OHL Group Corporate Social Responsibility Policy

The OHL Group mission is to create value under conditions of economic, social and environmental sustainability, in line with the specific interests of investors, customers, the human team comprising the Group, and all of the persons and entities interested in its successful operation.

Since 2003, the OHL Group has maintained a public and voluntary commitment to sustainable development through its performance in terms of Corporate Social Responsibility (CSR) policy and the series of regulations and processes which form the basis for the company management model in this matter.

Group commitment to the creation of economic, social and environmental value wherever it operates is shared by all of the organization employees. OHL demonstrates this commitment through the adherence to the main initiatives and guidelines led by the principal international organizations related to this matter.

The Rules of Procedure of the Board of Directors assign the Audit, Compliance and Corporate Social Responsibility Committee the functions of identifying, proposing, guiding, advancing and supervising the OHL Group CSR policy, with the Sustainability Committee being the delegate body in charge of its effective application.

The CSR, as a strategic sustainability management instrument within the Group, is structured through strategic action plans which are approved by the Sustainability Committee. The CSR plans focus on objectives which are developed on the basis of lines of action structured in specific measures, with assignment being made of managers, introduction period, and monitoring indicators.

The Group CSR scope of application covers all of the companies forming part of the OHL Group, and all of the persons in these companies. The OHL Group likewise expects a commitment by its business partners in line with the present policy, and reserves the right to collaborate solely with those who are able to accredit this.

Background

The CSR Policy is based on the Group mission, vision, values and Code of Ethics, and establishes the guidelines and principles with which it aims to contribute to the creation of economic, environmental and social value in its various markets.

The OHL Group, in application of the most advanced standards in matters of corporate governance, updates and reformulates its previous policy, taking heed of national and international corporate governance recommendations, and likewise responds to the growing interest of institutional investors and asset managers with respect to the non-financial practices of the companies in their investment portfolios.

The Policy establishes the general action framework and the principle of due control which the Group applies to the strategy and management of Corporate Social Responsibility in its activities and operating environments.

The OHL Group Principle of Due Control

In matters of Corporate Social Responsibility, the OHL Group understands that exercising due control means having policies, regulations, processes and controls aimed at promoting responsible conduct, and at preventing, detecting, and eradicating actions which are not in line with its action principles.

The due control principle applied by the OHL Group within the context of the CSR Policy has the following aspects:

- The Board of Directors and its Audit, Compliance and Corporate Social Responsibility Committee are formally responsible for guiding, supervising and controlling company performance in matters of CSR. In order to do this, they have the Sustainability Committee, the maximum delegate body in which can be found all of the OHL Group directorates represented at the maximum level, having sufficient autonomy and resources in order to execute the guidelines set by the Board. The Board of Directors likewise prepares the Annual Report on Corporate Social Responsibility.

- The company CSR management model is defined in a corpus of regulations, among which can be highlighted the OHL Group Corporate Social Responsibility Regulation, applicable to all divisions, activities and operating environments. The regulations, and the processes and controls which they define, make it possible to ensure compliance with the commitments established by the company in the various areas of Corporate Social Responsibility.

- The Group management and risk control systems are also the responsibility of the Board of Directors, which ensures their adaptation, efficiency and efficacy. Among the risks included are extra-financial risks which could impact its value and reputation. With this aim in mind, the company governance bodies periodically receive information to evaluate and review the risks, as well as the policies, processes and controls established to prevent and meet these risks. Likewise, in order to learn of relevant third-party perceptions, the company has communication channels which make it possible to evaluate their perceptions and expectations.

- The company periodically reviews its practices in good governance and CSR matters in order to evaluate its adaptation to the most advanced international requirements in this regard, as well as the needs of the company itself, those of investors and those of other stakeholders.
Periodically, OHL defines its long-term strategy or approach in CSR matters, which translates into action plans focused on the aspects which are most relevant for the company and for its stakeholders, with clear objectives and monitoring indicators which allow for periodical reporting to senior management and to its governance bodies.

The introduction of the CSR strategy and the development of the action plans is transversal by nature, and consequently all of the Group divisions are involved. The Sustainability Committee is in charge of monitoring the introduction and attainment of the objectives, periodically reporting to the Board of Directors through its Audit, Compliance and CSR Committee.

The company carries out actions aimed at ensuring comprehension of and compliance with its CSR commitments by the persons of the Group and relevant third parties, and provides them with access to channels which allow them to communicate practices which are contrary to the Group Code of Ethics.

On an annual basis, the company reports on its commitments, strategy, performance and actions which, in matters of CSR, may for its stakeholders. Among the reports, mention must be made of the annual reports and other reports of the Group (Corporate Governance and Sustainability Reports). In preparing the information, the company applies national and international standards which are globally recognized, and subjects their contents to a process of external verification. The reports made are then published and made available to third parties sufficiently in advance of its general meeting of shareholders.

CSR Action Guidelines

The CSR plans contain, under a global perspective, the acquired commitments, and they consider possible risks and opportunities in matters of sustainability throughout its value chain. The CSR strategy is continually being reviewed and updated to ensure its adaptation and response to the principal concerns of the stakeholders.

The OHL Group commitment with its stakeholders can be seen in the following action guidelines:

- Adopt the most demanding requirements in matters of corporate governance and ethical conduct, periodically reviewing its practices to ensure that they correspond to what is stated in the Code of Ethics and to third-party expectations.
- Manage and measure their principal impact on social, environmental and ethical matters and maximize their positive impact, generating sustainable value for its stakeholders and reporting transparently and responsibly to its shareholders, to the markets and to society as a whole.
- Exercise due diligence to ensure compliance, promotion and dissemination of human rights, as established in the United Nations Guiding Principles on Business and Human Rights, and likewise the development of remediation mechanisms in the countries where it carries out its operations, should such mechanisms prove necessary.
- Encourage a motivating, integral and safe environment for the personal and professional development of its employees, one in which there is respect for diversity and equal opportunity.
- Have a talent management model which is inclusive and open, based on recognition of merit, and which will ensure the resources required for professional development.
- Work to attain the highest levels of health and safety for its employees, suppliers, and contractors, as well as for other third parties affected by its activities. Establish, as well, safety criteria in all of its business projects and processes, and facilitate the resources required in order to attain these objectives and encourage a culture of prevention.
- Maintain its commitment with the environment and the preservation of biodiversity, and work to transition to a low-carbon economy, in the measurement and reduction of the water footprint and for the conservation of the ecosystems, making use of the best available technologies and processes, and promoting the participation of employees.
- Promote a culture of innovation in all divisions, through the active participation of all the professionals in its full cycle, from the identification of needs to the development of solutions and their final introduction.
- Integrate ethical, social and environmental considerations in all of its business projects and processes, in the procurement chain and with other business partners, and minimize risks through advanced management of environmental aspects, and dialogue with communities and other stakeholders.
- Transmit to its supply chain, suppliers and contractors its ethical, environmental and social values, principles and commitments.
- Support innovative social action programs, and promote corporate volunteerism in its various operating environments.
- Establish clear lines of action and evaluate the impact of the social projects carried out.
- Listen and actively reply to the expectations and concerns of its stakeholders, and communicate its performance in a manner which is transparent, truthful, contrastable and complete.

The Audit, Compliance and CSR Committee, at the meeting thereof held on 30 March 2016, reported favorably on the Corporate Social Responsibility Policy which was presented and approved by the OHL Group Board of Directors on 27 April 2016.