

**CORPORATE SOCIAL  
RESPONSIBILITY  
REPORT**  
2016





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RESPONSIBILITY  
REPORT**

2016



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# LETTER FROM THE PRESIDENT





I am pleased to present our fifth **Corporate Social Responsibility Report**, whose aim is to provide a complete overview of OSSA's efforts in 2016 from an economic, environmental and social perspective, the corporate principles said efforts were based on, and our relationship with our interest groups. To this end, as in previous years, the entity Global Reporting Initiative's G4 Guide was used as a reference.

In 2016, OSSA maintained the strategic pillars that led to its current position as a worldwide point of reference for underground works: internationalisation, commitment to R+D+I, and stimulating investment were the elements that facilitated reaching our objectives.

Eight years after OSSA tackled projects outside the Spanish market for the first time, 2016 provided plenty of reasons to continue celebrating the Company's successful international expansion. For the first time in our history, the percentage of international sales has exceeded 90% of total turnover. What is more, at the time of writing this report, OSSA is completing final procedures to begin a project in Colombia, a new country for the Company. This success is largely the result of constant commercial and prospection work in new markets over the past few years. In short, our high degree of specialisation has made us useful and profitable in many places all over the world, so we were able to maintain a sustainable internationalisation model.

Notwithstanding, for OSSA, international expansion is just as important as establishing ourselves on the markets we normally operate in, creating a portfolio with satisfied clients who value our technical solvency, our commitment to meeting deadlines, and our ethics and integrity in carrying out our work.

To attain all of this in such a specialised and competitive environment, commitment to research and innovation is fundamental to offer the best products and services. In this regard, OSSA has a long trajectory, endorsed by its R+D+i management certification system, unique to underground works companies. One year more, several of our R+D+i projects were awarded and distinguished for their excellence by public and private entities.

2016 confirmed that OSSA's investment and efforts to mentally prepare the entire crew with a culture of occupational hazard prevention was effective. Our accident rates have drastically descended over the past two years, at rates much lower than the average for the construction industry. For a company especially aware of the health and safety of its employees, this circumstance has led to great satisfaction.



Additionally, OSSA has continued reinforcing its commitment to the environment, developing innovative processes that contribute to decreasing its activity's environmental impact and operating with the utmost respect toward local communities.

Over the upcoming years, OSSA will seek to maintain its sustained and sustainable growth, with one objective on the horizon: to be the best underground works company in the world.

Carlos Puente

A handwritten signature in blue ink, consisting of a series of loops and a long horizontal stroke at the end, representing the name Carlos Puente.

President and CEO of OSSA

# OSSA'S PROFILE: 65 YEARS OPENING ROADS UNDERGROUND





The Company Obras Subterráneas (Underground Works), hereinafter, OSSA, **came to being in 1952**, as a family company exclusively focused on building galleries and shafts in the mining industry. Since then, either due to the Company's strategic decisions or the need to diversify caused by times of crisis, OSSA has progressively expanded its business.

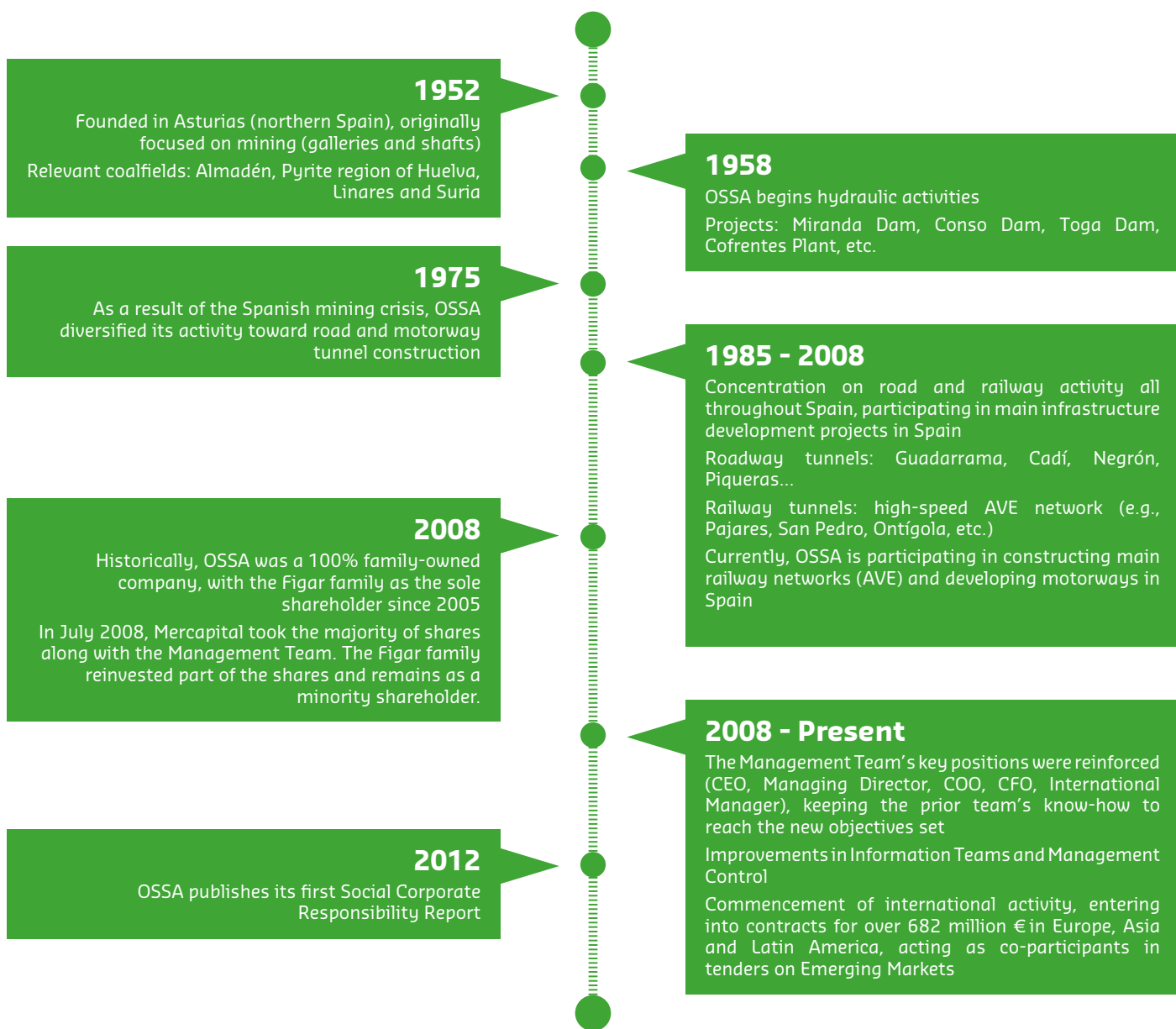
Over the first three decades of OSSA's story, this expansion took shape through the execution of its first works at hydroelectric plants and tunnels for civil works (rail and roadway tunnels). As of 2008, diversification came about through the Company's international expansion, when the financial group Mercapital (currently, Alantra) joined shareholders in a decisive move

After over six decades of evolution, OSSA's journey

can be summarised by the following figures: it has executed projects in fifteen countries, with over 850 kilometres of tunnels, more than 75 kilometres of shafts, and over 800,000 m3 of caverns built.

Currently, OSSA has become established as the leading company in underground work in Spain, with market shares reaching up to 70% for shafts built over the past fifteen years. Internationally, OSSA has become a point of reference in the industry.

Throughout this journey, OSSA has remained in step with reality and global changes, constantly increasing its environmental and social commitment. This commitment was expressed for the first time in its Corporate Social Responsibility Report in 2012. Since then, it publishes this report on an annual basis.



**Over 850 km of tunnels built**

**More than 75 km of shafts**

**More than 800,000 m3 in caverns**

## WHAT DO WE DO?

OSSA is a company specialised in the underground works industry, and currently structures its activity into four business areas: Construction, Power, Mining and Services.

### CONSTRUCTION



Civil Works projects bear a great responsibility, given their complexity and social nature. At OSSA, we place our best resources at the service of new challenges. This means that OSSA is an ideal partner, with proven technical ability, the result of vast experience.

### POWER



OSSA has participated in building over seven underground hydroelectric plants, some of which were the most important in Europe for several years (hydroelectric operation in Cortes-la Muela in Valencia and San Esteban in Orense).

## MINING



OSSA is a leader in coal mining projects, metal mining, ornamental stone mining and in mining work related to mine infrastructure: vertical shafts, access galleries and large caverns, underground workshops, crushing plants and pump rooms.

## SERVICES



OSSA has qualified staff to manage lighting, electric systems, safety systems, ventilation and other installations, as well as water-proofing. OSSA also provides technical assistance to works.



## OSSA IN THE WORLD

In 2008, the financial crisis forced many Spanish companies in the construction and infrastructure industries, including OSSA, to expand their businesses, given the stagnation and lack of investment domestically. OSSA managed to turn this need into one of its main advantages. It earned a great reputation in the industry all over the world, thanks to its ability to offer technical solvency in very different environments, positioning itself as one of the best underground works specialists.

Such is the case that, in 2016, 91% of the Company's turnover came from international projects. During the year, OSSA has executed projects in nine countries: Brazil, Chile, Costa Rica, Spain, Guatemala, Israel, Mexico, Norway and Peru.

Moreover, in previous years, OSSA executed works in Andorra, Greece, Hong Kong, Panama, Portugal and

Taiwan. As such, over the course of the mere eight years that have passed since its first international experience, OSSA has signed contracts in 15 countries, spread out between Europe, America and Asia.

On the other hand, we should note the constant prospecting effort made by the Company in its search for new opportunities. In 2016, OSSA took part in tender processes, or at least worked on prospecting in countries such as Argentina, Bulgaria, Colombia, Ecuador, France, India, Panama and Portugal, and also participated in tenders in all of the countries where it is currently present. In total, OSSA presented over eighty tenders in 2016.

This effort made by OSSA over the past years is already manifesting in signed contracts and good standing in tender processes for projects that will begin in 2017.



However, despite its international presence and great future perspectives, OSSA firmly believes in controlled growth, seeking consolidation on markets where it already holds recognised prestige, such as Spain, Peru and Chile. A representative example of this is Chile, where OSSA earned the trust and satisfaction of clients of the likes of CODELCO and the Metro de Santiago. It has signed a great number of contracts with them since making its appearance in the South American country in 2012.

*"In 2016, OSSA confirmed the efficacy of its internationalisation model. We are more than satisfied with the Company's consolidation on strategic markets, and are excited about entering the Colombian market and business opportunities in 2017".*

**Jaime Simón**  
**Managing Director**

In carrying out its international activity, one of OSSA's main challenges was instilling its philosophy in vastly differing environments, all while acquiring a more open mentality and paying heed to better local practises. The Company's international activity is

characterised by an initial relocation of human teams and machinery, then progressively incorporating the best representation possible of local workers and machinery.

### OSSA in Colombia

Colombia is a strategic country, with very encouraging future perspectives for public works. To this end, over the past three years, OSSA has carried out intense commercial efforts on the Colombian market which, at the end of 2016, was about to manifest as a contract. The project in question, whose tender took place mainly in

2016, is the construction of two tunnels in the Department of Antioquia, to develop the Conexión Pacífico I motorway. Work is scheduled to begin in 2017.

By entering Colombia, OSSA will have a great opportunity to establish itself in a country where over one hundred kilometres of tunnel are planned for construction mid-term.

MAIN FIGURES IN 2016

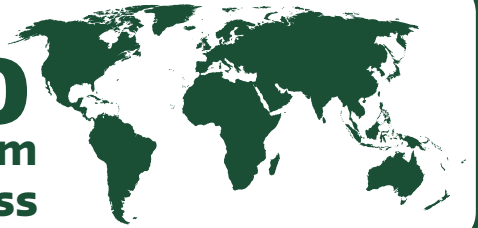


**173**

million €  
in sales

**91%**

of sales are from  
international business



**16**

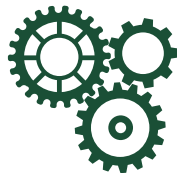


km of tunnels  
built



**252.380**

m3 of caverns built



**82%**

of the operations are  
covered by certifications  
ISO 9001 and 14001



**1**

million €  
invested in R+D+i

**1.086**

employees

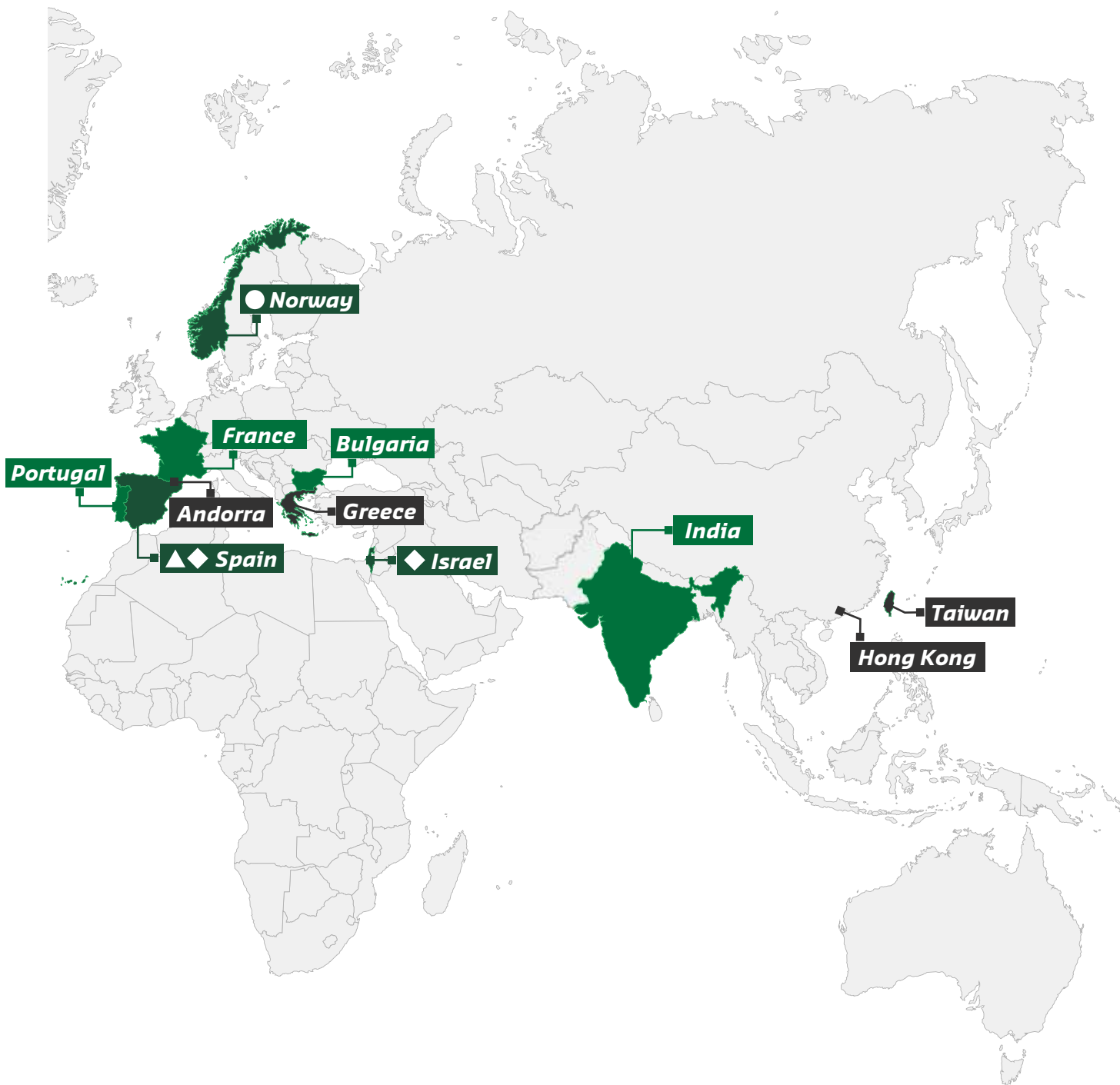


**84%**

decrease in accident rate  
compared with 2014







OSSA  
VERSARIO

## WHAT SETS US APART?

OSSA, currently the leading underground works company in Spain, aims to become a worldwide point of reference within the highly specialised industry. To this end, during its 65 years of

experience, the Company has reinforced a series of qualities or factors that set it apart from the competition.

### SPECIALISATION

A company entirely focused on underground work, a specific niche within the construction and infrastructure industry, where we are able to operate with a wide range of techniques (drill and blast, NATM, TBM, etc.).

### FLEXIBILITY

OSSA has demonstrated its great capacity to adapt to different roles in executing projects, taking action with the same soundness as concessionaire, contractor or subcontractor, an aspect highly valued by its potential partners and clients.

### OWN MACHINERY

OSSA holds modern machinery, where logistics and information systems play an essential role. The machinery set, which is increasingly trending toward a relocated model, has had a representative in Latin America since 2016.

## OSSA'S DIFFERENTIATING FACTORS

### KNOWLEDGE

OSSA's accumulated knowledge on underground work execution is difficult to obtain; to obtain it, vast experience and a constant commitment to R+D+i is necessary.

### ORGANISATIONAL EFFICIENCY

The Company has an efficient organisational structure that facilitates immediacy and proximity in communicating with the client and other interest groups.

### PRESTIGE

OSSA boasts a great reputation and recognition in the industry. This is the result of the quality, performance and safety it has offered over the course of its six decades of activity, with its work in Chile and Spain acting as the best cover letter.

Of note is the fact that OSSA, as part of its future company vision, considers operating with **honesty, professionalism and strict compliance with the law, at all levels, to be a priority.**

Moreover, it undertakes the commitment to create wealth for its interest groups, adopting the best environmental and social practises insofar as is possible.

*"The factors that set us apart have made OSSA the best underground works company, and lead the way to being a worldwide point of reference in the industry in the future".*

**Enrique Martín**  
**Production Director**







# ETHICS AND GOOD GOVERNANCE



## ETHICS AND INTEGRITY

At OSSA, there is a conviction that, to be a world leader in its speciality, it cannot merely offer its clients the best technical services; a commitment to strict legal compliance, respect for human rights and anti-corruption in all areas where it operates are indispensable conditions to becoming a point of reference.

**OSSA includes this commitment in its Code of Ethics**, which was approved by the Board of Directors in December 2012 in order to state the main fundamentals of ethics and social responsibility for the Company. Said Code states the basic guidelines for conduct at OSSA, as well as the fundamental principles governing the Company's relations with each one of its interest groups.



All employees who are part of one of OSSA's companies must comply with, and follow the Code of Ethics. Moreover, OSSA works so that its suppliers, subcontractors and collaborators make the Code's contents their own.

To facilitate application of the Code of Ethics principles, **employees have a strictly confidential channel** to report behaviours they detect that may constitute a failure to comply with said Code. The channel is managed through the email account [buzon\\_canalresponsable@ossaint.com](mailto:buzon_canalresponsable@ossaint.com). No reports were received during the year 2016 through this account.

*"Our Code of Ethics is the starting point to develop policies that increase OSSA's level of demand in its commitment to legality, ethics and integrity".*

**Ana Lorente**  
**Legal Director and Board Secretary**

## POLICIES TO DEVELOP THE CODE OF ETHICS

As the principles listed in the Code of Ethics are not merely a statement of intent, and for the Company's commitment to be active and dynamic, OSSA constantly works on developing new tools and formal instruments with the Code as a starting point.

During 2016, in developing policies to prevent the risk of criminal action, a series of procedures was approved and communicated throughout the organisation. They require mandatory compliance, with a special focus on anti-corruption practises:

- > **Anti-corruption policy**, which determines the measures necessary to prevent, detect and sanction fraudulent actions, and the use of OSSA's activities and resources to obtain economic benefit or any other kind

- > **Gift and entertainment policy**, whose purpose is to ensure the principles of honesty, sobriety, prudence, transparency and respect that govern OSSA's relationship with clients, suppliers and other interest groups.
- > Information privacy and confidentiality policy, which establishes the requirements each one of the members of OSSA must meet in handling information emerging from the Company.
- > **Policy to prevent conflicts of interest**, whose aim is to prevent any employee, director or members of the Board of Directors from carrying out any action that could interfere in OSSA's independent practise.

These policies are applicable to all employees, directors and members of OSSA's administrative entities, including all subsidiaries and temporary joint ventures where OSSA holds a controlling stake.

## OSSA'S PRINCIPLES OF ACTION

<b>Basic conduct guidelines</b>	Legal compliance	Strict compliance with laws in force and adaptation to good practises observed.
	Respect for human rights	Absolute respect for rights and freedoms from the Universal Declaration of Human Rights
	Ethical integrity	Avoiding any form of active or passive corruption.
<b>Relations with and between employees</b>	Elimination of child and forced labour	Rejection of child labour and products or third-party services coming from child labour
	No discrimination	OSSA admits no kind of discrimination based on race, gender, sexual orientation, etc.
	Respectful treatment	No type of harassment or abusive, hostile or offensive conduct is permitted.
	Work safety	Strict compliance with standards, training for employees and preventive hazard management.
	Hiring, promotion and assessment	Rigorous hiring and promotion programmes based on objective capacity and skill criteria.
	Trade union freedom	Support for the freedom of association and affiliation and acknowledgement of the right to collective bargaining.
	Compensation	Fair and appropriate compensation on the different markets.
	Reconciliation	OSSA values the importance of an appropriate balance between professional and personal life for its employees
	Resources and training	Encouragement of ongoing learning and training for employees. We provide the necessary means and resources.
	Privacy and personal data protection	Personal data handling is limited to information essential for OSSA'S management and to comply with applicable standards.
	Confidential information	Employees maintain confidentiality over the content of their work.
Conflicts of interest	Employees must communicate situations of conflicts of interest and intervention in these issues.	
<b>Commitment to clients, suppliers and shareholders</b>	Clients	Maximum quality in supplying services, with innovative, safe solutions and ideas, at a suitable price. Clear information, honesty and transparency.
	Suppliers, providers and subcontractors	Objective and impartial selection processes, encouraging collaboration with those who accredit application of social and environmental responsibility practises.
	Shareholders	Creating value and transparency, conducting internal controls and appropriate management systems.
<b>Responsibility to third parties and society</b>	Fair competition	Prohibition of any kind of unfair competition and compliance with competition defence laws.
	Honour in management	OSSA does not admit corruption, bribery, nor requesting or offering benefits to third parties.
	Research and innovation	Commitment to introducing new technologies and participating in research projects.
	Confidentiality for third-party information	Confidential handling of third party data, following applicable law.
	Environment	Scrupulously following environmental legislation and applying processes to control and minimise environmental impacts (waste, spillage, etc.).
	Social commitment	Support in creating wealth and respecting the cultural diversity of communities, encouraging hiring local suppliers and labour.



## MEMBER OF THE GLOBAL COMPACT

In line with the principles of action set forth in the Code of Ethics, OSSA adheres to the United Nations' Global Compact initiative, a commitment that has been in force since the first Progress Report was presented in 2012. In joining, OSSA declares itself as an entity committed to the ten universally accepted principles

in regard to human rights, labour standards, the environment and anti-corruption.

Annex II establishes the relationship between the contents of this Report with the Principles of the Global Compact.



WE SUPPORT  
THE GLOBAL COMPACT

## CORPORATE GOVERNANCE

### PROPERTY STRUCTURE

The **financial group Alantra**, which up until September 2016 was operating under the name N+1 Mercapital, is the **majority shareholder of OSSA**, with 77% of shares. Alantra is a leader in investment banking and asset management in the global midmarket segment, which provides OSSA with the financial strength necessary, which is key to the Company's international establishment. This reference partner actively participates in governing OSSA through its representatives on the Board of Directors.

The capital is completed with the Figar family's shares, the founders of the company, through the company Veganarcea, and minority shareholdings of the members of the management team. This guarantees that OSSA's economic and professional interests are aligned, and that the company's past and future are integrated.

### BOARD OF DIRECTORS

The Board of Directors is **OSSA's highest governance entity**. Its composition did not change in 2016, so it is still composed of seven members, representatives of the Company's shareholders, who ensure an appropriate blend of shared interests between the capital and the management directors.

The Board is convened periodically, at least on a quarterly basis. At each one of the meetings, the most relevant issues for the company's activity are exhaustively addressed, including issues of a different nature, such as financial-economic performance, tax aspects, operational issues and corporate matters.

Indeed, aware that unlisted companies must also adopt practises of good governance, the Board of Directors increasingly addresses issues related to social responsibility. Aspects such as human rights, worker safety and minimising the environmental impact of works awaken a growing interest in OSSA's interest groups, so it is fundamental for these issues to be addressed from the top level of governance.

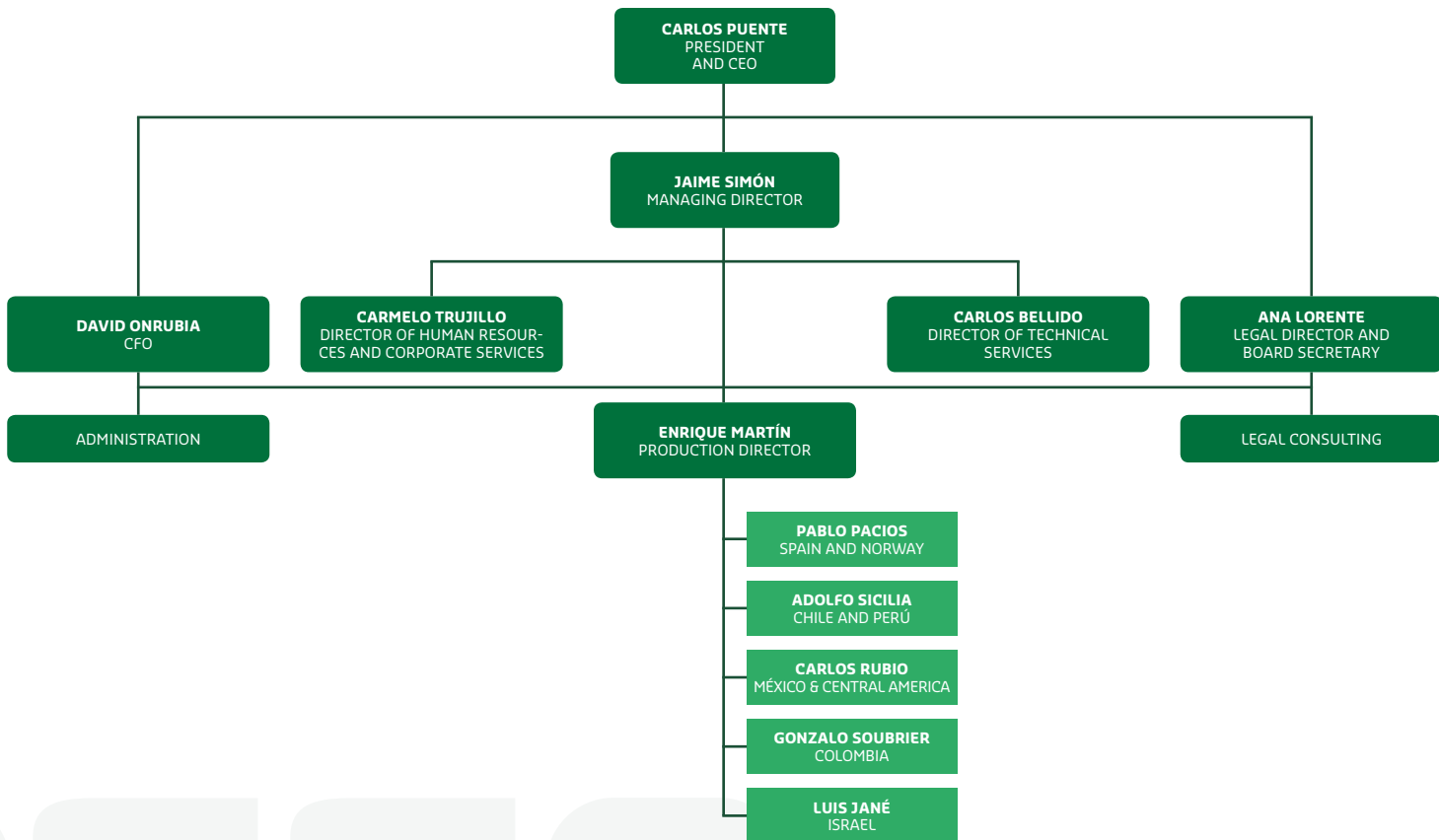


STRUCTURE OF THE ORGANISATION

OSSA has a **functional and efficient organisational structure** that meets the Company’s business needs, as well as its need to be present in different geographic regions. The Company’s structure is designed so that clients and other interest groups can easily identify their spokespersons within the organisation, providing for proximity and immediacy in communication.

The main party responsible for the organisation’s decisions is the President, who also holds the position of CEO. Consequently, he holds all powers pertaining to the Board, save those that cannot be delegated per the law and Corporate Bylaws, and acts as a visible and effective head for the organisation.

In 2016, no significant changes were made to OSSA’s organisational structure, aside from **reorganising a few territorial delegations**, given the imminent entry in Colombia and the intense commercial efforts made in Israel.





## RISK MANAGEMENT

OSSA has a Global Risk Management Programme, whose aim is to minimise the potential negative impact of risks (financial or non-financial) on the

company's profitability. The Treasury Department is responsible for identifying, assessing and managing risks, according to the guidelines established in the policies approved by the Board of Directors.

RISK IDENTIFIED		RISK DESCRIPTION
FINANCIAL RISKS	Market risks	<b>Exchange rate risk:</b> this is the risk pertaining to operations conducted in a foreign currency, fundamentally associated with the sale of convertible currencies or currencies with restricted convertibility, such as the Chilean peso, the Colombian peso or the Brazilian real. Given that the volume of international invoicing grows year by year, the Company has developed a risk management policy per currency type.
		<b>Interest rate risk:</b> this is the risk associated with fluctuations in interest rates for companies' assets and liabilities. The risk associated with the company's assets is limited, since its treasury flows have a fixed interest rate. However, this kind of risk also exists for external resources that are issued with variable rates, the Euribor being the main reference. In general, OSSA seeks the best possible options on the market, limiting this kind of risk. These risks are analysed dynamically, simulating different possible scenarios.
		<b>Price risk:</b> this risk is associated with the uncertainty caused by price volatility. This is not a significant risk for OSSA, since there are no significant investments subject to this kind of risk.
	Credit risks	This type of risk is associated with contractually bound parties' failure to comply with contractual obligations. Regarding client balances for sales and services provision, a high proportion of them refer to operations with public entities, so OSSA deems that the credit risk is very limited. Regarding clients from the private sector, a significant part of the balances refer to companies with a high credit rating who do not have a record of defaulting on payment.
Liquidity risks	Periodically, the clients' global position is monitored regarding sales and services provision, and an individual analysis is conducted on the most significant exposures.	
NON-FINANCIAL RISKS	Operational risks	This is the risk associated with financial losses caused by failures or inadequacies in processes, people, internal systems or technologies. The measures to manage this kind of risk are highly diverse, and are normally related to procedures for the processes and selecting the best technologies and systems to carry out activities.
	Country risks	This is the risk associated with the joint assessment of the hazards a certain country may pose to the Company's business development. This risk includes geopolitical aspects related to governmental bodies, and how they influence the regulatory framework and decision-making in the country (political or Government instability, nationalisation of economic sectors, unilateral revocation of contracts by the Government or repatriation of capital, and more). Within the framework of internationalisation, it is mandatory to correctly identify the main risks associated with a new market, in order to define potential countries of interest for the business to expand.
	Staff risks	Moreover, the Company assesses the risks associated with the safety of its workers. This is a highly relevant variable when deciding whether to enter a new market, and a fundamental aspect to identify the measures necessary to minimise this kind of risk for expatriated staff.





# MANAGEMENT STRATEGY AND MODEL



## STRATEGY

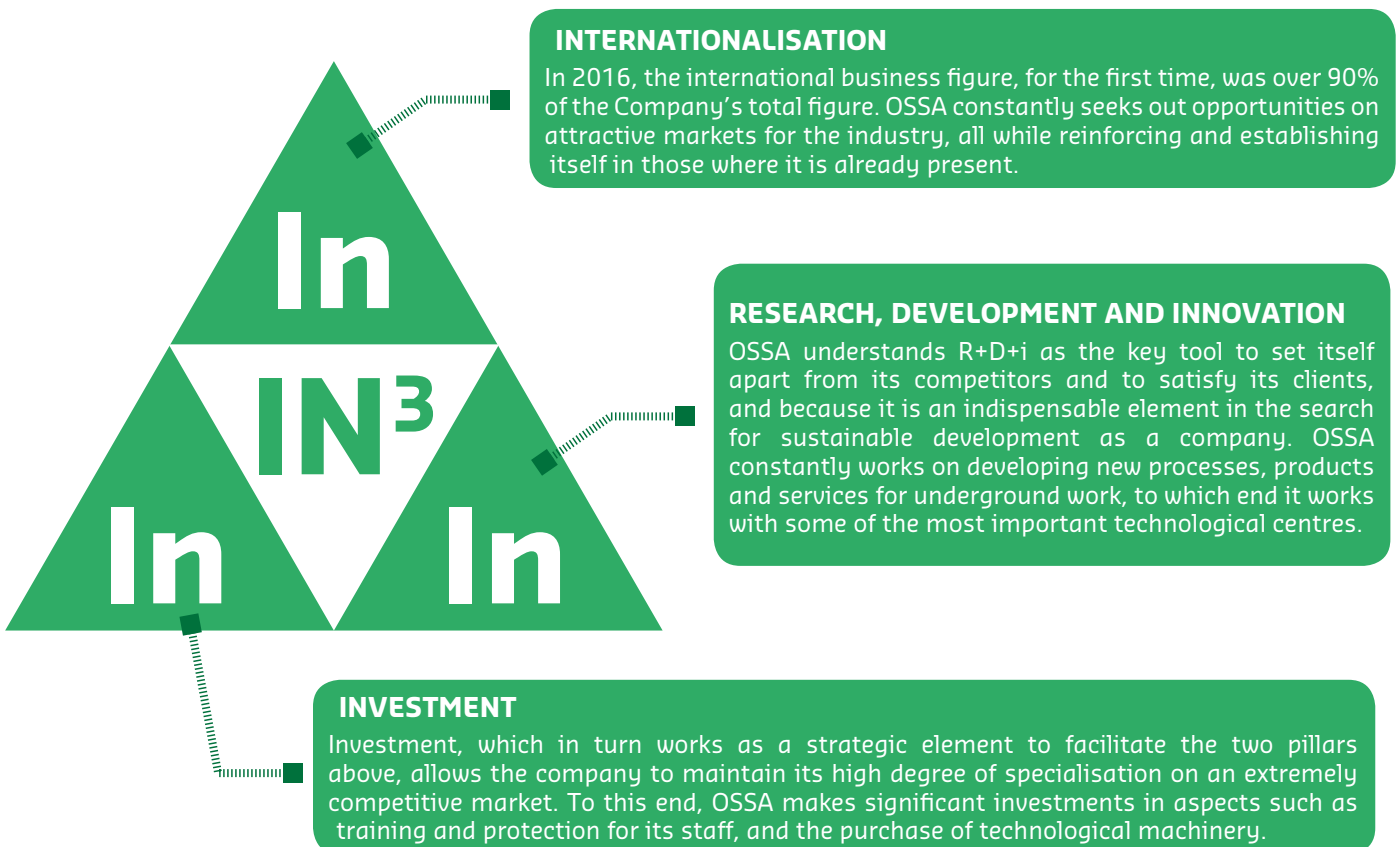
IN<sup>3</sup>, OSSA's global strategy, has three pillars that mutually support and complement one another:

- > Internationalisation.
- > Research, development and Innovation (R+D+i).
- > Investment.

The immediate goal sought with this strategy is to obtain client recognition, thanks to how OSSA stands

out from the competition, which we do through our commitment to the most advanced technological development, minimisation of risks derived from our activity and much staff training.

Mid- and long-term, the great strategic objective is to grow based on a sustainable model, making OSSA the company of reference for underground work all over the world.



*"OSSA's strategy facilitates the Company's ability to enter new markets, year after year".*

**Luis Jané**  
**Business Development Director**



## INTEGRATED MANAGEMENT SYSTEM

OSSA has a unitary system that defines a framework to manage the company's processes, which are essential for its proper operation. The integrated management system encompasses strategic, operational and

support processes for three transversal aspects in all of OSSA's operations and activities: quality, environmental respect and the health and safety of its employees.

<p><b>QUALITY</b></p>	<p>OSSA's integrated management system is a reflection of the company's commitment to carry out its activities according to client requirements and the quality internally required by the organisation. At OSSA, the starting point for quality management is the Code of Quality, which establishes customer satisfaction, staff qualification and collaborative relationships with partners, suppliers and subcontractors as the foundation to be able to meet objectives.</p> <p>The integrated system is audited on a yearly basis according to the international quality standard <b>ISO 9001</b>. Currently, eight of the countries where OSSA operates (in addition to the Machinery Set) hold the ISO 9001 certification: Brazil, Chile, Colombia, Costa Rica, Spain, Guatemala, Norway and Peru.</p>
<p><b>ENVIRONMENT</b></p>	<p>The integrated system systematises all of the Company's processes to meet environmental requirements and to reduce our activity's environmental impact, which mainly comes from waste generation, noise and emissions in excavation processes. The system establishes all of the environmental procedures and requirements necessary for hiring. This includes suppliers, our own staff and subcontractors, and more.</p> <p>The integrated system is audited on an annual basis, according to the international environmental standard <b>ISO 14001</b>. The operations certified in 2016 are the same as for ISO 9001.</p>
<p><b>PREVENTION OF OCCUPATIONAL HAZARDS</b></p>	<p>OSSA's integrated system also systematically manages all hazards related to health and safety that are a result of the company's activities, in a structured way. The aim is to raise awareness regarding the importance of prevention for the entire structure, from directors to our own staff and subcontractors. This is fundamental to bring accident rates down to the minimum.</p> <p>The integrated system is audited on a yearly basis, according to international health and safety standard <b>OHSAS 18001</b>. Six of the countries where OSSA carried out its activity in 2016 (in addition to the Machinery Set) are certified by this standard: Brazil, Chile, Costa Rica, Spain, Norway and Peru.</p>

## ADAPTATION TO NEW ISO 2015 STANDARDS

In 2015, the international ISO 9001 and 14001 standards were revised. They underwent significant changes, which makes it necessary to adapt all environment and quality management systems by 2018.

One of the most noteworthy changes is that the new standards go further in depth regarding **involvement of upper management**, by establishing the need for directors to be able to prove their commitment to

the management system through their leadership. As part of this new 28 role, the direction must ensure that the management system offers the predicted results, that they play an important part in communicating the relevance of the system, and that they support other roles to contribute to system efficacy.

To this end, during 2016, courses oriented toward **the direction and managers of different departments were taught**, preparing the Company for the renewed ISO standard focus. Moreover, this year we began adapting OSSA's integrated management system procedures to the new ISO 9001 and 14001 versions, a process that will continue and come to a close in 2017.



# OSSA'S ACTIVITY IN 2016: A SOLID, INNOVATIVE AND RESPONSIBLE COMPANY

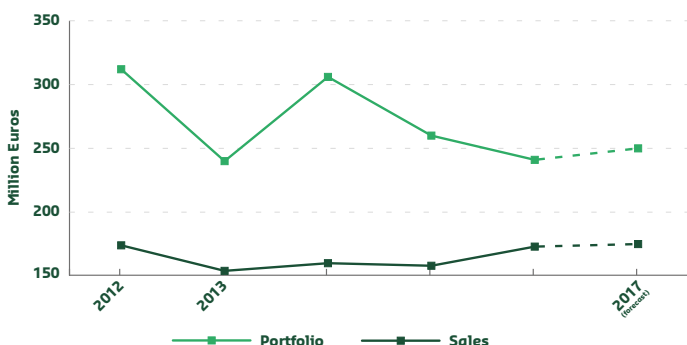


## ECONOMIC AND BUSINESS PERFORMANCE

### ECONOMIC PERFORMANCE

In 2016, OSSA managed to increase the business figure from the prior year, recording 173 million euros in sales, despite suffering a decreased portfolio. This confirms the business' recovery and stabilisation in sales after the downturn suffered in 2013. Moreover, in 2016, the bank refinancing operation begun in 2015

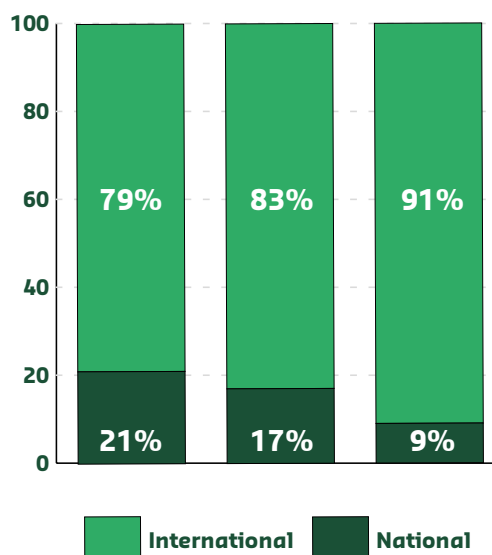
**Evolution of sales and portfolio**



came to an end, which was fundamental to undertake execution of projects with total economic solvency.

Regarding geographic distribution of sales, only 15 million euros (9% in total) were invoiced in Spain, while the other 158 million euros (91%) are from the international market. This international market includes the rest of Europe, and mainly Latin America (79.4%). Clearly, a large part of this international success is thanks to OSSA's work in Chile, where Metro de Santiago has been trusting in the company since 2012. Additionally, the contracts with the División Andina and Chuquicamata (CODELCO) mines had a high impact on OSSA's accounts and reputation, since the projects are being carried out with the utmost success.

**Geographical distribution of sales**



*"OSSA's internationalisation model is the key to guaranteeing the Company's financial stability".*

**David Onrubia**  
CFO

Due to the international market's weight, in 2016, OSSA placed special emphasis on exchange rate fluctuation risk control and on managing fund repatriation. To this end, OSSA developed a policy suitable for exchange rate risk management. In the upcoming years, it is expected that business will increase, thanks to entry in strategic markets and OSSA's consolidation on markets with huge potential,

such as Mexico, where the Company made its entry in 2015. Moreover, we are convinced that the imminent entry in Colombia will have a high impact on turnover, given the infrastructure development period that the country is currently undergoing. Additionally, it is expected that signs of recovery will be detected short/mid-term in the public works sector in Spain, which stagnated after the 2008 crisis.



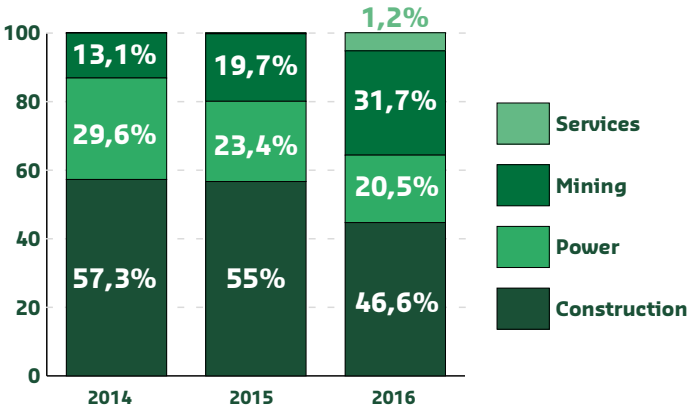
**ACTIVITY BY BUSINESS AREA**

Of the 173 million in sales recorded by OSSA in 2016, 82 million are from Construction, 55 million from Mining and 35 from Power. In addition to these figures, 2.1 million euros come from the Services business area, established as such in 2016.

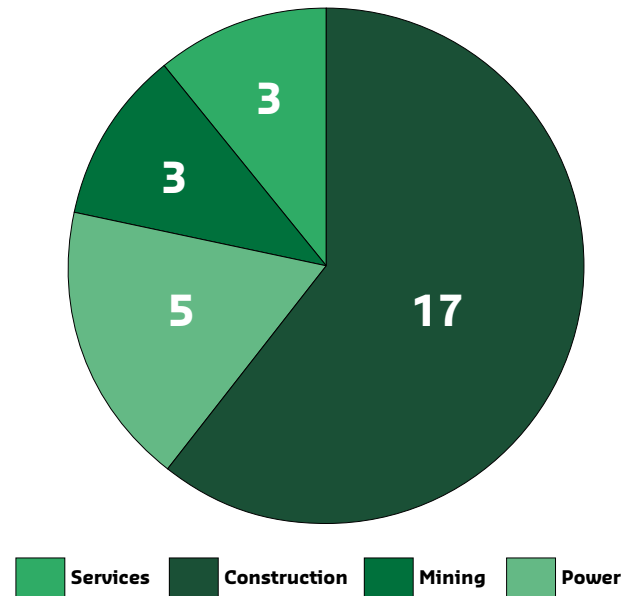
For the first time in the past few years, Mining activity approached the business figure generated by Construction. Growth in this area, which is forecasted to continue in 2017, was caused by the magnitude of the mining projects being carried out in Chile.

Regarding the number of projects executed in 2016 by business area, works in the Construction area clearly continue to dominate, while the Power and Mining areas' invoicing is concentrated in a lower number of projects.

**Percentage of sales by business area**



**Number of projects per business area**



*“OSSA seeks to reach technical excellence in all scopes of underground works, thereby attaining great results in all of its business areas”.*

**Carlos Bellido**  
**Director of Technical Services**

*“Constantly presenting international tenders will allow the Company to continue to increase its activity in Construction, Power, Mining and Services projects over the upcoming years”.*

**Javier Torre**  
**Technical Director**



# CONSTRUCTION

**Business Figure:** **80,6** million € **46,6%** of the total

## METRO LINES

OSSA has participated in constructing important metro lines and several stations and interchanges, with road headers, the traditional method, and other modern excavation methods and techniques.

## ROADWAY TUNNELS

With roadways and motorways, over the past years OSSA has built more than 55,000 m of roadway tunnels. Various construction systems were used. Used the most, and therefore of note, is NATM (New Austrian Tunnelling Method), with and without the use of explosives.

A fundamental characteristic of the Company is a rapid response and the flexibility to solve singular technical problems on difficult terrain and under extreme working conditions, providing the human team's knowledge and experience and the strength of modern machinery.

## RAILWAY TUNNELS

OSSA stand out thanks to its specialisation and efficacy in constructing railway tunnels, from shorter tunnels for light rail to large high-speed infrastructures.

## HYDRAULIC TUNNELS

OSSA has vast experience in building hydraulic tunnels in soft soils with earth pressure balance excavation (EPB) and in rock with open tunnel-boring machines. It has carried out everything from hydraulic bypasses with longer tunnels to municipal actions related to urban water treatment, working on minimum-length sections.



## NOTEWORTHY CONSTRUCTION PROJECTS IN 2016

### METRO LINES

### CHILE

### METRO OF SANTIAGO



Since 2013, OSSA has carried out different works to extend the Metro of Santiago. Since then, it has accumulated over 10,000 metres of tunnel and 5 stations, using the NATM support system. The works to extend lines 3 and 6, begun in prior years, came to an end in 2016, when construction work was begun on the Los Leones station, the combination between lines 1 and 6. The project, where OSSA is also in charge of civil works for the access points to the station, is still under execution.

### METRO LINES

### PERÚ

### METRO OF LIMA



Since 2015, OSSA has been working on extending line 2 of the Metro of Lima, executing the connection tunnels to the Colectora Industrial station. The project consists of excavating 3 vertical shafts for ventilation, measuring 16.5 m in diameter, and a 2,244-metre tunnel, with a 68 m<sup>2</sup> excavation section, using NATM as the primary support method. For the first time in 2016, since October OSSA has been working with secondary lining and draining the executed tunnels. Work is scheduled for completion in the summer of 2017.

**ROADWAY TUNNELS**

**MÉXICO**

**COMPOSTELA TUNNEL**



This site, begun in March 2016 in the State of Nayarit, consists of executing 234 m of tunnel, water-proofing it, reinforcing it, and then lining with formwork. The excavation was carried out by drill and blast and by mechanical means, while the NATM method was used for the support.

**ROADWAY TUNNELS**

**SPAIN**

**SANTA MARINA TUNNEL**



With works on the high-speed line Madrid - Extremadura - Portuguese Border, OSSA is working on the lining phase for the Santa Marina tunnel, in the Province of Cáceres. The tunnel has tubes 3,595 metres long, and includes two 215 and 60-metre false tunnels.



# POWER

**Business Figure:** **35,5**  
million €

**20,5%**  
of the total

## PIPELINES, DEVIATIONS AND RESTORATION

Hydroelectric plants require a set of complementary works with singular characteristics: pipelines, deviations and restitutions, that require a great variety of constructions, depending on the diameter, section type, lengths and the land.

OSSA has conducted excavation, support and concreting work for a great number of tunnels and shafts with different characteristics, with the quality and deadlines required by its clients.

## LARGE CAVERNS

With underground work on hydroelectric plants, one of the most difficult constructions are the caverns designed to house large-sized generator equipment with a high cost, that require vast, top-quality storage spaces.

## NOTEWORTHY POWER PROJECTS IN 2016

HYDRAULIC TUNNELS	GUATEMALA	RENACE IV
		
<p>The work consists of executing a 3,401-metre hydraulic tunnel to build the Renace hydroelectric complex, located in the Department of Alta Verapaz. The excavation took place with drill and blast and mechanical means, while the NATM method was used for support. With this work, the Renace III project is continued, where the complex execution of a 12-m shaft with 200 m2 section, and a 140-m shaft with 25 m2 section, finished in 2016, is of note.</p>		

HYDRAULIC TUNNELS	COSTA RICA	LOS NEGROS II
		
<p>This work, practically finished by the end of 2016, consists of executing a pipeline tunnel 2,300 metres long, within the hydroelectric project Los Negros II in the Province of Alajuela. Excavation mainly took place by drill and blast, although mechanical excavation means were also used, along with NATM philosophy to facilitate support for the lowest-quality terrain.</p>		



# MINING

Business Figure: **54,8**  
million €

**31,7%**  
of the total

## VERTICAL SHAFTS AND GALLERIES

OSSA is considered one of the best companies in the world in sinking shafts, with experience in works of over 75 kilometres of shafts built throughout the course of its history. The shafts executed reach depths of up to 700 metres, and a free diameter of 6.50 metres.

OSSA also has extensive experience constructing galleries, which are part of the necessary infrastructure for later operation of the mine, with over 150,000 metres of galleries accumulated.

## SPECIAL WORKS, OPERATIONS AND CAVERNS

Around shafts and galleries, OSSA provides a service that is just as important: the creation of large caverns, necessary for placing ancillary services such as tanks, underground workshops for machinery repair and maintenance, crushing plants and pumping rooms.

OSSA has participated in several projects that require that this kind of caverns be built, as well as mining operations in different coal, metal mining and ornamental stone mining projects.

## NOTEWORTHY MINING PROJECTS IN 2016

VERT. W. AND GALLERIES

CHILE

CHUQUICAMATA MINE



Since 2012, OSSA has been working at the new gold and copper mine in Chuquicamata, located in the Region of Antofagasta. Throughout 2016, the Company worked on two projects inside the mine. The first project, begun at the end of 2015 and still underway, consists of building 3,822 metres of ventilation tunnels, a 1,637-metre emergency ramp and the pertinent extraction points, executed with the raise boring method, and emergency galleries. The second one, begun in June 2016, consists of execution, with the drill and blast method, of 10,500 metres of ventilation galleries in the injection and extraction systems forming part of the mine, as well as execution with the raise boring method of two chimneys with a 6 m diameter, 181 m deep.

VERT. W. AND GALLERIES

CHILE

ANDINA DIVISION



This work is conducted inside Andina Division facilities, belonging to the mining company CODELCO, located in the Region of Valparaíso. This project required execution of 11,133 metres of galleries and caverns with mechanical means, drill and blast and NATM, including a tunnel 4,833 metres long and 42 m<sup>2</sup> section. Additionally, the project required building tunnels, access and ventilation galleries, caverns and chimneys with the raise boring method.



# SERVICES

**Business Figure:**

**2,1**  
million €

**1,2%**  
of the total

## TECHNICAL ASSISTANCE

The vast accumulated experience of OSSA's engineers means that they can provide technical assistance to companies which, without OSSA's support, could not undertake complex underground works.

## SYSTEMS

In OSSA's tunnel projects, especially those related to metro and railway lines, all systems necessary to provide good service to users have been executed.

## WATER-PROOFING

OSSA waterproofs the works it undertakes and also works for third parties, through its subsidiary company Hispano Sueca de Ingeniería S.A. (hereinafter, HISISA). Since its creation in 1965, HISISA has carried out special works within the scope of underground works, where demolition, concrete covers on dams, blasting in mines and singular excavations are of note, thus complementing OSSA's technical capacities.

Currently HISISA focuses its activity in the water-proofing field for tunnels, ponds, galleries, shafts and caverns, where it contributes to making the underground structures built solid and durable. To this end, the company analyses the most suitable technique for each specific project, using pioneer water-proofing processes and developing innovative solutions when the projects' characteristics require such.

Recently, HISISA executed some of its water-proofing works for civil works projects of great magnitude, such as development of the route for high-speed railway lines in Galicia, the Basque Country and Extremadura (Spain).



## NOTEWORTHY SERVICES PROJECTS IN 2016

### WATER-PROOFING

### SPAIN

### SANTA MARINA TUNNEL



Throughout 2016, HISISA worked on water-proofing the Santa Marina tunnel (Province of Cáceres), which is being executed by OSSA as part of construction on the high-speed line Madrid - Extremadura - Portuguese Border. Both the tunnel and one of its evacuation galleries cut through an aquifer of great environmental importance. For this reason, and to guarantee the tunnel's stability, HISISA used a pioneer process in Spain. This process consists of using two PVC membranes and a fibreglass mesh on geotextile that covers the tunnel's vault, forming 100 m<sup>2</sup> compartments that are heat welded. Moreover, in the improbable case that leaking were to occur, each compartment has a series of pipes through which water's presence would be detected, and gel is automatically injected, thereby sealing the affected compartment.

### TECHNICAL ASSISTANCE

### ISRAEL

### GILBOA PLANT



OSSA holds a collaboration agreement for construction work on the 300 M Hydroelectric Plant of Gilboa, located 60 kilometres from the city of Haifa. With this project, OSSA provides technical assistance to the joint venture Pamco-Shura for excavation and concrete lining of two shafts 500 and 80 metres deep, concrete lining for 1,700 metres of tunnels with rounded formwork and concreting for a steel-lined tunnel measuring 515 metres in length.

## NOTEWORTHY SERVICES PROJECTS IN 2016

SYSTEMS

MÉXICO

COMPOSTELA TUNNEL



After excavation, water-proofing and lining, OSSA was hired to supply and start-up exterior and interior lighting installations in the Compostela Tunnel.



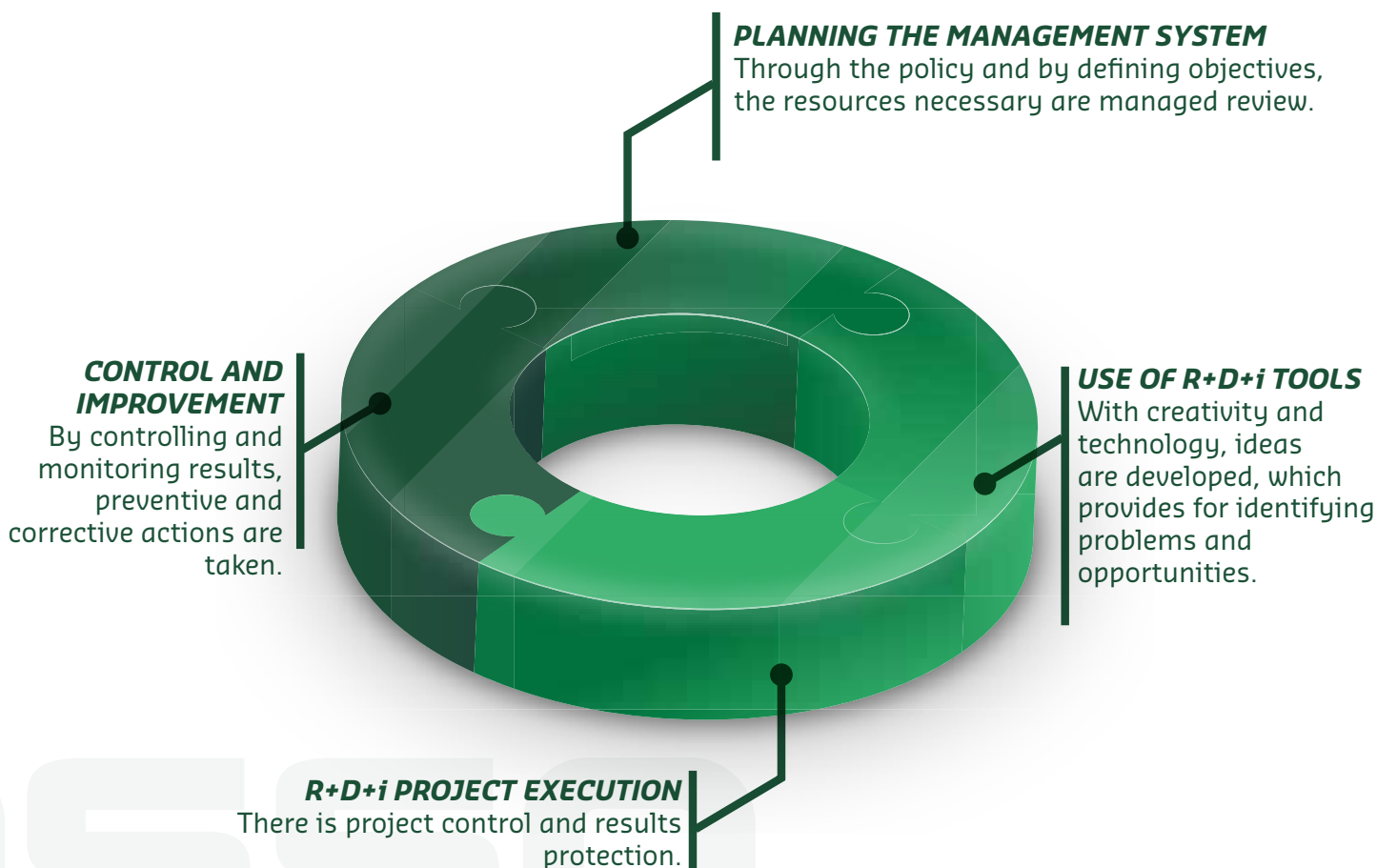
## R+D+i

The projects OSSA participates in require a high degree of specialisation. With these projects, OSSA must confront great technological challenges, all with limited time and resources. Moreover, the construction industry poses inherent risks to the safety of workers, who require constant improvement in occupational hazard prevention systems and elements.

As is to be imagined, achieving all of this while being an economically profitable, industry point-of-reference company, requires a team of professionals with great technical capacities. They must also be highly innovation and research-oriented, which OSSA has encouraged since its creation. However, to maximise the profits obtained from these two factors, a tool with common procedures to systematise and manage all R+D+i activities conducted at the company is necessary.

To this end, OSSA decided to create its own R+D+i management system, which is certified and audited yearly per UNE standard 166002:2014. In this way, the Company became one of the first engineering companies, and the first in the underground works sector, to obtain said certificate. Formalising OSSA's innovative effort in the management system stimulated, identified, organised and prioritised the ideas that come from all its employees or teams.

Under this system, the department in charge of R+D+i organises meetings and talks with different OSSA teams. These sessions involve both staff from corporate departments (health and safety, technical services, etc.) and project staff, whose vision, experience and technical knowledge are essential to identify problems, opportunities for improvement and ideas that lead to new projects.







*“Thanks to the R+D+i projects started up in 2016, in the immediate future, OSSA’s works will be even safer for workers and more environmentally respectful”.*

**Raquel Cienfuegos**  
**Corporate Services Manager**  
**(Quality, Environment, R+D+i, CSR)**

Although R+D+i project topics are open, they are generally formed around the following lines of work:

> **Increasing productivity:**

- Reducing consumption of raw materials by recycling and improving materials and processes.
- Technical excellence by automating equipment and processes.

> **Improving information systems:**

- Supervision and control systems.
- Simulation and prediction systems.

> **Health and safety:**

- Improvement for personal and collective protection equipment and systems.
- Improvement for work processes.
- Training.

> **Reducing environmental impact:**

- Energy efficiency.
- Decreasing gas and noise emissions, waste and spillages.
- Reducing consumption.

## SECTORIAL COLLABORATION IN R+D+i

As a technological leader in the sector, OSSA actively participates in different collaboration forums, as well as international events related to R+D+i in underground works.

OSSA has established a cooperative framework with universities and research centres of renowned prestige, such as the Polytechnic University of Madrid (UPM), the Santa Bárbara Foundation, the Technological Institute

of Aragón and the International Centre of Numeric Methods in Engineering (Centro Internacional de Métodos Numéricos en Ingeniería, CIMNE). Moreover, the Company leads the Strategic Line of Underground Works for the Spanish Technological Construction Platform.

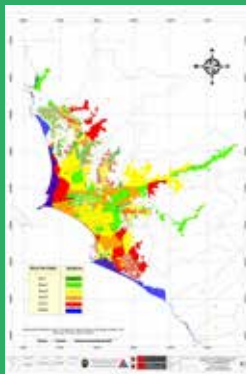
On the other hand, OSSA closely collaborates with leading suppliers and clients in their respective fields of action. In July 2016, OSSA spoke along with manufacturer Putzmeister at the International Tunnel & Mining Congress held in Lima, Peru.

## NOTEWORTHY PROJECTS IN 2016

Two projects stand out from the rest in 2016, both of which have a significant impact on improving safety conditions at sites.

The first project, called **SYOS**, addresses development of a methodology to handle seismic activity at works. This project received recognition from the Iberoeka programme, an instrument to support strategic innovation projects that involve technological cooperation between entities from at least two different Ibero-American countries.

On the other hand, the project **SIPHOS** (Smart System to Project Concrete in Underground Works, Sistema Inteligente de Proyección de Hormigón en Obras Subterráneas) was one of the projects selected by the Retos-Colaboración (Challenges-Collaboration) programme, by the Ministry of Economy, Industry and Competitiveness in Spain. This programme provides support for the most noteworthy R+D+i projects, under the condition that they must be carried out in cooperation between companies and bodies of research. It should be noted that, for six consecutive years (since 2011), OSSA has presented projects that were selected and financed by the Retos-Colaboración programme, which is quite an achievement for a company such as OSSA, and is a huge acknowledgement of its commitment to R+D+i.



**SYOS - Advanced methodology based on seismic zoning to assess and manage seismic activity in underground works**

The SYOS project's main aim is to design and develop advanced methodology based on quantified maps integrated into an IT tool, to assess and manage seismic activity in tunnels, mines and hydroelectric caverns. Thanks to this methodology, we can attempt to determine the best solution to support underground works in areas highly vulnerable to seismic activity. This is to increase safety and mitigate the effects caused by deformations associated with this hazard.

With this project, OSSA is working along with the underground engineering company, the laboratory Cepasa and the Santa Bárbara Foundation.

**SIPHOS - Smart System to Project Concrete in Underground Works**

The SIPHOS project consists of conceiving, developing and testing a new smart shotcreting system (projecting concrete at high pressure) in all kinds of tunnels, which guarantees personal safety, minimises environmental impact and material consumption, and guarantees structural stability for the infrastructure from the very first moment. The system's objectives include obtaining actual shotcreting model, automated control of concrete sprinklers, verification of the executed excavation, making progress measurements on site and verification of alignment and the concrete profile.

In carrying out the SIPHOS project, OSSA collaborates with the Technological Centre CEIT-IK4 and the Santa Bárbara Foundation.



Other R+D+i projects conceived in 2016 were:

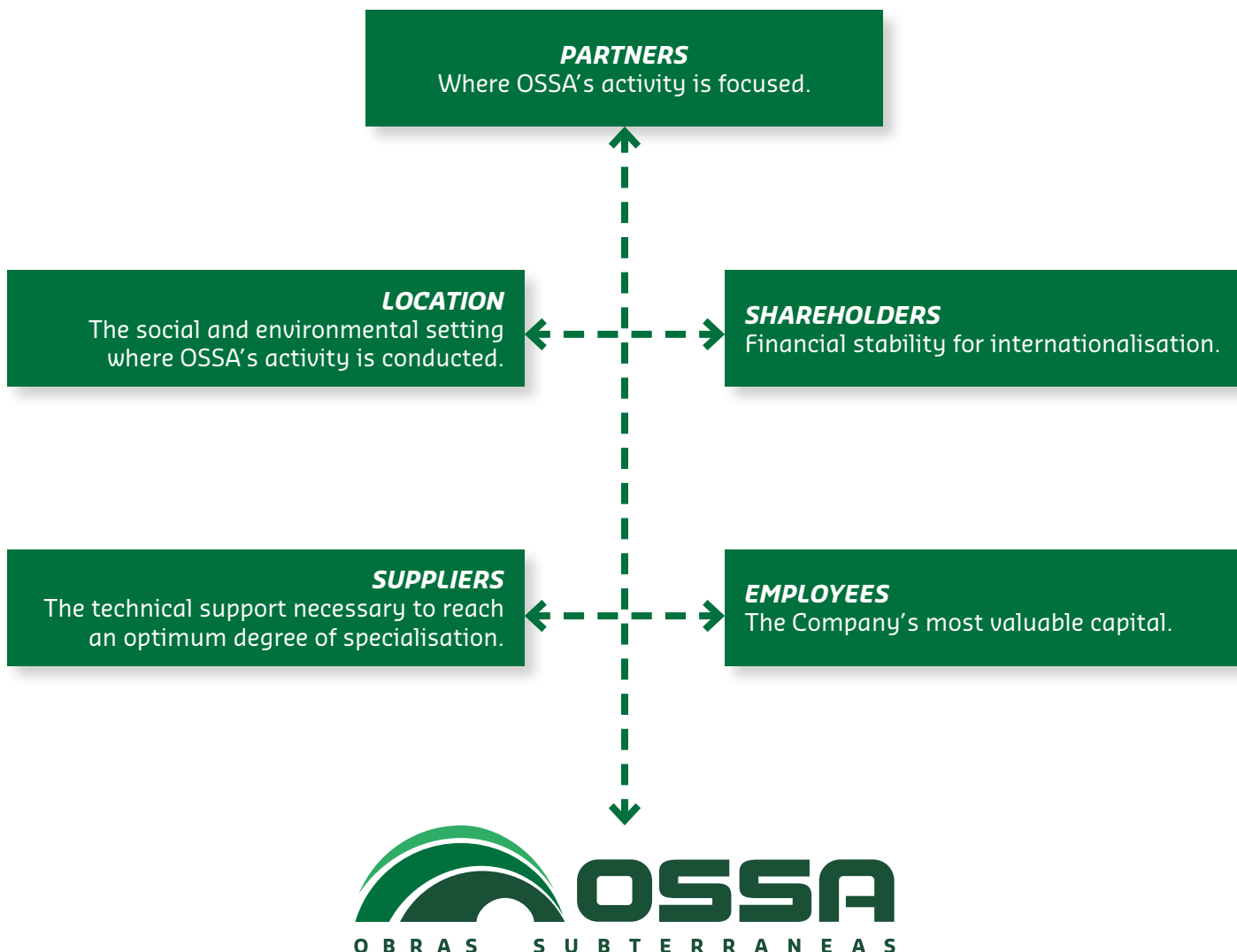
- > **Greentunnel**, to reduce the environmental impact and health hazard in the tunnel excavation process.
- > **Safetunnel**, to develop a tool to predict, mitigate and manage hazards in tunnels excavated in rocky massifs with a high stress state.
- > **Fortunnel**, to research and demonstrate new supportable fortification systems for underground works in areas with a high seismic risk.

Additionally, during 2015 OSSA continued working on developing the Túnel project, begun in 2015 to research the execution cycle for tunnels made with the drill and blast method. The work conducted on this project earned OSSA the **"Acción minera" (Mining Action) award, during the 10th Premios Potencia de Obras y Proyectos (Work and Projects Power Awards)**, organised by the TPI Group



## RESPONSIBILITY TO INTEREST GROUPS

OSSA considers an interest group as any social collective that is, or could be, affected by the company's activity, now or in the future, and/or that legitimately affects or could affect said activity, and therefore, its profits. Based on this premise, OSSA has the following interest groups:



### COMMITMENT TO CLIENTS AND PARTNERS

In its professional relationships, OSSA guarantees two vital aspects for its clients: strict compliance with the contractual conditions agreed upon (deadline and price) and quality in executing its works. However, high specialisation, the use of our own machinery, accumulated prestige and other factors that set us apart, are what make OSSA its clients' number-one choice.

One of the main characteristics that sets OSSA apart is **flexibility** and the ability to carry out different roles in project execution:

- > OSSA can act as a **concessionaire** company for public administrations, taking care not only of site execution, but also of its co-financing.

- > With most projects, OSSA takes on the role of main **contractor**, either alone or in a consortium with other private entities in the sector, through a joint venture.
- > OSSA can also take on the role of **subcontractor**, generally for large construction companies who act as end clients.

In this way, some of the large companies in the sector who have historically hired OSSA as subcontractor have later collaborated with the Company in consortiums, establishing solid and long-lasting professional relationships between both parties. OSSA's success lies in knowing how to demonstrate to its partners and/or clients that the Company offers the same services and quality standards **whether working as an ally or a collaborator**, aware at all times of the role they fulfil in each project.

The **client's priorities and requirements** differ depending on the type of project, and have more or less generalised patterns in each one of OSSA's business areas. In this way, construction project clients, generally public administrations or large companies from the sector, prioritise **a tight budget** for hired works, as well as the quality of the product delivered, in order to ensure limited future maintenance costs. For Power and Mining contracts, generally tendered by public or private companies that, in turn, have a limited concession as far as time is concerned to exploit the resources, **finalisation deadlines** for works prove critical.

### UP CLOSE

OSSA has an efficient and simple organisational structure, providing for clients to easily identify each one of their spokespersons at OSSA.

This creates up-close communication between OSSA and the client, characterised by the immediacy of the Company's response capacity.

OSSA encourages this proximity beginning with the commercial phase, before entering into contracts, by scheduling visits for its team of directors and constant contact and support provided by delegates from each geographical area.

### CLIENT SATISFACTION

The fact that clients such as Metro de Santiago, CODELCO and Acciona continue to collaborate with OSSA after having worked on several projects together, is a clear sign that their perception of OSSA's performance is highly positive.

On the other hand, OSSA measures its clients' satisfaction under its integrated management system, using satisfaction surveys to do so when works have been completed. In 2016, the global result obtained from the surveys is that 93% of the clients were very satisfied.



*"With its experience with the Acciona Group, OSSA proved to be both a trusted ally and a collaborator with underground works. During its experience with Acciona Infraestructuras México, OSSA stood out for its degree of specialisation and the quality of its works as a subcontractor company".*

*"Over the two years of collaboration with Mota-Engil on the bypass tunnel project in Acapulco, OSSA carried out its tasks with stainless technical solvency and strict compliance with the agreed-upon prices and deadlines".*



*"From the very first time contact was made with Hidrotárcoles, OSSA has proven to be a trusted company with a firm commitment to the environment where it works and to local communities".*



## SUPPLIER MANAGEMENT

In carrying out its daily activity, OSSA requires collaboration with suppliers who provide the following, and more:

- > Highly technological machinery and equipment;
- > Construction materials, waterproof fabrics, explosives, etc.
- > Software and hardware for information systems and site control;
- > Fuel to use the machinery;
- > Technical and engineering services;
- > Other services (tax and legal consulting, travel management, etc.).

This shows that OSSA has to place its trust in a third-party entity in many aspects, with the end goal of guaranteeing client satisfaction. To this end, it is vitally important for OSSA and its suppliers to be aligned, mainly in aspects such as service quality, work safety, environmental commitment and codes of ethics and conduct.

To this end, OSSA has a Purchase and Subcontracting Procedure that includes planning needs through purchase plans, a fair tender and awarding process that is transparent and individualised for each need, and supplier **assessment**, where the following aspects are rated:

- > Meeting deadlines;
- > Product or service quality;
- > Technical capacity;
- > Price compliance;
- > Compliance with occupational health and safety, for site subcontractors;
- > Environmental conduct.

OSSA's new international expansion requires more agile and relocated purchase processes, to optimise resources while maintaining control in a flexible way. Moreover, OSSA attempts to boost the relevancy of local suppliers, so as to create value in the locations where it operates.

To this end, during fiscal year 2016 work was carried out on **renewing the Purchase and Subcontracting Procedure**, thereby adapting it to the Company's new international system. With the new procedure, OSSA aims to regulate the purchase system, providing for efficient cost control and facilitating access to purchase information, regardless of whether or not the purchases were made locally or at corporate level.

As of January 2017, the date of approval, there will be greater control over local purchases, and the expense percentage for local suppliers will be able to be offered in upcoming versions of this Report..

**BUILDING TRUST**



*"OSSA has always considered its suppliers to be true strategic partners in its projects, driving relationships with mutual trust and seeking the shared objectives of profit, growth and development".*

*"With OSSA, the challenges of the future are the realities of today".*



**Putzmeister**

**Suberna**

*"Working on a tunnel project with OSSA always gives two reasons to be satisfied. On one hand, it means working with people with whom you already have shared experiences all over the world, and on the other hand, it is a guarantee that the project, no matter how complicated it may be, is going to be a success".*

## MACHINERY

For most of the projects OSSA participates in, either at the client's request or due to the inherent requirements of the work to be executed, the machinery needed to work must bear certain special characteristics. On occasion, these characteristics are so specific that it proves complex to find these machines on the market. This would imply having to request that the machinery supplier modify one of its machines, or even its entire manufacture, with the consequent economic and time investment that this would entail. In some tendering processes, this aspect would be unfeasible.

For this reason, OSSA has its own **Machinery Set, with 400 units**, which includes the equipment used for different purposes: excavation, extraction, hoisting, rubble removal, supporting and lining, and ancillary equipment.

Over the past years, given the company's internationalisation process, the traditional set of machinery has evolved toward a more relocated **floating model**. Previously, the machinery set was in a physical centre (located in the Community of Madrid, Spain) where all machines were repaired, prepared and stored; now, many of the machines are repaired and prepared on-site with our own mechanics and technicians, gaining in terms of efficiency and response capacity.

For this reason, with the new machinery model, the **logistics and information systems** take on fundamental importance. To this end, in 2016 progress was made on modernising machinery management by implementing information systems for better control and reporting on the machinery's condition. Additionally, cost optimisation systems were implemented to apply the necessary resources and to anticipate breakdowns with maintenance protocols that are adapted to needs.

Given this re-location process, since 2016, the Machinery Set has had a representative in Latin America, whose role will be fundamental in managing machinery needs for projects conducted in the region.

Moreover, the Machinery Sets holds certifications for quality (OSO 9001), the environment (ISO 14001) and occupational hazard prevention (OHSAS 18001) (see section on integrated management system).

## EVOLUTION OF LOGISTICS

Of note is the progress made by OSSA in setting forth procedures and channelling logistics with efficiency and cost parameters.

The **Logistics Procedure**, approved in 2016, systematises machinery and material movement in three phases for the first time: site start-up, moving

the machinery and materials from the supplier or Machinery Set site to the destination site; supplying machines and materials between works, with consequent machinery preparation on site, without going back to the Machinery Set site; and returning the machinery or materials to the Machinery Set site, having previously considered the possibility of exporting or selling it.

## COMMITMENT TO EMPLOYEES

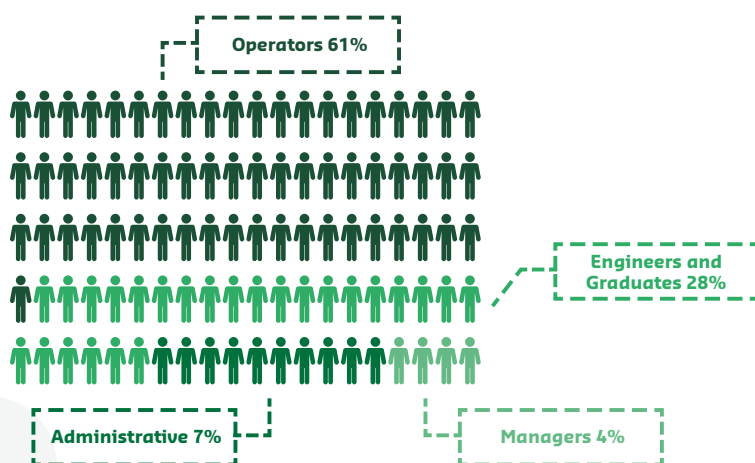
OSSA is aware that its most valuable capital as a company is its human capital. To this end, it seeks to retain talent by providing its employees optimum **well-being** conditions, especially in regard to occupational safety, the best technical **training**, and **stable employment** to encourage professional development and in-house promotion.

The Company believes in a **competitive compensation** model, with equal salaries at all levels, regardless of the place of hire or nationality, and of course, radically rejecting any kind of discrimination based on race, gender or social condition.

OSSA holds periodical meetings with trade unions and other bodies related to the communities in the countries where it operates, and 100% of its contracts are covered by **collective bargaining agreements**.

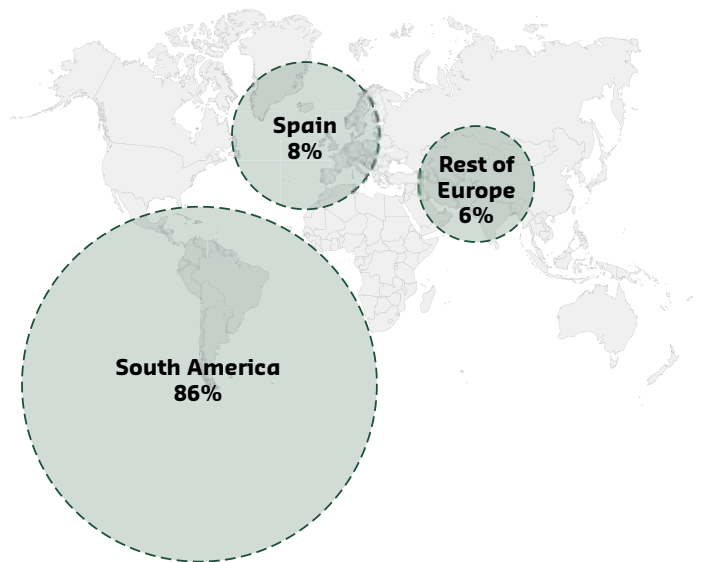
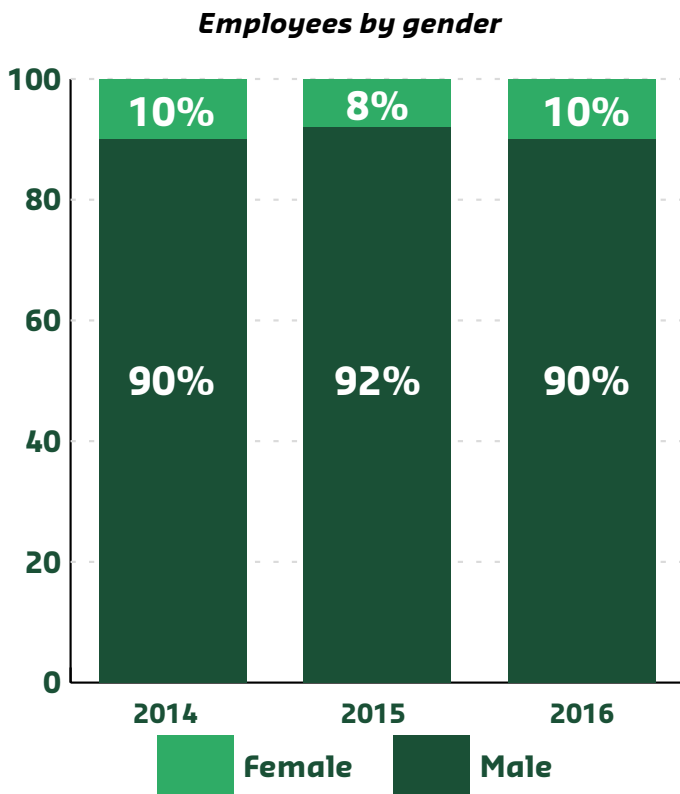
## OSSA'S STAFF

At the end of 2016, OSSA's staff was formed by **1,086 employees**<sup>1</sup>. 21% of OSSA's employees have permanent contracts, while 79% are temporary. Regarding **distribution by category**, most of the staff is made up of operators in charge of executing works, followed by engineers and degree-holders.



1. Data from all OSSA companies, including joint ventures.

Regarding **gender distribution**, OSSA continues to fight for the progressive hiring of women in a sector traditionally dominated by men. Currently, 10% of the staff is made up of women. OSSA attempts to increase this percentage, always based on the principle of gender equality. At the end of fiscal year 2016, OSSA was finishing the final draft for an equality plan, whose main aim will be to facilitate and boost the presence of women at the Company under conditions of equality.



Regarding geographic distribution, most of the employees (86%) are in Latin America, where OSSA is currently carrying out a large part of its projects.

When a new country is entered, the Company forms a delegation and establishes the site team cores with professionals from areas where OSSA is well-rooted, in order to export the Company’s philosophy and knowledge. Once the Company is established on a new market, OSSA works toward progressive hiring of **local staff** at all levels, in order to adapt to the environment to the greatest extent possible.

*“Given the type of activity that OSSA conducts, training in fields such as occupational hazard prevention and languages is vital”.*

**Carmelo Trujillo**  
**Director of Human Resources and Corporate Services**



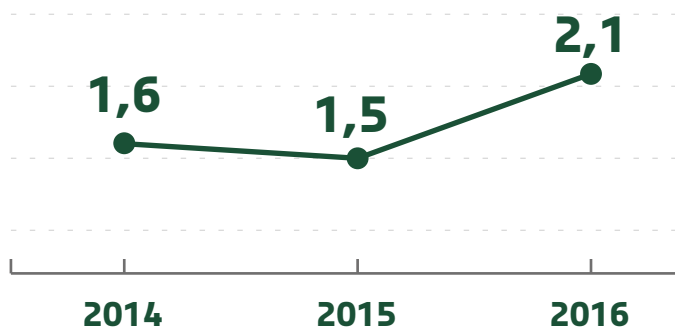
For this reason, given its short, yet prolific, international trajectory, OSSA still has a high percentage of **expatriated staff**. As of 31 December 2016, 61% of OSSA’s staff were expatriated. For this reason, the company provides them with a series of social benefits (health insurance, housing coverage in the destination country, etc.) and aid services (periodical flights to Spain, visa processing, information on the destination country, conflict and incident resolution, etc.).



## TRAINING

Aware that successfully meeting its objectives largely depends on training its employees, OSSA has increased the resources for training<sup>2</sup>. In 2016, it taught a total of 4,765 training hours, which is over 21 hours of training per employee, six more than in 2015.

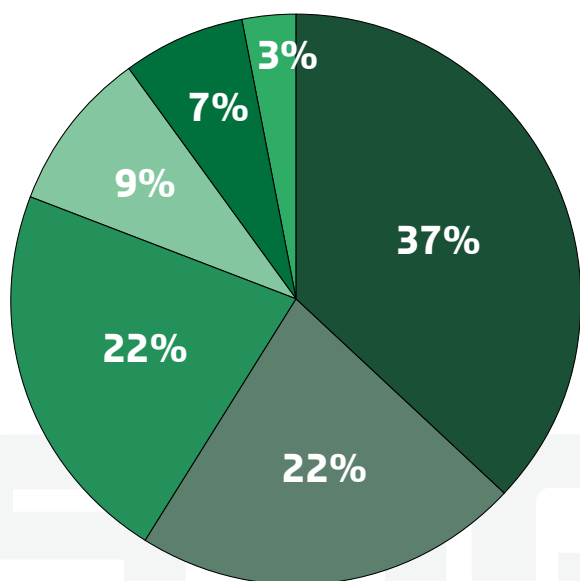
**Hours of training per employee**



OSSA identifies its employees' training needs, and then, based on said needs, develops a structured training plan on the pertinent topics.

In 2016, given its presence in countries such as Brazil, Israel and Norway, and prospection work in non Spanish-speaking countries, OSSA focused its efforts on language training, with over 1,700 accumulated hours over the year. Occupational hazard prevention continues to be a training priority, while courses on quality and the environment have received a great boost.

**Percentage of training hours per topic**



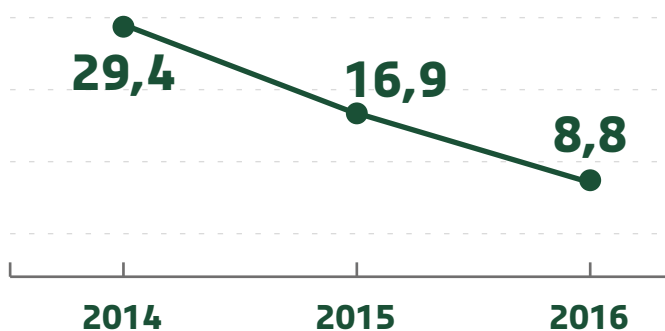
- Languages
- Computing
- Prevention
- Technical / Management
- Quality / Environment
- Machinery

## HEALTH AND SAFETY

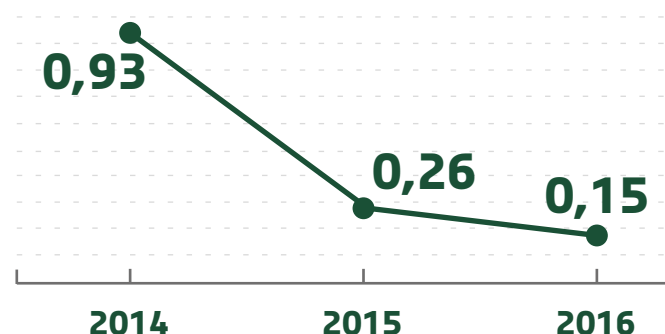
Aware of the risks inherent to the construction industry, OSSA has spent years fighting to instil a solid culture of hazard prevention in all its projects. The aim is to guarantee safe working environments and conditions for all workers and collaborators. Upon review of the indicators that OSSA uses to assess its performance in health and safety, there is no doubt that 2016 was a year that this culture was well-established at the Company.

Over the past two years, a **very significant drop in the Company's accident rates** was recorded. The **frequency rate** dropped by 70% over the past two years, while the **severity rate** dropped 84% in comparison with 2014<sup>3</sup>.

**Frequency Rate**



**Severity Rate**



3. Rates from OSSA

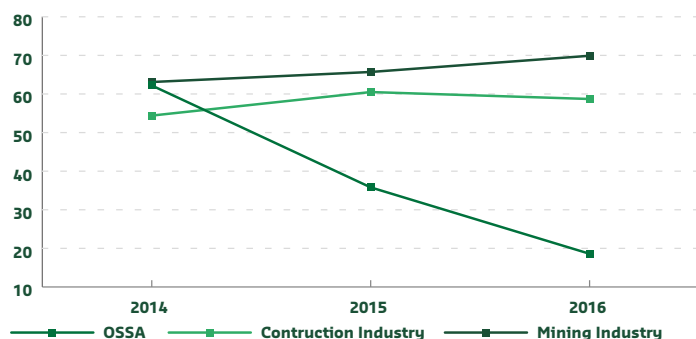


*"The significant drop in accident rates was made possible thanks to establishing a hazard prevention culture throughout the entire organisation".*

**Antonio Sánchez-Bravo**  
**Health and Safety Manager**

Moreover, when comparing OSSA's **frequency rate** over the past years with the average numbers for the construction industry and the metallic mining sector, this favourable evolution is plain to see. In just two years, OSSA went from recording accident levels per employee similar to levels in these industries, to recording a frequency rate between 3 and 4 times lower.

**Incidence index**  
**(number of accidents / 1,000 employees)**



To attain this improvement in accident rates, implementing and using preventive on-site tools designed to facilitate hazard detection, analysis and management, was essential.

Indeed, **OSSA's integrated management system** is the base tool to manage occupational hazard prevention at the Company. In 2016, this system was **certified by the international health and safety standard OHSAS 18001** in five more countries, joining Spain and the Machinery Set: Brazil, Chile, Costa Rica, Norway and Peru.

One year more, **training** was another one of the most relevant instruments for prevention. Some of the training modules taught in 2016 include general courses on prevention, as well as precise courses focused on specific hazards associated with some of the professional activities conducted by OSSA, such as work from a height, work in confined spaces, or prevention of chemical pollutants. In addition to formal training, brief talks are organised at all OSSA's sites, in order to raise awareness for teams of the hazards they will be facing each day of work.

R+D+i is another one of the instruments OSSA has for health and safety. Its two most noteworthy R+D+i projects in 2016, SYOS and SIPHOS, are largely motivated by a search for safer working environments (see R+D+i section).

### OSSA'S health and safety principles:

**Respect the life and dignity of people** as a central value. Nothing justifies employees undertaking uncontrolled risks that pose a hazard to their health or safety.

**Follow laws and regulations** applicable to projects associated with occupational health and safety, per legal ordinances in force and other agreements and commitments undertaken.

**Encourage preventive behaviours in our own workers and third parties** with effective systematic leadership activities on site, undertaking this role as a responsibility along our entire chain of command that cannot be delegated.

**Identify and assess hazards** as a mandatory requirement in planning and executing operations, and implement control measures to ensure operations under acceptable hazard conditions.

**Learn by analysing the root causes of all undesired events** to prevent their reoccurrence. OSSA seeks excellence in all that it does, and constantly improves, so as to be one of the best in the sector.

In the future, OSSA's objective is to keep working to reach the "zero accident" goal, thereby becoming a point-of-reference company as far as occupational health and safety are concerned. To this end, the

competency, experience and commitment gained by all its members over these years of effort are the Company's greatest potential.

## ZERO 100 PROJECT

This initiative is a global campaign where OSSA makes all its employees participants, to improve performance and to meet objectives bearing on **quality, the environment and occupational hazard prevention**. The fundamental objective is to reach zero accidents and 100% control and compliance.

The programme's specific objectives are:

- > Zero accidents.
- > 100% quality item compliance.
- > Zero environmental impact.
- > Adopting safe and responsible behavioural habits.
- > Carrying out work with quality, putting safety first.
- > Maximum control over environmental indicators

To support compliance with these objectives, OSSA has tools such as the "Lideralia" programme. Its purpose is to instil the need in upper management for communicating the company's key messages through words and actions.

The campaign "**Mirando en profundidad (Looking Deep)**" draws up an on-site inspection agenda to assess certain aspects related to occupational hazard prevention. Based on these observations, opportunities for improvement are detected, and good habits are highlighted



*Zero accidents 100% control  
OSSA based on behaviour*

## COMMITMENT TO THE ENVIRONMENT

OSSA's environmental commitment firstly affects the social setting where the Company operates, and the ensemble of communities that live there. On the other hand, this commitment also includes the physical location where OSSA conducts its activity, and all settings that could be affected from an environmental perspective by OSSA's activity.

## COMMITMENT TO COMMUNITIES

Over the past years, OSSA has strengthened its international presence through business development in new markets in Europe, Asia and Latin America. Given this situation, the company has had to adapt its internal procedures in a very short period of time in order to tackle the challenges posed by internationalisation.

Potential impacts on local communities, both positive and negative, that arise as a result of Construction, Power and Mining activity can be especially relevant in certain regions such as Latin America. In some

settings in this region, there are specific regulations that mandate that companies assess their impacts and develop a community relations plan.

To this end, since 2015, OSSA has had a **Global Policy and Manual for Relationships with Local Communities**, which establishes principles to guide the behaviour of the company and of all employees in carrying out their activities, ensuring respect of the rights and interests of communities and seeking mutual benefit. In order to facilitate application of these principles in any setting, the Manual sets forth a series of steps to follow and recommendable actions:

- > A diagnosis to become aware of the social, economic, environmental and cultural reality of the setting influenced by OSSA's activity. To this end, the most significant positive and negative impacts must be assessed, and a map of interest groups must be made.
- > Definition of the objectives of the community relations plan to be developed.
- > Identification of actions to undertake, including the establishment of dialogue and



communication mechanisms, fomenting local employment and supporting local initiatives.

- Organising the calendar and assigning economic, technical, material and human resources.

Heading to what the Manual for Relationships with Local Communities sets forth, in 2016 **local employment was boosted** through plans to use local labour, especially in projects that more greatly affect communities, such as Renace III and Renace IV,

in Guatemala.

In preparation for its entry in Colombia, OSSA has added a **professional specialised in social work** to the team, who shall act as a liaison between OSSA and the client to assess the status of the relationship with communities. This figure will be responsible for monitoring neighbourhood meetings, where everything related to aspects such as noise and vibrations, working conditions offered to community members, site cleanliness conditions, etc., is recorded.



### Operación Kilo (Operation Kilo) - Food Bank in Madrid

In 2016, OSSA collaborated with the most underprivileged collectives in the Community of Madrid, through the Food Bank's Operación Kilo (Operation Kilo). To this end, it organised a food drive in its office that collected 105 kilogrammes of non-perishable products.

The donated foodstuffs were distributed, along with those received through other channels, to 500 charity entities registered in the Community of Madrid that care for over 100,000 people every day, through residencies, social dining halls, care activities, etc.



## COMMITMENT TO THE ENVIRONMENT

At OSSA, we are aware of the potential environmental impacts associated with underground work: noise and vibration, emission of polluting gases, spills and waste production, affecting aquifers and the stability of terrains, resource consumption, etc.

For this reason, the Company has a strong commitment to the environment and implements practises to mitigate and reverse its activity's

negative consequences. These range from the simplest practises, such as periodically cleaning the sites, to complex research projects with improvements for the environment as the underlying purpose.

OSSA shows this commitment in its **Manual on Environmental Practises**, which governs the company's internal conduct in all environmental aspects, highlighting a list of good on-site environmental practises.

### GOOD ON-SITE ENVIRONMENTAL PRACTISES

1	Strictly <b>comply with instructions</b> from superiors and the company's work instructions
2	Exercise <b>joint responsibility</b> for the different site agents insofar as the environment is concerned
3	<b>Minimise waste</b> generation
4	Correctly plan hiring of the <b>authorised manager</b> for <b>waste collection</b>
5	Monitor the site's <b>power consumption</b>
6	<b>Appropriately drive</b> vehicles and machines
7	Plan the <b>zones accessible</b> to vehicles and machinery for works
8	Guarantee correct <b>machinery maintenance</b> for the site
9	Properly <b>maintain the storehouse</b>
10	Keep the <b>materials contained</b> in paper bags covered
1	<b>Control and properly store</b> pieces for formwork assembly
12	Place <b>reinforcements and metallic elements</b> on wooden supports
13	<b>Couple materials</b> in the moment and in the area of use
14	<b>Clean</b> the site periodically
15	Properly <b>manage lighting points</b> in provisional facilities
16	<b>Conserve</b> tools and facilities
17	Control <b>noise</b> from site machinery
18	Minimise <b>acoustic pollution from the compressors</b>
19	Minimise <b>acoustic pollution from the concrete mixers</b>
20	When possible, avoid on-site <b>polluting work</b>
21	Assemble frames in specific areas to <b>prevent uncontrolled wires in structures</b>
22	<b>Eliminate the dust</b> created by the transit of heavy machinery with on-site water spraying systems
23	Protect and take care of <b>corrosive chemical products</b> that may be used

To realise OSSA's commitment in this Manual and make it a reality, important efforts in raising awareness and training staff at all levels are required.

In this regard, 2016 was a definitive year to further **environmental training**. With over 1,000 accumulated hours, OSSA's employees received an average of 5 hours in environmental training<sup>4</sup>, on issues such as waste treatment and on-site water purification. Additionally, the Corporate Services Department gave a course on adapting to the new ISO 14001:2015 standard for managers from other areas and the Company's director team.

Indeed, OSSA systematises environmental aspects and actions with its integrated management system. In 2016, the environmental component of the management system was certified by the **ISO 14001 standard** in Costa Rica, thereby becoming OSSA's eighth country to obtain this certification. Additionally, sites annually undergo an internal audit conducted by the Environmental Department (Corporate Services), regardless of those that may be conducted externally.

Of note is OSSA's investment in **R+D+i** to develop solutions that mitigate the company's environmental

impact, and the impact of the sector in general. In 2016, OSSA continued working on the development of the **ECOVENT project**, for a new tunnel ventilation system. In 2015, this led to processing a patent and financing through the 2015 call put out by the programme Retos-Colaboración (Challenges-Collaboration), from the Ministry of Economy, Industry and Competitiveness of Spain. Another example of contribution to the environment through R+D+i is the water-proofing system for the Santa Marina tunnel, developed by HISISA (see HISISA section). With these projects, other solutions were tested that were not as technologically advanced, but that were also new for OSSA, such as the blasting alert service started up in the Bekkelaget, Norway project.

Moreover, OSSA presented its Green Tunnel project to LIFE Programme's 2016 call, the financial instrument for the environment in the European Union, although it was not selected in the end. With the participation of four other entities, the project bears on innovative technology for water recirculation in boring operations for the tunnel excavation process, as well as the implementation of new measures to protect worker health.



#### **ECOVENT - New ventilation system for tunnels under construction with conventional methods, energetically efficient and effective**

The ECOVENT project consists of developing a new confinement system with a reduced volume for contaminated air after the explosion, by using an innovative automatic closure system with a curtain that unrolls at the instant when the blast occurs, and a wheel system that adjusts to the actual profile of the tunnel under construction that can move through the tunnel. The confined air with gases and particles is sucked to the mouth of the tunnel, where a system to decant particles and to minimise, condense and treat gases to prevent their emission is located.

#### **Blasting alert services**

On occasion, executing underground works inevitably creates acoustic pollution and causes vibrations, mainly due to blasting, drilling and the noise caused by the concrete mixers and compressors. When works take place in areas near inhabited hubs, OSSA makes an attempt to implement measures to mitigate this negative impact insofar as is possible. Such is the case with the Bekkelaget water treatment plant, located in the metropolitan area of Oslo (Norway). To minimise the inconvenience caused by blasting, OSSA made a free mobile platform available to neighbours that sent warnings before blasting took place.



4. Data from OSSA and HISISA





# ABOUT THIS REPORT



## SCOPE OF THE REPORT

For the fifth year in a row, OSSA has prepared and published its Corporate Social Responsibility Report, stating its efforts and commitments in this regard, on the period ranging from **1 January 2016 to 31 December** of the same year. The scope of the report includes OSSA's activity and the activity of its subsidiary companies, in the **9 countries** where it executed works in 2016, as well as Colombia, where OSSA has its own delegation:

- Europe: Spain, Israel and Norway.
- Latin America: Brazil, Chile, Colombia, Costa Rica, Guatemala, Mexico and Peru.

## REFERENCE STANDARDS

The Report was drawn up based on the guidelines from the Guide to Prepare Sustainability Reports by **Global Reporting Initiative (GRI)**, the **G4 version**. To this end, the report on OSSA's performance in 2016 required that the following principles be applied:

- Principles to determine the report's content: participation of interest groups, sustainability, materiality and completeness context.
- Principles to determine the report's quality: balance, comparability, precision, frequency, clarity and reliability

The GRI indicators table, found in Annex I, shows the list of G4 indicators covered by the Report and their reference in the Report's text. If any of the indicators are omitted, an explanatory note has been added.

In 2016, OSSA prepared the Report according to the G4's **"essential"** compliance option, which meant reporting on at least one indicator in each one of the aspects deemed material.

## MATERIALITY ANALYSIS

In order to apply the materiality principle and thus present the most relevant issues for the company and its interest groups, results from the last **materiality analysis** conducted by the Company (2016) were used to prepare the Report.

By analysing different sources of information, some of them specific to the construction and civil works industry, a series of issues were identified to rate their relevance. Said rating is conducted from two perspectives: one is internal (relevance for the company, according to its impact on business objectives, ability to create risks and opportunities and the impact on the brand and reputation), and the other is external (relevance for interest groups, based on different interviews conducted in the areas). This rating provided for identification of the aspects of critical and high relevance for OSSA and its interest groups

RELEV	RELEVANT ASPECTS FOR OSSA AND ITS INTEREST GROUPS	RELATED G4 ASPECTS
<b>Critical</b>	Risk Management	Governance
	Occupational health and safety	Health and safety at work
	Economic performance	Economic performance
<b>High</b>	Ethics and compliance	Ethics and integrity
	Corporate Government	Government
	Client management	Local communities / own indicators
	Technology and R+D+i	Own indicators

## CONTACT INFORMATION

For any queries related to this report, please write to [info@ossaint.com](mailto:info@ossaint.com), to the attention of the Quality, Environment, R+D+i and CSR manager.





# ANNEX I GRI INDICATOR TABLE

## GENERAL CONTENTS

INDICATOR		REFERENCE
G4-1	Statement by main party responsible for the organisation's decisions	Page 7.
G4-3	Name of the organisation	Obras Subterráneas S.A. (OSSA).
G4-4	Most important brands, products and services	Page 10 and 11.
G4-5	Location of the organisation's main headquarters	Av. Isla Graciosa, 1, 2ª planta 28703 San Sebastián de los Reyes, Madrid (Spain).
G4-6	Countries where the organisation operates	Pages 12-15.
G4-7	Type of property regime and legal form	Pages 22 and 23.
G4-8	Markets served	Pages 12-15.
G4-9	Size of the organisation	Page 13.
G4-10	Main staff characteristics	Pages 49 and 50.
G4-11	Percentage of employees covered by collective agreements	100%.
G4-12	Description of the organisation's supply chain	Pages 48-49.
G4-13	Significant changes during the report period	In 2016, no significant changes took place at the organisation.
G4-14	Precautionary principle coverage	Pages 53 and 54.
G4-15	Letters, principles or other external initiatives that are economic, environmental and social in nature that the organisation has signed or adopted	Pages 21 and 53.
G4-16	National or international promotion associations and organisations to which the organisation belongs	Page 43.
G4-17	List of entities in the consolidated financial statements of the organisation	Página 58.
G4-18	Report preparation process	Page 58.
G4-19	List of the material aspects identified during the process of defining the report's content	Page 58.
G4-20	Coverage of each material aspect within the organisation	The aspects reported on refer to the activities conducted by the entity and the possible direct impacts arising therefrom.
G4-21	Limit of each material aspect beyond the organisation	See G4-20.
G4-22	Consequences of re-stating information from prior reports and their causes	No information was re-stated.
G4-23	Significant changes in the scope and coverage of each aspect in comparison with prior reports	There were no significant changes in the report's scope or coverage.
G4-24	List of interest groups linked to the organisation	Page 45.
G4-25	Criteria for selecting interest groups worked with.	Page 45.
G4-26	Participation of interest groups	Pages 19 and 45-55.
G4-27	Key issues and problems stemming from interest group participation	Pages 19 and 45-55.
G4-28	Target period of the report	Page 58.
G4-29	Date of the last report	2015.
G4-30	Report presentation cycle	Annual.
G4-31	Point of contact to resolve questions that may arise regarding the report's content	Page 59.
G4-32	Compliance option chosen by the organisation	Page 58.

INDICATOR		REFERENCE
G4-33	External report verification	The report was not verified by a third party.
G4-34	Organisation governance structure	Pages 22-23.
G4-56	Organisation values, principles, standards and regulations	Pages 16-21.

## SPECIFIC CONTENTS

### ECONOMIC INDICATORS

INDICATOR		REFERENCE
G4-EC1	Direct economic value generated and distributed	Page 31.
G4-EC4	Economic aids granted by government entities	In 2016, no significant aids were received from governments.

### ENVIRONMENTAL INDICATORS

INDICATOR		REFERENCE
G4-EN29	Monetary value of significant fines and number of non-monetary sanctions for failure to comply with environmental standards and legislation	In 2016, OSSA did not receive significant fines or sanctions for failure to comply with environmental standards.

### SOCIAL PERFORMANCE INDICATORS

#### Labour practises and decent work

INDICATOR		REFERENCE
G4-LA4	Minimum timeframes for prior notice regarding operational changes and possibly including them in collective agreements	The minimum prior notice period is indicated in collective agreements.
G4-LA5	Percentage of workers represented in Formal Joint Health and Safety Committees for Directors and Employees, established to help to control and assess health and safety programmes at work	OSSA's Directors' Committee's top point to address is always health and safety. Moreover, biannual meetings are held with worker representatives.
G4-LA8	Health and safety issues covered by formal agreements with trade unions	Both in OSSA's central headquarters through worker representatives, and in different countries such as Chile and Brazil, there are specific agreements with trade unions for health and safety.
G4-LA9	Average annual training hours per employee, broken down by gender and labour category	Page 51.
G4-LA10	Type and scope of the skill management and ongoing training programmes that foment employability of workers and help them to manage the end of their professional careers	Page 51.
G4-LA11	Percentage of employees who receive regular performance and professional development assessments, broken down by gender and by professional category	100%.
G4-LA12	Composition of governance bodies and breakdown of staff by professional category and gender, age, minority status and other diversity indicators	Pages 22 and 51.
G4-LA13	Comparison between men's and women's base salary, broken down by professional category and by significant locations of activity	Heeding the ILO, compensation for men and women is the same for the same work performed.



## HUMAN RIGHTS

INDICATOR		REFERENCE
G4-HR3	Number of discrimination cases and corrective measures adopted	In 2016, no cases of discrimination regarding human rights were recorded.
G4-HR4	Identification of centres and significant suppliers where the right to assemble and the right to enter into collective agreements may be infringed upon or threatened, and measures adopted to defend these rights	In 2016, no centres or significant providers were identified where the right to assemble and the right to enter into collective agreements may be infringed upon or threatened.
G4-HR12	Number of complaints bearing on human rights filed, addressed and resolved through formal complaint mechanisms	In 2016, no complaints bearing on human rights were recorded.

## SOCIETY

INDICATOR		REFERENCE
G4-SO1	Percentage of centres where development programmes, impact assessment and local community participation programmes were implemented	Page 53.
G4-SO2	Operations centres with significant negative effects, both possible or real, on local communities, their impacts and location	Pages 53-55.
G4-SO3	Number and percentage of centres where risks related to corruption were assessed and significant risks detected	100% of the business units were analysed, and no significant risks were identified.
G4-SO5	Confirmed cases of corruption and measures taken	In 2016, no cases of corruption were identified.
G4-SO6	Value of economic or cash political contributions, by country and recipient	In 2016, no political contributions were made.
G4-SO7	Number of suits for unfair competition, monopolistic practises or against free competition, and their result	In 2016, no suits were recorded for unfair competition, monopolistic practises or against free competition.
G4-SO8	Monetary value of significant fines and number of non-monetary sanctions for failure to comply with standards and legislation	In 2016, OSSA received no significant fines or sanctions for failure to comply with standards and legislation.
G4-SO11	Total number of complaints regarding social impacts filed, addressed and resolved through formal complaint mechanisms	In 2016, no complaints regarding social impacts were recorded.

## PRODUCT RESPONSIBILITY

INDICATOR		REFERENCE
G4-PR2	Number of incident stemming from failure to comply with standards or voluntary codes regarding impacts of products and services on health and safety during their life cycle, broken down according to the type of result of said incidents	In 2016, OSSA identified no incidents stemming from failure to comply in this regard.
G4-PR4	Number of failures to comply with regulations and voluntary codes regarding information and labelling products and services, broken down according to the type of result	In 2016, OSSA identified no failures to comply in this regard.
G4-PR7	Number of cases of failure to comply with standards or voluntary codes regarding marketing communications	In 2016, no cases were recorded of failure to comply with standards or voluntary codes regarding marketing communications.
G4-PR8	Number of justified complaints regarding violation of privacy and leaking data belonging to clients	In 2016, no justified complaints were recorded regarding violation of privacy and leaking data belonging to clients.
G4-PR9	Monetary value of significant fines for failure to comply with standards or legislation regarding the supply and use of products and services.	In 2016, OSSA did not receive significant fines for failure to comply with standards or legislation regarding the supply and use of products and services.





The background of the page is a photograph of an industrial manufacturing environment, possibly a factory or workshop. The image is heavily overlaid with a semi-transparent green color. In the center of the page, there is a large, stylized watermark consisting of the letters 'A' and 'R' in a light green color. The text 'ANNEX II GLOBAL COMPACT PRINCIPLES' is centered in the upper half of the page, within a white rectangular area.

# ANNEX II GLOBAL COMPACT PRINCIPLES

PRINCIPLE			REFERENCE
HUMAN RIGHTS	1	Businesses should support and respect the protection of internationally proclaimed human rights, within their scope of influence	Pages 19-21 and 49.
	2	Businesses must make sure that they are not complicit in human rights abuses	Pages 19-21 and 49.
LABOUR PRACTISES	3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	Pages 21 and 49.
	4	Businesses must uphold the elimination of all forms of forced and compulsory labour	Page 21.
	5	Businesses must uphold the effective abolition of child labour	Page 21.
	6	Business must uphold the elimination of discrimination in respect of employment and occupation	Pages 19-21 and 49.
ENVIRONMENT	7	Businesses should support a precautionary approach to environmental challenges	Pages 54-55.
	8	Businesses must undertake initiatives to promote greater environmental responsibility	Pages 54-55.
	9	Business must encourage the development and diffusion of environmentally friendly technologies	Page 55.
ANTI-CORRUPTION	10	Businesses should work against corruption in all its forms, including extortion and bribery	Pages 19-21.



WE SUPPORT  
THE GLOBAL COMPACT







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