

## Hochtief (2016) Company response

Hochtief responded with the following statement:

Although we haven't had construction projects in Qatar for three years\*, we can provide an overview of how we prevent abuses worldwide. We ourselves previously had construction sites in Qatar and these were flagship construction sites. We made enormous efforts to adhere to the highest standards around the world. This is not just a dictum for us, but an obligation.

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### **Information on the topic of human rights and working conditions at HOCHTIEF:**

All bids and any contracts will be made exclusively in accordance with our internationally applicable standards. These standards also apply to subcontractors, for example. Each of HOCHTIEF's subcontractors must accept and adhere to them everywhere in the world. This is monitored both by us and by external auditors. We do not make any exceptions here. We do not work in countries where these standards cannot be enforced.

So now we come to the detailed information about working conditions and social/ethical standards at HOCHTIEF. Details of our last construction site in Qatar (Barwa Commercial Avenue) can be found at the end of the document:

#### **1. Compliance at HOCHTIEF / Code of Conduct**

At HOCHTIEF, we have a strong tradition of conducting our business activities in accordance with ethical principles. The HOCHTIEF Code of Conduct (CoC) reflects these company principles and summarizes the rules for acting responsibly. It sets binding regulations on interaction with one another and conduct with business partners, subcontractors and government agencies. All HOCHTIEF employees worldwide are required to comply with these company principles and regulations. They form part of all employment contracts at HOCHTIEF. They apply to all national markets in which the Group does business. The CoC has clear stipulations on the topics you have mentioned.

Here are some excerpts:

- "Protection of human dignity

HOCHTIEF respects human dignity and is committed to compliance with and protection of human rights. Each employee is required to ensure compliance with these universally applicable fundamental rights."

- "Rejection of child labor

HOCHTIEF does not tolerate child labor or any form of exploitation of children and young people."

- "Rejection of forced labor

HOCHTIEF rejects all forms of forced labor. No employee may be directly or indirectly forced to work by means of violence and/or intimidation. Employees may be employed only if they have voluntarily put themselves forward for the job.”

- “Equal opportunities and ban on discrimination

Diversity within the workforce offers high potential. As a matter of principle, HOCHTIEF therefore hires employees with a range of different backgrounds and experience. All employees are called upon to create an atmosphere of respectful cooperation and to firmly oppose discrimination on the basis of race, ethnic origin, gender, religion or worldview, disability, age or sexual orientation.”

- “Health and safety

All employees in the various Group companies must help ensure a safe and healthy working environment. Strict adherence to our safety regulations and procedures is an essential requirement. Employees are required to report any violations of these principles to the responsible authorities within the company immediately. Any abuses must be stopped without delay.”

The right to form unions is regulated as follows in the HOCHTIEF Code of Conduct:

- “Right to form unions and right to collective bargaining

The employees’ right to form unions or organizations of their own choice for the purpose of promoting and protecting the interests of the employees and their right to join, leave or perform activities for such organizations is respected. This must not impede their ability to carry out their job. In the event that the right to form unions and the right to collective bargaining are limited by national standards, free and independent association of employees for the purpose of conducting negotiations must be made possible and permitted at least as an alternative. The employer and the elected employee representatives will work together in a spirit of mutual trust in the interests of the employees and of the company.”

If legal stipulations, practices or other rules applicable to a country in which HOCHTIEF operates differ from the stipulations laid down in the CoC, the stricter rules will always apply.

## **2. Code of Conduct for Contractual Partners**

HOCHTIEF also expects its partners to recognize social responsibility to their own company, clients, suppliers, and other business partners, to the environment, and to the company. The Code of Conduct for Contractual Partners sets out minimum standards that HOCHTIEF expects its customers, suppliers, and other contractual partners to comply with as a minimum. HOCHTIEF thus also ensures that third-party employees working on HOCHTIEF construction sites are treated according to ethical and social standards of the Group.

The provisions include the following:

“The Partner shall respect its employees’ right to freedom of association within the framework of the applicable rights and laws. It undertakes to respect the personal dignity, privacy and personal rights of each individual and not to tolerate unacceptable treatment of

employees, such as physical punishment, sexual or personal harassment, or discrimination. The Partner shall ensure that its employees are paid appropriate remuneration that complies with the legally stipulated minimum wage in the respective country. It shall also ensure that the maximum working hours stipulated in the respective country are complied with.”

The Code of Conduct for Contractual Partners of HOCHTIEF also requires that the partners ensure compliance with the rules by any other subcontractors/partners that they engage.

### **3. Social charter of the ILO**

In 2000, HOCHTIEF was the world’s first construction company to comply with the International Labour Organization’s standards. These ensure that women and men around the world can work under free, equal, safe and humane conditions. Examples of the provisions include:

- The freedom of association and effective acknowledgement of the right to collective bargaining
- The elimination of all forms of forced or compulsory labor
- The effective elimination of child labor
- A ban on vocational and workplace discrimination

HOCHTIEF is committed to upholding these standards and implement them at our construction sites everywhere in the world.

### **4. UN Global Compact**

HOCHTIEF has been a member of the UN Global Compact Initiative since 2008. The Global Compact aims to promote ten principles on human rights, employment standards, environmental protection and combating corruption. The ten principles of the Global Compact can be found at <http://www.unglobalcompact.org/AboutTheGC/TheTenPrinciples/index.html>. Further explanations on what the Global Compact is can be found at <http://www.unglobalcompact.org/AboutTheGC>. In June 2008, we also signed the German government’s Diversity Charter. We pledge under this charter to provide a working environment free of prejudice.

### **5. Code of Responsible Conduct for Business**

HOCHTIEF and other German companies have signed the “Code of Responsible Conduct for Business.” This also documents how HOCHTIEF assesses employment standards and the high priority it takes for the Group around the world.

### **6. Corporate Guideline for Occupational Health and Safety and Environmental and Climate Protection**

The corporate guideline for occupational health and safety and environmental and climate protection, updated in 2012, is based on the international occupational health and safety and environmental standards ISO 18001 and ISO 14001. It also deals with conservation of resources and active climate protection. It formulates the occupational health and safety and environmental and climate protection policies of the Group, while setting the minimum standards for environmental and occupational safety management for each division and

company. HOCHTIEF's corporate units are supported in the implementation of this Group policy by the OSHEP Center.

## **7. Organizational measures**

All employees are obliged to inform HOCHTIEF of any abuses. In a situation where an employee suspects that rules have been violated, the primary contact person is the employee's direct supervisor. If the employee cannot address the issue with his/her supervisor, the Compliance Organization is available as a point of contact. Group Audit also accepts tips. In addition, employees can report violations on an internal and an external tip hotline. The internal hotline connects whistleblowers with a contact person from HOCHTIEF's Compliance Organization, while the external hotline puts them through to an independent lawyer specializing in criminal law. The hotline is available worldwide. Moreover, Group Audit also conducts independent reviews. Of course, all employees who are represented by works councils or other co-determination bodies can also approach these. We maintain very close, trust-based cooperation with all of these bodies.

### **Now some information on the standards for our most recent major construction project in Qatar, the "Barwa Commercial Avenue":**

As mentioned above, the Barwa Commercial Avenue (BCA) project has now been completed. This is a 8.6 kilometer-long shopping mall in the capital, Doha, built between 2008 und 2012. Given the size of the project and the climate conditions in Qatar, HCOHTIEF faced exceptional challenges. The Group took these challenges very seriously from the beginning.

For instance, the company set up a special Health and Safety Department with more than 130 employees responsible exclusively for compliance with the aforementioned standards on the construction site. Occupational safety experts, identifiable by their green helmets, were on the construction site at all times, ensuring that the Group standards were adhered to. There was a separate clinic with doctors, outpatient care and three treatment rooms, along with daily inspections in every area of the construction site and weekly coordination meetings. Several thousand employees underwent HOCHTIEF's mandatory safety training. Accordingly, HOCHTIEF had a safety report with more than 100 million person-hours and only nine incidents (injuries etc.) – an exceptionally good rate. It should also be mentioned that air-conditioned trailers were in place at regular distances on the construction site so that anybody suffering from overheating could be treated rapidly and correctly. Furthermore, the working hours were arranged such that there were long breaks during the hottest times of day.

Apart from health aspects, good working conditions were also provided. For instance, an on-staff muezzin hired for the duration of the project called the Muslim workers to prayer three to five times a day. There were special prayer rooms located every couple of hundred meters on the construction site. The main construction site office also had a separate prayer room for employees. During the month of Ramadan, it was also ensured that out of respect, non-Muslim colleagues did not eat in front of Muslim colleagues or display food in the offices. Overall, HOCHTIEF attached great importance to ensuring that practicing Muslims were able to observe their religious duties unimpeded during Ramadan. To this end, there

were explanatory appeals to all non-Muslim employees requesting that they show their Muslim colleagues particular regard and respect during this time. Furthermore, HOCHTIEF ensured that on the construction site Muslim employees had to work only six hours per day during Ramadan but were nonetheless paid for eight hours.

HOCHTIEF also set up the "German School Doha," which began operations at the start of the 2008/2009 school year and is open not only to German children but to other nationalities as well. The kindergarten was attended by some 60 children from eight countries. HOCHTIEF took care of the start-up financing and construction, paid the rent on the school buildings during the project phase, and also provided staff for the school's founding.

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\*Habtoor Leighton Group, where HOCHTIEF-subsiidiary CIMIC Group holds a minority stake, operates independently in the market and is not included in this explanation.

**1. Does your company have a publicly-available commitment to human rights or to social responsibility? If so please share the link.**

[http://www.hochtief.com/hochtief\\_en/51.jhtml](http://www.hochtief.com/hochtief_en/51.jhtml)

<http://reports.hochtief.com/gr14/40.jhtml>

<http://reports.hochtief.com/gr14/41.jhtml>

**2. Please describe the nature and scope of your company's operations, including reference to current projects and business partners (herein 'business partners' inclusive of sub-contractors, suppliers, and joint ventures).**

Thank you for your questions with regard to Qatar. Currently HOCHTIEF has just started one project in this country. In May 2015 HOCHTIEF signed together with partners a contract for construction of the central section of the new sewerage network under the capital Doha. Our last construction site in Qatar was the "Barwa Commercial Avenue", a shopping street spanning 8.6 kilometers that was completed in 2012.