrying out this risk assessment, we have taken into account relevant internal controls for adequate preparation and presentation by the company of the information to be reviewed, to establish review procedures which are appropriate in the circumstances.

For the purpose of this report, we have asked Management and the units of Abengoa which have helped Abengoa to prepare and create its 2014 CSRR and Corporate Social Responsibility Management System various questions and we have applied certain procedures including, in general and amongst others, the following procedures:

- Meetings with Abengoa's staff and management at a corporate level and at the level of its business groups, to ascertain the procedures for collecting information and the control environment for each of the selected indicators, the management procedures, systems and approaches used when considering and complying with AA1000APS (2008) principles, and the management principles and approaches applied when creating Abengoa's Corporate Social Responsibility Management System, in order to obtain the information required for the external review.
- Analysis of the adaptation of the indicators of the "Responsible Management Balance Sheet" and those included in the general and specific standard disclosures of the GRI Index, to the GRI's G4 Guidelines and to the Internal Protocols of the Integrated Sustainability Management System (ISMS) of Abengoa.
- Analysis of the procedures for obtaining and for internal control and validation of the selected indicators, including control reviews.
- Review of the internal IT control environment in relation to information systems which support the preparation and reporting of selected indicators.
- Verification, by substantive testing applied to a random sample, of the quantitative and qualitative information of the selected indicators and whether they have been appropriately compiled from the data provided by Abengoa's sources of information. For financial information included in the selected indicators, we have verified that it is obtained from Abengoa's 2014 consolidated annual accounts, audited by independent third parties and with an audit report dated 23 February 2015.
- Verification that an independent third party has verified the data on energy consumption and greenhouse gas emissions included in the selected indicators and whether such data are in line with Abengoa's internal NOC-05/003 standard, in accordance with the international ISO 14064-3:2012 standard and with a report dated 6 February 2015.
- Assessment and sampling of management practices and documentation available regarding the systems for participation by stakeholders and procedures for communications and responses to material issues, and review of the opinions of external stakeholders and the IPESD.
- Analysis of the information used by Abengoa to respond to the recommendations of the IPESD and monitoring the dialogue process (in person and by remote) between the IPESD and Abengoa, verifying that the information in these responses is properly based on evidence, in the context of the process described in the section entitled "Procedures and functions of the Independent Panel



- of Experts on Sustainable Development (IPESD)" of the CSRR, and of the IPESD's Concluding Report included as an Appendix of the CSRR.
- Review of the existence of policies, management standards and/or procedures in Abengoa's Corporate Social Responsibility Management System for each of the guidelines and recommendations indicated in the ISO 26000 on matters of organisational governance, human rights, labour practices, environment, fair operating practices, consumer issues, community involvement and development, and ways of integrating socially responsible behaviour in the organisation.

We consider that the evidence which we have obtained provides an adequate basis for our conclusions.

Regarding the ISO 26000, in no event may this report be regarded as certification, as the ISO 26000 only contains guidance and recommendations and does not establish requirements, and therefore by definition it is not a certifiable standard.

Independence

We have carried out our work in accordance with the independence standards required by the Code of Ethics of the International Federation of Accountants (IFAC).

In accordance with the International Standard on Quality Control 1 (ISQC 1), PwC has a global quality control system which includes documented policies and procedures on the compliance of ethical requirements, professional standards and applicable regulations.

The work has been carried out by a team of people specialised in the company's social, environmental and financial performance, with a wide range of experience in reviews of this type of information.

Conclusion

In our opinion, on the basis of the work which we have carried out:

- The indicators regarding the general and specific standard disclosures, whose scope and limitations in the review are stated in section "GRI Index" of the CSRR, and the indicators of the "Responsible Management Balance Sheet" for 2014 have been reliably and adequately prepared, in all significant aspects, in accordance with GRI's G4 Guidelines and the Internal Protocols of the Integrated Sustainability Management System (ISMS) of Abengoa.
- The information used by Abengoa to respond to the recommendations of the Independent Panel of Experts on Sustainable Development (hereinafter the "IPESD"), included on pages 7-8, 38-39, 63-64, 86 and 96 of the CSRR, reliably and appropriately responds, in all significant aspects, to the evidence analysed in relation with company's activities, in the context of the process described in the section entitled "Procedures and functions of the Independent Panel of Experts on Sustainable Development (IPESD)" of the CSRR, and of the IPESD's Concluding Report included as an Appendix of the CSRR.
- The 2014 CSRR has been prepared, in all material aspects, in accordance with the principles of inclusivity, materiality and responsiveness established in the AA1000APS (2008). Specifically:
 - Regarding the foundation principle of inclusivity, Abengoa's Management has established several procedures for the engagement and participation of its stakeholders at both a corporate level and at the various levels of the organisation, to incorporate its expectations on the development of its corporate social responsibility strategy.
 - Regarding the principle of materiality, Abengoa's Management has an adequate structured system to identify and prioritise material issues for the organisation and its stakeholders.
 - Regarding the principle of responsiveness, Abengoa's Management has established several procedures to give appropriate responses to material issues and expectations of stakeholders.



- Abengoa's Corporate Social Responsibility Management System, described in the section "Corporate Social Responsibility Management System" of the 2014 CSRR, is in line, in all significant aspects, with guidance of the ISO 26000.

Recommendations

During our review, some observations and recommendations have come to our attention which we will present to Abengoa's Management. Set out below is a summary of the main recommendations regarding improvements in the application of the AA1000APS (2008) principles of inclusivity, materiality and responsiveness, which do not alter the conclusions given in this report.

Inclusivity

Abengoa has ongoing talks with its stakeholders via different communication channels and has systematic mechanisms to ascertain their expectations and priorities. As part of these procedures, Abengoa has carried out surveys since 2009 to find out the opinions of its main prescribers and stakeholders and it has an Independent Panel of Experts on Sustainable Development (IPESD). We recommend that further analysis be made on the expectations of stakeholders, concentrating mainly on stakeholders who are specifically relevant to Abengoa's business and geographies. We also suggest that Abengoa take more action to foster, systematise and prioritise dialogue which enables stakeholders to get directly involved in the development and scope of a responsible and strategic answer to sustainability.

Materiality

In 2014 Abengoa has reviewed and improved its procedures for analysing material issues in line with the recommendations of GRI's G4 Guidelines and has analysed the effect of these issues throughout its value chain at both a corporate level and the level of its business groups. We recommend that Abengoa continue with its procedures to identify and notify its material issues and give priority to its key stakeholders and geographies, which will enable it to prioritise its resources in line with the master plans for Corporate Social Responsibility (CSR) at the level of the business groups and specific companies.

Responsiveness

Abengoa has finished preparing its new Strategic Corporate Social Responsibility Plan (SCSRP) with a timeframe up to 2020, in which CSR is regarded as a fundamental tool for the strategic development of its business. It has continued to reinforce its CSR reporting system. We recommend that Abengoa continues to promote transparency mechanisms with its stakeholders, both internally and externally, and notify its CSR commitments and levels of performance more frequently using key indicators which gain a deeper understanding of its activities and geographies. We also recommend that Abengoa take further action to update and develop its CSR master plans at business group and specific companies' levels in line with the new corporate SCSRPs and incorporating the changing expectations of the stakeholders in the geographies where Abengoa has a presence.

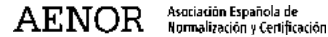
PricewaterhouseCoopers Auditores, S.L.

Mª Luz Castilla

23 February 2015



Report from AENOR



Verification Statement of AENOR for Abengoa on the Inventory of greenhouse gas emissions corresponding to the year 2014

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 2014 of its activities included in the GHG report of 2014, which is part of this Declaration.

AENOR is accredited by Entidad Mexicana de Acreditación (OVVGEI 004/14) according to ISO 14065:2007, to conduct GHG verifications according to ISO 14064-3:2006 in the Energy Sector.

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.

Conflicts of interest

AENOR states that there is no any conflicts of interest between the organization responsible of the GHG inventory and AENOR or any member of the verification team.

Scope of the Verification

The scope of the verification is established for the activities carried out by the companies belonging to Abengoa represented in 2014 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.

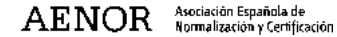
Direct, indirect activities and exclusions from the verification.

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
 - Emissions of CO₂ from the bioethanol production process
- ASOCIACIÓN ESPAÑOLA DE NORMALIZACIÓN Y CERTIFICACIÓN (AENOR). C/ GENOVA 6, 28004 MADRID
Page 1 of 8

R-DTC-500.00



- Emissions from the composting process
- Process emissions from wastewater treatment plants
- Fugitive emissions of natural gas
- 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.
- Nitrogen trifluoride

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

Reference and information on the directed actions, related with the reduction of GHG emissions, carried out by Abengoa during 2014 have been included in the GHG report for 2014 of the company. The following directed actions were subject to verification:

Directed Action	GHG Emissions reduction (t CO2e)
Installation of a system for capturing CO2 generated during the bioethanol production process in the Abengoa Bioenergy France plant	45.253
Promotion of purchases with a less emissive value chain in Abeima Teyma Infraestructuras Ghan Limited	1.236
Optimization of the operation processes in Helios I & II and Solacor I & II solar plants	2.446

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 2014" was subject to verification.

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

Conclusion

As a conclusion and according to the reasonable level of assurance agreed, AENOR states:

Based on the above, in our opinion *the information on the GHG emissions reported in "Abengoa Greenhouse gas emissions report 2014" is materially correct and is a fair representation of the emissions of its activities.*



Lead Verifier: Raúl BLANCO BAZACO



Environment Manager: José MAGRO GONZÁLEZ

AENOR Asociación Española de Normalización y Certificación

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

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	94.339	Mobile combustion	1.957
Stationary combustion	3.607.400	Stationary combustion	1.458.717
Fugitive emissions	8.670	Fugitive emissions	43
Processes	91.788	Processes	1.984.384
Total	3.802.197	Total	3.445.101

b) Emissions per GHG type.

Scope 1 emissions -CO ₂ *	
Total emissions (t CO ₂ -eq)	
Mobile combustion	94.852
Stationary combustion	5.020.706
Fugitive emissions	912
Processes	1.990.219
Total	7.106.419

* Emissions from biomass are included


Lead Verifier: Raúl BLANCO BAZACO


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Scope 1 emissions -CH ₄	
Total emissions (t CO ₂ -eq)	
Mobile combustion	145
Stationary combustion	6.121
Fugitive emissions	4.048
Processes	8.697
Total	19.011

Scope 1 emissions -N ₂ O	
Total emissions (t CO ₂ -eq)	
Mobile combustion	145
Stationary combustion	6.121
Processes	4.048
Total	8.697

Scope 1 emissions -HFC	
Total emissions (t CO ₂ -eq)	
Fugitive emissions	2.795
Total	2.795

Scope 1 emissions -SF ₆	
Total emissions (t CO ₂ -eq)	
Fugitive emissions	958
Total	958

Note: PFC and NF₃ emission sources have not been identified.


Lead Verifier: Raúl BLANCO BAZACO


Environment Manager: José MAGRO GONZÁLEZ

AENOR Asociación Española de Normalización y Certificación

Scope 2

Total emissions (t CO ₂ -eq)	
Electric energy consumption	462.142
Thermal energy consumption	102.112
Total	564.254

Scope 3

Total emissions (t CO ₂ -eq)	
Acquired supplies	3.254.937
Business trips	28.564
Employee commuting	17.502
Electric energy distribution losses	66.533
Value chain of the fuels used to generate the energy consumed	70.525
Total	3.437.861

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	1.599.977	2.160.598	41.622	3.802.197
Scope 2	505.459	45.281	13.515	564.255
Scope 3	2.486.448	155.869	795.543	3.437.860
Total	4.591.884	2.361.748	850.680	7.804.312

Lead Verifier: Raúl BLANCO BAZACO

Environment Manager: José MAGRO GONZÁLEZ

AENOR Asociación Española de Normalización y Certificación

In addition, the emissions from biomass are:

	Industrial production	Concession-type infrastructures	Engineering and construction	Total
Combustion of biomass	1.460.208	11	456	1.460.685
Other emissions from biomass	1.984.426	0	0	1.984.426
Total	3.444.634	11	456	3.445.101

Lead Verifier: Raúl BLANCO BAZACO
Madrid, 6 February 2015

Environment Manager: José MAGRO GONZÁLEZ



For the purpose of this report, we have asked Management and the units of Abengoa which have participated in the preparation of Abengoa's 2014 "Green Bond" Appendix various questions and we have applied certain procedures including, in general and amongst others, the following procedures:

- Verification of traceability of funds from the moment when the Green Bond is collected until it is allocated to the companies in charge of the selected green bonds projects, and their use, in accordance with the "Protocols and Guidelines for obtaining and monitoring indicators", by reviewing the support documentation of the movements made.
- Meetings with Abengoa's staff and management at a corporate level and at the level of its business groups and companies in charge of the green bonds projects, to ascertain the nature of the projects financed by green bonds, the applicable internal standards and management systems, the procedures for collecting information and the control environment for each of the selected indicators, and thereby obtain the information required for the external review.
- Review of the projects financed by green bonds to verify that they are in line with any of the "Eligible green projects categories".
- Verification that internal standards covering all "Green projects eligibility criteria" have been established for all of the Abengoa companies and that such standards are valid for the companies in charge of projects financed by green bonds.
- Analysis of the preparation of the selected indicators in accordance with the "Protocols and Guidelines for obtaining and monitoring indicators".
- Analysis of the procedures for obtaining and for internal control and validation of the selected indicators, including control reviews.
- Review of the internal IT control environment in relation to information systems which support the preparation and reporting of selected indicators.
- Verification, by substantive testing applied to a random sample, of the consistency and reasonability of the selected indicators and whether they have been appropriately compiled from the data provided by Abengoa's sources of information.
- Verification that an independent third party has verified the data on energy consumption and greenhouse gas emissions included in the selected indicators and whether such data are in line with Abengoa's internal NOC-05/003 standard, in accordance with the international ISO 14064-3:2012 standard and with a report dated 6 February 2015.

We consider that the evidence which we have obtained provides an adequate basis for our conclusions.

Independence

We have carried out our work in accordance with the independence standards required by the Code of Ethics of the International Federation of Accountants (IFAC).

In accordance with the International Standard on Quality Control 1 (ISQC 1), PwC has a global quality control system which includes documented policies and procedures on the compliance of ethical requirements, professional standards and applicable regulations.

The work has been carried out by a team of people specialised in the company's social, environmental and financial performance, with a wide range of experience in reviews of this type of information.



Conclusion

In our opinion, on the basis of the work which we have carried out:

- The funds obtained from the Green Bond issue, as stated in tables 1 and 2 of the "Green Bond" Appendix, have been allocated to the financing of projects which meet, in all significant aspects, the "Green projects eligibility criteria" established by Abengoa and described in the mentioned Appendix of the CSRR.
- The indicators for allocation of funds, responsible management and environmental and social impact of the financed projects, as stated in tables 1, 2 and 3 of the "Green Bond" Appendix, and their calculation, have been reliably and adequately prepared, in all major aspects, in accordance with the "Protocols and Guidelines for obtaining and monitoring indicators" established by Abengoa and described in the mentioned Appendix of the CSRR.

PricewaterhouseCoopers Auditores, S.L.

Mª Luz Castilla

23 February 2015



08
GRI index





Indicator		Page or direct answer in the index	Omissions	External verification
1. Strategy and Analysis				
G4- 1	A message from our chairman	4		Yes 140-148 ●
G4- 2	A message from our chairman	4		Yes 140-148
2. Organizational profile				
G4- 3	Business model	17		Yes 140-148
G4- 4	Appendix C	176		Yes 140-148 ●
G4- 5	Business model	20		Yes 140-148
G4- 6	Business model	20		Yes 140-148 ●
G4- 7	Financing and investors	49		Yes 140-148
G4- 8	Business model	20, 176		Yes 140-148 ●
G4- 9	Management Balance Sheet / Financing and investors / Appendix C	98		Yes 140-148
G4- 10	Talent for business success	98, 172		Yes 140-148 ●
G4- 11	Talent for business success	107		Yes 140-148 ●
G4- 12	Connecting with the social environment	120		Yes 140-148 ●
G4- 13	About this report	10		Yes 140-148
G4- 14	Business model / Corporate governance, risk management / Responding to the demand for energy and infrastructure	19, 61, 75, 76		Yes 140-148 ●
G4- 15	Business model	26		Yes 140-148
G4- 16	Business model (partial)	26		Yes 140-148

Indicator		Page or direct answer in the index	Omissions	External verification	
3. Identified material aspects and boundaries					
G4- 17	About this report	10		Yes 140-148	
G4- 18	About this report	10		Yes 140-148	
G4- 19	About this report	12		Yes 140-148	
G4- 20	About this report	12		Yes 140-148	
G4- 21	About this report	12		Yes 140-148	
G4- 22	About this report	10		Yes 140-148	
G4- 23	About this report	12		Yes 140-148	
4. Stakeholder engagement					
G4- 24	About this report	8		Yes 140-148	●
G4- 25	About this report	8		Yes 140-148	●
G4- 26	About this report	8		Yes 140-148	●
G4- 27	About this report	8		Yes 140-148	●
5. Report profile					
G4- 28	About this report	7		Yes 140-148	
G4- 29	About this report	7		Yes 140-148	
G4- 30	About this report	7		Yes 140-148	
G4- 31	Back cover	189		Yes 140-148	
G4- 32	About this report	7		Yes 140-148	
G4- 33	About this report	15		Yes 140-148	
6. Governance					
G4- 34	Corporate governance, risk management and regulatory compliance.	53		Yes 140-148	●
G4- 35	Corporate governance, risk management and regulatory compliance.	53		Yes 140-148	●

Indicator	Page or direct answer in the index	Omissions	External verification	
G4- 36	Corporate governance, risk management and regulatory compliance.	53, 57	Yes 140-148	●
G4- 37	Corporate governance, risk management and regulatory compliance.	54, 57	Yes 140-148	●
G4- 38	Corporate governance, risk management and regulatory compliance.	55	Yes 140-148	●
G4- 39	Corporate governance, risk management and regulatory compliance.	55	Yes 140-148	●
G4- 40	Corporate governance, risk management and regulatory compliance.	56	Yes 140-148	●
G4- 41	Corporate governance, risk management and regulatory compliance.	The duties and competencies according to the established rules can be summarized as follows: reporting to the board on the company's annual accounts, informing on changes in accounting criteria, overseeing internal auditing functions, calling board meetings and having an understanding of the financial reporting process and internal control systems.	Yes 140-148	●
G4- 42	Corporate governance, risk management and regulatory compliance.	54	Yes 140-148	●
G4- 43	Corporate governance, risk management and regulatory compliance.	54	Yes 140-148	●
G4- 44	Corporate governance, risk management and regulatory compliance.	56	Yes 140-148	●
G4- 45	Corporate governance, risk management and regulatory compliance.	56	Yes 140-148	●
G4- 46	Corporate governance, risk management and regulatory compliance.	61	Yes 140-148	●
G4- 47	Corporate governance, risk management and regulatory compliance.	54	Yes 140-148	●
G4- 48	Corporate governance, risk management and regulatory compliance.	55	Yes 140-148	●
G4- 49	Corporate governance, risk management and regulatory compliance.	54	Yes 140-148	●

Indicator	Page or direct answer in the index		Omissions	External verification	
G4- 50	Corporate governance, risk management and regulatory compliance.	54		Yes 140-148	●
G4- 51	Corporate governance, risk management and regulatory compliance.	56		Yes 140-148	●
G4- 52	Corporate governance, risk management and regulatory compliance.	56		Yes 140-148	●
G4- 53	Corporate governance, risk management and regulatory compliance.	Pages 65 and 66 of the annual report on the remuneration of directors. "By virtue of the duties performed by the Board of Directors, policy regarding remuneration of Abengoa directors is prepared, debated and formulated within the Appointments and Remuneration Committee, taking the resulting proposal up with the Board of Directors to be submitted for approval by the company's General Shareholders' Meeting.		Yes 140-148	●
G4-54	Corporate governance, risk management and regulatory compliance.	56		Yes 140-148	●
G4-55	Corporate governance, risk management and regulatory compliance.	56		Yes 140-148	●
7, Ethics and integrity					
G4-56	Business model / Corporate governance, risk management and regulatory compliance.	25, 58		Yes 140-148	
G4-57	Corporate governance, risk management and regulatory compliance.	59		Yes 140-148	
G4-58	Corporate governance, risk management and regulatory compliance. / Appendix C.	59		Yes 140-148	



Economic Performance



Indicator		Page or direct answer in the index	Omissions	External verification	
Economic Performance					
G4- DMA		28, 70, 110		Yes 140-148	
G4- EC1	Connecting with the social environment / Management Balance Sheet / Appendix A.	28		Yes 140-148	●
G4- EC2	Responding to the demand for energy and infrastructure	70		Yes 140-148	●
G4- EC3	Talent for business success	110	A portion is included under employee benefits. Not included is the value of employee benefits because the breakdown of this information is confidential.	Yes 140-148	
G4- EC4	Management Balance Sheet	28		Yes 140-148	●
Market Presence					
G4- DMA		97, 110		Yes 140-148	
G4- EC5	Talent for business success	110		Yes 140-148	
G4- EC6	Talent for business success	97		Yes 140-148	
Indirect Economic Impacts					
G4- DMA		129		Yes 140-148	
G4- EC7	Connecting with the social environment	129		Yes 140-148	●
G4- EC8	Connecting with the social environment	129		Yes 140-148	●
Procurement Practices					
G4- DMA		28, 126		Yes 140-148	
G4- EC9	Connecting with the social environment / Management Balance Sheet / Appendix A.	28, 126		Yes 140-148	●

Environmental Performance

Indicator		Page or direct answer in the index	Omissions	External verification	
Materials					
G4- DMA		86		Yes 140-148	
G4- EN1	Managing available natural resources	86		Yes 140-148	
G4- EN2	Managing available natural resources	86		Yes 140-148	
Energy					
G4- DMA		28, 72, 73		Yes 140-148	
G4- EN3	Responding to the demand for energy and infrastructure / Management Balance Sheet.	28, 72		Yes 140-148	●
G4- EN4	Responding to the demand for energy and infrastructure	72		Yes 140-148	●
G4- EN5	Responding to the demand for energy and infrastructure	72		Yes 140-148	●
G4- EN6	Responding to the demand for energy and infrastructure	73		Yes 140-148	
G4- EN7	Responding to the demand for energy and infrastructure	73		Yes 140-148	
Water					
G4- DMA		28, 89		Yes 140-148	
G4- EN8	Managing available natural resources / Management Balance Sheet.	28, 89		Yes 140-148	●
G4- EN9	Managing available natural resources / Management Balance Sheet.	28, 89		Yes 140-148	
G4- EN10	Managing available natural resources / Management Balance Sheet.	28, 89		Yes 140-148	

Indicator	Page or direct answer in the index	Omissions	External verification	
Biodiversity				
G4- DMA		91	Yes 140-148	
G4- EN11	Managing available natural resources	91	Yes 140-148	
G4- EN12	Managing available natural resources	91	Yes 140-148	
G4- EN13	Managing available natural resources	91	Yes 140-148	
G4- EN14	Managing available natural resources	91	Yes 140-148	
Emissions				
G4- DMA		28, 75, 78, 79, 80	Yes 140-148	
G4- EN 15	Responding to the demand for energy and infrastructure / Management Balance Sheet..	28, 75	Yes 140-148	●
G4- EN16	Responding to the demand for energy and infrastructure / Management Balance Sheet..	28, 75	Yes 140-148	●
G4- EN17	Responding to the demand for energy and infrastructure / Management Balance Sheet..	28, 75	Yes 140-148	●
G4- EN18	Responding to the demand for energy and infrastructure	78	Yes 140-148	●
G4- EN19	Responding to the demand for energy and infrastructure	78	Yes 140-148	●
G4- EN20	Responding to the demand for energy and infrastructure	80	Yes 140-148	
G4-EN21	Responding to the demand for energy and infrastructure	79	Yes 140-148	
Effluents and Waste				
G4- DMA		88, 91	Yes 140-148	
G4- EN22	Managing available natural resources	91	Yes 140-148	
G4- EN23	Managing available natural resources	88	Yes 140-148	●
G4- EN24	Managing available natural resources	91	Yes 140-148	
G4- EN25	Managing available natural resources	89	Yes 140-148	


Indicator	Page or direct answer in the index	Omissions	External verification
G4-EN26	Managing available natural resources	91	Yes 140-148
Products and Services			
G4- DMA		127	Yes 140-148
G4- EN27	Connecting with the social environment	127	Yes 140-148 
G4- EN28	Managing available natural resources	Abengoa establishes exhaustive control of impacts derived from its activity throughout the useful life of the products and services it provides. Given the green typology of the products developed by the company, primarily electricity and desalinated water from renewable sources and bioethanol from cultivated raw material inputs, in accordance with the highest standards of sustainability, no actions for improving the sustainability of the product brought to the market have been identified.	Yes 140-148
Compliance			
G4- DMA		91	Yes 140-148
G4- EN29	Managing available natural resources	A fine of € 1,260,000 was reported in 2014 due to odors at the bioethanol plant in Rotterdam (the Netherlands).	Yes 140-148 
Transport			
G4- DMA		86, 89	Yes 140-148
G4- EN30	Managing available natural resources	89	Yes 140-148
Overall			
G4- DMA		86	Yes 140-148
G4- EN31	Managing available natural resources	86	Yes 140-148




Indicator		Page or direct answer in the index	Omissions	External verification		
Supplier Environmental Assessment						
G4- DMA			120, 124		Yes 140-148	
G4- EN32	Connecting with the social environment		124		Yes 140-148	
G4- EN33	Connecting with the social environment		120		Yes 140-148	
Environmental Grievance Mechanisms						
G4- DMA			91		Yes 140-148	
G4- EN34	Managing available natural resources		In 2014, 74 environmental claims were received in 2014. Of these, 57 were resolved.		Yes 140-148	



Social Performance

Indicator		Page or direct answer in the index	Omissions	External verification
Labor practices and decent work				
Employment				
G4- DMA		28, 101, 106, 110		Yes 140-148
G4- LA1	Talent for business success / Management Balance Sheet	28, 101, 106		Yes 140-148 ●
G4- LA2	Talent for business success	110		Yes 140-148 ●
G4- LA3	Talent for business success	106		Yes 140-148 ●
Labor/Management Relations				
G4- DMA		107		Yes 140-148
G4- LA4	Talent for business success	Abengoa employees are informed beforehand of any structural or organizational changes occurring within the company, whether individually or through their representatives, in accordance with prior notice timeframes established under the law and in collective agreements.		Yes 140-148 ●
Occupational Health and Safety				
G4- DMA		28, 102, 107, 112, 113		Yes 140-148
G4- LA5	Talent for business success	112		Yes 140-148 ●
G4- LA6	Talent for business success / Management Balance Sheet	28, 102, 113		Yes 140-148 ●
G4- LA7	Talent for business success	113		Yes 140-148 ●
G4- LA8	Talent for business success	107		Yes 140-148 ●

Indicator		Page or direct answer in the index	Omissions	External verification	
Training and Education					
G4- DMA		28, 102, 105, 106		Yes 140-148	
G4- LA9	Talent for business success / Management Balance Sheet	28, 102		Yes 140-148	●
G4- LA1	Talent for business success	105		Yes 140-148	●
G4- LA11	Talent for business success	106		Yes 140-148	●
Diversity and Equal Opportunity					
G4- DMA		54		Yes 140-148	
G4- LA12	Corporate governance, risk management and regulatory compliance	54	This does not include information on minority groups because this information is unavailable to us at present. The complete indicator scope will be included in future reports.	Yes 140-148	●
Equal Remuneration for Women and Men					
G4- DMA		110		Yes 140-148	
G4- LA13	Talent for business success	110		Yes 140-148	●
Supplier labor practices evaluation					
G4- DMA		120, 124		Yes 140-148	
G4- LA14	Connecting with the social environment	124		Yes 140-148	
G4- LA15	Connecting with the social environment	120		Yes 140-148	

Indicator		Page or direct answer in the index	Omissions	External verification		
Labor practices grievance mechanism						
G4- DMA					107	Yes 140-148
G4- LA16	Talent for business success				114	Yes 140-148
Human rights						
Investment						
G4- DMA					28, 102, 108, 122, 123	Yes 140-148
G4- HR1	Conectar con el entorno social.		There were no significant investment agreements containing human rights clauses undertaken in 2014. For further information on agreements signed with suppliers, see page 122.			Yes 140-148
G4- HR2	Talent for business success / Management Balance Sheet				28, 102, 108, 123	Yes 140-148
Non-discrimination						
G4- DMA					108, 132	Yes 140-148
G4- HR3	Talent for business success				108, 132	Yes 140-148
Freedom of Association and Collective Bargaining						
G4- DMA					107	Yes 140-148
G4- HR4	Talent for business success		Abengoa is firmly committed to upholding human rights, both within the organization and in its area of influence. In 2014, there were no reports of any complaints or cases of non-compliance in relation to freedom of association and the right to sign up to collective bargaining agreements involving employees or the area of influence. For more information on the company's human rights policy, see page 113, and to consult additional information on supplier analysis with respect to human rights, see page 130.			Yes 140-148 

Indicator		Page or direct answer in the index	Omissions	External verification
Child Labor				
G4- DMA		107		Yes 140-148
G4- HR5	Talent for business success	Abengoa is firmly committed to upholding human rights, both within the organization and in its area of influence. In 2014, there were no reports of any complaints or cases of non-compliance in relation to child exploitation involving employees or the area of influence. For more information on the company's human rights policy, see page 113, and to consult additional information on supplier analysis with respect to human rights, see page 130.		Yes 140-148 
Forced or Compulsory Labor				
G4- DMA		107		Yes 140-148
G4- HR6	Talent for business success	Abengoa is firmly committed to upholding human rights, both within the organization and in its area of influence. In 2014, there were no reports of any complaints or cases of non-compliance in relation to forced labor involving employees or the area of influence. For more information on the company's human rights policy, see page 113, and to consult additional information on supplier analysis with respect to human rights, see page 130.		Yes 140-148 
Security Practices				
G4- DMA		108		Yes 140-148
G4- HR7	Talent for business success	108		Yes 140-148
Derechos de la población indígena				
G4- DMA		132		Yes 140-148
G4- HR8	Connecting with the social environment	Abengoa is firmly committed to showing respect for local communities and their surroundings and maintains a close relationship with local society and indigenous peoples. In 2014, there were no reports of any complaints or cases of non-compliance in relation to violation of the rights of indigenous persons.		Yes 140-148 

Indicator		Page or direct answer in the index	Omissions	External verification		
Assessment						
G4- DMA			132		Yes 140-148	
G4- HR9	Connecting with the social environment		Abengoa is firmly committed to upholding human rights, both within the organization and in its area of influence. In 2014, there were no reports of any complaints or cases of non-compliance in relation to forced labor involving employees or the area of influence. For more information on the company's human rights policy, see page 132, and to consult additional information on supplier analysis with respect to human rights, see page 123.		Yes 140-148	
Supplier Human Rights Assessment						
G4- DMA			28, 120, 124		Yes 140-148	
G4- HR10	Connecting with the social environment		28, 124		Yes 140-148	
G4- HR11	Connecting with the social environment		120		Yes 140-148	
Human Rights Grievance Mechanisms						
G4- DMA			132		Yes 140-148	
G4- HR12	Connecting with the social environment		Abengoa is firmly committed to upholding human rights, both within the organization and in its area of influence. In 2014, there were no reports of any complaints or cases of non-compliance in relation to forced labor involving employees or the area of influence. For more information on the company's human rights policy, see page 132, and to consult additional information on supplier analysis with respect to human rights, see page 123.		Yes 140-148	
Society						
Local Communities						
G4- DMA			28, 131		Yes 140-148	
G4- SO1	Connecting with the social environment / Management Balance Sheet		28		Yes 140-148	

Indicator		Page or direct answer in the index	Omissions	External verification	
G4- SO2	Talent for business success / Appendix C.	131		Yes 140-148	
Anti-corruption					
G4- DMA		28, 60, 108		Yes 140-148	
G4- SO3	Corporate governance, risk management and regulatory compliance	60		Yes 140-148	
G4- SO4	Connecting with the social environment / Management Balance Sheet	28, 108		Yes 140-148	
G4- SO5	Corporate governance, risk management and regulatory compliance		The tasks carried out showed no evidence of any corruption-related incidents.	Yes 140-148	
Public Policy					
G4- DMA		63		Yes 140-148	
G4- SO6	Corporate governance, risk management and regulatory compliance		In 2014, no contributions were made to political parties in any of the geographical areas of company operation.	Yes 140-148	
Anti-competitive Behavior					
G4- DMA		63		Yes 140-148	
G4- SO7	Corporate governance, risk management and regulatory compliance		In 2014, there were no reports of any legal actions for anti-competitive behavior or monopoly practices.	Yes 140-148	
Compliance					
G4- DMA		63		Yes 140-148	
G4- SO8	Gobierno corporativo y gestión de riesgos		There were no occurrences in 2014 of any significant fines due to failure to comply with legal regulations.	Yes 140-148	
Supplier Assessment for Impacts on Society					
G4- DMA		120, 124		Yes 140-148	
G4- SO9	Connecting with the social environment	124		Yes 140-148	

Indicator		Page or direct answer in the index	Omissions	External verification	
G4- SO10	Connecting with the social environment	120		Yes 140-148	●
Grievance Mechanisms for Impacts on Society					
G4- DMA		60		Yes 140-148	
G4- SO11	Connecting with the social environment	There were no occurrences in 2014 of any significant fines due to failure to comply with legal regulations.		Yes 140-148	●
Product responsibility					
Customer Health and Safety					
G4- DMA		128		Yes 140-148	
G4- PR1	Connecting with the social environment	In 2014, 98.74 % of the company's products and services were evaluated in terms of health and safety.		Yes 140-148	●
G4- PR2	Connecting with the social environment	In 2014, there were no reports of any cases of non-compliance with regulations or voluntary codes pertaining to the impacts of products and services on health and safety over the course of their life cycle.		Yes 140-148	●
Product and Service Labeling					
G4- DMA		128		Yes 140-148	
G4- PR3	Connecting with the social environment	In 2014, 98.52 % of the company's products and services are subject to information and labeling.		Yes 140-148	
G4- PR4	Connecting with the social environment	In 2014, there were no reports of any cases of non-compliance with regulations or voluntary codes pertaining to information and labeling of products and services.		Yes 140-148	●
G4- PR5	Connecting with the social environment	128		Yes 140-148	●
Marketing Communications					
G4- DMA		128		Yes 140-148	
G4- PR6	Connecting with the social environment	The company has no banned or disputed products. See Appendix C to consult the list of the company's products and services.		Yes 140-148	●

Indicator		Page or direct answer in the index	Omissions	External verification		
G4- PR7	Connecting with the social environment		In 2014, there were no reports of any incidents of non-compliance with regulations concerning marketing communications, including advertising, promotion and sponsorship		Yes 140-148	●
Customer Privacy						
G4- DMA		128			Yes 140-148	
G4- PR8	Connecting with the social environment		In 2014, there were no reports of any complaints involving breaches of customer privacy or losses of customer data by the company.		Yes 140-148	●
Compliance						
G4- DMA		63			Yes 140-148	
G4- PR9	Connecting with the social environment		In 2014, there were no reports of any monetary fines for non-compliance with laws and regulations concerning the provision and use of products and services.		Yes 140-148	●

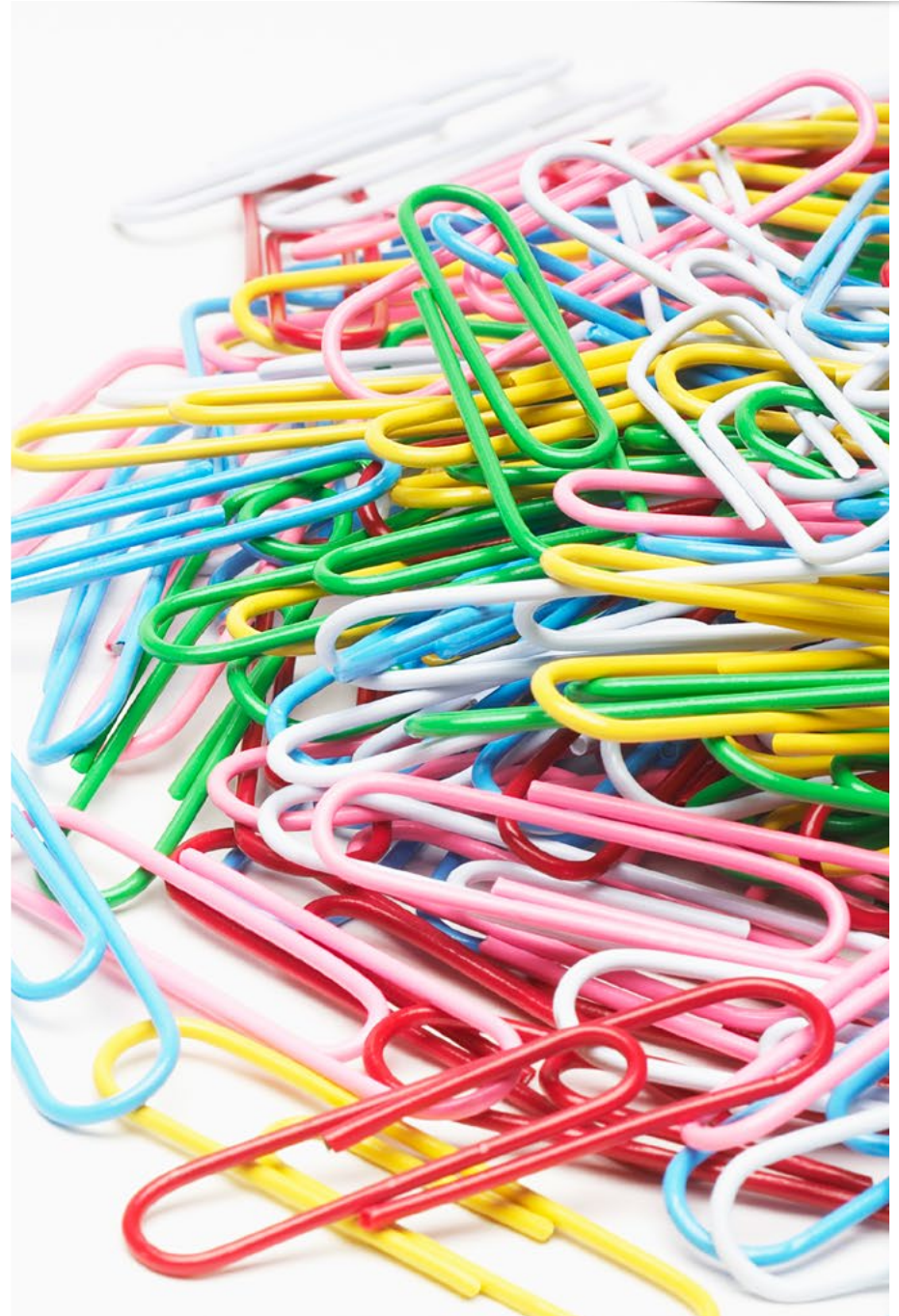
Proprietary indicators

Indicator	Description	Chapter	Page
ID1	Patents granted and applied for	Business model / Management Balance Sheet	22, 28
ID2	Number of R&D and innovation-dedicated employees	Business model / Management Balance Sheet	22, 28
ID3_4	R&D and innovation investment effort (%) (Investment in R&D/Revenues)*100	Business model / Management Balance Sheet	22, 28

● Indicators associated to material aspects.



09
Appendices



G4-EC1, ID1, ID2, ID3, ID4

Appendix A

Economic dimension

Taxes paid to public administrative bodies by country

Country (€'000)	2014	2013
Spain	93,592.6	71,264.0
Peru	30,392.3	8,252.4
Mexico	26,566.8	(9,562.3)
Brazil	25,377.2	16,115.0
United States	23,667.1	45,847.8
Uruguay	17,277.1	14,415.3
Chile	15,686.9	11,975.3
France	14,697.4	9,453.7
Poland	4,339.8	26,271.7
India	3,228.2	2,616.4
Algeria	3,062.6	2,366.2
Argentina	2,299.1	4,578.4
Israel	2,048.9	1,506.5
Morocco	1,421.8	4,700.8
Colombia	1,374.9	35.0
Netherlands	(12,788.7)	(9,536.8)
South Africa	(17,280.1)	(34,736.3)
Resto	2,463.7	3,039.1
	237,427.5	168,602.2

Of all taxes paid in 2014, 48.99% related to personal income tax for employees withheld by group companies and paid to the tax authorities. A total of 37.19% related to other taxes, charges and levies.

R&D and innovation

	2014	2013	2012
Investment in R&D and innovation (€M)	597.8	426	85.7
Number of R&D and innovation-dedicated employees	822	781	737
Patents granted and applied for	312	261	200
R&D and innovation investment effort (%) (Investment in R&D/ Revenues)*100	8.1	5.8	1.35

G4- EC9

Purchasing from local suppliers by country

Country	% purchases from local suppliers 2014	% purchases from local suppliers 2013	% purchases from local suppliers 2012
Algeria	32	28	37
Argentina	98	80	88
Australia	79	83	87
Belgium	61	–	–
Brazil	95	97	72
Chile	31	83	94
China	96	88	86
Colombia	84	100	99
Costa Rica	20	31	99
Cyprus	0	100	100
France	85	88	56
Germany	100	97	99
Ghana	40	26	–
Greece	100	100	100
India	65	9	22
Israel	51	98	100
Italy	100	100	100
Japan	94	–	–
Kenya	64	0	–
Luxembourg	100	0	–
Mexico	59	85	73

Country	% purchases from local suppliers 2014	% purchases from local suppliers 2013	% purchases from local suppliers 2012
Morocco	69	57	45
Nepal	2	31	–
Netherlands	82	74	70
Nicaragua	100	3	59
Oman	12	68	–
Peru	93	83	95
Poland	55	25	15
Saudi Arabia	61	40	90
Singapore	100	–	–
South Africa	67	30	87
South Korea	100	–	–
Spain	81	78	82
Sri Lanka	100	–	–
Switzerland	10	–	–
Turkey	4	1	100
UAE	83	56	58
Ukraine	10	0	–
United Kingdom	99	100	100
Uruguay	79	79	82
US	78	86	91

G4-EN4

Appendix B

Environmental dimension

Indirect consumption of energy

Indirect consumption of energy based on primary sources (GJ)

		2014	2013	2012
Renewable primary sources	Hydroelectricity	405,377	411,230	343,350
	Wind	295,094	292,041	202,462
	Biomass	277,960	284,429	169,112
	Photovoltaic	44,188	43,292	27,148
	Thermosolar	7,601	7,434	341
	Geothermal	6,004	6,177	5,622
	Tidal Energy	175	177	169
Non-renewable primary sources	Coal	3,629,205	3,723,228	3,135,980
	Nuclear	2,269,845	2,274,715	1,922,191
	Gas	1,909,983	1,942,555	1,835,860
	Fuel Oil	287,420	284,852	330,911
	Waste	17,868	19,067	16,493

G4-10

Appendix C

Social dimension

Percentage change in number of employees by region

Percentage change in number of employees by region	2014	2013	2012
Spain	2.72	(1.92)	3.36
Europe	20.45	7.23	10.08
US	18.58	27.24	19.90
Latin America	(9.11)	0.47	31.78
Africa	(6.71)	106.49	(10.79)
Asia	54.04	27.80	52.53
Oceania	(55.56)	157.14	133.33

Number of Abengoa employees by country in 2014

Country	Number of employees
Spain	6,871
Brazil	4,558
Peru	3,892
US	1,800
Uruguay	1,689
Mexico	1,461
Chile	1,226
India	739

Country	Number of employees
Poland	280
Argentina	230
South Africa	226
Morocco	215
Algeria	189
Colombia	163
Israel	152
France	108
China	104
Holland	89
Costa Rica	88
Saudi Arabia	66
United Arab Emirates	47
United Kingdom	18
Turkey	17
Ukraine	16
Ghana	12
Kenya	11
Singapore	9
Australia	8
Oman	7
Germany	4
Guatemala	3
Denmark	2
Italy	2
Nicaragua	2
Korea	1
Kuwait	1

G4-10, G4-EC6

Abengoa workforce gender distribution by region

Category	Group	Men			Women			Total		
		2014	2013	2012	2014	2013	2012	2014	2013	2012
Location	Spain	5,105	4,950	5,184	1,766	1,739	1,636	6,871	6,689	6820
	Europe	381	310	281	155	135	134	536	445	415
	US	1,472	1,148	892	328	370	301	1,800	1,518	1193
	Latin America	11,719	13,199	13,340	1,593	1,448	1,239	13,312	14,647	14579
	Africa	546	629	290	107	71	49	653	700	339
	Asia	1,007	618	494	119	113	78	1,126	731	572
	Oceania	7	13	4	1	5	3	8	18	7

Locally-based managers vs. total managers by region

Region	2014			2013			2012		
	Total managers	Locally-based managers	% of locally-based managers	Total managers	Locally-based managers	% of locally-based managers	Total managers	Locally-based managers	% of locally-based managers
Africa	8	6	75.00	11	11	100.00	7	6	85.71
Asia-Pacific	14	12	85.71	20	17	85.00	15	12	80.00
Spain	321	303	94.39	360	333	92.50	357	317	88.80
Latin America	138	115	83.33	107	89	83.18	146	113	77.40
US	69	50	72.46	69	48	69.57	55	37	67.27
Rest of Europe	18	17	94.44	14	12	85.71	16	16	100.00

G4-LA1, G4-LA6

Critical staff turnover by region and change

Region	2014	2013 (%)	2012 (%)
Spain	1.13 %	0.63	0.64
Europe	0.51 %	0.24	0.6
US	1.22 %	1.32	0.97
Latin America	0.45 %	0.82	0.37
Africa	0.74 %	0.82	0.5
Asia-Pacific	0.89 %	0	0

Staff contracting by region

Region	2014
Spain	10.81 %
Europe	9.64 %
US	24.84 %
Latin America	16.63 %
Africa	35.03 %
Asia-Pacific	20.93 %

Absenteeism by region

Region	Total absenteeism 2014 (%)	Total absenteeism 2013 (%)	Total absenteeism 2012 (%)
Africa	1.62	2.70	1.44
Asia-Pacific	5.30	2.30	2.95
Spain	2.26	2.05	2.03
Europe	2.97	2.76	3.12
Latin America	2.15	2.86	2.55
US	3.52	4.44	3.12

Abengoa communication channels with its social partners

From Abengoa to suppliers:

- › Corporate website.
- › Structured process for measuring supplier efficiency.
- › Tool from the security management system.
- › Periodic visits paid to suppliers.
- › Annual report.
- › Social networks.

From suppliers to Abengoa:

- › Satisfaction surveys.
- › Structured process for receiving information and opinions from suppliers.
- › Abengoa Easy Management (AEM) computer application to manage company decision-making and action plans.
- › Tool from the security management system.
- › Stakeholder mailbox.
- › External whistleblower channel.
- › Opinion poll from the Annual Report.
- › Interviews.
- › CSR mailbox.
- › Social networks.

From Abengoa to society:

- › Corporate website.
- › Annual report.
- › Website of the Focus-Abengoa Foundation.
- › Press releases.
- › Corporate Social Responsibility Department.
- › Meetings with NGOs and educational institutions.
- › Open days.
- › Trade shows, forums and conferences.
- › Corporate blog.
- › Social networks.

From society to Abengoa:

- › Press releases.
- › Communication Department.
- › Corporate Social Responsibility Department.
- › Meetings with NGOs, the press and educational institutions.
- › Open days.
- › Trade shows, forums and conferences.
- › Stakeholder mailbox.
- › Corporate blog.
- › CSR mailbox.
- › External whistleblower channel.
- › Opinion poll from the Annual Report.
- › Opinion poll.
- › Interviews.
- › Social networks.

From Abengoa to the local community:

- › Corporate website.
- › Annual report.
- › Website of the Focus-Abengoa Foundation.
- › Press releases.
- › Corporate Social Responsibility Department.
- › Meetings with NGOs and educational institutions.
- › Open days.
- › Trade shows, forums and conferences.
- › Corporate blog.
- › Social networks.

From the local community to Abengoa:

- › Communication Department.
- › Corporate Social Responsibility Department.
- › Meetings with NGOs and educational institutions.
- › Open days.
- › Trade shows, forums and conferences.
- › Corporate blog.
- › CSR mailbox.
- › Assessment of beneficiaries of social programs and initiatives.
- › External whistleblower channel.
- › Opinion poll from the Annual Report.
- › Interviews.
- › Stakeholder mailbox.
- › Social networks.

From Abengoa to clients:

- › Corporate website.
- › Focus groups with customers.
- › Tool from the security management system.
- › Publicity and marketing.
- › Trade shows, forums and conferences.
- › Periodic visits paid to customers.
- › Annual report.
- › Social networks.

From clients to Abengoa:

- › Focus groups with customers.
- › Satisfaction surveys.
- › IT troubleshooting application.
- › Abengoa Easy Management (AEM) computer application to manage company decision-making and action plans.
- › Various tools from the security management system.
- › Stakeholder mailbox.
- › CSR mailbox.
- › Training sessions on products.
- › External whistleblower channel.
- › Opinion poll from the Annual Report.
- › Interviews.
- › Social networks.

G4-DMA, G4-4

Products and services offered by the company in 2014

		Sector						
		Energy			Environment		Other	
Areas of activity		Renewables.	Conventional power generation.	Transmission & distribution.	Energy storage systems.	Bioenergy.	Water.	
	Engineering and construction.	Solar thermal plants (power tower, parabolic trough, photovoltaic and integrated solar-gas).	Combined cycles.	AC ⁽³⁾ and DC ⁽³⁾ power transmission lines.	Electricity and heat storage systems.	First- and second-generation biofuel production plants, and waste to biofuel (W2B).	Desalination plants.	Rail electrification.
		Wind farms.	Cogeneration plants.	Electrical substations.			Water treatment and reuse plants.	Telecommunications, electrical and mechanical installations, industrial plants, custom buildings, marketing and auxiliary production.
		Hydro power plants.	Other thermal power plants.				Water transportation and distribution (pipelines, aqueducts, etc.).	
	Infrastructure under concession.	Power generation at solar thermal plants (power tower, parabolic trough and photovoltaic, integrated solar-gas).	Electrical power generation at cogeneration plants (heat + steam).	⁽²⁾ O&M of large-scale AC ⁽³⁾ and DC ⁽³⁾ power transmission systems (transmission lines and substations).	Management of electricity and heat storage systems.		Production of drinking water and water for industrial use through seawater and brackish water desalination.	Custom buildings (hospitals, jails, cultural centers, courthouses).
		Power generation at wind farms.					Management of hydro resources in drainage basins.	
		Power generation at hydro power plants.					Treatment, purification and regeneration of industrial and municipal wastewater.	
							Water purification fit for human consumption.	

		Sector		
		Energy	Environment	Other
Industrial production	Marketing and sale of components for solar plants, O&M ⁽²⁾ equipment and industrial applications		Production of biofuels and bioproducts from: biomass (grains and vegetable oils, among others) and cellulosic biomass.	Production of sugar by grinding sugar cane.
	Solar energy-based industrial applications		Production of DGS for animal feeds.	

Technology Licensing⁽¹⁾ of proprietary technology to third parties

- (1) Licensing means the technology in question continues to be owned by the company but a third party is granted the right to use it under specific terms and conditions.
- (2) Operation and maintenance.
- (3) Alternating current and direct current.

Product and service labeling






Products	Description	Information required	
Technological equipment		EC Declaration of Conformity and EC labeling. ⁽¹⁾	
Biofuel production	Products based on labeling		
	Bioethanol	European product	Information on product safety and quality specifications, as well as degree of sustainability of both product and the raw materials used to make it. Safety sheet and consignment note. ⁽²⁾ Sustainability declaration. ⁽³⁾
	DDGS	Product shipped bulk	Information on the shipper and head of sales, authorized manufacturer registration number, technical name of the product, GMO declaration (genetically modified organism), product content of protein, fat, fiber and humidity (as a percentage) and batch traceability. Guaranteed quality systems for the processes used to manufacture the product.
	Sugar	Product produced at bioethanol plants in Brazil	Laboratory analysis showing compliance with contractually agreed specifications: polarization, color, humidity and cash, as well as the invoice showing the volume transported and its cost.

- (1) For products shipped by Abengoa within the European Union.
- (2) Container identification is carried out in accordance with the ADR (European Agreement Concerning the International Carriage of Dangerous Goods by Road), or the RID, in the case of rail carriage.
- (3) The sustainability declaration states the origin of the raw materials, as well as greenhouse gas savings values and the traceability systems used from raw material through to bioethanol, among others aspects.

G4-SO2




Negative impacts detected and measures taken in response in 2014

Project	Asset type	Country	Activity with real or potential negative impact	Action carried out to prevent or mitigate the negative impact	Affected parties
Nacozeni - Hermosillo 5	Power transmission line.	Mexico	Ecological impact of exploring forest areas during the power line construction phase.	Program to rescue flora and fauna during construction. After carefully monitoring all the species previously identified, the survival rate stands at over 70 %.	Flora and fauna of the area where the line is constructed.
Porto Velho - Araraquara	Power transmission line.	Brazil	Ecological impact of exploring forest areas during the power line construction phase.	Use of new, more sustainable techniques to help protect the environment in forested areas. By modernizing and applying these techniques, which include the use of native forest species, Abengoa's business has become considerably more sustainable.	Flora and fauna of the area where the line is constructed.
Solaben 1,3,4 and 6	Solar thermal plant featuring parabolic trough technology.	Spain	Visual impact due to the chromatic distortion between the plant equipment and the natural environment.	Visual impact reduced through reforestation actions: plant screen set up and trees planted between the ridge and the enclosure. The work was completed in 2014 and maintenance work is ongoing (pruning, watering, etc.). If it proves necessary, areas in which the planting was not successful will be repopulated in 2015.	Local community.
Solana	Solar thermal plant featuring parabolic trough technology.	United States	<p>Visibility reduced on the road adjacent to the site due to the dust generated from the plant life having been cleared from the land.</p> <p>Reflected light from certain mirrors. The reflection is visible from the closest road when the mirrors are pointed east at dawn.</p>	<p>The company plans to acquire a water truck to spray the ground and prevent the dust from rising. This action is part of a control plan implemented to comply with air quality control regulations. The plan has been approved by the Department of Air Quality Control for Maricopa County.</p> <p>It was decided to keep the problem mirrors at a different position until 11:00 am, by which time the sun is sufficiently high in the sky to prevent any dazzling.</p>	Community neighboring the plant and local traffic.
Solacor	Solar thermal plant featuring parabolic trough technology.	Spain	Access to the platform crosses a 600-meter stretch of the highway service road and this road is commonly used by the local community as a walking area. Due to the increased traffic, the risk of people getting run over is higher and the road surface will deteriorate more quickly.	Actions undertaken by the local government (access and signposting improved).	Local residents.
Palmatir	Wind technology.	Uruguay	Visual impact of the Palmatir wind farm.	Visit paid to the rural school lying close to the site to explain to students important aspects relating to the construction and installation of the wind turbines in the areas close to the school and the benefits of wind power.	College close to the site.

<p>M05-ATE XVII Transmissora de Energia S/A</p> 	<p>Power transmission line.</p>	<p>Brazil</p>	<p>Opening of the service road and right of way over the private properties expropriated to build the transmission line.</p>	<p>The developer has conducted an environmental study in relation to the affected forest areas (flora and fauna); provided compensation to the owners of the expropriated properties; requested and will continue to request authorization to access the expropriated properties; and will regularly report to the local community and residents of the site access roads on the work being carried out.</p>	<p>Rural communities Quilombo communities</p>
<p>M05-ATE XVII Transmissora de Energia S/A</p> 	<p>Power transmission line.</p>	<p>Brazil</p>	<p>Productive area of the affected properties (including the local community and private owners) reduced due to the expropriation of their land.</p>	<p>Information shared with the affected communities and owners on the activities that can be carried out on the land subject to the right of way through a social communication program. Actions also undertaken to raise local awareness of the project and the compensation that may be paid for the properties affected by the service roads and right of way.</p>	<p>Rural communities Quilombo communities</p>
<p>M05-ATE XVII Transmissora de Energia S/A</p> 	<p>Power transmission line.</p>	<p>Brazil</p>	<p>Expropriation of land used for production and improvement work (private owners), as well as places of historical, cultural, archaeological, speleological and paleontological interest.</p>	<p>Actions undertaken to raise awareness of the project and of the compensation payable for the expropriated land (by analyzing the productive and improvement areas expropriated in each property); alternative routes for the transmission line also analyzed to avoid having to expropriate areas of historical, cultural, archaeological, speleological and paleontological interest. In addition to raising awareness, dialog is maintained with residents through the social communication program.</p>	<p>Rural communities Quilombo communities</p>
<p>M05-ATE XVII Transmissora de Energia S/A</p> 	<p>Power transmission line.</p>	<p>Brazil</p>	<p>Vehicle traffic (equipment and project partners).</p>	<p>The developer shall provide training for drivers, set up signposts and speed checks for site vehicles, and also offer training on occupational risk prevention for its own personnel and subcontractors. The developer will also inform the communities located along the access routes of the safety measures in place and of how they can contact the developer.</p>	<p>Rural communities Quilombo communities</p>
<p>M06-ATE XVI Transmissora de Energia S.A.</p> 	<p>Power transmission line.</p>	<p>Brazil</p>	<p>Vehicle traffic (equipment and project partners).</p>	<p>The developer shall provide training for drivers, set up signposts and speed checks for site vehicles, and also offer training on occupational risk prevention for its own personnel and subcontractors. The developer will also inform the communities located along the access routes of the safety measures in place and of how they can contact the developer.</p>	<p>Comunidades rurales Comunidades Quilombolas Projetos de asentamiento rural</p>
<p>M06-ATE XVI Transmissora de Energia S.A.</p> 	<p>Power transmission line.</p>	<p>Brazil</p>	<p>Productive area of the affected properties (including the local community and private owners) reduced due to the expropriation of their land.</p>	<p>Information shared with the affected communities and owners on the activities that can be carried out on the land subject to the right of way through a social communication program. Actions also undertaken to raise local awareness of the project and the compensation that may be paid for the properties affected by the service roads and right of way.</p>	<p>Rural communities Quilombo communities Rural settlement projects</p>

<p>M06-ATE XVI Transmissora de Energia S.A.</p> 	<p>Power transmission line.</p>	<p>Brazil</p>	<p>Expropriation of land used for production and improvement work (private owners), as well as places of historical, cultural, archaeological, speleological and paleontological interest.</p>	<p>Actions undertaken to raise awareness of the project and of the compensation payable for the expropriated land (by analyzing the productive and improvement areas expropriated in each property); alternative routes for the transmission line also analyzed to avoid having to expropriate areas of historical, cultural, archaeological, speleological and paleontological interest. In addition to raising awareness, dialog is maintained with residents through the social communication program.</p>	<p>Rural communities Quilombo communities Rural settlement projects</p>
<p>M06-ATE XVI Transmissora de Energia S.A.</p> 	<p>Power transmission line.</p>	<p>Brazil</p>	<p>Increase in the local population due to the arrival of workers.</p>	<p>The developer must roll out measures to provide compensation and correct the situation, such as the Municipal Infrastructure Support Program and the Malaria and Health Program. It shall also ensure that the area has basic health and prevention services in place.</p>	<p>Rural communities Quilombo communities Rural settlement projects</p>
<p>M06-ATE XVI Transmissora de Energia S.A.</p> 	<p>Power transmission line.</p>	<p>Brazil</p>	<p>Opening of the service road and right of way over the private properties expropriated to build the transmission line.</p>	<p>The developer has conducted an environmental study in relation to the affected forest areas (flora and fauna); provided compensation to the owners of the expropriated properties; requested and will continue to request authorization to access the expropriated properties; and will regularly report to the local community and residents of the site access roads on the work being carried out.</p>	<p>Rural communities Quilombo communities Rural settlement projects</p>
<p>M06-ATE XVI Transmissora de Energia S.A.</p> 	<p>Power transmission line.</p>	<p>Brazil</p>	<p>Risk of false expectations and interference in the daily lives of the surrounding communities and of the affected municipalities.</p>	<p>The developer shall use the two channels of communication included in the social communication program to report and liaise with the local communities and residents when necessary, and provide important information so as not to generate false expectations, confusion, or a general lack of information. A communication channel will also be made available to defend their rights.</p>	<p>Rural communities Quilombo communities Rural settlement projects</p>
<p>M08-ATE XIX Transmissora de Energia S.A.</p> 	<p>Power transmission line.</p>	<p>Brazil</p>	<p>Expropriation of land used for production and improvement work (private owners), as well as places of historical, cultural, archaeological, speleological and paleontological interest.</p>	<p>Actions undertaken to raise awareness of the project and of the compensation payable for the expropriated land (by analyzing the productive and improvement areas expropriated in each property); alternative routes for the transmission line also analyzed to avoid having to expropriate areas of historical, cultural, archaeological, speleological and paleontological interest. In addition to raising awareness, dialog is maintained with residents through the social communication program.</p>	<p>Rural communities. Quilombo communities. Indigenous land.</p>
<p>M08-ATE XIX Transmissora de Energia S.A.</p> 	<p>Power transmission line.</p>	<p>Brazil</p>	<p>Service area and right of way set up on the private land taken over by the transmission line.</p>	<p>The developer has conducted an environmental study in relation to the affected forest areas (flora and fauna); provided compensation to the owners of the expropriated properties; requested and will continue to request authorization to access the expropriated properties; and will regularly report to the local community and residents of the site access roads on the work being carried out.</p>	<p>Rural communities. Quilombo communities. Indigenous land.</p>

<p>M53-ATE XX Transmissora de Energia S.A</p> 	<p>Power transmission line.</p>	<p>Brazil</p>	<p>Expropriation of land used for production and improvement work (private owners), as well as places of historical, cultural, archaeological, speleological and paleontological interest.</p>	<p>Actions undertaken to raise awareness of the project and of the compensation payable for the expropriated land (by analyzing the productive and improvement areas expropriated in each property); alternative routes for the transmission line also analyzed to avoid having to expropriate areas of historical, cultural, archaeological, speleological and paleontological interest. In addition to raising awareness, dialog is maintained with residents through the social communication program.</p>	<p>Rural communities. Districts. Municipal urban area.</p>
<p>M53-ATE XX Transmissora de Energia S.A</p> 	<p>Power transmission line.</p>	<p>Brazil</p>	<p>Opening of the service road and right of way over the private properties expropriated to build the transmission line.</p>	<p>The developer has conducted an environmental study in relation to the affected forest areas (flora and fauna); provided compensation to the owners of the expropriated properties; requested and will continue to request authorization to access the expropriated properties; and will regularly report to the local community and residents of the site access roads on the work being carried out.</p>	<p>Rural communities. Districts. Municipal urban area.</p>
<p>M53-ATE XX Transmissora de Energia S.A</p> 	<p>Power transmission line.</p>	<p>Brazil</p>	<p>Vehicle traffic (equipment and project partners).</p>	<p>The developer shall provide training for drivers, set up signposts and speed checks for site vehicles, and also offer training on occupational risk prevention for its own personnel and subcontractors. The developer will also inform the communities located along the access routes of the safety measures in place and of how they can contact the developer.</p>	<p>Rural communities. Districts. Municipal urban area.</p>
<p>M53-ATE XX Transmissora de Energia S.A</p> 	<p>Power transmission line.</p>	<p>Brazil</p>	<p>Opening and increased use of the main and neighboring roads providing access to the transmission towers and the work sites.</p>	<p>The opening and maintenance of the access routes to the towers must be signposted and communicated to the communities and the neighboring population before the work gets under way. While the work is being carried out, the access routes must also be signposted with warning signs of the work on the roads, among other measures. Access to the routes under construction must be prohibited and warning signs erected. Speed checks for construction vehicles will also be set up and training provided on occupational risk prevention.</p>	<p>Rural communities. Districts. Municipal urban area.</p>
<p>M54-ATE XXI Transmissora de Energia S.A.</p> 	<p>Power transmission line.</p>	<p>Brazil</p>	<p>Expropriation of land used for production and improvement work (private owners), as well as places of historical, cultural, archaeological, speleological and paleontological interest.</p>	<p>Actions undertaken to raise awareness of the project and of the compensation payable for the expropriated land (by analyzing the productive and improvement areas expropriated in each property); alternative routes for the transmission line also analyzed to avoid having to expropriate areas of historical, cultural, archaeological, speleological and paleontological interest. In addition to raising awareness, dialog is maintained with residents through the social communication program.</p>	<p>Rural communities</p>
<p>M54-ATE XXI Transmissora de Energia S.A.4</p> 	<p>Power transmission line.</p>	<p>Brazil</p>	<p>Vehicle traffic (equipment and project partners).</p>	<p>The developer shall provide training for drivers, set up signposts and speed checks for site vehicles, and also offer training on occupational risk prevention for its own personnel and subcontractors. The developer will also inform the communities located along the access routes of the safety measures in place and of how they can contact the developer.</p>	<p>Rural communities</p>

<p>M54-ATE XXI Transmissora de Energia S.A.</p> 	<p>Power transmission line.</p>	<p>Brazil</p>	<p>Operation and maintenance of the service area and right of way for the transmission line and substation.</p>	<p>The developer must provide information on the maintenance services and allow owners access to the expropriated properties. The neighboring communities must also be warned in advance. The local population of the neighboring communities must be given guidance and information on the associated risks and prohibited activities; on the functioning of the transmission line and on the need to carry out maintenance on the service roads and right of way for the transmission line and substations. A toll-free contact number must also be provided.</p>	<p>Rural communities</p>
<p>M54-ATE XXI Transmissora de Energia S.A.</p> 	<p>Power transmission line.</p>	<p>Brazil</p>	<p>Opening and increased use of the main and neighboring roads providing access to the transmission towers and the work sites.</p>	<p>The opening and maintenance of the access routes to the towers must be signposted and communicated to the communities and the neighboring population before the work gets under way. While the work is being carried out, the access routes must also be signposted with warning signs of the work on the roads, among other measures. Access to the routes under construction must be prohibited and warning signs erected. Speed checks for construction vehicles will also be set up and training provided on occupational risk prevention.</p>	<p>Rural communities</p>
<p>Abent 3T</p> 	<p>Combined cycle plant</p>	<p>Mexico</p>	<p>Land use changed from agricultural to industrial.</p>	<p>Commitment project 2017. Reforestation plan. Clearing of forest and plant species present before the work got under way. Three trees then planted for every one cut down. The area to be reforested lies to the north of the site and spans 1.49 ha.</p>	<p>Rural communities</p>

Appendix D

Green Bond

Fund allocation indicators (Table 1)

Funds obtained from the issuance of the Green Bond by Abengoa Greenfield, S.A. ⁽¹⁾ **496.1**

Use of funds as of December 31, 2014

Asset type	Asset category	Companies receiving funds ⁽⁴⁾	Total amount of funds allocated in €M ⁽²⁾
Power transmission	Electric transmission lines	ATE XVI Transmissora de Energía S.A.	200.1
Power transmission	Electric transmission lines	ATE XVII Transmissora de Energía S.A.	62.6
Power transmission	Electric transmission lines	ATE XIX Transmissora de Energía S.A.	70.9
Power transmission	Electric transmission lines	ATE XX Transmissora de Energía S.A.	49
Power transmission	Electric transmission lines	ATE XXI Transmissora de Energía S.A.	8.5
Power transmission	Electric transmission lines	ATE XXIV Transmissora de Energía S.A.	5
Subtotal allocated to power transmission			396.1
Energy efficiency	Cogeneration plant	Abent 3T, S. de R.L. de C.V.	100
Subtotal allocated to energy efficiency			100
Total Green Bond funds allocated ⁽³⁾			496.1
Percentage of Green Bond funds used in selected projects			100 %

(1) Abengoa Greenfield, S.A. receives net proceeds from bond issuance (USD 296.9 M and EUR 262.3 M) on September 30, 2014.

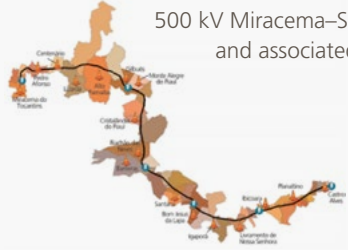


(2) These projects meet the "Eligible Green Projects" conditions pursuant to the terms under the "Use-of-proceeds" section of the Green Bond issuance memorandum and in accordance with the eligibility criteria approved by Vigeo (European agency dedicated to performance assessment). This entity issued a favorable second opinion with respect to the evaluation of sustainable performance, which is available for consultation on the [Abengoa website](#).

(3) Date of allocation: September 30, 2014 (date on which Abengoa, S.A. uses green bond funds to finance, partially or wholly, eligible green projects meeting the environmental, social and corporate governance (ESG) criteria established by Abengoa and Vigeo, as defined in the Preliminary Offering Memorandum dated September 22, 2014 until the long-term financing funds associated with these projects are obtained).

(4) Project companies: (concession companies which own and hold title to a single project) that have received Green Bond funds.

List of projects and environmental and social impact indicators (Table 2)

Proceeds from the green bond issued on September 30 have served to finance the seven projects described below. All of these projects meet the aforementioned eligibility criteria which are published in detail on the [Abengoa website](#).

Project title	Description
<p>ATE XVI</p> <p>500 kV Miracema–Sapeaçu transmission line and associated substations.</p> 	<p>With a length of 1,860 km, this transmission line located in Brazil goes through a total of 47 municipalities in the states of Tocantins, Maranhão, Piauí and Bahia.</p> <p>The source of the power transported by the line is hydroelectric. ⁽¹⁾</p> <p>In 2014, the transmission line generated 16 direct jobs (100 % are Brazilian employees, 19 % of whom are locally-based ⁽²⁾). Eighty (80) employees were also subcontracted (94 % Brazilian employees, 23 % of whom are locally-based).</p> <p>Commercial operation is scheduled to begin in February 2016.</p>
<p>ATE XVII</p> <p>500 kV Milagres II–Açu III transmission line and associated substations.</p> 	<p>With a length of 280 km, this transmission line located in Brazil goes through a total of 18 municipalities in the states of Rio Grande do Norte, Paraíba and Ceará.</p> <p>The source of the energy the line transports is wind power.</p> <p>In 2014, the line generated 4 direct jobs (100 % Brazilian employees, 20 % of whom are locally-based). Sixty-five (65) employees were also subcontracted (98 % Brazilian employees, 37 % of whom are locally-based).</p> <p>Commercial operation is scheduled to begin in February 2016.</p>
<p>ATE XIX</p> <p>500 kV São João do Piauí–Milagres II–Luiz Gonzaga transmission line and associated substations.</p> 	<p>With a length of 630 km, this transmission line located in Brazil goes through a total of 23 municipalities in the states of de Ceará, Piauí and Pernambuco.</p> <p>The source of the energy the line transports is wind power.</p> <p>There was no direct job creation in connection with the line in 2014; however, 21 employees were subcontracted. (96 % are Brazilian, among whom 67 % are locally-based.)</p> <p>Commercial operation is scheduled to begin in August 2016.</p>

Project title

Description

ATE XX



500 kV Presidente Dutra–Teresina II–Sobral III transmission line and associated substations.

With a length of 540 km, this transmission line located in Brazil goes through a total of 22 municipalities in the states of Maranhão, Piauí and Ceará.
 The source of the energy the line transports is wind power.
 There was no direct job creation in connection with the line in 2014; however, 23 employees were subcontracted. (96 % are Brazilian, among whom 30 % are locally-based.)
 Commercial operation is scheduled to begin in August 2016.

ATE XXI



C1 and C2 500 kV Xingu–Parauapebas transmission line; 500 kV Parauapebas–Itacaiúnas transmission line; C1 and C2 500 kV Parauapebas–Miracema transmission line and associated substations.

With a length of 1,760 km, this transmission line located in Brazil goes through a total of 22 municipalities in the states of Pará and Tocantins.
 The source of the energy the line transports is hydroelectric.
 In 2014, there were no direct jobs created in connection with the line; 30 employees were subcontracted, however (93 % of whom are Brazilian).
 Commercial operation is scheduled to begin in October 2016.

ATE XXIV



C2 230 kV Integradora Sossego – Xinguara transmission line and the 500 kV Integradora Sossego – Parauapebas transmission line and associated substations.

With a length of 140 km, this transmission line located in Brazil goes through a total of 5 municipalities in the state of Pará.
 The source of the energy the line transports is hydroelectric.
 In 2014, there were no direct or subcontractor jobs created in connection with the transmission line.
 Commercial operation is scheduled to begin in August 2017.

Efficient cogeneration station



Located in the municipality of Centro, 38 km from the city of Villahermosa (state of Tabasco, Mexico), this power station has a net power generating capacity of up to 220 MW. The facility will help prevent the emission of 295,000 t of CO_{2eq} and have the capability to deliver power to over 271,628 households. In 2014, the plant generated 35 direct jobs. (100 % of these employees are Mexican and, among them, 3 % are from the state of Tabasco.)
 Commercial operation is scheduled to begin in January 2017.

(1) [World Energy Outlook 2014 \(EA\)](#).
 (2) Belonging to one of the states through which the transmission line runs.

Responsible management indicators (Table 3)

Domain	Indicators – green bond-financed projects	ATE XVI	ATE XVII	ATE XIX	ATE XX	ATE XXI	ATE XXIV	Abent3T
Medioambiente	CO _{2eq} emissions (Scopes 1, 2 and 3) <small>(1)(2)</small>	Direct emissions: 37 t. Indirect emissions: 2,326.36 t.	Direct emissions: 18.73 t. Indirect emissions: 5,804.95 t.	Direct emissions: 0 t. Indirect emissions: 582.6 t.	Direct emissions: 0 t. Indirect emissions: 521.34 t.	Direct emissions: 0 t. Indirect emissions: 1,078.68 t.	Direct emissions: 0 t. Indirect emissions: 0.65 t.	Project: Direct emissions: 11.21 t. Indirect emissions: 108.71 t. Subcontractors: Direct emissions: 352.7 t. Indirect emissions: 35,308.07 t.
	Total water consumption and recycled water consumption.	608.5 m ³	No data has been generated.	No data has been generated	No data has been generated	No data has been generated	No data has been generated	Subcontractors: 2,021.76 m ³ .
	Total energy consumption and renewable energy consumption	Biofuel: 0.03518 TJ. Petroleum derivatives: 0.45524 TJ Electricity: 5,211.37 kWh	Biofuel: 0.0158 TJ. Petroleum derivatives: 0.23532 TJ.	No data has been generated	No data has been generated	No data has been generated	No data has been generated	Project: Petroleum derivatives: 0.14953 TJ Subcontractors: Electricity: 4.08 TJ
	Total amount of materials used and recycled materials used.	No data has been generated	Ferrous metal materials: 581.31 t	No data has been generated	No data has been generated	No data has been generated	No data has been generated	Subcontractors: 123,834.65 t of materials
	Waste generated and recycled	0.88565 t allocated to recycling. Waste, oil change filter and vehicle oil change.	No data has been generated	No data has been generated	No data has been generated	No data has been generated	No data has been generated	Subcontractors: 520.97 t of waste

(1) Direct emissions: Scope 1. Emissions from sources that are either owned or controlled by the company.

(2) Indirect emissions: Scopes 2 and 3. Including emissions resulting from the electricity purchased and used by the company and other emissions that are the consequence of company activities but which are produced by sources that are neither owned nor controlled by the company.

Domain	Indicators – green bond-financed projects	ATE XVI	ATE XVII	ATE XIX	ATE XX	ATE XXI	ATE XXIV	Abent3T
Social	Mitigation of actual or foreseen impacts	(3)	(3)	(3)	(3)	(3)	No data has been generated	(3)
	Investment in community involvement and project list	There is no community investment assigned to the project; however the PE&C social development program ⁽⁴⁾ has been in place in Brazil since 2010 and has headquarters in Rio de Janeiro and Aracaju.						Preliminary diagnostics for PE&C implementation in the communities of the project's area of influence have been conducted € 4,335.
	Accidents and rate of frequency	0	0	Without employees	Without employees	Without employees	Without employees	0 employees 8 subcontractors
	Number of hours of training in human rights. ⁽⁵⁾	Employees: 1,1	Employees: 0	Without employees	Without employees	Without employees	Without direct employees or subcontractors	Employees: 40.77
		Subcontractors: 22.33	Subcontractors: 18.14	Subcontractors: 5.86	Subcontractors: 6.42	Subcontractors: 8.37		Subcontractors: 97.4
Grievances involving human rights	Without any incidents, 0 grievances	Without any incidents, 0 grievances	Without employees	Without employees	Without employees	Without employees	Without any incidents, 0 grievances.	

(3) See Appendix C- indicator SO2.

(4) Abengoa's social development program. Further information can be found in the chapter titled "Connecting with the social environment" and on the Abengoa website.

(5) In relation to subcontractor hours, an estimation was made based on the average number of training hours per subcontracted worker.

Domain	Indicators -green bond-financed projects	ATE XVI	ATE XVII	ATE XIX	ATE XX	ATE XXI	ATE XXIV	Abent3T
Business ethics and value creation	Business ethics and value creation. Purchases from local suppliers.	100 %	100 %	100 %	100 %	100 %	Unavailable	27 %
	SROI analysis of social projects.	SROI (Social Return on Investment) analysis conducted in 2014 on the PE&C Brazil program headquarters (Rio de Janeiro and Aracajú), with a score of 1.11.						SROI (Social Return on Investment) analysis conducted in 2014 on the PE&C Mexico program (headquartered in Mexico City), with a score of 0.52 ⁽⁶⁾ .
	Customer satisfaction level.	The degree of project progress makes it infeasible to report significant data.						The degree of project progress makes it infeasible to report significant data.
	Suppliers screened with respect to environmental criteria and in terms of impact on society.	Analyses of suppliers posing risk were not conducted in 2014 for the selected projects, but rather in the matrix. Over the course of the year, Abengoa Brazil performed 1,568 supplier analyses, which included environmental, social, labor- and human rights-related criteria, taking 100 % of the suppliers with orders set up to date into account. Analysis resulted in the identification of 4 high-risk suppliers, 3 of which were addressed by the committee due to the fact that they represent global accounts and one of them underwent a remote audit. No significant negative environmental impacts were detected.						Analyses of suppliers posing risk were not conducted in 2014 for the selected projects, but rather in the matrix. Over the course of the year, Abengoa Mexico performed 97 supplier analyses, which included environmental, social, labor- and human rights-related criteria, taking 100 % of the suppliers with orders set up as of the date of carrying out the analysis into account. Analysis resulted in the identification of 49 high-risk suppliers, 4 of which were audited. No significant negative environmental impacts were found.
	CO _{2eq} emissions associated with goods and services provided (Scope 3).	2,312.23 t	5,796.14 t	578.82 t	517.08 t	1,073.45 t	There are no emissions to date related to goods and services provided.	Project: 43.33 t Subcontractor: 35,256.77 t
	Number of incidents of non-compliance with the code of conduct and % of cases resolved.	0	0	0	0	0	0	0

(6) SROI assessment will not be performed for the new PE&C headquarters in Tabasco until a year of development has been reached to thereby obtain the degree of maturity needed to undergo evaluation.

Domain	Indicators – green bond-financed projects	ATE XVI	ATE XVII	ATE XIX	ATE XX	ATE XXI	ATE XXIV	Abent3T
Project governance	Number of issues with a high risk of non-compliance and negative third-party perception. ⁽⁷⁾	0 issues with a high objective risk of non-compliance / 2 issues with a high risk of negative third-party perception.	0 issues with a high objective risk of non-compliance / 5 issues with a high risk of negative third-party perception.	0 issues with a high objective risk of non-compliance / 2 issues with a high risk of negative third-party perception.	0 issues with a high objective risk of non-compliance / 2 issues with a high risk of negative third-party perception.	0 issues with a high objective risk of non-compliance / 2 issues with a high risk of negative third-party perception.	Unavailable.	0 issues with a high objective risk of non-compliance / 2 issues with a high risk of negative third-party perception.
	Number of sustainability training hours. ⁽⁸⁾	Employees: 1.1 Subcontractors: 46.57	Employees: 16 Subcontractors: 37.84	No direct employees. Subcontractors: 12.23	No direct employees. Subcontractors: 13.39	No direct employees. Subcontractors: 17.46	No employees.	Employees: 124.73 Subcontractors: 4,833.05
	Number of incidents and % of cases resolved (project control).	0 resolved / 25 % in progress	0 resolved / 0 % in progress	0 resolved / 0 % in progress	0 resolved / 16 % in progress	0 resolved / 0 % in progress	Unavailable.	23 resolved / 18 % in progress

(7) Results obtained through the installation-related CSR risk analysis conducted in the latter part of 2014.

(8) In regard to subcontractor hours, an estimation was made based on the average number of training hours per subcontracted worker.

Green Bond Criteria

Green projects eligibility criteria

Green project eligibility criteria include, on the one hand, the “Eligible green project categories” (specified under the “Use-of-proceeds requirements” section of the Second Party Opinion on Sustainability of Abengoa’s “Sustainable Green Bond” issued by Vigeo on September 1, 2014, available on the Abengoa website) and, on the other, the “Environmental, social and governance criteria for green projects” (specified in the “ESG Criteria” section of the Second Party Opinion on Sustainability of Abengoa’s “Sustainable Green Bond” issued by Vigeo on September 1, 2014, available on the Abengoa website).

Protocols and Guidelines for obtaining and monitoring green bond-financed project indicators

Fund allocation indicators

Project list: list of projects financed used green bond proceeds.

Allocated amounts (in euros): amount obtained by Abengoa Greenfield, S.A. (Issuer of the green bond) and lent permanently to Abengoa, S.A. (Parent Guarantor of the green bond), and which Abengoa, S.A. has used to finance, partially or wholly, eligible green projects meeting the environmental, social and corporate governance (ESG) criteria established by Abengoa and Vigeo, as defined under the Preliminary Offering Memorandum dated September 22, 2014 until the long-term financing funds associated with these projects have been obtained.

Allocation date: date upon which Abengoa, S.A. uses green bond funds to partially or wholly finance eligible green projects meeting the environmental, social and corporate governance (ESG) criteria established by Abengoa and Vigeo, as defined under the Preliminary Offering Memorandum dated September 22, 2014 until the long-term financing funds associated with these projects have been obtained.

Environmental and social impact indicators

Contribution to the fight against climate change

CO₂ emissions avoided (t CO_{2eq}): greenhouse gas emissions prevented from being released into the atmosphere by the project, establishing for this purpose a comparison between the calculation or estimation (depending on the degree of maturity of the project) of greenhouse gas emissions associated with the project and the energy mix of equivalent technologies in the country of project location.

Contribution to energy transition

Installed capacity, renewable energy source and technology: installed project capacity in MW, in accordance with the project's technical specifications, and identification of the project's renewable energy source and technology.

Kilometers of electric transmission lines and substations: length in kilometers of electric transmission lines and line substations according to the technical features of the project.

Access to services

Households supplied with clean energy: the number of homes powered as the result of the supply of clean energy generated by the project. The calculation is made by taking average annual consumption per household in the geographical location of the project, with household being understood according to the definition established by the country where the project is located, and the average annual production total of the installation, in accordance with the technical characteristics of the project.

Local economic development

Local jobs generated: the total number of direct local jobs generated during project construction and during project operation. The percentage of locally-hired employees is reported for project execution with respect to the total number of employees hired. Taken into account are two tiers of local employees: those of national origin of the country where the project is being executed, and within this category, residents of origin in territorial and administrative areas where the project is executed and which have sub-state entity, formally defined for the territorial structure of a state.

Responsible management indicators

Environmental dimension

CO₂ (tCO_{2eq}) emissions: total direct (Scope 1) and indirect (Scope 2 and 3 emissions are to be taken into account, including emissions linked to supplier goods and services) emissions released into the atmosphere as the result of installation activity. Direct emissions come from sources that are either owned or controlled by the company. Indirect emissions include emissions generated by the electricity acquired and consumed by the project, as well as other emissions that are the consequence of company activities but which occur in sources that are neither owned nor controlled by the company.

Total water consumption and consumption of recycled water (m³): total amount of water consumed by the project, differentiating recycled water consumed from the rest.

Total energy consumption and renewable energy consumption (TJ): energy (primary, electric and thermal) consumed by the project, differentiating between renewable and non-renewable energy.

Total consumption of materials and use of recycled materials (t): consumption by the project of raw materials, differentiating recycled materials used from other materials.

Waste generated and recycled (t): waste generated by the project, differentiating waste that goes on to recycling.

Social dimension

Mitigation of actual or foreseen impacts: potential or actual negative impacts on local communities as the result of project activity, prevention and mitigation measures implemented, and the body affected by said impact.

Investment in social engagement and project list: total investment made in the social engagement actions or activities carried out by the project which are voluntary, non-profit and focused on social or environmental benefit and whose benefits are not restricted to a specific social group. This figure includes:

- › Donations, non-commercial sponsorships and investment funds in the community where beneficiaries are external to the company.
- › Operating expenses of permanent social engagement programs or installations.

Accidents and frequency rate: total number of accidents occurring in the project that affect company employees and subcontracted workers and the frequency at which accidents caused by or resulting from work performed occur.

The rate of frequency is the number of accidents occurring for every one million hours worked.

Hours of training in human rights: total number of training hours provided by the company to company employees and subcontracted workers on policies and procedures related to aspects of human rights that are relevant to their activities. Included are courses conducted on the company's Code of Conduct.

Human rights-related claims and complaints resolved: total number of complaints or claims relating to human rights resolved over the total number of claims and complaints in relation to human rights filed * 100.

Dimension of business ethics and value creation

Purchases from local suppliers: total amount of products and services purchased from locally-based suppliers divided by the sum total of expenditure on procurement of products and services * 100.

A local supplier is understood to be a supplier who has a fixed business base in the country in question, is considered a resident of the same for tax purposes and generates invoices using a tax identification number issued by said country.

SROI assessment of social projects: analyses based on SROI (Social Return on Investment) methodology for gauging the social impact of an investment, enabling computation of the value of outcomes, whether or not these have economic value. The method helps measure the ability to create value of an investment in social engagement programs. The ultimate aim of such analysis is to measure the effectiveness of the PE&C social development programs being carried out to promote social equality.

Referenced:

- › The PE&C project in the country of project location included under the GB.
- › Social return on investment.

Customer satisfaction level: weighted average with respect to revenues of the customer satisfaction value of each project * 100

Suppliers screened following environmental and society impact criteria: total number of project supplier analyses performed in the area of human rights, labor practices and environmental impact divided and the number of high-risk suppliers identified. Excluded are in-house suppliers within the Abengoa organization.

CO₂ emissions associated with supplier goods and services (t CO_{2eq}): total quantity of greenhouse gas emissions generated by project suppliers that are linked to the goods and services supplied.

Number of incidents of non-compliance with the code of conduct and cases resolved: number of incidents of non-compliance with the company Code of Conduct detected, occurring in the project and reported through the internal auditing and control channels, and the percentage of cases resolved.

Corporate governance dimension

Number of issues with high non-compliance and third-party perception risk: number of critical risks (categorized as high risk) detected in the CSR risk analysis performed annually on material Abengoa installations in relation to risks involving non-compliance and/or negative third-party perception.

The assessment is conducted by a personnel committee whose members include the head project manager.

Hours of training in sustainability: total number of hours of sustainability training provided by the company to company employees and subcontracted personnel .

Number of incidents and cases resolved (project control): the number of incidents detected and resolved, occurring in the project and reported through the Abengoa Easy Management project management tool, which gathers all of the information on incidents, cases of non-conformity, actions, initiatives and data recorded in connection with the project, as well as the percentage of cases of resolved incidents.

Appendix E

Independent Panel of Expert on Sustainable Development

Concluding Report of the Independent Panel of Experts on Sustainable Development

Introduction

The IPESD (“the Panel”) was appointed in September 2014, with one new member, Alvaro Fernandez-Villaverde, who is also a member of Abengoa’s International Advisory Council, replacing Charles Donovan, who has given valuable input to the Panel’s work over the last three years.

The terms of appointment of the Panel describe its role as follows:

- **Independent opinion** - To provide an external and independent viewpoint on Abengoa’s CSR

reporting from the perspective of the Panel member’s individual expertise.

- **Challenge performance** - To provide Abengoa with feedback and challenge on its performance

regarding CSR issues.

- **Advise on reporting improvements** - To advise on improvements in the clarity, consistency and structure of the Abengoa CSR report, providing feedback to Abengoa through the question process and through an internal letter of recommendations to management.

- **Advise on materiality** - To evaluate Abengoa’s process of determining which issues are most significant for inclusion in the CSR report. Obtain insight into Abengoa’s own process of ensuring

that a wide range of stakeholder views has been taken into account.

- **Provide insight** - To provide Abengoa with insight on the latest CSR developments around the

world, identifying leading CSR practices (regarding reporting and wider) that could be of interest to Abengoa.

- **Drive value from processes** – To advise Abengoa on how to achieve the maximum value from

the process of reporting in general, and the process of the Panel’s review.

While the review of Abengoa’s Corporate Social Responsibility Report (“CSRR”) for 2013 remains an important focus, the company is calling on the Panel for greater input this year on its views relating to sustainability strategy and objectives. Accordingly the Panel has raised five strategically important issues for discussion with Abengoa and these are placed within the CSRR 2014 with appropriate comments from the company, rather than as a separate section of the Report. This report from the Panel serves to provide context to the issues raised which cover:

- the materiality assessment process (page 7),
- social and environmental performance (page 86 y 96),
- target setting (page 38),

- the reporting framework for the CSRR (page 7) and
- the compliance function (page 63).

The Panel's work comprised:

- A reading of the CSRR 2013 and comparisons with prior year reporting
- The formulation of five key issues for submission to Abengoa prior to our visit to the company
- On the occasion of a visit to the company's Madrid offices in October 2014, an in-person discussion of sustainability strategies and reporting issues with key officers of the company
- Completion of this formal report and the provision of advice to management on sustainability and reporting issues.

As in previous years the Panel does not review the accuracy of the data included in the CSRR, assurance of this data continues to be provided by the company's external auditors and other assurance agencies.

Observations arising from the review in 2014

The Panel believes that Abengoa continues to improve its CSRRs with information which is relevant to its stakeholders. This progress underlines the company's commitment to a sustainable business model and to a wide variety of sustainable activities. The Panel is particularly pleased to acknowledge that recommendations from its previous reviews have been taken up in the CSRR 2013, for instance in relation to the CSR strategic plan 2020 and in the description of energy reduction efforts. The company has now implemented a significant level of integrated management systems for driving and capturing valuable data relating to environmental performance, employee statistics, supply chain and governance issues. We have been impressed by the company's commitment to technical innovation of great significance for reduced GHG emissions, water usage and waste reduction.

Given this strong performance the Panel believes that further major improvements can be achieved in the following areas:

- The CSR strategy should be informed by a few clearly understood aspirational goals. They should include the commitments to action which in Abengoa's view will make the greatest contribution to sustainability. We would look for specific percentages of performance improvement over stated timeframes in eg GHG emissions reductions, water usage, renewable energy generated for own use, etc. These should tie into the company's big sustainability challenges: climate change, energy efficiency and renewable energy growth.
- The annual analysis of material issues based on internal and external stakeholder input should be seen as modifying the above big issues within a shorter timeframe, but there is likely to be significant continuity over time. The most material issues should then be used as the key reporting themes in the CSRR, explaining how they contribute to the company's sustainable performance. This would allow for a tighter focus to the CSRR and enable much information to be referred to in websites rather than being repeated in the Report itself.
- Abengoa may wish to consider a more formal process of stakeholder dialogue, in addition to the exchange of ideas which is the basis of the Panel's work. Such a formal process should ensure that stakeholders selected are those which are significant for Abengoa's business or are themselves directly impacted by the company's activities. Their input should reflect all of Abengoa's key lines of business as well as its geographic presence.

- It is important in the CSRR to report the impacts achieved resulting from the many excellent activities described. We look forward to observing how Abengoa becomes accountable for the achievement of targets and outcomes.
- The compliance function is new to Abengoa. Good progress has been made in establishing the programme of this department. We encourage a full report on its activities in future CSRRs or on a website, including more precisely the areas subject to review, such as human rights and anti-corruption, and the extent to which all lines of business and geographies are covered.

In conclusion we are grateful to the management of Abengoa for their openness in providing information to the Panel and readiness to hear our views and respond to our recommendations.

Signed by the President of the Panel

December 22, 2014

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Contact

This report is available on the www.abengoa.com and annualreport.abengoa.com websites.

Your opinion really matters to us because it helps us keep doing things better each year. Therefore, should you have any comments regarding Abengoa's CSRR13 or Corporate Social Responsibility policy at Abengoa, we would appreciate your addressing them to:

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You can also let us know your opinion by taking the survey on the CSRR that is available to you in the browsable version (annualreport.abengoa.com) of this report.



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