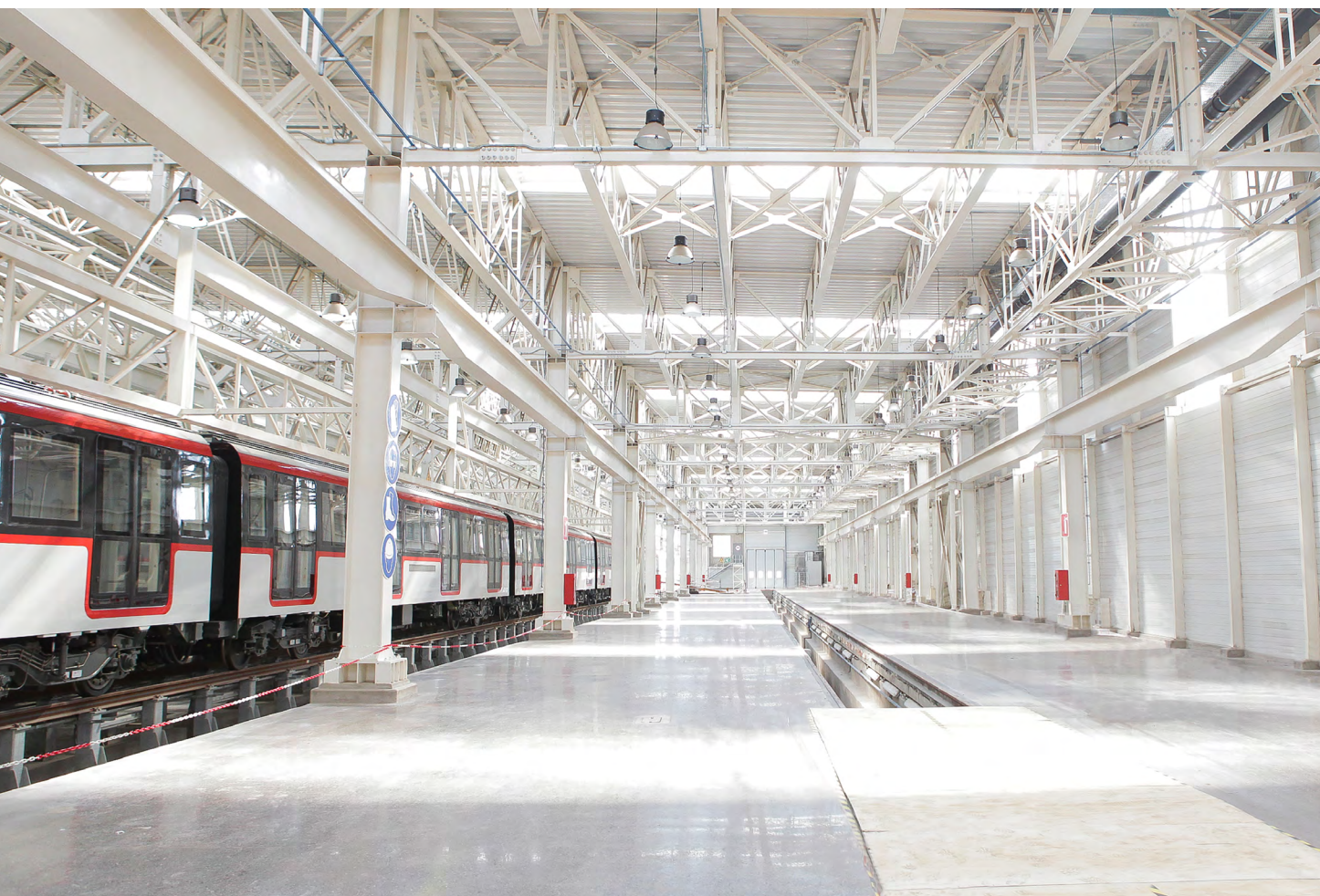


2019

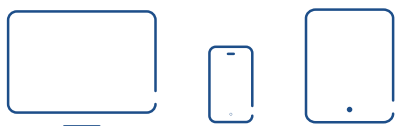
Consolidated  
Management  
Report



# Index

## Consolidated Management Report

<b>06   OHL in a click</b>	<b>20   Strategy</b>	<b>50   Sustainability</b>
<b>08   Profile of the group</b>	<b>22   Business model</b>	<b>52   Sustainability at OHL</b>
10 Value creation model	22 <i>Business Plan</i> and Outlook	<b>55   Financial information</b>
<b>12   The Group's performance and main milestones in 2019</b>	23 OHL's risks	55 Financial framework
14 2019 in figures	<b>28   Profit/loss by division</b>	62 Backlog
	28 Construction	63 Alternative performance measures
	39 Industrial	<b>72   Non-financial information</b>
	43 Development of infrastructures	72 People
	44 Development	82 Innovation and excellence
	46 Services	84 Environment
		92 Contribution to society
<b>98   Good governance and transparency</b>		<b>116   About this report</b>
<b>100   Good governance</b>	<b>110   Three lines of defence model</b>	<b>118   About this report</b>
100 Ownership structure	110 First line of defence. Operations management	118 Scope
100 Governance bodies	110 Second line of defence. Assurance functions	118 Preparation methodology
104 Diversity policy applied in connection with the Board of Directors	113 Third line of defence. Internal audit	119 Materiality and preparation of content
<b>106   Ethics and compliance</b>		121 Verification
106 Code of ethics		121 Main significant events
108 Ethical communications channel		121 Contact details



### Navigation through the document



**122 | Events after the reporting period**

**124 | Content of the non-financial information statement**

**126 | Appendices**

- 128 Other HR aggregates
- 131 Information on freedom of association and collective bargaining
- 132 Social benefits of the human team, work-life balance measures and disconnection from work measures
- 134 Environmental performance indicators
- 140 Biodiversity Report



# Letter from the chairman

**Ladies and gentlemen:**

I would like to inform you, through this Integrated Annual Report, about the most relevant actions of the company during 2019. A year in which we have continued to carry out infrastructure projects to promote the economic, social, and environmental development of the countries in which we are present.

Throughout this document, you will obtain information on OHL's performance over the past twelve months, with respect to its lines of business and the companies that comprise it. The objective is to show our stakeholders -customers, suppliers, shareholders, investors, bondholders, financial institutions, insurance companies, employees and the community in general- the value creation model that supports what OHL is today, and which can be summarized in a company with better budgetary discipline, capable of generating positive Gross Operating Profit (EBITDA) in all its divisions, and which has a contracting policy in accordance with the risk profile by geography, customers, type of contract and size, appropriate to the company's objectives.

In this regard, I would like to recognize OHL's management team and each and every one of its 18,782 employees for the great effort made throughout 2019. This effort has made this company more predictable and stable than it has been in recent years.

Before moving on to 2019, I would like to refer to a subsequent event with great impact at global level: the novel coronavirus, COVID-19, declared a pandemic by the World Health Organization in March 2020. The intense propagation of this virus has led OHL's management to take a series of measures in the health, labor and financial fields aimed at mitigating its impact on the company's activity.

I would like to take this opportunity to thank all of OHL's employees for their great commitment to each of the communities in which we are present throughout this serious pandemic.

Focusing again on 2019, I must emphasize that OHL has met the objectives it had set itself, allowing us to be in a good position today to face, after several years of difficulties, normalization in 2020. Thus, we face 2020, in which we are already immersed at the time of writing this Report, with great enthusiasm and confidence in achieving our main objectives of profitability and financial stability.

And to achieve this, we will rely on stronger and more independent corporate governance, a fundamental pillar in driving the growth and wealth generation of this

**Focusing again on 2019, I must emphasize that OHL has met the objectives it had set itself, and we are already immersed with great enthusiasm and confidence in achieving our main objectives of profitability and financial stability**

company. Within this framework, it should be noted that OHL has renewed its Crime Prevention System in 2019 and obtained ISO 37001 certification: Anti-Corruption Management System and UNE 19601: Criminal Compliance Management System. To which I must add the revision of its Anti-Corruption Policy and the updating of the Crime Prevention System.

All this is part of a policy that guarantees responsible action, in the social, environmental and governance terms, allowing us to know and respond to the changes, needs and expectations of our stakeholders.

Within this framework of sustainability, I must point out that OHL, in accordance with the United Nations Global Compact, favors business sustainability through the implementation of the ten principles. In addition, in order to meet the roadmap established in the Global Agenda 2030, promoted by the UN, the company incorporates the Sustainable Development Goals (SDA) in the different areas of its activity.

Today, ladies and gentlemen, OHL is a sustainable and profitable company in terms of EBITDA, with a solid presence on two continents, Europe, and the Americas. And, precisely in the latter, where we have been working for more than 40 years, OHL has been designated by the prestigious publication Engineering News-Record (ENR) as Contractor of the Year in New York.

Without a doubt, the achievements obtained and those that we will obtain in the future are and will be a consequence of the effort of the entire human team that makes up this company and that, especially during the last few years, has worked with great dedication and sacrifice in circumstances that are not always easy.

Therefore, ladies and gentlemen, on behalf of the Board of Directors that I have the honor of chairing, I would like to thank you once again for your firm commitment to OHL, as well as for the trust of our shareholders, all our stakeholders and all those who support us so that this company can carry out its business plan and move towards profitability and sustainability.

Chairman of the Board of Directors

**Juan Villar-Mir de Fuentes**



**JUAN VILLAR-MIR DE FUENTES**

Chairman of the Board of Directors

# OHL in a click

**08 | Profile of the Group**  
Value creation model

**12 | The Group's performance and main milestones in 2019**  
2019 in figures





# Profile of the Group

Obrascón Huarte Lain, S.A. (OHL), as a global infrastructure group, focuses its activity on the construction and development of infrastructure. Incorporated in 1911, the Company's main markets are in Europe, Latin America and the US, where it has a noteworthy position. This is the case in the US, where OHL is the 49<sup>th</sup> largest international contractor and was named 2019 Contractor of the Year by the prestigious publication Engineering News-Record (ENR).

OHL is committed to a sustainable growth model, exports economic, environmental and social value to the communities in which it has a presence and contributes to increasing their wellbeing, making them more dynamic and achieving progress. Within the framework of this activity, OHL participates in initiatives aimed at fighting against climate change, and at the same time it has included in its business model various methodologies for facilitating energy efficiency, the circular economy and a commitment to innovation with a view to boosting sustainable development. In addition to environmental challenges, OHL has an active commitment with respect to human and employment rights, business ethics and transparency in its management and stakeholder relations.

The Company is a member of the FTSE4Good Ibox stock market index, participates as a development partner in Forética, an entity that promotes the integration of social, environmental and good governance aspects in the strategy and management of companies and organisations in Spain and Latin America, and is part of the Spanish Network of the Global Compact. Also, OHL's various lines of business are aligned with the United Nations' 2030 Agenda for Sustainable Development and with the Sustainable Development Goals (SDGs). In addition, in 2019 OHL adhered to the New Deal for Europe manifesto promoted by CSR Europe, a leading European entity in corporate sustainability and responsibility.





Torrespacio. Madrid. Spain.

## VALUE CREATION MODEL



OHL is a global infrastructure group that focuses its business on the construction and development of concessions with more than 100 years of experience



### Construction

International benchmark in civil engineering construction and singular buildings



### Industrial

Engineering and construction of turnkey industrial facilities



### Services

Benchmark in the facilities management and the social and healthcare industry



### Development

High quality singular projects in the tourism-hospitality industry



### Concessions

Almost two decades' experience in managing infrastructure

**18,782 employees**  
**EUR 2,959.9 million in sales**  
**EUR 5,458 million total backlog**  
**43.34% from natural raw materials**  
**1,822,705.7 (t) of concrete**  
**17,195 suppliers**

We work in:



North America



Europe



Latin America

### We manage our business using sustainability and responsibility criteria



#### Our team

- 105,272 h Toolbox meeting (security)
- 11,688 professionals trained
- Diversity: 57.3% men and 42.7% women; 1.8% of employees have disabilities and 10.6% of employees belong to ethnic minorities



#### Human rights, ethics and community

- EUR 423.7 million of social investment in 33 projects
- 72 human rights assessments
- 96.5% local suppliers
- ISO 37001 anti-bribery certification
- UNE 19601 criminal compliance certification



#### Environment

- 26,674 hours of environmental training
- 68 environmental restoration activities
- Actions to encourage biodiversity, the circular economy and reuse of water
- Plan to reduce CO2 emissions

### We create value

- EUR 3,057.4 million in economic value distributed
- Contribution to the maintenance of 10,868 indirect jobs generated
- 37 projects with sustainability certificates
- 43.8% non-hazardous waste reused
- 2,000 tCO2 offset
- 12 R&D+i patents



With a management system that contributes to the achievement of SDGs





SE-40. East Sector. Alcalá de Guadaíra section. Spain.

# The Group's performance and main milestones in 2019

OHL ended 2019 with sales figures in line with those of 2018, consolidating the gross margins of prior quarters and generating increasing EBITDA throughout the year.

Sales amounted to EUR 2,959.9 million in 2019, with EBITDA of EUR 64.8 million (a margin of 2.2% of sales), and all the Group's business divisions contributed positively. EBIT amounted to EUR -12.3 million, compared with the significant losses incurred in 2018.

The net loss attributable to the Parent amounted to EUR -143.0 million, affected mainly by the impairment losses recognised on the participation in the Old War Office project.

The total backlog at 31 December 2019 amounted to EUR 5,457.9 million. Total new contracts in 2019 amounted to EUR 2,667.7 million, 76% relating to work to be performed by OHL itself and 64% to public sector customers. 99.0% of the backlog is located in the three main regions where the Group operates (33.8% in the US, 43.8% in Europe and 21.8% in Latin America).

As regards its recourse liquidity, OHL ended 2019 with a liquidity position of EUR 781.6 million, and, accordingly, has net recourse borrowings of EUR -106.5 million.

In the analysis of the business' use of cash in 2019, mention must be made of the EUR 198.9 million reduction thereof, from EUR 429.0 million to EUR 230.1 million:

USE OF CASH IN THE BUSINESS	2018	9M19	4Q19	2019	CHANGE
Total cash used/(generated)	429.0	320.1	(90.0)	230.1*	(198.9)

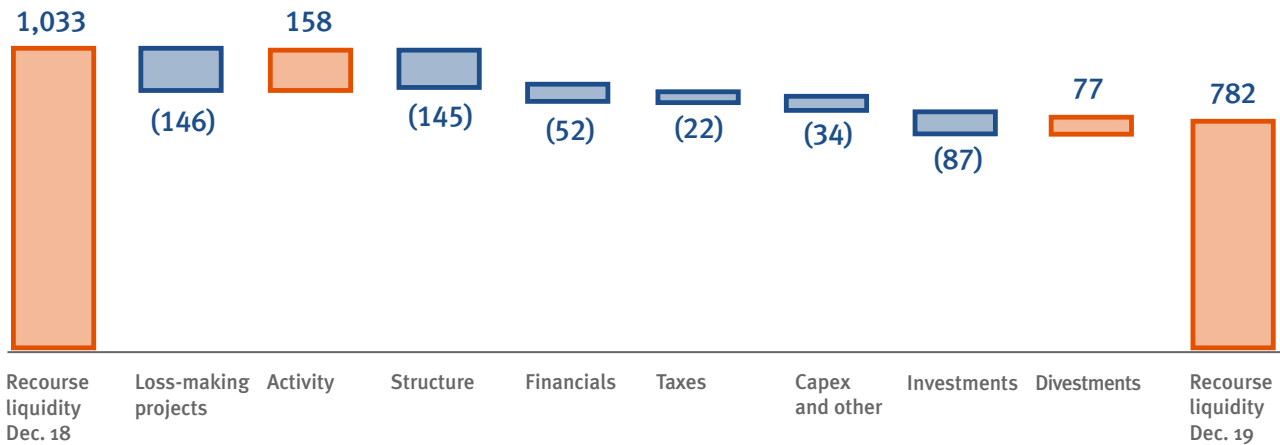
\*The EUR 230.1 million of cash used in 2019 includes loss-making projects that account for EUR 146 million Millions of euros

The reduction in the use of cash was due mainly to:

- An improvement in the generation of cash from projects of around EUR 180 million, where an improvement in the management of working capital in projects can be observed.
- A reduction mainly in the entire OHL Group's overheads of EUR 53 million. This reduction takes the entire Group's overheads to EUR 145.2 million, from EUR 240 million in 2017 and EUR 198 million in 2018.

As regards investments and divestments, EUR 87.4 million were invested in 2019, mainly in projects carried out by the OHL Desarrollos division, and EUR 77.3 million were received from the divestment of “Ciudad Mayakoba” (leaving close to EUR 24 million outstanding).

In chart form, the change in recourse liquidity was as follows:



First section of the intercity train that will link Toluca with Mexico City.

## 2019 IN FIGURES

### MAIN AGGREGATES

MAIN AGGREGATES	2019	2018	CHANGE (%)
Sales	2,959.9	2,906.9	1.8%
EBITDA	64.8	-496.0	n/a
% of Sales	2.2%	-17.1%	
EBIT	-12.3	-561.0	-97.8%
% of Sales	-0.4%	-19.3%	
Net attributable loss	-143.0	-1,577.3	-90.9%
% of Sales	-4.8%	-54.3%	
DETAIL OF SALES AND EBITDA	2019	2018	CHANGE (%)
Sales	2,959.9	2,906.9	1.8%
Construction	2,452.3	2,448.7	0.1%
Industrial	218.2	189.9	14.9%
Services	275.6	264.1	4.4%
Other	13.8	4.2	n/d
EBITDA	64.8	-496.0	n/a
Construction	75.5	-329.6	n/a
% EBITDA margin, Construction	3.1%	-13.5%	16.5%
Industrial	9.8	-63.0	n/a
% EBITDA margin, Industrial	4.5%	-33.2%	37.7%
Services	12.4	1.3	n/a
% EBITDA margin, Services	4.5%	0.5%	4.0%
Corporate and other	-32.9	-104.7	-68.6%
LIQUIDITY AND BORROWINGS	2019	2018	CHANGE (%)
Total liquidity	784.5	1,037.0	-24.3%
Recourse liquidity	781.6	1,033.3	-24.4%
Net borrowings	-55.4	-296.0	-81.3%
Net recourse borrowings	-106.5	-346.8	-69.3%
Net non-recourse borrowings	51.1	50.8	0.6%
BACKLOG	2019	2018	CHANGE (%)
Short-term	4,999.6	5,876.4	-14.9%
Long-term	458.3	218.2	110.0%
<b>TOTAL</b>	<b>5,458</b>	<b>6,095</b>	<b>-10.4%</b>
EMPLOYEES	2019	2018	CHANGE (%)
Permanent	12,548	12,167	3.1%
Temporary	6,234	6,206	0.5%
<b>TOTAL</b>	<b>18,782</b>	<b>18,373</b>	<b>2.2%</b>

Millions of euros / Persons

## PROFIT/LOSS BY DIVISION

### OHL Group

MAIN AGGREGATES	2019	2018	CHANGE (%)
Sales	2,959.9	2,906.9	1.8%
EBITDA	64.8	-496.0	n/a
% of Sales	2.2%	-17.1%	
EBIT	-12.3	-561.0	-97.8%
% of Sales	-0.4%	-19.3%	

Millions of euros

In 2019 the OHL Group recorded sales of EUR 2,959.9 million, which represents a 1.8% increase on 2018.

EBITDA amounted to EUR 64.8 million (2.2% of sales), improving the year-ago figure and confirming the recovery observed in previous quarters.

Total new contracts amounted to EUR 2,667.7 million to place the short-term backlog at EUR 4,999.6 million, representing 20.3 months of sales. The total backlog, including short- and long term projects, stands at EUR 5,457.9 million.

MAIN CONTRACTS IN THE BACKLOG AT 31/12/2019	COUNTRY	2019
I-405 project	US	468.2
Vespucio Oriente toll road	Chile	300.7
NY TN-49 Replacement of roadway deck	US	196.5
Mantos Blancos	Chile	121.4
Modernisation of the Sodoměřice-Votice railway line	Czech Rep.	116.6
D1 Hubová – Ivachnová toll road	Slovakia	115.2
Oslo-Ski high speed rail line (Follo Line Project)	Norway	108.8
Vitoria-Bilbao high-speed rail line	Spain	76.6
<b>Main projects in the backlog</b>		<b>1,503.9</b>

Millions of euros

Performance, by activity segment, is as follows:

### Construction

MAIN AGGREGATES	2019	2018	CHANGE (%)
Sales	2,452.3	2,448.7	0.1%
EBITDA	75.5	-329.6	n/a
% of Sales	3.1%	-13.5%	
EBIT	18.9	-373.4	n/a
% of Sales	0.8%	-15.2%	

Millions of euros

Sales of EUR 2,452.3 million (82.9% of total sales), in line with 2018 sales. The increase in activity in the US and Europe was offset by a fall in activity in Latin America, mainly in Mexico and Colombia.

EBITDA amounted to EUR 75.5 million, representing a margin of 3.1% of sales, a higher return than that reported in previous quarters, and exceeding the objective set by the Group.

The backlog stands at EUR 4,385.7 million, representing 21.5 months of sales, with a book-to-bill ratio of 0.9 times. New contracts in 2019 amounted to EUR 2,117.5 million, 45.2% of which relates to Europe, 33.1% to the US, 20.6% to Latin America and the remaining 1.1% to the other geographical areas in which the Group operates.

The most noteworthy awards obtained in the year are as follows:

	COUNTRY	2019
Valencia Advanced Water Reclamation Plant	US	76.0
Caltrans 05-1f Monterey	US	67.6
Third lanes, Autopista del Sol	Chile	65.3
PPP Social Housing	Ireland	65.0
Electrification and capacity, Olomouc Railway	Czech Rep.	49.4
Hybrid tunnel and extension of platform	Chile	43.7
Ardie R. Copas State Veterans' Nursing Home, Florida	US	43.2
<b>Total main awards</b>		<b>410.2</b>
Other awards		1,707.3
<b>Total awards</b>		<b>2,117.5</b>

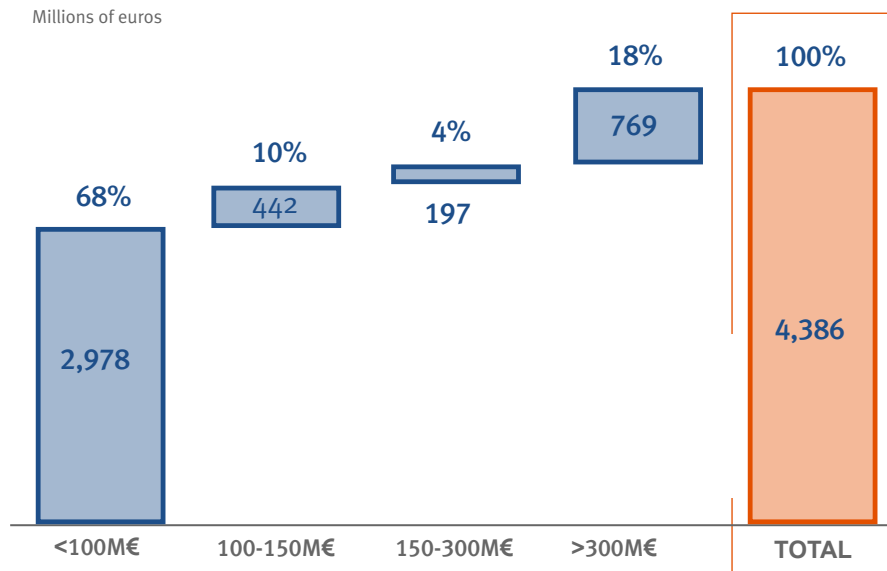
Millions of euros

The geographical distribution of the short-term backlog is as follows:

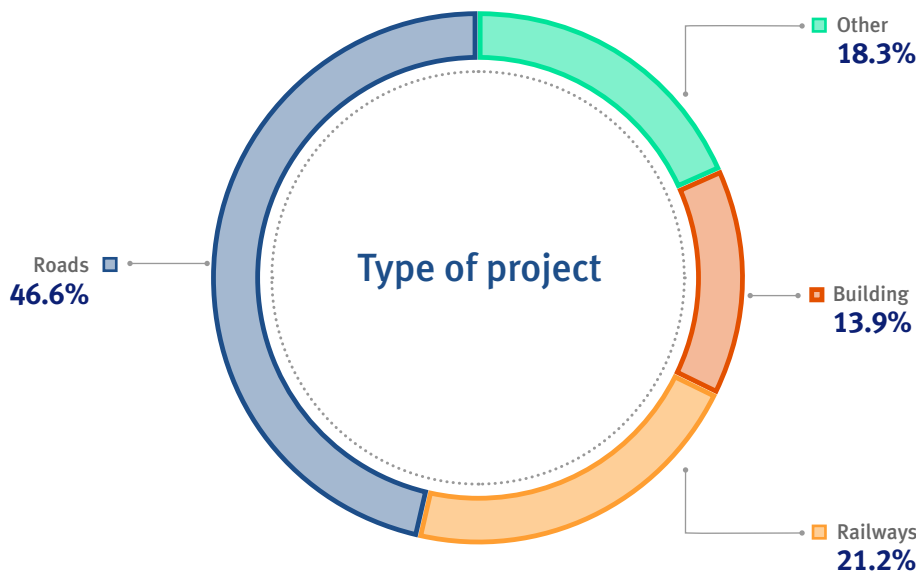
	31/12/2019
<b>Main regions</b>	<b>97.5%</b>
US	42.1%
Europe	35.6%
Latin America	19.8%
<b>Other</b>	<b>2.5%</b>



Based on the size of the construction project, the distribution of the backlog is as follows:



By type of project, 46.6% corresponds to roads, 21.2% to railways, 13.9% to building construction and the remaining 18.3% to other activities.



## Industrial

MAIN AGGREGATES	2019	2018	CHANGE (%)
Sales	218.2	189.9	14.9%
EBITDA	9.8	-63.0	n/a
% of Sales	4.5%	-33.2%	
EBIT	8.3	-67.6	n/a
% of Sales	3.8%	-35.6%	

Millions of euros

The Industrial business recorded sales of EUR 218.2 million, up 14.9% on 2018, due mainly to increased activity in renewables, mining and cement.

EBITDA amounted to EUR 9.8 million, 4.5% of sales, representing a significant improvement on 2018. The highlights were the margins obtained by the Renewables, Mining and Cement and Operations and Maintenance (O&M) segment and Fire Safety.

The backlog stands at EUR 248.8 million, representing 13.7 months of sales, a backlog similar to that of 2018 as a result of the significant new orders obtained in mining and cement projects. The detail of the backlog is as follows: Mining, 50.5%, EPC, 30.7% and Operations, Maintenance and Fire Safety and other projects, the remaining 18.8%.

## Services

MAIN AGGREGATES	2019	2018	CHANGES (%)
Sales	275.6	264.1	4.4%
EBITDA	12.4	1.3	n/d
% of Sales	4.5%	0.5%	
EBIT	7.7	-2.5	n/a
% of Sales	2.8%	-0.9%	

Millions of euros

Sales amounted to EUR 275.6 million, a 4.4% increase on the year-ago period, driven by the home services, maintenance, energy efficiency and urban services activity.

EBITDA ended the year at EUR 12.4 million (4.5% of sales), improving the profits of the previous three quarters. Profits are based on the improved margins in urban services and cleaning arising from new contracts, the improvement of other existing contracts and the containment of overheads.

The backlog at 31 December 2019 amounted to EUR 365.1 million, representing 15.9 months of sales, after a total of EUR 265.0 million in contracts for new projects were arranged in 2019 (92.4% in Spain). Of the total backlog, 81.3% relates to public sector customers, and the remaining 18.7% to private sector customers.

## Other

The Group has another two less significant lines of business: Infrastructure Promotion and Developments, which ended 2019 with EBITDA of EUR -5,5 million.



Hydrocarbon storage and distribution terminal. Algeciras Bay, Spain.

# Strategy

**22 | Business model**

*Business Plan* and outlook  
OHL's risks

**28 | Profit/Loss by division**

Construction  
Industrial  
Development of infrastructures  
Development  
Services





# Business model

## *BUSINESS PLAN AND OUTLOOK*

In 2019 OHL made progress in its recovery thanks to the measures implemented since 2018, built around strict control of income and of cash from construction projects, and a firm commitment to reducing overheads. Thanks to the management effort made, the construction business was profitable, as were the Company's other lines of business. Both Construction, and Industrial and Services achieved positive EBITDA in all four quarters of this year.

The Company achieved the objectives proposed for 2019, a period classified as transitional, and, accordingly, OHL is in a better starting position to address 2020, which must be the year of consolidation and in which sales are expected to amount to between EUR 2,500 million and EUR 3,000 million, EBITDA is expected to top EUR 70 million and new contracts exceeding EUR 3,000 million will foreseeably be obtained.

The Company's strategic cornerstones to be able to achieve these objectives are as follows:

- **Corporate governance.** OHL today has sounder and more independent corporate governance, as its Board of Directors comprises ten members, most of whom are non proprietary directors. In the composition of its Board, OHL has pre-empted compliance with the recommendation for 30% of directors to be women, thus complying since 2018 with the objective set by the Code of Good Governance for 2020.
- **Focus on the generation of cash.** Cash control in projects has been established as a fundamental priority; work was performed in this area and significant progress was made in 2019 and further efforts will be made in 2020.
- **Cost control.** The Company worked intensely to reduce overheads. Overheads ended 2019 at EUR 145.2 million, 4.9% of sales, after beginning 2017 at EUR 240 million, 7.6% of sales.
- **Backlog management and risk control.** A commitment will be made in 2020 to continue with the sustainable management of the backlog, strengthening the control of risks at the bid stage. From the profitability standpoint, the objective in new contracts will be to obtain margins in excess of 8%.
- **Concession business.** Senda Infraestructuras, the infrastructure development subsidiary, is prepared to add new assets to its portfolio in 2020. OHL is committed to being a developer of concessions and developments that generates construction

contracts with above average margins, minimising capital contributions, and with a future asset rotation policy.

In this context, in 2020, the management of the Company will be centred on:

- Increasing new contracts.
- Optimising and improving operating margins by adjusting overheads and promoting new concession projects.
- Continuing and intensifying the focus on cash flow management.

Also, in 2020 the Company, through the Developments division, will achieve a significant milestone with the entry into operation of Centro Canalejas Madrid, which includes the first and only hotel in the Four Seasons chain in Spain, 22 Four Seasons Private Residences Madrid residences and the Galería Canalejas exclusive shopping mall, thus demonstrating OHL's excellent capability for real estate management in large hotel projects. In order to face this future with the utmost guarantees, OHL has:

- An efficient, business-oriented structure.
- A solid presence in the geographical areas in which the Company has a mature position.
- A proven track record and know-how.
- Active management and risk control.
- Management independence.
- An executive team fully aligned with the Company's strategic plan.

As a result of the appearance of the COVID-19 virus in China and its significant international expansion, and bearing in mind the complexity of the markets and the absence, for the time being, of effective medical treatment, the consequences for the Group's operations are uncertain. Although it is still premature to assess the consequences of all kinds for the Group, this event will foreseeably affect production, which might have consequences for the Group's main economic aggregates and, in this connection, the directors are continually monitoring the evolution of this situation in order to analyse any impacts that might occur and take the appropriate measures to mitigate any impacts on the Business Plan.

## OHL'S RISKS

OHL's activity is exposed to various types of risks that could give rise to it not achieving the objectives set. The priorities for 2019 are:

- **Risk relating to liquidity and access to financial markets.** This risk is understood as the ability to meet the payment commitments or the difficulty of securing guarantees or necessary financing at the appropriate time and at a reasonable cost.

Note 4.2 Risk Policy to the Group's consolidated financial statements describes the measures that OHL has taken to mitigate this risk.

- **Occupational risk.** This risk is understood as the ability to meet project needs with the human resources necessary, accurately and at the appropriate time.

OHL has made significant changes in its business structure, in accordance with the Company's situation.

OHL's policy in personnel management and talent recruitment/retention is a priority in order to continue to guarantee the best possible qualification of its professionals. In this connection, specific programmes are being implemented (Young Talent) and the Performance Management System is being used to develop individuals.

■ **Reputational risk.** This risk is defined as the potential negative impact on the Group's public image and its perception in the marketplace. This risk refers especially to the organisation's loss of financial solvency and technical, operational, ethical, social and environmental credibility as regards its stakeholders.

OHL has rules, processes and tools for assessing third parties that allow it to evaluate them from the standpoints of their external and internal behaviour, social and environmental responsibility, and their financial and technical performance, as well as the identification of whether or not they are on sanctions lists, thereby giving visibility to the third party before sealing contractual commitments with them.

In addition, OHL has a Code of Ethics that must be complied with by everyone in the organisation, with the corresponding Whistleblowing Channel. The Company has a firm commitment to zero tolerance of corruption. As a result of the foregoing, OHL and several Group companies recently obtained ISO 37001 (Anti-Bribery Management Systems) and Spanish UNE 19601 (Spanish UNE 19601 Standard on Criminal Compliance Systems) certification.

■ **Project management risk.** This risk is defined as the client's potential failure to comply with contractual obligations, e.g. the potential delay or lack of recognition of the work performed or the restoration of economic feasibility.

To mitigate this risk, it is OHL's priority policy for management to permanently monitor the projects, from the technical and economic standpoints, throughout the production process, analysing their status and adopting the necessary measures to correct any variance.

■ **Contracting risk.** This risk is defined as the risk associated with not identifying market opportunities in time or, after identifying an opportunity, the risk associated with inadequately defining the bid due to a lack of resources or a lack of qualifications.

OHL has strengthened the bidding process in order to ensure that its bids are aligned, in order to ensure profitability and generate cash. To this end, the following requirements were identified:

- Strengthening contracting processes.
- Integration of risk management in decisions on bids.
- Definition of levels of authorisation for project sizes and their risks.
- Creation of a Contracting Committee responsible for analysing and approving/rejecting bids of a significant amount or carrying significant risk that OHL may submit in any geographical area, with the technical, economic, due diligence and contractual documentation. This Committee is composed of top Company executives.





Railroad works. EPC Ski Follo Line. Norway.

■ **Risk stemming from the management of litigation and arbitration.** This is defined as the risk that the outcome of litigation or arbitration due to discrepancies with customers are decided against the Group's interests.

Other relevant risks that might affect the achievement of OHL's objectives relate to the global and inherent threats to the markets in which it operates. They include most notably:

■ **Political and regulatory risks.** A large portion of the value creation activities that the Group performs depends on the public sector, either as a customer of public works or infrastructure maintenance services or as grantors of infrastructure concessions. Accordingly, political instability and the changes to the legal and regulatory environment in the countries in which OHL operates can have significant impacts on the ability of the Company to achieve its business objectives.

OHL focuses its business on North America, Latin America and Europe, geographical areas that are considered stable and in which the Company has permanent establishments and teams that allow the adoption of mitigating measures in the event that the aforementioned risks occur. Also, the Company's permanent presence in these markets enables the risk of barriers to entry to be classified as overcome.

■ **Foreign currency and local currency devaluation risk.** This risk is defined as the unfavourable evolution of the exchange rate price of two currencies, over a specific period with effects on the statement of profit or loss. It also considers the risk of the loss of the local currency's purchasing power.

Note 4.2 Risk Policy to the Group's consolidated financial statements describes the measures that OHL has taken to mitigate this risk.

■ **Risk of climate change and natural disasters.** Both for the countries in which the bulk of its activity is carried out and due to the very nature of its activities, the OHL Group is subject to the risk of interruption of its business activities as a result of natural disasters such as earthquakes, hurricanes, floods and extreme weather events.

To this end, the Company has an environmental management strategy committed to the responsible use of natural resources, the circular economy, the protection and conservation of biodiversity and the fight against climate change. In addition to this responsible behaviour and in order to protect itself from natural disasters, OHL has the necessary insurance coverage, contractual management communications with customers and local presence in the various different countries in which it operates.

■ **Cybersecurity risk.** The Group, as other companies, faces the risk of being adversely affected by cyber-attacks which could cause damage to its assets and systems, interrupt operations or trigger leaks of sensitive information.

OHL has professionals responsible for maintaining cybersecurity and procedures for restoring information and the most critical systems. As far as information is concerned, the Company has a personal data privacy policy and complies with data protection standards. Awareness-raising and training activities are carried out, and there are procedures for managing security risks, managing vulnerabilities in computer systems and responding to security incidents.

- **Occupational risks.** Inadequate management and prevention of risks that may lead to occupational accidents.

OHL, within the framework of its policies, highlights as a priority the prevention of occupational risks, approving a new version of the Integrated Management System (IMS) that complies with ISO standard ISO 45001 on Occupational Health and Safety Management Systems.

- **Risks relating to breaches of the human rights** of workers, suppliers or members of the community stemming from construction work and projects carried out by OHL.

The Company has internal regulations such as the Human Rights Policy and the Code of Ethics. The Code of Ethics can be used to report any breach of human rights by various stakeholders such as employees, suppliers or the local community.

The Company carries out periodic evaluations of compliance with human rights, both at permanent centres and at construction sites and projects; and Internal Audit Management includes the review of compliance in its audit plans. Also, training is given to Company employees in this connection.

As regards suppliers, the supplier accreditation process is currently being reviewed in order to include new requirements such as familiarity and compliance with the ten Principles of the United Nations Global Compact.

The risks discussed are the most typical that OHL might face and are common to the various activities it carries on.

The Audit and Compliance Committee promotes the improvement of risk management, a priority for OHL. In this context, in 2019 progress was made in the following lines of action:

- Update of the Risk Map.
- Ongoing update of the Country Risk Model.
- OHL's risk tolerance red line system in relation to commercial and contractual issues.
- Preventive analysis of OHL risk management with third parties.
- Review of rules and policies.

In 2020 OHL will continue to analyse the risks and opportunities it faces, anticipating the actions necessary to mitigate their impact.

# Profit/loss by division

## CONSTRUCTION

The Construction business obtained revenue of EUR 2,452.3 million, focused, essentially, on three geographical areas: North America, Latin America and Europe, where the Company has a significant, consolidated presence.

The short-term backlog amounted to EUR 4,385.7 million, which represents approximately 21.5 months of sales. New contracts in 2019 amounted to EUR 2,117.5 million, 45.2% of which relates to Europe, 33.1% to the US and 20.6% to Latin America.

### GEOGRAPHICAL AREAS

#### North America

North America is one of OHL's main markets, where sales represent close to 40.9% of the total for Construction and more than 33.9% of the total for OHL.

In 2019, the Company continued its activity in California, New York, New Jersey, Connecticut, Massachusetts, Illinois, Texas, Florida, Virginia and the District of Columbia and participated in the performance of projects of various types, such as toll roads, bridges, stations, public transport facilities, tunnels, hydraulic engineering work and hospital and singular building initiatives.

In New York, through its subsidiary Judlau Contracting, OHL was awarded the project for the rehabilitation of the viaducts giving access to Throgs Neck Bridge, for EUR 144.0 million. This is the second contract relating to this infrastructure, since the company is also working on the replacement of roadway deck in suspended spans, for EUR 212,6 million.

In the same city, the company has been awarded a EUR 38.1 million contract for overcoat painting and structural steel repairs from 48th Street to 72nd Street on the Flushing Line in the Borough of Queens; and continues to work on the rehabilitation of the Canarsie Tunnel in a project with a budget of EUR 445.9 million.

In addition, this OHL subsidiary completed the Enhanced Stations Initiative project, consisting of the design, rehabilitation and construction of five metro stations in

Manhattan, for EUR 100.0 million. The scope of the work included the installation of architectural finishes, modifications to structures and electrical, communications, technological and mechanical projects.

It must be stated that Judlau also extended its experience to other local markets, such as Massachusetts, in which State it was awarded its second project (the first with the Massachusetts Bay Transportation Authority) to improve four stations on the Orange Line of the Boston subway -specifically Downtown Crossing, State, Haymarket and North Station– and will give rise to the optimisation of accessibility and signage. The project is valued at EUR 26.3 million.

The State of Illinois Tollway Authority awarded Judlau two new projects in 2019, both of which form part of a EUR 3,570 million plan to increase capacity, reduce congestion and improve reliability in journeys. The first project, valued at EUR 10.1 million, is for the I-294, the Tollway road with the most traffic. The project focuses on advanced earth-moving and the relocation of the foundations of 35 of the Commonwealth Edison Company's electricity pylons in order to extend the I-294. The second project, for EUR 39.0 million, consists of extending the I-57 where it links with the I-294. The work includes the construction of new accesses, which will improve traffic flow.

Through the Texas Department of Transportation, OHL USA's main customer in the region, the OHL subsidiary was awarded the construction of an interchange on US 287 over Walnut Grove road in Midlothian, Texas, for EUR 24.7 million. The primary objective of the project is to streamline and improve traffic flow, while reducing accidents.

In California, OHL USA has been awarded a EUR 67.6 million project on Highway 101 in Monterey County, California, for Caltrans, the same customer for which the company is executing the design and construction of I-405, OHL's largest contract in the US.

This initiative is in addition to the project awarded by awarded by Santa Clarita Valley Sanitation District of Los Angeles County, and which entails the construction of the Valencia Water Reclamation Plant Advanced Water Treatment Facility, for EUR 76.0 million. The project consists of the construction of an advanced water treatment facility that will include microfiltration and nanofiltration equipment and an enhanced membrane system. OHL USA's work also involves the construction of a metal building, an electrical substation, a truck loading station and pump stations, among other facilities.

Noteworthy in Florida is the construction, in Orlando, of a new academic building several storeys high. In Miami, the company is working on improving infrastructure at the North Campus of Miami Dade College; and in Port St. Lucie, the company is currently constructing the Ardie R. Copas State Veterans' Nursing Home for a total of EUR 43.2 million. In addition, OHL Building is close to completing a salmon farm for EUR 70.4 million, a facility that will go down in history as the first in the US to sustainably farm salmon.

Several road construction projects were completed in 2019, such as the express lanes of the I 75 (AB stretch); a project with a design and construction investment of EUR 172.8 million.



**NOTABLE ACCOLADES IN THE US**

The New York edition of the prestigious publication Engineering News-Record (ENR) designated OHL’s subsidiary Judlau Contracting as 2019 Contractor of the Year. The company received this accolade as a result of its achievements in various projects, such as rehabilitations of the Canarsie Tunnel, Throgs Neck Bridge, Riverside Drive Viaduct, Queens Midtown Tunnel and the Enhanced Station Initiative.

In its Best Projects 2019 awards, ENR New York gave Judlau the Award of Merit in the Airport/Transit category for the rehabilitation of the World Trade Centre Cortland Street Station on Line #1.

Furthermore, the Design-Build Interstate 75 Express Lanes project executed in Florida by OHL USA and Community Asphalt Corp., won the Merit Award, Highway and Bridge category, in the 2019 Project of the Year Awards organised by ENR Southeast.

In addition, OHL USA, OHL’s North American subsidiary, was placed among the top 20 North American companies in the rankings of Top Domestic Heavy Contractors and Top Contractors by Sector in the Transportation category by ENR. These rankings are included in the ENR 2019 Top 400 Contractors list, in which OHL USA ranks 77th.

**Latin America**

OHL continued its activity in Latin America, focusing on Chile, Peru, Colombia and Mexico. Total activity in these countries accounts for 14.4% of total Construction revenue.

Worthy of mention in Chile is for the construction of the third lanes of Route 78, consisting of the extension of 35 km of road in the stretch between Santiago and Talagante. The initiative, awarded by Vías Chile, has a budget of EUR 72.8 million.

In railways, the extension of Metro Line 3 in Santiago de Chile for an amount in excess of EUR 32 million at the request of Empresa de Transporte de Pasajeros Metro S.A. stands out. This initiative is in addition to others already carried out by the Company on the Santiago metro.

In building construction, work continues the new Curicó Hospital and the Gustavo Fricke Hospital.

In Colombia, the Company was awarded contracts of various types, such as the construction, as part of a joint venture, of the Quindío section to complete the Crossing of the Central Andes. The contract, valued at EUR 41 million, is part of one of the most important road infrastructures in Colombia and includes the construction, in the Quindío Department, of five tunnels, six bridges, 6.5 km of secondary road and the work on four critical points.

OHL was also awarded the project for the construction of Avenida El Rincón from Avenida Boyacá to Carrera 91, in Medellín, which will be carried out as a joint venture. The work includes the construction of 2.8 km of roads, 54,000 m2 of public spaces and 2.1 km of cycle lanes, as well as a multi-level road intersection between Calle 127 and Avenida Boyacá. The project has a budget of close to EUR 42 million

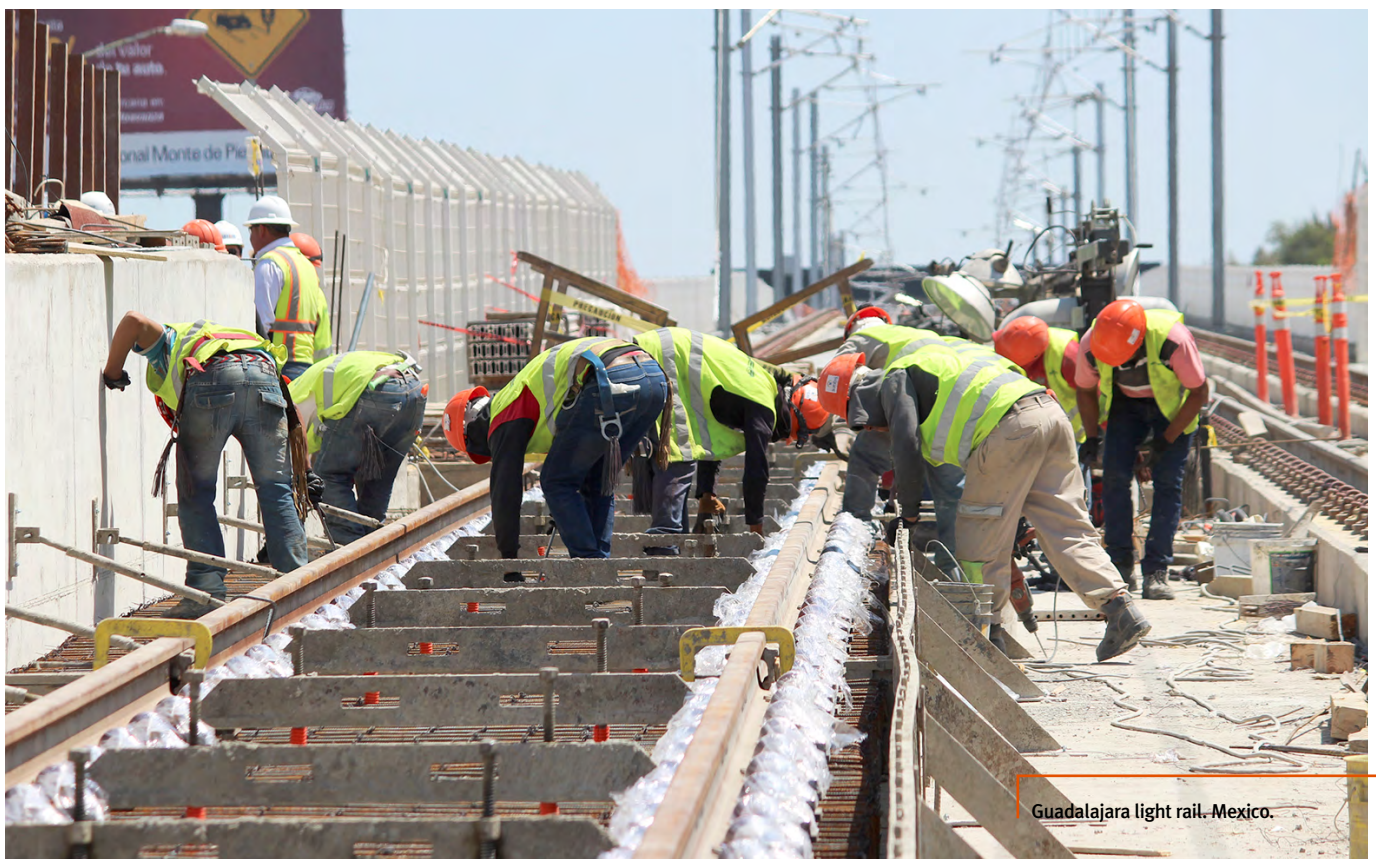
and will benefit more than one million inhabitants, reducing journey length by up to one hour and a quarter.

For Ecopetrol, OHL is building the expansion of the Cúcuta aqueduct for close to EUR 35 million, which will improve the access to drinking water of close to one million inhabitants of Cúcuta, Los Patios and Villa del Rosario in the Norte de Santander department; and in northern Colombia OHL is constructing the infrastructure for Subproject 1, which will collect water from the Zulia river through a 17.6 km long drive line.

In Peru, the Villa El Salvador Sports Centre built by OHL for the Pan-American Games held in Lima from 26 July to 11 August 2019. The contract, with a budget of EUR 20 million, was awarded by the Pan-American Games Organising Committee to the unincorporated temporary joint venture (UTE) led by OHL.

Also, OHL strengthened its backlog in Peru with a new contract for the work to extend Jorge Chávez International Airport. The budget for the project is close to EUR 50 million. The work corresponds to the first part of the second stage of the extension of Lima Airport.

In Mexico, reference must be made to the Mexico-Toluca interurban train, the most important section of which is the Toluca-Mexico City railway. OHL is constructing the first section of more than 36 km from Toluca to Mexico City. In addition to this project, OHL was awarded the contracts for the new line 3 of the Guadalajara subway: Zapopán, Guadalajara-Tlaquepaque, with a length of almost 21 km.



Guadalajara light rail. Mexico.

**Europe**

The business in Europe accounts for more than 36,5% of sales in the Construction area.

In the Czech Republic, OHL was awarded the project to electrify and increase the capacity of the railway line between Unicov and Olomouc for EUR 149.6 million. OHL ZS has a 33% ownership interest in the UTE performing the work for the customer, the Czech Republic’s Railway Infrastructure Administration. In addition to this initiative, 2019 saw the completion of the Brno II sewage project awarded the Brno municipal council for EUR 42.2 million. OHL ZS has a 50% ownership interest in the UTE.

In Spain, the Company is constructing several road infrastructure projects in Catalonia and the Basque Country. In the field of singular building construction, OHL continues to work on the construction of Caleido for EUR 78.9 million. The building will be located in Madrid’s Cuatro Torres Financial District and will house, inter alia, the Instituto de Empresa (IE) and the Quirón Salud Group. It was designed by the Fenwick & Iribarren studio jointly with Serrano Suñer and will meet all the sustainability and energy efficiency standards in order to obtain the prestigious Leed Gold certification.

Caleido construction works. Madrid. Spain.





The Company has been awarded other building projects in Barcelona for an amount in excess of EUR 70 million. The highlights are the building of the facilities as part of the project to expand and reform the hospital in Viladecans, the construction of several buildings for administrative and hotel use, which is being built using the Building Information Modelling (BIM) methodology and other sustainability criteria in order to obtain LEED Gold certification.

In maritime infrastructure, OHL, through its specialised subsidiary SATO, was awarded the second phase of the extension of the Reina Sofía Sur wharf for the Las Palmas Port Authority, the project to improve the LNG loading wharf for the Cartagena Port Authority and the construction of the Naos southern outer sea wall at the Port of Arrecife, in Lanzarote, with a total budget of more than EUR 30 million. The last project envisages the construction of the seawalls for the expansion of the cruise wharf with the construction of a 322 m long quay to which Cubipods will be applied. This technological innovation is used in the construction of the main mantle of revetment breakwaters and has significant advantages over traditional blocks in terms of ease of placement, material savings and behaviour during its useful life.

OHL also continued to execute projects awarded in previous years. Highlights include the National Forensic Mental Health Hospital (Ireland), the EPC Ski project (Norway) and the improvement of the railway line between Lund and Arlöv stations in Malmö (Sweden).

## OHL AND SIEMENS MOBILITY COMMISSION THE MARMARAY PROJECT IN TURKEY

In March 2019, the Ministry of Transport and Infrastructure of the Republic of Turkey inaugurated the main phase of the Marmaray project. The project has been carried out by a joint venture of OHL (70%) and Siemens (30%) and represents an important construction milestone at global level, since it completes the uninterrupted railway connection between Asia and Europe.

The 76 km long line connects 43 km on the Asian side of Istanbul and 19 km on the European side to the 14 km tunnel under the Bosphorus Strait. It provides a mix of a commuter service for the metropolitan area of Istanbul and the interurban area, as this stretch completes the Ankara-Istanbul high-speed corridor. Goods trains can also use Marmaray.

The project has had a considerable impact on mobility in the city of Istanbul, as can be seen by the fact that since the line opened, passenger services have gradually increased to the current 400,000 passengers/day.

### New silk road

On 6 November 2019, an important milestone was reached in the project, as the first international goods train crossed the Bosphorus Strait in Istanbul through the Marmaray tunnel. This train, which was 850 metres long and was travelling from Xian in China to its final destination of Prague in the Czech Republic, was the first train to complete the new silk road.

OHL, as main contractor, has undertaken the design, the complete replacement of the two existing roads and their replacement in three new 62 km roads of the 76 km of the project, the renovation and construction of 38 stations, the construction of 130 structures, two operation and control centres, garages and workshops, renovation of all electromechanical systems (power supply, catenary, signalling, telecommunications and ticketing systems) along the 76 km of the project. OHL was also responsible for integrating all the railway systems, defining the operating plans and certifying the safety of the line.

**OUTLOOK**

In 2020 Construction activity will continue to focus on OHL’s three reference areas: the US, Latin America and Europe.

The Company has established as its fundamental priority the generation of cash and the obtainment of profits from its projects. Accordingly, it will commit to the sustainable management of the backlog and continue to strengthen the control of risks in bids, with the focus on assessing geographical and economic risks as well as technical and legal ones and the availability of resources. The objective is to continue to work on the implementation of a culture of contract management rather than project management.

**SUCCESS STORIES**

**REHABILITATION OF THE CANARSIE TUNNEL**

**Location:** Manhattan and Brooklyn, New York, US

The Metropolitan Transportation Authority (MTA) awarded a contract to the OHL subsidiary Judlau Contracting to work on the rehabilitation of the Canarsie Tunnel. The project consisted of the improvement and extension of two subway stations, the construction of a new substation and the improvement of a tunnel to enable it to withstand potential flooding. The tunnel was damaged by Superstorm Sandy, and its rehabilitation was one of the most critical tasks underway in New York City.

The contract originally planned for a complete tunnel shutdown to enable 24/7 construction. However, in January 2019 it was decided to keep the train service running at full capacity during business hours and at reduced capacity overnight and weekends due to the significant impact this infrastructure has as it is used by an average of 400,000 weekday customers traveling under the East River from Brooklyn to Manhattan. With this new scope, work was only carried out at night and over the weekend during a period of 52 hours from Friday night to Monday morning, with trains still running.

The work included the installation of fire-resistant cables on a stainless-steel cable management system mounted to the tunnel wall to make maintenance and inspection easier. This combination and the replacement of tracks enabled the concrete demolition work within the tunnel to be reduced, which not only reduced the creation of silica dust, but also made it possible to guarantee that the tunnel could be put back into service each morning, thereby reducing inconvenience to users.

Improvement work is also being performed on the tunnel entries and exits

and the installation of new lifts to make the station accessible for people with disabilities, as required by the Americans with Disabilities Act (ADA).

This project is an example of the new way of working for urban construction projects that reduces the impact and inconvenience to users. When the work is completed, the tunnel, as well as being able to withstand potential flooding, will have increased capacity, which will boost train traffic and, in short, passenger flow, thus improving their quality of life as regards the use of public transport.



## NATIONAL FORENSIC MENTAL HEALTH HOSPITAL

Location: Portrane, Dublin, Ireland.

The National Forensic Mental Health Service (NFMHS) in Portrane is a hospital complex located 22 km from Dublin. The project, which was awarded by the Health Service Executive, commenced in April 2017. The initiative envisages the construction of a mental health hospital in the campus of St. Ita's Hospital, with a surface area of 24,000 m<sup>2</sup>, excluding maintenance, energy and gardening buildings.

The new complex will have 170 beds and will be used to provide care to various levels of mental health patients and people with disabilities, both adults and children. There will be ten hospital buildings, a primary healthcare and therapy centre, and an administrative complex. The hospital complex will be surrounded by a 2 km long, 5.2 m high safety perimeter fence.

The design and construction are being performed with a view to obtaining Building Research Establishment Environmental Assessment Methodology (BREEAM) accreditation. To this end, around 57,000 m<sup>3</sup> of subsoil material were recycled to stabilise the land, and 45,000 m<sup>3</sup> of this material were recycled to create new areas of trees and natural habitat. 14,000 m<sup>3</sup> of topsoil were used for new urbanised areas. All the waste generated was recycled through an authorised manager.

Other environmental activities performed as part of the project encourage the biodiversity of the area by developing initiatives encouraging bird species protected within Specially Protected Areas (SPAs), minimising the impact on bats, and protecting the species covered by Appendix IV of the EU Directive such as badgers, amphibians; and other



protected bird species and non-avian fauna, pursuant to Irish legislation on biodiversity.

As regards energy efficiency, individual electricity meters and heat meters by building are being used, and an automatic light control system with presence sensors and external light sensors has been installed in all the buildings. All critical services (security, building control, fire alarm and lighting control) were integrated and an anti-vandal water management system was implemented that is efficient and controls thermal water using a specific register.

At social and community level, the project is a logistical challenge, as its development influences the traffic in the town of Donabate. To reduce the pro-

ject's impact on the town, the passage of construction vehicles in areas close to schools and at peak times was restricted, a commitment that was monitored by traffic cameras with registration number recognition.

Also as part of the framework of commitment to the community, which OHL traditionally acquires as part of its projects, work was performed to improve the football grounds, parking in residential areas, as well as improvements to wetlands and other work in public walkways. The respective rights of way were obtained through local community participation forums. This commitment also extended to safety talks at schools and support for local festivals.

More than 5,000 workers were given initial training in health and safety.

**JELENÍ DRY RESERVOIR. MEASURES IN THE UPPER REACHES OF THE OPAVA RIVER**  
 Location: Karlovice, North Moravia, Czech Republic.



The construction of the Jelení dry reservoir, on the outskirts of Karlovice (North Moravia) envisages, among its main objectives, the reduction of flood flows, the reduction of sediment removal and the protection of the urbanised area of the municipality against the adverse effects of flooding caused by local torrential rain.

The reservoir's holding area is designed in such a way as to guarantee the transformation of one hundred years' theoretical flooding into a moderate flow of 4.41 m<sup>3</sup>/s. The Kobylí stream and its right tributary will be recreated in the flood area and in the area protected by the dam. The water will be drained from the dam through an open channel connected to the existing flow.

The reservoir dam is in trapezoidal section form, with a maximum height

of 16 m. The crest of the dam is 4.0 m wide and 273.0 m long. It is a non-standard dam, with an impermeable injected grout curtain. The earth for the construction of the dam was taken from the future flood area and from loans of land located outside the flood area.

The project includes the construction of a 1.06 km-long new road; and mention must be made of the fact that, once the Slezská Harta dam has been completed, Jelení dry reservoir will have the largest dam embankment in the Czech Republic. Also, its job of protecting the area where it is located against flooding will extend beyond being used to retain water in the countryside to contributing to an increase in the diversity of the species in the area through the development of new habitats.

## CURICÓ PROVINCIAL HOSPITAL

Location: Curicó, Chile.

The new Curicó Hospital has a surface area of 109,152 m<sup>2</sup> distributed over nine floors, two of which are below ground level, with a heliport, car parks and 400 beds. Significant new techniques were used in the construction, such as the system for consulting information in the field through QR codes and without internet with the support of tablets; and the registration of each area of work using a Maps Street View type software or the offline incident system for land. These applications, in addition to facilitating the implementation of a collaborative work methodology, encourage a reduction in the use of paper by avoiding the printing of technical documentation and plans.

As regards the creation of employment, an agreement was entered into with the social welfare department of Curicó municipal council for local people to be employed in the project, resulting in 45% of the employees on the project being local; while 46% of the suppliers are local companies.

The waste generated by the work is managed using containers and differentiated zones so that it can subsequently be recycled. This is the case with paper, cardboard and plastic, among other materials. Waste that, because of its nature and characteristics, cannot be recycled but can be recovered, is also segregated. These include wood and pallet waste, pieces

of mineral wool, tins, ceramic materials, etc. This type of waste is delivered to employees or local entities.

From a more social standpoint, this project contains an active commitment to the community in the form of the renovation and painting of the façades of nine houses belonging to the Aldeas

Infantiles NGO; and OHL participated in several training programmes by giving talks on the implementation of Building Information Modelling (BIM) in hospital construction work, especially the cooperation with the Chilean Ministry of Public Works on a three-hour training action that was streamed to all the regions in the country.



**ROLLING STOCK FOR LINE 3 OF THE GUADALAJARA LIGHT RAIL SYSTEM**

Location: Jalisco, Mexico.



OHL installed the track and catenary system of Line 3 of the Light Rail System, which connects the urban areas of Zapopan, Guadalajara and Tlaquepaque. It is a sustainable initiative, containing environmental measures such as no pollution emissions, the reduction of noise levels, lower energy consumption, the reforestation of adjoining areas and urban and countryside regeneration.

The initiative also encouraged a culture of reuse of waste, such the wooden packaging that was reused to make tables, chairs and shelving.

At the offices, initiatives were launched aimed at the efficient use of energy and responsible use of water. In addition, waste was classified and paper recycled, and colour printing was reduced as a result of the awareness efforts made and environmental training given to 2,212 participants in 407 initiatives.

As regards local hiring, close to 4,000 unqualified manual workers were employed, with contracts that varied in length depending on the type of work performed, thus boosting the creation of

local employment for the most vulnerable profiles.

Actions boosting the local community were also undertaken during the performance of the work. The highlights were four reforestation projects known as the Bosque de la Primavera, the largest ecological reserve west of the Guadalajara metropolitan area. Green areas and gardens were also created in municipalities close to the work site. In addition, food, clothing, IT equipment and furniture were donated to socially vulnerable groups.

## CÚCUTA AQUEDUCT

Location: Cúcuta, Colombia.

OHL built an extension of the Cúcuta Aqueduct for Ecopetrol. The purpose of the project was to improve access to drinking water for close to one million inhabitants of Cúcuta, Los Patios and Villa del Rosario in the Norte de Santander department in the northeast of the country. OHL is constructing the infrastructure of Subproject 1 that will take water from the Zulia river through a 17.6 km-long drive line.

Especially noteworthy in this infrastructure project is the commitment to the community in the area where the work is taking place. Informative meetings took place at the beginning of the project and are being held periodically during the performance thereof, with the towns of the area of influence with the

presence of various stakeholders such as the local authorities, associations, trade groups, environmental organisations and municipal representatives. In total, more than 1,000 people have been informed. There are also citizens' service offices offering information on the project and handling suggestions and claims.

As regards job creation, the hiring of local labour is being encouraged, with close to 80% of the employees working for OHL being from the areas of influence, and, in the case of subcontractors, 80% of labour is local.

Also, improvement activities, such as adjustments of tracks and rehabilitation of areas affected by the

activity were carried out in adjacent areas; and active work was performed to boost road safety by means of workshops held at schools and from which close to 70 schoolchildren benefited. Environmental and heritage protection education programmes were launched at the Vereda Tabiro school with 24 participants and at the Carmen de Toncholá community, with 48 participants.

Lastly, mention must be made of the other cooperation such as donations of material and gifts to schoolchildren in the Pórtico, Tabiro, Hibiscos, Puente Zulla, Guadas, Carmen de Tochalá, Los Mangos and Torcoroma communities. More than 700 schoolchildren benefited from the initiative.

## INDUSTRIAL

Revenue from the Industrial Division's activity reached EUR 218.2 million in 2019, which represents an increase of 14.9% with respect to 2018; and new contracts reached EUR 276 million, which also represents a 100% improvement with respect to the previous year. EBITDA was positive (EUR 9.8 million) in comparison with the EUR -63.0 million generated in 2018.

Operations were focused on the Renewable Energy, Mining and Cement, Fire Safety and Operation and Maintenance business lines. Geographically, they were concentrated in countries defined as the core markets for the Company, including Mexico, Chile, Colombia and Spain.

### PROJECTS PERFORMED

The following projects performed in 2019 were of particular note:

- Perote II 100 MW nominal capacity solar PV plant in Mexico.
- Aguascalientes 30 MW nominal capacity solar PV plant in Mexico.
- Zafra 46 MW nominal capacity solar PV plant in Spain.
- Cement works with 3,150 tonnes/day of production, in Colombia.
- Empalme I 770 MW nominal power combined cycle plant in Mexico.

Recurring activities in Operation and Maintenance, Fire Safety and the manufacture of Mining and Cement equipment remained stable.

Several milestones associated with two of the largest projects were also achieved:

- Signing by the Federal Electricity Commission (CFE) of the Provisional Acceptance Certificate for the Empalme I Combined Cycle Power Plant in the state of Sonora, Mexico.
- Signing of the Operational Transfer of the cement production plant in Sonsón, State of Antioquia, in Colombia, to Ecocementos (Cementos Molins - Corona Group).

### NEW PROJECTS

- The volume of contracts signed for new projects both in renewable energies and in mining and cement was significant in 2019, especially in the second half of the year. Highlights include the conversion and expansion of a copper sulphide processing plant in Chile for EUR 145.8 million; the 80 MW La Huella solar PV plant in Chile for EUR 68.2 million; and the 50 MW La Estrella wind farm, also in Chile, for EUR 9.3 million.

### VOLUME OF NEW CONTRACTS BY ACTIVITY AND GEOGRAPHICAL AREA IN 2019

BUSINESS LINE	MILLIONS OF EUROS
Renewable energies	78.9
Mining and cement	161.3
Fire safety	15.9
Operation and maintenance	19.9
<b>TOTAL</b>	<b>276.0</b>

GEOGRAPHICAL AREAS	MILLIONS OF EUROS
Northern Latin America	10.2
Southern Latin America	236.8
Europe	26.36
Rest of the world (RoW)	2.7
<b>TOTAL</b>	<b>276.0</b>



## SUCCESS STORIES

### PEROTE SOLAR PV PLANT

Location: Perote, Veracruz, Mexico.

The Perote II solar PV plant is located in plot 3 of the San Antonio Limón communal land zone, carretera federal 140 s/n, El Limón Totalco, with an area of 300 ha.

The nominal capacity of the facility is 100 MWn with a peak generating capacity of 118,902 MWp. It has a solar field of 312,939 PV panels with 380 Wp of capacity grouped in trackers of 87 PV modules and connected to 22 skids of 5 MWn (AC side) or equivalent. The energy generated at the plant will be exported to an internal 34.5 kV grid. For this purpose, the plant will have 5,000 kVA medium-voltage transformers with a transformation ratio of 0.63 or 0.65/34.5 kV or similar.

Its construction represents a considerable saving in emissions in comparison with the use of other energies. Specifically, 168,000 tonnes of CO<sub>2</sub>eq will be avoided per year.

Local employment was encouraged during the construction of the facility, both in the construction and start-up phase, as well as in the operation and maintenance phase. The Company also actively worked alongside the local population in the project's area of influence, with actions such as the donation of wood to the communities of El Frijol Colorado, San Antonio Limón, Totalco and Orilla de Monte. Partially damaged panels that cannot be used on the site have also been sent to the Perote Institute of Technology for use in classrooms so that



students can understand their structure and operation.

Also, an agreement was entered into with this educational entity and with the Technological Institute of Cosamaloapan for the professional placement of the students studying renewable energy,

thereby allowing the development of their skills within the various disciplines of the project: quality, mechanical area, electrical area, civil area and industrial safety. In total, 14 students took part. It is hoped that, for the operation and maintenance phase, these young professionals can be incorporated into the operations team.

**ZAFRA SOLAR PV PLANT**

Location: Alcalá de Guadaíra, Seville, Spain.



The Zafra solar PV plant construction project involved civil engineering work, mechanical assembly, electrical assembly and electrical substation work next to the high-voltage overhead line for power export and start-up. The solar park is made up of 135,090 modules of 370 W, with a total of 49.9 MW of peak capacity.

The construction of the solar PV plant represents a significant saving in emissions in comparison with the use of other

energies, since with each KWh generated by solar PV energy, the emission of CO<sub>2</sub> into the atmosphere is avoided.

It is expected that the emission of about 430 tonnes per year will be avoided, according to the data obtained from the SCADA records, which is software that makes it possible to control and monitor industrial processes remotely.

It should be noted that, during the construction of the solar PV facility, local

employment was favoured, both in the construction and start-up phase and in the operation and maintenance phase. In environmental terms, the project respected environmental impact measures, aimed at protecting tree species, and promoted reforestation with native plants for the restitution of the site. As regards waste management, waste was separated using authorised agents, and 178,400 kg of wood, 61,490 kg of paper and cardboard and 13,160 kg of plastic were recycled.

## DEVELOPMENT OF INFRASTRUCTURES

### OHL LAUNCHES SENDA INFRAESTRUCTURAS

With nearly two decades of experience and after developing and managing more than 40 concession assets in Europe and the Americas, in 2019 OHL strengthened the infrastructure development area by launching its new subsidiary, Senda Infraestructuras, focused on the development of greenfield projects (newly created).

The strategy of Senda Infraestructuras is to provide its experience as a concession operator, while the majority of the capital in the projects will be provided mainly by concession partners, such as investment funds specialising in infrastructure. At the same time, the Company will continue with the strategy based on alliances with local construction partners of renowned experience, in the countries in which it is interested in undertaking public-private partnership (PPP) projects.

Of particular note in 2019 was the first award to Senda Infraestructuras in the field of residential building construction. In Ireland, the Torc Housing Partnership consortium, of which it forms part together with its strategic partners Equitix, Kajima and Tuath, will design, finance, construct and operate, on a PPP basis, 465 new sustainable social housing units for an investment of more than EUR 130 million. This project, under the availability payment model (fixed payments by the grantor), is the Government's second social housing investment package in the region and covers the counties of Cork, Kildare, Clare, Galway, Waterford and Roscommon.



The agreement covers the construction and maintenance of 110 apartments and 355 houses and incorporates the provision of management and maintenance services after construction for a period of 25 years. The award is the second phase of an innovative programme involving a total of 1,500 sustainable social housing units launched as a result of the growth potential of the property sector in Ireland, where there is a significant demand for housing.

OHL will perform the construction work in consortium with the benchmark Irish building constructor JJ Rhatigan. They will incorporate the BIM (Building Information Modelling) methodology and the units will be built according to the Nearly Zero Energy Buildings (nZEB) criteria, meeting the requirements of the Energy Performance of Buildings Directive (2010/31/EC).

In addition to this PPP award, OHL also manages, through Senda Infraestructuras, the Port of Roda de Bará (Tarragona), the Urola Marina (Zumaia), Burgos Hospital, CHUM Hospital (Canada), Toledo Hospital, the Navarre Canal, the police stations of

Horta and Sant Andreu (Barcelona) and the Justice Centre in Santiago de Chile. The Company will continue to analyse, throughout 2020, other investment opportunities through PPP projects both in Latin America and in the US, in the latter on the east and west coasts, where OHL has its highest concentration of construction activity.

## DEVELOPMENT

OHL, through its Development business area, continued to advance in its strategy of generating value by participating in the management of mixed use projects from the initial phase, divesting those more mature assets once the market has appreciated the value generated through their management.

### DIVESTMENTS

The Company concluded the divestment process that it began in Mexico in 2017, a year in which the process began to sell majority holdings in the four Mayakoba hotels - Fairmont, Rosewood, Banyan Tree and Andaz - and the El Camaleón golf course.

In 2019 the sale of the assets owned by Development in Ciudad Mayakoba to an investment fund was completed, and there are currently no real estate assets owned by Development in Mexico.

### PROJECTS UNDER DEVELOPMENT

#### Centro Canalejas Madrid

Progress continued to be made in 2019 in the ongoing investment in Centro Canalejas Madrid (Spain). In 2019 the construction phase of the building was completed and the initial occupation permit was applied for, which was in process at the end of the year. Also, very significant progress was made in the marketing of the 22 residences included in the project, and contracts were signed with some of the most representative brands in the luxury segment to position them in the Galería Canalejas commercial space. Development has a 50% interest in the project, with Mohari Limited having the remaining stake in Centro Canalejas Madrid.

#### Old War Office

In 2019 work continued on the project, which is located in London (UK) and will consist of a luxury hotel and residences. Both the hotel and the residences will be branded and operated by Raffles, a brand positioned as maximum luxury within the range of one of the largest hotel operators in the market, Accor. It should be noted that, to date, Raffles has not had a presence in London (United Kingdom).

In 2019 the construction began and the marketing plan for the residences was defined; marketing will begin in the first half of 2020.

There is some uncertainty about the impact on the London residential market of the UK's exit from the European Union, although the impact will in any case be more limited for the high-end residential product.

### OUTLOOK

The Company is analysing various projects, both in resorts and cities, consistent with the positioning in which it has specialised, in order to assess its possible involvement in them.

## SUCCESS STORIES

### CENTRO CANALEJAS MADRID

Location: Madrid, Spain.

Centro Canalejas Madrid (CCM), since its design phase and throughout the various stages of the construction process, has implemented sustainability and energy efficiency measures with the aim of achieving the prestigious LEED® Gold certification, an international environmental distinction developed by the US Green Building Council (USGBC).

Of particular note among all these measures are the installation of a green roof, to reduce the heat island effect generated by the buildings, and the management of rainwater runoff through this green roof. Landscaped areas were also created in patios and a green wall was installed on the inner façade, with species with medium and low water requirements, and for whose irrigation rainwater recovered from the paved roof areas is used.

As regards the use of drinking water, consumption has been reduced by more than 20% in comparison with a conventional building. With regard to energy management, high-performance air-conditioning equipment, LED lighting and underfloor heating were installed for the residential area, which are powered by a geothermal energy production facility.

In terms of recycling and reuse, more than 20% of the materials used are of recycled and regional origin. Similarly, more than 75% of the construction waste generated during the work has been treated, recovered and recycled, diverting it from landfill.

From the urban planning standpoint, the surrounding area has been thoroughly regenerated with the enlargement of the pavements, the renovation of the road



surface and street furniture and the reorganisation of road traffic, which has limited the number of vehicles and reduced noise and environmental pollution. Lastly, this project has contributed to the complete renovation of the Sevilla metro station, from which physical barriers have been removed, making it accessible to people with reduced mobility.

Throughout all phases of the project, continuous dialogue was held with all the stakeholders in order to ascertain and respond to their expectations, to the extent possible.

Centro Canalejas Madrid, a mixed-use complex comprising seven historic

buildings and located in the centre of Madrid, has posed a major construction and architectural challenge that has directly and indirectly generated 4,800 jobs. It will house the first Four Seasons hotel in Spain, 22 Four Seasons Private Residences Madrid, a shopping centre -Galería Canalejas- and a car park with 400 spaces.

In its rehabilitation, special care has been taken to preserve its historical-artistic heritage, with almost 17,000 ornamental pieces being catalogued and restored, most of which have been returned to their places of origin. The cost of this work has amounted to over EUR 7 million.

## SERVICES

In 2019 Services maintained a growth trend in the Spanish market, recovering the margins that had tightened in 2018. It also continued to advance in its internationalisation, in countries such as Mexico and Chile.

### OHL SERVICES BUSINESS

In 2019 Services' sales amounted to EUR 275.6 million, representing an increase of 4.4% over 2018, growing in the areas that provide greater profitability, in accordance with the objective of this line of business.

In terms of international activity, Chile experienced progressive growth, with an increase in its billings of 166%, while Mexico initiated activity at private customers such as Uber, Dentimex, C&A and JLL, among others.

Overall, Services achieved a 1% year-on-year increase in facilities management billings. Billings in urban services (EUR 56.7 million) grew by 27.6% compared with 2018, consolidating the growth in this activity that generates a higher operating margin.

As a result of all the foregoing, Services focused on increasing EBITDA, which increased from EUR 1.3 million in 2018 to EUR 12.4 million in 2019, recovering the usual levels of profitability.

### CONTRACTS AND BACKLOG

The Company achieved revenue of EUR 279.4 million in 2019, consisting of a backlog of EUR 365.1 million, equal to 17 months of sales, well above the average for comparable companies in the sector.

### NEW CONTRACTS AWARDED IN 2019

OHL Services has a backlog of more than 500 contracts in force, including the following contracts in its various business lines:

In the field of cleaning, of particular note is the contract for the integral cleaning of buildings, premises and state facilities in the Community of Madrid, phase III, lot 16, at the request of the Ministry of Consumer Affairs and Social Welfare, for a period of 36 months and an award amount of EUR 8.9 million.

In the social and healthcare sector, two contracts for home help services for the municipalities of Malaga and A Coruña, each for 24 months, amounting to EUR 9.6 million and EUR 7.7 million, respectively, stand out.

In the field of maintenance, worthy of mention is the integral maintenance service of buildings of the Directorate General of Police, lots in Andalusia, the Spanish region of Levante and Central area, for a period of 24 months and a budget of EUR 4.2 million; while, in the field of urban services, the Company has won the service of conservation and maintenance of green areas in the city of Albacete, for four years for an amount of EUR 24.0 million.

## OUTLOOK

In Spain, the strategy is currently focused on improving the quality of services in order to design more personalised offerings, endeavouring to progressively reduce the importance of price as a critical variable in decision making.

In this context, it is necessary to bear in mind the development of the regulatory framework for public procurement, which seeks to prioritise quality, social and environmental factors over others, such as price.

## MANAGEMENT IMPROVEMENTS

Services is heavily involved in a digital transformation plan that has several components, which include most notably:

- Scenario analysis with multidisciplinary groups where valuable conclusions were obtained to address the future challenges of the Company in a planning timeframe of between five and seven years, as well as immediately applied management improvement initiatives.
- Analysis of the *Managing Transformation* initiative, an idea incubator in which three innovation groups, using Agile methodology, study specific initiatives related to the focus on the end user, the capture and mining of data and the improvement of processes.
- Together with the General Corporate Resources Department, the RFP (Request for Proposal) has been launched for the implementation of a new ERP (Enterprise Resource Planning) system in 2020, which will culminate in the necessary transformation of the Company's information systems.
- The process of implementing the operations management software, integrated with the payroll system and compatible with the various time and attendance control systems required for recording working hours, pursuant to employment legislation, has been completed. Also, in the commercial area the Company continued to implement the CRM (Customer Relationship Management) tool aimed at planning the sales process, preparing bids, following up on commercial action, analysing results and managing risks at the bidding phase.

2020 is a decisive year for Services as it will foreseeably complete the digitalisation process carried out in recent years, providing adequate financial and management information support and allowing the integration of all the specific applications already installed.

SUCCESS STORIES

**IMPLEMENTATION OF THE ECOLABEL GREEN LABEL**

**Location: Barcelona, Spain.**

OHL Services is in the process of implementing the EU Ecolabel in two pilot centres where indoor cleaning services are provided, in accordance with the criteria set out in Commission Decision (EU) 2018/680, of 2 May 2018. Ecolabel is one of the most comprehensive sustainability certificates granted by the EU. To achieve this distinction, the Company opted to use sustainable cleaning products.

The pilot centres selected to start this project are located in the province of Barcelona and it is hoped that their use will subsequently be extended to other contracts of this kind, performed in other parts of Spain.

Organic products use mostly ingredients of natural origin, are biodegradable and do not contain toxic or hazardous substances that are harmful to health. Furthermore, their use favours the conservation of natural resources, reducing both water and air pollution in this area of activity.



**BIOLOGICAL PEST CONTROL**

**Location: Madrid, Spain.**

In the area of Urban Services, biological resources are used to prevent, reduce and eliminate pests such as insects, mites and plant diseases, through a pest/predator balance.

In the city of Madrid, in the districts of Ciudad Lineal, Hortaleza, San Blas-Canillejas and Barajas -which occupies an area of 112.23 ha including parks and significant green areas-, the Company has replaced the use of treatments that have a harmful effect on biodiversity with others of a biological nature that do not have negative effects.

Another benefit of this practice is the reduction and even elimination of secondary pests, and the persistence of the treatment's effectiveness over time. In turn, this technique reduces the use of machinery, both in terms of time and units, reducing the emission of pollutants and preserving air quality in the city.





## PUBLIC BICYCLE LOAN SERVICE MANAGEMENT

Location: Albacete, Spain.

In its commitment to sustainable mobility, OHL Servicios-Ingesan manages the public bicycle loan service Albabici, in the city of Albacete. The initiative, carried out together with LaBici, involves the management of 320 bicycles, 80 of which are electric, distributed in 32 stations operating between 06:00 and 00:00 hours, every day of the year. Since its launch in September 2019, more than 57,100 bicycle loans have been made and users exceed 1,500.

The service is managed and provided through specific software that allows the real-time monitoring of the status of the stations and bicycles, as well as of the incidents and warnings of the users. In addition, the system incorporates the collection of usage data, which enables the gathering of statistics and the identification of the most used stations, peak hours, etc., in order to adapt and improve the service.

At the end of 2019, the service had 1,268 long-term users - with an annual subscription - and the system was regularly used by 536 further users. In terms of preferences for the type of bicycle, 65% of users make use of conventional bicycles and 35% use the electric type.



# Sustainability

**52 | Sustainability at OHL**

**55 | Financial information**

- Financial framework
- Backlog
- Alternative performance measures

**72 | Non-financial information**

- People
- Innovation and excellence
- Environment
- Contribution to society





# Sustainability at OHL

2019 signified an advance in terms of sustainability, reflected in the design and approach of the new Plan for 2020-2022. To achieve this, the Company completed an internal reflection process and identified the material issues, both internal and external, that will enable a roadmap to be established with regard to the sustainability strategy and the defined measures for each issue to be implemented, taking into account the challenges faced by the Company and the profile of its activities. This will strengthen OHL's position to act proactively, primarily in the face of present and future environmental and social challenges, by integrating sustainability as a key element of its corporate culture.

Furthermore, OHL remains firmly committed to the 2030 Agenda for Sustainable Development and the Sustainable Development Goals (SDGs), and adheres to major international sustainability initiatives and guidelines. The Company also works every day to respond to the needs of its stakeholders and to generate positive value as a result of its projects, in all the countries in which it is present.

In 2019 work was performed on adapting the Company's internal reporting processes to the new regulations on non-financial information. To this end, indicators were defined and processes implemented to digitise and update corporate tools that improve information management in order to continue promoting an exercise in transparency in sustainability and offer a better response to the expectations of the Company's various stakeholders.

As part of its commitment to continuous improvement, in 2019 a good practice guide was drawn up, identifying and highlighting the environmental and social actions carried out in the day-to-day operations of the projects. This document brings visibility to the measures that are proactively carried out on site, as well as favouring the transfer of knowledge among all projects.

OHL also assumes voluntary commitments in the areas of human and employment rights, environmental protection, business ethics and transparency in information dissemination. It is also governed by its ten corporate policies which apply to the entire Company and which, together with the rest of the internal regulations, make up the current framework of action. Governance in matters of sustainability is directed by the Company's highest governance body, the Nomination and Remuneration Committee of the Board of Directors.

In this way, the Company values sustainability management and makes it a competitive factor that strengthens the development of a responsible business.

**OHL DEMONSTRATES ITS COMMITMENT TO A BUSINESS MODEL BASED ON SUSTAINABILITY CRITERIA**

OHL is the first Spanish construction company to adhere to the New Deal for Europe manifesto, a call to action from CSR Europe, to implement a global strategy for a sustainable Europe by 2030. The aim of this initiative is to bring together business, civil society and the public sector to build dialogue, trust, cooperation platforms and financing models for the development of a sustainable circular and digital economy that promotes competitiveness, employability and social cohesion.

OHL joins this initiative through its CEO, ratifying in its business model the implementation of a strategy in line with the UN 2030 Agenda and its Sustainable Development Goals.



José Antonio Fernández Gallar, Chief Executive Officer of OHL, in the Towards a sustainable Europe by 2030 presentation, promoted by Forética.

**MANAGEMENT SYSTEMS**

OHL has an Integrated Management System (IMS) for Occupational Risk Prevention, Quality and the Environment that includes all divisions of the Company. In 2019 the IMS was consolidated in accordance with the ISO 9001 (Quality Management), ISO 14001 (Environmental Management), ISO 45001 (Occupational Health and Safety Management), SA 8000 (Corporate Social Responsibility Management) and ISO 50001 (Energy Management) standards.

This system, within the Company's sustainability framework, is aligned with the Sustainable Development Goals (SDGs) and particularly with SDGs 3, 9, 12, 13 and 15.



In 2019 the integration of the entire supply chain in the control of outsourced work continued. Also, as a result of the continuous improvement of the IMS, the criteria for evaluating and monitoring suppliers were modified and the Company is currently in the process of improving the Computerised Purchasing System (CPS).

**Improvement of the understanding process**

The ISO 9001, ISO 14001 and ISO 45001 standards include two requirements called understanding the organisation and its context, and understanding the needs and expectations of stakeholders.

In 2019 the understanding process was improved by deepening the systematic approach to achieve a more detailed analysis of both concepts, carried out at territorial management, delegation, company and project level, according to the guidelines below.

It also continues with the understanding of the context and stakeholders of the organisation, segmenting the analysis and reflecting, as a minimum, the following concepts:

**Territorial management/company delegation**

- Previous year's billings and current year's billings forecast.
- Existing structure in the area of occupational risk prevention, quality and the environment, as well as forecast of changes in this area and their causes.
- Singularities, existing conflicts in the field of occupational risk prevention, quality and the environment and future forecasts that can be identified.
- Number of accidents, in-house and at subcontractors, with effects of more than 45 days.
- Penalties imposed by employment authorities or customers.

**Project**

- Brief description of the project.
- The construction team's previous experience in similar construction projects.
- Singularities of the contract in terms of occupational risk prevention, quality and the environment.
- Milestones that can be achieved by customer in the areas of occupational risk prevention, quality and the environment.

# Financial information

## FINANCIAL FRAMEWORK

### CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	2019	2018	CHANGE (%)
Revenue	2,959.9	2,906.9	1.8%
Other operating income	86.2	100.9	-14.6%
<b>Total operating income</b>	<b>3,046.1</b>	<b>3,007.8</b>	<b>1.3%</b>
% s/ Sales	102.9%	103.5%	
Operating expenses	-2,223.8	-2,689.5	-17.3%
Staff costs	-757.5	-814.3	-7.0%
<b>Gross profit (loss) from operations</b>	<b>64.8</b>	<b>-496.0</b>	<b>n.a.</b>
% s/ Sales	2.2%	-17.1%	
Depreciation and amortisation charge	-68.3	-61.5	11.1%
Changes in provius and allowances	-8.8	-3.5	151.4%
<b>Loss from operations</b>	<b>-12.3</b>	<b>-561.0</b>	<b>-97.8%</b>
% s/ Sales	-0.4%	-19.3%	
Finance income and finance costs	-35.9	-61.0	-41.1%
Changes in fair value of financial instruments	2.3	-89.4	n.a.
Exchange differences	2.2	-5.9	n.a.
Impairment and gains or losses on disposals of financial instruments	-71.0	-141.9	-50.0%
<b>Financial loss</b>	<b>-102.4</b>	<b>-298.2</b>	<b>-65.7%</b>
Resul of companies accountd for using the equity method	-7.0	-110.4	-93.7%
<b>Loss before tax</b>	<b>-121.7</b>	<b>-969.6</b>	<b>-87.4%</b>
% s/ Sales	-4.1%	-33.4%	
Income tax	-21.8	16.0	n.a.
<b>Loss for the year from continuing operations</b>	<b>-143.5</b>	<b>-953.6</b>	<b>-85.0%</b>
% s/ Sales	-4.8%	-32.8%	
<b>Profit (loss) for the year from discontinued operations, net of tax</b>	<b>0.0</b>	<b>-550.3</b>	<b>n.s.</b>
<b>Consolidated loss for the year</b>	<b>-143.5</b>	<b>-1,503.9</b>	<b>-90.5%</b>
% s/ Sales	-4.8%	-51.7%	
(Profit) Loss from continuing operations attributable to non-controlling interest	0.5	-1.8	n.a.
(Profit) Loss from discontinued operations attributable to non-controlling interest	0.0	-71.6	n.s.
<b>Consolidated loss for the year attributable to the Parent</b>	<b>-143.0</b>	<b>-1,577.3</b>	<b>-90.9%</b>
% s/ Sales	-4.8%	-54.3%	

M Euros

### Consolidated statement of profit or loss

The Group's revenue amounted to EUR 2,959.9 million in 2019, in line with 2018.

72.1% of revenue was generated outside Spain, as compared with 72.7% in the same period of 2018.

As regards the distribution of sales by geographical area, the US and Canada represent 33.9% of the total, Europe 41.0%, Latin America 18.4% and other areas 6.2%.

Total operating income amounted to EUR 3,046.1 million, similar to the figure for 2018.

EBITDA amounted to EUR 64.8 million, 2.2% of sales, a considerable improvement over the same period of the previous year, in which significant losses were posted for projects.

EBIT amounted to EUR -12.3 million, -0.4% of sales.

The net amount of "Finance Income" and "Finance Costs" was EUR -35.9 million, reflecting an improvement of EUR 25.1 million compared with the EUR -61.0 million of 2018. This change was due mainly to the significant reduction in debt in 2018.

"Changes in Fair Value of Financial Instruments" amounted to EUR 2.3 million, compared with the loss of EUR -89.4 million in 2018, which included mainly the foreign currency hedge arranged to hedge the divestment of OHL Concesiones.

"Exchange Differences" amounted to EUR 2.2 million, compared with EUR -5.9 million in 2018 due mainly to the positive effect of the transactions carried out in Canadian dollars in 2019.

"Impairment and Gains or Losses on Disposals of Financial Instruments" amounted to EUR -71.0 million and included primarily the impairment loss of EUR -47.6 million on the investment in the Old War Office project as a result of its remeasurement at fair value. Additionally, an adjustment of EUR -13.0 million was included in the sale price of the Canalejas Project, as the handover of the project has been delayed.

"Income Tax" totalled EUR -21.8 million, and the effective tax rate was around 21%. The Group does not recognise tax assets if there is no certainty as to their recovery.

The loss attributable to the Parent stands at EUR -143.0 million.



## CONSOLIDATED BALANCE SHEET

	31/12/2019	31/12/2018	CHANGE (%)
<b>Non-current assets</b>	<b>1,304.3</b>	<b>1,311.2</b>	<b>-0.5%</b>
Intangible assets	196.2	216.2	-9.3%
Concession infrastructure	72.8	72.2	0.8%
Property, plant and equipment	186.4	147.4	26.5%
Investment property	10.2	10.5	-2.9%
Investments accounted for using the equity method	301.4	293.4	2.7%
Non-current financial assets	332.3	309.0	7.5%
Deferred tax assets	205.0	262.5	-21.9%
<b>Current assets</b>	<b>2,320.0</b>	<b>2,792.2</b>	<b>-16.9%</b>
Non-current assets classified as held for sale	0.0	142.5	n.a.
Inventories	107.2	136.9	-21.7%
Trade and other receivables	1,272.2	1,322.4	-3.8%
Other current financial assets	229.0	222.5	2.9%
Other current assets	156.2	153.5	1.8%
Cash and cash equivalents	555.4	814.4	-31.8%
<b>TOTAL ASSETS</b>	<b>3,624.3</b>	<b>4,103.4</b>	<b>-11.7%</b>
<b>Equity</b>	<b>622.8</b>	<b>785.7</b>	<b>-20.7%</b>
<b>Shareholders' equity</b>	<b>669.6</b>	<b>812.2</b>	<b>-17.6%</b>
Share capital	171.9	171.9	0.0%
Share premium	1,265.3	1,265.3	0.0%
Reserves	-624.6	1,052.2	-159.4%
Consolidated loss for the year attributable for the Parent	-143.0	-1,577.3	n.s.
Interim dividend	0.0	-99.9	n.a.
<b>Valuation adjustments</b>	<b>-42.7</b>	<b>-25.4</b>	<b>68.1%</b>
<b>Equity attributable to the Parent</b>	<b>626.9</b>	<b>786.8</b>	<b>-20.3%</b>
<b>Non-controlling interests</b>	<b>-4.1</b>	<b>-1.1</b>	<b>272.7%</b>
<b>Non-current liabilities</b>	<b>797.5</b>	<b>888.8</b>	<b>-10.3%</b>
Grants	0.8	1.3	-38.5%
Long-term provisions	65.5	60.4	8.4%
Non-current bank borrowings and other financial liabilities*	588.0	661.0	-11.0%
Other non-current financial liabilities	31.5	2.4	n.s.
Deferred tax liabilities	95.1	149.0	-36.2%
Other non-current liabilities	16.6	14.7	12.9%
<b>Current liabilities</b>	<b>2,204.0</b>	<b>2,428.9</b>	<b>-9.3%</b>
Liabilities associated with non-current assets classified as held for sale and discontinued operations	0.0	63.5	-100.0%
Short-term provisions	217.2	202.5	7.3%
Current bank borrowings and other financial liabilities*	141.1	80.0	76.4%
Other current financial liabilities	26.3	6.0	338.3%
Trade and other payables	1,562.0	1,827.0	-14.5%
Other current liabilities	257.4	249.9	3.0%
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>3,624.3</b>	<b>4,103.4</b>	<b>-11.7%</b>

\* Including bank borrowings and bonds.  
M Euros

**Application of IFRS 16, leases**

The impact on the consolidated balance sheet figures is an increase due to the recognition of right-of-use assets and financial liabilities for future payment obligations relating to leases classified to date as operating leases. The adoption included the recognition exemptions permitted for short-term leases (less than 12 months) and leases for which the underlying asset is of low value and correspond for the most part to office, machinery and vehicle lease obligations.

On initial application, the Group recognised an increase in property, plant and equipment and new financial liabilities amounting to EUR 49.9 million, since in the second half of 2019 the Group completed the identification and categorisation of the operating leases held in the various geographical areas and activities in which it operates. The discount rate used was close to 5%.

**Changes in the consolidated balance sheet**

The detail of the main headings in the consolidated balance sheet as at 31 December 2019 and of the changes therein with respect to 31 December 2018 is as follows:

- **“Concession Infrastructure”**: this line item includes all of the Group's concession infrastructure. The balance amounted to EUR 72.8 million and relates mainly to Sociedad Concesionaria Aguas de Navarra, S.A.
- **“Investments Accounted for Using the Equity Method”**: the balance of this heading amounts to EUR 301.4 million and includes the following main investments: i) Proyecto Canalejas Group, S.L, in which the Group has a 50.0% ownership interest recognised at EUR 155.8 million; ii) 51 Whitehall Holdings, S.A.R.L., in which the OHL Group has an ownership interest of 49.0% (Old War Office Project), which is recognised at EUR 104.0 million, after the remeasurement at fair value thereof at year-end.



■ **“Non-Current Assets Classified as Held for Sale and Discontinued Operations” and “Liabilities Associated with Non-Current Assets Classified as Held for Sale”:**

in 2018, as a result of the discontinuation of the Development business, assets and liabilities amounting to EUR 142.5 million and EUR 63.5 million, respectively, were recognised. At year-end, as the sale had been completed, there were no balances recognised.

■ **“Trade and Other Receivables”:** at 31 December 2019, the balance of this line item amounted to EUR 1,272.2 million, representing 35.1% of the total assets.

Progress billings receivable amount to EUR 552.7 million, representing a ratio of 2.2 months of sales, as compared with EUR 561.4 million at 31 December 2018 (2.3 months of sales).

Amounts to be billed for work performed total EUR 399.6 million, representing a ratio of 1.6 months of sales, as compared with EUR 463.8 million at 31 December 2018 (1.9 months of sales).

This improvement in the balances of “Trade and Other Receivables” is a result of the intense monitoring of current assets carried out in 2019.

“Other Current Financial Assets” amounted to EUR 229.0 million, including a restricted deposit of EUR 140.0 million securing the multi-product syndicated financing.

■ **“Other Current Assets”:** at 31 December 2018, the balance amounted to EUR 156.2 million and the most significant items included two loans, one to Grupo Villar Mir, S.A.U. for EUR 83.9 million and another to Pacadar, S.A. for EUR 35.2 million.



Zinacantepec station of the Toluca interurban train. Mexico.

In June 2019 an agreement was entered into with Grupo Villar Mir, S.A.U. and Pacadar, S.A., as a result of the negotiations held with a view to ensuring the full recovery of the loans granted and which led, on the one hand, to the extension of the maturities until 2020 and, on the other, to the reinforcement of the economic terms and conditions and the terms and conditions relating to the collateral provided to the OHL Group, including a security interest in all the shares of Pacadar, S.A.

At 31 December 2019, these balances amounted to EUR 125.7 million.

■ **“Equity Attributable to the Parent”**: amounted to EUR 626.9 million, which represents 17.3% of total assets and a decrease of EUR -159.9 million with respect to 31 December 2018, due to the net effect of:

- The decrease in the attributable bottom line for 2019, which amounted to EUR -143.0 million.
- A decrease of EUR -11.2 million due to valuation adjustments arising from the translation of the financial statements in foreign currency.
- A decrease of EUR -6.1 million due to the remeasurement of financial instruments.
- A decrease of EUR -0.1 million due to the increase in treasury shares.
- At 31 December 2019, 515,037 treasury shares with a value of EUR 0.5 million were held.
- An increase of EUR 0.5 million due to other changes.

■ **“Non-Controlling Interests”**: reached EUR -4.1 million, the change therein being of scant significance.

■ **Financial debt**: the comparison of the debt with the previous year is as follows:

<b>GROSS BORROWINGS <sup>(1)</sup></b>	<b>31/12/2019</b>	<b>%</b>	<b>31/12/2018</b>	<b>%</b>	<b>CH.(%)</b>
Recourse borrowings	675.1	92.6%	686.5	92.6%	-1.7%
Non-recourse borrowings	54.0	7.4%	54.5	7.4%	-0.9%
<b>TOTAL</b>	<b>729.1</b>		<b>741.0</b>		<b>-1.6%</b>

(1) Gross borrowings include non-current and current financial debt, including bank borrowings and bonds.  
M Euros

<b>NET BORROWINGS <sup>(2)</sup></b>	<b>31/12/2019</b>	<b>%</b>	<b>31/12/2018</b>	<b>%</b>	<b>CH.(%)</b>
Recourse borrowings	-106.5	n.a.	-346.8	117.2%	-69.3%
Non-recourse borrowings	51.1	n.s.	50.8	n.a.	0.6%
<b>TOTAL</b>	<b>-55.4</b>		<b>-296.0</b>		<b>-81.3%</b>

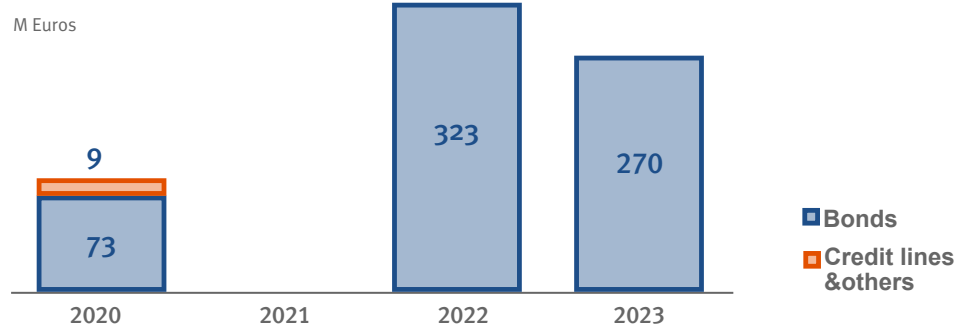
(2) Net borrowings comprise gross borrowings less other financial assets and cash equivalents.  
M Euros

The gross recourse borrowings amounted to EUR 675.1 million at 31 December 2019, a decrease of EUR -11.4 million from the figure at 31 December 2018. The outstanding balance of bonds amounts to EUR 666.2 million, of which EUR 73.3 million mature in March 2020 and are therefore classified as short term.

The gross non-recourse borrowings amounted to EUR 54.0 million, representing 7.4% of total gross borrowings.

80.7% of the total gross borrowings falls due at long term and the remaining 19.3% matures at short term.

#### THE DETAIL OF THE MATURITY OF THE GROUP'S GROSS RECOURSE BORROWINGS IS AS FOLLOWS



Total net debt amounted to EUR -55.4 million, up EUR 240.6 million on 31 December 2018.

Total recourse liquidity amounts to EUR 781.6 million and includes EUR 140.0 million that are deposited as a guarantee for the line of guarantees drawn against in relation to the multiproduct syndicated financing.

#### Cash-flow

Although the criteria used differ in some cases from those set out in IAS 7, this section presents a cash flow analysis of the evolution of the business:

	2019	2018
<b>EBITDA</b>	<b>64.8</b>	<b>-496.0</b>
<b>Adjustments for</b>	<b>-124.3</b>	<b>-300.3</b>
Financial losses	-102.4	-298.2
Results of companies accounted for using the equity method	-7.0	-110.4
Income tax	-21.8	16.0
Changes in provisions and allowances and other	6.9	92.3
<b>Cash flows from operations</b>	<b>-59.5</b>	<b>-796.3</b>
<b>Changes in working capital</b>	<b>-159.1</b>	<b>159.8</b>
Trade and other receivables	50.2	431.1
Trade and other payables	-265.0	212.1
Other changes in working capital	55.7	-483.4
<b>Cash flows from operating activities</b>	<b>-218.6</b>	<b>-636.5</b>
<b>Cash flows from investing activities</b>	<b>-22.0</b>	<b>1.927.8</b>
Non-controlling interests	-3.0	-3.4
Other cash flows from investing activities	-19.0	1.804.8
Discontinued operation	0.0	126.4
<b>Change in net non-recourse borrowings</b>	<b>0.3</b>	<b>-1.0</b>
<b>Change in net recourse borrowings</b>	<b>240.3</b>	<b>-1.290.3</b>
<b>Cash flows from financial activities</b>	<b>240.6</b>	<b>-1.291.3</b>

MnEuros

The **adjustments to the loss** are negative by EUR -124.3 million, but less than the EUR -300.3 million in 2018, mainly as a result of the foreign currency hedges arranged to hedge the sale of OHL Concessions and the impairment of assets due to the execution of the guarantees for the Sidra Hospital (Qatar) and others.

The **cash flows from operations** are negative by EUR -59.5 million, compared with EUR -796.3 million in 2018, thanks to the contribution of EUR 64.8 million of EBITDA. **Cash flows from operating activities**, although negative by EUR -218.6 million in 2019, show a significant change in trend with respect to the 2018 figure, which amounted to EUR -636.5 million, a reduction of 66%.

The **changes in working capital** amount to EUR -159.1 million, mainly as a result of payments made in loss-making projects. However, the Group continues to manage working capital intensively, which is improving the situation from the beginning of 2019 in comparison with 2018.

**Cash flows from investing activities** in 2019 amounted to EUR -22.0 million and included the disbursements made for the investments in the Canalejas Project and Toledo Hospital, which are offset by a portion of the collections obtained from the sale of Mayakoba. The 2018 data include the significant divestment of OHL Concesiones, ZPSV and Mayakoba.

**Cash flows from financing activities** amounted to EUR 240.6 million, corresponding mainly to net recourse borrowings.

## BACKLOG

At 31 December 2019, the Group's backlog amounted to EUR 5,457.9 million, -10.4% down on the backlog at 31 December 2018. 91.6% of the total backlog related to short-term projects, with long-term projects accounting for the other 8.4%.

The short-term backlog amounted to EUR 4,999.6 million, which represents approximately 20.3 months of sales. 87.7% of the short-term backlog corresponds to the Construction business.

The long-term backlog amounted to EUR 458.3 million, an increase with respect to 2018 as a result of the changes in the terms and conditions of the Aguas de Navarra concession.

	31/12/2019	%	31/12/2018	%	CH.(%)
<b>Short-term</b>	<b>4,999.6</b>		<b>5,876.4</b>		<b>-14.9%</b>
Construction	4,385.7	87.7%	5,240.8	89.2%	-16.3%
Industrial	248.8	5.0%	259.9	4.4%	-4.3%
Servicies	365.1	7.3%	375.7	6.4%	-2.8%
<b>Long-trm</b>	<b>458.3</b>		<b>218.2</b>		<b>110.0%</b>
Construction-concessions	458.3	100.0%	218.2	100%	110.0%
<b>TOTAL</b>	<b>5,457.9</b>		<b>6,094.6</b>		<b>-10.4%</b>

M Euros

## ALTERNATIVE PERFORMANCE MEASURES

The OHL Group presents its results in accordance with International Financial Reporting Standards (IFRSs) and also uses certain Alternative Performance Measures (APMs) that facilitate better understanding and comparability of the financial information. In order to comply with the guidelines of the European Securities and Markets Authority (ESMA), we hereby disclose the following:

**EBITDA:** is profit or loss from operations plus the depreciation and amortisation charge plus the change in provisions and allowances.

CONCEPT	2019	2018
Loss from operations	-12,263	-560,957
(-) Depreciation and amortisation charge	68,304	61,493
(-) Changes in provisions and allowances	8,724	3,514
<b>TOTAL EBITDA</b>	<b>64,765</b>	<b>-495,950</b>

Thousands of euros

Use: performance measure that indicates operating results, excluding non-cash items. This is used by analysts and investors to measure operating performance and relate it to indebtedness.

Comparison: comparative amounts for different periods are presented.

**Recourse EBITDA:** total EBITDA, including interest income and excluding certain losses arising from other expenses, in certain cases with no effect on cash (e.g., contract revision losses, collective redundancy procedures, etc.), less the EBITDA of the project companies, and including dividends paid to the parent by the project companies.

CONCEPT	2019	2018
TOTAL EBITDA	64,765	-495,950
(+) Interest income	20,575	21,737
(-) EBITDA of project companies	-4,326	-3,429
(-) Finance income of project companies	-	-
(+) Dividends of project companies	-	567,637
(-) Non-recurring expenses	-	67,300
<b>TOTAL RECOURSE EBITDA</b>	<b>81,014</b>	<b>157,295</b>

Thousands of euros

Use: aggregate used to calculate contractual clauses.

Comparison: comparative amounts for different periods are presented.

**Project companies:** companies for whose debt there is no recourse to the Parent OHL, S.A.

**EBIT:** calculated on the basis of the following line items in the consolidated statement of profit or loss: "Revenue", "Other Operating Income", "Operating Expenses", "Staff Costs", "Depreciation and Amortisation Charge" and "Changes in Provisions and Allowances".

Use: aggregate indicating profit or loss from operations.

Comparison: comparative amounts for different periods are presented.

**Gross borrowings:** groups together the balances of the "Non-Current Liabilities - Debt Instruments and Other Marketable Securities", "Non-Current Liabilities - Bank Borrowings", "Current Liabilities - Debt Instruments and Other Marketable Securities" and "Current Liabilities - Bank Borrowings" headings on the liability side of the consolidated balance sheet, including bank borrowings and bonds.

CONCEPT	2019	2018
Debt instruments and other marketable securities (non-current)	587,887	659,298
Non-current bank borrowings	150	1,659
Debt instruments and other marketable securities (non-current)	83,691	14,132
Current bank borrowings	57,380	65,869
<b>TOTAL GROSS BORROWINGS</b>	<b>729,108</b>	<b>740,958</b>

Thousands of euros

Use: gross borrowings are used to measure the level of indebtedness and to determine the financial structure.

Comparison: comparative amounts for different periods are presented.

**Net borrowings:** made up of gross borrowings less "Other Current Assets" and "Cash and Cash Equivalents" on the asset side of the consolidated balance sheet.

CONCEPT	2019	2018
Gross borrowings	729,108	740,958
(-) Current financial assets	-229,010	-222,482
(-) Cash and cash equivalents	-555,442	-814,434
<b>TOTAL NET BORROWINGS</b>	<b>-55,344</b>	<b>-295,958</b>

Thousands of euros

Use: net borrowings are used as an indicator of the Company's solvency.

Comparison: comparative amounts for different periods are presented.

**Non-recourse borrowings (gross or net):** the borrowings (gross or net) of the project companies.

**Recourse borrowings (gross or net):** total borrowings (gross or net) of the project companies less non-recourse borrowings (gross or net).

Use: non-recourse borrowings (gross or net) are used to measure the level of indebtedness without recourse to the parent.

Comparison: comparative amounts for different periods are presented.





Infrastructure service Santo Tomé del Puerto. Segovia. Spain.

**Backlog:** short- and long-term unearned revenue from contracts awarded. Once they have been formalised, these contracts are included in the backlog.

- Short-term backlog: represents the estimated unearned Construction, Industrial and Services revenue, and also includes expected revenue from changes in contracts or additional work estimated on the basis of the percentage of completion of the projects.
- Long-term backlog: represents the estimated future revenue of the concessions, over the concession term, based on the related financial plan and including estimates of changes in the exchange rates between the euro and other currencies, inflation, prices, tolls and traffic volumes.

Use: an indicator of future revenue.

**Market capitalisation:** number of shares at the end of the period multiplied by the share price at the end of the period.

<b>2019</b>	
Number of shares at end of period	286,548,289
Market price at end of period	1.06
MARKET CAPITALISATION (millions of euros)	303.7

**Earnings per share (EPS):** profit or loss attributable to the Parent divided by the average number of shares in the year.

<b>2019</b>	
Loss attributable to the Parent	-142.960
Average number of shares	286,052,416
LOSS PER SHARE	-0.50

Thousands of euros

**PER:** share price at the end of the period divided by the earnings per share for the last 12 months.

The above financial indicators and alternative performance measures (APMs), the use of which facilitates a better understanding of the financial information, are calculated by applying the principles of consistency and uniformity, which allows comparability between periods.

<b>2019</b>	
Market price at end of period	1.06
Loss per share	-0.50
PER	-2.12

## SHAREHOLDER AND INVESTOR RELATIONS

### Stock market information

Obrascón Huarte Lain S.A.'s shares increased in value by 62.6% in 2019, a transition year for the Company, increasing the market capitalisation to EUR 303.7 million at 31 December 2019.

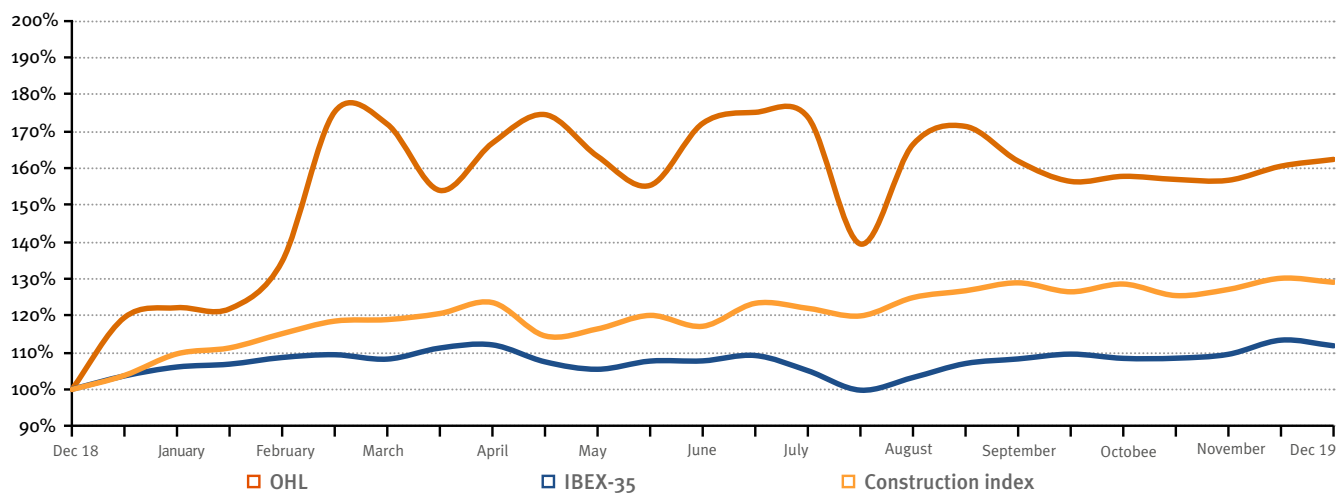
### OHL on the spanish stock market interconnection system

#### OHL ON THE STOCK MARKET. OHL STOCK MARKET INDICATORS IN 2019

OHL S.A.	31/12/2019
OHL closing price	1.0600
OHL YtD share price performance	62.6%
Maximum price	1.3850
Minimum price	0.6500
Average price	1.0330
Treasury shares	515,037
Value of treasury shares	545,939
% OHL treasury shares	0.180%
Total number of OHL shares	286,548,289
Nominal value of OHL share capital	171,928,973
Nominal value of OHL share capital per share	0.60
Market capitalisation (Eur million)	303.7
Number of shares traded in the year	725,660,233
Number of shares traded daily in the year	2,845,726
Traded shares as a % of total shares	253.2%
Effective volume traded in the year	749,890,406
Average effective volume traded per day	2,940,747
Total days traded in the year	255
IBEX-35 index	9,549.2
IBEX-35 YtD performance	11.8%
Construction index in Spain	1,800.0
Construction index YtD performance	29.1%
Gross dividend paid in the year	0.00
Net dividend paid in the year	0.00

Source: Bolsas y Mercados Españoles & Bloomberg

OHL SHARE PERFORMANCE IN 2019



At 31 December 2019, the share capital amounted to EUR 171,928,973.40, represented by 286,548,289 ordinary shares of EUR 0.60 par value each and all of the same class and series.

In 2019 the share reached a maximum closing value of EUR 1.3850 per share in March and a minimum closing value of EUR 0.6500 per share in January, which gives an average price over the whole year of EUR 1.0330 per share. In 2019 a total of 725,660,233 shares were traded on the stock market (253.2% of the total shares admitted for trading), which represents a fall of 5.2% with respect to 2018. The daily average stands at 2,940,747 shares.

The Company ended the year with 515,037 treasury shares tied, in full, to its liquidity agreement, equal to 0.180% of the Company's current capital, a position that remained stable throughout 2019. The position at the year-end closing price amounted to EUR 545,939 thousand.

The performance of the IBEX 35 and the Construction index in Spain showed increases of 11.8% and 29.1% respectively, lower than that of OHL

**OHL BOND ISSUES CURRENTLY OUTSTANDING IN THE MARKET**

OHL currently has three outstanding bond issues in the market, which are traded in London. The most relevant data on the bonds issued are as follows:

ISSUER	MATURITY	CUPON RATE	OUTSTANDING BALANCE	PRICE	YtM
OHL.S.A.	March 2020	7.625%	73	100.009%	7.408%
OHL.S.A.	March 2022	4.750%	323	70.018%	22.830%
OHL.S.A.	March 2023	5.500%	270	69.638%	18.483%

## COMMUNICATION WITH SHAREHOLDERS, INVESTORS AND ANALYSTS

In 2019 roadshows were run in Spain and abroad, and the Company participated in various forums and seminars. The Annual General Meeting was held in May. Both the presentation of year-end results and the Annual General Meeting, due to their importance, were streamed (through the Company's website), to make it easier for the various stakeholders to follow them.

Since 2011 the Company has made quarterly presentations of results through conference calls, in which OHL's management team establishes a direct communication with the financial community.

## TAX CONTRIBUTION

The Company complies with all the tax obligations that arise as a result of its business activity in accordance with the rules applicable in each of the jurisdictions in which it operates, thereby implementing its tax policy.

The following table contains the amounts paid by the Group companies to the public authorities in 2019 in the various jurisdictions in which they operate, making a distinction between taxes borne, which represent a cost for the Group, and taxes collected on behalf of third parties, which have no impact on the Group's statement of profit or loss.

COUNTRY	TAXES BORNE (1)	TAXES COLLECTED (2)	TOTAL	% OF TOTAL
Spain	75,648	73,115	148,763	59.3%
US and Canada	14,880	10,074	24,954	10.0%
Chile	2,882	16,532	19,414	7.7%
Peru	4,345	10,994	15,339	6.1%
Mexico	4,657	8,673	13,330	5.3%
Eastern Europe	11,470	98	11,568	4.6%
Colombia	1,786	747	2,533	1.0%
Other	4,413	10,449	14,862	5.9%
<b>TOTAL</b>	<b>120,081</b>	<b>130,682</b>	<b>250,763</b>	

(1) Including mainly income tax and employer social security contributions.

(2) Containing primarily employment-related taxes borne by employees and VAT collected.

Thousands of euros

The most significant item in the group's tax contribution was that relating to employment taxes, which amounted to EUR 169,142 thousand.

The payment of income tax incurred on the activity of the group companies amounted to EUR 10,283 thousand. The distribution of this amount, by country, is as follows: Spain 15%; US and Canada 47%; Chile 4%; Peru 12%; Mexico 11%; Eastern Europe 3%; Colombia 8%.

<b>PROFIT OR LOSS BEFORE TAX</b>	<b>2019</b>
Spain	-123,259
Saudi Arabia	3,252
Algeria	-1,474
Czech Republic/Eastern Europe	-441
Chile	48,305
Colombia	-12,532
Kuwait	-3,266
Mexico	6,387
Peru	15,211
Qatar	-22,005
Turkey	-2,267
US and Canada	-913
Vietnam	-373
Australia	-1,434
Other countries	-26,850
<b>TOTAL</b>	<b>-121,659</b>

Thousands of euros

<b>GOVERNMENT GRANTS COLLECTED</b>	<b>2019</b>
Government grants collected	30

Thousands of euros

Excluding information on grants for training.



Follo Line high-speed rail project, which will connect Oslo with the municipality of Ski, in Norway.

# Non-financial information

## PEOPLE

### PROFILE OF THE HUMAN TEAM

OHL considers its human team to be one of its core assets. These people exemplify talent and professionalism, and their behaviour is in line with the principles set out in the Code of Ethics. In addition, the Company is committed to the employability of its workers, their professional development and the promotion of safe and healthy workplaces.

The number of people at OHL at 31 December 2019 was 18,782, up 2.2% on 2018, with two more companies included in the scope of consolidation<sup>(i)</sup>. In addition to direct employment, the Company contributed to the indirect maintenance of 10,868 jobs, through associates, suppliers and subcontractors, who are required to have the same level of commitment as other OHL employees.

(i) The companies included are: Consorcio AIA (Chile) and Gizatzen (Spain).

### DISTRIBUTION OF THE WORKFORCE BY PROFESSION, AGE AND GENDER

	TOTAL	MEN	WOMEN	<30		30-45		46-55		>56	
				M	W	M	W	M	W	M	W
Senior executives	11	11	0	0	0	1	0	5	0	5	0
Senior managers	58	51	7	0	0	10	4	29	3	12	0
Managers	308	273	35	10	2	97	20	109	11	57	2
Supervisors	1,313	1,095	218	53	18	464	108	368	63	210	29
Other line personnel	2,337	1,799	538	300	122	856	312	421	80	222	24
Clerical staff	897	410	487	105	98	175	224	87	134	43	31
Manual workers	13,858	7,127	6,731	1,064	499	2,734	1,798	2,107	2,520	1,222	1,914
<b>TOTAL</b>	<b>18,782</b>	<b>10,766</b>	<b>8,016</b>	<b>1,531</b>	<b>739</b>	<b>4,337</b>	<b>2,466</b>	<b>3,126</b>	<b>2,811</b>	<b>1,771</b>	<b>2,000</b>

M: Men / W: Women.

### CONTRIBUTION TO THE MAINTENANCE OF INDIRECT EMPLOYMENT

DIVISION	SUBCONTRACTORS	WORKERS FROM SUBCONTRACTED COMPANIES
Construction	1,298	7,569
Industrial	196	1,943
Other activities	8	30
Services	663	1,326
<b>TOTAL OHL</b>	<b>2,165</b>	<b>10,868</b>

\*The induced employment corresponds to 100% of the estimated workforce of the subcontractors without weighting the volume of transactions with OHL.



## DISTRIBUTION OF THE WORKFORCE BY GEOGRAPHICAL AREA AND TYPE OF CONTRACT

	PERMANENT	TEMPORARY	TOTAL
Spain	6,821	2,716	9,537
North America	983	680	1,663
Latin America	3,606	2,307	5,913
Europe	1,330	213	1,543
Other	48	78	126
<b>TOTAL OHL</b>	<b>12,788</b>	<b>5,994</b>	<b>18,782</b>

## TYPE OF CONSTRUCTION AND INDUSTRIAL CONTRACTS IN SPAIN

	<30				30-45				46-55				>56			
	PERMANENT		TEMPORARY		PERMANENT		TEMPORARY		PERMANENT		TEMPORARY		PERMANENT		TEMPORARY	
	M	W	M	W	M	W	M	W	M	W	M	W	M	W	M	W
Senior executives					1				3					5		
Senior managers					3	1			13	1				8		
Managers					13	6			32	3				13		
Supervisors	1	2	2	2	120	28	6	2	125	19	6	2	70	4		
Other line personnel	11	7	16	8	172	84	41	17	148	25	40	3	69	1	10	
Clerical staff		1	1	4	13	48	2	4	23	55	5	5	14	5	2	
Manual workers	1		25	1	71	2	133	3	66		94	2	42		22	2
<b>TOTAL</b>	<b>13</b>	<b>10</b>	<b>44</b>	<b>15</b>	<b>393</b>	<b>169</b>	<b>182</b>	<b>26</b>	<b>410</b>	<b>103</b>	<b>145</b>	<b>12</b>	<b>221</b>	<b>10</b>	<b>34</b>	<b>2</b>

M: Men / W: Women.

In the Construction and Industrial businesses there is not a significant number of part-time contracts. With regard to temporary contracts, of the total number of women workers of OHL, more than 80% belong to the Services Division, and due to the nature of the activity, the staff usually have temporary contracts. 53.7% of the employees of Services Spain (Gizatzen and Ingesan) have part-time contracts, the breakdown being as follows.

	<30				30-45				46-55				TOTAL	
	PERMANENT		TEMPORARY		PERMANENT		TEMPORARY		PERMANENT		TEMPORARY		M	W
	M	W	M	W	M	W	M	W	M	W	M	W	M	W
Mandos Intermedios					1				1					2
Técnicos		3		6	1	5	1	1		3				21
Administrativos			1	1		2	1	2				1		8
Operarios	26	104	37	211	102	1.005	42	484	63	869	29	481	24	4.127
<b>TOTAL</b>	<b>26</b>	<b>107</b>	<b>38</b>	<b>218</b>	<b>104</b>	<b>1.012</b>	<b>44</b>	<b>487</b>	<b>64</b>	<b>872</b>	<b>29</b>	<b>482</b>	<b>24</b>	<b>4.158</b>

M: Men / W: Women.

TYPES OF CONTRACT AT INTERNATIONAL LEVEL

	PERMANENT			TEMPORARY		
	W	M	TOTAL	M	V	TOTAL
Europe	232	1,098	1,330	32	181	213
Latin America	1,312	2,294	3,606	305	2,002	2,307
North America	149	834	983	17	663	680
Other	6	42	48	11	67	78
<b>TOTAL</b>	<b>1,699</b>	<b>4,268</b>	<b>5,967</b>	<b>365</b>	<b>2,913</b>	<b>3,278</b>

M: Men / W: Women.



FURTHER INFORMATION

Other HR aggregates

Information on freedom of association and collective bargaining

OHL is committed to respect for freedom of association and the right to collective bargaining. Also to non-discrimination, the protection of all workers regardless of condition or gender, and for decent conditions in employment in its broadest sense, which applies to the welfare of all its workers.

DIVERSITY AND EQUAL OPPORTUNITY

OHL understands diversity as a condition of great importance in people management and is aware of the added value of having a pluralistic workforce in the business environment. Its management is considered as an asset that favours the creation of competitive and complementary teams, the promotion of a better response to the expectations of stakeholders and adaptation to the varying situation in which the Company operates.

Also, the Company has an active commitment to diversity and equal opportunity, which is manifested through its policies, adhesion to international initiatives that deal with this matter and through the development of measures that facilitate the integration of employees and avoid discrimination of any type.

CEO ALLIANCE FOR DIVERSITY

OHL adheres to the CEO Alliance for Diversity, through its chief executive officer. The initiative, promoted by the Adecco Foundation and the CEOE (Spanish Confederation of Business Organisations), aims to unite companies around a common and innovative vision of diversity, fairness and inclusion, and to accelerate the development of strategies that contribute to business excellence, the competitiveness of talent and the reduction of inequality and exclusion in Spanish society.



### Gender equality

OHL is currently negotiating its III Equality Plan, so the Company's Equality Commission has agreed to extend the validity of the II Equality Plan until 30 June 2020, fully confident that both the Company and the legal representatives of the workers will reach an agreement before the end of the agreed-upon extension.

In 2019 specific training continued to be given. Thus, a total of 1,121 students have taken the course on the Company's Equality Plan, with 2,242 hours of instruction.

In addition, in Services, a course was given on the *Use of inclusive, non-sexist language in the workplace*, aimed at core and business personnel, managers, and heads of area in the Technical Office, Human Resources, General Services, Administration and Occupational Risk Prevention. A total of 146 students participated and 292 hours of training were given.

### Employment integration plan for vulnerable groups

Work continued to promote the employability of people with different abilities, victims of gender violence or people at risk or in a situation of social exclusion. Also, the creation of local employment was favoured, within the framework of works and projects, especially for vulnerable and low-qualified profiles.

In 2019 167 people with disabilities joined OHL, along with 20 people from groups suffering social exclusion, and 5 victims of gender violence joined the workforce of Services in Spain.

In addition to generating employment opportunities, the employees of OHL participated in initiatives to promote the employability of these groups, giving workshops with a total of 42 hours of training, within the framework of the Company's professional volunteering programmes, thanks to which 186 people have improved their employability.

## TALENT MANAGEMENT

### Attracting talent

Within the framework of the Young Talent programme, ten recently qualified civil engineers joined various construction projects in Peru and Colombia in 2019, such as Quellaveco and Antamina (mining), the Omate road (road) and the National Archaeology Museum (singular building). In Colombia, the Cúcuta aqueduct, the Málaga-Los Curos road and the Cordillera Central are of particular note. All of them will follow the training programme to develop professionally at OHL.

### People development and performance management

Professional development and career opportunities constitute one of the main pillars of people management at OHL. The Company has a Performance Management System that allows employees to be aligned with the Company's values, strategic business objectives and shareholders' interests, taking into account the results of the evaluation of competencies and the assessment of objectives, thanks to which the level of performance of the employees is obtained. The system currently extends up to the professional group of middle managers, although the Company's intention is that it extend to other groups in the future.

This information enables the Company to undertake certain actions related with talent management. Of special note are the assignment of specific training plans;

**3.1% disabled people at the group companies in Spain, exceeding legal requirements**

**1,8% people with disabilities and 10.6% people from ethnic minorities of the total number of workers at OHL Group companies**



## FURTHER INFORMATION

Other HR aggregates

the definition of professional itineraries; the design of professional development plans; the evaluation of employees' potential to assume new responsibilities; and the preparation of succession plans or their application to certain processes related to the remuneration policy.

**Remuneration and benefits**

OHL's remuneration system is based on criteria of objectivity, fairness and competitiveness, according to the business strategy, and is designed with the aim of attracting, retaining and engaging all employees in the Company's global project. The model is endorsed by the Nomination and Remuneration Committee of the Board of Directors, aligning the competitiveness of salaries with the interests of shareholders.

The remuneration and salary band structure policies are the result of the analysis and description of posts, professional groups and organisational levels, with a specific positioning with respect to the market according to the level of competitiveness required by the business in each case.

On the other hand, a Variable Remuneration System (VRS) has been defined for the management team, the purpose of which is to promote the achievement of the objectives that the Company considers strategic at all times for the development of its business, based on the definition of an Objectives Management System (OMS) that includes the Company's economic and individual management objectives.

**Knowledge management**

OHL has a firm commitment to the training of all its employees, the aim of which is to respond to the specific needs of each position and to be of use in terms of how the person in question performs. The global and flexible nature of the training plans is particularly noteworthy, as they adapt to the organisational changes and specific needs of each activity, business and geographical area in which the Company is present.

The 2019 Training Plan included actions related to technical and production aspects, common and specific to each business, as well as areas of a transversal nature, among which those aimed at providing and facilitating tools for the management of teams and acquiring skills for the integral development of employees are noteworthy. Furthermore, corporate training was expanded, the main objective of which is to integrate, raise awareness and sensitise all employees to the policies, culture and values of OHL. The Plan is global in scope and is communicated to all employees, irrespective of the professional group or geographical area; in Spain, the approval of the workers' representatives of each work centre is sought prior to its launch.

In 2019, 4,864 students were trained on 159 different courses in Spain, with a total of 76,432 hours of training.

In addition, PHAROS, an international platform for access to training and knowledge, with universal access to a catalogue of more than 24,000 training hours, provided a new window onto knowledge for all countries. It is based on a delocalised methodology, where the student can access a personalised training itinerary that invites and motivates continuous training, and is key to achieving excellence among the Company's professionals. In 2019 there were 215 students enrolled on the more than 300 courses, with a total of 3,360 hours of training.



**FURTHER INFORMATION**

Social benefits for employees, work-life balance measures and disconnection from work measures

## TRAINING BY TRAINING AREA AND GENDER

	PARTICIPANTS			HOURS OF TRAINING									
	GENDER		TOTAL	TA. UNPLANNED		COMMON AREAS		BUSINESS AREAS		TRANSVERSAL AREAS		TOTAL HOURS	
	M	W		O	CB	O	CB	O	CB	O	CB	O	CB
Construction and Corporate	5,017	743	5,760	26,878	7,610	5,692	1,217	3,185	753	4,361	29,813	40,116	39,393
Industrial	3,192	200	3,392	15,263	1,248	1,346	836	3,155	8	1,556	2,155	21,320	4,247
Services	932	1,604	2,536	10,706	11,552	726	-	2,365	2,486	3,770	2,787	17,567	16,825
<b>TOTAL</b>	<b>9,141</b>	<b>2,547</b>	<b>11,688</b>	<b>52,847</b>	<b>20,410</b>	<b>7,764</b>	<b>2,053</b>	<b>8,705</b>	<b>3,247</b>	<b>9,687</b>	<b>34,755</b>	<b>79,003</b>	<b>60,465</b>

O: Online / CB: Classroom based M: Men / W: Women

## TRAINING BY PROFESSIONAL CATEGORY AND GENDER

	SENIOR EXECUTIVES		EXECUTIVES		MANAGERS		SUPERVISORS		OTHER LINE PERSONNEL		MANUAL WORKERS		CLERICAL STAFF		TOTAL	
	M	W	M	W	M	W	M	W	M	W	M	W	M	W	M	W
	Construction and Corporate	260	85	1,570	270	3,791	634	15,210	1,843	16,828	7,869	25,189	1,007	1,142	3,812	63,989
Industrial	-	-	57	-	97	-	5,101	421	9,029	2,826	4,472	79	2,899	586	21,655	3,912
Services	70	-	539	169	75	-	6,908	3,712	3,478	2,023	11,112	4,843	460	1,003	22,642	11,750
<b>TOTAL 2019</b>	<b>330</b>	<b>85</b>	<b>2,166</b>	<b>439</b>	<b>3,963</b>	<b>634</b>	<b>27,219</b>	<b>5,976</b>	<b>29,335</b>	<b>12,718</b>	<b>40,773</b>	<b>5,929</b>	<b>4,501</b>	<b>5,401</b>	<b>108,286</b>	<b>31,182</b>
<b>TOTAL 2018*</b>	<b>173</b>	<b>93</b>	<b>1,320</b>	<b>1,097</b>	<b>5,105</b>	<b>2,200</b>	<b>12,960</b>	<b>6,601</b>	<b>30,310</b>	<b>15,110</b>	<b>33,044</b>	<b>12,374</b>	<b>4,078</b>	<b>5,637</b>	<b>86,990</b>	<b>43,112</b>

\*The 2018 training hours of Turkey (38,653) and those of Services at Ingesan Chile (1,384) have not been broken down by professional category and, therefore, they are not in the total of the table.

In relation to training, it can be observed in the foregoing tables that in 2019 there was a higher number of men trained, compared with women, at the Company. More than 85% of OHL's workforce works in production, and this group receives the most training, especially in occupational risk prevention, and the percentage of women working in production is very low. Also, if workforce data are considered and compared with training data, it can be seen that most of the women hired at OHL are in the Services Division, while the greatest number of training actions are implemented in the Industrial and Construction divisions.

TOTAL 2018	TOTAL 2019	YEAR-ON-YEAR CHANGE
170,139	139,468	-22%

The number of sites with occupational risk prevention certificates (ISO 45001) is 41, distributed across 15 countries, under the umbrella of the IMS, representing 93.7% of the total number of sites

105,272 training hours in toolbox meetings

### HEALTH AND SAFETY

In 2019 the internal and external audit process continued, the Company having achieved ISO 45001 certification in Occupational Risk Prevention for Construction in Europe and Latin America and for the Services business area.

The ISO 45001 certification has led to significant improvements with respect to the OHSAS 18001 standard:

- The business strategy and the leadership of senior management have been strengthened.
- The importance of developing the context of the organisation has increased.
- More effective risk management has been favoured, considering both negative and positive effects, taking advantage of the opportunities generated by them.
- Compliance with legal requirements has become more demanding, and a high-level structure has been established, making it easy to integrate with the main standards implemented, such as ISO 9001:2015 (Quality Management) and ISO 14001:2015 (Environmental Management).

In addition, during the year the National Commission for Health and Safety in the Workplace was set up in order to guarantee the participation of all construction workers in Spain.

OHL has health and safety committees which have the following objectives: to guarantee participation and permanent communication between prevention supervisors, prevention delegates, prevention technicians, trade union officials, and managers and heads of the various work centres of the Company's divisions; as well as preventive surveillance and coordination of activities, with the participation of representatives of the Company's own workers and subcontractors.

The main issues dealt with in the committees are related to the results of the audits carried out, monitoring of accident rates, medical examinations, training activities and Personal Protective and Safety Equipment (PPE), among other aspects.

A major commitment to training remains in place, which is considered to be a key tool in the integration of safety in the production process and the basis of self-care for all employees. In this regard, the Construction and Industrial business areas have continued to hold on-site safety talks given by the production teams (toolbox meetings).

#### HOURS TOOLBOX MEETING

Construction	83,660
Industrial	21,294
Services	318
<b>TOTAL</b>	<b>105,272</b>

## ACCIDENT RATES

	FREQUENCY RATES		SEVERITY RATE		INCIDENCE RATE	
	2018	2019	2018	2019	2018	2019
Construction	8.5	5.8	0.3	0.3	1,861.1	1,232.1
Industrial	3.6	2.2	0.1	0.2	1,636.2	485.9
Services	36.6	29.7	1.1	1.0	6,346.5	5,243.2
<b>TOTAL</b>	<b>15.8</b>	<b>15.9</b>	<b>0.5</b>	<b>0.6</b>	<b>3,490.9</b>	<b>3,124.3</b>

F.R. = Number of accidents with sick leave \* 1,000,000/No. of hours worked.

S.R. = Number of days lost \* 1,000/No. of hours worked.

I.R. = Number of accidents with sick leave \* 100,000/No. of workers.

Health and safety measures are applied equally at OHL, with no gender differences.

Commuting accidents are excluded.

## ACCIDENT RATES (2018 vs 2019)

Frequency rate	0.8%
Severity rate	17.2%
Incidence rate	-10.5%

The increase in the severity rate corresponds to the Industrial Division and is the result of an extensive accident at the Guadalajara (Mexico) project, as well as the continuation in 2019 of days' leave from another accident that occurred in December 2018 in Murcia (Spain), none of which was extremely severe in terms of injury, but which required a long recovery. Accordingly, it should be noted that any statistical analysis of accidents must be framed within a minimum number of hours worked, which as a general rule is around 250,000, in order to consider the indicators analysed as significant, both upwards and downwards. Therefore, beyond the days lost as a result of an accident considered serious, because of the recovery time of the worker, not because of the type of accident or injury that occurred, the changes in these rates are not significant from a statistical or management standpoint.

## NUMBER OF ACCIDENTS AND SEVERITY BROKEN DOWN BY GENDER

	MEN		WOMEN		TOTAL	
	MINOR	SERIOUS	MINOR	SERIOUS	MINOR	SERIOUS
Construction	67	30	9	-	76	30
Industrial	5	-	-	-	5	-
Services	85	18	293	82	378	100
<b>TOTAL</b>	<b>157</b>	<b>48</b>	<b>302</b>	<b>82</b>	<b>459</b>	<b>130</b>

The Chilean Safety Association has honoured OHL Chile and OHL Industrial for their good safety performance in 2019

## CUÍDATE OHL

In 2019, in association with Quirón Prevención, the healthy company programme CUÍDATE OHL was initiated. The program was created to develop the skills of each worker, focusing on:

- Cognitive Development
- Emotional Development
- Behavioural Development

The expected benefits of the implementation of this programme are as follows:

- Promote employee health
- Decrease occupational accidents and ill-health
- Improve the work climate, participation, commitment and motivation of workers
- Reduce stress



OHL also joined the Health and Sustainability Action Group, coordinated in Spain by Forética, to promote health and welfare as a fundamental axis of sustainability and corporate social responsibility.

In addition, the Company participated in various forums and meetings to reflect on and share good practices in the area of health and safety. Of particular note were *The engineer, obligations and competencies in occupational risk prevention* workshop, held at the School of Industrial Engineering (ETSIIM); the 3rd National Congress of the General Council of Occupational Health Professionals; the *ISO 45.001 Integration workshop*; *AIAL-PRL's Management of Occupational Risk Prevention in International Mobility*; *Best practices in international management of occupational risk prevention*; and the *ABG Personas meeting on Experience and reflections on international mobility and prevention*.

During the process of preparing this report, in keeping with the health crisis caused by the spread of the COVID-19 virus, OHL has created a crisis committee with the aim of protecting the health of its employees, always in accordance with the criteria set by the health authorities.

## HUMAN RIGHTS

OHL reinforced its commitment to respect for human rights (HR), by launching a questionnaire on this subject in 2019, which enabled the Company's performance to be evaluated. This campaign was global in scope and addressed a diverse and representative range of construction sites and projects.

This project favoured internal awareness of respect for and compliance with human rights, while at the same time identifying areas of work with potential for improvement and in which, foreseeably, in 2020, plans will be implemented to increase the Company's standards of action.



## FURTHER INFORMATION

Note on Events after the Reporting Period included in the financial statement for 2019



- 72 assessments of construction sites, projects and fixed centres.
- 17 countries and 3 divisions: Construction, Industrial and Services
- 75 questions in 10 main subject areas
- 94,6% of responses without incident

Ethical, social and environmental commitments undertaken by OHL

Impact on the community

Forced labour

Freedom of association

Fair treatment

Working hours, remuneration and rest

Health and safety

Child labour

Non-discrimination

Supply chain

The campaign did not give rise to any significant incidents, although the following areas of potential improvement were identified:

#### Actions aimed at employees:

- Provide workers with more information about their job description and salary conditions.
- Improve communication and knowledge of the communication channels between the Company and the workers in order to address workers' proposals, complaints and concerns.

#### Actions related to the impact on the community

- Inclusion of HR awareness clauses in contracts with security companies.
- Conducting security risk assessments that include HR-related issues.
- Favouring greater integration with the community, by appointing people responsible for this task and creating communication channels and consultation processes relating to impacts and concerns.
- Creation, where appropriate, of work/project completion plans that guarantee that the negative effects on the area do not last.

OHL's commitment in this area is reflected in its adherence to: the Universal Declaration of Human Rights and the Global Compact, both promoted by the United Nations; the International Labour Organization's Tripartite Declaration on Fundamental Principles and Rights at Work; and the OECD Guidelines, among others. Also, the Company expressly states, through its HR Policy, its commitment to respect and protect the human rights of the people who are part of the Company, its supply chain and the communities affected by its activity.



#### FURTHER INFORMATION

<https://www.ohl.es/en/ethics-and-integrity/policies/>

## INNOVATION AND EXCELLENCE

### INNOVATIVE CULTURE AND R&D+I

OHL promotes the R&D and innovation activities required to obtain and apply new technologies, processes, products and services that will enable it to increase productivity, reduce costs, increase its competitive capacity and set itself apart from its competitors. Over the last two decades, this drive has resulted in the development of and/or participation in more than 300 projects that include agreements with 50 research centres and universities in 12 countries. Also, in the generation of dozens of innovations in construction projects across the five continents that have been brought back and applied in other projects.

These activities have led to production improvements and innovative construction solutions, some of which are protected by 12 families of patents currently in force in 28 countries; and even to proprietary technologies that have achieved an outstanding position in the market, such as Cubipod, an internationally award-winning maritime security system with experience and contracts for application in ports and coasts in Europe, Africa and the Americas.

### SIGNIFICANT ACTIONS IN 2019

In line with other areas and activities of the Company, for OHL 2019 represented the culmination of a period of transition in R&D and innovation management. In 2019 the Innovation Policy was renewed and the Construction Innovation Committee was set up, in which the Company's senior management is present and the main lines of action in this area are established on an annual basis.

The R&D and innovation activities in 2019 focused, within the core activity of the Company (Construction), on the lines of civil engineering projects, singular building construction and the enhancement of processes. Both at the Parent and at the specialised subsidiaries, projects continued to be implemented and work performed on defining new initiatives in the fields of rail, maritime, road and sustainable building, which commenced at the beginning of 2020. In these new projects, agile development methodologies and collaborative work are promoted.

With respect to the projects already initiated and in progress at the end of 2019, the last phase of the European project AZEB (Affordable Zero Energy Buildings) is worthy of particular mention. This consortium, financed by the European Commission, made up of eight partners from six countries and with OHL as the only Spanish construction company, has developed a common methodology to achieve buildings with close to zero energy consumption.

With regard to process improvement, the renewed impetus given to the implementation of the BIM (Building Information Modelling) methodology, as part of the Company's digitalisation strategy, should be noted. In 2019, the strands of work, developed by a multidisciplinary team of 40 people from different geographical areas and departments, were updated. This group is working on defining and updating standards, guidelines and processes oriented towards BIM uses. In addition, the Company's BIM Community of Practice was set up, a key tool for supporting the people who are progressively joining the work with this methodology at the Company.

In 2019 Services progressed in its digital transformation strategy with the organisation of working groups to define its key areas of innovation in the short to medium term. It also



Use of drone to control slopes on the A-1 motorway. Spain.

made headway in the gradual implementation of strategic technological tools, aimed at generating operational efficiencies and exploring new value proposals for its customers.

### INDUSTRY BENCHMARKS IN R&D+I

As an industry benchmark in digital transformation and BIM, in 2019 OHL was invited to share its experiences in Madrid and A Coruña (both in Spain); Santiago de Chile (Chile) and Lima (Peru), at events organised by entities such as the Spanish Construction Technology Platform (PTEC), of which OHL is trustee; Universidad Politécnica de Madrid (Spain); EXPOBIM Chile (Chile); Autodesk; and the Peruvian Chamber of Construction (CAPECO).

The 5th Madrid Civil Engineering Week also stands out for its uniqueness, organised by the Civil Engineers' Association under the slogan *Innovate to move forward*, to which OHL contributed with a workshop on innovative road surfaces, visits to emblematic construction projects and two demonstrations of its proprietary technologies exhibited in the Innovation Tunnel space, which was visited by over 33,000 people.

### QUALITY MANAGEMENT

OHL has implemented -strongly internalised by the organisation- an integrated management system (IMS) for the prevention of occupational risks (ISO 45001), quality (ISO 9001) and the environment (ISO 14001) in its current version.

Since the IMS is based on a Project Management Plan (PMP), the decision was made to take a cross-cutting approach to quality management in order to guarantee compliance with contractual and regulatory requirements, as well as the organisation's ongoing improvement process. This process, initiated in 2018, continued through the analysis of risks and opportunities required under current ISO standards, and the understanding of the needs and expectations of the stakeholders, both internally and externally, that may affect the organisation's capacity to attain its expected achievements.

All OHL companies conduct customer satisfaction surveys, for the purpose of gaining an insight into their concerns and the degree of satisfaction with the service provided. They also have a methodology to detect, record and respond to complaints made by customers and users.

Within the fulfilment of the objectives of the management system, in the quality section, worthy of mention is the improvement in the dissemination to the production line of lessons learned in quality and environmental matters, with the sole objective of achieving continuous improvement of the organisation.

In order to optimise processes, and as stated in the section on Significant Actions in 2019 in this chapter, the Company relaunched the implementation of the BIM methodology.

## ENVIRONMENT

OHL is committed to the protection and conservation of the environment. The Company works to ensure that its projects respect the environment of the areas in which they are located, in order to reduce the impacts generated by its activity and to encourage the responsible use of natural resources and the development of activities and implementation of measures in favour of the conservation and protection of

biodiversity. Furthermore, the organisation considers climate change to be one of the great global challenges faced by humanity.

#### ENVIRONMENTAL HIGHLIGHTS OF 2019\*

PRIMARY LEVEL OF IMPORTANCE	SECONDARY LEVEL OF IMPORTANCE
Energy consumption	Noise and vibration emissions
Consumption of raw materials	Impact on biodiversity, ecosystems, fauna and flora
Water consumption	Dust and particles emissions
Greenhouse Gas Emissions	In 2019, the costs of decontamination, prevention and environmental management charged to projects amounted to EUR 814,000. In addition, an environmental investment of EUR 148,148.3 was made. Penalties amounted to EUR 688,275.7.
Waste generation	

\* In accordance with ISO 14001 standard.

#### CLIMATE CHANGE

OHL assumes its responsibility in the fight against climate change proactively. It is committed to incorporating, in its business model, different methodologies and procedures that favour the energy efficiency of infrastructures and building projects, while allowing for the reduction of greenhouse gas emissions.

**OHL Servicios' fleet of vehicles** is largely made up of green vehicles, using hybrid technology, LPG, CNG or which are completely electric.

Thanks to the green fleet, direct emissions into the atmosphere have been significantly reduced in large cities such as Madrid, Barcelona and Seville (Spain), where air pollution is one of the main problems.

This type of initiative is replicated in other projects such as the EPC Ski contract in Norway, where all the vehicles on the site are electric.



**At the asphalt plant of the OHL subsidiary ELSAN**, in Vallirana, Barcelona (Spain), a liquefied natural gas (LNG) tank was installed to feed the boiler. This installation makes it possible to significantly improve the quality of the combustion gases emitted into the atmosphere and to reduce the polluting emissions of SO<sub>2</sub> and NO<sub>x</sub> into the atmosphere.





**In the maintenance work of green areas, parks and gardens** in the San Blas district of Madrid (Spain), biological control of pests and diseases was carried out with the help of insects such as *Adalia bipunctata*, a natural predator of the aphid *Aphis craccivora*, which affects specimens of *Robinia pseudoacacia*. Thanks to this measure, the use of plant protection products harmful to the environment and health has been avoided.

In the area of climate change, in 2019 OHL made progress on its low-carbon strategy. On the one hand, a working group was set up to draw up and implement a new Emission Reduction Plan that will make it possible to implement reduction measures across all business lines and corporate areas. This Plan will allow OHL to continue along the path of fulfilling its reduction commitments, via actions linked to operations and in accordance with the Company's business model. In this line, it should be noted that, in comparison with 2018, the reduction in emissions (Scopes 1, 2 and 3) in 2019 was 30.6%, excluding the US market, which is not included in the data for 2018.

Furthermore, 2019 was a year in which work was performed on the digitalisation of emissions quantification systems, adapting the calculation methodology and improving reporting, which generates a positive impact on the quality and transparency of information in this area.

Moreover, OHL continued to support investment in sustainability projects that allow it to offset its emissions. Thus, in 2019, a total of 2,000 tonnes of CO<sub>2</sub>eq were offset thanks to the investment in a wind power generation project in the Mexican region of Oaxaca.



**Production of clean energy at OHL Industrial's Solar PV Plant in Perote (Mexico).** The construction of this plant will result in significant savings in emissions in comparison with the use of other energies, since with each kWh generated by solar PV energy, the emission of CO<sub>2</sub> into the atmosphere will be avoided. In total 118.9 MW of installed capacity and 168,000 tonnes of CO<sub>2</sub> avoided each year.

For yet another year, OHL has voluntarily renewed its registration in the Carbon Footprint Register of the Spanish Office for Climate Change, thus obtaining the Calculo seal awarded by that body, which validates the calculations of carbon footprint according to the methodology and principles established by the Ministry for Ecological Transition and the Demographic Challenge.

In consonance with its climate strategy, OHL works to raise awareness among its employees, promoting their knowledge of the global challenge of climate change and its consequences. To this end, an informative and educational news break was launched that offers resources and tools to help understand the causes and effects of climate change, as well as the mechanisms that can help to stop environmental degradation. In addition to this content, 26,674 hours of regular, specific and emergency environmental training were provided. It should be noted that 88% of the information provided on site in 2019 concerned environmental issues.

For the celebration of COP25 Chile, held in December 2019 in Madrid, OHL carried out various campaigns to disseminate and support the process of transformation towards sustainable development and attended some of the main lectures and conferences held.

Lastly, in 2018 OHL actively participated in the Forética Climate Change Cluster, which acts as a benchmark business platform in Spain in the area of climate change.



## FURTHER INFORMATION

Environmental performance indicators

### CIRCULAR ECONOMY

The circular economy, especially in the construction industry, requires the use of a life-cycle approach to the entire production chain. This means taking into account all players and processes, from the extraction of raw materials to waste collection, recycling processes and the production of secondary raw materials, including all construction, maintenance, renovation or demolition processes, among others.

Accordingly, OHL works to ensure that good practices are implemented in all its projects in terms of the circular economy and to promote the reduction, reuse and recycling of waste by reintroducing it into the production cycle through process innovation techniques

**Within the framework of ELSAN's ECOSURF project**, the recycled material from the milling of bituminous mixtures has been used and recovered in types of layers and types of mixes where it is not normally used. Thus, the use of construction waste such as the material milled using bituminous mixtures is promoted, extending its use in all the bituminous layers of a road section. The aim is to promote the use of methods and materials that minimise the use of natural resources and reduce energy consumption and emissions during the useful life of the surfaces, without compromising user safety.





**In Peru, where OHL is building the future National Museum of Archaeology (MUNA), surplus materials such as wood, used to make solid waste storage containers, are being recycled. This recycled material is also used to build access ramps, awareness panels, notice boards and ergonomic office items.**



**In 2019 more than 290,000 kg of pruning waste** from the maintenance and conservation of green areas, parks and gardens in various districts of the Spanish capital, Madrid, (Ciudad Lineal, Hortaleza, Barajas, Valdebebas and Sanchinarro) were used to make mulch, a protective ground cover that serves to retain humidity and create humus. This gesture contributes to the circular economy, and helps to reduce the water footprint and the spread of weeds in natural areas.



**FURTHER INFORMATION**

Environmental performance indicators

OHL is committed to a production model that improves efficiency in the use of resources. In the projects undertaken by the Company, good practice is encouraged, whenever possible, to recover excavated earth and use it as filler material in indoor planters. Also encouraged is the recovery of organic soil to revegetate the areas affected by the work. Thanks to actions of this nature, 47.9% of natural material was reused in 2019. In addition, of the total non-hazardous waste, 43.8% was reused and 3.4% recovered.

The Company is also working on minimising the ecological impact of both daily work in the offices, promoting paperless work spaces and environmentally friendly behaviour, through awareness campaigns, and the operation of the construction projects themselves.



**OHL Industrial implemented the OPC tool in the Torre Project (Colombia)** and in the implementation phase in the Mantos Blancos Project (Chile). OPC allows for operational control of project documentation on quality and health and safety without the need to print out project information. As a result, paper and ink toner consumption is significantly reduced, and savings are also achieved in waste management itself.



**Water management**

Water management is always an important issue for OHL, especially in those places where it is a scarce or a difficult resource to access. Therefore, responsible consumption and good use of water resources in projects and activities is encouraged.



An example of these good practices is the reuse of water in construction processes for cleaning roads, which reduces the pollution arising from the emission of dust particles or the reuse of water in watertightness tests, and leads to a reduction in water consumption. OHL also works on the prevention of contamination of water bodies and soil through the timely treatment of spills and protection against discharges of hazardous substances.



**Improvement of the ecological status of the river Bečva en Hranic, in the Czech Republic**, through the completion of a sewage and storm water drainage system. The system includes two pumping stations and three holding tanks. Thus, the water that drains into the river is pumped and cleaned in a wastewater treatment plant.

OHL gives visibility to its commitment to water management through its membership of the EsAgua platform, an initiative that publicises the Company's good practices in this area, while sharing knowledge with other business organisations and public entities.



**FURTHER INFORMATION**

Environmental performance indicators

**BIODIVERSITY**

OHL conceives the protection of the natural environment and the conservation of ecosystems as a priority within the framework of its activity. Therefore, it attempts to minimise the impact on biodiversity by designing and implementing preventive, corrective and compensatory measures that reduce the possible negative effects of operations. It also carries out other actions that favour the defence of protected species to such an extent that in certain profiles of projects and with the biodiversity measures applied, the flora and fauna are improved and native species are recovered.



**In the Cúcuta Metropolitan Aqueduct project (Colombia)**, a plan was implemented to handle species subject to use or exploitation restrictions present in the area of the project. Individuals of the family *bromeliaceae* and individuals of the family *cactaceae* were rescued and moved. At the same time, as a way of offsetting the loss of habitat for non-vascular epiphytic species, work is underway to rehabilitate an area of two hectares where 1,160 trees of species native to the area will be planted.

The Company prepares an annual Biodiversity Report which includes details of the areas affected by OHL's activities and the species threatened by the projects carried out by the Company, according to the categories of the International Union for Conservation of Nature (IUCN). The initiatives that affected biodiversity in 2019 were implemented in Colombia, Spain, Mexico, Peru and the Czech Republic and the total number of affected areas was eight.

**In the implementation of the ByPass Road construction project in Quellaveco (Peru),** a programme of preventive, mitigating and corrective measures was developed that included rescuing protected species of flora, such as *Polylepis rugulosa*, protecting wildlife burrows and identifying and properly signalling domestic wildlife transit to avoid disturbance.

In order to properly carry out the protection work, technical and practical training was provided to site personnel, in order to avoid risks in the extraction and relocation of the *Polylepis rugulosa* specimens.



**During the construction of the new train station in Huelva (Spain),** work was performed to preserve the Titán tidal marshes, an outstanding ecosystem close to the construction site. To guarantee their protection, various actions were carried out, such as the recovery of the topsoil for subsequent use in the revegetation programme. In addition, materials were reused and a waste collection point was created for the handling of hazardous waste.



OHL is a member of the Spanish Business and Biodiversity Initiative, promoted by the Ministry for Ecological Transition and the Demographic Challenge. Through this platform, good practices in the field of biodiversity are shared and cooperation on projects with the public authorities and companies is encouraged.



## SUSTAINABLE CONSTRUCTION

Sustainable construction is a global concept that encompasses not only the efficiency of the construction process and the usability of a building, but also the positive effect on the environment and people's well-being. This is how OHL understands it, which is why it has incorporated the sustainability and energy efficiency criteria of LEED®, BREEAM®, Passivhaus, CES and WELL methodologies into its consolidated know-how in the field of singular building construction.

## FURTHER INFORMATION

[Biodiversity report](#)

86% of OHL's sustainable construction projects in Spain and the US are carried out under the LEED® scheme. In Europe, OHL has started the construction of several BREEAM® and WELL projects, as a consequence of the increased demand for buildings that meet the requirements of these certifications.

Thus, to date OHL has built 37 projects with sustainable certification.

### PROJECTS THAT OBTAINED CERTIFICATES IN 2019

PROJECT	COUNTRY	CERTIFICATION
University of Miami	US	LEED Silver
Pompano Beach Library	US	LEED Gold
Hotel Actual	Spain	LEED Platinum
Brilten office building	Spain	LEED Gold

### CONTRIBUTION TO SOCIETY

OHL contributes to society throughout the life cycle of the projects performed, by revitalising the local economy -creating jobs and contracting suppliers- and providing an impetus to social initiatives.

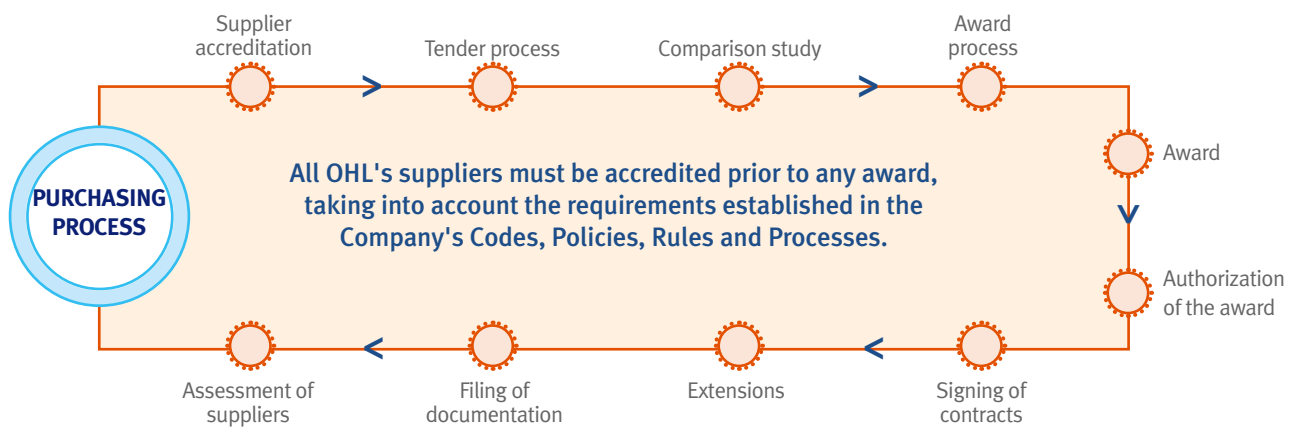
### GENERATED AND DISTRIBUTED VALUE (THOUSANDS OF EUROS)

	2019	2018
<b>Generated economic value</b>		
<b>a) Income</b>		
Revenue	2,959,905	2,906,900
Other operating income	86,175	100,903
Finance and other income	22,936	21,737
<b>TOTAL</b>	<b>3,069,016</b>	<b>3,029,540</b>
<b>Distributed economic value</b>		
<b>b) Operating costs</b>		
Procurements	1,726,202	2,216,741
Other operating expenses	497,187	471,994
<b>c) Employee salaries and benefits</b>		
Staff costs	757,502	814,175
<b>d) Payments to capital providers</b>		
Dividend	0	99,827
Finance costs and exchange differences	54,270	88,561
<b>e) Taxes</b>		
Income tax	21,842	(15,995)
<b>f) Resources allocated to society</b>		
Resources allocated to the community	424.0	843.0
<b>TOTAL</b>	<b>3,057,427</b>	<b>3,676,146</b>

## RESPONSIBLE SUPPLY CHAIN MANAGEMENT

OHL's relationship with its suppliers and subcontractors is characterised by the quest for mutual benefit, offering customers work of the highest levels of quality and assurance.

Under this premise, the Company works to enable its supply chain to meet the best sustainability criteria. The supplier certification process is currently being reviewed in order to include new requirements, such as knowledge of and compliance with the Ten Principles of the UN Global Compact, or the Company's internal commitments, such as the Responsible Purchasing Policy.



**In the framework of the railway project performed by OHL in Sweden**, between Lund and Arlöv (Malmö), one of the most frequently travelled railway routes in the country, one of the requirements taken into account in choosing corrugated iron and concrete suppliers is the carbon footprint of their products, within certain established limits, as well as the availability of an EDP (environmental product declaration).



As a common requirement for all OHL companies, suppliers considered critical are subject to a Third Party Due Diligence analysis, in which their suitability is assessed from the technical, financial and compliance standpoints.

In 2019 purchasing procedures were created in the various geographical areas in order to adapt the regulations to the countries in which the Company operates.

Also, work was carried out to adapt the corporate purchasing tool in order to comply with the supply chain assessment and monitoring procedure, which will be approved in 2020.

As well as improvements to the purchasing tool, progress was also made in improving the approval flow in the area of assessment and monitoring (certification), which has increased approval responsiveness in the purchasing processes, and enabled the adaptation of the irregularities document to the new procedures.

In 2019 work continued on extending the use of the Purchasing IT System (SIC) to all OHL companies. This is a tool used especially in the area of Construction, created to ensure the traceability of the entire purchasing process in terms of documentary and contractual support, as well as the recording of the entire decision-making process, guaranteeing the transparency of the process and the selection of suppliers on an equal opportunity basis.

Lastly, all types of contracts were reviewed in order to adapt them to the regulatory changes at the Company and the obligations assumed by it, minimise risks and improve understanding and systematisation with a view to a better and more effective application thereof.

2019	NUMBER OF SUPPLIERS	TOTAL PURCHASE VOLUME (€M)*	% LOCAL SUBCONTRACTORS
Construction	14,110	1,872.0	98.0%
Industrial	634	178.3	77.0%
Services	2,451	55.6	100.0%
<b>TOTAL</b>	<b>17,195</b>	<b>2,105.9</b>	<b>96.5%</b>

\* Including figures on procurements and outside services

2019	NUMBER OF SUPPLIERS	TOTAL PURCHASE VOLUME (€M)*	% LOCAL SUBCONTRACTORS
Spain	4,075.0	960.2	99.9%
Europe	5,670.0	261.1	96.7%
Latin America	2,938.0	205.8	94.6%
North America	4,107.0	654.9	86.3%
Other	405.0	24.0	79.7%
<b>TOTAL</b>	<b>17,195.0</b>	<b>2,105.9</b>	<b>96.5%</b>

\* Including figures on procurements and outside services.

### Green purchases

With respect to the purchases that are made through the Company's general services, environmental management and supplier certification matters are taken into account, aligning them with the objectives of accessibility, sustainability and the safety of OHL's work spaces, adapting to the regulations in force in each country. Also, OHL seeks to establish agreements with suppliers to develop sustainability initiatives on a joint basis.

### SOCIAL INVESTMENT

Social management, particularly in the context of the work or projects and from a sustainability perspective, is one of OHL's main commitments with respect to its integration in the communities in which it operates.

The Company is aware of the important role it plays in the countries in which it permanently works, not only by developing infrastructure that improves people's quality

All purchases of computer and paper consumables are environmentally friendly

of life, but also by actively participating in the revitalisation of the economy and local development, all the while protecting and conserving the environment.

**Improvement in the conditions of habitability** of spaces used by the population of Sol de Septiembre, within the area of influence of the Curicó Hospital (Chile) construction work. Work was performed to repair roofs, paint interiors and exteriors and renovate spaces in residents' centres.



Emphasis is placed on job creation, which is especially significant for low-skilled and highly vulnerable profiles, and on making purchases from local suppliers. Work is also performed with disadvantaged groups, particularly on training and qualification programmes to create opportunities and boost the employability of such groups. To achieve this, the Company has the support of its employees, through corporate volunteering programmes.

Active work is also performed with other groups, such as children and women who live in the areas of influence of the projects, persons with disabilities and people at risk of social exclusion.

**263 employees participate in social projects in Spain, the US, the Czech Republic, Colombia and Chile**

**1,772 beneficiaries of the projects**

**OHL promotes equal opportunities** for persons with different abilities through volunteering actions which strengthen their social and communication skills. The employees participate with their families. (Spain).



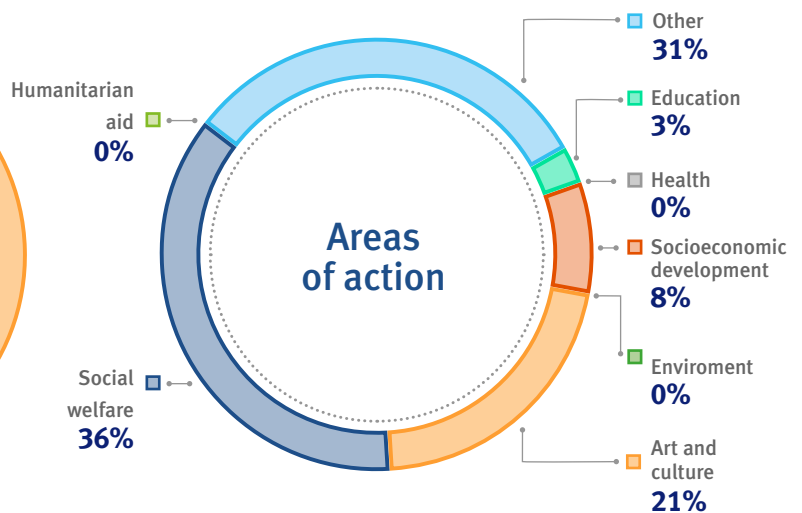
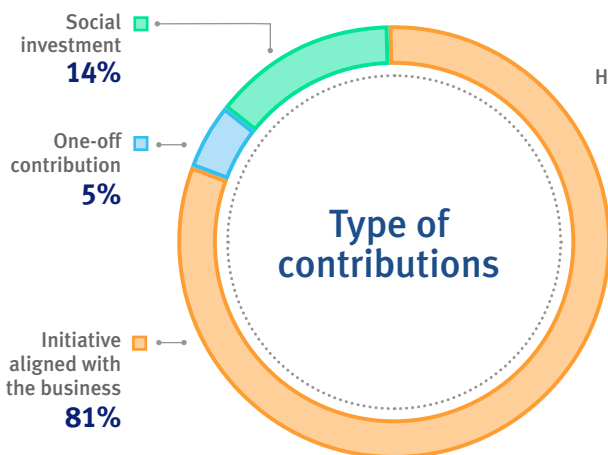


**Investment in the community. Cúcuta Aqueduct (Colombia).** Cooperation with schools in the communities of Tabiro, Guaduas, Puente Zulia, Carmen Tonchala, El Pórtico, Hibiscos, Los Mangos and Torcoroma de Cúcuta, within the area of influence of the project, which suffer high poverty rates. Workshops on environmental education and road safety are held and donations of material and other gifts are made.

These actions form part of the community integration programme implemented as part of the construction work, which includes: regular informative meetings with the authorities, associations, trade groups and community representatives, among other stakeholders; renovation and improvement of affected areas, with particular attention paid to the environment; and encouragement of local labour, both for high- and low-skilled positions.

In 2019 OHL's social investment amounted to EUR 423.7 thousand, with 33 initiatives and the cooperation of 42 entities.

With respect to the SDGs, the projects performed have focused particularly on compliance with SGD 17, relating to partnerships, to which more than 50% of the actions are related. Also, 28% of the projects are related to the achievement of SDG 8, relating to work.



In 2019 OHL participated in the Forética Social Impact Cluster, a business meeting point designed to provide enhanced information on the impact of social investment initiatives carried out by the Company.

### TAX CONTRIBUTION

OHL's contribution to society is also channelled through the payment of taxes, generating a positive impact on the economic and social development of the countries in which it operates.



The Company advocates responsible tax policies, efficiently managing this area to meet its tax obligations whilst continuing to create value for its stakeholders, respecting the legislation in force in the countries in which it operates and anticipating significant tax risks.

Also, OHL manages its tax affairs by always applying good tax practices and its Tax Policy, acting with transparency vis-à-vis its stakeholders.



## FURTHER INFORMATION

Financial information.  
Tax contribution

## RELATIONSHIP WITH STAKEHOLDERS AND ALLIANCES

The Company facilitates constant dialogue and interaction with its main stakeholders, through various channels.

In the framework of the quality management system, customer satisfaction is analysed, customer claims are handled and other actions are performed, such as face-to-face meetings with senior executives, supplier care channels and interaction projects with local communities. In addition, OHL had more than 300 contacts with institutional investors in 2019, as well as meetings and daily communications with the various stakeholders: banks, analysts, small investors and the media, among other players.

Also, OHL participates in associations related to its activity, in order to encourage the exchange of good practices, industry improvement and interaction with other companies and institutions. OHL cooperated with 23 associations in 2019.

## COMMUNICATION

With respect to internal communication, one of the Company's main channels is OHL-Link, the OHL Intranet. Furthermore, the Company has the corporate magazine Tecno, through which visibility is given to the important technical challenges faced in the construction projects, and the online bulletin Mosaico, which OHL strengthened in 2019 by promoting new channels for communicating the personal experiences of the Company's employees.

In 2019 OHL's LinkedIn account had over 120,100 followers, and published 160 posts, positively reinforcing the Company's reputation in terms of its values and talent attraction.

In the area of sustainability, the Company has carried out various campaigns to support and divulge the SDGs, such as the "You contribute to the SDGs" initiative or #aliadosdelosODS (SDG allies), promoted by the Global Compact Network Spain. Also, awareness-raising actions were carried out for the International Day of Persons with Disabilities, the International Day for the Elimination of Violence against Women, International Women's Day and World Nature Conservation Day, among others.

In addition, a special campaign was carried out for the COP25 World Climate Summit. Similarly, work was performed in corporate areas and in each line of business to carry out various internal communication initiatives.

In terms of external communication, OHL has various channels to meet the demand for information from the various media channels.

# Good Governance and transparency

**100 | Good Governance**

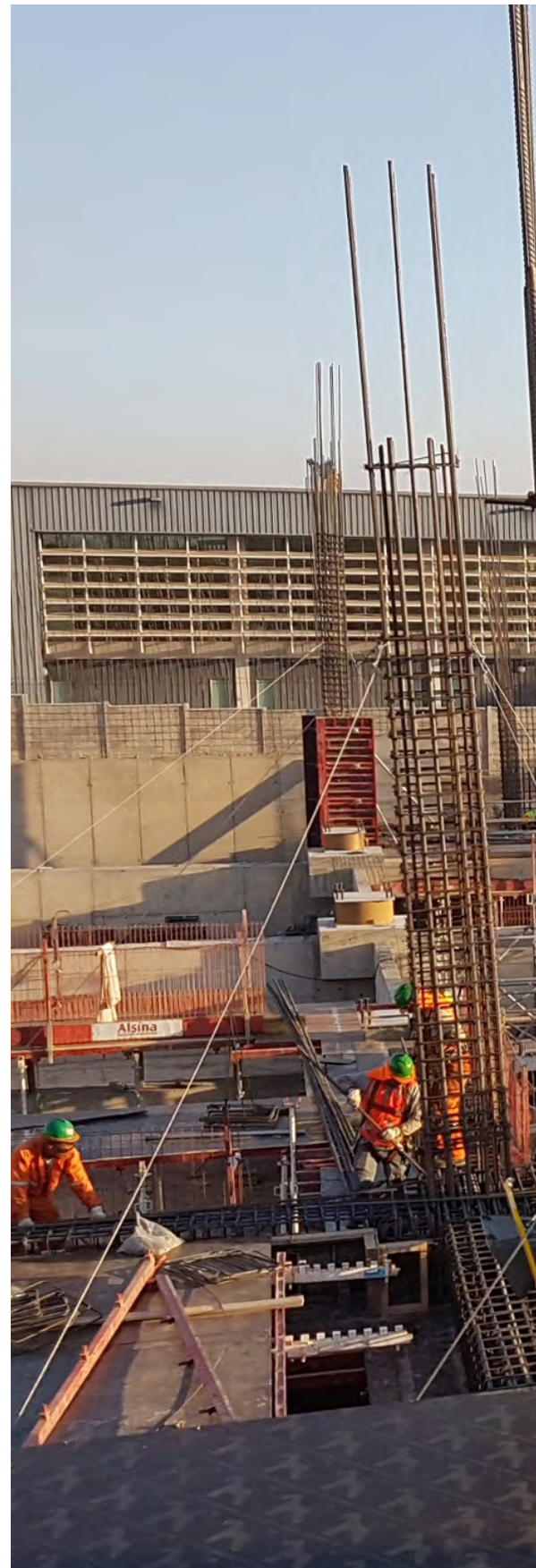
Ownership structure  
Governance bodies  
Diversity policy applied in connection with the Board of Directors

**106 | Ethics and compliance**

Code of Ethics  
Ethical Communications Channel

**110 | Three lines of defence model**

First line of defence. Operations management  
Second line of defence. Assurance functions  
Third line of defence. Internal audit





# Good Governance

## OWNERSHIP STRUCTURE

(percentages of ownership at 31 December 2019)

SHAREHOLDER	%
INMOBILIARIA ESPACIO, S.A.	33,317
DAVIS SIMON	3,282
SAND GROVE OPPORTUNITIES MASTER FUND, INC	3,032
OTHER SHAREHOLDERS	60,369

## GOVERNANCE BODIES

### GOVERNANCE BODIES

#### Board of Directors

Composition at 31 December 2019:

#### Chairman

Juan Villar-Mir de Fuentes (proprietary)

#### First Deputy Chairwoman

Silvia Villar-Mir de Fuentes (proprietary)

#### Second Deputy Chairman and CEO

José Antonio Fernández Gallar (executive)

#### Directors

Carmen de Andrés Conde (independent)

César Cañedo-Argüelles Torrejón (independent)

Javier Goñi del Cacho (proprietary)

Juan Antonio Santamera Sánchez (other non-executive)

Juan José Nieto Bueso (independent) (coordinating director)

Manuel Garrido Ruano (proprietary)

Reyes Calderón Cuadrado (independent)

In 2019 the Annual General Meeting re-elected, at the proposal of the Nomination and Remuneration Committee, Reyes Calderón, independent non-executive director, and, at the proposal of the shareholder Villar Mir Group, Juan Villar-Mir, non-executive

proprietary director. Also, the Annual General Meeting resolved to appoint as directors Carmen de Andrés Conde and César Cañedo-Argüelles Torrejón (independent non-executive directors) and José Antonio Fernández Gallar (executive director), ratifying the appointment by co-optation previously agreed upon by the Board of Directors.

Further information in the Annual Corporate Governance Report (ACGR) for 2019 and on the Company's website ([www.ohl.es](http://www.ohl.es)).

## BOARD COMMITTEES

### Audit and Compliance Committee (ACC)

Composition at 31 December 2019:

#### Chairman

Juan José Nieto Bueso (independent)

#### Directors

Manuel Garrido Ruano (proprietary)

César Cañedo-Argüelles Torrejón (independent)

### Main business transacted by the ACC in 2019:

- Monitoring of the of the business performance and financial position of the Company and the Group.
- Favourable report to the Board of Directors on the budget for the year and monitoring of budgetary compliance.
- As regards economic and financial reporting, it reviewed, prior to the Board of Directors meeting, the periodic quarterly and half-yearly information, and the separate and consolidated financial statements and directors' reports for the year ended 31 December 2018, for their submission, following approval by the Board of Directors, to the market and the regulatory agency, together with information demanded from the Company by the Spanish National Securities Market Commission (CNMV) and the replies thereto. Review, prior to its authorisation for issue by the Board of Directors, of the Annual Corporate Governance Report for 2018.
- Review and approval of OHL's Tax Report for 2018.
- Analysis of related-party transactions in relevant areas for the Committee.
- In relation to the external auditor, it analysed the independence and proposed appointment of the external auditor; took note of the conclusions of the external auditors and the main matters in their reports on issues in relation to their limited review at June 30 and their review of the 2018 financial statements; and proposed the reappointment of the external auditor for 2019 and reviewed its fees, reporting on the independence of the aforementioned external auditor.
- In relation to the internal auditor, it analysed internal audit reports included in its annual plan and other ad hoc reviews requested by management or the Committee itself during 2019.
- In the risk control area, analysis of the Group's main risks and their evolution..
- With regard to compliance, supervision of the actions of the Compliance Department in relation to the Code of Ethics, surveillance measures, conduct of business and crime prevention and management of incidents reported through the Ethics Channel. In particular, supervision of the work plan established for obtaining ISO 37001 certification (anti-bribery management systems) and UNE 19601 certification (criminal risk compliance management system).

- Self-assessment of the functioning of the Committee.
- Drawing up of the Committee's Annual Report.

Further information in the Annual Corporate Governance Report (ACGR) for 2019 and on the Company's website ([www.ohl.es](http://www.ohl.es)).

### **Nomination and Remuneration Committee (NRC)**

Composition at 31 December 2019

#### **Chairman**

Reyes Calderón Cuadrado (independent)

#### **Directors**

Carmen de Andrés Conde (independent)

Juan Antonio Santamera Sánchez (other non-executive)

Juan Villar-Mir de Fuentes (proprietary)

#### **Main business transacted by the NRC in 2019:**

- Analysis of, and report to the Board of Directors on, the CEO's variable and extraordinary remuneration, assessing compliance with objectives and criteria.
- Analysis of, and report to the Board of Directors on, the variable and extraordinary remuneration of the OHL Group's senior executives.
- Analysis and reporting of the composition of the Board of Directors in accordance with good governance recommendations.
- Reporting on and proposal of the re-election of independent directors to the Annual General Meeting, considering that they continue to meet the profile and skills required to discharge their office, and assessing and reporting favourably on their suitability.
- Favourable report to the Board of Directors on a new Group organisational chart.
- Favourable report to the Board of Directors on the Board of Directors remuneration report for 2018, verifying that the remuneration policy in force was applied correctly.
- Favourable report to the Board of Directors on the proposal to amend the directors' remuneration policy subsequently approved by the Annual General Meeting.
- Analysis of and report on the amount and nature of the related-party transactions performed in the year in accordance with Group regulations.
- Analysis on the information on sustainability (non-financial information statement) and favourable report thereon to the Board of Directors for its approval and authorisation for issue in the framework of the Group's integrated annual report.
- Self-assessment of the functioning of the Committee.
- Drawing up of the Committee's Annual Report.

Further information in the Annual Corporate Governance Report (ACGR) for 2019.

### Incompatibilities and conflicts of interest (Regulations of the Board of Directors)

OHL's Regulations of the Board of Directors regulate situations of incompatibility and conflicts of interest of its directors. They also address, in detail, those situations in which, due to the existence of a possible conflict of interests, the director must inform the Board of Directors of any situation of direct or indirect conflict that they may have with the interests of the Company; and they must refrain from attending and intervening in deliberations and voting that affect matters related to the conflict.

The Company has a specific rule that, implementing the provisions of the Regulations of the Board of Directors and approved by the Board of Directors, reinforces and details the procedures and controls of transactions that the Company or any of the OHL companies wish to carry out with the directors, with the significant shareholders or with persons related to them.

The transactions affected by this procedure are all transfers of resources, services, rights and obligations, regardless of whether or not there is any consideration, made by any of the persons referred to in the previous section, with the Company or with any OHL company.

Neither the directors nor the executives of the Company reported any incompatibility or conflict of interest in 2019. The Company reports in the financial statements and the Corporate Governance Report the significant related party transactions performed by it or by OHL companies with significant shareholders, directors, executives or parties related to them.

Further information in the financial statements and Annual Corporate Governance Report (ACGR) for 2019.

### Management Committee

#### Chairman

José Antonio Fernández Gallar

*Second Deputy Chairman and CEO of the OHL Group*

#### Directors

Manuel Álvarez Muñoz

*General Manager of the OHL Group*

Francisco J. Meliá Fullana

*General Manager of Development*

José Emilio Pont Pérez

*General Manager for Europe and Latin America*

José María López de Fuentes

*General Manager of Infrastructure Development*

Ashok Patel

*General Manager for North America*

José Antonio de Cachavera Sánchez

*General Manager of Services*

José María del Cuvillo Pemán\*

*General Manager of the Legal Department*

José María Sagardoy Llonis

*General Economic and Financial Manager*

Gonzalo Targhetta Reina

*General Manager of Organisation and Corporate Resources*

\*Acts as Secretary

## DIVERSITY POLICY APPLIED IN CONNECTION WITH THE BOARD OF DIRECTORS

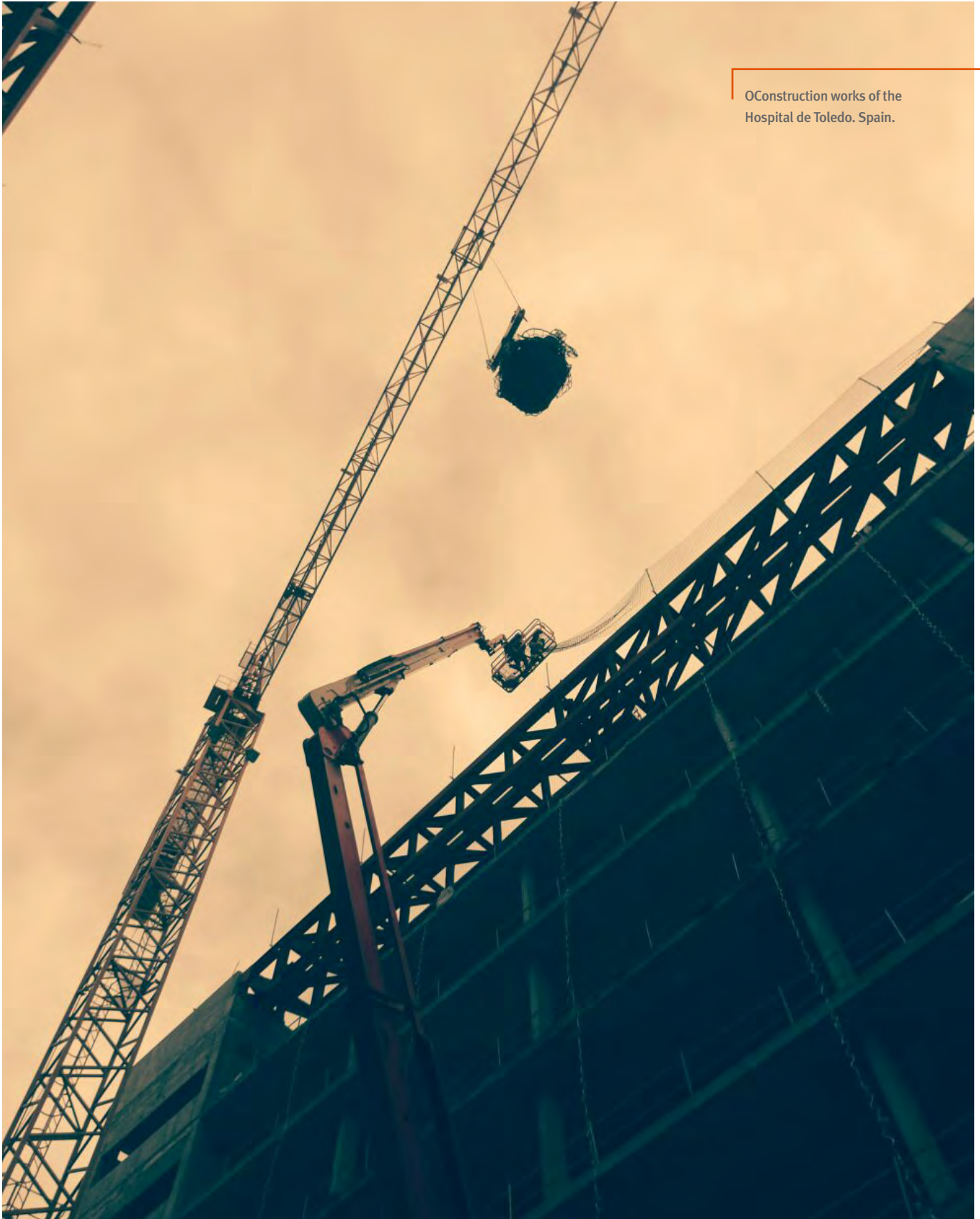
In 2019 the Company was guided by the Director Selection Policy approved in 2017. This policy ensures that proposals for the appointment or re-election of members of the Board of Directors are based on a prior analysis of the Board's needs and, in turn, promote diversity of knowledge, experience and gender.

This policy also defines the mechanisms required to avoid certain biases that deliberately hinder the election of women as potential directors.

In the composition of its Board of Directors, OHL has pre-empted compliance with the condition that 30% of directors be women, thus complying since 2018 with the objective set by the Code of Good Governance for 2020. It therefore consolidates its commitment to gender diversity, both in the composition of the Board of Directors and of its committees.

The presence of women on the Board of Directors remained the same in 2019, with women representing 30% of its total members.





OConstruction works of the Hospital de Toledo, Spain.

# Ethics and compliance

In 2019 OHL renewed its Crime Prevention System and obtained the ISO 37001: Anti-Bribery Management Systems and UNE 1961: Criminal Compliance Management System certifications.

OHL builds its commitment to good business practices around its Code of Ethics, in force since 2010 and arising from the Code of Conduct launched in 2002, its Anti-Corruption Policy and its Crime Prevention Policy. All the foregoing entails compliance with the applicable criminal legislation and anti-corruption regulations.

Also, the Company is a signatory of the UN Global Compact and, accordingly, is committed to working worldwide against corruption and to following the recommendations of international bodies such as the OECD and the good corporate governance practices published by the Spanish National Securities Market Commission (CNMV).

## CODE OF ETHICS

The Code of Ethics, approved by the Board of Directors in 2010 and revised in 2012 and 2015, is an express declaration of the values, principles and behavioural guidelines, in order to:

- Develop the models and guidelines for professional, ethical and responsible behaviour that should guide all the people who make up OHL in the performance of their work.
- Prevent the commission of criminal acts and any unlawful behaviour by the persons bound by this Code in the performance of their professional activity.
- Establish the monitoring and control mechanisms necessary to guarantee compliance with it.

Also, the Code of Ethics constitutes one of the cornerstones of OHL's Corporate Social Responsibility management and is the channel for the development of its corporate values, which are:

- Professional ethics, integrity, honesty, loyalty, efficiency and responsibility vis-à-vis stakeholders, in all the actions of the Company, while at all times fully complying with the law in force.
- Will to succeed and continuous improvement in professional performance, while striving at all times for excellence.

- Transparency in the dissemination of information, which must be adequate, accurate, checked and complete.
- Creation of value with a quest for profitability and sustainable growth.
- Constant promotion of quality, innovation, safety and respect for the environment.

## ANTI-CORRUPTION POLICY

OHL has an Anti-Corruption Policy, approved by the Board of Directors in June 2015 and reviewed in July 2019, which reflects the Company's position of zero tolerance for any form of bribery or corruption, in both the public and private sectors.

In October 2019 OHL strengthened its commitment to zero tolerance of corruption with the obtainment of the ISO 37001 certification. This certification, aligned with the Company's integrity and transparency policies, was awarded by AENOR to OHL and ten of its subsidiaries following a comprehensive audit of the measures implemented to prevent, detect and combat practices relating to bribery and corruption. Through this benchmark international accreditation, OHL provides guarantees to its investors, shareholders, employees and other stakeholders in relation to the effective implementation of mechanisms to prevent and eliminate this type of unlawful conduct.

## CRIME PREVENTION POLICY

In 2019 OHL updated its 2016 Crime Prevention Model to adapt it to the organisational changes that had occurred since its creation. This resulted in a Crime Prevention System which enables the criminal risks to which OHL is exposed to be eliminated, based on the particular characteristics of its structure and business. The update took into account the criminal risks to which the Company is exposed due to the nature of its activities, as well as regulatory requirements and best practices in the area of compliance.

Also, in November 2019 the Company's Board of Directors approved the Crime Prevention Policy and Manual, which replaced the 2016 Crime Prevention Model Handbook. Following this review and adaptation, OHL comprehensively audited this system and, in December 2019, the Company and ten of its subsidiaries obtained UNE 19601 certification awarded by AENOR, which guarantees that the organisation has a model aligned with the requirements of the Spanish Criminal Code and with international compliance standards, thereby helping to create an organisational culture that is sensitive to crime prevention and opposes the bad practices that can give rise to unlawful conduct.

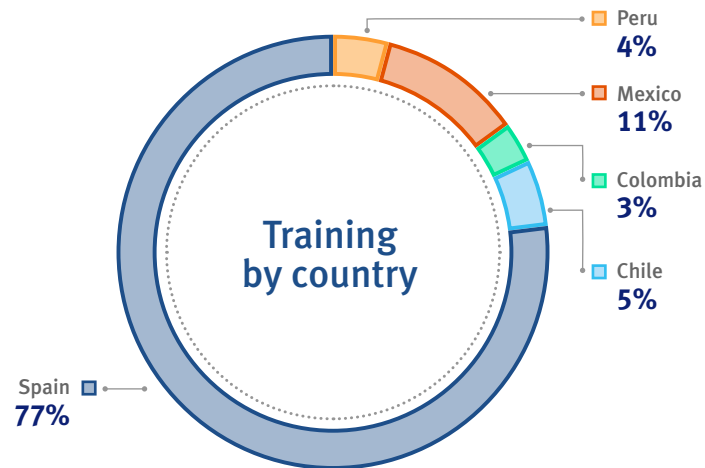
## COMMUNICATION AND TRAINING

All OHL employees must know and accept the Code of Ethics, Anti-Corruption Policy and Crime Prevention Policy and, accordingly, an additional clause is included in the employment contract of new hires.

In 2019 specific training was given on the Code of Ethics and the Anti-Corruption Policy, and to date a total of 3,117 people have received training globally, through the course given over the online platform.



In addition, face-to-face training was given to the senior executives and employees in relation to the Crime Prevention System.



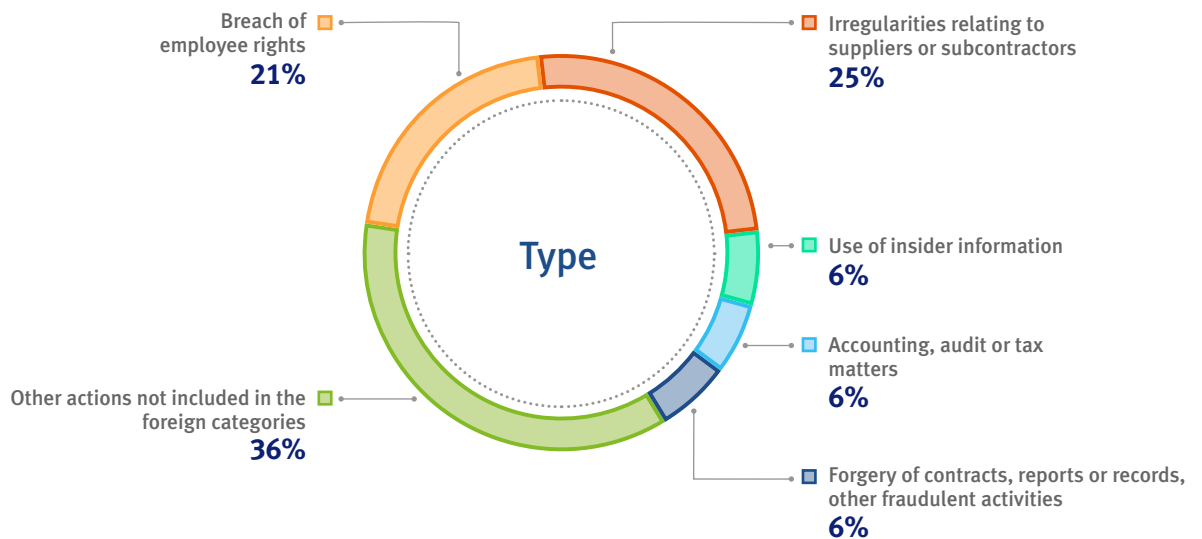
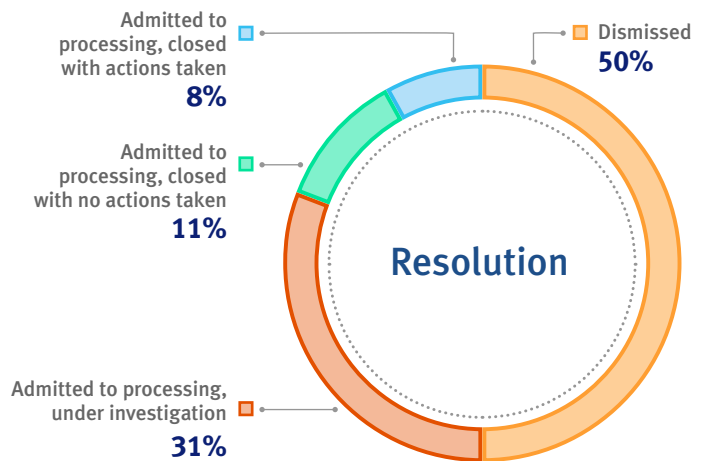
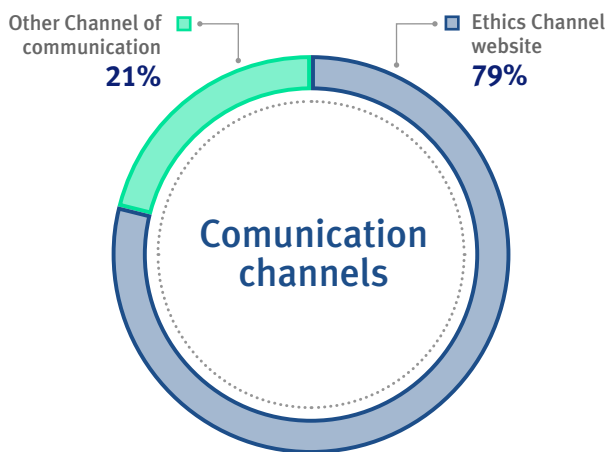
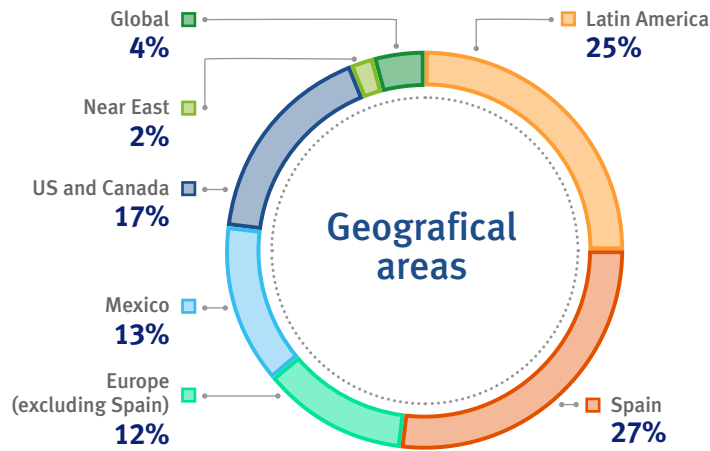
### ETHICAL COMMUNICATIONS CHANNEL

The Ethical Communications Channel is available to all the people that form part of OHL, as well as to the stakeholders that wish to make any consultation or communicate in good faith professional conduct that may involve, by action or omission, irregularities, breaches or acts contrary to the rules and principles set forth in the Code of Ethics or to all the other rules and procedures making up the Company's 's internal regulatory system or to law.

The Audit and Compliance Committee guarantees the proper management of the communications made and ensures that they will be treated with complete confidentiality and in accordance with the internal procedure that regulate its modus operandi. OHL allows complaints to be submitted anonymously. However, in order for such complaints to be deemed eligible for processing, sufficient evidence of the reported facts must be furnished so that the investigation can focus on specific facts. Also, it is responsible for implementing such disciplinary, enforcement and legal actions as might be required until such time as they have been resolved.

In 2019 a total of 52 communications regarding potential breaches of the Code of Ethics were received (as well as various other consultations), 41 of which were made through the Ethical Communications Channel and the other 11 of which were made through other channels. A total of 26 complaints were admitted to processing and another 26 were dismissed because they did not represent any violation of the Code of Ethics.

All of the complaints admitted to processing were duly investigated and the consultations were answered, in line with the established internal procedures, and 16 consultations were being investigated at the end of the year.



# Three lines of defence model

OHL's Internal Control System, following international best practices, is based on combined assurance centred on "three lines of defence", through an integrated vision. The aim of this model is to increase the effectiveness of the internal management and control models to mitigate the entity's significant risks.

## FIRST LINE OF DEFENCE. OPERATIONS MANAGEMENT

OHL's management team and professionals directly manage the entity's risks. Company management is responsible for maintaining effective control aligned with the objectives and strategy, which acts on risks efficiently and continuously, and for implementing and maintaining best practices.

## SECOND LINE OF DEFENCE. ASSURANCE FUNCTIONS

The Risks and Compliance functions facilitate the application, as a second line of defence, of the basic elements that form the foundations of the Company's internal control system, specifically in relation to risk management and external and internal regulatory compliance, proposing to the Board of Directors sufficient models, systems and methodology and supervising how the first line of defence executes them and the related internal controls.

The Compliance Management functions are as follows:

- Identify legal risks, especially those that stem from the criminal liability of legal persons or entail reputational risks.
- Promote the implementation of the processes necessary to avoid legal breaches related to criminal or reputational risks, and limit, to the extent possible, the cases of criminal liability at the Company, thereby actively contributing to preventing and stopping criminal activity.
- Promote a clear organisational culture, shared by all Company employees at all levels, which is favourable to avoiding conduct liable to trigger any criminal liability on the part of its executives and directors.

- Establish in an objective and demonstrable manner, the control and supervisory measures aimed at avoiding this conduct by employees, at all levels, and propose the disciplinary measures that would be implemented if this conduct were to take place.
- Supervise the existence of a Set of Rules, Policies and Regulations that reasonably guarantee the reliability of the financial information, and compliance with the laws, regulations and policies that apply to the Company.
- Periodically inform the secretary of the Board and the Audit and Compliance Committee of the performance of the Annual Action Plan with regard to its management.
- Establish measures for the prevention of criminal acts in the following areas:
  - Anti-corruption: crimes of private corruption, bribery and corruption in international commercial transactions.
  - Cybercrimes: hacking crimes, disclosure of trade secrets and similar offences.
  - Control during the preparation of financial information: investor fraud crimes.
  - Market abuse and share price manipulation.
  - Non-compliance with the Spanish Personal Data Protection Organic Law (LOPD) and the privacy protection regulations.
  - Money-laundering.
  - Fraud to obtain subsidies and government aid.
  - Crimes against natural resources and the environment.
  - Workplace harassment.
- Enforce the Code of Ethics and propose the review thereof to adapt it to any amendments made to the legal framework prevailing at any given time, ensuring the dissemination and awareness thereof at the Company.
- Propose the approval of the internal regulations implementing the Code of Ethics, which include a disciplinary system for breaches thereof.
- Process the complaints received through the Ethics Channel.
- Promote and oversee the training activities regarding the Code of Ethics.

The main actions performed in 2019 are detailed in the Ethics and Compliance section of this report.

The main functions of the Risk and Internal Control Department established in the OHL Functions Handbook are as follows:

- Coordinate, guide and support the strategic, operational, organisational and regulatory actions concerning risk management across the entire Group.
- Establish the methodologies and tools for preparing the Risk Map and identify and prompt warnings regarding changes in the likelihood and/or impacts of the identified risks.
- Lead the process of identifying and analysing risks that may occur during the performance of OHL's activities, through the preparation and periodic updating of the Risk Map.

- By cooperating with the various businesses, define, implement and update the risk management procedures that are deemed appropriate at Group level.
- Conduct occasional reviews and analyses of the Group's risk exposure associated with transactions that are identified as significant or exceptional.
- Prepare the appropriate reports on OHL's risk position to be reported to the CEO, the Audit and Compliance Committee and/or the Board of Directors of OHL.
- Perform appropriate risk management policy training and dissemination activities at Group level.
- Prepare action proposals to reduce the level of, or exposure to, certain types of risks and to minimise their impact.
- Prepare a preliminary report on the submission of bids and openings of offices or commercial branches in new countries and for any investments that have been proposed in new countries.
- Prepare, document and maintain the Internal Control System, compliance with which by the various OHL business areas ensures that the operational and financial reporting risks are mitigated.
- Identify and communicate the Internal Control deficiencies detected.
- Prepare and present to the CEO and Audit and Compliance Committee the annual risk and internal control planning proposal and periodically report on its execution.

In 2019 progress was made in the following lines of action:

- A Risk Map was drawn up, identifying the main risks that threaten OHL and the measures adopted.
- The Country Risk Model was reviewed to manage participation in projects, the opening of offices, branches and ownership interests in companies or decisions on investments in new markets.
- In order to manage the operational performance risks, there is a system of red lines that mark OHL's risk tolerance level, which was updated in 2019.
- Improvement of the preventive analysis procedure for the management of risks arising from the Company's relationship with third parties (customers, partners, or suppliers/subcontractors considered critical) continued.
- The Risk Management Policy was reviewed.
- The Risk Regulations were reviewed and a new set of regulations was defined, including matters relating to country risk, due diligence, red lines and risk tolerance.
- The Contracting Committee was formally set up; this committee analyses, from a commercial and risk perspective, the main bidding and contracting opportunities. This committee encompasses the Guarantees Committee, which analyses the opportunities from the perspective of the guarantees required.
- The risk management process continued to be implemented for projects at the tendering phase.



- Progress continued to be made with the business management digitalisation tool developed by OHL (Performance & Control) in order to integrate and improve risk management at the project bidding phase.
- Progress continues to be made in the implementation of integrated management tools for projects at the performance phase.

Additional information on the risks arising in 2019 and OHL's risk management can be found in section F of the Annual Corporate Governance Report.

## THIRD LINE OF DEFENCE. INTERNAL AUDIT

The Internal Audit Department is an independent, non-executive and objective assurance, internal control and consultation service that is responsible for providing support to the organisation in the effective fulfilment of its responsibilities and objectives. It is subject to the policies established by the Company's Board of Directors through its Audit and Compliance Committee, and its main functions most notably include:

- To review the veracity, reliability and completeness of the financial and operating records and information.
- To report on the proper performance of processes and the efficient use of resources.
- To verify the reliability of the risk management and internal control systems and the quality of the information.
- To review the system of Internal Control over Financial Reporting (ICFR).
- To verify the existence and status of assets and their protection.
- To evaluate the degree of compliance with internal and external rules and procedures.
- To identify deficiencies in internal regulations and propose the implementation of and amendments to existing regulations in order to improve operations.
- To make recommendations to help correct the anomalies detected and monitor their implementation.
- To keep an inventory of fraud risks and the associated controls, and test the effectiveness of those controls on a rotating basis.
- To investigate irregularities reported in the Ethics Channel or detected in other work.
- To participate as a guest on various committees.

The Audit and Compliance Committee reviews all the reports it issues and they are presented at its monthly meetings.

In 2019 audits were carried out in all OHL's divisions and in most of the countries in which operates. The scope of those audits encompasses mainly the following:

- Construction work and Industrial and Development projects.
- Obtainment of indicators and alerts on specific parameters.
- Working capital management system.
- Agreements entered into with Aleática.
- Due diligence reviews of third parties.
- Anti-bribery management systems.
- Crime prevention system.
- Quality of the relevant management data.
- Analysis of project closure.
- Review of amounts to be billed for work performed (ABWP).
- System of Internal Control over Financial Reporting (ICFR).
- Fraud prevention - Purchases.
- Transactions in the US with related partners.
- Review of human rights compliance.

Also, the Internal Audit Department has a specialised unit for preventing and investigating fraud, through which continuous actions were carried out in 2019. Verification of compliance with human rights policies also continued.

For the most significant recommendations and corrective measures, monthly monitoring activities are performed with the members of the Management Committee and in the Annual Internal Audit Report submitted to the Audit and Compliance Committee.



African dock  
(Port of Las Palmas). Spain.

# About this Report

- 118 | Scope
- 118 | Preparation methodology
- 119 | Materiality and preparation of contents
- 121 | Verification
- 121 | Main significant events
- 121 | Contact details





# About this Report

This report was prepared in order to directly and transparently communicate to all OHL's stakeholders the Company's performance, strategy and all relevant matters to generate value, both in the short and long term. The contents of this report are supplemented by other corporate documents as well as information on its website, [www.ohl.es](http://www.ohl.es).

## SCOPE

The scope of this report is the same as that of the consolidated financial statements for 2019, which includes Obrascón Huarte Lain, S.A. and its subsidiaries<sup>2</sup>.

## PREPARATION METHODOLOGY

This report was prepared following the recommendations of the International (<IR>) Framework of the International Integrated Reporting Council (IIRC) and the regulatory requirements in this area set out in Law 11/2018 on non-financial information and diversity. Attention was also paid to the significant matters that may affect the Company's business.

Also, the reporting principles of the Global Reporting Initiative (GRI) standards in their Core version were followed, in order to determine the content (stakeholder engagement, sustainability context, materiality, completeness) and quality (balance, comparability, accuracy, timeliness, clarity and reliability).

<sup>2</sup> Except in the case of the environmental indicators, which include partial information on the activity that OHL carries on in the US. The information not included relates to Arellano companies, namely, OHL Building, a portion of the activity of OHL USA and Judlau. The information not included in the environmental reporting package accounts for 12.3% of the OHL Group's total sales.

## PRINCIPLES CONSIDERED FOR PREPARATION OF THE 2019 INTEGRATED ANNUAL REPORT

- Global Reporting Initiative (GRI) standards.
- Principles of the International (<IR>) Framework of the IIRC.
- Principles of the United Nations Global Compact.
- Sustainable Development Goals.
- Royal Decree-Law 11/2018, of 28 December, amending the Spanish Commercial Code, the Consolidated Spanish Limited Liability Companies Law approved by Legislative Royal Decree 1/2010, of 2 July, and Spanish Audit Law 22/2015, of 20 July, in the area of non financial information and diversity.

Lastly, this report includes a contents list which indicates the content of the Non-Financial Information Statement (NFIS), setting out its correlation with the GRI indicators, the Ten Principles of the UN Global Compact and the Company's contribution to the achievement of the Sustainable Development Goals (SDGs).

## MATERIALITY AND PREPARATION OF CONTENT

As part of process for preparing OHL's new Sustainability Plan, a materiality analysis was conducted, consisting of the following phases:

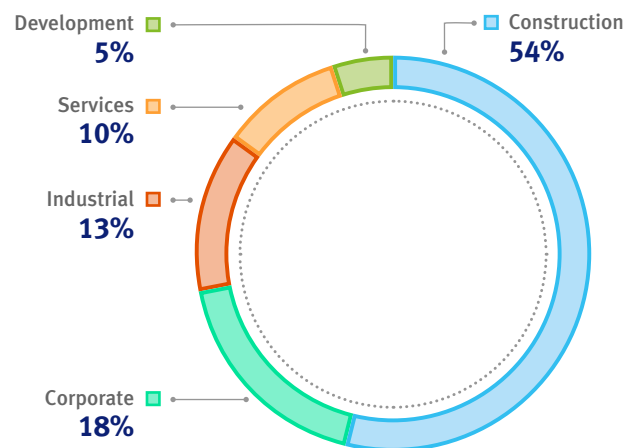
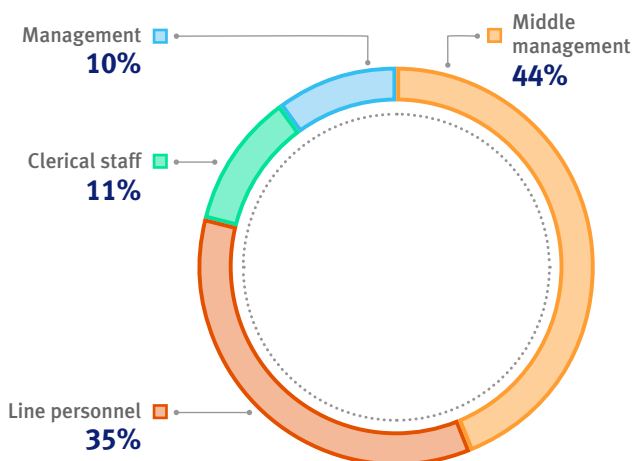
**1. Internal analysis.** Interviews were held with internal stakeholders from various geographical areas and divisions.

### INTERVIEWS WITH THE MANAGEMENT TEAM

40 personal and individual interviews regarding Sustainability and CSR were held with senior executives and corporate and business managers.

### INTERVIEWS WITH EMPLOYEES

90 surveys were carried out on a representative sample of employees from various countries, divisions, professional categories and positions.



**2. External analysis.** A comparative study of companies was conducted, sustainability regulations and trends were analysed and interviews were held with external stakeholders.

**INTERVIEWS WITH EXTERNAL STAKEHOLDERS**

26 Surveys were conducted on a representative sample, segmented by sector:

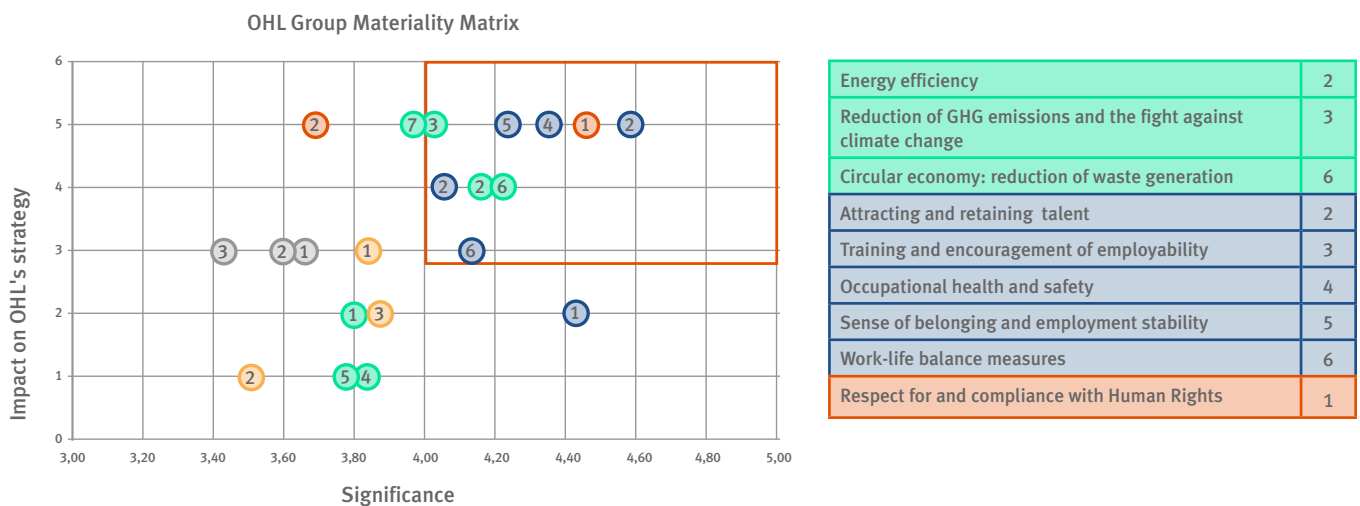
- Construction, energy, consulting, hospitality, pharmaceutical, textile, food and financial companies.
- Non-profit entities specialising in the environment, human rights and social action.
- Business associations in the field of sustainability.
- Business schools and universities.
- Media outlets specialising in sustainability.
- Public authorities.

**OTHER CONSIDERATIONS**

In addition to the interviews held with stakeholders, other external sources were considered, such as the analysis of sustainability legislation and trends, of which the following were the most notable matters:

- Ethics and Compliance.
- Fiscal responsibility.
- Customer satisfaction.

**3. Definition of strategic pillars.** Following the analysis of the information resulting from the internal and external analyses, a materiality matrix was prepared for significant matters, based on which priority areas of action were defined and specific measures were established for each area, in the framework of the new Plan for 2020-2022.



Based on the principles indicated above in the preparation methodology and materiality analysis, and on other considerations arising from external sources, the report presents all the matters that reflect significant economic, environmental and social impacts for OHL and affect the assessments and decisions that the stakeholders might make with respect to their relationship with the Company.



## VERIFICATION

Deloitte verified the contents collected and included in this report, following the ISAE 3000 standard with a limited assurance scope.

### MAIN SIGNIFICANT EVENTS

- 14 March 2019. The Villar Mir Group submits information on its ownership interest in OHL.
- 9 April 2019. Termination of the Río Magdalena toll road (Colombia) and AT-AT toll road (Mexico) agreements by Aleática.
- 17 June 2019. Transactional agreement with the Villar Mir Group and Pacadar.
- 17 June 2019. Transactional agreement with Aleática relating to the AT-AT project to end arbitration proceedings.
- 3 October 2019. Notification of partial resolution of the ongoing arbitration between Qatar Foundation and the joint venture incorporated to construct Sidra Hospital.
- 10 October 2019. Lowering of the credit rating by Fitch Ratings.
- 22 October 2019. Discussions with the Amodio family and the Villar Mir Group.
- 25 October 2019. Possible new shareholder of OHL Desarrollos.

#### Main significant events / insider information / other relevant, regulated and corporate information after 2019 year-end

- 23 January 2020: Study of a potential merger with the Caabsa Group.
- 4 February 2020: Update of the status of the various corporate transactions.

## CONTACT DETAILS

### Investor Relations Department:

Paseo de la Castellana 259 D, Torrespacio, 28046 Madrid  
E-mail: [relacion.accionistas@ohl.es](mailto:relacion.accionistas@ohl.es)  
Telephone no.: +34 91 348 41 57

### Sustainability Department:

Paseo de la Castellana 259 D, Torrespacio, 28046 Madrid  
E-mail: [rsc@ohl.es](mailto:rsc@ohl.es)  
Telephone no.: +34 91 348 41 00

For any other clarification, suggestion or additional information about this publication please contact:

OHL · Torrespacio, Paseo de la Castellana 259 D. 28046 Madrid, Spain.  
Tel.: +34 91 348 41 00  
[www.ohl.es /info@ohl.es](http://www.ohl.es/info@ohl.es)

# Events after the reporting period

- | The events after the reporting period are included in Note 5 to the [Consolidated Financial Statements](#) for the year ended 31 December 2019.



# Content of the non-financial information statement

**| Contents of the non-financial information statement**

The contents of the non-financial information statement are included on pages 111-122 of the [Consolidated Directors' Report](#) for the year ended 31 December 2019.

**| GRI Tables**

The contents of GRI Tables are included on pages 123-134 of the [Consolidated Directors' Report](#) for the year ended 31 December 2019.

**| Independent verification information**

The independent Verification Report is at the end of the [Consolidated Directors' Report](#) for the year ended 31 December 2019.





# APPENDICES

- 128 | Other HR aggregates
- 131 | Information on freedom of association and collective bargaining
- 132 | Social benefits of the human team, work-life balance measures and disconnection from work measures
- 134 | Environmental performance indicators
- 140 | Biodiversity report





## APPENDIX I. OTHER HR AGGREGATES

### EMPLOYEE TURNOVER AND NEW EMPLOYEE HIRES

	MEN	WOMEN	TOTAL
Total departures	7,447	6,183	13,630
Total new hires	7,483	6,184	13,667

Turnover rate: 72.57%  
 Average age: 42.6  
 Average length of service: 6.4  
 Local executives: 89.6%

In calculating the turnover rate, the voluntary departures, dismissals, retirements and departures on termination of contract were taken into account.

### ABSENTEE RATE

	MEN	WOMEN	TOTAL
	887,491.29	338,482.25	1,225,973.54

For the calculation of absenteeism, the following, inter alia, were taken into account: strikes, absences, temporary disability and paid and unpaid leave.

### PARENTAL LEAVE

	MEN	WOMEN	TOTAL
Employees who took parental leave	227	154	381
Employees who kept their jobs at the end of their parental leave	197	121	318
Rate of return	87%	79%	83%

\* OHL Group scope

### BREAKDOWN OF EMPLOYEE DISMISSAL

No. of dismissals in 2019	2,646
Men	2,287
Women	359



## BREAKDOWN OF DISMISSALS IN SPAIN BY CATEGORY, AGE AND GENDER

	TOTAL	MEN	WOMEN	<30		30-45		46-55		>56	
				M	W	M	W	M	W	M	W
Senior executives		0	0								
Senior managers	2	2	0			1		1			
Managers	1	1	0			1					
Supervisors	23	19	4			7	3	4		8	1
Other line personnel	34	20	14		1	12	13	5		3	
Clerical staff	6	3	3	1			2		1	2	
Manual workers	25	16	9			5		8	9	3	
<b>TOTAL</b>	<b>91</b>	<b>61</b>	<b>30</b>	<b>1</b>	<b>1</b>	<b>26</b>	<b>18</b>	<b>18</b>	<b>1</b>	<b>16</b>	<b>1</b>

M: Men / W: Women.

## BREAKDOWN OF DISMISSALS ABROAD BY GEOGRAPHICAL AREA AND GENDER

GEOGRAPHICAL AREA	MEN	WOMEN	TOTAL
US	1,152	40	1,192
Europe	45	5	50
Latin America	927	272	1,199
Other	102	12	114
<b>TOTAL</b>	<b>2,226</b>	<b>329</b>	<b>2,555</b>

## WAGE GAP BY PROFESSIONAL GROUP AND BUSINESS UNIT (\*)

	CONSTRUCTION AND INDUSTRIAL	SERVICES
Senior managers (**)	33.6%	12.6%
Middle management and other line personnel	23.5%	2.8%
Clerical staff and manual workers	14.3%	-1.9%
<b>TOTAL</b>	<b>18.7%</b>	<b>6.1%</b>

(\*) Wage gap calculated according to the following formula: "(Average remuneration for men - average remuneration for women) / Average remuneration for men", where a percentage greater than zero represents the percentage by which the average remuneration for women is lower than the average remuneration for men. The calculation of the wage gap includes fixed, variable and in-kind remuneration. The calculations of the wage gap were performed after application of the exchange rate for translation to euros.

(\*\*) The "Senior Managers" professional group includes senior executives, executives and senior managers/managers.

(\*\*\*) It was not possible to make an accurate comparison with the data reported in 2018 since the reporting format and methodology were modified this year.

**BREAKDOWN OF AVERAGE REMUNERATION BY BUSINESS UNIT, GENDER AND PROFESSIONAL GROUP\***

	AVERAGE REMUNERATION OF SENIOR MANAGERS (EUR) (**)				AVERAGE REMUNERATION OF MIDDLE MANAGERS AND OTHER LINE PERSONNEL (EUR)				AVERAGE REMUNERATION OF CLERICAL STAFF AND MANUAL WORKERS (EUR)			
	MEN		WOMEN		MEN		WOMEN		MEN		WOMEN	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Construction		162,994.0		145,730.0		51,247.0		49,108.0		31,061.0		25,730.0
Industrial	166,362.0		110,505.1		52,411.2		40,099.9		28,250.6		24,199.4	
Services ***	121,903.2	104,189.2	106,600.0	102,569.4	28,565.8	27,343.8	27,772.5	24,902.4	15,791.0	16,805.8	16,097.7	15,381.6

(\*) Including fixed, variable and in-kind remuneration. The calculations of the average remuneration were performed after application of the exchange rate for translation to euros.

(\*\*) The "Senior Managers" professional group includes senior executives, executives and senior managers/managers.

(\*\*\*) The remuneration data corresponding to Services for 2018 were recalculated due to the increased availability of the information of Ingesan España and in order to improve comparability with the data obtained this year.

**BREAKDOWN OF AVERAGE REMUNERATION IN CONSTRUCTION AND INDUSTRIAL BY PROFESSIONAL GROUP, AGE GROUP AND GENDER\***

	UNDER 30 YEARS OLD		30-45 YEARS OLD		46-55 YEARS OLD		OVER 55 YEARS OLD		TOTAL	
	M	W	M	W	M	W	M	W	M	W
Average remuneration of Senior Managers (EUR) (**)	125,000.2		127,975.9	96,550.7	160,207.5	164,164.1	228,258.7	28,436.2	166,362.0	110,505.1
Average remuneration of middle managers and other line personnel (EUR)	41,995.4	33,221.6	47,168.3	39,921.7	57,888.8	46,324.0	66,175.8	43,035.2	52,411.2	40,099.9
Average remuneration of clerical staff and manual workers (EUR)	23,804.4	25,519.2	25,472.8	23,074.5	33,542.9	24,904.2	31,474.7	24,602.2	28,250.6	24,199.4

M: Men / W: Women.

(\*) Including fixed, variable and in-kind remuneration. The calculations of the average remuneration were performed after application of the exchange rate for translation to euros.

(\*\*) The average remuneration of the "Senior Managers" professional group includes that of senior executives, executives and senior managers/managers.

**BREAKDOWN OF AVERAGE REMUNERATION AT SERVICES BY PROFESSIONAL GROUP, AGE GROUP AND GENDER\***

	UNDER 30 YEARS OLD		30-45 YEARS OLD		46-55 YEARS OLD		OVER 55 YEARS OLD		TOTAL	
	M	W	M	W	M	W	M	W	M	W
Average remuneration of Senior Managers (EUR) (**)			111,376.1	106,600.0	212,976.8	106,600.0	88,728.4		121,903.2	106,600.0
Average remuneration of middle managers and other line personnel (EUR)	16,229.7	18,040.9	30,194.8	28,107.0	32,913.7	30,017.4	6,445.9		28,565.8	27,772.5
Average remuneration of clerical staff and manual workers (EUR)	12,821.3	13,093.3	16,812.2	14,865.7	16,930.5	16,134.8	14,226.6	17,925.6	15,791.0	16,097.7

M: Men / W: Women.

(\*) Including fixed, variable and in-kind remuneration. The calculations of the average remuneration were performed after application of the exchange rate for translation to euros.

(\*\*) The average remuneration of the "Senior Managers" professional group includes that of senior executives, executives and senior managers/managers.

## AVERAGE SENIOR EXECUTIVE REMUNERATION BROKEN DOWN BY GENDER

	MEN	WOMEN
Average remuneration of directors (thousands of euros)*	1,228.0	-

\*The data considered for the calculation include the fixed, variable and in-kind remuneration and other payments of the members of Senior Management, including the remuneration of the CEO for his executive duties.

## AVERAGE REMUNERATION OF DIRECTORS BROKEN DOWN BY GENDER

	MEN	WOMEN
Average remuneration of directors (thousands of euros)*	131.0	133.0

\*The data considered for the calculation include the ordinary and extraordinary remuneration earned by the non-executive directors.

## APPENDIX II. INFORMATION ON FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

### INFORMATION ON FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

OHL participates in the framework agreement with various international trade union federations, advocating absolute respect for human rights and public freedoms.

OHL workers are under the protection of the law, with absolute respect for national legislation and the collective agreements that apply to them. The Company also participates in the negotiation committees for these collective agreements.

In the countries in which it operates OHL works in accordance with the industry regulations in force. If such regulations do not exist, it negotiates the conditions applicable to each workplace with the legal representatives of the workers.

The type of industry agreements signed depends on the type of activity involved. Of particular note are the collective agreements for the construction industry, the iron and steel and metalworking industry, gardening, street cleaning, cleaning of buildings and premises, car parks and garages, engineering companies and technical studios and consulting companies, and public opinion market surveys.

Social dialogue is managed through discussions with trade union representatives and workers' legal representatives, with whom periodic meetings are held. Independently, the Company's Human Resources Department can be contacted directly by them.

The channels used to inform employees are: corporate intranet, bulletin boards in workplaces, communications or e-mails, the corporate newsletter and through the workers' legal representatives.

COUNTRY	EMPLOYEES COVERED BY COLLECTIVE AGREEMENTS
Spain	9,537
Chile	1,230
Peru	836
US	787
Norway	30
Czech Republic	1,136
<b>TOTAL</b>	<b>13,556</b>
Percentage	72%

### APPENDIX III. SOCIAL BENEFITS OF THE HUMAN TEAM, WORK-LIFE BALANCE MEASURES AND DISCONNECTION FROM WORK MEASURES

#### SOCIAL BENEFITS OF THE HUMAN TEAM

In order to offer employees a total remuneration package that allows the Company to enhance its ability to attract and retain talent, the OHL remuneration package includes, in addition to monetary remuneration (fixed and variable), other remuneration in the form of social benefits or remuneration in kind that will be applied, in each of the countries where the Company operates, depending on market practices.

Thus, this concept may include the delivery of products or services such as (i) life and accident insurance, (ii) meal vouchers, (iii) childcare expenses, (iv) health insurance, (v) transport aid, (vi) company car, (vii) social welfare systems or mechanisms that implement pension obligations, (viii) economic aid or (ix) other fringe benefits.

In those countries where social benefits or remuneration in kind are applied, such application is equal to both full-time and part-time employees, regardless of the type of contract.

#### Digital disconnection and work-life balance measures

In 2019 OHL published its Working hours and digital disconnection policy. The aim of this policy is to maintain productivity levels, while promoting the work-life balance, taking into account the new realities regarding the diversity of the various working environments, mobility outside the workplace and the right to disconnect from work, all in strict compliance with the employment legislation of each geographical area in which the Company operates.

In this context, the Company advocates flexibility, provided that the legal, organisational and productive circumstances allow it, with the local HR managers being responsible for establishing procedures that are in line with both employment legislation and local customs and practices.

Furthermore, in order to respect the right to rest and striking a balance between professional and personal life, OHL is committed to digital disconnection to guarantee employees' rest time and holidays, as well as the personal and family privacy of the entire workforce, limiting the use of tools and technologies provided by OHL outside the actual working day and restricting their use only and exclusively to objectively urgent reasons or according to criteria of responsibility.

## Personal, family and work balance measures

<b>Flexible working hours</b>	At certain OHL offices there is flexibility in terms of times of arrival at and departure from the workplace. There is also flexibility during holiday periods and online training and videoconferencing is encouraged.
<b>Support for the personal/family environment</b>	The <b>Employee Assistance Programme (PAE)</b> is a programme available to employees to help them in certain personal circumstances. Advice is offered in private-life situations (partner, children, the elderly, etc.) that require the assistance of expert professionals in each case.
	The <b>Family Plan to support children of employees with disabilities</b> through which the Company helps the young with disabilities to enhance their social and work integration and improve their quality of life.
	The <b>"Por ser de OHL"</b> portal which includes a wide variety of offers, discounts and promotions from which the Company's human team can benefit.
	The <b>Family days:</b> Employees' children visit their parents' workplaces.
	The <b>Wage supplements</b> for people with officially recognised disabilities and for those employees who have children with disabilities.

\* The measures indicated above are applicable to various Group companies and specific groups of employees, and do not apply to the Company's entire workforce.

## Measures to boost the quality of life of the employees

<b>Canal Salud:</b> community for the dissemination of health initiatives and programmes offered on the corporate intranet. In 2019 twelve communications were made on the following topics: glaucoma prevention; natural remedies for colds; tips for seasonal flu; melanomas; sunbathing precautions; world no smoking day; world asthma day; world sleep day; tips for safe travel; Mediterranean diet; headphone precautions; and cardiology.
<b>Periodic health surveillance campaigns:</b> Gynaecological check-ups; urology; seasonal flu campaign; eye health campaigns and regular check-ups.
<b>OHL "Cuídate" Programme:</b> the topics covered in the framework of the programme are stress management, sleep hygiene, healthy eating habits and prevention of diseases, among others. Two workshops took place in 2019: "Tupper saludable" (Healthy Lunchbox) and "Mindfulness", which were attended by 78 of OHL's employees.

\* The measures indicated above are applicable to various Group companies and specific groups of employees, and do not apply to the Company's entire workforce.

## Other measures for the personal development of employees

<b>Corporate volunteering:</b> Carrying out corporate volunteering activities, both during working hours and at weekends, so that employees can participate with their families, and especially their children, with activities designed for them on the basis of the age groups involved. Corporate volunteering activities are classified as professional volunteering in which the employee makes his or her knowledge and welfare and leisure volunteering available to vulnerable groups.
--

## APPENDIX IV. ENVIRONMENTAL PERFORMANCE INDICATORS

ENERGY INTENSITY	CONSTRUCTION	INDUSTRIAL	SERVICES	CORPORATE*	TOTAL
Organisation-specific metric Sales (millions of euros)	2,452.3	218.2	275.6	13.8	2,959.9
Energy intensity of sales 2019 (GJ/millions of euros)	622.7	380.8	151.0	6,208.3	587.0
Energy intensity of sales 2018 (GJ/millions of euros)	691.3	524.0	98.2	-	668.8
Change in energy consumption	The change in absolute terms is 33% with respect to 2018. This is explained by the inclusion of data relating to the US in the scope. The indicators include partial information on the activity that OHL carries on in that market. The information not included relates to Arellano companies, namely, OHL Building, a portion of the activity of OHL USA and Judlau. The information not included in the reporting package accounts for 12.3% of the OHL Group's total sales.				

\* Including offices

The indicators include partial information on the activity that OHL carries on in the USA. The information not included relates to Arellano, OHL Building and a portion of the activity of OHL USA and Judlau. The information not included in the reporting package accounts for 12.3% of the OHL Group's total sales.

TOTAL WATER EXTRACTION BY SOURCE	CONSTRUCTION	INDUSTRIAL	SERVICES	CORPORATE*	TOTAL
Surface water (m <sup>3</sup> )	947,662.4	221,788.6	0.0	0.0	1,169,450.9
Ground water (m <sup>3</sup> )	22,788.9	216,462.1	0.0	0.0	239,250.9
Rainwater (proprietary rain tanks) (m <sup>3</sup> )	3,660.0	0.0	0.0	0.0	3,660.0
Recovered water (m <sup>3</sup> )	4,955.0	570.0	0.0	0.0	5,525.0
Third-party water (m <sup>3</sup> )	224,511.4	2,719.0	222,689.0	69,762.0	519,681.4
<b>TOTAL (M<sup>3</sup>)</b>	<b>1,203,577.6</b>	<b>441,539.6</b>	<b>222,689.0</b>	<b>69,762.0</b>	<b>1,937,568.1</b>

\* Including offices

The indicators include partial information on the activity that OHL carries on in the USA. The information not included relates to Arellano, OHL Building and a portion of the activity of OHL USA and Judlau. The information not included in the reporting package accounts for 12.3% of the OHL Group's total sales.

TOTAL VOLUME OF WATER RECYCLED AND REUSED	CONSTRUCTION	INDUSTRIAL	SERVICES	CORPORATE*	TOTAL
Total volume of water recycled and reused (m <sup>3</sup> )	4,955.0	570.0	0.0	0.0	5,525.0
Water recycled or reused as a percentage of the total consumed (%)	0.4%	0.1%	0.0%	0.0%	0.3%

\* Including offices

The indicators include partial information on the activity that OHL carries on in the USA. The information not included relates to Arellano, OHL Building and a portion of the activity of OHL USA and Judlau. The information not included in the reporting package accounts for 12.3% of the OHL Group's total sales.

**TOTAL WASTE WATER DISCHARGE  
BY NATURE AND DESTINATION**

	CONSTRUCTION	INDUSTRIAL	SERVICES	CORPORATE*	TOTAL
To the land (m <sup>3</sup> )	4,400.00	0.00	0.00	0.00	4,400.00
To third-party water (m <sup>3</sup> )	106,187.79	486.39	3,066.86	0.00	109,741.04
To surface water (m <sup>3</sup> )	122,822.00	24,096.00	0.00	0.00	146,918.00
To seawater (m <sup>3</sup> )	451,800.00	0.00	0.00	0.00	451,800.00
To ground water (m <sup>3</sup> )	486.37	717.20	0.00	0.00	1,203.57
Reused by a third party (m <sup>3</sup> )	2,644.22	0.00	0.00	0.00	2,644.22
Treatment	Discharge to third-party water (main sewer) and subsequent treatment (physical/chemical and biological as a minimum) at a sewage treatment plant.				
Parameters	According to authorisation from and regulations of the country.				

\* Including offices

The indicators include partial information on the activity that OHL carries on in the USA. The information not included relates to Arellano, OHL Building and a portion of the activity of OHL USA and Judlau. The information not included in the reporting package accounts for 12.3% of the OHL Group's total sales.

**MATERIALS USED BY WEIGHT OR VOLUME**

	CONSTRUCTION	INDUSTRIAL	SERVICES	CORPORATE*	TOTAL
Natural raw materials (quarried earth, rocks and aggregates) (t)	2,593,078.07	115,255.92	0.00	0.00	2,708,333.99
Reused material from external suppliers (aggregates, earth, rocks) (t)	320,353.16	47.60	0.00	0.00	320,400.76
Concrete (t)	1,772,958.29	49,747.50	0.00	0.00	1,822,705.79
Cement (t)	32,449.22	5,250.42	0.00	0.00	37,699.64
Natural topsoil (t)	56,128.99	3.74	0.00	0.00	56,132.72
Bituminous mixtures and tars (t)	1,277,346.96	0.00	0.00	0.00	1,277,346.96
Metals (t)	1,326.83	212.84	0.00	0.00	1,539.68
Reused topsoil from external suppliers (t)	17,196.15	0.00	0.00	0.00	17,196.15
Wood (non-certified forest product) (t)	3,231.03	172.77	0.00	0.00	3,403.80
Paper (unrecycled non-certified forest product) (t)	344.47	3.93	5.97	95.39	449.76
Paints (t)	218.96	2.43	1.87	0.00	223.26
Paper (recycled non-certified forest product) (t)	26.27	6.04	0.09	1.04	33.45
Chemical products (solvents, plant protection products, fertilizers and other) (t)	599.12	227.81	2,388.26	0.00	3,215.19
<b>TOTAL</b>	<b>6,075,257.51</b>	<b>170,931.00</b>	<b>2,396.19</b>	<b>96.44</b>	<b>6,248,681.14</b>

\* Including offices

The indicators include partial information on the activity that OHL carries on in the USA. The information not included relates to Arellano, OHL Building and a portion of the activity of OHL USA and Judlau. The information not included in the reporting package accounts for 12.3% of the OHL Group's total sales.

**MATERIALS USED THAT ARE RECYCLED INPUT MATERIALS**

	CONSTRUCTION	INDUSTRIAL	SERVICES	CORPORATE*	TOTAL
Total (t)	338,902.4	266.5	0.1	-	339,170.0
Percentage (%)	5.6%	0.2%	0.0%	-	5.4%

\* Including offices

The indicators include partial information on the activity that OHL carries on in the USA. The information not included relates to Arellano, OHL Building and a portion of the activity of OHL USA and Judlau. The information not included in the reporting package accounts for 12.3% of the OHL Group's total sales.

**OPERATIONAL SITES OWNED, LEASED, MANAGED IN, OR ADJACENT TO, PROTECTED AREAS AND AREAS OF HIGH BIODIVERSITY VALUE OUTSIDE PROTECTED AREAS**

	CONSTRUCTION	INDUSTRIAL	SERVICES	CORPORATE*	TOTAL
--	--------------	------------	----------	------------	-------

In 2019 there were eight such protected areas and areas of high biodiversity value outside protected areas. The main impacts are on water, coastal areas, ecosystems and pre-existing fauna and flora. Impacts are controlled through management plans and compensation measures. Further information in the Biodiversity Report.

\* Including offices

The indicators include partial information on the activity that OHL carries on in the USA. The information not included relates to Arellano, OHL Building and a portion of the activity of OHL USA and Judlau. The information not included in the reporting package accounts for 12.3% of the OHL Group's total sales.

**PERCENTAGE OF NEW SUPPLIERS THAT WERE SCREENED USING ENVIRONMENTAL CRITERIA**

	CONSTRUCTION	INDUSTRIAL	SERVICES	CORPORATE*	TOTAL
--	--------------	------------	----------	------------	-------

All suppliers in the accreditation process are asked for environmental management information. The supplier accreditation process is currently being reviewed in order to include new requirements, such as knowledge of and compliance with the Ten Principles of the Global Compact, as well as environmental commitments such as having a certified environmental management system (ISO 14001, EMAS or equivalent), documentation accrediting their commitment to the environment: contract with a waste manager, consumption control and identification and evaluation of aspects of their activity, among others.

\* Including offices

The indicators include partial information on the activity that OHL carries on in the USA. The information not included relates to Arellano, OHL Building and a portion of the activity of OHL USA and Judlau. The information not included in the reporting package accounts for 12.3% of the OHL Group's total sales.

**NUMBER OF ENVIRONMENTAL COMPLAINTS THAT HAVE BEEN FILED, ADDRESSED AND RESOLVED THROUGH FORMAL GRIEVANCE MECHANISMS**

	CONSTRUCTION	INDUSTRIAL	SERVICES	CORPORATE*	TOTAL
--	--------------	------------	----------	------------	-------

OHL did not file or address environmental complaints through formal grievance mechanisms in the reporting year or in previous years.

\* Including offices

The indicators include partial information on the activity that OHL carries on in the USA. The information not included relates to Arellano companies, namely, OHL Building, a portion of the activity of OHL USA and Judlau. The information not included in the reporting package accounts for 12.3% of the OHL Group's total sales.



**TOTAL WEIGHT OF NON-HAZARDOUS WASTE (NHW), BY TYPE AND TREATMENT METHOD**

	CONSTRUCTION	INDUSTRIAL	SERVICES	CORPORATE*	TOTAL
<b>NHW by type (t)</b>	<b>2,195,222.0</b>	<b>3,008.1</b>	<b>330.8</b>	<b>40.0</b>	<b>2,198,600.8</b>
Wood (%)	0.1%	47.9%	0.0%	0.0%	0.2%
Scrap metal (%)	0.1%	27.4%	0.0%	0.0%	0.2%
Vegetable (%)	10.8%	0.0%	87.7%	0.0%	10.8%
Plastics (%)	0.0%	1.8%	3.2%	0.0%	0.0%
Paper and cardboard (%)	0.0%	5.4%	2.9%	100.0%	0.0%
MSW (%)	19.6%	0.7%	6.2%	0.0%	19.6%
Rubble (%)	14.7%	16.4%	0.0%	0.0%	14.7%
Concrete (%)	1.3%	0.2%	0.0%	0.0%	1.3%
Reused topsoil (%)	5.3%	0.1%	0.0%	0.0%	5.3%
Reused input material sourced internally (%)	47.9%	0.0%	0.0%	0.0%	47.8%
<b>NHW by treatment</b>	<b>2,195,222.0</b>	<b>3,008.1</b>	<b>330.8</b>	<b>40.0</b>	<b>2,198,600.8</b>
Reused (%)	43.9%	42.9%	0.0%	0.0	43.8%
Reclaimed (%)	3.4%	0.3%	0.0%	0.0	3.4%
Landfills (%)	35.1%	17.4%	6.2%	0.0	35.1%
Composting (%)	10.7%	0.0%	87.7%	0.0	10.7%
Recycling (%)	1.9%	38.1%	6.1%	100%	1.9%
Injection (%)	3.9%	0.7%	0.0%	0.0	3.9%
Recovered (%)	0.0%	0.0%	0.0%	0.0	0.0%
Deposits (%)	1.1%	0.3%	0.0%	0.0	1.1%
Other treatments (%)	0.036%	0.1%	0.0%	0.0	0.0%
<b>Non-hazardous waste (NHW) 2018 (t)</b>	<b>13,634,681.9</b>	<b>1,152.9</b>	<b>2.5</b>	<b>86.7</b>	<b>13,635,924.0</b>

\* Including offices

The indicators include partial information on the activity that OHL carries on in the USA. The information not included relates to Arellano, OHL Building and a portion of the activity of OHL USA and Judlau. The information not included in the reporting package accounts for 12.3% of the OHL Group's total sales.

The generation of Non-Hazardous Waste is associated with the type and phase of each of the construction projects. The change between 2018 and 2019 is due mainly to this reason, as well as to the inclusion of data on the activity in the US in 2019.

TOTAL WEIGHT OF HAZARDOUS WASTE (HW), BY TYPE AND TREATMENT METHOD	CONSTRUCTION	INDUSTRIAL	SERVICES	CORPORATE*	TOTAL
<b>HW by type (t)</b>	<b>80,556.3</b>	<b>113.72</b>	<b>6.93</b>	<b>7.9</b>	<b>80,684.84</b>
Contaminated absorbents (%)	0.0%	11.3%	0.0%	0.0	0.0%
Asbestos (%)	0.0%	0.0%	0.0%	0.0	0.0%
Contaminated sludges (%)	0.0%	27.1%	0.0%	0.0	0.1%
Contaminated metals (%)	0.0%	0.0%	0.2%	0.0	0.0%
Contaminated plastics (%)	0.0%	3.4%	31.2%	0.0	0.0%
Chemical products (%)	0.1%	17.5%	0.3%	0.0	0.1%
WEEE (%)	0.0%	1.5%	11.0%	65%	0.0%
Oily-water mixtures in bilges (%)	0.0%	28.1%	0.0%	0.0	0.1%
Contaminated soil (%)	99.5%	5.1%	0.0%	0.0	99.4%
Other HW (%)	0.3%	6.0%	55.4%	35%	0.3%
<b>HW by treatment</b>	<b>80,556.3</b>	<b>113.7</b>	<b>6.9</b>	<b>7.9</b>	<b>80,684.8</b>
Reused (%)	0.0%	0.0%	0.0%		0.0%
Reclaimed (%)	0.0%	0.0%	0.0%		0.0%
Landfills (%)	28.6%	60.8%	100.0%		28.7%
Composting (%)	0.0%	0.0%	0.0%		0.0%
Recycling (%)	0.2%	0.1%	0.0%	65%	0.2%
Injection (%)	0.0%	0.0%	0.0%		0.0%
Recovered (%)	0.0%	0.0%	0.0%		0.0%
Deposits (%)	71.1%	39.2%	0.0%		71.0%
Other treatments (%)	0.0%	0.0%	0.0%	35%	0.0%
<b>Hazardous waste (HW) 2018 (t)</b>	<b>6,671.6</b>	<b>139.4</b>	<b>7.4</b>	<b>40.4</b>	<b>6,858.8</b>

\* Including offices

The indicators include partial information on the activity that OHL carries on in the USA. The information not included relates to Arellano, OHL Building and a portion of the activity of OHL USA and Judlau. The information not included in the reporting package accounts for 12.3% of the OHL Group's total sales.

The generation of Hazardous Waste is associated with the type and phase of each of the construction projects. The change between 2018 and 2019 is mainly due to this reason, as well as to the inclusion of data referring to the activity in the US in 2019.

EMISSIONS BY BUSINESS LINE	CONSTRUCTION	INDUSTRIAL	SERVICES	CORPORATE*	TOTAL
Direct (Scope 1) GHG emissions (tCO <sub>2</sub> eq)	101,940.7	4,364.7	2,613.2	4,541.3	113,459.8
Direct (Scope 1) GHG emissions 2018 (tCO <sub>2</sub> eq)	81,336.1	5,200.2	2,091.9	3,867.2	92,495.4
Indirect (Scope 2) GHG emissions (tCO <sub>2</sub> eq)	10,981.0	2,717.3	100.2	122.6	13,921.2
Indirect (Scope 2) GHG emissions 2018 (tCO <sub>2</sub> eq)	6,889.3	2,797.6	87.3	5,266.1	15,040.3
Indirect (Scope 3) GHG emissions (tCO <sub>2</sub> eq)	607,713.6	17,463.9	35,443.9	17,030.4	667,652.0
Indirect (Scope 3) GHG emissions 2018 (tCO <sub>2</sub> eq)	513,477.6	42,054.4	5,583.3	37,290.3	598,405.6
Intensity of GHG emissions 2019 (Scope 1+Scope 2/Sales (tCO <sub>2</sub> eq/Millions of euros)	46.0	18.6	9.8	337.96	43.0
Intensity of GHG emissions 2018 (Scope 1+Scope 2/Sales (tCO <sub>2</sub> eq/Millions of euros)	58.8	42.1	8.2	-	55.00
Reduction of GHG emissions	There was 14% a change in emissions (Scope 1+Scope 2+Scope 3) in absolute terms with respect to 2018, a year in which the US market was not included and, accordingly, the analysis of the change does adequately reflect the comparability of the changes in emissions.				

\* Including offices

OHL'S EMISSIONS BY SOURCE	(t) CO <sub>2</sub>	(t)CH <sub>4</sub>	(t)N <sub>2</sub> O	(t)CO <sub>2</sub> eq
Outside scope	-	-	-	-
Scope 1: Stationary combustion	35,241.4	3.9	0.2	35,405.9
Scope 1: Mobile combustion	76,782.1	4.1	4.3	78,053.9
Scope 1: Fugitive and process emissions				
Waste water treatment	-	-	-	-
Use of fertilisers	-	-	-	-
Refrigerant gases	-	-	-	-
Insulating gases	-	-	-	-
<b>Total Scope 1</b>	<b>112,023.5</b>	<b>8.0</b>	<b>4.5</b>	<b>113,459.9</b>
Scope 2: Imported electricity	13,921.3	-	-	13,921.3
<b>Total Scope 2</b>	<b>13,921.3</b>	<b>-</b>	<b>-</b>	<b>13,921.3</b>
<b>Scope 3: Purchases of goods and services</b>				<b>397,648.9</b>
Materials	-	-	-	397,648.9
Subcontractors: Stationary combustion	-	-	-	-
Subcontractors: Mobile combustion	-	-	-	-
Capital goods	-	-	-	-
<b>Scope 3: Fuel-energy activities</b>				<b>2,035.7</b>
T-D electricity losses	1,052.5	-	-	1,052.5
Electricity generation losses	983.2	-	-	983.2
<b>Scope 3: Waste generated</b>				<b>256,821.8</b>
<b>Scope 3: Business travel</b>	<b>8,792.4</b>	<b>1.8</b>	<b>44.7</b>	<b>21,145.7</b>
Hotel stays (nights)	-	-	-	451.1
Transport	8,792.4	1.8	44.7	21,145.7
<b>Scope 3: Employee mobility</b>				<b>-</b>
<b>Total Scope 3</b>	<b>10,828.1</b>	<b>1.8</b>	<b>44.7</b>	<b>677,652.0</b>

The results dumped for HFC and SF<sub>6</sub> emissions are not significant in the global calculation of emissions.

The emission factors used for the calculation of OHL's CO<sub>2</sub>eq emissions were updated in 2019 with the main national and international reference sources.

#### NITROGEN OXIDES (NO<sub>x</sub>), SULPHUR OXIDES (SO<sub>x</sub>), AND OTHER SIGNIFICANT AIR EMISSIONS BY TYPE AND WEIGHT

	TOTAL
Emissions of NO <sub>x</sub> (t)	149.9
Emissions of SO <sub>x</sub> (t)	180.5
Emissions of VOCs (t)	13.8
Emissions of particulate matter (PM) (t)	27.7

## APPENDIX V. BIODIVERSITY REPORT

### I. INTRODUCTION

#### Description of the Company

Obrascón Huarte Lain, S.A. (OHL) is a global infrastructure group with more than 100 years of history and whose activity is centred on the construction and development of concessions focusing on three geographical areas: US, Europe and Latin America.

#### Objective of the study

OHL engages mainly in the construction of all manner of civil engineering works and buildings, including the related installations. The Company's activities are carried on in a geographical area with varying degrees of impact on ecosystems, landscapes and species, during all the phases of the projects.

OHL operates under the principle of protecting natural resources and biodiversity through the application of an environmental management system, compliance with legislation and the implementation of good conservation and ecological restoration practices.

The Company's work can be carried out within, or adjacent to, protected areas and areas of high biodiversity value outside protected areas. In 2019 there were eight such protected areas and areas of high biodiversity value outside protected areas. The main impacts are on water, coastal areas, ecosystems and pre-existing fauna and flora. Impacts are controlled through management plans and compensation measures.

In connection with biodiversity and the impacts arising from the occupation of land of its operations, OHL has implemented soil protection measures in an area of 51 hectares, and has restored 68 hectares of land.

In terms of biodiversity, the activity carried out in 2019 by OHL affected 314 species of fauna and flora, included in the Red List of Threatened Species of the International Union for Conservation of Nature (IUCN).

The measures are approved by government agencies or independent external professionals, in accordance with the requirements established in the permits, contracts and environmental impact procedures.

#### Biodiversity activities

In order to avoid and minimise impacts on the environment and its biodiversity, the appropriate location of auxiliary facilities is guaranteed, vulnerable zones are defined and preventative, corrective and awareness-raising measures are designed and implemented.

In addition, attention is paid to a series of specific protection actions and principles, such as:

##### ■ Specific actions on vegetation:

- Adequate management of vegetation and control of protected species, avoiding the spread of invasive species.
- Procedure to ecologically restore damaged specimens through plantations, transplants, hydroseeding, etc.

### ■ Specific actions on fauna:

- Discouragement of the presence of fauna in areas where species might be at risk and alert workers or users of its presence.
- Minimisation of the barrier effect generated by infrastructure.
- Avoidance of the spread of invasive species.

### ■ Principles governing protection against erosion and sedimentation:

- Limitation of the duration of operations such as earthworks and the extent of the land affected. Stabilisation of altered surfaces.
- Protection of surfaces exposed to torrential rainfall and assurance that runoff water speeds are low.
- Retention of sediments inside facilities, thereby preventing silting.

### ■ Principles governing the protection of terrestrial, freshwater, or maritime ecosystems:

- Design and maintenance of drainage works to avoid affecting the hydrological network/basin.
- Control of the effects of water collection, minimising consumption and activities with direct interaction on watercourses.
- Adequate management of waste and protection of ecosystems from the effects of leachate.
- Avoidance of impacts due to discharges, monitoring the quality of water and controlling aquatic fauna.

## II. PRESENCE IN PROTECTED AREAS

### Europe:

#### ■ Parque Regional del Sureste. Madrid, Spain. With a permanent presence.

- **Biodiversity value:** regional park.
- **Position in relation to the protected area:** in the area.
- **Type of operation:** production. Production of hot and cold bituminous mixtures.
- **Size of operational site:** 9 hectares.
- **Possible impacts and protection measures:** the possible associated impacts are air and soil pollution. These are non-significant impacts, controlled by means of emission measurements, control of particles in suspension and treatment of discharges with periodic control of the quality of the water discharged.
- **Facility:** asphalt plant. Madrid.

#### ■ SPA Cereal producing areas of the Jarama (Madrid) and Henares (Guadalajara) rivers. SCI/SAC Jarama and Henares river basins. Spain.

- **Biodiversity value:** SPA – SCI/SAC.
- **Position in relation to the protected area:** adjacent to the area.
- **Type of operation:** construction.
- **Size of operational site:** 7.4 hectares.
- **Possible impacts and protection measures:** possible impacts are associated

with the emission of (severe) noise and with the alteration of air quality, soil contamination, occupation and elimination of land, alteration of fauna and flora, occupation of uplands and alterations to the landscape. These are moderate impacts that are reduced or minimised after the application of preventive, corrective and compensatory measures, such as minimising the surface area of occupation, adapting implementation to the life cycles of the species, etc.

■ **Project:** Reinforcement of the eastern branch. Torrelaguna. Madrid.

■ **Parque Natural Los Alcornocales. SAC Guadiaro and Hozgarganta rivers. Area of importance for birdlife, Las Cabras, El Aljibe and Montecoco mountain ranges. Cádiz, Spain.**

■ **Biodiversity value:** Red Natura 2000. Plan for Areas of Natural Interest (PEIN) of Catalonia.

■ **Position in relation to the protected area:** affects a section of the protected area.

■ **Type of operation:** construction.

■ **Superficie:** 2.27 hectares.

■ **Possible impacts and protection measures:** the possible associated impacts are the loss of water quality, accidental discharges, modification of the morphology of the area, increased erosion processes, elimination of plant cover, etc. These are not significant impacts, which are controlled by installing sedimentation barriers, marking out the vegetation and constructing fauna crossings, among other measures.

■ **Project:** Bobadilla-Algeciras railway line. Cádiz.

■ **SCI River Tinto estuary. Huelva, Spain.**

■ **Biodiversity value:** protected area. Natural park.

■ **Position in relation to the protected area:** in the area.

■ **Type of operation:** construction.

■ **Size of operational site:** 15 hectares.

■ **Possible impacts and protection measures:** the possible impacts are associated with air pollution, consumption of materials and resources, water quality and waste management. These are not significant impacts, thanks to the application of protection measures such as speed limits, vehicle and machinery limitations, irrigation, low consumption lighting, fortnightly noise measurements, etc.

■ **Project:** Juan Carlos I Dyke. Huelva.

■ **Barranco del Bolintxu. Monte Pagasarri. Bilbao, Spain.**

■ **Biodiversity value:** area of high natural value and beauty.

■ **Position in relation to the protected area:** in the area.

■ **Type of operation:** construction.

■ **Size of operational site:** 0.001 hectares.

■ **Possible impacts and protection measures:** the possible impacts are associated with the effects on bodies of surface water, loss of water quality, loss of landscape value, modification of the relief, generation of noise, barrier effect, etc. These impacts are controlled through the application of corrective measures

and controls such as the replanting of the affected area, waterproofing of waste collection areas, the installation of fines retention systems, etc.

- **Project:** UTE Seberetxe. Bilbao.

#### ■ **Křivoklátsko Protected Landscape Area Czech Republic.**

- **Biodiversity value:** protected landscape area.
- **Position in relation to the protected area:** in the area.
- **Type of operation:** construction.
- **Size of operational site:** 0.04 hectares.
- **Possible impacts and protection measures:** possible impacts are associated with air pollution, water quality, waste management and effects on flora and fauna. These impacts are controlled thanks to the application of corrective measures such as the protection of flora, respect for the life cycles of fauna, speed limits for vehicles and machinery, etc.
- **Project:** III/23621 Karlova Ves. Czech Republic.

#### **Latin America:**

##### ■ **La Marquesa National Park (Parque Nacional Insurgente Miguel Hidalgo y Costilla). Mexico.**

- **Biodiversity value:** protected area. National park.
- **Position in relation to the protected area:** in the area.
- **Type of operation:** construction.
- **Size of operational site:** 8 hectares.
- **Possible impacts and protection measures:** the possible impacts relate to the loss of habitat for species of flora and fauna. The protection measures are aimed at the implementation of a fauna rescue and relocation programme. In addition, it is planned to reforest areas affected by the project.
- **Project:** Toluca train. Mexico.

##### ■ **Pachacutec Historical Archaeological Sanctuary, Pachacamac. Peru.**

- **Biodiversity value:** historical and cultural value. Historical sanctuary.
- **Position in relation to the protected area:** in the area.
- **Type of operation:** construction.
- **Size of operational site:** 9.5 hectares
- **Possible impacts and protection measures:** the possible impacts are related to the effect on the historical heritage and the fauna and flora. The conservation and safeguarding of the sanctuary, through the elaboration of conservation protocols for social use, archaeological research, and management and administration.
- **Project:** National Archaeological Museum. Peru.

### III. IMPACTS ON ENDANGERED SPECIES

The activities carried on in 2019 by OHL affected **314 species of fauna and flora**, included in the Red List of Threatened Species of the International Union for Conservation of Nature (IUCN) and other regional or local protected species lists. Therefore, the conservation status of these species is analysed and impacts are controlled through the application of various preventive and corrective measures.

	Nº.	LOCATION
Critically endangered species	3	Colombia, Spain and Mexico
Endangered species	8	Colombia, Spain, Mexico and Peru
Vulnerable species	18	Colombia, Spain and Peru
Near threatened species	18	Spain and Mexico
Species of less concern	265	Colombia, Spain, Mexico and Peru
Other species for which there are insufficient data	2	Spain
Species with no defined level of extinction risk	0	---

### IV. IMPACTS ON PROTECTED SPECIES

#### Critically endangered species



#### EUROPEAN MINK (*MUSTELA LUTREOLA*)

- **Level of extinction risk:** Critically endangered (CR).
- **Location of the population:** there are specimens of *Mustela lutreola* in Spain, France, Romania, Russia and the Ukraine. Population trend: decline.
- **Habitat and ecological features:** the European mink is semiaquatic. It densely inhabits vegetation on the banks of rivers, streams and sometimes lakes. It hunts in riverside areas and in water various species of amphibians, crustaceans, fish, small mammals, insects and birds.
- **Threats:**
  - Hunting and trapping of land animals.
  - Domestic and urban wastewater.
  - Agricultural and industrial discharges
  - Navigation routes.
  - Invasive species and diseases.
  - Forestry.
  - Roads and railways.
  - Water management and use. Dams.
  - Livestock.
- **Conservation measures:**

A portion of the population is in protected areas. Within a conservation breeding programme in Spain, since 2004:

  - Habitat protection.
  - Habitat management.
  - Habitat restoration.
  - Reintroduction of species.
  - Training and awareness-raising programme.



### COMMON SPLAYFOOT SALAMANDER (*CHIROPTEROTRITON CHIROPTERUS*)

- **Level of extinction risk:** Critically endangered (CR).
- **Location of the population:** *Chiropterotriton chiropterus* is endemic to Mexico. Population trend: decline.
- **Habitat and ecological features:** it lives mainly on bromeliads and mosses in the shady forests.

#### ■ Threats:

- Logging and timber harvesting.
- Tourism and recreational areas.
- Housing and urban areas.
- Annual and perennial non-timber crops.
- Fires and fire extinction.

#### ■ Conservation measures:

Species protected by Mexican legislation under the category of Special Protection (Pr).

- Habitat and resource protection.
- Habitat management.



### LESSER ANTILLEAN IGUANA (*IGUANA DELICATISSIMA*)

- **Level of extinction risk:** Critically endangered (CR).
- **Location of the population:** found in the Lesser Antilles. Population trend: decline.
- **Habitat and ecological features:** they live in xeric thickets, dry thickets, coastal forests, river forests, mangroves and tropical forests.

#### ■ Threats:

- Housing and urban areas.
- Recreational and tourism areas.
- Non-wood crops.
- Livestock.
- Roads and railways.
- Hunting and trapping of land animals.
- Invasive species and diseases.

#### ■ Conservation measures:

The species is listed in Appendix II of the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES). The species is found in several nationally protected areas, including the four national parks in Dominica, Les îles de la Petite Terre (Guadeloupe), Quill and Boven in St Eustatius and Îlet Chancel and the Réserve Biologique Domaniale de la Montagne Pelée (Martinique).

- Recovery plan.
- Identification of conservation areas.
- Reintroduction of species.
- Subject to trade and management controls.
- Inclusion in international legislation.
- Education and awareness-raising programmes.



**Endangered species**



**WHITE-FOOTED TAMARIN (*SAGUINUS LEUCOPUS*)**

- **Level of extinction risk:** Endangered (EN).
- **Location of the population:** found in Colombia. Population trend: decline.
- **Habitat and ecological features:** found in primary and secondary forests, in gallery, tropical dry, tropical humid and very humid premontane forests and in some urban areas.
- **Threats:**
  - Non-wood crops.
  - Livestock.
  - Mining and quarrying.
  - Logging and timber harvesting.
  - Hunting and trapping of land animals.
  - Water management and use. Dams.
- **Conservation measures:**
  - Species listed in Appendix I of CITES and on the US Endangered Species List:
    - Ex-situ conservation.
    - Systematic monitoring.
    - Subject to trade and management controls.
    - Inclusion in international legislation.



**MORELOS SALAMANDER (*PSEUDOEURYCEA ALTAMONTANA*)**

- **Level of extinction risk:** Endangered (EN).
- **Location of the population:** *Pseudoeurycea altamontana* is endemic to Mexico. Population trend: decline.
- **Habitat and ecological features:** this species lives in pine, oak and fir forests and does not tolerate serious habitat disturbance. It is terrestrial and found under the bark of logs and stumps, and under rocks.
- **Threats:**
  - Logging and timber harvesting.
  - Housing and urban areas.
  - Annual and perennial non-timber crops.
  - Fires and fire extinction.
- **Conservation measures:**
  - This species is found in Lagunas de Zempoala National Park, Iztaccihuatl Volcano and Popocatepetl. It is protected by Mexican law under the category of Special Protection (Pr).
    - Protection of the area.
    - Monitoring of the population trend.

### MOUNTAIN STREAM SALAMANDER (*AMBYSTOMA ALTAMIRANI*)

- **Level of extinction risk:** Endangered (EN).
- **Location of the population:** there are isolated populations of *Ambystoma altamirani* in the west and south of the valley of Mexico. Population trend: decline.
- **Habitat and ecological features:** the species lives and breeds in small, permanent streams that flow through high altitude pine or pine oak forests. It is also found in streams and in clear pastures.
- **Threats:**
  - Industrial and military discharges.
  - Agricultural discharges.
- **Conservation measures:**

The species is found within the three lagoons of the Ciénegas de Lerma Protected Area and is protected under the category Pr (Special Protection) by the Government of Mexico.

  - Habitat protection and management.
  - Habitat restoration.



### BLACKBELLY GARTER SNAKE (*THAMNOPHIS MELANOGASTER*)

- **Level of extinction risk:** Endangered (EN).
- **Location of the population:** *Thamnophis melanogaster* is an aquatic species from Mexico. Population trend: decline.
- **Habitat and ecological features:** it is an aquatic species, commonly found in low streams, wooded areas and deciduous forests.
- **Threats:**
  - Industrial and military discharges.
  - Agricultural discharges.
- **Conservation measures:**

This species can be found in several protected areas.

  - Habitat protection and management.
  - Habitat restoration.





**BLACK-BELLIED SANDGROUSE (*PTEROCLES ORIENTALIS*)**

- **Level of extinction risk:** Endangered (EN).
- **Location of the population:** there are isolated populations of *Pterocles orientalis* in certain European countries such as Belgium, Germany, Greece, etc. The population trend is downwards.
- **Habitat and ecological features:** the species inhabits grassland steppes, open steppes, treeless or pseudo-steppes, foothills and highland plateaus.
- **Threats:**
  - Hunting and trapping of land animals.
  - Livestock.
  - Changes to ecosystems.
  - Annual and perennial non-timber crops.
  - Agricultural discharges.
- **Conservation measures:**

Species listed in Appendix I of the European Union Bird Directive and Appendix II of the Bern Convention.

  - Habitat and resource protection.
  - National and international legislation.



**EGYPTIAN VULTURE (*NEOPHRON PERCNOPTERUS*)**

- **Level of extinction risk:** Endangered (EN).
- **Location of the population:** unevenly distributed species in southern Europe. Population trend: decline.
- **Habitat and ecological features:** emigratory species.
- **Threats:**
  - Hunting and trapping of land animals.
  - Changes to ecosystems.
  - Recreational activities.
  - Diseases of native species
  - Annual and perennial non-timber crops.
  - Generation of renewable energies.
  - Agricultural discharges.
  - Roads, railways and service lines.
- **Conservation measures:**

Species included in the Convention on Conservation of Migratory Species of Wild Animals (Appendices I and II):

  - Habitat protection and management.
  - Training, awareness-raising and communication.
  - National and international legislation.
  - Recovery of the species.
  - Ex-situ conservation.

### IBERIAN LOACH (*COBITIS CALDERONI*)

- **Level of extinction risk:** Endangered (EN).
- **Location of the population:** the presence of *Cobitis calderoni* is limited to the basins of the rivers Duero, Ebro and Tajo, in Spain and Portugal. Population trend: decline.
- **Habitat and ecological features:** it lives in the upper and middle reaches of shallow rocky-bedded rivers.
- **Threats:**
  - Water management and use.
  - Dams.
  - Droughts.
  - Invasive species and diseases.
- **Conservation measures:**  
Species listed in Appendix III of the Bern Convention:
  - National and international legislation.



### MOTHER-IN-LAW'S SEAT (*ECHINOPSIS PAMPANA*)

- **Level of extinction risk:** Endangered (EN).
- **Location of the population:** *Echinopsis pampana* is a species endemic to Peru. Population trend: decline.
- **Habitat and ecological features:** this species grows in the Puna desert.
- **Threats:**
  - Land-based plant collection.
- **Conservation measures:**  
This species is found in the Salinas y Aguada Blanca National Reserve.



## Vulnerable species

### VULNERABLE SPECIES (VU)

Southern grey shrike	<i>Lanius meridionalis</i>
Northern lapwing	<i>Vanellus vanellus</i>
Iberian barbel*	<i>Barbus comizo</i>
Iberian-Roach*	<i>Squalius alburnoides</i>
Spanish cedar	<i>Cedrela odorata</i>
Black wheatear	<i>Oenanthe leucura</i>
Spanish pond turtle*	<i>Mauremys leprosa</i>
European chain fern	<i>Woodwardia radicans</i>
Gray-bellied night monkey	<i>Aotus lemurinus</i>
Common kingfisher*	<i>Alcedo atthis</i>
Mediterranean horseshoe bat	<i>Rhinolophus euryale</i>
Mehely's horseshoe bat	<i>Rhinolophus mehelyi</i>
Long-fingered bat	<i>Myotis capaccinii</i>
Queñua tree*	<i>Polylepis rugulosa</i>
Southwestern water vole*	<i>Arvicola sapidus</i>
Little bustard*	<i>Tetrax tetrax</i>
European turtle dove*	<i>Streptopelia turtur</i>
Snub-nosed viper	<i>Vipera latastei</i>

\* Species affected by more than one project carried out by OHL

## Near threatened species

### NEAR THREATENED SPECIES (NT)

Bonelli's eagle	<i>Aquila fasciata</i>
Hen harrier*	<i>Circus cyaneus</i>
Bar-tailed godwit	<i>Limosa lapponica</i>
Mediterranean barbel	<i>Barbus meridionalis</i>
European rabbit	<i>Oryctolagus cuniculus</i>
Dartford warbler	<i>Sylvia undata</i>
European pond turtle*	<i>Emys orbicularis</i>
Ocellated lizard	<i>Lacerta lepidus</i> or <i>Timon lepidus</i>
Iberian emerald lizard	<i>Lacerta schreiberi</i>
Red kite	<i>Milvus milvus</i>
Common bent-wing bat	<i>Miniopterus schreibersii</i>
Greater horseshoe bat*	<i>Rhinolophus ferrumequinum</i>
Lesser horseshoe bat*	<i>Rhinolophus hipposideros</i>
Lesser mouse-eared bat	<i>Myotis blythii</i>
Eurasian otter*	<i>Lutra lutra</i>
Chunky false brook salamander	<i>Pseudoeurycea cephalica</i>
Iberian spadefoot toad	<i>Pelobates cultripes</i>
White-rumped swift	<i>Apus caffer</i>

\* Species affected by more than one project carried out by OHL.

