

Over 60 years opening roads under the surface of the Earth

CORPORATE SOCIAL  
RESPONSIBILITY REPORT  
2015





The background of the cover features three large, overlapping, curved bands. The top band is a light, pale green. The middle band is a slightly darker shade of green. The bottom band is a muted, greyish-green. The bands are separated by thin white gaps and curve from the bottom left towards the top right.

CORPORATE SOCIAL  
RESPONSIBILITY REPORT  
2015

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LETTER  
FROM  
LETTER FROM THE **1**  
CHAIRMAN AND CEO  
CHAIRMAN  
AND CEO

I TAKE PLEASURE IN presenting our Corporate Social Responsibility Report for the fourth consecutive year. This document, referring to fiscal year 2015, aims to meet the demand for information from our stakeholders, in line with the Global Reporting Initiative standards, including information on our business activity, the corporate principles on which it is based, and our relationship with our stakeholders.

In an increasingly changing and complex environment, and faced with the realities of the industry in Spain, we have forged ahead on the internationalisation effort undertaken more than five years ago, consolidating our operations in the markets where we already had a presence and entering new countries offering new business opportunities. Within this context, investment in elements that will allow us to distinguish ourselves from competitors, such as quality, innovation and employee safety, becomes an essential consideration.

In line with the company's track record over the past few years, 2015 must be seen as yet another year of consolidation of the internationalisation effort. Total sales remained in the region of €160 million, with international operations accounting for more than 83% of total operations. This was made possible, to a great extent, by the satisfaction of our customers, enabling us to gain new contracts that have assured our continued presence in the markets where we already had a presence.

In an ever more specialised and competitive market environment, it is essential to continuously improve work quality standards, process efficiency, employee safety and strict cost control. OSSA has bet on R&D&I as one of the most important tools to achieve such aims. Our innovation management system allows us to identify innovative solutions to the day-to-day challenges faced in our operations and apply such solutions in the most efficient manner. This allows us to be more competitive and carry out our work more effectively and to higher standards, leading to enhanced levels of satisfaction among our customers.

Proper management of the relationship with our stakeholders has led to a privileged position in the market, where we enjoy a reputation as a leading technological partner for highly complex projects. Our professional staff is the asset that makes it possible to continue to carry out our operations every day; hence it is important to offer them development and growth opportunities within the company. Given the current weight of international operations within our organisation, more than 60% of our professional staff are presently working outside Spain. Therefore, proper management of expatriate staff has become an



essential consideration for OSSA. Suitable plans have been designed to provide all the support they require, such as for instance certain social benefits. Moreover, at OSSA we are highly committed to safeguarding the health and safety of our workers. In this regard, besides the comprehensive Occupational Risk Prevention Management System, we work on a continuous basis to build a safety and prevention culture at all levels within our organisation. Last but not least, I feel it is important to stress that the relationship with our suppliers is based on the aims of mutual benefit and conserving the social and natural environment in which we operate, both of which constitute key aspects in the management of our projects.

With our activities carried out during 2015 we have continued to show our commitment to Corporate Social Responsibility. Our aim for the coming years is to continue consolidating our position as the leading player in underground works in the markets where we are present as specialists.

**Carlos Puente**  
*President and CEO of OSSA*



OSSA: MORE  
THAN HALF A  
CENTURY OPENING THE WAY **2**  
CENTURY  
OPENING  
THE WAY

OSSA'S CENTRAL AIM is to achieve sustained growth over time while making it compatible with respect for the communities in which it operates and their development, as well as the conservation of the environment in an evolving process of responsible innovation and value creation. For such purpose, the company considers it essential to generate stability and motivation among the people making its success a reality, by facilitating their personal and professional growth.



1952

OSSA was founded in Asturias, originally operating in the mining sector (galleries and shafts)

1958

OSSA started carrying out hydraulic works

1975

The downturn in the Spanish mining industry led OSSA to diversify into road and railway tunnel construction

2008

In July 2008 Mercapital acquired a majority shareholding in the company in conjunction with the Management Team

2008-2015

- The Management Team was reinforced with appointments to key positions (CEO, COO, CFO, International Director), while maintaining the expertise of the previous team, in order to achieve the new goals
- Improvements in Management Control and IT Equipment were carried out
- In 2008 the company launched international operations; it has won contracts totalling more than €682 million in Europe, Asia and Latin America to the present date

Over more than 60 years, OSSA has steadily consolidated its position as the leading player within the underground works sector in the Iberian market:

- More than 600 km of tunnels
- More than 75 km of shafts
- Over 500,000 m<sup>3</sup> of caverns



- Solid experience in the mining sector in Peru and Chile.
- More than 7 contracts for the Santiago de Chile Metro project.



- Strong international presence.
- OSSA is present in more than 15 countries.



## 2.1. MISSION, VISION AND VALUES

OSSA aims to continue being the best tunnel construction company in Spain, while at the same time ensuring the continuity and stability of its international expansion. For such purpose, it relies on its extensive experience in highly specialised projects, which has allowed it to achieve high performance levels and a solid reputation based on the satisfaction of its customers and partners. Another key factor for its market positioning is its good relationship with the major construction companies, giving rise to significant opportunities to work with them.

OSSA relies on the following pillars to achieve its goals:

**High levels of specialisation and professionalism in its production processes and activities**

**A team of highly professional individuals closely identifying with the company's aims.**

**International outlook.**

**Solid financial position** assured by the presence of major shareholders from the *private equity* sector.

**Commitment to stakeholders**, with special emphasis on the social impact of OSSA's activities in developing countries.

**A flexible company** constantly adapting to current needs.

**Commitment** to Corporate Social Responsibility across all its activities.

### VISION

## What we dream of

Being a global leader in the underground works execution sector



### MISSION

## What we commit to doing

Generating wealth for shareholders and other stakeholders as underground works specialists, while assuring legal compliance and good environmental and social practices



### VALUES

## What drives us

Commitment

Honesty

Flexibility

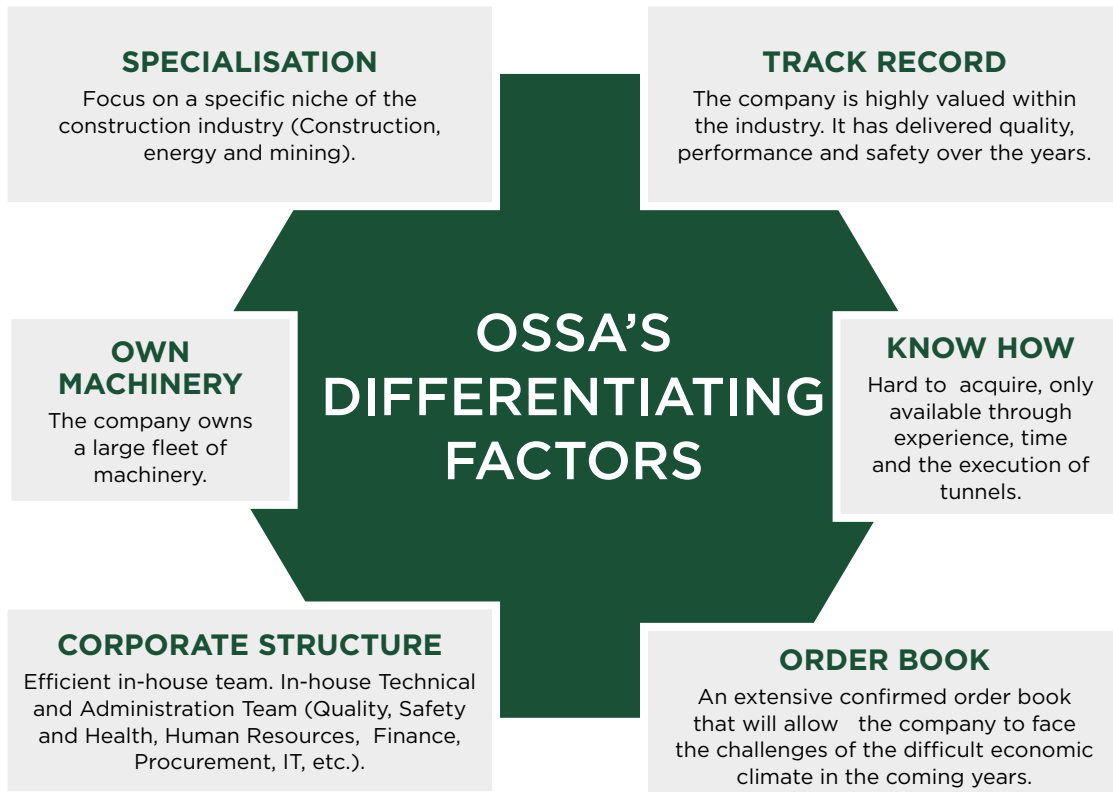
Professionalism





“Given the current weight of international operations within our organisation, more than 60% of our professional staff are presently working outside Spain. Our workers are the asset that allows us to continue carrying out our activities every day”

**CARLOS PUENTE**  
Chairman/ CEO



## 2.2 OWNERSHIP STRUCTURE

Spain's leading private equity group N+1 Mercapital is OSSA's majority shareholder, providing the financial solidity the company needs to successfully carry out its business activities. This major shareholder takes an active part in the company's governance through the Board of Directors.

The minority shareholders include the members of the executive team, ensuring an alignment between financial and professional interests, and the Figar family, founders of the company, ensuring a seamless integration between the company's past and its future.

## 2.3 ORGANISATIONAL STRUCTURE

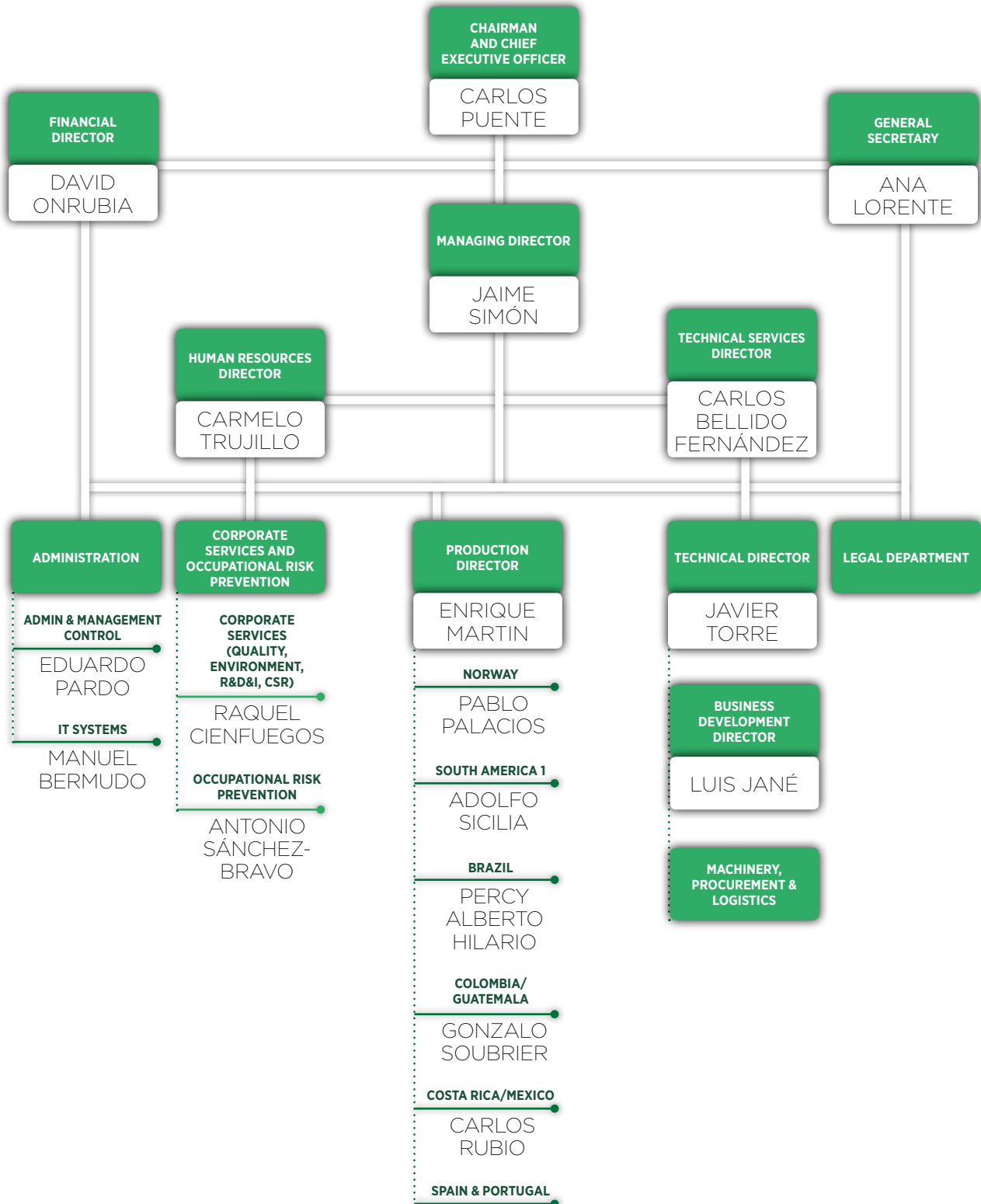
The company has implemented a functional structure that addresses the need for diversifying the company's activities and geographical expansion. The chairman of the Board also holds the position of CEO. He therefore holds all the powers pertaining to the Board, excepting those that cannot be delegated pursuant to the Law and the Company Bylaws, and acts as the visible and effective leader of the organisation.



“Yet another year we have shown a high level of adaptability to the market, strengthening our position in certain international markets thanks to our high specialisation, our workforce and our sustained competitiveness. All of this is the result of the investment in innovation, safety and technical capabilities”

**JAIME SIMÓN**  
Managing Director

# ORGANISATION CHART





## 2.4. CORPORATE GOVERNANCE

OSSA's highest governance body is the Board of Directors, whose members are executives and shareholders of the company, thereby ensuring a suitable combination of interests revolving around common goals shared by those who own and those who steer the company, as provided for in the Company Bylaws.

As OSSA's decision-making body, the Board meets regularly, performing an exhaustive oversight of the company's activity and taking part in issues of diverse nature such as its financial activity, tax matters and even operational aspects, in addition to dealing with Corporate Social Responsibility. OSSA strives to continuously advance in the adoption and implementation of measures related to good corporate governance.

## 2.5. RISK MANAGEMENT

Given the nature of its business activity, OSSA is exposed to different risks of a financial and non-financial nature. It has a Global Risk Management Programme in place, aimed at minimising potential adverse effects on the company's financial profitability. The Treasury Department is responsible for identifying, assessing and managing the risks, in accordance with the guidelines set out in the policies approved by the Board of Directors.



RISKS IDENTIFIED

DESCRIPTION OF RISK

FINANCIAL RISKS

Market Risks	<ul style="list-style-type: none"> <li>• Currency Exchange Risk</li> </ul>	The risk associated with transactions carried out in foreign currency. In OSSA's case the main exposure to this type of risk involves investment transactions in Chile. In light of its growing international presence, the company is implementing the best policy to manage this type of risk.
	<ul style="list-style-type: none"> <li>• Interest Rate Risk</li> </ul>	The risk associated with the fluctuations in interest rates on the assets and liabilities of companies. The risk involving the company's assets is limited since its cash flows are subject to a fixed interest rate. However, this type of risk also involves external resources issued at variable interest rates, mainly based on the Euribor. In general, OSSA looks for the best possible options in the market in order to limit this type of risk. The assessment of such risks is carried out dynamically, through a simulation of the different possible scenarios.
	<ul style="list-style-type: none"> <li>• Price Risk</li> </ul>	This risk is associated with the uncertainty generated by price volatility. OSSA has no significant exposure in this regard since there are no significant investments subject to this risk.
Credit Risk		This type of risk is associated with default on contractual obligations by the parties the company does business with. With regard to the customers for sales and services rendered caption of the balance sheet, a high proportion involves transactions with public entities for which the credit risk is very limited. As for private sector customers, a significant part consists of companies with high credit ratings and no default record. Regular monitoring is carried out of the overall customers for sales and services rendered caption, as well as an individual assessment of the most significant exposures.
Liquidity Risk		This is the risk associated with the availability of cash to meet the company's payment obligations. Transactions with financial institutions booked under the Cash and Cash Equivalents caption are carried out with first-line financial entities with high credit ratings.

NON-FINANCIAL RISKS

Operational Risk		This type of risk refers to financial losses resulting from failures or deficiencies relating to processes, personnel, internal systems or technologies. A broad range of steps are taken to manage this kind of risks, usually involving the implementation of process procedures and the selection of the best technologies and systems to carry out the company's operations.
Country Risk		This risk refers to the overall assessment of the threats posed by a certain country to the conduct of the company's business. It includes geopolitical risks relating to government bodies, and the way in which said bodies influence the legal framework and decision making in the country (instability of the political regime or the government, nationalisation of certain sectors of the economy, unilateral revocation of contracts by the State or repatriation of capital, among others). Internationalisation calls for accurate identification of the principal risks associated with a new market as an essential tool to determine potential target countries for business expansion.
Employee Risk		In addition, the company assesses the risks associated with the safety and security of its employees, a very important consideration when deciding whether or not to enter into a new market, as well as an essential factor in order to identify the steps required in order to minimise exposure of expatriate employees to this kind of risks.

## 2.6. ETHICS AND TRANSPARENCY

Since its creation, OSSA has maintained its commitment toward the various actors that are involved in its activity and interact with the company and its employees. Such commitment is based on the ethical principles underpinning the operation of the company, which were taken into account in the drafting of the Ethics Code, approved at the end of the 2012 fiscal year by the Board of Directors. The Ethics Code calls for establishing communication mechanisms to report inappropriate conduct or potential conflicts of interest, thereby managing all kinds of reputational and other risks in accordance with certain established standards and action protocols.

The Code sets out the basic guidelines for ethical conduct and underpins OSSA's commitment as regards the following main aspects:

### Basic Norms of Behaviour

- Legal compliance
- Respect for human rights
- Ethical integrity

### Relations with and between employees

- Eradication of child and forced labour
- Non-discrimination
- Respectful treatment
- Safety at work
- Trade union freedom
- Personal data protection
- Conflicts of interest

### Commitment to Customers

- Meeting customer expectations
- Transparency
- Customer care services

### Commitment to Shareholders

- Creating value for shareholders

### Responsibility towards Others and Society

- Fair competition
- Honest management
- Research and innovation
- Confidentiality of information
- Promoting biodiversity
- Supporting progress
- Generating wealth in the countries where it operates

### Commitment to Suppliers

- Collaboration with parties certifying the implementation of social and environmental responsibility practices

It is OSSA's firm aim that the Ethics Code should not be a mere statement of intentions but an active business management tool, implemented across all levels and activities within the company.

For such purpose, OSSA has a confidential email address ([buzon\\_canalresponsable@ossaint.com](mailto:buzon_canalresponsable@ossaint.com)) available to send enquiries or to report conduct potentially constituting an infringement of or non-compliance with the Ethics Code. During 2015 no reports of alleged infringements of the Ethics Code were received.

Following the reform of the Spanish Criminal Code, OSSA worked during 2015 on the preparation and implementation of a Criminal Risk Prevention Manual. This manual is intended as a tool to prevent any criminal offences from being committed within the company and to exert appropriate control over corporate activities, thereby meeting the requirements set out in Spain's new Criminal Code.



“We try to align the personal values of the persons making up OSSA with the company's values in order to make a positive contribution to our business”

**ANA LORENTE**  
General Secretary

OUR  
OUR STRATEGY **3**  
STRATEGY



**OSSA HAS A CLEARLY DEFINED STRATEGY**

regarding the operation of the company and its sustainability in the market. The internationalisation process undertaken in 2008, coupled with the professionalisation of the company's management, has significantly marked this strategy. Through investments in R&D&I, acquisition of machinery and staff training, OSSA is driving the development of its business lines in different markets, positioning itself as a leading company with a high level of specialisation in the execution of underground works.

OSSA regards internationalisation as a fundamental factor to ensure the company's growth as a specialist and leader in underground projects. Its contribution in temporary joint ventures for certain contracts is based on offering its partners, usually general contractors, its resources and services as a highly specialised company (engineers, labour and machinery). OSSA also works as a subcontractor for private customers or general contractors in the construction and design/construction of all kinds of underground projects.

**INTERNATIONALISATION**

In 2015, OSSA's international operations accounted for 83% of the company's turnover. International construction projects accounted for 76 % of the business portfolio.



For further information please refer to the "Internationalisation" section

**THE IN<sup>3</sup> STRATEGY**

**INVESTMENT**

OSSA's investments allow the company to maintain a high level of specialisation in a highly competitive and innovative market.

**INNOVATION**

OSSA regards it essential to adapt to customer needs and provide the best services and products through innovation.



For further information please refer to the "Customer and Supplier Relations"



For further information please refer to the "Innovation & development" section



"Suitable risk management and the extensive experience of the company's management have been crucial to the sustainability of the company over time and its future prospects"

**LUIS JANÉ**  
Business Development Manager

BUSINESS IN 2015:  
INTERNATIONALISATION,  
BUSINESS IN 2015:  
INTERNATIONALISATION, **4**  
INNOVATION AND RESPONSIBILITY  
INNOVATION AND RESPONSIBILITY  
RESPONSIBILITY



“Understanding the realities of the market is key to OSSA’s successful performance”

**CARLOS BELLIDO**  
Technical Services Manager

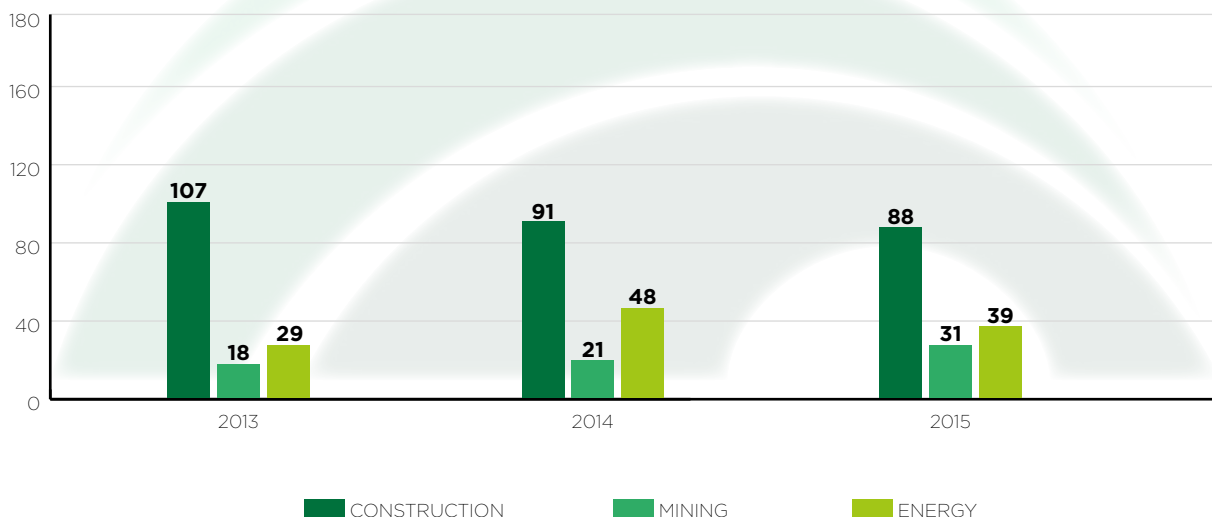
## 4.1. FINANCIAL AND BUSINESS PERFORMANCE

OSSA is a company specialising in underground works, with more than 60 years’ experience behind it. It has three business lines: construction, energy and mining. Since 2008 the company has undertaken the development of its business in other countries.

## BUSINESS LINES

OSSA started operating as a company in 1952 within the mining industry, and in 1958 it started operations in the hydroelectric power sector. In the 1970s, as a result of the downturn in the Spanish mining industry, OSSA started operating in the construction sector. OSSA was essentially engaged in the construction in Spain of road tunnels such as the Guadarrama or Piqueras tunnels and numerous High Speed railway tunnels, until it ventured into international markets in 2008. In recent years, due to the fall in construction and infrastructure projects, the mining business line and especially the energy line have steadily gained weight in the company’s total sales. OSSA’s diversification of activities has enabled it to adapt to the changing environment, allowing it to report 2015 results in line with those of 2014.

Sales by Business Line (€ million)







# construction

OSSA possesses the necessary human and mechanical means to meet the strictest quality requirements in civil construction projects, characterised by their high complexity and social implications.

**TURNOVER** **83** million euros **55** % of global turnover



## ROAD TUNNELS

Within the road and motorway construction sector, OSSA specialises in underground excavation projects using Drill and Blast and NATM (*New Austrian Tunnelling Method*) techniques. Its strengths include experience, a quick response capability and the ability to swiftly overcome singular technical problems in difficult terrain and extreme working conditions, contributing the know-how and experience of its human team and its modern company-owned machine fleet.



## RAILWAYS

OSSA stands out for its specialisation and efficiency in the construction of railway tunnels, from narrow-gauge lines for light trains to large High Speed Railway infrastructure.

## METRO LINES

This type of construction is very important given the rapid growth and expansion of cities, making good communications and high quality transport services an increasingly essential need. OSSA has taken part in the construction of major metro lines and numerous stations and intermodal stations, using shearers, TBMs, traditional tunnelling and other modern excavation techniques and methods.



## HYDRAULIC TUNNELS

OSSA has extensive experience in the construction of hydraulic tunnels in soft terrain using Earth Pressure Balance (EPB) shield techniques and in rocky terrain using open-face TBM equipment. Projects completed range from major transfer pipelines with wider section tunnels to municipal projects involving urban sewerage, working with minimal sections.



The **construction projects worth highlighting** in which OSSA took part **during 2015** include:

**LIMA METRO. PERÚ**



The project involves the excavation of three vertical ventilation shafts 16.5 m in diameter and some 20 metres deep. These shafts shall serve as the starting point of the tunnels with five working fronts. A total of 2,244 metres of tunnels will be executed. The tunnels have a 68 m<sup>2</sup> section and are being excavated by mechanical means. The main means of support are shotcrete, trusses and rib mesh. A hydraulic concrete support is added later.

**SANTIAGO DE CHILE METRO. CHILE**



OSSA continues to work since 2013 on the extension of the Santiago Metro Line. Under an initial contract for two sections of Line 6, it has completed 7,200 metres of tunnel with 65 m<sup>2</sup> section and four stations. It has subsequently been awarded new contracts involving the execution of a further 3,400 metres of tunnels on Lines 6 and 3.

These new projects will allow the extension of the Santiago Metro system to come into service, significantly improving of mobility in the city.

### LOS NEGROS II CONDUIT. COSTA RICA



The project involves the execution of the conduit tunnel for the Los Negros II hydroelectric project. The tunnel has a length of 2,300 and a cross sectional area of 14 m<sup>2</sup>.

The excavation is mainly being carried out using drill and blast methods. Due to local geological conditions, special treatments are applied in certain localised areas to control high water inflows.

### BYPASS TUNNELS IN ACAPULCO. MÉXICO

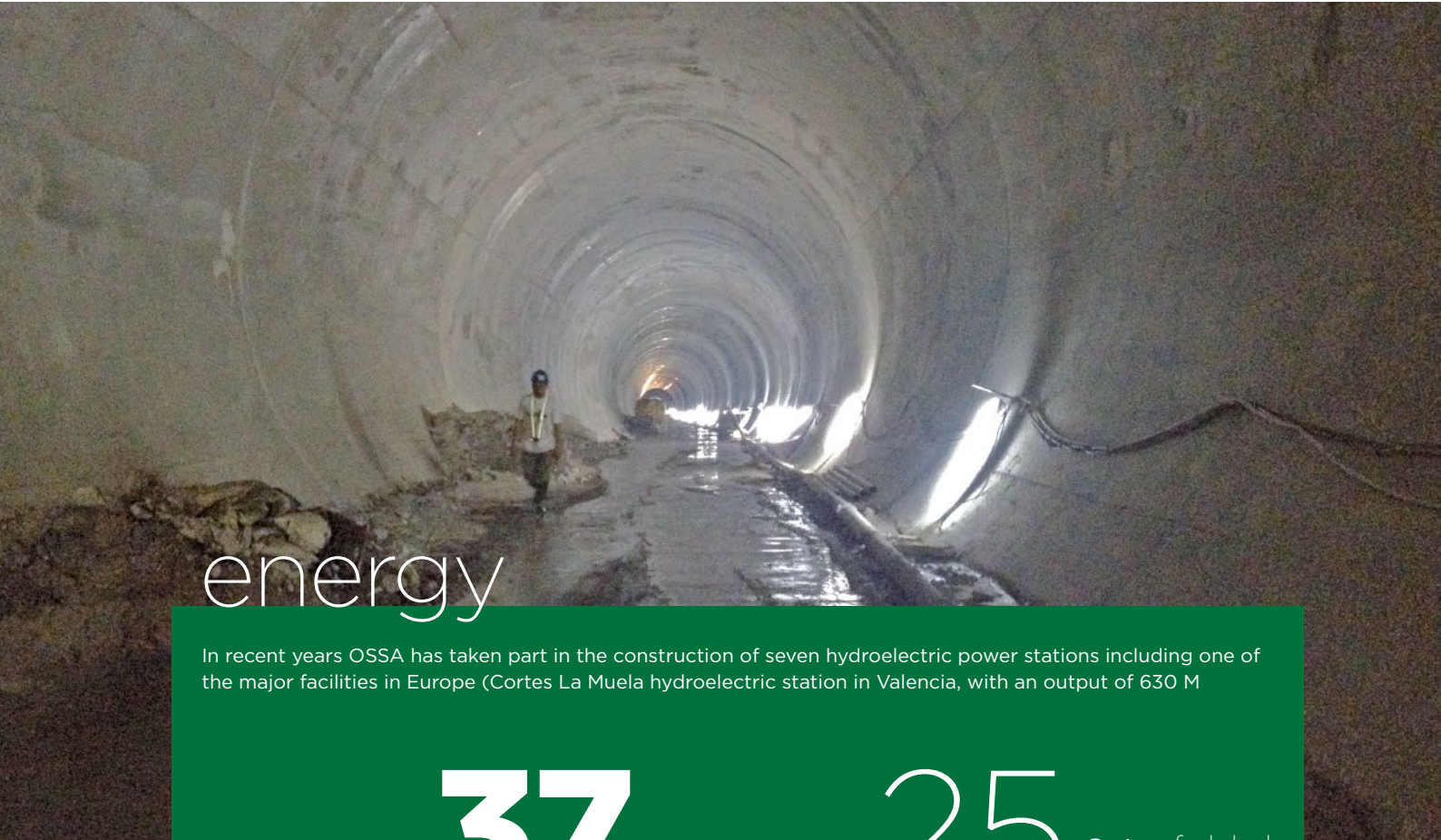


The project involves three road tunnels for the Acapulco bypass. The tunnels, with a 191,3 m<sup>2</sup> excavated section, are:

- Agustín Lara Tunnel, 80 m long
- Costa Grande Tunnel, 90 m long
- María Bonita Tunnel, 480 m long

Excavation will be carried out by the drill and blast method on solid rock areas and by mechanical means in other terrain.





energy

In recent years OSSA has taken part in the construction of seven hydroelectric power stations including one of the major facilities in Europe (Cortes La Muela hydroelectric station in Valencia, with an output of 630 M

**TURNOVER** **37** million euros **25** % of global turnover

### LARGE CAVERNS

Large caverns have the purpose of housing large-sized and extremely costly generating equipment, requiring large housings of the highest quality. The execution of such caverns requires high expertise and specialisation due to the high difficulty involved during the construction stage.



### CONDUITS, DIVERSIONS AND RESTITUTIONS

Hydroelectric power stations involve complementary works of widely varying construction characteristics depending on the diameter, type, length and terrain involved.

The **energy projects worth highlighting** in which OSSA took part **during 2015** include:

### GILBOA HYDROELECTRIC PROJECT IN NAZARETH. ISRAEL



The project involves the provision of technical assistance for the lining of the hydraulic conduits with formed concrete at a pumping-storage hydroelectric power station with an output of 300MW. It is located 60 km east of Haifa and, from 2018, it will increase the country's installed power generation capacity by 2.5%. It will also contribute to enhance the reliability of the power supply and provide an important electric power demand and distribution control tool.

### ENLARGEMENT OF BEKKELAGET TREATMENT PLANT IN OSLO. NORWAY



The project involves the enlargement of the existing treatment plant and includes the execution of several support, reinforcement and structure construction works for the entire plant enlargement project. The project also comprises the demolition and removal of the existing plant's concrete structures and tanks. Singular works worth noting include the construction of five 180m long caverns, as well as access and evacuation tunnels, shafts, digesters and storage and treatment plants.





# mining

OSSA is a leading player in underground works projects for coal, metal ore and ornamental rock mining, mine operation, and infrastructure-related mining.

**TURNOVER** **30** million euros **20%** of global turnover

## VERTICAL SHAFTS AND GALLERIES

OSSA is considered one of the world's best companies in shaft sinking, with a project experience totalling more than 75,000 metres of shafts over more than 50 years. The company also has extensive experience in the construction of more than 150,000 metres of galleries, forming part of the infrastructure required for the subsequent operation of the mines.



## SPECIAL WORKS, OPERATION AND CHAMBERS

OSSA carries out the excavation of large chambers required to house ancillary facilities such as tanks, underground workshops for machinery repair and maintenance, crushing plants, and pump rooms.



The **mining projects worth highlighting** in which OSSA took part **during 2015** include:

**NEW ANDINA TRANSFER SYSTEM. CHILE**



The project consists in the underground construction works for the transfer project, whose purpose is to ensure the production of the mine. The works mainly comprise the excavation by the drill and blast method of a 4,833 m long and 42 m<sup>2</sup> section main tunnel, several access branches, caverns and jackhead pits.

**CHUQUICAMATA MINE. CHILE**



The project consists in the excavation of two parallel air injection tunnels for the future Chuquicamata mine. Each tunnel has an approximate length of 4,320 m and they are interconnected by three galleries, each around 27 metres long.



In addition to these three business lines, Hispano Sueca de Ingeniería S.A. (HISISA), a company belonging to the Group, was incorporated in 1965 for the purpose of carrying out special projects in the field of underground works, including demolition of buildings, bridges, concrete plugs in dams, blasting in open pit mines, and singular excavations requiring cutting, pre-cutting, projection and vibration control. In addition, HISISA completes the services it has provided over more than 47 years with solutions that add value to underground works, including the waterproofing of tunnels, galleries, shafts, caverns, etc, assessing the conditions to determine the most suitable technique to carry out the work with its available resources to the quality standards required to ensure enduring underground infrastructure.

Among the techniques used for waterproofing tunnels it is worth highlighting the following:

**Geotextil.**

**Waterproofing membrane (PVC), thermowelded with central channel overlap, thermowelded layer or with washer seals and weld control.**

**Waterstop seals.**





“Customer satisfaction must be the main goal of our activity. In Chile such satisfaction has underpinned our continued presence in that market through the award of new projects”

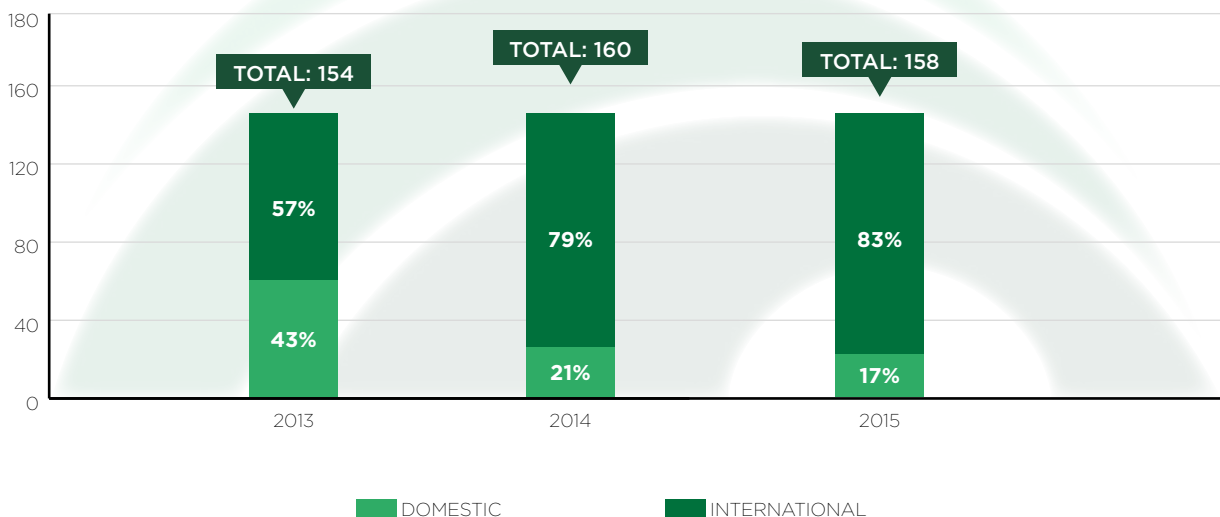
**ADOLFO SICILIA**  
Country Manager Chile & Peru

## INTERNATIONALISATION

Since OSSA undertook a profound strategic change in 2008, involving the transition from a family-owned company with nationwide scope to an international corporation strongly committed to leadership and value creation, it has earned a reputation as a specialist company capable of offering its technical expertise and capabilities anywhere in the world. OSSA's current order book outside Spain totals USD 250 million, including projects across three continents: Europe, America and Asia.

The company operates in one of the most highly specialised and difficult fields of civil engineering, which has driven its international expansion. OSSA currently operates in 18 countries across the world, within three geographical areas: Europe, Latin America and Asia. International operations accounted for 83% of the company's turnover in 2015, an increase over previous years. Geographical diversification, as well as the diversification of activities, has been a key factor in the evolution of the company during 2015.

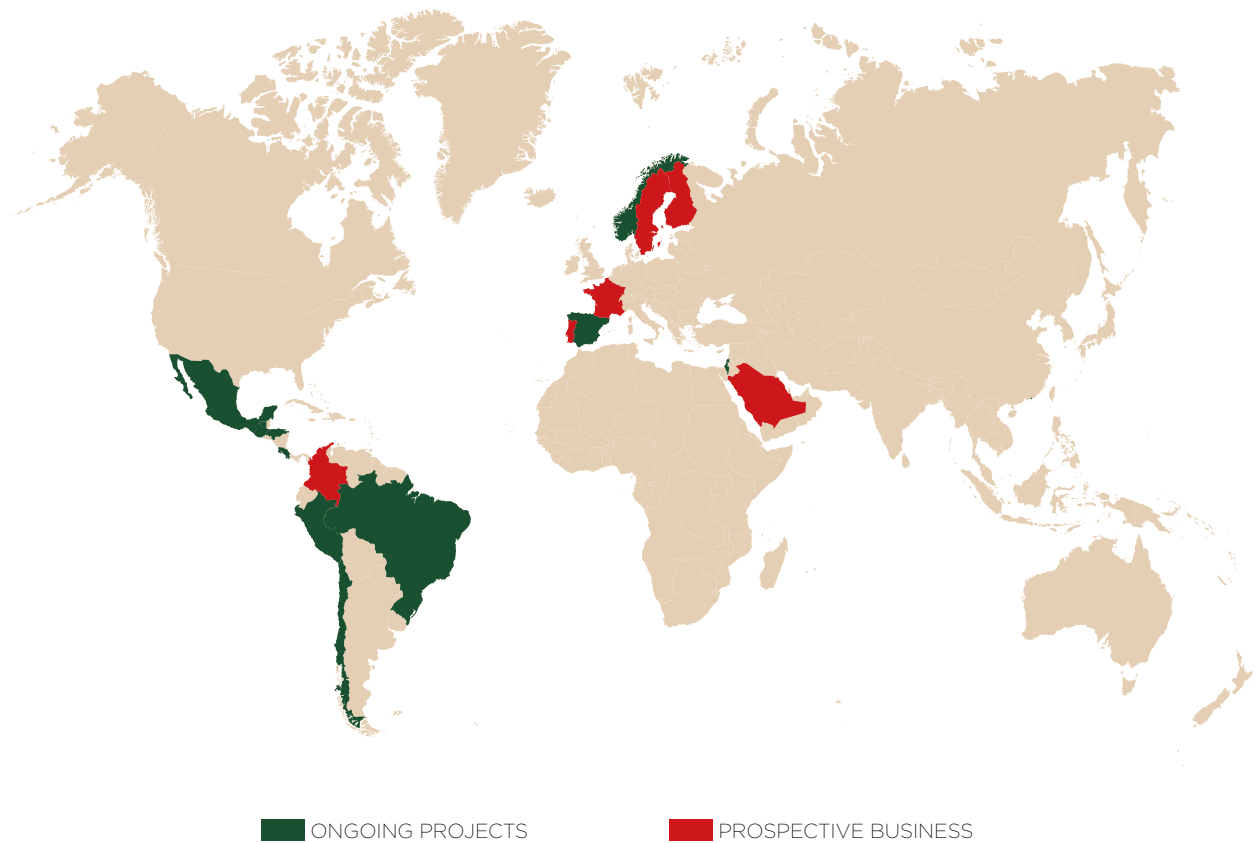
Sales by Geographical Area (€ million)



OSSA currently has ongoing projects in Spain, Norway, Israel, Hong Kong, Mexico, Guatemala, Costa Rica, Peru, Chile and Brazil, as well as prospective business in Colombia, Sweden, Finland, Saudi Arabia, Portugal and France.

In the medium term, OSSA plans to consolidate its presence in strategic markets such as Chile, Brazil, Peru and Spain, the latter being the country where the company is based. In these countries, OSSA is

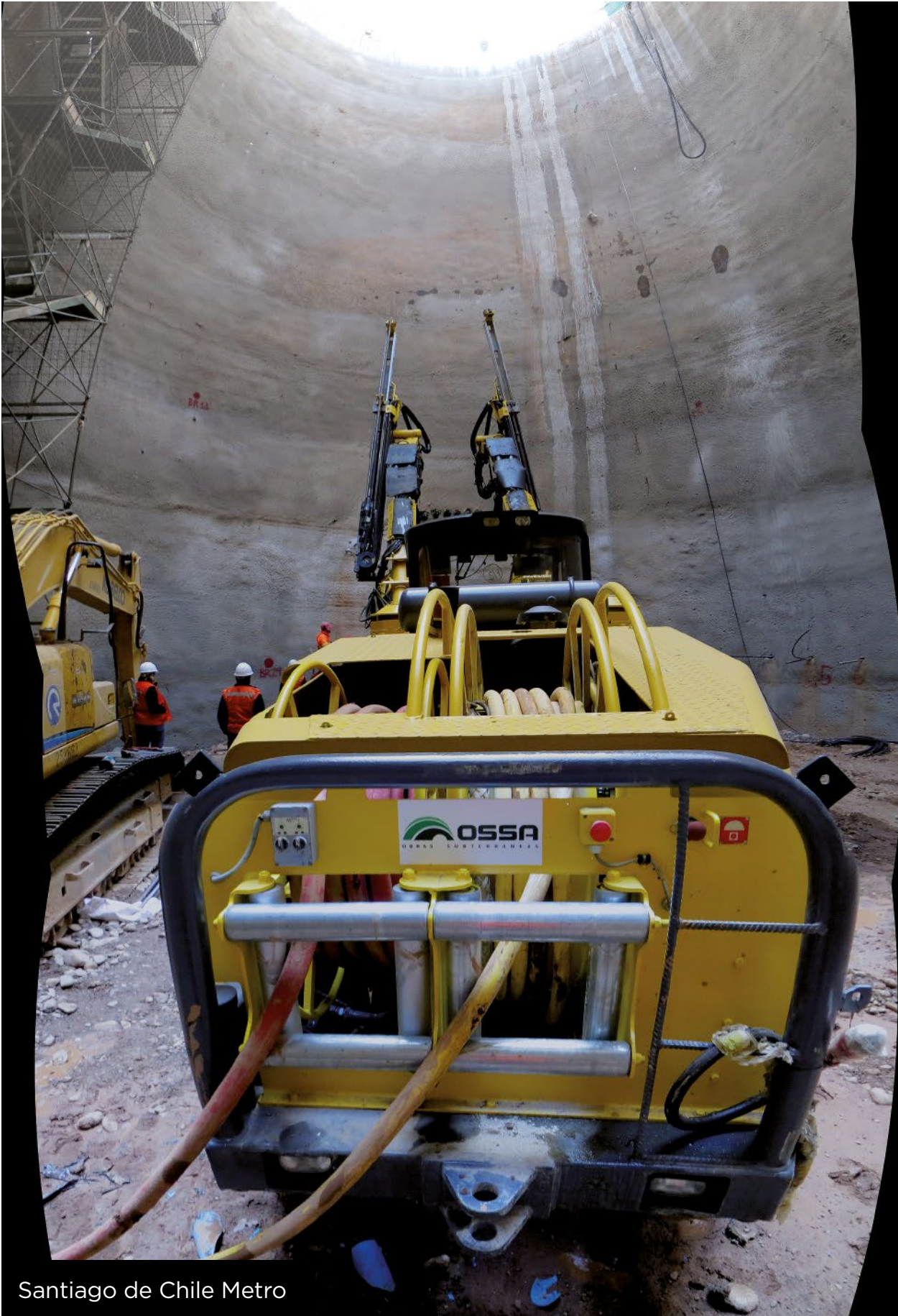
renowned for meeting deadlines and budgets, as well as for the high standards of quality and safety of its works. It is also betting on other markets such as Colombia and Mexico, where the potential for infrastructure development could mean major business opportunities for OSSA. In Europe, the Scandinavian countries (Norway, Sweden and Finland) have attractive infrastructure investment plans, and therefore represent a good potential source of new contracts.



“Proper management of the company’s risks is highly valued externally, as it projects an image of stability and alignment at all levels”

**CARLOS RUBIO**  
Country Manager Costa Rica & Mexico





Santiago de Chile Metro





Mondragon-Elorrio Section of the High-Speed Railway



The way OSSA operates on international projects is to first relocate workers and machinery from Spain, and subsequently set up a team and use the largest possible amount of machinery locally.

In this context, one of the greatest challenges of the internationalisation process has been people management, given the need to implement new processes and generate a more open, global mindset.

### SIGNIFICANT INTERNATIONAL PROJECTS INCLUDE:



*“Suhua Improvement C1 Tunnels”* in Huang Lian (Taiwan)



Motorway tunnels (Greece)



*Rodoanel* (Sao Paulo Metropolitan Ring) in Sao Paulo (Brazil)



Tunnel repair at ESTI Hydroelectric Power Station (Panama)



Construction of civil works, jackhead pits, galleries and tunnels for the Santiago de Chile Metro (Chile)



“El Torito” Hydroelectric Power Station (Costa Rica)



Execution of Air injection tunnels at the Chuquicamata mine (Chile)



Construction of Toquepala Mine and El Carmen Tunnels (Peru)



*“Express Rail Link”* (XRL) high speed railway link between Hong Kong and Shanghai (China)

### CUSTOMER SATISFACTION AS A SUCCESS FACTOR IN CHILE

Since OSSA decided to enter Chile in 2012, the company has steadily consolidated its presence in this market, winning projects thanks to its efforts and to its customer’s recognition of its good work. The award by negotiation of several contracts for the Santiago Metro, and jointly with CODELCO for the Chuquicamata mine, are due to the satisfaction of customer’s with OSSA’s performance, as regards the quality of the works and the human team in charge of carrying them out.

## FINANCIAL PERFORMANCE

During 2015 OSSA has continued to tackle the financial challenge of internationalisation, opening up new markets such as Mexico, and efficiently managing the company's working capital through its projects in Spain and abroad. During the year the necessary financing, either from bank or from project sources, was obtained to carry out the projects. Although OSSA has also experienced the difficulties that Spanish companies in the industry are currently undergoing, it has succeeded in maintaining an optimal balance through a combination of the efforts and support of its management team and of Spanish and foreign financial institutions, which have placed their trust in the company for many years now.

During 2015 OSSA's order book showed a slight decrease. However, this did not affect the company's sales, which remained at very similar levels with respect to the previous year. This was due to a greater international presence, a persistent trend in the past few years, since the Spanish market continued to offer very limited opportunities for companies in the industry.

In the coming years OSSA's sales figures are expected to continue rising back to the levels reached before the crisis, while a continued increase is foreseen in the relative weight of international operations in total turnover. The company expects to achieve this by consolidating its presence in markets like Asia, Latin America and the Scandinavian countries, leveraging its level of specialisation and the reputation earned in major projects carried out on an international level.

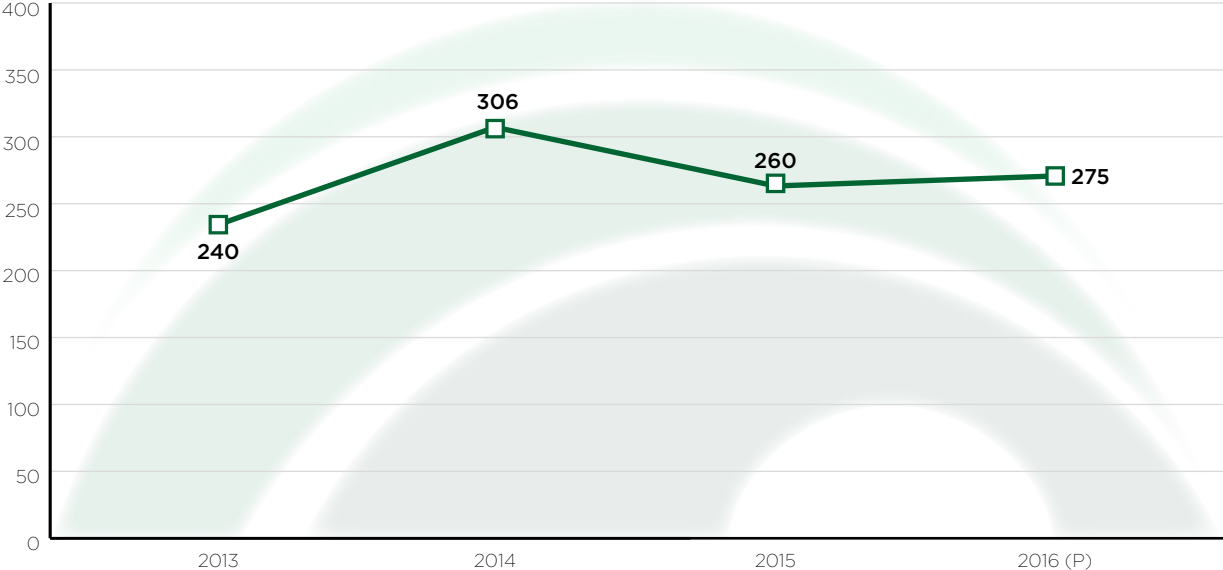


“The internationalisation strategy has allowed OSSA to maintain its operations through consolidation and positioning in new markets”

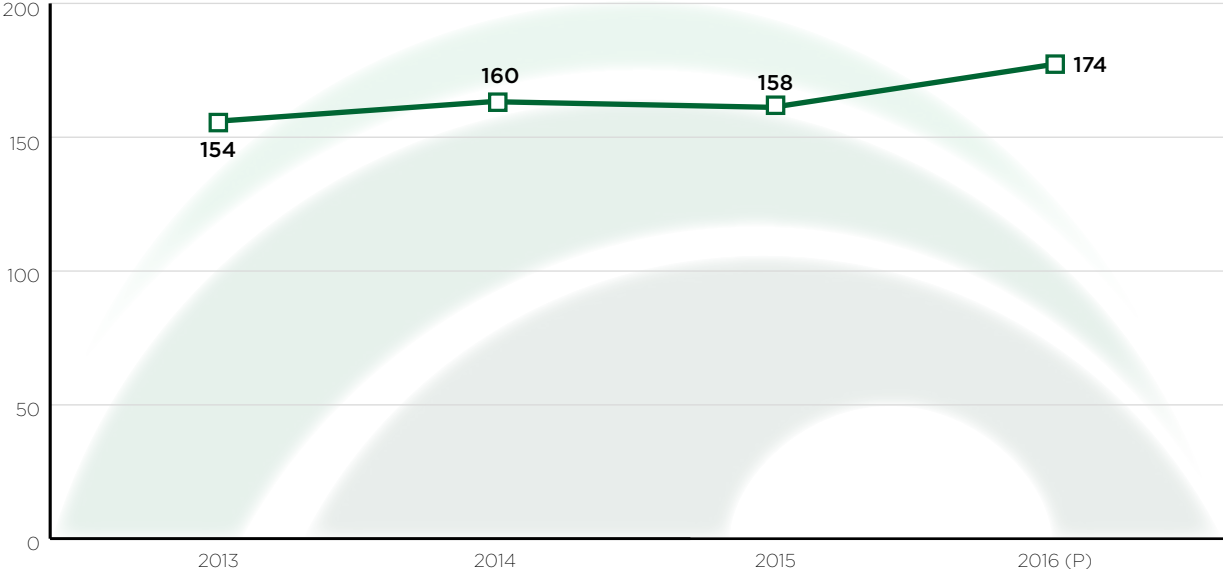
**DAVID ONRUBIA**  
Financial Director



### Order Book (€ million)



### Sales (€ million)



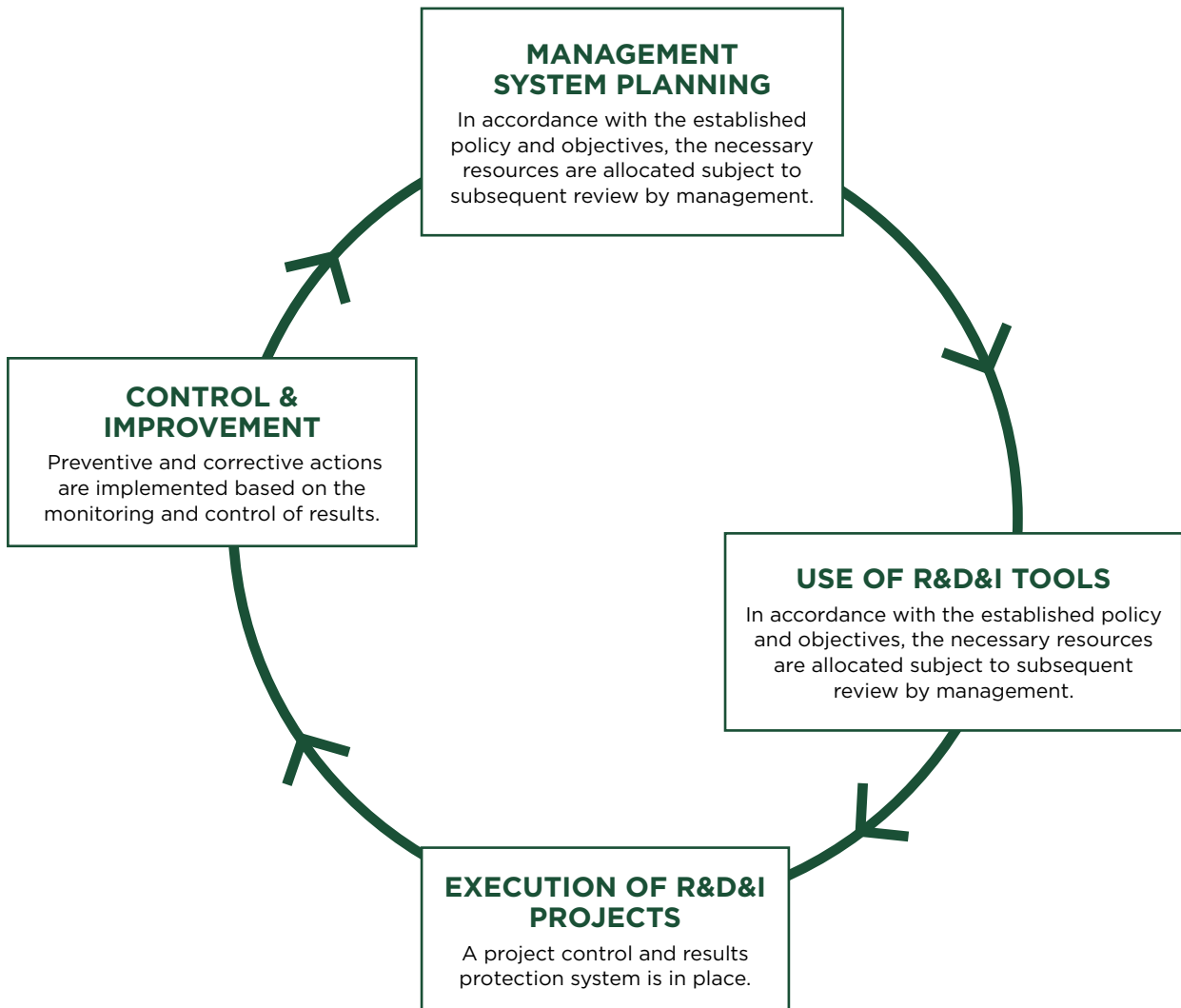
## 4.2. R&D&I

OSSA's strategy consists in forging ahead with its international expansion and providing its services to major customers in the civil engineering and mining industries, leveraging its technical experience and equipment and prioritising health and safety and innovation on all its projects.

OSSA's strategy has three legs: Internationalisation (driven by the need to widen the geographical scope of operations), Innovation (as the differentiating and driving element) and Investment (as the facilitating element making the former two possible). To this end, OSSA devotes significant resources to equipment acquisition, personnel training and participation in tender bids and research projects.

Being a leading company in a specific field of activity implies making innovation a priority. OSSA sees R&D&I as a strategic pillar underpinning its daily activity, which calls for opening up new technological paths leading to sustainable development.

OSSA's R&D&I System was recently certified in accordance with the UNE 166002:2014 standard. It was one of the first engineering companies to obtain this certificate and the first in the underground works sector.





“OSSA’s growing commitment to investment in *Know how* and technological innovation constitutes a differentiating factor that allows the company to maintain its positioning and competitive edge”

**RAQUEL CIENFUEGOS**  
Corporate Services Manager (Quality,  
Environment, R&D&I C)

OSSA has a management system in place allowing it to consolidate and systematise R&D&I processes, underpinning its commitment to innovation in its operations, with the aim of establishing a methodology to regulate, prioritise and, in a word, ensure the success of and highest return on its R&D&I projects, involving the entire company.

The aim of being a technology leader in the industry also drives the company to actively participate in different research venues, including membership of the Spanish Construction Technical Platform, constituting the main driving element of the Strategic Approach for Underground Works.

In this sphere OSSA, in addition to working closely together with customers and suppliers that are leading players in their respective sectors, has established a framework of cooperation with prestigious universities and research centres including the Polytechnic University of Madrid (UPM), the Santa Bárbara Foundation, the Technological Institute of Aragon, and the International Centre of Numerical Methods in Engineering (CIMNE) among others.





As a strategy in relation to R&D&I, OSSA has identified the following areas of interest in its developments or projects:

## Productivity:

- **Cost reduction**
  - **Energy efficiency**
  - **Consumption reduction**
    - 1) **Recycling**
    - 2) **Materials**
    - 3) **Process improvement**
- **Process technification enhancement**
  - **Equipment automation**
  - **Process industrialisation**

## Information:

- **Supervision & control**
- **Simulation & prediction**

## Training:

- **Occupational Risk Prevention**

## Safety:

- **Personal protection**
- **Collective Protection**
- **Work Processes**

OSSA, in accordance with its business strategy, also bets on internal innovation within the company, tackling specific problems with innovative solutions, ultimately carried out through R&D or Technological Innovation projects.

The main projects carried out in 2015 include:

## TUÑEL PROJECT

The project "*Research for the Competitive Improvement of the Drill and Blast Cycle in Mining and Underground Works, through the Design of New Engineering Techniques, Explosives, Prototypes and Advanced Tools*" (TUÑEL) is a research project on the tunnel execution cycle by the drill and blast method, a strategic sector for the Spanish economy with major international presence.

The project attempts to tackle the pending technological challenges in the execution of tunnels, essential to infrastructure improvement in developed countries and undergoing major growth in emerging countries. It is essential to be competitive and efficient and tackle tunnel construction with full safety assurances for people.

## GEOMAN PROJECT

The project "*New device for the geolocation and maintenance of tunnelling and underground mining machinery*" (GEOMAN) consists in designing, developing, testing and prototype testing a system including the development of devices allowing online and ontime geolocation of machinery on an international level, as well as determining the operating condition of underground works heavy machinery with a view to optimising its maintenance.

The project was successfully completed during 2015, with the required advances in the system to track the location of the machine parts.

## INSPETUNEL PROJECT

The project "*New Auscultation Systems in Tunnels*" (INSPETUNEL) has the main technical aim of designing and validating at the simple real demonstrator level a simple and minimally intrusive system for the auscultation of a tunnel during its execution capable of continuously determining (in real time and online) the movements of a tunnel until its stabilisation.

During 2015 preliminary results were obtained following the performance of studies and analysis of the optical technology used, with the aim of solving the existing problem, namely that during the execution of underground works a disruption of the terrain takes place giving rise to movements in the vicinity to restore the stress balance.

At OSSA, R&D&I is channelled in different ways to capitalise on the company's efforts in this direction. To that end, OSSA works on the protection of results, all the more so since the strong international expansion recently experienced by the company. Patent applications constitute a useful dissemination and market positioning tool. In 2015 OSSA filed a new patent, "Means and procedure for the control of the working atmosphere in tunnels", resulting from the ECOVENT project.

## ECOVENT Project

The project is aimed at developing a new system for the confinement of a small volume of contaminated air following the blast, using an innovative closure system by means of a screen deployed at the time of the blast. This project has been carried out in collaboration with other companies.



"OSSA's entry into Norway has provided major business opportunities, leveraging in particular on its high level of specialisation and innovation"

**PABLO PACIOS**  
Country Manager Norway

## INTEGRATED MANAGEMENT SYSTEM

OSSA, as a company specialising in the planning, design and execution of highly complex works, has an established culture as regards business management optimisation systems. The Integrated Management System thus constitutes an essential pillar for the proper operation of the company.

The Integrated Management System comprises:

**STRATEGIC PROCESSES**, setting out policies and objectives for subsequent review by management

**OPERATING PROCESSES**, covering from sales management through design and development to production control

**SUPPORT PROCESSES**, including document management, resource management, environmental management, prevention management, monitoring and measurement, analysis for decision making purposes, and administration

All of the above take into consideration customer requirements, with customer satisfaction as their ultimate aim.

Commitment to quality has always been one of the pillars underpinning OSSA's operations. This commitment helps maintain and enhance the trust of its customers on every project in which the company takes part. OSSA holds ISO 9001 certifications in all 9 countries in which it is present: Brazil, Chile, Peru, Colombia, Costa Rica, Guatemala, Hong Kong, Norway and Spain.

## QUALITY

The Quality Management System, designed and audited on an annual basis in accordance with the ISO 9001 standard, reflects the company's commitment to carrying out its activities to the quality standards required by customers, always fulfilling the contract specifications.

Quality management at OSSA is based on a set of Quality Guidelines, which consider customer satisfaction as the basis for the company's actions. It also stresses the importance of a team with a high level of qualification and motivation and establishing collaboration relationships with customers, suppliers and subcontractors to ensure the fulfilment of objectives.

## ENVIRONMENT

The Environmental Management System, designed and audited on an annual basis in accordance with the ISO 14001 standard, sets out all the environmental requirements in contract form. In addition, all the personnel, both company-employed and subcontracted, are informed of and sign a contract setting out the organisation's general environmental provisions.

## OCCUPATIONAL RISK PREVENTION

The ORP Management System, designed according to the specifications of OHSAS 18001, serves as the basis for the company's actions in terms of Safety and Health at Work.

OSSA, has always paid particular attention to risk prevention, providing the necessary personnel and financial resources. The company has a Site Safety and Health Management Manual, providing risk management guidelines to safeguard the health of workers and the safety of their work equipment. Awareness in this area starts with the company management and is transmitted down the chain of command to all the personnel, thereby ensuring effective and operational prevention.



## 4.3. ACCOUNTABILITY TO OUR STAKEHOLDERS

OSSA considers a stakeholder any social group affected or likely to be affected by the company's operations, now or in the future, and/or which affects or can potentially affect the company and hence its results.

**CUSTOMERS:** The central focus of the company's operations is its customers, whose needs and expectations must be known and properly managed in order to ensure their satisfaction and loyalty.

**SUPPLIERS:** The above calls for having suppliers whose products and services allow the company to efficiently execute its projects to strict quality and safety standards.



**EMPLOYEES:** OSSA'S teams, at all levels within the company, are its visible face and the ones responsible for the high level of specialisation, good relations with customers, and the application of corporate values in day-to-day activities.

**ENVIRONMENT AND LOCAL COMMUNITIES:** All of OSSA's operations are carried out in a specific physical and social environment, giving rise to a number of positive and negative impacts. Minimising the negative impacts and maximising value creation constitute the company's priority aims.

## RELATIONSHIP WITH CUSTOMERS AND SUPPLIERS

### • Customers

One of the main features of OSSA's activity is the variety of customer types it works with across its different business lines. They all share the need for high quality performance in the execution of the works, most particularly as regards meeting completion deadlines.

	CUSTOMER TYPES	PRIORITIES
<b>CONSTRUCTION</b> 	Public administrations and large private construction companies	Competitive budgets for the projects contracted, as well as a high-quality product to ensure low future maintenance costs
<b>ENERGY AND MINING</b> 	Private or public companies	Project completion within the agreed execution period, since they are usually linked to a specific operation starting date ensuring return on investment according to a business plan based on a concession to exploit natural resources.



“Our customer expects to find in OSSA a specialist firm capable of meeting the agreed deadlines and performing the work to high safety and quality levels, and capable of offering alternative technical solutions in the face of adverse conditions and changes”

**ENRIQUE MARTÍN**  
Production Director

The most frequent communication channel consists of satisfaction surveys upon completion of the work, although the most effective means is the daily, weekly and monthly communication that takes place when working together on a day-to-day basis.

## TYPE OF CONTRACT

Generally, OSSA operates as the main contractor, interacting directly with the end customer, either on its own or as the leader of specialist company consortiums. Alternatively, in some cases the company operates as a subcontractor for large construction companies acting as its end customers.

## COMMITMENT TO CUSTOMERS

In order to maintain its levels of operations and effectiveness, OSSA takes special care to offer its customers highly professional services provided by a team with talent and experience, thorough knowledge of the work required, and an uncompromising commitment to safety in the execution processes, subject to the highest standards of quality and punctuality.

In 2015 OSSA's customers included both private and public entities. The different types of customers the company works with, as regards both location and size, reflect OSSA's ability not only to adapt to cultural changes, but also to value, respect and satisfy its customers.

### • Suppliers

In order to ensure its customers' satisfaction, OSSA requires its supplier companies to meet certain specifications regarding quality and safety, among other aspects. In the approval process, OSSA pays particular attention to environmental considerations.

OSSA's supplier approval process takes the following technical and commercial aspects into consideration:

**Quality, expertise and training of the technical staff.**

**Swift delivery of materials and spares.**

**Effectiveness and reliability in preventive and corrective repairs.**

**Seamless communication between the technical team and the construction company.**

The coordination of different tasks is essential in order to enhance effectiveness in terms of efficiency and quality within a company. Such coordination must take place both internally (between the personnel of different company departments) and externally (with suppliers of machinery, materials and services).

The relationship with suppliers has become a key factor for companies undergoing major international expansion. Suppliers must adapt to this type of relationship in terms of cost (suppliers must offer competitive prices adapted to the different markets), deadlines (logistics plays an increasingly major role in supplier selection due to the tight deadlines set by customers), quality (compliance with different standards is essential in order to meet the needs of customers) and local promotion (approval of supplier companies is tied to the generation of wealth on a local level and the exchange of knowledge).



Moreover, the importance of logistics at OSSA arises from the need to improve our service to customers and meet our international project commitments, improving the transport stage at the lowest possible cost. An effort has been done to integrate logistics within the company, leading to benefits such as:

**Enhancing OSSA's competitiveness and increasing its profitability to face the challenge of globalisation.**

**Optimising international operations and management.**

**Coordinating all the aspects impacting the supply chain, including quality, efficiency, price, packaging.**

**Broadening management's vision to turn logistics into a framework, a tool for planning the company's internal and external activities.**

OSSA has increased its presence in international markets in recent years, calling for an adaptation of the traditional procurement and inventory management procedures. This new scenario requires more agile procurement procedures to allow resource optimisation and flexible control. The right balance between local deals and the company's experience regarding specific products leads to the best results.



“We work to ensure that our relationship with suppliers will be beneficial to them, to our customers and to us. Thanks to them we can carry out our operations in accordance with our quality and customer satisfaction criteria”

**JAVIER TORRE**  
Technical Director

## Machinery Fleet

In addition to great professionals with years of experience in the execution of underground works, OSSA also has an extensive and specialised fleet of machinery.

OSSA's fleet of machinery comprises more than 400 units including excavation, extraction and elevation equipment, mucking out equipment, supporting and lining equipment and different ancillary equipment. All the machines in our fleet have the required quality, environmental and occupational risk prevention certifications.





“One of the central pillars of the company is the work carried out by its specialist workers on the work sites, wherever they are; hence OSSA works to ensure the welfare of its workers throughout the world”

**CARMELO TRUJILLO**  
HR, Corporate Services and ORP Director

## OUR COMMITMENT TO PEOPLE

At OSSA, proper management and appropriate treatment of employees is a fundamental concern. Under the slogan “*Companies are people*” OSSA implements different strategies:

**Professional and personal** development of its workers.

**Competitive remuneration, equal salaries at all levels, regardless of employment status or nationality.**

**Regular meetings** with unions (collective bargaining) and other bodies associated with the communities where it operates.

**Retaining talent** by ensuring its workers enjoy proper quality and health standards through optimal worker welfare conditions and training policies to enhance their knowledge.

**Gender equality.**

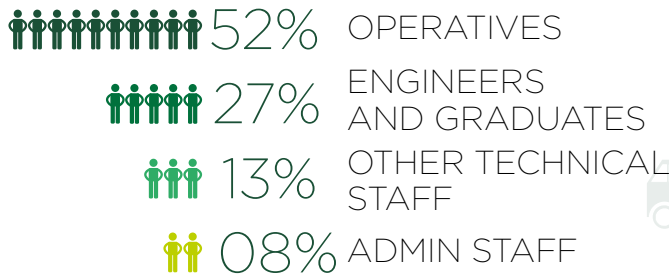
**Stable employment, internal promotion versus external recruitment, and enhancing worker competencies.**

**Identifying worker training needs.**

**Implementing risk prevention, quality and environmental measures.**

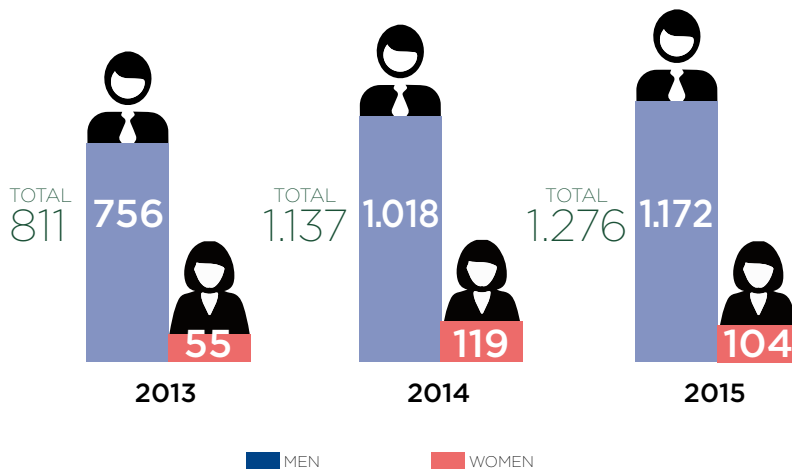


## Breakdown of workforce by job category



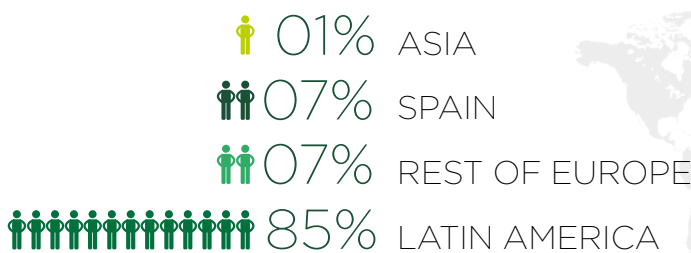
Operatives account for 52% of the workforce, a slight increase on the previous year (49%). Engineers and graduates account for 27%, as in previous years. In addition, around half of the workforce have a permanent work contract.

## Total workforce & breakdown by gender



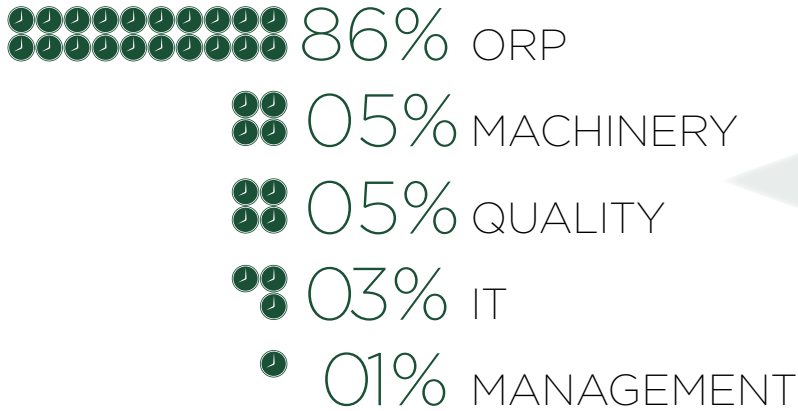
In 2015 OSSA's workforce totalled **1,276 employees**, of which 8% were female and the remaining 92% male. One of OSSA's aims is to achieve a higher female presence in its workforce, predominantly male, as is the norm in its sector.

## Breakdown of workforce by geographical area



In 2015, around 7% of the workforce worked in Spain and around 85% in Latin America. The remainder of the workforce was located in rest of Europe and Asia. Outside Spain, the country with the highest number of workers is Chile it is worth highlighting that we have a large number of local workers.

## Number of training hours by subject



Given the nature of the business and the increasing internationalisation of the company, the percentage of professionals working outside Spain rises every year. Hence, proper expatriate management is an essential consideration for OSSA. The company provides a number of social benefits and assistance services to help them prepare for the change (health insurance, covering the worker’s accommodation and other needs in the destination country, regular flights to Spain and assistance with the processing of visas and other documents, among others). In addition, OSSA maintains permanent contact with its expatriate workers, providing assistance to solve any incident or unforeseen circumstances.

One of OSSA’s main aims with regard to its workers is to ensure their welfare, OSSA implements a set of measures to allow them to balance their work and private lives and optimise the time devoted to work, such as reduced summer working hours, flexible working hours and teleworking.

OSSA has a training plan in place allowing it to identify the training needs of its employees and cater to them by designing and developing different training programmes. The areas accounting for the highest numbers of training hours in 2015 were occupational risk prevention and quality. A total of 4,146 hours of training were imparted (an average of 15 hours per employee).



“In countries such as Brazil, worker conditions, including gender equality, non-discrimination and occupational risk prevention become particularly important”

**ALBERTO HILARIO**  
Country Manager Brazil



“Leadership is the force driving an organisation towards a culture of safety, health and risk control”

**ANTONIO SÁNCHEZ-BRAVO**  
Occupational Risk Prevention Manager

#### • Safety and Health

At OSSA the commitment to the health and safety of people and the principle that no target or result can be justified if it involves a detrimental impact on the integrity or health of its workers are fundamental tenets on which the company will never compromise. An essential condition to ensure this is the participation and the commitment of all employees to the principles governing the prevention culture:

**Respecting the life and dignity of individuals as a central value. Nothing can justify taking uncontrolled risks compromising the health or safety of employees.**

**Compliance with the laws and regulations applying to the projects as regards Occupational Health and Safety, in accordance with the current legislation and any other agreements and undertakings.**

**Promoting preventive habits among company and third-party workers, by means of systematic effective leadership activities on the field, assuming such a role as a responsibility that cannot be delegated across our entire chain of command.**

**Identifying and assessing the risks as an essential requirement in the planning and execution of operations**

**and implementing suitable control measures to ensure operation under acceptable risk conditions.**

**Drawing lessons by analysing the root causes of any undesired event to avoid repeat occurrences. OSSA pursues excellence in everything it does and practices continuous improvement to make sure it is among the best within its sector.**

Among many other things, the company's internationalisation has enriched the company's occupational and safety culture, through the incorporation into the management system of those aspects that work best in the various countries where it operates.

This has resulted in the achievement of the best accident rates, a reduction of incidents and a safer, healthier working environment.

OSSA has in place an Occupational Risk Prevention Management System, whose purpose is to provide proactive information to align the decision making of management, executives, supervisors and workers concerning safety and health issues within their scope of responsibility.

Learning, training, skills acquisition and continuous improvement of technical and behavioural skills are essential requirements to carry out a job properly and safely. OSSA gives special importance to qualification and competency, and implements a broad education and training programme.

The company's objective for the coming years is a steady fall in accident rates on its sites, through information, training, protection equipment optimisation, and process improvement to provide a safe working environment for its workers.

## ZERO 100 PROJECT

This initiative is a global campaign whereby OSSA involves all its employees in the performance and fulfilment of quality, environmental and occupational risk prevention. Its central goal is to achieve zero accidents and 100% control and compliance.

### SPECIFIC TARGETS:

- Zero accidents
- 100% compliance on quality items
- Zero environmental impacts
- Acquisition of safe and responsible working habits
- Performing quality work safely the first time round
- Maximum control of environmental indicators

### TOOLS:

- "Lideralia" programme: an initiative to impress upon leaders the need to transmit through words and actions the company's key messages.
- "Looking in depth" campaign: an initiative based on holding site inspections to evaluate certain aspects with the aim of identifying improvement opportunities and good habits.







“All projects operate under the principle of minimising workers’ risk exposure, resulting in a fall in accident rates in recent years”

**LAURA GARCÍA**  
Occupational Risk Prevention Manager Europe

## OUR COMMITMENT TO THE ENVIRONMENT

OSSA is fully aware of the impacts – both positive and negative – on the environment resulting from its activity, and shows its commitment through different activities associated with CSR and specifically with the environment and local communities.

### • Commitment to Corporate Social Responsibility

In its more than 60 years of operation, OSSA has consolidated itself as a resourceful company capable of undertaking any kind of project within its scope of activity. This is possible thanks to a business strategy based on:

**The knowledge** that the type of work carried out is of high technical difficulty and involves high risk levels for its workers.

**The belief** that the most profitable and sustainable execution of underground works is based on combining quality and environment friendly practices with safe production tasks.

**Betting on R&D&I** as the central pillar of development and expansion in both the domestic and the international market.

**Promoting the company’s** international presence, based on its capabilities and expertise as a specialist provider, with due regard to the foregoing points and the stakeholders engaged by the company’s processes: employees, customers, suppliers and society.



## ADHERENCE TO THE GLOBAL COMPACT

IN 2012 OSSA submitted its first Progress Report as a company adhering to the United Nations Global Compact initiative. It has maintained its commitment in 2013. Through its adherence to the Compact, OSSA shows its commitment to integrating into its strategies, decisions and activities the ten universally accepted principles on human rights, labour regulations, the environment and the fight against corruption.

Based on the above, OSSA's management has made the following commitments:

**Devote special attention** to the Safety and Health of its Workers, preventing any harm to them and their health.

**Prevent pollution**, reducing waste generation, promoting the recycling and reuse of resources, and operating according to criteria and methods favouring energy efficiency.

**Involve suppliers** in the production process to ensure that they participate in all its stages in a sustainable manner.

**Promote OSSA's know-how** and competencies as regards the development of technological products in the construction sector, with due regard to the innovations and technological changes required by the market.

To that end, the company management establishes the following strategies:

**Empower people** by promoting their participation, giving due consideration to their views and contributions in the improvement of processes and systems, instilling them with a sense of responsibility in the performance of their tasks.

**Facilitate their personal** and professional development through continuous training programmes, giving rise to a workforce with a high level of qualification and awareness as regards the importance of promoting the Safety and Health of all workers, Quality, Environmental Respect and Development and Innovation.

**Promote teamwork** and cooperation in all spheres, both within and outside the organisation, engaging in collaboration relationships with customers, suppliers and subcontractors to foster enhanced understanding, acceptance and participation in this prevention, quality, environment and R&D&I policy.

**Establish and implement** comprehensive management systems in accordance with the specifications of the OHSAS 18001:2007, UNE-ISO-9001:2008, ISO 14001:2004 and UNE 166002:2006 standards.

**Take steps to ensure** the protection and exploitation of the results of R&D&I activities with a view to maintaining and enhancing the company's competitiveness and position in the market, and encourage all the individuals within the organisation to take part in the generation of innovative ideas as one of the basic pillars of the R&D&I process.

• **Environmental Management**

OSSA operates a policy of environmental respect and protection based on its firm belief in the need for preserving the physical environment in which we operate. Its business activity revolves around transforming the soil to ensure better exploitation of resources and facilitate and improve the living conditions of human beings. For this very reason it must have a strategy of firm commitment to the environment. The demands of society and the governments with which it interacts allow it to maintain a significant level of involvement regarding all environmental issues.

The company's environmental commitment is set out in its Environmental Policy. Taking into consideration the globally accepted principle of sustainable development, OSSA pursues not only economic improvement, but also social and institutional benefits. To this end, OSSA has established a number of action guidelines:

- 1. Compliance with the applicable environmental laws and regulations in each country and adopting voluntary methods in accordance with the ISO 14001 standard.**
- 2. Incorporating available technical improvements subject to financial feasibility.**

- 3. Ensuring customer satisfaction and financial efficiency, striving to provide the highest value in its services, together with the lowest possible environmental impact.**
- 4. Investing in environmental innovation and continuous improvement of processes and management systems as a means of achieving enhanced environmental efficiency:**
  - a. Reducing the intensity in the consumption of raw materials and energy.**
  - b. Reducing harmful impacts on human health and the environment.**
  - c. Promoting good practices such as reducing, reusing and recycling materials.**
  - d. Providing a better quality of life in its environment**
- 5. Commitment to working together with employees, their families, local communities, and society in general to improve their quality of life and hence the social wellbeing.**

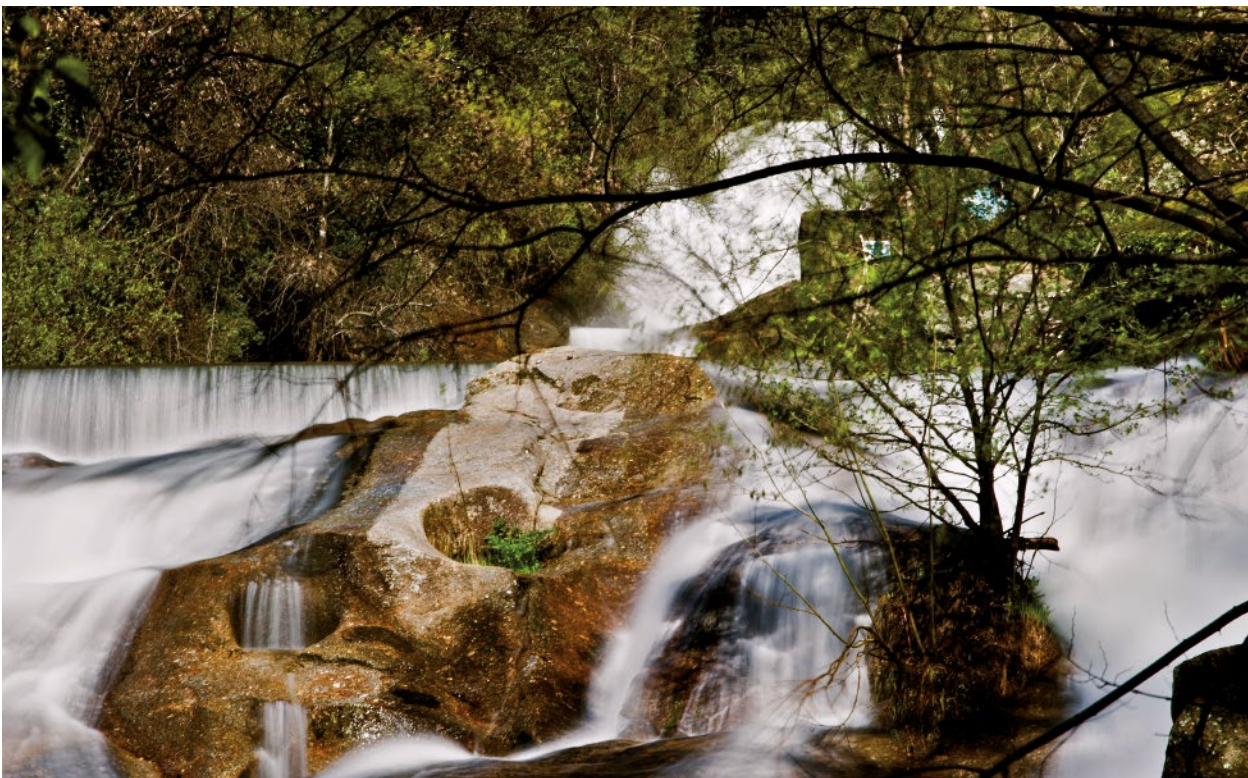


Photo by: MiguelP54 via Foter.com / CC BY-NC-ND

The company has implemented a Manual of Best Practices for site and office workers, providing guidelines for the internal conduct of the company and its impacts on water, energy and raw material consumption and waste management. The manual includes the following action guidelines, among others:

## Legal Compliance

- Observance of the instructions of supervisors and of workers associated with environmental protection.
- Training workers and raising their awareness on environmental issues.

## Energy Efficiency

- Taking energy efficiency criteria into consideration in equipment purchase decisions (the recent purchase of variable frequency drives has resulted in significant savings in the ventilation system used in tunnel construction).
- Monitoring energy consumption to detect excessive and unnecessary consumption.
- Proper driving of vehicles and machinery.
- Proper maintenance of machinery and equipment.
- Efficient lighting management through the use of natural light or the replacement of low efficiency light bulbs.
- Inspection and proper maintenance of facilities to reduce sources of contamination or low energy performance.

## Biodiversity Protection

- Proper planning of access routes to avoid unnecessary destruction of areas of vegetation, soil compaction, etc.

## Water

- Efficient use, recycling and proper treatment of water.
- Water saving measures in offices.

## Noise and Emissions

- Monitoring and minimising the noise given off by machinery on site.
- Using water spraying systems to reduce dust and particle emissions caused by vehicles and machinery.



## Waste Management

- Differentiated waste management according to the volume and type of waste.
- Minimising waste generation through responsible use of materials and equipment to allow their subsequent reuse.
- Handing over waste to authorised waste management contractors
- Proper maintenance of materials in storage facilities and proper storage of liquid fuels on site.
- Regular cleaning of the work site.
- Reusing and recycling paper.

## THE TEN ENVIRONMENTAL BEST PRACTICES

1. Reduce, reuse and recycle.
2. Avoid unnecessary energy consumption.
3. Try to save resources: water and electricity.
4. Use the strictly necessary amount of products and try not to use environmentally aggressive products.
5. Avoid accidental spills on the soil. Do not release chemical products or hazardous substances into waterways or sewer systems.
6. Try to generate as little noise as possible. Remember that noise is also a form of pollution.
7. Ensure the proper maintenance of vehicles and machinery.
8. Dispose of waste in properly labelled containers placed in a suitable collection point.
9. Remember that waste must be handled by an approved waste management entity.
10. Look after the environment.



Photo by: Piyushgiri Revagur via Fotocom / CC BY-NC-ND

## • Commitment to Local Communities

OSSA's international expansion in recent years has given rise to an adaptation of its management systems and its processes. One of the challenges associated with internationalisation involves the relationship with communities as regards the management of positive and negative impacts related to the company's operations.

OSSA recognises the importance of managing the relationship with the communities in which it operates, especially in certain regions such as Latin America, and is working on a consistent approach to this issue on a corporate level. During 2015 OSSA has worked on the development of a Global Policy and a Local Community Relationship Manual, which set out the principles guiding the conduct of the company and all its employees in the performance of their tasks, safeguarding the rights and interests of communities and seeking mutual benefits.

To facilitate the application of such principles on all its sites, OSSA has established a common work procedure including the following activities:

**Perform a diagnosis** of the social, economic, environmental and cultural reality of the environment influenced by OSSA's operations. This should include a detailed description of the project and the environment, identification and assessment of the more significant positive and negative impacts, and drawing a stakeholder map.

**Define the community relations** management goals, including among others the sustainable economic and social development of the population of the area of influence, and social acceptance of the activities carried out by OSSA and its collaborating entities.

**Identify the actions** to be carried out, to include establishing dialogue and communication mechanisms, promoting local employment and supporting local initiatives.

**Plan the resources** required to carry out the rest of activities.

**Follow up the actions** undertaken (document actions and monitor key indicators).



“The relationship with local communities is key to the success of projects, as it ensures a favourable reception of the works carried out and minimises certain risks that could potentially impact the attainment of targets”

**GONZALO SOUBRIER**  
Country Manager Colombia and Guatemala

The most significant actions carried out by OSSA for its projects include assessment of the environment (to identify key actors and determine the needs and expectations of communities), promotion of local employment (enhancing the employability of local communities and their development in terms of wealth and knowledge), and support for local initiatives (ranging from support for health campaigns, through infrastructure improvement and educational activities, to promoting local procurement).

## Civil Construction Worker's Day (Peru)

To mark the Civil Construction Worker's Day, held on the 25th of October every year in Peru, a number of recreational activities were organised for local workers of OSSA and its subcontractors at the El Cogollo harbour leisure centre, in Lima.



ABOUT OUR  
CORPORATE  
ABOUT OUR CORPORATE  
SOCIAL RESPONSIBILITY REPORT **5**  
SOCIAL  
RESPONSIBILITY  
REPORT



## SCOPE

For the fourth consecutive year, OSSA has prepared its Corporate Social Responsibility Report, setting out its commitments and performance in this area from 1 January to 31 December 2015. The scope of the report encompasses OSSA's activities in the countries where it operates.

## INTERNATIONAL STANDARDS

The present report has been prepared in accordance with the following guidelines:

- **Version 4.0 of the Global Reporting Initiative Sustainability Reporting Guidelines.**

In the table of contents and table of GRID performance indicators, reference is made to the relevant pages for this report and the coverage of requirements, management approaches and indicators. Whenever the key performance indicators are not given, the reason for such omission is provided. For 2015 OSSA decided to prepare its report according to the "essentially in accordance" option, reporting at least one indicator of the aspects considered relevant to the company.

## MATERIALITY ASSESSMENT

For the purposes of preparing this report we have considered the results of the latest materiality assessment carried out by the company in 2016 (prior to the preparation of this report), in order to set out in this document the aspects of greatest relevance to the company and its stakeholders.

Following the review of information from several sources, some of them specific to the construction and civil works sector, a number of aspects were identified and their relevance was then assessed. The assessment of relevance was performed from two standpoints: internal (relevance to the company, according to the impact on the business objectives, the potential to generate risks and opportunities and the impact on the brand and reputation), and external (relevance to stakeholders, on the basis of a number of interviews with the areas leading the relationship with each stakeholder). Such assessment resulted in the identification of the following aspects of critical and high relevance to OSSA:

### CRITICAL RELEVANCE:

- Risk management.
- Occupational health and safety.
- Financial performance.

### HIGH RELEVANCE:

- Ethics and Compliance.
- Corporate Governance.
- Customer management.
- Technology and R&D&I.

## CONTACT DETAILS

If you have any questions regarding the contents of the present report please contact [info@ossaint.com](mailto:info@ossaint.com), for the attention of the Quality, Environment, R&D&I and CSR Manager.

ASPECTS RELEVANT TO OSSA	G4 ASPECTS
Risk management	Governance
Occupational health and safety	Occupational health and safety
Financial performance	Financial performance
Ethics and Compliance	Ethics and Integrity
Corporate Governance	Governance
Customer Management	Local communities / Own indicator(s)
Technology and R&D&I	Own indicator(s)

TABLE OF  
TABLE OF GRI INDICATORS **6**  
GRI  
INDICATORS

## Basic Contents

INDICATOR	REFERENCE
G4-1 Statement from the most senior decision-maker of the organisation	Letter from the President
G4-3 Name of the organisation	Obras Subterráneas S.A. (OSSA)
G4-4 Primary brands, products and services	Business lines
G4-5 Location of the organisation's headquarters	Aragoneses 2ª, 3ª planta; Polígono Industrial de Alcobendas; 28108 Alcobendas, Madrid (Spain)
G4-6 Countries where the organisation operates	Internationalisation
G4-7 Nature of ownership and legal form	Ownership Structure
G4-8 Markets served	Internationalisation
G4-9 Scale of the organisation	Financial and business performance, our commitment to people
G4-10 Main workforce details	Our commitment to people
G4-11 Percentage of total employees covered by collective bargaining agreements	100%
G4-12 Description of the organisation's supply chain	Accountability to our stakeholders
G4-13 Significant changes during the reporting period	No significant changes in the organisation took place in 2015
G4-14 Whether and how the precautionary approach is addressed	Our commitment to the environment
G4-15 Externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses	Our commitment to the environment
G4-16 Memberships of associations and national or international advocacy organizations	Accountability to our stakeholders
G4-17 List all entities included in the organization's consolidated financial statements	About our CSR Report
G4-18 Report preparation process	About our CSR Report
G4-19 List of all the material Aspects identified in the process for defining report content	About our CSR Report
G4-20 Aspect Boundary for each material aspect within the organisation	The aspects reported on refer to the activities carried out by the entity and the potential impacts resulting therefrom
G4-21 Aspect Boundary for each material aspect outside the organisation	See G4-20
G4-22 Effect of any restatements of information provided in previous reports, and the reasons for such restatements	There have been no restatements of information
G4-23 Significant changes from previous reporting periods in the Scope and Aspect Boundaries	There have no been changes in the scope and aspect boundaries of the report
G4-24 List of stakeholder groups engaged by the organisation	Accountability to our stakeholders
G4-25 Basis for identification and selection of stakeholders with whom to engage	Accountability to our stakeholders
G4-26 Stakeholder engagement	Accountability to our stakeholders

## Basic Contents

INDICATOR	REFERENCE
G4-27 Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded	Accountability to our stakeholders
G4-28 Reporting period	About our CSR Report
G4-29 Date of previous report	2014
G4-30 Reporting cycle	Annual
G4-31 Contact point for questions regarding the report or its contents	About our CSR Report
G4-32 "In accordance" option chosen by the organisation	About our CSR Report
G4-33 External verification of the report	The present report has not been verified by third parties
G4-34 Governance structure of the organisation	Corporate Governance
G4-56 Organisation's values, principles, standards and norms of behaviour	Ethics and Transparency

## Financial Performance Indicators

INDICATOR	REFERENCE
G4-EC4 Financial assistance received from governments	In 2015 no significant financial assistance was received from governments

## Environmental Performance Indicators

INDICATOR	REFERENCE
G4-EN29 Total monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	In 2015 OSSA was not subject to any fines or sanctions for non-compliance with environmental laws and regulations



## Labour Practices and Decent Work Indicators

INDICATOR		REFERENCE
G4-LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements	The minimum notice periods are specified in the collective agreements
G4-LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	At OSSA's Management Committee, the first issue discussed is always Safety and Health. In addition, biannual meetings are held with worker representatives
G4-LA8	Health and safety topics covered in formal agreements with trade unions	Both at OSSA Spain, through worker representatives, and in several companies including Chile and Brazil, there are specific agreements with trade unions regarding Safety and Health.
G4-LA9	Average hours of training per year per employee by gender, and by employee category	Our Commitment to People
G4-LA10	Type and scope of programmes for skills management and lifelong learning that support the continued employability of workers and assist them in managing career endings	Our Commitment to People
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	100%
G4-LA12	Composition of management bodies and breakdown of workforce by employee category and gender, age, ethnic minority origin and other diversity indicators	Our Commitment to People
G4-LA13	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation	In accordance with ILO recommendations, men and women receive equal remuneration for the same work

## Human Rights Indicators

INDICATOR		REFERENCE
G4-HR3	Total number of incidents of discrimination and corrective actions taken	No human rights discrimination incidents were reported in 2015
G4-HR4	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights	In 2015 no operations or suppliers were identified in which the freedom of association and collective bargaining may be violated or at risk.
G4-HR12	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms	In 2015 no grievances about human rights were reported

## Social Performance Indicators

INDICATOR		REFERENCE
G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	Commitment to Local Communities
G4-SO2	Operations with significant actual and potential negative effects on local communities, their impacts and location	In 2015 no significant impacts on local communities were identified
G4-SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	100% of the business units were assessed and no significant risks were identified
G4-SO5	Confirmed incidents of corruption and actions taken	No incidents of corruption were identified in 2015
G4-SO6	Total value of financial and in-kind political contributions by country and recipient/beneficiary	No political contributions were carried out in 2015
G4-SO7	Total number of legal actions for anti-competitive behaviour, anti-trust, and monopoly practices and their outcomes	In 2015 there were no legal actions for anti-competitive behaviour, anti-trust and monopoly practices
G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	In 2015 OSSA was not subject to any fines or sanctions for non-compliance with laws and regulations
G4-SO11	Number of grievances about impacts on society filed, addressed, and resolved through formal grievance mechanisms	In 2015 no grievances about impacts on society were reported

## Product Responsibility Indicators

INDICATOR		REFERENCE
G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcome	In 2015 OSSA did not identify any incidents of non-compliance in this regard
G4-PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling, by type of outcome	In 2015 OSSA did not identify any incidents of non-compliance in this regard
G4-PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications	In fiscal year 2015 no incidents were identified of non-compliance with regulations or voluntary codes concerning marketing communications
G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	In 2015 no substantiated complaints regarding breaches of customer privacy and losses of customer data were received
G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	In 2015 OSSA was not subject to any fines or sanctions for non-compliance with laws and regulations regarding the provision and use of products and services











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