



04

Corporate Social Responsibility

We have a social commitment to actively contribute toward sustainable development and toward the social and economic progress of the communities in which we operate by means of the application of innovative technological solutions.

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The Befesa Corporate Social Responsibility Policy

In Befesa corporate social responsibility (CSR) is considered a strategic factor. It is one of the fundamental pillars of its present and future strategy; and is integrated into its general strategy by means of the environmental, quality and human resources policy and, in general, in each of the management systems of the company. Therefore this corporate responsibility entails the following for the company:

- A legal dimension: scrupulous respect for legislation in force in each and every one of the actions of the Company.
- An economic dimension: generation of sustained value.
- A human dimension: protection of human rights.
- A social dimension: support for the development of the societies in which Befesa is present.
- An environmental dimension: respect for and protection of the environment.

The company business is based on sustainable development, around which its activities and

strategies revolve, which is why the vision, the mission and the values of Befesa reflect its firm commitment with economic and social progress, the preservation of the environment and the respect for Fundamental Rights.

By means of this business model, Befesa positions its activity toward

- The creation of long-term value for its stockholders.
- Service to its customers.
- The professional and human development of its employees.
- The growth of the societies where it develops its activities.

Each and every one of the activities undertaken by the company are carried out in consideration of its model for sustainable development; with a balance that maximizes profits for its stockholders and stakeholders, fully respecting legislation in force and with the utmost transparency.

Furthermore, and in order to clearly show this commitment with sustainable development, the Company supports all types of initiatives relative to the protection of rights.

In 2005 Befesa signed the act of adherence to the United Nations World Pact, or Global Compact. The United Nations Global Compact is an initiative of ethical commitment so that companies from all countries incorporate, as an integral part of their strategy and operations, ten principles of conduct and action concerning human rights, employment, environment and the fight against corruption. Its purpose is to promote the creation of a global corporate citizenship that permits the reconciliation of interests and processes of business activities with the values and demands of civil society, as well as with UN projects, sectoral international organizations, unions and NGOs. Since 2007, when Befesa presented its first progress report, its information is published on the website of the

association (www.pactomundial.org).

Furthermore, and in order to clearly illustrate this commitment with sustainable development, the Company supports all types of initiatives relative to the protection of rights.

The social responsibility policy is based on:

- The Befesa professional Code of Conduct.
- The corporate governance structure.
- A policy for support of the communities where Befesa is present.
- The Befesa sustainable development model.
- The internal and external audit of all its business units and actions.

For Befesa, the adoption of a strategic approach to



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stimulate the CSR has multiple benefits: improvement in risk anticipation and management, the most suitable reputation management, the attraction and retention of talent, greater competitiveness and positioning on the market, greater operational efficiency and cost reduction, improved relations with the chain of suppliers, improved relations with the community where we develop our activities, access to a greater number of sources of capital or improved relations with regulators, among others.

During 2008 Befesa prepared a Master Plan for Corporate Social Responsibility, which implementation was done in 2009 and which involves all company divisions and shall be integrated into all of its businesses, adapting the CSR strategy to the social reality of the various communities in which Befesa is present. Basically, this master plan includes strategic actions that will allow Befesa to develop their distinguishing capabilities in a setting of innovation and sustainable development, anticipating new business challenges relative to sustainability.

In 2009, Befesa has also implemented a reporting system that can efficiently provide the company's

management with reliable consolidated data on an annual basis relating to the relevant quantitative indicators for corporate social responsibility so this area can be appropriately managed and the figures can be included in the company's CSR report. The reliability of the information requires consistency in the consolidated data so that it is traceable and reconstructable, precise and exhaustive, identifying and taking into account the data sources, and the reporting system therefore also has effective internal controls that help to prevent, detect and correct significant errors in the reported data.

Furthermore, in 2010 the company will develop an environmental sustainability indicators system that will contribute to improving the management of its business, allowing it to measure and compare the sustainability of its activities and to establish targets for future improvement.



Interest Groups

For Befesa, its growth and international projection impel it to carry out an action and dialog plan with all stakeholders with which it has contact, which is not just to its own benefit, but likewise to the benefit of society and its setting, so that it may share the good results obtained by the company. In this manner, the Company is increasingly committed to those values that make it recognizable in society, such as the unconditional defense of sustainable development and a firm wager for environmental equilibrium.

The main stakeholders with whom Befesa has a direct relationship are: its own employees, its customers, its suppliers and investors □ as a listed company □, and society in general, which includes the communities where it works, the Public Administrations, in their capacity as contractors as well as legislators and sources of subsidies, and the media. The commitment of the Company with each one of these arises from a constant, simple and direct dialog that Befesa has been encouraging and attending to for years.

Our employees

Human Resource Policy

The human resource policy responds to the mission, view and values of Befesa, and to the strategic objectives of the company and compliance thereof along with the performance of the Strategic Plan. Human capital is what makes it possible to achieve the objectives of the company and what provides the differential competitive values through talent, work and excellence in effort. Therefore, in Befesa, we consider the concept of Suitability as essential in referring to the employee.

The search for Suitability is effectively one of the fundamental objectives of the human resource



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policy of the company: suitability of the employee in his post, both in technical and generic aspects, and suitability in the tangible and intangible working conditions that surround him. It inspires the policy of training, selection, the gauging of performance, segmentation by posts and responsibilities and the policy of retribution and conditions. It is therefore present in each one of the sections of employee development.

In Befesa we wager for a human resource management model based on competence, which allows alignment between the strategic objective, the post and the person (suitability), and which in turn makes it possible to identify and detect talent.

In the current setting characterized by innovation and change, the action of its professionals as well as the ability to attract, develop and retain talent is

essential to the success of any company, and this is why Befesa decidedly wagers for a human resource policy with a twofold objective:

- To enhance, use, transmit and manage the knowledge and experience of top professionals, and to guide the development of competence.
- To permanently endow the human resource organization with appropriate means in terms of the quantity and quality to develop and implement the company strategy.

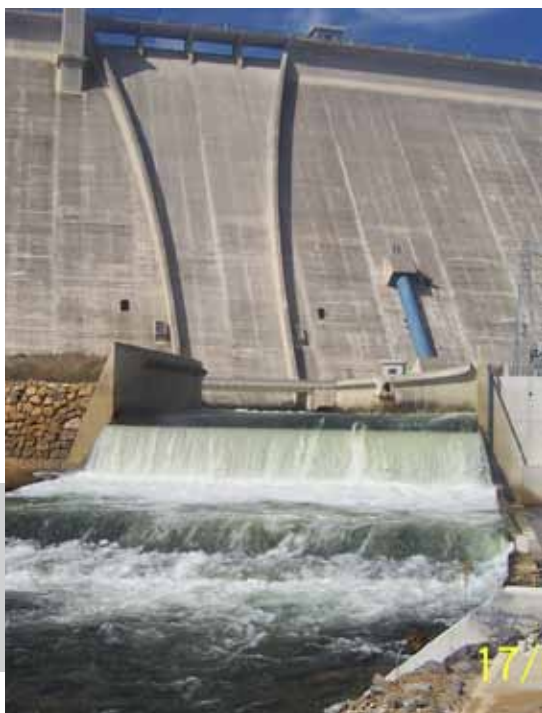
The Company deems employee commitment, their initiative and proactivity, as fundamental, whereby an integral and integrated management system has been developed:

- Integral, as it covers the definition, description and classification of the posts; recruitment and selection to attract the best professionals on the market; training and development with the subsequent career plans; evaluation, management of performance and remuneration, as well as internal communication and social action.



- Integrated, as it contemplates the interrelated processes. The synergies of the different processes must be used and continuity sought, in spite of the autonomy of each (selection, training, evaluation, personnel administration, labor relations, prevention of occupational risks and development), they must all pursue a common objective, which is none other than to enable compliance with the Strategic Plan.

This human resource management system is the means for Befesa to meet the challenges posed, through constant improvement that allows it to maintain and develop a sustained competitive edge, by aligning the human resources with its strategy and seeking excellent performance.



Universal Principles

In its labor practices, Befesa assumes and adapts the professional actions of its employees to the UN Universal Declaration of Human Rights and its protocols, as well as to the international conventions approved by such international organization and by the International Labor Organization (ILO) on social rights (expressly, the United Nations Convention on the Rights of the Child, the United Nations Convention on the Elimination of all forms of Discrimination against Women, as well as specific ones regarding child labor, forced labor, health and safety in the workplace, freedom of association, discrimination, disciplinary practices, working hours and compensation). It likewise assumes the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy of the ILO and the Principles for Multinational Enterprises of the OECD.

Befesa maintains a policy of recruiting, contracting, training and promoting the most qualified candidates, regardless of their race, religion, color, age, sex, marital status, sexual orientation, national

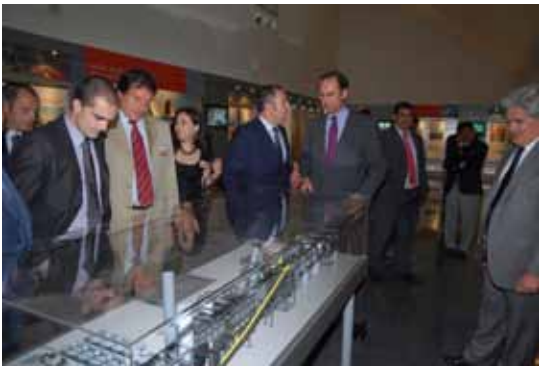
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origin, physical or mental handicap, and expressly and actively rejects any form of discrimination.

Training

Befesa considers that training its employees is an essential tool for increasing the knowledge and skills of people, to enrich their professional life and permit the proper development of their aptitudes

which, in short, is the best route toward the formation of independent and autonomous people. It is also aware that in an environment characterized by innovation and change, the action and talent of its professionals is the differentiating competitive element. Therefore to attract, develop and retain talent has become the key to success and training has become one of its main fundamentals. For this purpose, every year the Company offers a complete



training program, which makes it possible to maintain a team of highly-qualified professionals with a corporate culture.

Our Customers

Befesa maintains the commitment that its products and services are always aimed at achieving full customer satisfaction. This commitment is explicitly contained in the Common Management Regulations (CMR) in force in all companies of the group. These establish the obligation to implement and certify quality management systems, environmental management systems and prevention systems in accordance with international standards ISO 9001, ISO 14001 and OHSAS 18001.

Befesa Certified Companies in 2009

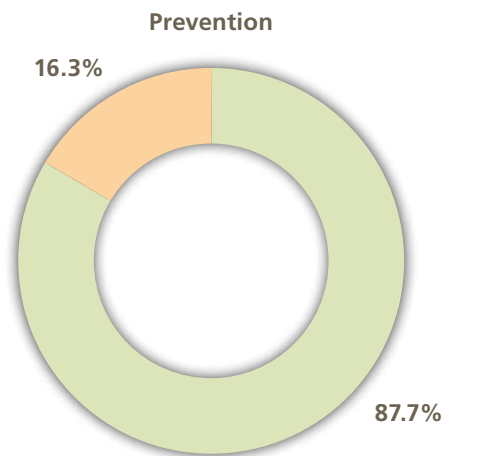
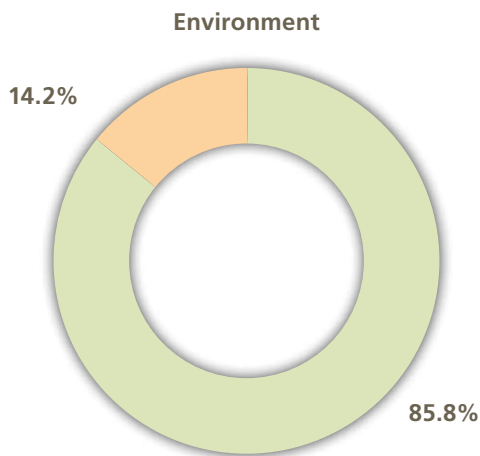
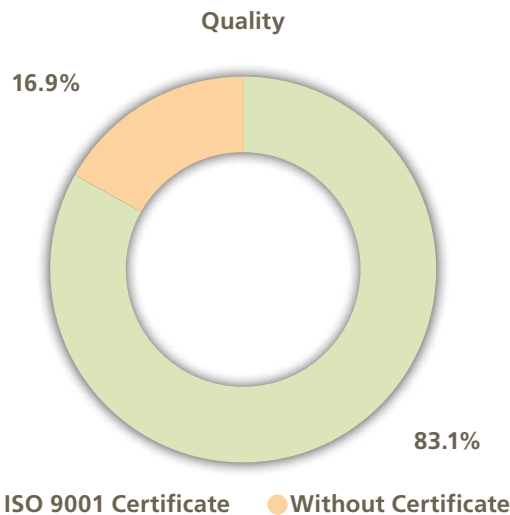
The efficient implementation of the management systems is the result of the guidelines established by Management on the quality, environmental and prevention policy; of the objectives proposed annually and of the constant monitoring thereof, of constant improvement, training and the unconditional support provided by all personnel comprising Befesa.



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The responsibility for the proper operation of the management systems in each one of the companies is entrusted to the General Directorate and delegated to the Quality, Environmental and Prevention Management Department which, ultimately, ensures compliance with the regulations, procedures and legislation in force applicable in each case.

Befesa certified companies in 2009
(% of sales)



● ISO 14001 Certificate ● Without Certificate ● OHSAS 180 Certificate ● Without Certificate

Our Stockholders

Befesa is committed to stockholders and financial analysts to provide excellent attention that makes it possible to furnish them with thorough and precise information within the framework of corporate governance practices adapted to the most demanding criteria.

The Befesa corporate website, published in Spanish and English, is an excellent instrument of particular relevance as a communication channel with all stakeholders and, in particular, with stockholders, investors and financial analysts. By permanently updating this, it is possible to collect all relevant

information so that the decision-making process may take place with a thorough knowledge of the financial and strategic situation of the Company, in addition to complying with the provisions of the stock exchange regulatory agency, the Spanish National Securities Market Commission (CNMV).

Performance of Befesa Stock

The close of the quotation of Befesa stock in 2009 was 14.81 €, 25.51% more than December 31, 2008 (11.80 € per share). The minimum, maximum and average quotation prices for the year 2009 were 11.09 € (February 24), 17.98 € (September 9) and 14.49 € respectively.



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At December 31, 2009, the Company deems the floating capital ("free float") to be 2.62%, after deducting the 97.38% stake of stockholders Proyectos Inversiones Medioambientales S.A. and Abengoa S.A.

According to data furnished to the company by the Madrid Stock Exchange Operating Company, 1,088,640 shares were traded in 2009. The average volume of daily trading during the year was 4,425 shares.

Our Suppliers

Befesa wagers for the quality of its products and services. To do so, it is essential that the company have suppliers aware of its expectations, able to adapt to the needs of the company and maintain a relationship of trust and mutual benefit with it, because these are the sources of that wager for quality.

Suppliers are directly integrated in the development of Befesa operations. The implementation of the best solutions proposed by suppliers makes it

possible to minimize risks and optimize costs and delivery periods. Supplier action is critical for the efficiency in generating high-quality products and services, reducing costs and increasing profits. In order to gauge the efficiency of suppliers, a structured procedure is used that includes the reception of information and opinions from the suppliers themselves under evaluation.

Given the importance of the suppliers to the organization and successful attainment of the objectives, before and during the relationship with them a detailed evaluation is made of compliance with legal, commercial, logistic, safety and health, quality, environmental, technical and post-sale service aspects. All firms of the Company have standardized processes of selection and mechanisms for the control and monitoring of suppliers. The formality of agreements with suppliers is performed by means of the issue of the necessary documentation; documentation that reflects the commitments attained between both parties, from the viewpoint of technical requirements that should be fulfilled by the supplier as well as the commercial conditions that should be applied.



So that the relationship with suppliers may be as productive as possible, and just as it does of the firms comprising Befesa, the Company demands high levels of quality, respect for the environment and a high degree of fulfillment, on matters of occupational safety, of the corporate policy on the prevention of occupational risks. This often translates into the obligation to comply with varying criteria for certification, evaluating the technical and economic capabilities of the certified supplier and giving special attention to the provisions of the policy and internal procedures of the Integrated System for Quality Management, Environmental and Safety and Prevention of Occupational Risks implemented in the organization according to ISO 9001, ISO 14001, EMAS and OHSAS 18001, respectively.

The Environment

Befesa maintains a constant concern for the environment in which it conducts its activities, while at the same time seeking sustainable development; that is to say, the rational and sustainable use of the environment and natural resources. This is why

Befesa identifies and controls the acts deriving from its activity to minimize their effect on its surroundings, through the use of technologies that enable the prevention thereof or through mitigating or corrective technologies.

This commitment to the environment is reflected in the organizational structure of the company and in the environmental principles on which it bases its environmental policy. The following are the principles of such policy:

- Befesa considers the protection and preservation of the environment a priority objective.
- It complies with the legislation and regulations applicable to the company, as well as any applicable to its processes and activities together with any other obligations to which the company subscribes, whether from clients or stakeholders.
- It promotes a commitment of responsibility among all employees for the execution of all tasks covered by environmental criteria in any activity that is conducted or ordered and in all decisions made.



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- It offers an integral waste management service to companies. This process includes prevention, in the first place, to avoid the generation of waste. In the second place, the recycling of any wastes that have already been generated for their subsequent use as an energy source and, in the third place, the shipment of non-recyclable wastes to secure waste disposal facilities centers that are safe and assure the utilization of techniques in accordance with sustainable development.
- It proposes a constant control of the impact of its productive processes on the environment.
- It favors continuous dialog with the authorities and business associations on matters of environmental protection and safety, and fosters good neighbor relations and informative transparency with the population and social organizations.

- It advises and assists customers on all matters related to the handling of their industrial wastes so that this may be done in a hazardless manner and with the maximum safety assurances.

Given the importance of the environment for Befesa, each business unit has a quality and environment manager who coordinates the environmental activity of all work centers.

To achieve success in all of its environmental objectives and in its commitment to sustainability, all members of the organization must be aware of the impact that the activities undertaken from their posts and work have on the environment, and must have diligently pursued suitable training. In Befesa, all training in environmental management aspects forms a part of the general training processes of the group. Each company has an annual training plan based on the competency-based management model of the Company and which involves a systematic evaluation of its efficiency.

The Befesa policy for environmental management and sustainable use of energy and natural resources establishes, as a strategic objective, the implementation of environmental management



systems in accordance with standard ISO 14001 and the European Eco-Management and Audit Scheme EMAS, which facilitate constant control of the possible impacts of its activities on the environment. In this manner, all companies that have attained EMAS certification have their environmental statements validated on the Befesa website (www.befesa.com and www.befesa-gri.com), at the disposal of anyone who accesses it. It is within this framework that the specific objectives for the reduction of negative environmental impacts of the products and services of each company are established. These objectives include the reduced consumption of natural resources and the generation of wastes and emissions.

The environmental management systems implemented in Befesa are very demanding with regard to the monitoring and gauging of environmental impact, as well as the control of associated operations. All activities relating to environmental aspects evaluated as significant should be included in the corresponding monitoring and gauging plan, and in an operational control program.

The Community

For Befesa it is very important to grow together with the communities in which it is present, promoting the creation of bonds to reinforce the long-term relationship between company and society, and respecting and promoting Human Rights in its realm of influence. Befesa develops activities that wager for a sustainable world.

Policy, Strategy and Objectives

Befesa considers corporate social responsibility as a strategic factor and one of the basic pillars of its present and future strategy. This is why it incorporates corporate social responsibility values in its day-to-day activities, naturally integrating them



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into the strategy, culture and organization of the Company, throughout all management systems.

Befesa channels part of its social action through the Focus-Abengoa Foundation. Since its creation in 1982, the Foundation is integrated into the essence of the company and constitutes the active instrument for managing its social work.

The main objective of the Foundation is the promotion of culture in its diverse artistic and scientific manifestations, attending fundamentally to the preservation, dissemination and development of the historical and cultural heritage of Sevilla and its Latin American projection. The Foundation is likewise involved in projects of social insertion and reinsertion, cooperation with the defense of environmental heritage and other activities related to technological and social development, with special dedication to disabled persons.

Programs

In 2009, Befesa developed several corporate social responsibility programs with some of the communities where it performs its activity, which involve an active contribution to sustainable development and to the social and economic progress of the communities in which it operates, by means of the application of innovative technological solutions that work not only to the benefit of the company and the attainment of its strategic objectives, but which also have a bearing on the improvement of the social, labor and environmental surroundings. These activities promote research, training, population development, sports and protection of the environment.



Transparency

Good Governance

Befesa is a company comprised of more than 90 firms, between subsidiaries and investee companies, with presence in more than 20 countries and more than 2,800 employees, with a firm commitment to transparency in management and good governance. It is on these bases that it establishes relations with its stakeholders and practices successful business relationships.

The application of good governance practices, which contribute to increasing the informative transparency of Befesa, generate added value and improve communications with third parties, minimizing risks and maximizing profits.

New technologies are changing the communication channels and models among listed companies and stakeholders. This is why Befesa wagers for fluid communications with all its stakeholders and for the

new communication channels as part of its commitment to transparency and proper management.

Befesa has implemented some Common Management Systems that enable its collaborators to work in an organized, coordinated and coherent manner, allowing them to identify potential risks as well as any control activities necessary to mitigate these. Any procedure aimed at identifying and eliminating business risks is orchestrated through this system, which represents a common culture in the management of the businesses that form a part of Abengoa. Compliance with the Common Management Systems is obligatory for the entire organization, which is why they are known by all members. They are furthermore continuously updated.

In Befesa it is understood that a suitable internal control system must ensure that all relevant financial information is reliable and known by management. This is why Befesa considers that the model



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developed in the Sarbanes Oxley Act, which establishes increased procedures for the control of financial information, completes our Common Management Systems, whose main objective is the control and mitigation of business risks.

Following the doctrine of the Institute of Internal Auditors and its Spanish chapter, the ultimate purpose of this structure is to endow Befesa Management and each one of its business groups with a "control" information line, in addition and parallel to the normal hierarchical line, with criteria for clarity and transparency as well as for safeguarding the confidential information involved. Those responsible for each one of the rules comprising the Common Management Systems should verify and certify the fulfillment of such procedures.

This common structure makes it possible to achieve and certify the following objectives:

- Prevent auditing risks of the companies, projects and activities, as well as fraud, equity losses, operating ineffectiveness and, in general, risks that may affect proper business progress.
- Control the application and promote the

development of suitable and efficient management rules and procedures, in accordance with corporate Common Management Systems.

- Create value for Befesa, promoting the construction of synergies and the monitoring of optimum management practices.
- Coordinate the criteria and approaches to the tasks with external auditors, seeking the greatest efficiency and profitability in the functions of both teams.
- Guarantee the security and reliability of the financial information, verifying and ensuring the proper operation of the controls established for such purpose.
- Guarantee that the information disseminated to the market is truthful, complete and unabridged, ensuring the informational transparency in all distribution channels and types of information.



Fight against Corruption

Befesa has resolved to include in the Professional Code of Conduct the express declaration of adherence of the company to the United Nations Convention Against Corruption, approved by the General Assembly of the United Nations in 2003.

The purpose of the aforementioned text is to promote and strengthen the measures to prevent and more efficiently combat corruption; to promote, facilitate and support international cooperation and technical assistance in the prevention and fight against corruption, including the recovery of assets; to promote integrity, the obligation to render accounts and the due management of public affairs and goods.

Together with the provisions of this Code of Conduct and other Befesa policies, those employees who work with any Public Administration agency of any country are obligated to know, understand and observe the laws and regulations applicable to the development of business with those agencies. If any national, State or local Administration authority has a more restrictive policy than that of Befesa on matters of gifts and bonuses, Befesa employees and

representatives shall comply with such stricter policy. Specifically, the United States Foreign Corrupt Practices Act (hereinafter, «FCPA») typifies as a crime that any companies and their managers, board members, employees and representatives pay, promise, offer or authorize the payment of any item of value to any foreign official, foreign political policy, official of foreign political parties, candidates to foreign political office or officials of international public organizations, for the purpose of obtaining or retaining business with them.

Similar laws have been or are being adopted by other countries. Payments of this nature are directly contrary to the policy of Befesa, even when the refusal to pay them involves the loss of a business opportunity. The FCPA also demands that companies keep precise books, records and accounts, and that they design an internal auditing control system that is sufficient to ensure, among other things, that the books and files of the



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company reflect, in reasonable detail, the transactions and transfers of its assets. Befesa shall neither deliver nor encourage anyone to deliver any type of incentive to any Administration employee, or to any supplier subject to a government or non-government contract or subcontract, for the purpose of attaining any contract or commercial advantage whatsoever.

The Befesa Code of Conduct demands the highest standards of honesty and ethical conduct, including suitable and ethical procedures for handling real or possible conflicts of interest among professional and personal relations; it demands full, precise, timely and intelligible communication in all periodic

reports that Befesa should present to the Managerial boards or in any other communications made. It demands compliance with any applicable laws, rules and regulations; it addresses real or possible conflicts of interest and provides guidance so that employees, managers and board members notify such conflicts to the Company; it addresses the poor use or poor application of goods and business opportunities of the Company; it demands the same level of confidentiality and fair treatment inside Befesa and out. Lastly, it demands the immediate internal communication of any breaches of the Code of Conduct, as well as the appropriate communication of any illegal conduct.



