

04. Commitment to stakeholders and creation of shared value

# 4.4

## Value for the client



1,107

€M in contracts



35 %

reduction in claims with respect to 2018



7.1 %

increase in pipeline



130

quality professionals



125

process indicators



115

Internal audits



04. Commitment to stakeholders and creation of shared value / Value for the client

2019 has been a year marked by the recovery of the business, which has been reflected in a positive increase in the pipeline thanks to the trust, understanding and loyalty shown by clients during this period.

Although the company's circumstances over the last few years for the company have been complex, its **eight decades of experience** in creating innovative technological solutions for sustainable development and a **great human team** have allowed Abengoa to normalise its activity with the highest quality standards.

One of the **main strengths** it has is its **strong portfolio of collaborators** around the world, which allows it to remain positioned as a **world leader** in the engineering and construction, energy and comprehensive water solutions sectors.

To meet client demands and expectations, improve management and minimise impacts on all projects while maintaining a high satisfaction level, Abengoa has strengthened the tools that allow the company to meet the needs of its clients by maintaining a **fluid and transparent bidirectional communication**. It is also worth mentioning that project managers follow a personalised management approach in each region, offering their assistance to clients at all times throughout their relationship with the company.

### Focus on the client

Abengoa is a company that has a solid business strategy, oriented to its clients and aligned with the values of excellence in **health and safety, integrity, transparency, reliability, client focus, innovation, respect for the environment and professional rigour**, which constitute its identifying traits. *102-2, 416-1*

The company makes its technology and expertise available to its clients in the projects in which it participates.

Type of contract	Capabilities	
	Know-how	Technology
EPC	✓	✓
Engineering and supply	✓	✓
Operation and maintenance	✓	✓
Technological license	✓	✓

### Abengoa's contribution to sustainable development

Energy and water markets are currently undergoing a profound transformation process.

The energy market faces significant challenges, approaching an **increasingly decentralized energy landscape** and with an imminent increase in **renewable energy production**, in order to meet the reduction objectives established in the National Energy and Climate Plans (NECPs).

The drivers of this new trend are mainly **the changes in energy prices** (reduction of solar and wind energy prices and increase in fuel prices) and the increase in **social and business awareness**.

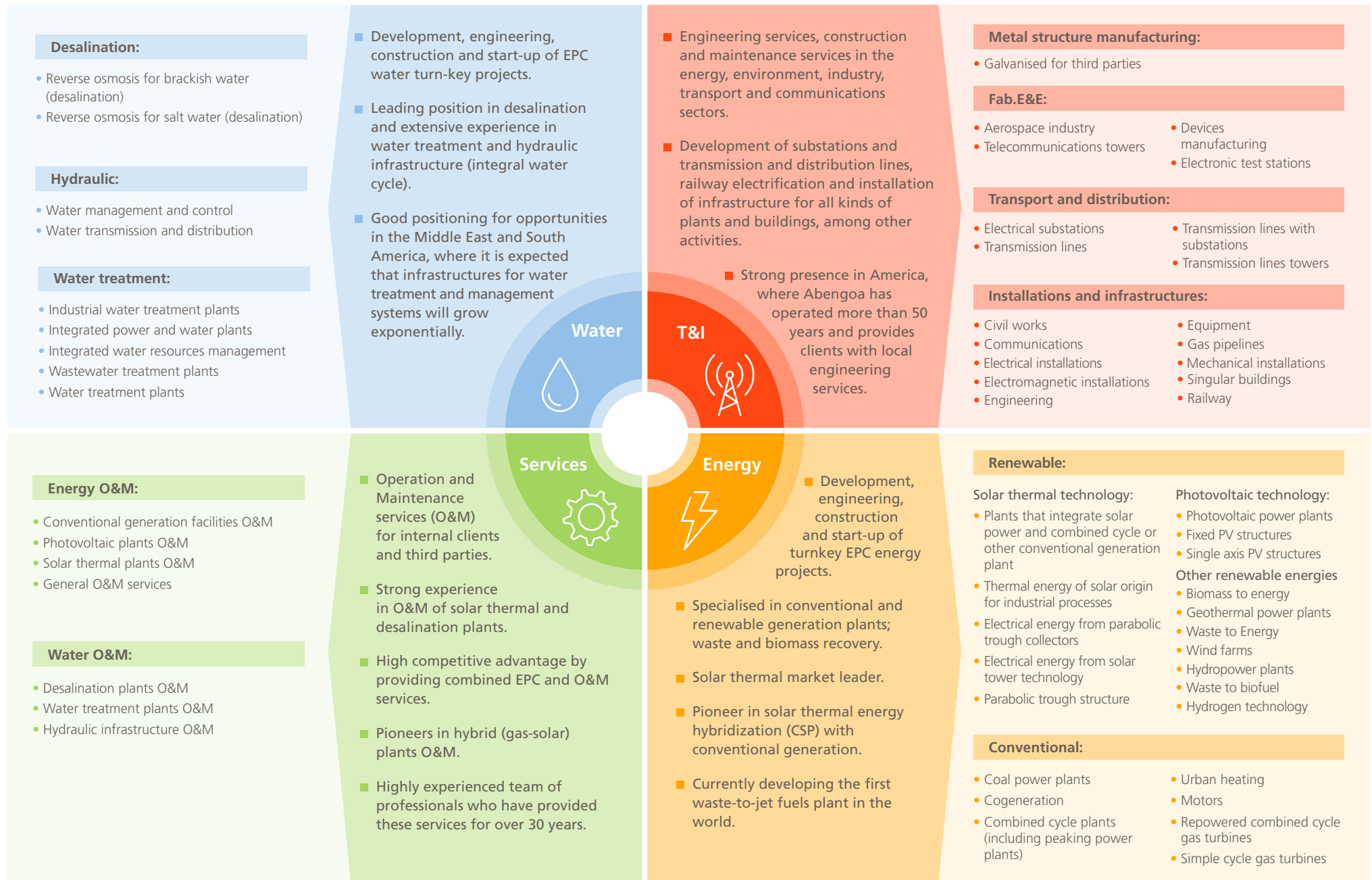
The water market likewise continues to evolve, with a constant increase in demand globally. This fact, added to the effect of climate change effect on water, requires a **constant investment** in water infrastructure.

The desalination market has experienced spectacular growth in 2019 and forecasts point to a 30 % increase in installed capacity over the next five years. Without a doubt, this change of trend means **great risks and great opportunities** for companies.

Aware of this, Abengoa makes a **wide range of solutions aligned with sustainable development** available to its clients in **four major areas of activity**: energy, water, transmission and infrastructures and services.



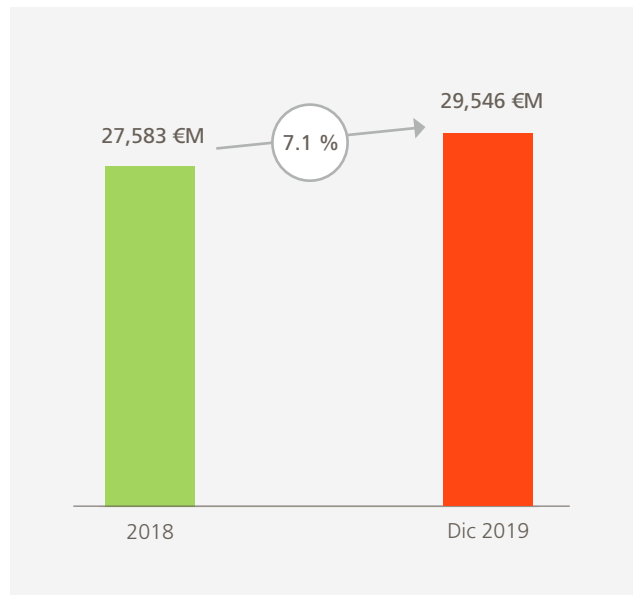
04. Commitment to stakeholders and creation of shared value / Value for the client



04. Commitment to stakeholders and creation of shared value / Value for the client

Pipeline

Abengoa currently has a diversified pipeline, **having increased its pipeline by 7.1 %** with respect to 2018.



Our clients

The profile of Abengoa’s clients varies depending on the type of project, varying for engineering and construction, operation and maintenance or concession-type infrastructures projects.

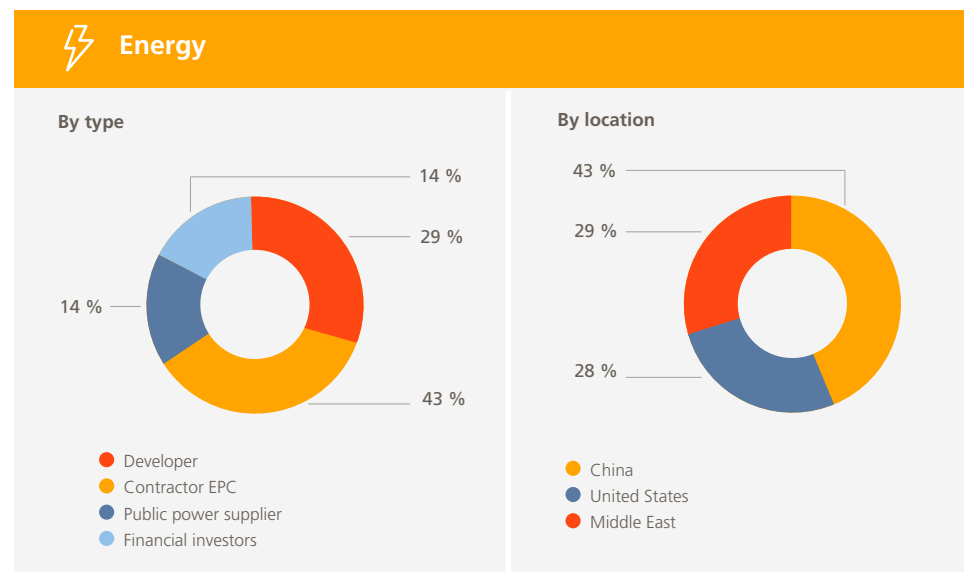
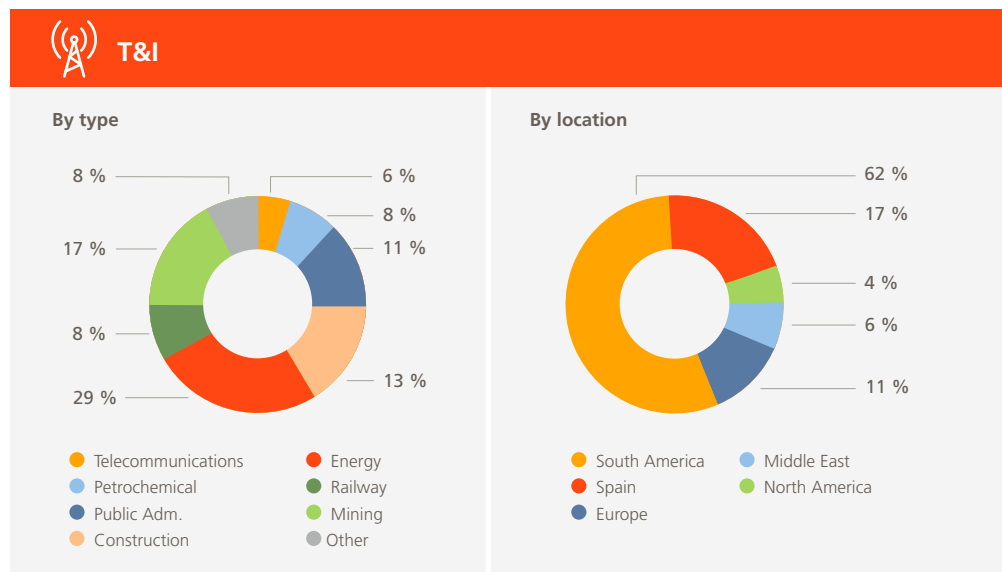
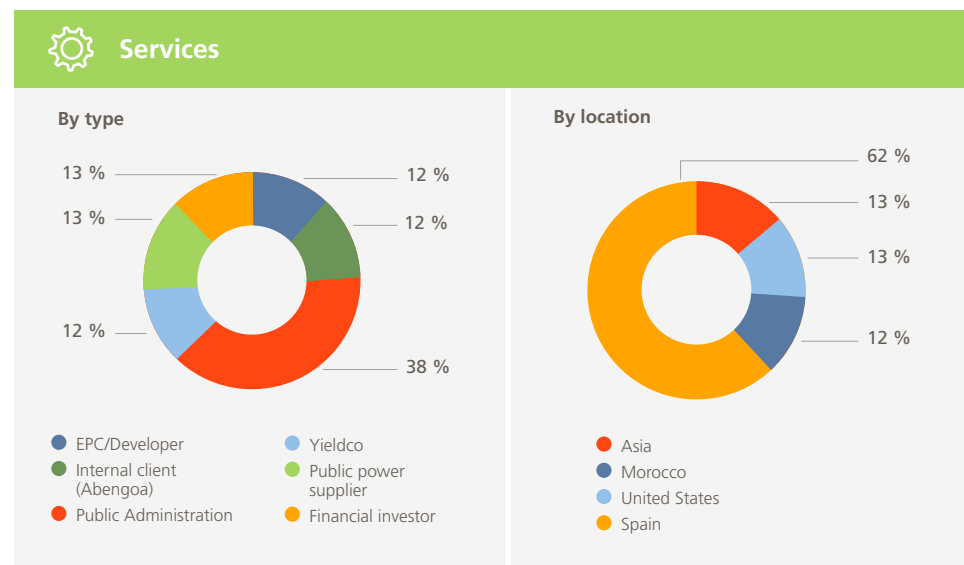
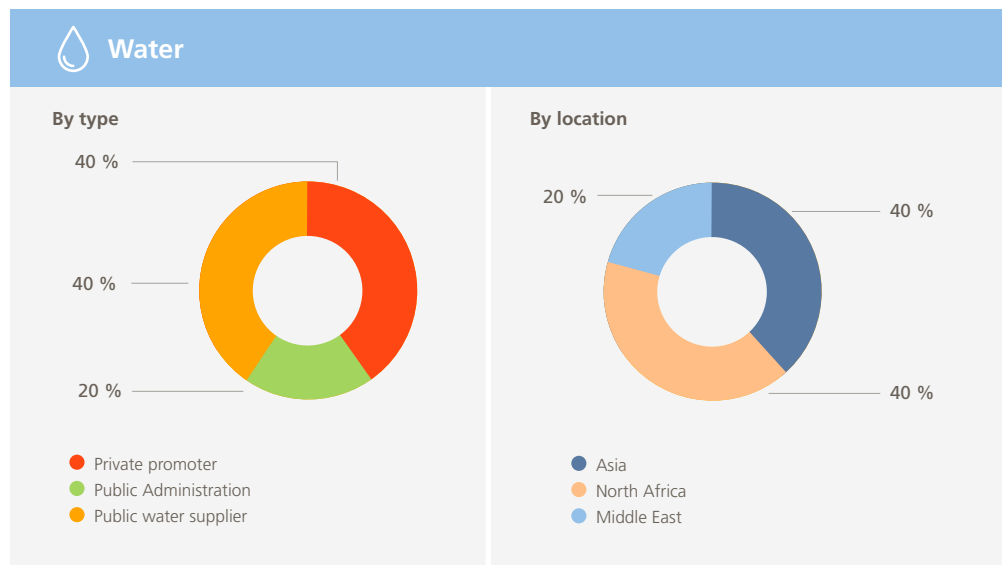
**Clients, by area of activity**

Engineering and construction	Operation and maintenance	Concession-type infrastructure
<ul style="list-style-type: none"> <li>■ Companies for which the infrastructure is designed or built</li> <li>■ Public Administration bodies</li> <li>■ Private developers</li> </ul>	<ul style="list-style-type: none"> <li>■ Companies with concession-type assets (energy and environmental)</li> <li>■ Industrial companies</li> </ul>	<ul style="list-style-type: none"> <li>■ Public Administration bodies</li> <li>■ Electric utilities</li> <li>■ Industrial companies to which technology or facilities are supplied</li> <li>■ Society as the end consumer of renewable energy</li> </ul>



04. Commitment to stakeholders and creation of shared value / Value for the client

Clients by type and origin



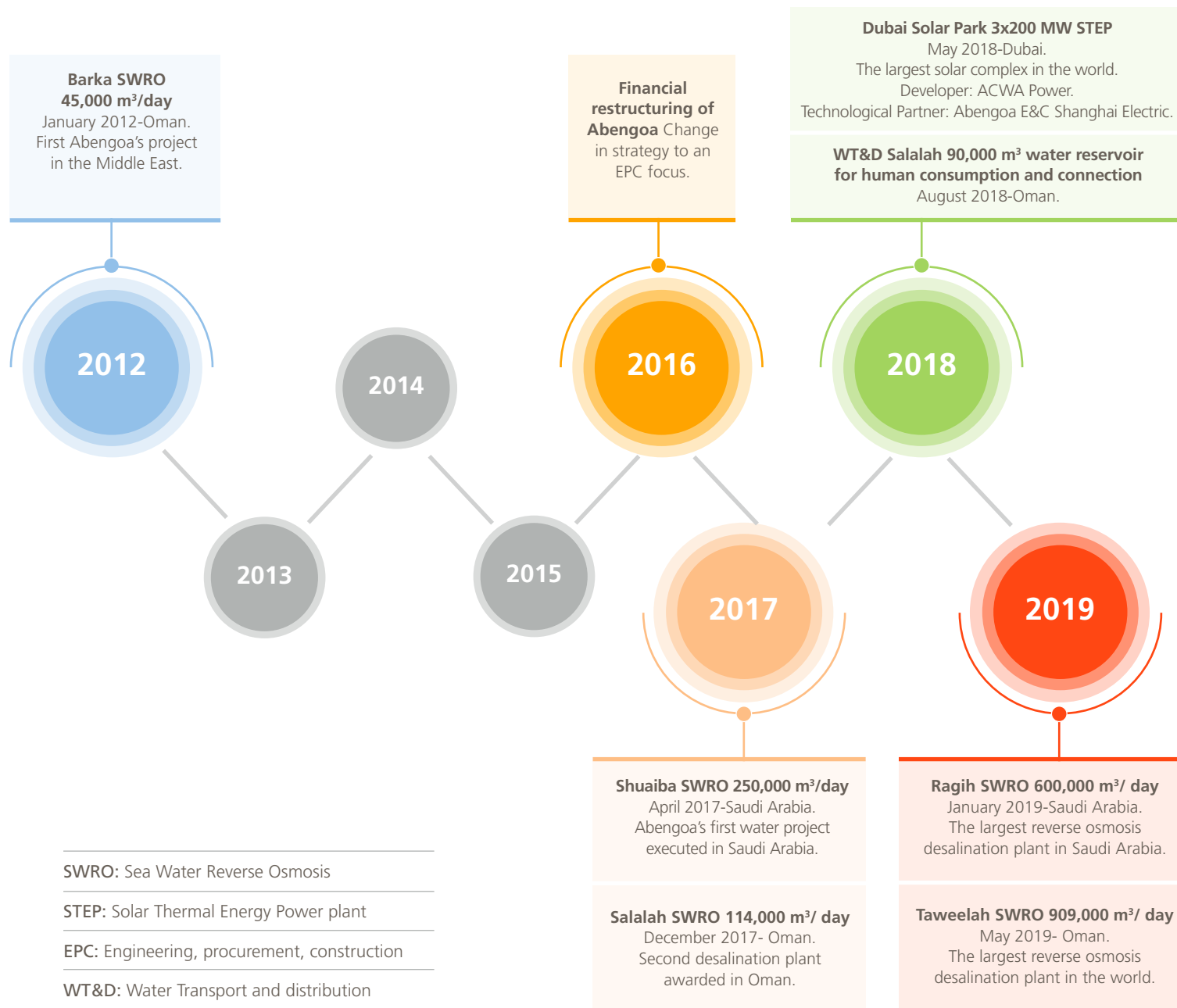
04. Commitment to stakeholders and creation of shared value / Value for the client

Case study



Abengoa has built a solid relationship with ACWA Power, the largest developer of power and water projects in the Middle East. This collaboration began eight years ago and has evolved to culminate in 2018 with a cooperation agreement with ACWA, together with the Chinese firms ICBC and Shanghai Electric (SEC).

This agreement aims at collaborating on future energy projects, identifying joint business opportunities, and establishing a strategic relationship over the long term.



SWRO: Sea Water Reverse Osmosis

STEP: Solar Thermal Energy Power plant

EPC: Engineering, procurement, construction

WT&D: Water Transport and distribution

04. Commitment to stakeholders and creation of shared value / Value for the client

Contracting process

Abengoa undertakes **turnkey projects** covering the **entire value chain**: development, engineering, procurement, construction and start-up, in addition to operations and maintenance.

For the contracting process, the company has **effective business skills**, combined with a **solid risk analysis system**, and a **strict internal review and approval system**, thus ensuring the viability in each project in which it participates.

Abengoa's commercial management is supported by **Salesforce**, a CRM (Customer Relationship Management) system which allows monitoring of all business aspects at any stage of the process, from the identification of opportunities until the awarding of projects.

It allows the sales network to optimise its processes, registering the opportunities detected across the world, so all users can follow their progress, creating synergies between different areas of activity.

Salesforce is fully integrated with the company's risk management system.

Commitment to quality

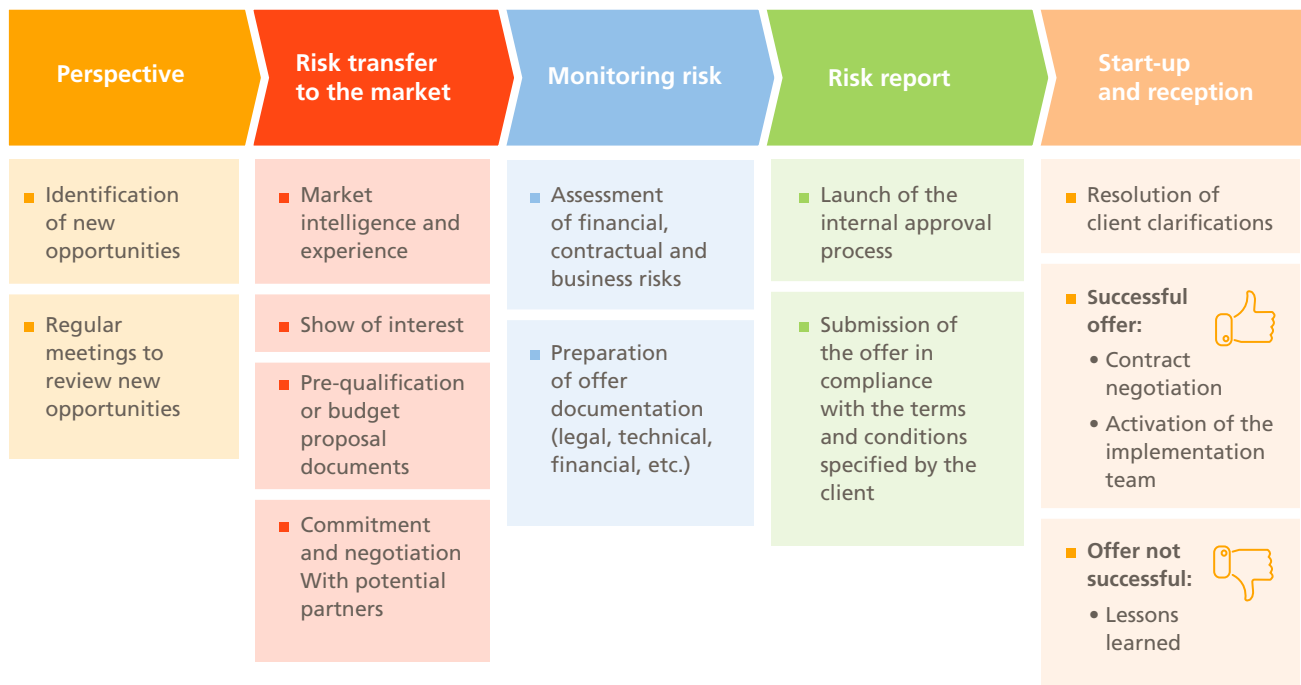
In an increasingly competitive environment, **the quality of products and services** provided has become a **key element** for client satisfaction and, therefore, for the long-term success and sustained growth of any organisation. Abengoa has internalised this need since its inception, maintaining its commitment to quality in all circumstances and without lowering its level of standards at any time. This has enabled the company to **maintain the trust** of key customers over the course of the whole process of restructuring and reorganisation.

During 2019, the company has furthered its **management systems optimisation** process, focusing on quality during the execution of projects and operations and maintenance contracts.

As in previous years, practically all of the works performed in 2019 have been carried out with an **externally certified management system under the ISO 9001:2015 standard**. During this year the structure of certificates has been simplified, reducing their number and combining their scope.

In 2019, **115 internal audits have been conducted** of the quality and environment management systems and **399 nonconformities have been handled** from this process.

The company has had **over 130 specialised resources** in quality management.

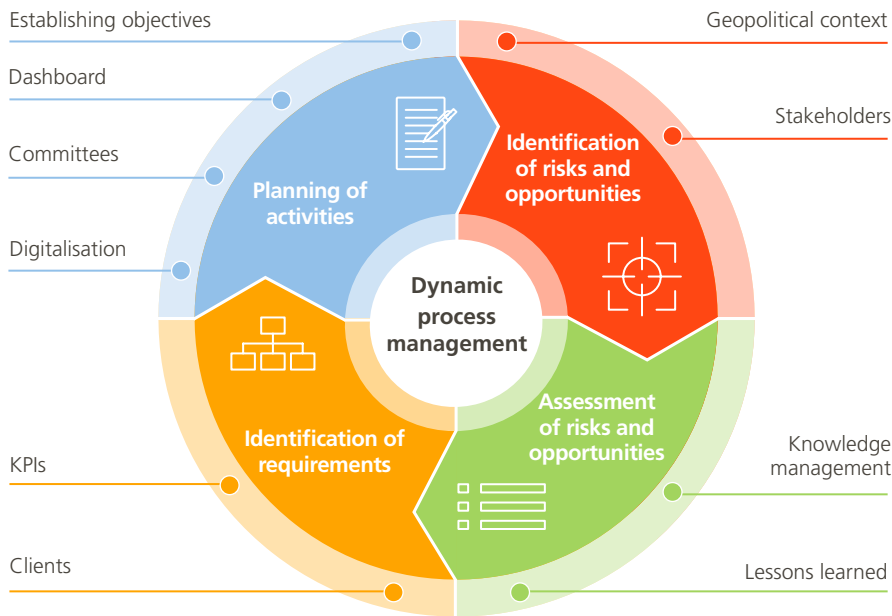


04. Commitment to stakeholders and creation of shared value / Value for the client

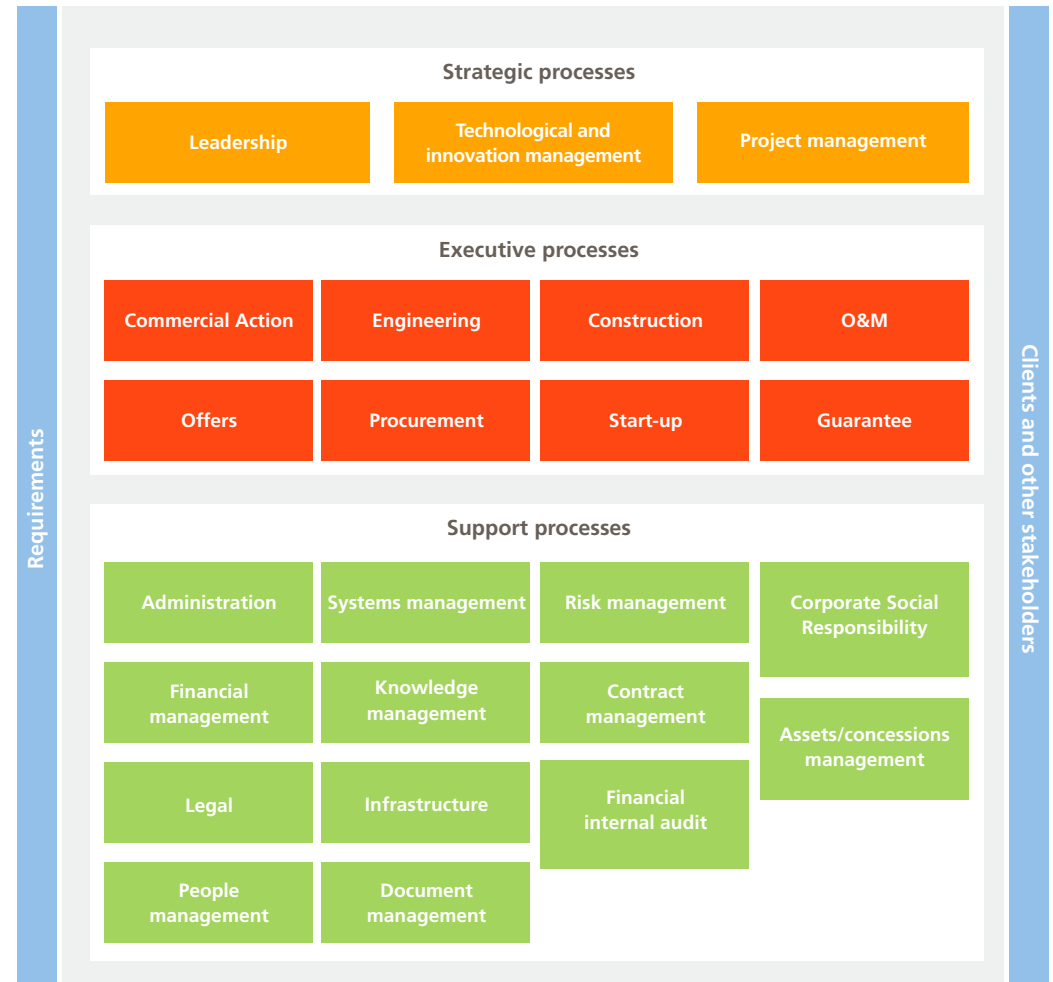
## The quality model

Convinced of the priority to be more efficient in all areas in order to consolidate its recovery and fulfil its growth objectives, Abengoa continues with its **plan to review and improve all processes**.

This optimisation is being performed through an analysis of risks and opportunities that incorporates stakeholders' needs and expectations and the resulting requirements, establishing an activity schedule to **mitigate** or eliminate the potential **negative impacts** and **enhance** the **strengths** and **opportunities**.



At the end of the year, there are **125 defined process indicators** that cover the entire process map and are monitored in some of the regular committees.





04. Commitment to stakeholders and creation of shared value / Value for the client

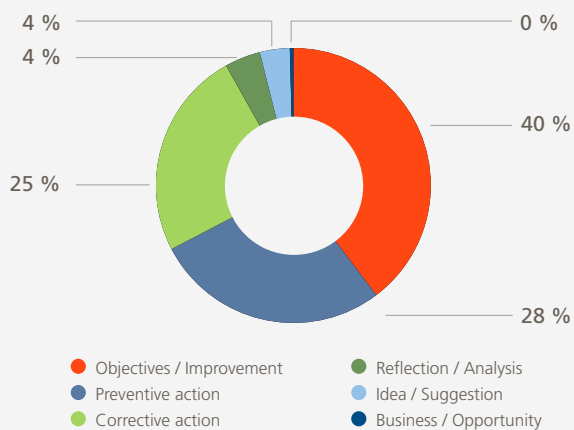
## Commitment to continuous improvement

One of the main goals of Abengoa’s management systems is to **contribute to cost reduction** and **facilitate innovation**. To this end, it helps identify and provide support to all identified improvement initiatives within the company.

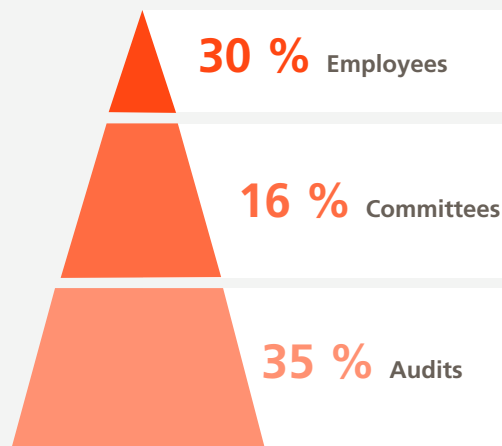
In 2019 **more than 700 opportunities for improvement of various types have been managed**.

### Opportunities for improvement

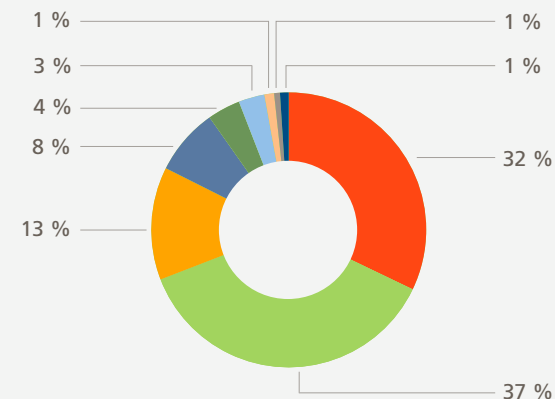
Classification



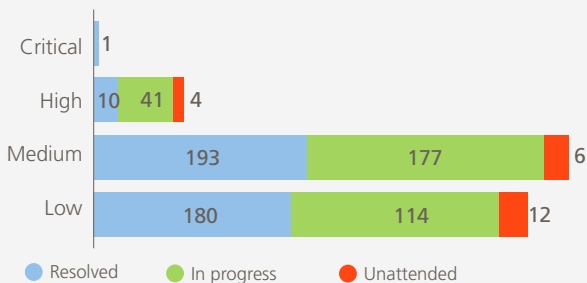
Origin



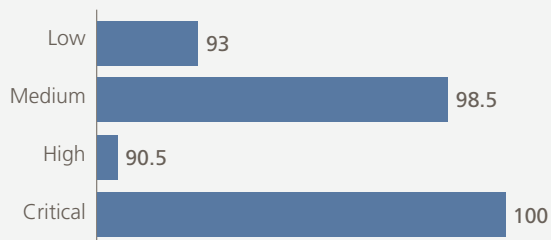
Management system



State of improvements vs priority



Effectiveness of improvements vs priority



- Quality
- Health and Safety
- Environment
- General
- CSR/OSR
- Project Management
- Financial
- GHG
- Other

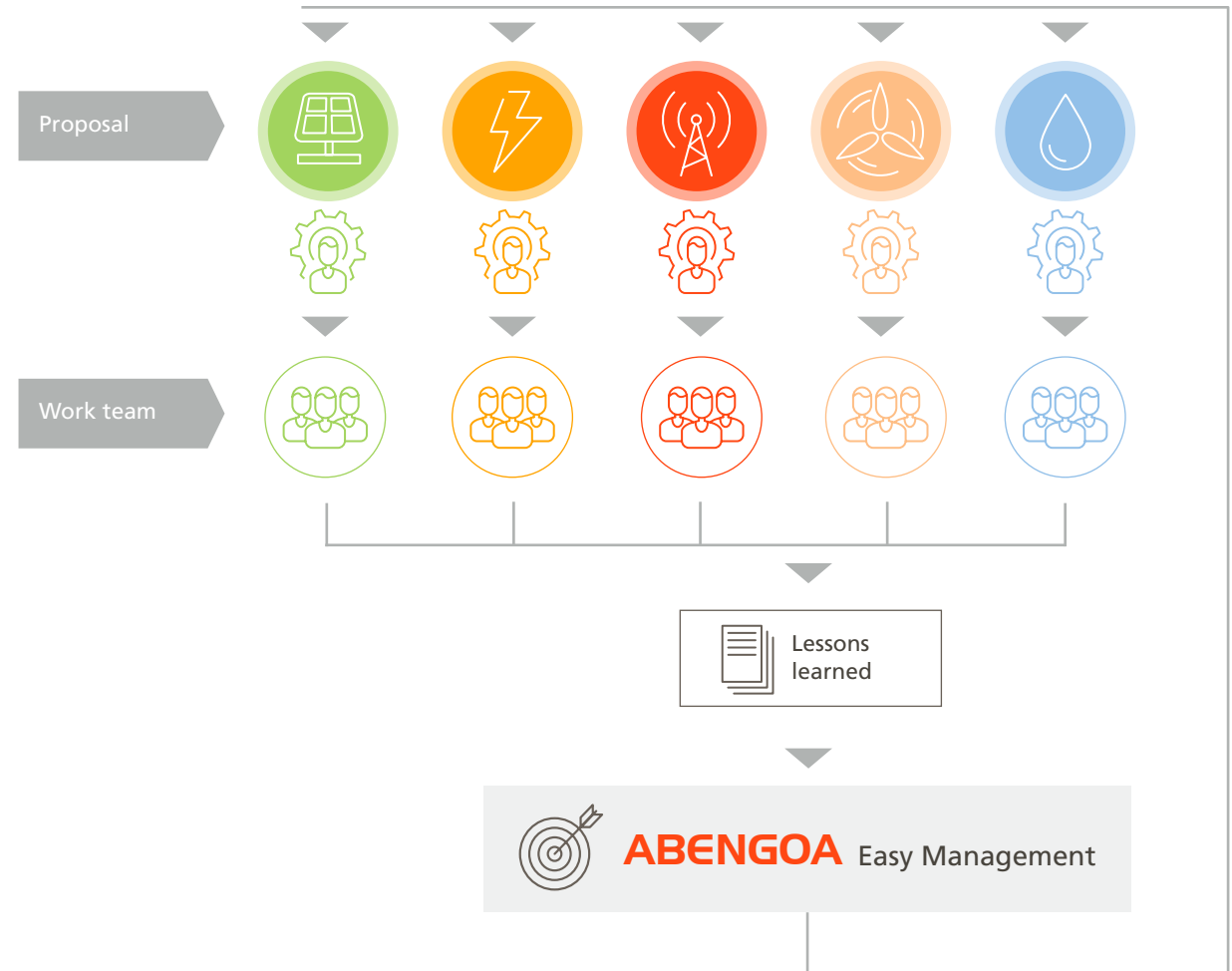
GHG: Greenhouse gases  
OSR: Occupational Social Responsibility

**04. Commitment to stakeholders and creation of shared value / Value for the client**

Another key element of Abengoa’s commitment to continuous improvement is its procedure to manage the **lessons learned** and learning based on experience.

All proposals presented are assessed by teams of experts, who analyse the causes and results. If the lesson learned is assessed as positive, it is transmitted to all applicable projects and activities. Abengoa Easy Management acts as an integrated database and an element that facilitates the dynamics of all process stages.

In 2019 **118 lesson learned proposals** from interviews with the work teams of the projects of Shuaibah, Fulcrum, A3T and North III were added, as well as a meaningful analysis of incidents recorded in the year.



04. Commitment to stakeholders and creation of shared value / Value for the client

## Client satisfaction

For a company to be able to meet its quality standards goals and maintain its commitment to its clients, it is essential to have a **suitable client satisfaction measuring system** that is fully adapted to its **specific products and services**.

Abengoa has implemented a **unified client satisfaction measurement system** in all of its verticals and regions, guaranteeing that consistent data can be gathered through the different metrics, by means of which all conclusions are analysed and handled as required.

The methodology establishes **direct measurement through questionnaires** designed ad hoc for the type of product being assessed. The questions have been selected following a detailed analysis of the projects and of our operations and maintenance activities.

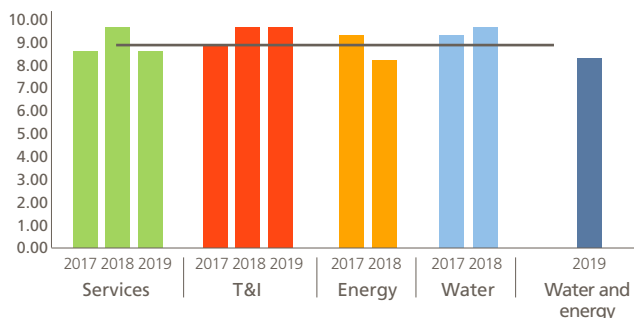
For each response obtained, an individual analysis is performed at different levels, starting with the project team and extending to the corresponding quality committees.

Finally, all received data is **analysed in aggregated form** in order to obtain information and **compare satisfaction on six generic dimensions**:

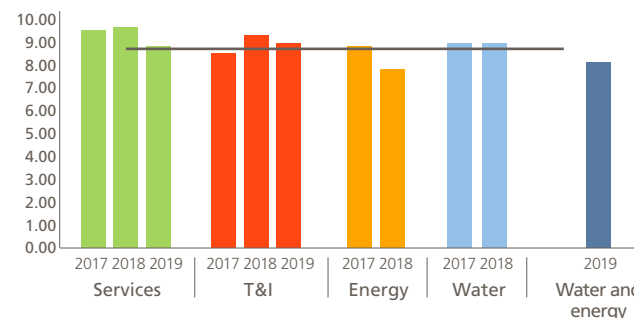
- product or service quality;
- communication with the client;
- management of nonconformities, claims and complaints;
- management of the environmental aspects and impacts associated with the product or service;
- management of social aspects; and
- occupational risk management.

In 2019, the study was of 39 projects and plants, with complete information obtained for 26.

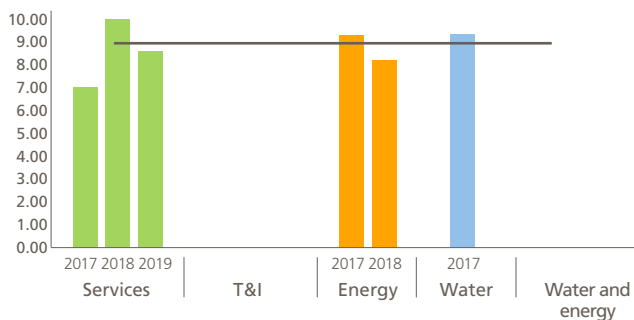
Product or service quality



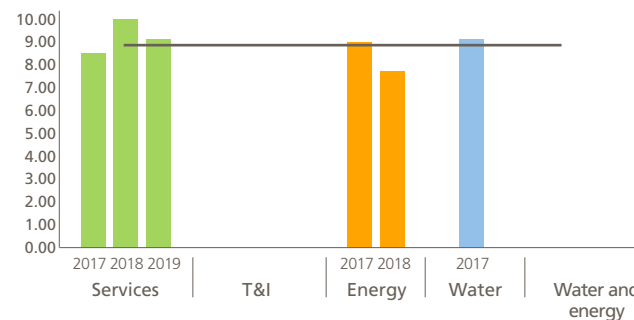
Environmental impacts management



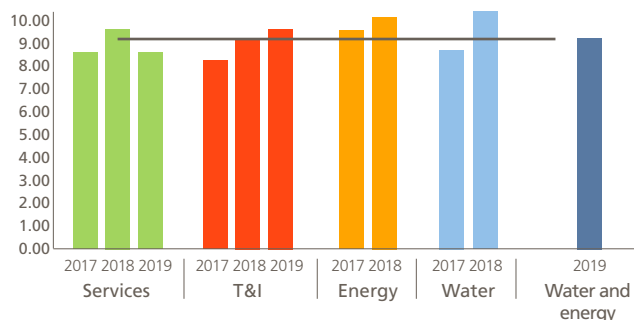
Management of social aspects



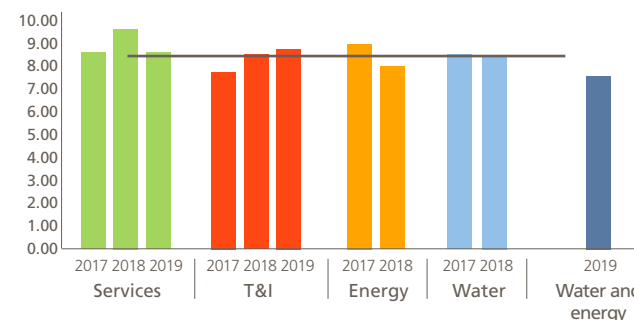
Nonconformities, claims and complaints



Communication



Management of social aspects



04. Commitment to stakeholders and creation of shared value / Value for the client

## Management of claims and complaints

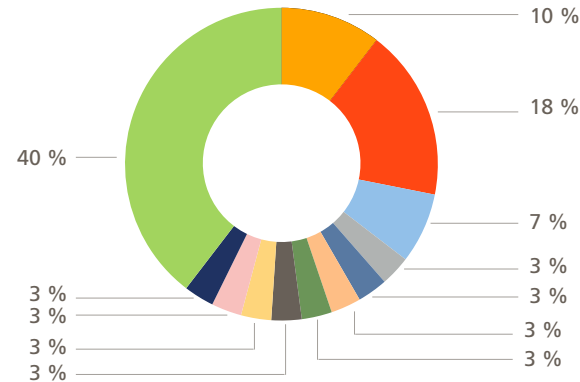
Abengoa has kept open communication channels with its clients at all times, proactively trying to understand their needs, expectations and complaints.

All claims are registered and carefully analysed. A supervisor, work team and observers are assigned to each complaint. The aim is to **guarantee a satisfactory solution** for both parties, with the application of corrective measures that prevent the incident from repeating in the future as much as possible.

The company uses **Abengoa Easy Management (AEM)** to manage all complaints, the corporate tool that manages any of the company's action plans and records incidents and the corresponding corrective actions. **27 claims or complaints** were recorded in 2019, compared to 44 the previous year and 239 in 2017. *102-44*

### Complaints typology

- Control measure errors
- Supervision errors
- HR planning errors
- Attitude errors
- External causes
- Execution errors
- External causes
- Communication errors
- Lack of leadership
- Process definition errors
- Organisational errors
- Other causes



## Future challenges

The quality function, along with other Abengoa's areas have **digitalisation** in its broadest sense as a goal and challenge for the future, not only in terms of incorporating new technologies and automating processes, but with a deeper transformation of the business, making the company more adaptable to changes and more focused on the client.

The main lines of work will be:

- **Resource optimisation:** digitalisation of activities plans, their control and monitoring, work load or compliance indicators.
- **Quality culture:** including the identification and assessment of risks, checklists for processes and activities and recording deviations.
- **Knowledge management:** focused on recording and publicising knowledge, lessons learned and improvement goals.

