



03. Management of capitals

03.4 Social and relationship capital

Targets for 2018

- › **Improve knowledge management**, through the implementation of the tools required to make the best use of experience and good practices in all projects and plants.
- › Improve the **quality of projects by measuring costs** that arise from the impact of errors and the rectification of these on the profit margin.

2017 has been a year of change, marked by the final stages of the restructuring process and the **relaunch and normalisation of the company's activity**.

Undoubtedly, the normalisation of the activity could not have been possible without the collaboration, understanding and loyalty of clients. In response to their support, Abengoa has continued working to maintain its **commitment to quality** and to **ensure compliance with their demands and expectations**, despite the recent difficulties.

As far as Abengoa is concerned, fulfilling these objectives goes beyond a mere obligation, even more so during a restructuring process such as the one we have experienced, which only increases the demand for quality in compliance with obligations and commitments.

In this regard, in 2017 the organisation has completed the in-depth review of its quality management system. In addition to other progress made, in this updating process the **quality-at-work controls have been strengthened** by increasing the ratio of on-site resources and we have **improved the process of measuring client satisfaction**.

Furthermore, the organisation has also **reinforced its communication channels** to increase **transparency and the two-way communication** with stakeholders, to minimise the negative impact that may be linked to the company's current situation.

The support and trust demonstrated by key clients has allowed the company to make progress in the normalisation of the business, as well as achieve the 2017 milestones, set out in Abengoa's feasibility plan.

Clients

Commitment to quality

Since its inception, the company has maintained a **quality management system** that responds to the requirements of its projects and which satisfies the demands of its clients.

To respond to the reorganisation of the business carried out over the last year and which has involved a rethink of the central services, the organisation of the Quality function has undergone sweeping changes resulting in a centralisation of resources and a unification of the Management System.

Centralisation of resources

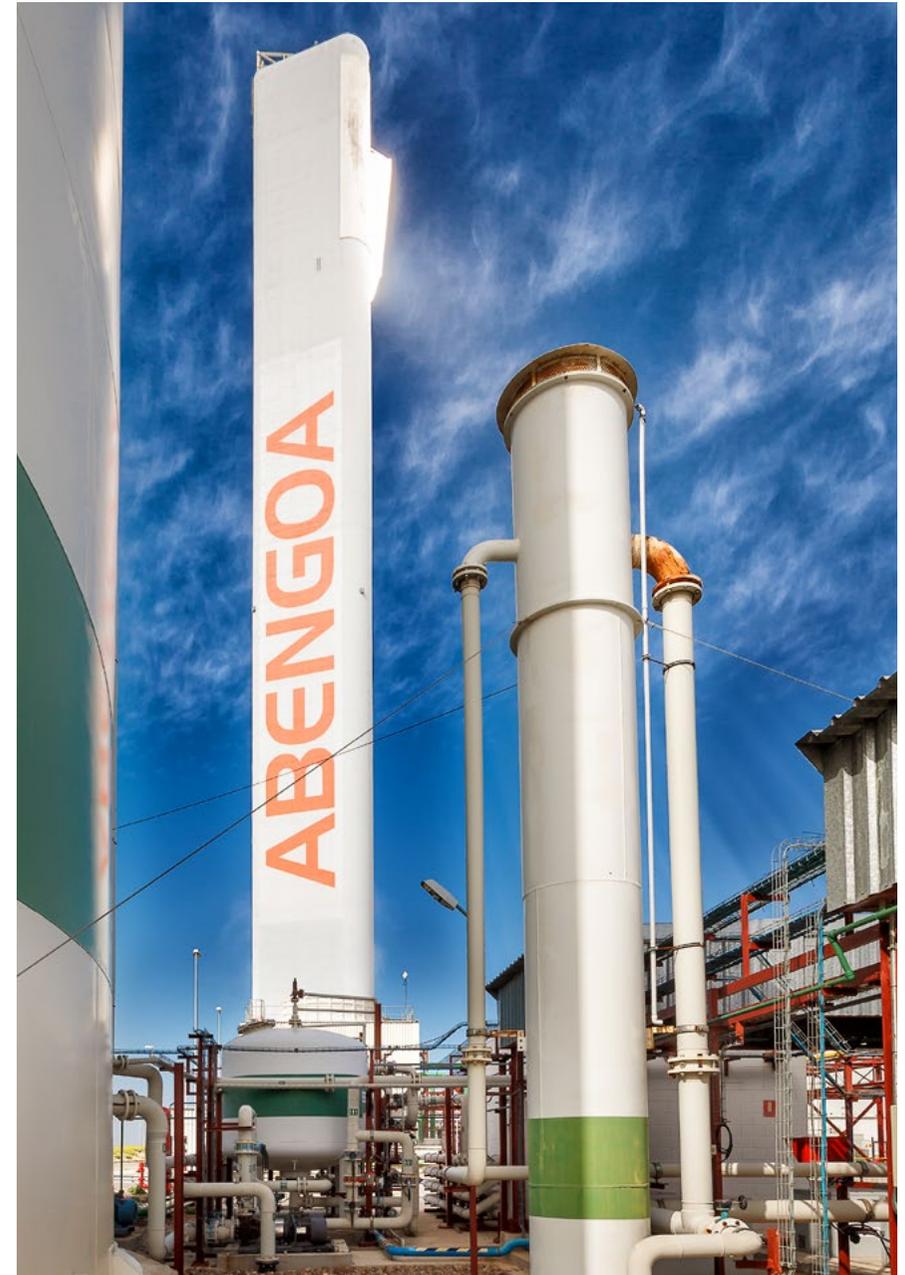
Centralisation in a single Quality department to provide an **optimised service to all business units** and ensure proper application of the Quality and Environment policy throughout the organization, regardless of the area or country where it is located.

Remodelling of the management system

Based on a new unified quality and environmental policy, a management manual has been prepared and all the general procedures have been updated. Likewise, the processes map and risk analysis have also been updated, placing the **emphasis on quality management** in projects and on client focus.

Currently, all of the organisation's products and services are covered in terms of quality by the current certificates of the different group companies. However, taking into account the changes that have occurred and which have been explained previously, the centralised management system is in the process of a **new external certification** in accordance with **ISO 9001**, so in the coming months Abengoa will have a single external certificate covering all the organization's activities.

The unification of common criteria, coupled with **compliance with international standards** in quality management and **models of excellence** recognised as benchmarks in the market, help Abengoa to maintain a qualified focus on client satisfaction, raising operability margins and consequently excellence in the company's management.



Focus on the client

In 2017, the main clients with whom the company worked were as follows:

		Sectors					
		Energy			Environment		Others
		Renewable Energies	Conventional Generation	Transmission & Distribution	Water	Environment	
Activity Areas	Engineering and Construction	Solar power plants (thermal, photovoltaic and solar-gas hybrid)	Combined-cycle plants	Transmission lines AC ⁽³⁾ and DC ⁽³⁾	Desalination plants	Waste recovery plants (WZE ⁽⁴⁾ , others)	Railway electrification
		Wind farms	Cogeneration plants	Electrical substations	Water treatment and reuse plants		Telecommunications, electrical and mechanical installations, Marketing and ancillary manufacturing, Industrial plants, Unique buildings
		Hydro-electric power plants			Transport and distribution of water (pipes and aqueducts, among others)		
	Operation and maintenance	O&M ⁽²⁾ of solar plants (solar energy, photovoltaic and solar-gas hybrid)	O&M ⁽²⁾ of combined-cycle plants	O&M ⁽²⁾ of major transmission systems (transmission lines and substations) AC ⁽³⁾ and DC ⁽³⁾	O&M of desalination plants		Marketing of components for solar power plants, O&M equipment ⁽²⁾ and industrial applications
		O&M ⁽²⁾ of wind farms	O&M ⁽²⁾ of cogeneration plants	O&M ⁽²⁾ of electricity substations	O&M of water treatment and reuse plants		
		O&M ⁽²⁾ of hydroelectric power plants			O&M of water transportation and distribution (pipelines, aqueducts, among others)		
	Concession-type infrastructures	Energy production through solar energy plants (solar power, photovoltaic and solar-gas hybrid)	Generation of electricity from combined-cycle plants	Major transmission systems (transmission lines and substations) AC ⁽³⁾ and DC ⁽³⁾	Production of drinking water and water for industrial through the desalination of seawater or brackish water	Waste recovery plants (WZE ⁽⁴⁾ , others)	Unique buildings (hospitals, prisons, cultural centres, courthouses)
		Energy production through wind farms	Generation of electricity/heat from cogeneration plants		Management of water resources in a river basin	Urban Solid Waste (USW) and forestry waste	
		Generation of electricity through hydroelectric plants			Treatment, purification and regeneration of wastewater from industrial or urban origin		
					Purification of water for human consumption		
		Technology	Licensing ⁽¹⁾ own technology to third parties				

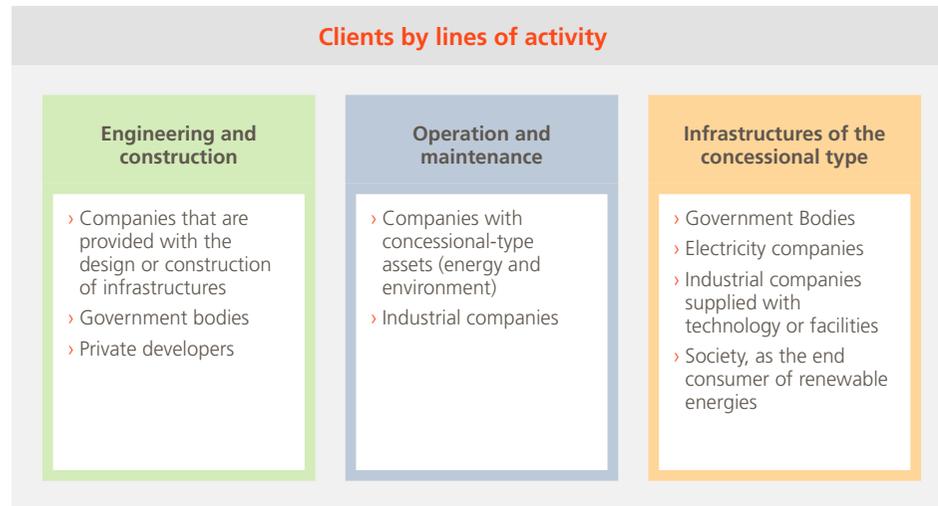
⁽¹⁾ "Licence" is understood as the technology that the company continues to own although it allows third parties to use it under specific conditions.

⁽²⁾ Operation and Maintenance.

⁽³⁾ Alternating Current and Direct Current.

⁽⁴⁾ WZE: Waste to Energy, energy generation from waste.

The company's current business is immersed in a highly competitive environment and it is vital to have a solid client strategy aligned with the values of integrity, commitment and transparency that define the company.



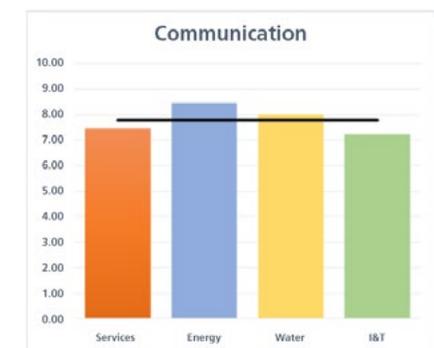
To facilitate the decision taking and to ensure proper monitoring of commercial matters in real time, Abengoa uses **Chatter Salesforce**, an app that enables the commercial network to optimise their processes, registering the opportunities detected around the world so that all users can stay updated and follow their progression.

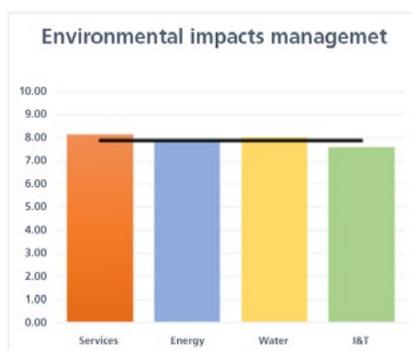
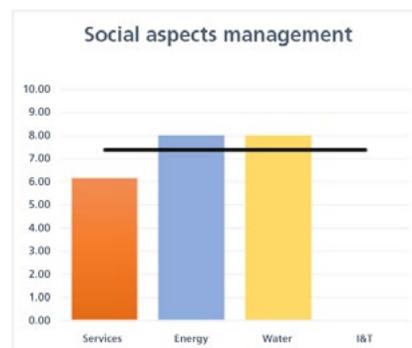
Evaluation of client satisfaction

Given how important clients are to the company, during 2017 Abengoa has carried out a **redefinition of the process of measuring their satisfaction**, to ensure that several aspects are always evaluated, irrespective of the country, nature or type of client being provided with the service. These are:

- › **Quality** of the product or service
- › **Communication** with the client
- › **Management of non-conformities**, complaints and claims
- › Management of **environmental aspects and impacts** related to the product or service
- › Management of **social aspects** related to the product or service
- › Management of **occupational risks** related to the product or service

Furthermore, the analysis is contextualised based on the sector in which the company operates in comparison to the competition. For those clients or processes that the company considers significant, the measurement is made throughout each of the different phases of the project's life-cycle, to ensure that the activity developed by Abengoa meets all of the client's expectations at any given time.





*The results correspond to the main projects in progress and the plants that Abengoa manages.

Management of complaints and claims

Abengoa has a tool that centralises the reception and management of any suggestion or claim: **Abengoa Easy Management**. Claims are rigorously logged and analysed through this application, allocating a person in charge of each case along with a work team where necessary, and also management analysts and observers. In all cases, there is shared evaluation and management for the purpose of closing the incident in a clear and satisfactory manner for both parties, as well as a final assessment of the solution applied and the consequential corrective actions.

In 2017, a total of 239 complaints or claims were registered, of which 158 had been resolved as at 31 December, accounting for a **satisfactory resolution of almost 66 %**.

The main complaints or claims have been for the following reasons:

- › Unsuitable economic resources (28.21 %)
- › Failure in the organisation, supervision and control measures (22.22 %)
- › Failure in performance (17.95 %)
- › External causes (7.69 %)
- › Failure in planning and communications (5.98 %)