Responsible
Procurement Policy of
the OHL Group

December 2011
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Introduction

Origins

The proper management of the supply chain is a key function in any multinational company. Globalization and the growing outsourcing of those production stages with lower value-added has made supply a complex and critical task in many businesses.

In our times it is also a fact that the efficient and competitive supply chain management involves much more than purely economic, logistical or administrative aspects. Accordingly, proper purchasing management has not only become more complex, but has also acquired increasing strategic importance due to its ability to create value for companies.

The OHL Group is undergoing a diversification and internationalization process that began in 2002. One of the most direct consequences of this process is the emergence of significant changes in the size of the Group as well as of the need to understand and manage increasingly diverse scenarios and groups, on which the success of the company also depends.

Mindful of the new challenges, while maintaining our commitment to responsible business management and an effective contribution to sustainable development, in 2010 the Sustainability Committee of the OHL Group developed and approved the Corporate Social Responsibility Master Plan 2010-2014, establishing the roadmap that the company would follow from that moment. As part of this strategy, the purchasing function and the relationship with the supply chain has been declared a priority area for the OHL Group.

Also in 2010, the company published its Code of Ethics, an express statement of values, principles and standards of conduct for the performance of professional activities applicable to everyone in the Group, without exception. This Code is seen as the cornerstone of the company's ethical system and is one of the key elements of the management of Corporate Social Responsibility (CSR) in OHL. The Code includes some general principles that should guide the relationship of Group employees with contractors and suppliers and demonstrates the company's interest in basing this relationship on the principles of CSR.

Objectives

The main objectives of the Responsible Procurement Policy of the OHL Group are:

a) Establish and publicize the Group's commitment in the relationship with suppliers and contractors throughout the purchasing management process.

b) Promote compliance with basic standards and criteria among suppliers and contractors related to human and labor rights, the health and safety of workers, respect for the environment and ethical behavior.

c) Disseminate and ensure awareness and the implementation of the Principles of the United Nations' Global Compact among suppliers and contractors.

Based on these objectives, this policy establishes two requirement levels: Inward ("OHL's commitment to responsible procurement") and Outward ("Criteria aimed at suppliers and contractors").

Scope

The Responsible Procurement Policy applies to all purchases of products and services made by any of the companies or entities of the OHL Group, thus covering all suppliers and contractors of the Group. We also request that suppliers and contractors
transmit the contents of this policy among their own subcontractors. In other words, the content of the Responsible Procurement Policy addresses both direct and indirect suppliers of the Group.
OHL's Commitment to Responsible Purchasing

As noted, the OHL Group's Code of Ethics explains how to transfer the values, principles and standards of conduct that all Group employees should adopt and follow to the unique relationship that the Group's purchasing departments have with suppliers and contractors. And it does so in the following terms:

"The processes for selecting suppliers and contractors of the Group shall carried out in under strict criteria of fairness and objectivity.

Everyone in the Group shall apply the necessary criteria of quality, timeliness and cost in these processes, always acting on behalf of the Group's best interests.

Similarly, the Group shall promote knowledge of this Code among suppliers and contractors for the best application of the principles contained therein.

When establishing business relationships with other companies or professionals, one of the selection criteria will be that said businesses have assumed similar principles of management and ethical behavior to those set forth in this Code."

The Group's CSR Master Plan 2010-2014 specified the management of the supply chain as a core activity and establishes the following framework objective: "Know, control and establish collaborations under the basis of sustainability with the Group's supply chain."

This policy is inspired by this objective and contributes to two lines of work defined in the CSR Master Plan:

- Generate and disseminate a procurement policy based on sustainability criteria to be applied across the entire Group.
- Create spaces for dialog with different supplier groups to transmit the Company's commitments to sustainability and the collaboration of the supply chain for these purposes.

Similarly, the application of this policy will facilitate compliance with the Code of Ethics by all Group employees involved in the relationship with suppliers and contractors, given that it translates the basic principles and rules of behavior contained in the Code that affect this relationship into this context.

OHL Group's commitment to suppliers and contractors

The relationships of OHL with suppliers and contractors are based on respect for the business and professional project that these organizations legitimately represent independent of the Company. At the same time, OHL seeks to build positive links that enable both the Group's business success and that of its collaborators.

To this end, the following commitments have been established for the purchasing departments of the OHL Group in its relationships with suppliers and contractors:

Behavioral integrity and conflicts of interest

The OHL Group, and all persons acting on its behalf, shall maintain strict compliance with current legislation in all territories.
where the Group operates and in all dealings with suppliers and contractors.

Similarly, those who hold the relationships with suppliers and contractors shall undertake this role with the professional integrity and business ethics that characterize the professional conduct of the Group's employees, avoiding conflicts of interest, illicit payments, extortion, bribery or any other form of corruption.

Promotion of sustainable business practice

The OHL Group promotes stable business relationships that will enable suppliers and contractors to meet their needs and economic, social and environmental commitments.

To this end the Group shall monitor the established delivery times and payment terms to ensure that they do not prevent meeting basic labor standards and environmental law or otherwise jeopardize financial sustainability. Likewise, The Group shall also avoid any drastic changes to the agreed terms and condition during the course of the business relationship.

Equal opportunity, transparency and accuracy of information

The OHL Group will promote free competition in its procurement processes, providing clear information on the conditions of participation and evaluation criteria and applying objective, transparent and balanced supplier selection criteria.

Confidentiality and protection of personal data

Non-public information is considered privileged and confidential within the OHL Group, applying the necessary mechanisms to preserve its integrity, availability and confidentiality..

Group personnel who have access to this information in the relationship with suppliers and contractors shall ensure its confidentiality and shall not disclose or misuse it.

Local sourcing

The OHL Group, to the extent possible, will promote and encourage the local sourcing of suppliers and contractors to foster the development of the business and create jobs in the communities where our work is undertaken.

Dialog and communication

The OHL Group will develop the fluid communications with its suppliers and contractors, ensuring they receive timely, clear and truthful information about matters that are of the most direct interest. The Group shall also welcome those claims and suggestions that suppliers and contractors present to further the continuous improvement that characterizes the company and the rest of the management areas.

Lastly, the OHL Group will facilitate responsible performance by its suppliers and build a mutually beneficial relationship with them through the dissemination of the Code of Ethics of the company and this Responsible Procurement Policy and the Global Compact Principles.
Criteria aimed at Suppliers and Contractors

The OHL Group recognizes and values those business organizations that, like OHL, are committed to creating economic and social value. The goal of the supply chain management developed by the Group is to establish areas of collaboration and cooperation in which, based on an attitude of respect and dialog, it is possible to work together towards gradual and continuous improvement.

The Group thereby strives to maintain relations with suppliers and contractors based on the following:

- Mutual respect and trust.
- Dialog and exchange of clear information, so that both parties know and are aware of the commitments acquired.
- A common interest in promoting and developing innovation applied to improving quality of life, work quality, and sustainability.

What the OHL Group expects from suppliers and contractors: Basic guidelines

The OHL Group recognizes those suppliers and contractors that are able to demonstrate that they apply similar principles to those of the company.

In any case, and based on the above-mentioned attitude of respect and cooperation, the OHL Group expects its suppliers and contractors to fulfill the following basic standards of ethical behavior, labor and human rights, health and safety at work and respect for the environment. The standards listed below are minimum standards, not maximum. That is, suppliers and contractors (hereinafter, "the companies") shall not use this policy to avoid exceeding these standards.

In addition to the application of these basic standards, companies are expected to comply with such legislation as is applicable in each case (local, regional, national, international, etc.). In the event that the provisions of the law and these basic standards address the same subject, that proving greater worker protection shall apply in each case.

Lastly, the identification of any failure in any field by companies should preferably be accompanied by the development of corrective actions that pursue continuous improvement in all areas as highlighted below.

Respect for basic human and labor rights

OHL considers respect, protection and promotion of human rights as one of the cornerstones of its CSR efforts and is formally committed to the following initiatives and international organizations working in this field.

The Group respects and publicly supports the content of the United Nations Universal Declaration of Human Rights and the Tripartite declaration of principles concerning multinational enterprises and social policy of the International Labour Organization. Similarly, the Group has included the OECD Guidelines for Multinational Enterprises in its principles by committing to this initiative to develop responsible business conduct consistent with applicable laws.

The OHL Group has signed Ten Principles of the United Nations Global Compact and is a founding member of the Spanish Global
Compact Network since its creation in 2004.

Based on this commitment, which the Group assumes the development of all its activities, OHL expects all its suppliers and contractors to take the basic criteria relating to business ethics and respect for human and labor rights into account in their operations, as highlighted below:

- **Fight against forced labor:** Employment shall be freely chosen. No worker in prison shall be hired against his or her will and the company shall not use forced or enslaved labor. The company shall not employ any coercive action against its workers in order to force them to continue working.

- **Ban harsh or inhumane treatment:** The company shall not allow the intimidation of workers through verbal abuse, physical discipline or abuse, threats or sexual or other harassment.

- **Elimination of Child Labor**. The company shall not allow illegal child labor or any form of exploitation of children. If the supplier encounters children working on its behalf or on the behalf of the suppliers thereof, it shall undertake such measures as may be necessary which take into account, first and foremost, the interests of the child. If the company employs young workers, such employees shall not be in used in any dangerous activity or which otherwise compromises their health, safety or morals.

- **Legal employment.** The work should be based on a recognized employment relationship established through national law and practice or international labor standards (whichever provides the highest level of protection).

- **Respect for freedom of association and collective bargaining rights.** Workers, without distinction, are entitled to join or form unions of their own choosing and to bargain collectively if a significant percentage of them so agree. The company will adopt an open attitude to the activities of trade unions. The workers’ representatives shall not be discriminated against, harassed, intimidated or repressed and can perform their representation functions in the workplace. In the event that legislation restricts the right to freedom of association and collective bargaining, the employer must facilitate, and not hinder, the development of parallel legal means for independent and free association and bargaining.

- **Non-discrimination.** No discrimination will be tolerated in hiring, compensation, access to training, promotion, termination or retirement based on race, caste, birth, sex, age, family responsibilities, religion, disability, marital status, ethnicity, nationality, sexual orientation, trade union membership or political affiliation.

- **Payment of a living wage.** Wages and benefits paid shall, at least, meet national legal standards or local regulations or industry benchmarks, whichever is higher. In any event, wages, less and payment in kind, shall be sufficient to meet the basic needs of workers. All workers must receive written and understandable information about their working conditions in respect to wages before the start of the employment relationship and the details of their wages during the pay period concerned each time that they are paid. No reduction in wages shall be used as a disciplinary measure.

- **Non-excessive working hours.** Standard working hours shall comply

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1 A child is considered as any person under 15 years of age unless local law establishes a higher age for work or mandatory schooling, in which case the greater age shall apply. In cases where local law sets the minimum working age at 14, the lower age will apply as specified in ILO Convention 138 for developing countries.

2 Young workers are considered as all those between the maximum age of a child (as defined above) and 18 years old.
Occupational health and safety conditions

The OHL Group has followed a specific Occupational Risk Prevention Policy since 2007, establishing ORP as a priority all the company's activities. This policy includes those basic principles that the company has committed to follow in the development of its activity and OHL actively urges its collaborators to apply the principles in their own activities.

In any case, the minimum criteria OHL expects suppliers and contractors to take into account in the field of occupational health and safety are:

- The company will provide a safe and healthy work environment.
- The company will take effective measures to prevent accidents or potential harm to the health of its workers that are associated or join during the course of the work.
- The company will minimize, to the extent possible, the causes of hazards inherent to the specific work environment.
- Workers shall receive regular information and training on safety, health and hygiene. This information and training will be repeated for new workers.
- The company will provide necessary and adequate personal protection equipment.
- The company will provide access to clean water and clean restrooms.

3 Also in this line and to facilitate that these principles are taken into account, the Group provides employees of collaborating companies (suppliers and contractors) all the information needed to ensure compliance with the management plans. For example, documentation such as files, work instructions and guidelines for environmental management practices and safe working environments, detailing the guidelines to follow in different subjects.

Respect for the environment

OHL is firmly committed to the preservation of the environment in all its activities, establishing sustainable environmental management, the promotion of a low carbon economy and conservation of ecosystems among the core objectives of its CSR policy.

In addition to the necessary internal strategic tools and management, the Group has various declarations and policies that allow it to meet this commitment. The most important are the aforementioned adherence to the Ten Principles of the United Nations Global Compact, the Quality and Environment Policy Declaration and the Commitment to Fight Climate Change.

Therefore, OHL expects from its suppliers, in addition to strict compliance with the environmental laws applicable in each case, performance similar to that of the company in terms of respect for the environmental.

Ethical behavior

Besides the aforementioned compliance with applicable law in each case, OHL expects its suppliers and contractors carry out their activities under a commitment to ethical behavior based on professional integrity and ethics, avoiding conflicts of
interest, extortion, bribery or any other form of corruption and also avoiding any unfair competition.

OHL's commitment to ethical behavior in relation to its own workers is reflected mainly in the Group's Code of Ethics, which can provide guidance to suppliers and contractors in the application of the principles contained therein to their own business principles and standards.
Declaration

We the undersigned hereby confirm that we have received, read and understood the Responsible Procurement Policy of the OHL Group.

Date: .................................................................

Signature: ................................................................

Name: ...............................................................

Position: ..................................................................

Company name: ....................................................

Company seal: