



Sustainability Report 2003/2004



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Sustainability Report
2003/2004

REFERENCE MODEL	SCOPE OF REPORT	CONTACT
This report has been prepared according to the recommendations of the Global Reporting Initiative 2002 Guide. For further information, see: www.globalreporting.com	The information is for the activities of FCC CONSTRUCCIÓN during 2003. It includes data for the two previous years to show our growth.	Quality and Training Directorate Institutional Relations Directorate We are at your disposal to clarify or provide further details of any information at: fccco@fcc.es We would also be grateful to hear your opinion on our vision of the future and the way in which we have described it. We would therefore be grateful if you could fill in the opinion form on the last page. The AENOR validation report for this report is available at: www.fccco.es

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While we attempt to reduce our operating costs to be competitive and to maintain our position as the reference company in the sector, our experience has given us a clear awareness of our responsibility towards society and towards the environment. We know that we cannot separate these aspects from the integrated management of the company.

Prosperity is not only a matter of financial growth but also of social progress, protection of the environment and the responsible use of resources. By integrating the culture of sustainability into our activity, not only are we contributing towards the improvement of the environment but we are also improving our position as a company.

In the last few years, FCC CONSTRUCCIÓN has notably modernised its management systems and has become a company that is increasingly efficient while improving its environmental and social behaviour.

We have incorporated in our corporate culture to the quantitative concept of "what to do" the concept of "how to do it" with a true desire of duration.

We intent to avoid risks and to take advantage of the opportunities of the present, typified by new challenges and where the need to be different is a factor for survival in an increasingly competitive market.

We have changed, in order to continue being the same: the reference company in the building sector since 1900, all within the context of strict respect for the codes of ethical conduct, by conviction, and more recently specifically with our voluntary adhesion to the Global Compact principles.



This first Sustainability Report, has been prepared in accordance with 2002 GRI Guidelines. It represents a balanced and reasonable presentation of our organisation's economic, environmental and social performance. It also means a sincere declaration of our undertaking with society, with the conviction that through knowledge and respect we stimulate dialogue with all the stakeholders by showing them how we are.

We have a long way to go but with the support of our shareholders, clients and suppliers and with the high level of skills and commitment of our personnel, the coming years will continue to be satisfactory and we will continue to generate well-being for society in general and for building the 21st century.

This is our business.

José Mayor Oreja
Chairman of FCC Construcción

01

Building the 21st century; our business

- Introduction
- Operational structure, products and markets
- Company management and organisation



Introduction

FCC CONSTRUCCIÓN handles the building activities of the FCC GROUP which, since 1900, has been the leading company in building in Spain in the 20th century and remains the reference company in the 21st century.

T1.1 FCC Construcción in figures (millions of euros)

	2001	2002	2003
Total Revenue	2,396.0	2,613.1	2,950.1
% growth	16.6%	9.1%	12.9%
National	2,233.9	2,438.3	2,847.3
International	162.1	174.8	102.8
Gross operating profit	114.0	123.7	140.0
% a/ Net revenues	4.8%	4.7%	4.7%
Net operating profit	83.1	92.2	103.2
% a/ Net revenues	3.5%	3.5%	3.5%
Result before taxes	87.1	92.6	103.1
% of turnover	3.6%	3.5%	3.5%
Dominant result	57.8	63.0	70.1
% a/ Net revenues	2.4%	2.4%	2.4%
Net operating resources (*)	83.8	89.4	114.5
Investment	31.3	96.7	100.0
Material	22.5	55.0	38.0
Financial	8.8	41.7	62.0
Net operational Costs (**)	518.6	451.2	511.3
Own funds	248.3	279.0	313.7
ROE	23.3%	22.6%	22.3%
Contracts	2,368.5	2,797.8	3,005.6
Portfolio	2,947.1	3,408.9	3,659.8
Months' coverage	14.8	15.7	14.9

(*) Ordinary pre-tax profit + amortizations + adjustments

(**) Short term financial assets + treasury - bank debt

T1.2 GCC Group in figures (millions of euros)

	2001	2002	2003
Total revenues	5,173.2	5,497.2	6,050.5
Ebitda	704.3	741.3	804.1
Equity	1,291.0	1,645.4	1,845.5
Investment	555.6	732.7	624.0

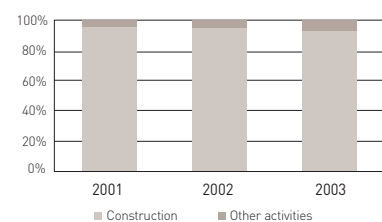
FCC CONSTRUCCIÓN VALUES

- Ethical relations with clients
- Respect for the shareholder, the persons in the company and suppliers
- Use of the most suitable technology
- Financial solidity
- Respect for the environment in company activities
- Management excellence

SHAREHOLDINGS IN COMPANIES

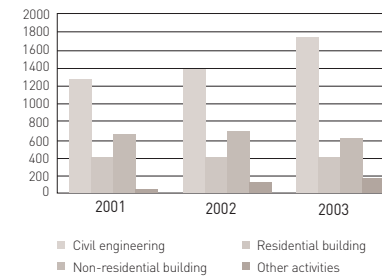
FCC CONSTRUCCIÓN has majority shareholdings in 40 national and foreign companies operating in the general building sector, engineering, maintenance of infrastructures, the petrochemical industry and concessionary companies.

G1.1 Business figures by activities

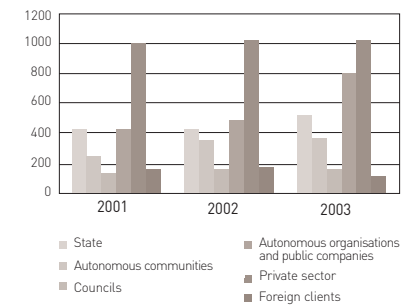


Large building projects by FCC CONSTRUCCIÓN such as the Picasso Tower and the Puerta de Europa towers in Madrid, the World Trade Center in Barcelona or the Science Museum in Valencia have become reference milestones in the main Spanish cities. In the last 10 years, some 100,000 homes have been built, with a total surface area of 11,000,000 m²

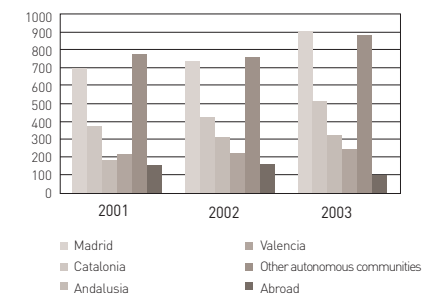
G1.2 Business figures by type of work (millions of euros)



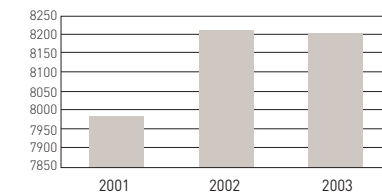
G1.3 Business figures by type of client (millions of euros)



G1.4 Production by geographic area (millions of euros)



G1.5 Growth of personnel



Being responsible for the building activities of the FCC GROUP, the company undertakes a wide range of work, both civil and building, on which it leaves its stamp of development and seriousness in complying with all its contracts. Its buildings involve all specialities in building, applying the most advanced technologies and maintaining a scrupulous care of the environment and providing the greatest added value.

More information at www.fccco.es

The company in figures

In a financial context featuring the strength of the building activity, the most dynamic sector of the Spanish economy in the last few years, FCC CONSTRUCCIÓN has shown a significant increase in its business and profits figures.

Income in 2003 reached €2,950.1 million, a growth of 23.1% over 2001.

The main activity of FCC CONSTRUCCIÓN is civil engineering, which in 2003 accounted for more than 58% of business. Building remained stable at around 35% with a slight tendency downwards in the case of non-residential building. Finally, activities connected with the area of diversification are growing and accounted for about 6% of income in 2003.

The main clients are governmental. In fact, the public sector has accounted for between 60 and 70% of income in the last three years. Activities abroad are still not relevant from the financial point of view, supplying between 3.5 and 6.8% over the last three years.

FCC CONSTRUCCIÓN employed 8,196 persons in 2003, with a growth of 2.7% over the previous two years. However, the number of employees has dropped compared to 2002, this reduction taking place in the "other salaried" category since a significant number of large projects ended in that year (see chart G4.2, page 49).



OUR WORK

Civil engineering

Motorways and roads

FCC CONSTRUCCIÓN has built thousands of kilometres of roads and motorways, a speciality which remains at the top of its building activity due to the volume of business it represents.

Railways

EThe railway transport sub-sector is one of the most dynamic for FCC CONSTRUCCIÓN due to the increasing investments in high speed and in the area of urban railways. Our company is permanently active in urban and suburban railways in Madrid, Barcelona, Bilbao and Lisbon and has built more than 70 km of high speed double track for the Madrid - Seville line as well as the Santa Justa station in Seville (winner of the Bieno National Architecture award 91-92), the Atocha station in Madrid (AVE, long distance and suburban) and the Delicias station in Zaragoza. Various sections of the Madrid - Barcelona high speed line have been or are being built as well as the rail accesses to the north-east of Spain (Guadarrama tunnel).

Bridges

FCC CONSTRUCCIÓN has used its own technology to build hundreds of large bridges of all types and shapes. They include fixed and swinging bridges, of steel and concrete and mixed, straight and curved, cable stayed and suspended, built on site on static centring, self-launching centring, pushed into place, by successive overhangs or using large floating cranes. Since 1991, various bridges have won Construmat awards at the International Building Show in Barcelona.

ACTIVITY	SOME REFERENCES
Motorways and roads	R-3 and R-5 toll motorways from Madrid to Arganda del Rey and Navalcarnero
	M-45 section II to O'Donnell axis in Madrid
	Cantabrian motorway, Torrelavega - Cabezón de la Sal, Lamadrid - Unquera and Carabia - Llovio sections
	Oporto - Valença motorway, Vila Boim - Gaia section, in Portugal
	Fredericton - Moncton motorway, in the province of New Brunswick, Canada
	Pau Casals motorway (Barcelona - El Vendrell), Sitges - El Vendrell section
	Baix Llobregat motorway, Martorell - Cinturón Litoral section in Barcelona
	M-40 Madrid bypass motorway, west and north junctions
	Algarve motorway in Portugal, Almodóvar - S Bartolomeu de Messines section
	A-381 motorway from Jerez to Los Barrios, section IV, Cádiz
Railways	Mediterranean motorway, Ibi - Castalla section. Alicante - Alcoy motorway
	Madrid - Seville AVE, Ciudad Real - Brazatortas section (43 km)
	Madrid - Barcelona AVE, sub-section II of Madrid - Mejorada del Campo section (11.1 km)
	Madrid - Valladolid, sub-section 0, Segovia - Garcillán of the Segovia - Valladolid section (11.8 km)
	Madrid - Badajoz line, modernisation and renovation of track. Madrid - Badajoz line, Aljucén - Badajoz section (52 km)

ACTIVITY	SOME REFERENCES
Bridges	Las Fuentes bridge in Zaragoza
	El Besós bridge in Barcelona
	Ferreiras y Coto viaduct in Piedrafita, Lugo
	Les Fosses bridge in Gerona
	El Alamillo bridge in Seville
Tunnels	Puente Real in Badajoz
	Guadarrama tunnels for the Madrid - Valladolid high speed line via Segovia (13.3 and 15.0 km)
Airports	Third runway and parallel taxiway for the Barajas airport, Madrid. 4,440 m
	Extension and improvement of runway and taxiways, Kingston airport, Jamaica
	Terminal building, Palma de Mallorca airport, 250,000 m²
	Passenger terminal, Santiago airport, Chile, 80,000 m²
	Terminals, Barcelona airport, 109,000 m²
	New terminal building, Barajas airport, Madrid
Oil and gas pipelines	Magreb - Europe gasoduct, 250 km
	Rota - Zaragoza oil pipeline, Loeches - Guadalajara section, 41 km
	Aranda de Duero - Soria gasoduct, section I, 114 km

Tunnels

FCC CONSTRUCCIÓN has experience in a multitude of underground projects, nearly 400 kilometres of road, rail, urban and water supply tunnels as part of larger contracts or as individual projects, representing its wide experience in this area.

It owns machinery to carry out projects of any size, such as the La Adelantada Tunnel Boring Machine (TBM) that can drill 20 m of 9.38 m diameter tunnel in a day. A 15 m diameter TBM is now being built.

Airports

FCC CONSTRUCCIÓN has been involved in numerous highly complex projects, such as the third runway for the Barajas airport in Madrid which, built in 18 months and 4,440 m long, is the longest in Europe; the new Madrid Barajas terminal, covering 450,000 m²; the terminal in Palma de Mallorca, covering 250,000 m² and with 160,000 m² of parking; and the passenger terminal at El Prat airport in Barcelona, a unique work built for the Olympic Games in 1992, to a very tight schedule.

Oil and gas pipelines

Either directly or through its subsidiary, APL, FCC CONSTRUCCIÓN has been actively involved in this market with a stable future in both Spain and abroad, where large scale projects have been carried out, such as the Magreb - Europe gasoduct. APL specialises in building, installing and maintaining pipelines for gas, oil and other inflammable liquids and builds high and low pressure pipelines and domestic connections.



Marine projects

Activity in this sub-sector has undergone great changes that have brought about a new ports culture as a result of increased goods flows, the increased demand for service quality or the requirements of inter-modality, factors that have led to important investments in projects to match them to the new demands of the market.

In line with this new situation, FCC CONSTRUCCIÓN has made a great investment in specialised machinery to respond to the requirements of port modernisation.

Projects include the Mar del Teide and Aneto floating docks, caissons makers owned by our company that manufacture floating boxes for new harbours and the split self-propeller barges Bocami and Acanto for tipping stone filling.



ACTIVITY	SOME REFERENCES
Marine projects	DOCKS Opening of new harbour mouth and dock in the port of Barcelona Floating harbour dock in the Condamine Port, Monaco
	COMMERCIAL DOCKS Mole and promenade in the port of Marín, La Coruña 1 st phase of the port of Badalona (Barcelona)
	COASTAL WORK Regeneration of the Fuentes del Gallo and Caños de Meca beaches, Cádiz Gros marine promenade, San Sebastián
	FISHING PORTS AND MARINAS Port of Cangas, Pontevedra Enlargement of fishing port, Agadir, Morocco Olympic port, Barcelona
Water infrastructures (1)	DAMS Dams in Gargáligas (loose material 25 m high, 1,600 m long at the crest) and Cubilar Rambla de Algeciras dam in Librilla, Murcia (loose material with waterproof core, 86 m high and 636 m long) La Fernandina dam, La Carolina, Jaén, 101 m Casasola dam on the River Campanillas, Almogia, Málaga, 76 m
	CANALS Guadiaro - Majaceite aqueduct Navarra canal, section I

ACTIVITY	SOME REFERENCES
Water infrastructures (2)	URBAN WATER SUPPLIES Supply of complementary flows to the area of Osona in Barcelona Negratín - Almazora connection, Almería
	SEWERAGE San Sebastián - Pasajes Bay sewerage, Guipúzcoa
	POWER Hydro-electric station in Mandeo - Zarzo, La Coruña
	IRRIGATION SYSTEMS Modernisation of irrigation in the Vega Media del Segura, left bank, Murcia Irrigation network and tracks for Segarra Garrigues canal Use of water for irrigation, northern and Victoria Gastáiz areas, Alava
	PUMPING STATIONS General pumping and conduits to WWPT, integral sewerage, Santander Bay Sea water pumping from the port of Valencia to the Arts and Sciences City, Valencia
Water treatment and purification	DWTP - El Atazar, 1 st and 2 nd phases, - Madrid (16 m³/s) - Khemissit, Morocco - Oviedo
	WWTP PSIM south, 2 nd phase, Madrid Pinedo, Valencia Baix Llobregat, sludge line, in El Prat de Llobregat, Barcelona
	SWDP Adeje - Arona Tenerife SWDP, 10,000 m³/day

Water works

The great geographical and seasonal irregularity of water resources in Spain forces the public administration to make constant investments in building large dams, canals, aqueducts and river basin defences. FCC CONSTRUCCIÓN has been constantly involved in creating these infrastructures - in the last 15 years it has built more than 25 large dams of various types: gravity, gravity arch, loose material of various types and the latest of roller-compacted concrete (RRC).

Water treatment and purification

Between 1979 and 2003, FCC CONSTRUCCIÓN has built 128 water treatment stations of various types, with a total flow of more than 4,500,000 m³/day, serving a population of over 25 million in Spain, Portugal, Jamaica, Puerto Rico and China and has various R&D projects under way that allows it to maintain its technology resources updated and its leading position in the market.





Building and renovating

Residential building

Society now increasingly demands housing and of a quality that matches the financial effort involved in buying it. FCC CONSTRUCCIÓN has known how to respond to this growing demand with a wide geographical implementation that allows it to provide personalised attention to its work by adopting proven management methods and the latest building systems to rationalise the undertaking and to comply with its contractual commitments.

Achieving a quality product in the shortest possible time and at the lowest cost to the promoter has been the tonic for more than 60,000 new homes built over the last five years, of the widest range of types.



ACTIVITY	SOME REFERENCES
Homes and estates	HOMES 852 homes in Madrid Sur Pavones 400 homes in Las Lomas, Guadalajara 548 homes in Txurdinaga, Bilbao 677 homes in the Las Rosas estate, Madrid URBANISATIONS Urbanisation of 20.7 hectares next to the Olympic Village in Barcelona La Llanos de Jarata estate, Córdoba, 328,000 m² Urbanisation of the estates in Las Tablas and Montecarmelo in the north of Madrid, with a joint area of 6,180,000 m² for urban use Urbanisation of the Principality of Asturias business estate in Avilés
	Picasso tower, Madrid World Trade Center building in Barcelona Polytechnic college in Burgos Gregorio Marañón maternity and children's hospital, Madrid Hilton Hotel in Barcelona World Trade Center Hotel in Barcelona 'Joan Gamper' sports centre 'Prince Philip' Science Museum, Valencia

ACTIVITY	SOME REFERENCES
Non-residential building (2)	Shopping centres for El Corte Inglés in Barcelona, Madrid, Palma de Mallorca, Badajoz, Santa Cruz de Tenerife, Alcalá de Henares and Cádiz Regional parliament building, Madrid Izaña meteorological observatory, Tenerife Law courts building, Valencia SEAT factory installations in Martorell, Pamplona and Zaragoza Municipal Conventions Centre, Madrid Port Aventura, Tarragona Universal Oceanographic Park, Valencia
	Calderón de la Barca theatre, Valladolid Carlos III University, Madrid: renovation of 18th century building from the architect Sabatini Enlargement of the Casón del Buen Retiro (Prado Museum) Casa de Correos in the Puerta del Sol for the head office of the Community of Madrid National Art Museum of Catalonia Renovation of the National Library, Madrid Palace of Agriculture as the new headquarters of the Lliure theatre, Barcelona

Non-residential building

The non-residential area includes buildings of various uses such as institutional, business or teaching. FCC CONSTRUCCIÓN has experience in building an infinity of representational buildings designed by the most prestigious architects, both Spanish and foreign, providing a varied sample of Spanish contemporary architecture which, in many cases, include the most advanced intelligent building techniques. The buildings in this item are very varied and range from industrial complexes, public and private office buildings and a multitude of one-off buildings.

Renovation

The protection of the catalogued historical heritage and the restoration of representative buildings is a guarantee for the safekeeping of the cultural inheritance. FCC CONSTRUCCIÓN puts its wide and multi-disciplinary team of specialist to work applying the most effective methods and techniques. Typical examples are the adaptation of a 17th century hospital, Las Cinco Llagas in Seville, as the headquarters of the Andalusian Parliament or the renovation of a famous theatre, the Jovellanos in Gijón.



Public Private Partnerships (PPP's) and other activities

Public Private Partnerships (PPP's)

Through PPP contracts for public works, FCC CONSTRUCCIÓN is involved in building and operating projects, either by itself or as a shareholder in the companies formed for the purpose.

Engineering

FCC CONSTRUCCIÓN is involved in the engineering field through its subsidiary, PROSER, specialising in the phases of project development from planning and support engineering to preparing studies and designs for civil, industrial and building engineering and managing and controlling the building and turnkey projects.



ACTIVITY	SOME REFERENCES
Concessions	World Trade Center, Barcelona, SA
	Transportes Ferroviarios de Madrid, SA
Concessions	Arturo Merino Benítez airport, Santiago, Chile, for more than 6 million passengers
	Concesiones de Madrid, SA
Concessions	Shadow toll motorway between Abrantes and Guarda, Portugal, 176 km, through Ramalho Rosa Cobetar, a subsidiary of FCC Construcción
	Parque Temático de Madrid, SA, the company owning the Warner Bros theme park in San Martín de la Vega
Engineering	MOTORWAYS AND ROADS
	M-50 motorway: section N-II, N-IV and extension of the connection of the N-II with the eastern distributor, south-east axis, M-40 - M-50 section
Engineering	Llobregat motorway, Sallet - Bergueda section
	RAILWAYS AND UNDERGROUND SYSTEMS
Engineering	Light railway in the Diagonal Baix Llobregat corridor, Metropolitan Area of Barcelona
	Madrid - Albacete - Community of Valencia high speed line in section I, Madrid to boundary of Community of Valencia
Engineering	WATER WORKS
	Regulation of the Segría Sur, Lérida
Engineering	TECHNICAL ASSISTANCE TO SITE MANAGEMENT
	Inspection of the work of the R-2 toll motorway from Madrid to Guadalajara and the M-50 Madrid ring motorway, sub-section from the CN-II to the CN-I

ACTIVITY	SOME REFERENCES
Integral infrastructure maintenance	A-6 Madrid to Villalba and N-VI from Villalba to Guadarrama
	N-II from Madrid to start of Guadalajara province
Integral infrastructure maintenance	N-II in the province of Lérida
	1000 km of roads for the Government of Castilla-León
Integral infrastructure maintenance	South-west roads for the Government of Andalusia
Corporate image	Adaptation of corporate image for Repsol
	Implementation of corporate image for Renault
Corporate image	Implementation of the corporate image in 350 banks branches , 121 in Italy
Prefabrication	SUPPLY OF PIPES
	Supply to Lérida of 31.8 km post-stressed reinforced concrete pipes with sheet sleeve and elastic joints, internal diameters 1200 and 1000 mm with maximum working pressures of between 2.5 and 15 atmospheres
Prefabrication	SUPPLY OF SLEEPERS
	Córdoba - Málaga high speed line, Córdoba - Bobadilla section: 334,000 type AI-99 sleepers

Integral infrastructure maintenance

The last decade has seen the growth in Spain of a significant part of public budgets for the integral conservation of infrastructures, it being increasingly normal to contract the conservation to specialised companies. FCC CONSTRUCCIÓN has an important share of this market through its subsidiary, Matinsa, which specialises in the integrated conservation of motorways and roads, large infrastructures, maintenance of water works and forestry and environmental restoration work.

Corporate image

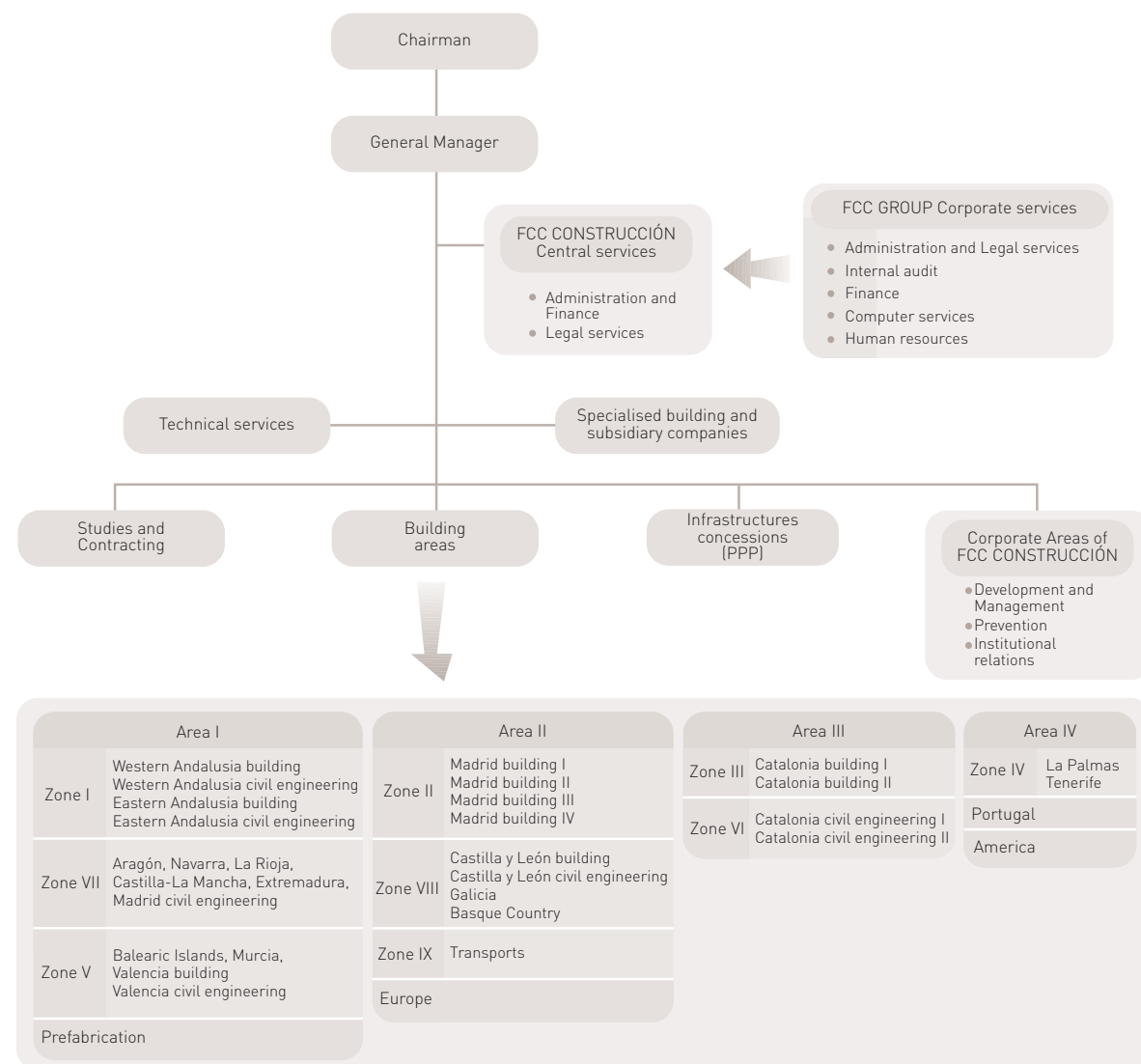
Megaplas is a subsidiary of FCC CONSTRUCCIÓN that specialises in the design, manufacture, installation and maintenance of corporate and institutional signposting and image elements. It has one of the most modern installations in Europe, with a productive area of 10,000 m² and is equipped with the latest technological advances in the area of corporate identification, signposting of large areas and signalling. It is the leading manufacturer in Europe by installation capacity.

Prefabricated parts

FCC CONSTRUCCIÓN is involved in the prefabrication market through its subsidiary, Prefabricados Delta SA, which has installations in Humanes (Madrid), Puente Genil (Córdoba) and Corella (Navarra). Its installations, equipped with the most modern technology and equipment, manufacture a wide range of products up to final finish, autonomously and without depending on external companies, since they have all the necessary auxiliary elements: concreting stations, accelerated curing using steam, boiler making workshop (for manufacturing the metal components of the prefabricated parts), movement of large parts and its own laboratory for checking raw materials and finished parts.

Building the 21st century; our business

Operating structure, products and markets



Further information in www.fccco.es

Operational structure

FCC CONSTRUCCIÓN has a clear organisational structure, a strict hierarchical line, a precise definition of individual objectives and a strict definition of individual responsibilities. The operational organisational line is that of a decentralised model, both geographically and functionally, through three areas of activity:

- Building.
- Infrastructures concessions.
- Specialised building and subsidiary companies.



BUILDING

From the mercantile point of view, this activity sector is mainly carried out by the mother company FCC CONSTRUCCIÓN through 26 branches grouped into nine zones and four areas.

The branches allow suitable control over the projects and an efficient proximity to the client. Their configuration matches their specialisation (civil engineering, building, rail transport) or geographical criteria.

International activity is based on a stable presence in certain countries through shareholdings in local building companies with prestigious partners that allow the local market to be catered for or in specific actions in large projects within the framework of a concession (PPP).

INFRASTRUCTURES CONCESSIONS

In Spain, FCC CONSTRUCCIÓN participates in tender bids for infrastructure concessions in groups with other building companies, operators and first level financial groups, with significant shareholdings in the concession companies.

Abroad, the objective is to bid - also in multi-faceted groups - in countries with a guaranteed stability and economic outlook, with the condition of participating in the building of the infrastructures in the concession.

SPECIALISED BUILDING AND SUBSIDIARY COMPANIES

This section includes building undertaken through specialised companies. The policy of investing in the area of diversification is based on opening new business lines:

- With products or services with greater added value than that of building.
- With potential for growth in new markets or markets that have still not matured.
- With wide client bases that do not depend on the public budgets.
- Without massive employment of unskilled labour but also without a strong dependency on highly qualified staff.

The shareholding policy is based on the following criteria:

- The taking of shareholdings in companies or the acquisition of parts of the company, already consolidated and with a business volume that justifies a new line of activity.
- The possibility of participating in the management (industrial investment, not financial) and the overall consolidation of the turnover and other economic and financial data.
- Investment recovery over the medium term.

Building the 21st century; our business

Operating structure, products and markets



Technical Services, a differentiating factor

Within the highly competitive market in which building companies move, technology is a key factor. FCC CONSTRUCCIÓN has highly qualified technical services which provide specialised support to the different branches of building technology in which we work. They are structured into four directorates, under the General Directorate of Technical Services.

Technical Management

This consists of the Structures, Geology and Road Infrastructures services, the Technical Service and the Project Support Department, which have teams specialising in the design and building systems for bridges and concrete structures, motorway and railway routes, geology and underground work, water works, marine work and building as well as the Central Materials Testing Laboratory.



SOME AWARDS AND RECOGNITION FOR WORK BY FCC CONSTRUCCIÓN

- Segovia Aqueduct Award
- Construmat Award for Technological Innovation in various building projects
- Grupo Editorial Código Award for the best project in Spain in 2000
- 43rd FAD Architecture Award
- Puente de Alcántara on several occasions
- FIBES Award for renovation
- Spanish Architecture Award 2003, by the Spanish Architects' Association
- Global Road Achievement Award for the A-381 motorway
- Environmental award from the Canadian Construction Association for the Fredericton-Moncton motorway (Canada)

MEMBERSHIP OF ASSOCIATIONS

- AENOR
- American Association of Civil Engineers (ASCE)
- American Concrete Institute (ACI)
- Scientific/Technical Structural Concrete Association (ACHE)

- Association of Control Organisations (ASORCO)
- Spanish Association of Geology Applied to Engineering (AEGAI)
- Spanish Association of Tunnels and Underground Work (AETOS)
- Spanish Quality Association
- Technical Association of Ports and Coasts
- Contractors' Chambers
- Spanish National Large Dams Committee
- National Building Federation (CNC)
- Advisory Council for the Certification of Building Companies
- Council of Tall Buildings and Urban Habitat (CTBUH)
- ENCORD
- SEOPAN
- Spanish Rock Mechanics Society (SEMR)
- Spanish Soil Mechanics Society (SEMS)
- Spanish Soil Mechanics and Geology Society
- Spanish Dams and Reservoirs Society (SEPREM)
- Spanish Road Association (AEC)
- Road Technology Association (ATC)

Quality and Training Management

Includes the quality, R&D and training services as well as the environmental, audit and information and documentation departments. It maintains the company management system, provides the necessary training in quality and the environment and provides the audit system for projects, offices, zones and central services. The training service manages the company's training plan and supports the technical and financial planning of projects.

Machinery Management

Acquires, maintains and operates machinery and auxiliary equipment by renting them to projects. It has large self-launching cantilevers for building bridges with arches, tunnel borers, robots, floating docks for caissons erection, split self-propeller barges, dynamic positioning control equipment, side-scanning probes, gravel, concrete and asphalt mixing plants, spreaders for surfaces and canals, compacters, cranes and all general machinery and auxiliary equipment required for building work that is not easily found in the market or which is more profitable when owned for continuous use.

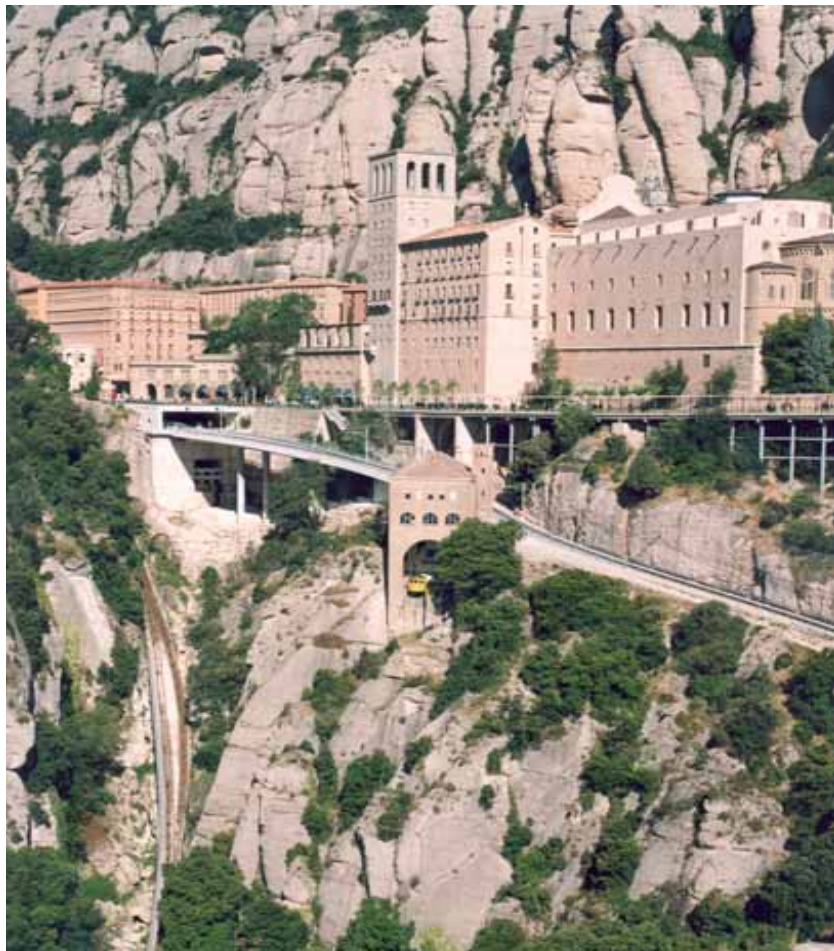


Building the 21st century; our business

Operating structure, products and markets

Special Systems Management

This Management includes the purchasing service, that supervises national contracts for the products most commonly used in all projects, supports them in specialised purchases, co-ordinates the zone purchasing departments and manages the suppliers database. It includes the computer service that develops and maintains the systems and applications and maintains the network that FCC CONSTRUCCIÓN uses to connect its projects and work centres and the Special Projects Service that supports projects and building systems involving metal, mixed and other special structures such as prestressed and mobile structures.



Optimising the use of resources
is seeing the same things in a different way

Corporate Management

The shareholding of FCC CONSTRUCCIÓN is owned exclusively by the FCC GROUP, which means that the Group's management standards apply to our organisation.

Directors are appointed by the FCC GROUP and are therefore honorary except for the Chairman, who has executive powers. The statutes allow their indefinite re-election, several times, for five year periods, there being no limit as to age or mandate.

No director receives fees except the Chairman, due to his executive functions.

Updates and further information:
Annual Report of the FCC Corporate Management (www.fcc.es)
Board of Directors (www.fccco.es)

FCC GROUP EXECUTIVE COMMITTEE

It undertakes all the functions and powers for developing business, with wide powers to manage, administer, manage property and represent the company

FCC GROUP AUDIT COMMITTEE

Provides support by monitoring economical and financial information periodically, together with internal controls and the independence of the external auditor



02

Building a better world together

- Vision and strategy for the future
- Transparency and participation
- Generating wealth



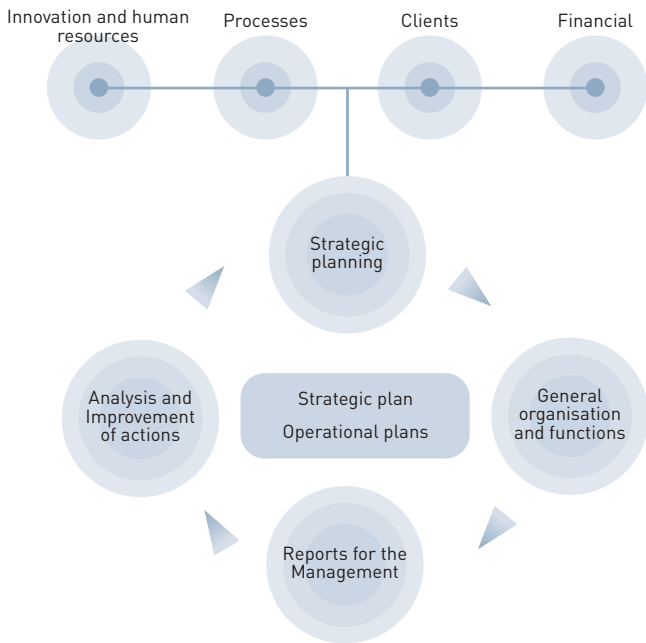
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Building a better world together
 Vision and strategy for the future



Within the construction sector, FCC CONSTRUCCIÓN seeks to promote the transformation of society towards more sustainable models that ensure the well-being of future generations and the creation of long-lasting value for the company.

An analysis of the financial, social and environmental situation in which we operate gives rise to policies based on the principles of action that allow risks to be minimised and responses that allow opportunities to be discovered in which we all gain. These policies are expressed in management systems that allow us to control the results and to design plans for continuous improvement.



FCC CONSTRUCCIÓN'S
 STRATEGY

Designed by the executive committee, FCC CONSTRUCCIÓN's strategy is based on:

Consolidation as a reference company in the construction sector

As a construction company, has a stable presence in countries with a specific economic development and a level of infrastructures that is likely to generate an important demand for new projects

Diversify, both in products and markets, by developing other activities that complement the main one and allow maximum profitability from the available knowledge and resources

Increase its presence in the professional sector to reduce its dependency on the main activity as a protection against changes in the economic cycle and to improve profitability for the shareholder

Risks	Responses that make us different
Operating risks - Effects on structures adjoining the site - Legal non-compliance - Variations to the tender - Behaviour of partners (suppliers, sub-contractors and clients) - Stoppage of work due to pressure from neighbours	- ISO 9001 quality system, firmly implemented throughout the organisation - Continuous support to operational units through technical services with highly qualified personnel - Viability analysis of all proposed solutions - Public liability insurance for all projects - Strict tracking and control of all legal compliance - Joint responsibility for shared projects - Training and education for sub-contractors - Optimisation of contracts by continuous evaluation of suppliers - System for communicating with society to solve disagreements
Environmental risks - Effect of the fight against climate changes on the price of resources - Buildings consume between 35 and 40% of the total energy demand in Europe - New standards forbidding the use of certain materials - Impacts of the generation of wastes, atmospheric emissions and tipping in normal and accidental conditions - Complaints and non-compliances	- ISO 14001 environmental management system to control and continuously improve environmental behaviour in all our projects - Construction of more energy-efficient buildings - Design and application of good practices that go beyond legislation - R&D in new building materials, re-cycled materials and optimisation of wastes management
Technological risks - Machinery obsolescence and failures - Technological dependency - Appearance of new technologies and constructional challenges - Electronic insecurity	- Own specialised machinery - Rigorous maintenance plan for installations and machinery - Continuous training for all personnel - Application of the best technologies in all projects - Permanent updating of technological capability through R&D and participation in specialised conferences - Information access control and backup systems

2

Building a better world together

Vision and strategy for the future

Improving the present
to guarantee the future

Risks	Responses that make us different
Market risks The cyclical nature of the building business Increasing materials prices due to increasing demand caused by emerging economies entering the market Increased foreign demand for housing (immigration and residents) Capacity for adaptation to new needs (activities) and locations Distortion of the housing market (real estate bubble) Difficult balance between cosmopolitanism and proximity to the client Client's increased debt level Increase of population with low acquisition power	Diversification of activities Acquisition of auxiliary companies in the sector Good position for association with local companies De-centralisation of production and persons Large financial capacity Study and selection of clients R&D in building techniques that are accessible to weaker economies
Human capital risks Knowledge migration and loss of intangible assets Affects of health and safety at work and criminal and civil liability Increase in unskilled foreign labour	We take actions to ensure that there is satisfaction and interest in forming part of and remaining in the company Policy for health and prevention of risks at work Solid support for improving human and technical possibilities for advancement, preventing discrimination at all times, both for own personnel and that of sub-contractors We encourage communications channels with the local community
Political risks Changes in international political conditions (increase in oil prices, less/greater international involvement) Public sector budgetary limitations Re-orientation of the policy for infrastructures and public works Difficulties of working in areas with political instability or terrorist threats Increased public insecurity (illegal occupation, terrorist attacks, thefts, etc)	Foreign projects are only contracted with financement of multilateral organisations Good practices to optimise energy use Financial resources and experience for the extra-budgetary financing of public works Increased site access security Local contracting Solidity and confidence to set up alliances with local companies Systems to increase security of infrastructures and buildings. Insurance policies optimised to protect the company's property

Risks	Responses that make us different
Financial risks Increased interest rates Imbalances in the price revision indices Changes in payment schedules in the supply chain due to changes in legislation Exchange rates Bankruptcy of clients	Long term operations are carried out at a fixed rate of interest over periods that match the maturity cycle of the operation Purchase of contingencies by open contract Care in relationships with suppliers and sub-contractors Financial mechanisms for social promoters Contracting of coverage and financial operations in the same currency as that of the asset Study of clients' solvency



Transparency and participation



All the groups with whom we have relationships (stakeholders) help us to understand the emotional, social and cultural contexts in which we act, in order to use these experiences to innovate.

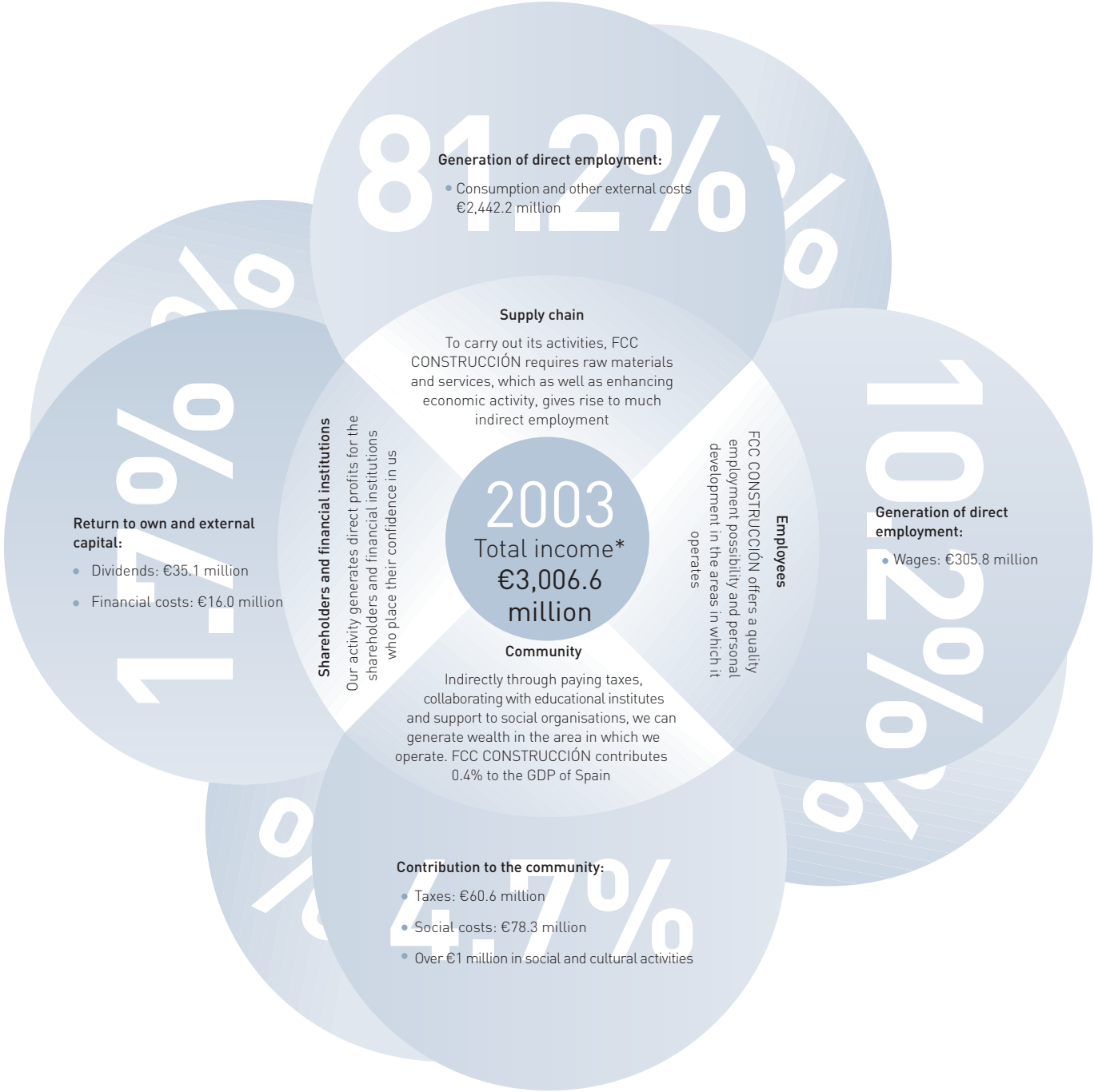
For this, we set up communications channels to respond to their needs and to understand their future expectations, as shown in the following table.

PUBLICATIONS
Accessible on www.fccco.es and www.fcc.es ■ Environmental communication (biennial) ■ Prestige book ■ Annual reports ■ Informational leaflets ■ Papers and articles ■ Videos and technical reports ■ News bulletins ■ Reports ■ Building techniques magazine

Stakeholders	Features	Information needs	Main communications channels
Employees	Without doubt, the work team is the pillar on which the success of our activities is based	Values, objectives and standards for action Prevention of risks at work Degree of compliance with objectives Professional advancement Business results The company's projects	Hierarchical line Professional organisations Intranet Co-ordination meetings Department of information and documentation Satisfaction surveys Group information bulletins
Our closest environment	Because of their closeness and because they are the first to gain or lose due to the companies' external environmental, social and financial factors, local communities in which we operate are also an influential group	Project schedules Nuisance activities Cuts in supplies Project objective Risks of affecting adjoining properties	Information points on sites Signs, leaflets and signposting Record of disagreements, complaints and claims Record of institutional relations Web

Stakeholders	Features	Information needs	Main communications channels
Own offices, branches and subsidiary companies	The capacity of the corporate area is based on its own design and putting into practice of common strategies	Interests, experiences and good practices to face new challenges and future developments that allow us to be more competitive	Web Publications Annual reports Minutes of the Quality Committee
Strategic partners	Taking into account alliances, both current and future, we are aware that, when taking decisions, corporate policies in environmental and social matters are beginning to be valued as a guarantee of good management	Strategic objectives Shared responsibilities Relationships with clients Resources made available to the project	Valid intermediaries, in accordance with their geographical and hierarchical organisation Common documentation of previous actions Through business and sector associations, organisations and forums Publications
Suppliers	Guarantee to clients that the products and services meet quality, pricing, environmental and social requirements depend on the influence of our companies on the supply chain Likewise, this group of companies grows with us, relying on our capacity to generate business for their investments	Requirements of quality, price, service capacity and environmental and social respect of the contracted products and services	Collaborating in R&D projects and training courses Obralia website Purchasing specifications Evaluation of suppliers and tracking audits Working instructions Guides to good practices
Companies in the sector	Collaboration with other companies in the building sector, beyond temporary alliances, are very important for defending common interests and for evaluating society's reaction to our activity	Impacts on the organisation of the application of new standards Business strategy and results Policies and actions relating to safety and the environment Technological innovation	Valid intermediaries, depending on their geographical and hierarchical organisation Common documentation of previous actions Through business and sector associations, organisations and forums Publications

Stakeholders	Features	Information needs	Main communications channels
Clients	Activity in the sector is strongly influenced by the support of governments and private clients in updating infrastructures due to the growing demand from users and the increasing demand for provisions There are clients who are starting to evaluate the organisation's environmental behaviour and even connect the contract award and the payment of certificates to good environmental behaviour	Technical and project development queries during the undertaking phase Environmental effects of the project and compliance with environmental management plans Quality Assurance in the undertaking of the units in the project. Safety during building and preventive measures adopted	Intermediate for each level of client, depending on their geographical and hierarchical organisation Satisfaction surveys Record of institutional relations Record of complaints and claims Personalised treatment allows us to investigate their requirements and offer proposals for action Publications Visits to sites of interest
Trade unions	Their negotiating work in social and work quality matters helps us to understand the needs of our employees and to improve the management of the human capital in our company	Health and safety at work Contracting and marketing policy Training plans	Company committee Trade union representatives
Communications media	They are the objectives of our communications actions due to their capacity for influencing society's perception of our activities	Business figures Accidents at work Environmental behaviour New building solutions	Web Notes, press releases and press conferences Annual reports Publications
Governments	Given their regulatory power and institutional support, they are among the most influential stakeholders	Statistical data Legal compliance	Through sectorial organisations (SEOPAN, CEOE, CNC) Chairman's office Publications Surveys



* Including business figures, other operating income and financial income

03

Permanent improvement, the basis of our management



- Integrated management system
- Value and satisfaction for the client



Our management system
complies with
UNE-EN ISO 9001:2000
and UNE-EN ISO
14001:1996



90%
of clients value our work
with the highest
qualifications

Future challenges

- Strengthen our leadership in the building sector
- Continue to improve our clients' perception of quality in projects
- Improve the mechanisms for eliminating non-conformities

3 Permanent improvement, the basis of our management

Integrated management system



The management system sets the standards for the operation of organisations, including the undertakings assumed in our policies and defining the appropriate mechanisms to make reality the continous improvement.

It includes all the processes within FCC CONSTRUCCIÓN from the bidding phase to the end of the project, as well as the supports set up to achieve the objectives fixed in the Operational Plans and the way in which their compliance is evaluated.

All the relevant processes are identified and described in the organisation's General Management System and are structured in a flow chart that identifies the chain of activities, the persons responsible, the information to be used and the information that results.

The processes in the system ensure that the products and services meet their requirements.

Management processes

These are structured in four phases for action into which any activity is divided:

- Planning (strategic planning)
- Implementation (general organisation and functions)
- Control (reports for management)
- Revision, analysis and improvement of actions

These are processes that control actions in the upper levels of FCC CONSTRUCCIÓN and are therefore key to the good operation of the rest of the company's processes.

POLICIES THAT GUIDE OUR ACTIONS
Policy of Quality
Policy of Environment
Policy of Prevention of risks at work
Policy of Clients
Policy of Employees
Policy of Suppliers

INDICATORS AREA
FINANCIAL
Indicators relating most directly with financial management
CLIENTS
Indicators that form elements for evaluating the clients' degree of satisfaction
PROCESSES
Indicators that give an idea of the efficiency of the internal processes and of the quality of the actions carried out
INNOVATION AND LEARNING
Indicators that allow the evaluation of the R&D and human resources training actions

Processes in the value chain

This group includes all those processes that directly affect the management and undertaking of the services that are FCC CONSTRUCCIÓN's reason for being.

- Contracting
- Planning and undertaking of projects
- External relations

Support processes

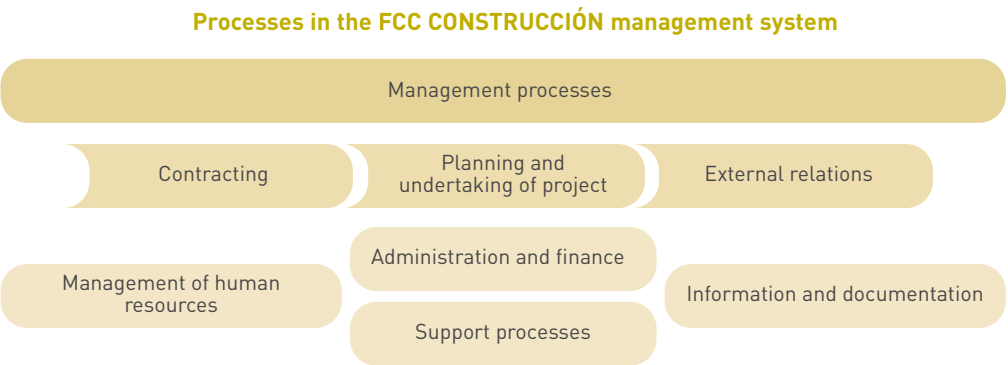
These are an essential complement to the above processes:

- Administration and finance
- Management of human resources
- Auxiliary processes
- Information and documentation

Data are collected periodically to judge the effectiveness of our actions, allowing us to analyse trends, judge the degree to which objectives are met and to design proposals for improvement. This responsibility falls on the professional organisations in cascade; with quality control at the head, these are:

- Division committees, in six groups:
 - Building, specialised construction and subsidiary companies, international building, concessions, studies and contracting and technical services
- Zone committees (in each of the zones into which building is divided)
- Branch committees (in each branch in each zone)

Additionally, the quality committee carries out an annual revision, studying and evaluating the degree of effectiveness of the improvement proposals implemented and how to make the management system more effective.



Quality in management and in all FCC CONSTRUCCIÓN's activities is present in its daily activities and is focused on achieving the satisfaction of its clients, employees, shareholders and society in general.

The special attention that our clients deserve is shown in a specific policy aimed at this group and in a bunch of actions that allow us to know their expectations and to satisfy them.

Our confidence in our quality control system allows us to commit ourselves to quality standards for the work units that most affect users, and which must be achieved, even if the cost of doing so exceeds the contract price.



FCC CONSTRUCCIÓN was the first company in the sector in Spain to achieve ISO 9000 certification

QUALITY POLICY

FCC CONSTRUCCIÓN's actions are aimed at permanently improving as a leading company in the building sector, for which it has set up the necessary measures to:

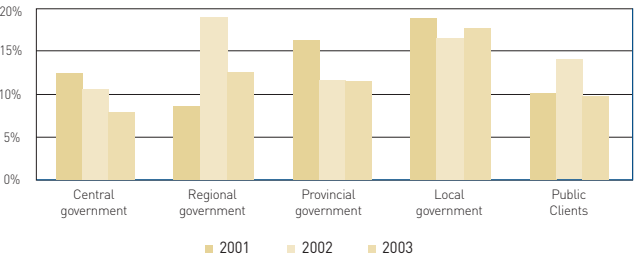
- Ensure its clients' satisfaction
- Guarantee its personnel the necessary level of training to carry out their activities
- Implement working conditions that provide satisfaction and security to employees
- Achieve a level of profits sufficient to repay the capital invested

Undertaking with clients

Focused on guaranteeing our permanence in the market, we have created suitable conditions and a company culture aimed at:

- Treating our relations with our main clients with special care and searching for new forms of collaboration
- Together with public clients, promoting actions that encourage technical progress and that favour the spreading of the culture of sustainability
- Increasing the geographic areas in which we act with clients in new strategic countries
- Through them, searching for diversification into other sectors that complement the building activity

G3.1 Market share with public clients

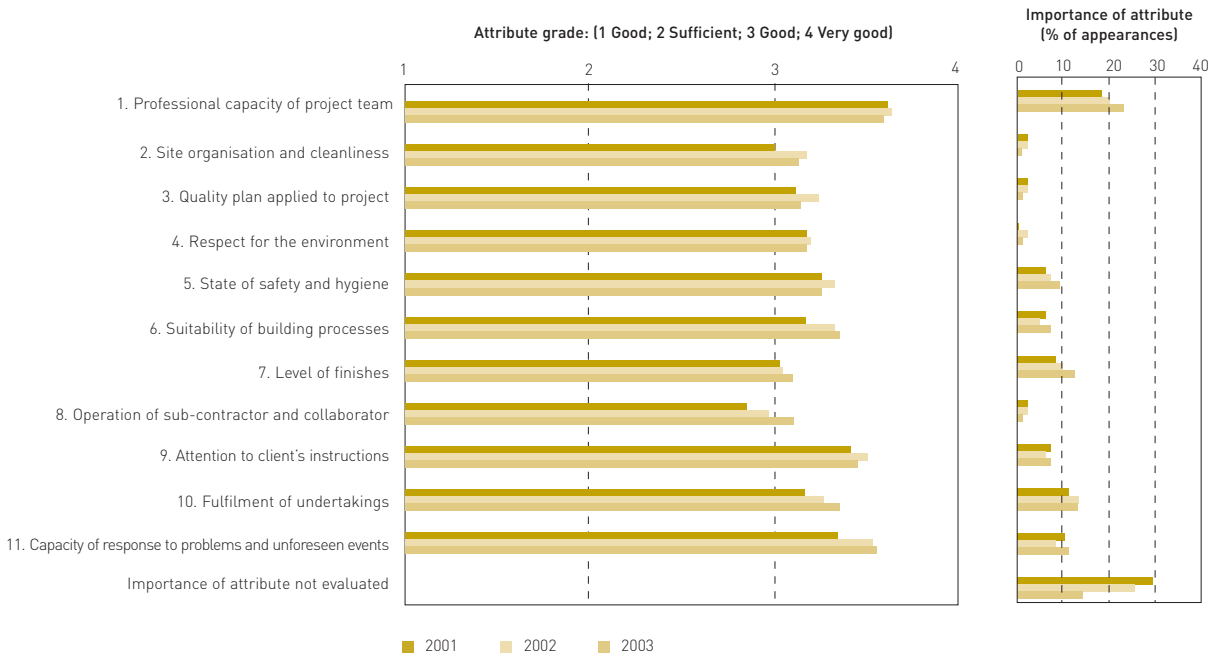


3

Permanent improvement, the basis of our management
 Value and client satisfaction

Clients’ current and future expectations are met by interviews in the tender, project revision and undertaking phases. Likewise, the development of the market is tracked as well as the appearance of new products, by comparing with companies in the sector, information from suppliers, specialised magazines and other sources.

G3.3 Attributes and evaluation of quality results



Evaluation of projects

Currently, a specific survey is carried out at the end of each project in which the client evaluates 11 attributes that allow us to design plans to focus our efforts on those considered most important and in which we have achieved lower scores.

On the basis of Very Good or Good scores, in 2003 this level was reached in 90% of cases; these were specifically maintained as the most valued attributes, as well as the professional capability of the work team, which achieved the best qualification, and attention to the client’s instructions and the capacity to respond to problems and unforeseen circumstances.

The scope of the FCC CONSTRUCCIÓN management system has exceeded the limited of its activities. One example is the adoption of its methods by some investing organisations when preparing project quality plans

Non-conformities, complaints and claims procedure

FCC CONSTRUCCIÓN gives priority to handling complaints and claims and has defined the activities and responsibilities from the moment the complaint is made until the matter is resolved.

The complaints and claims process includes the opening of a report, communication with the client, its study and evaluation, the starting of the actions needed to resolve it, the communication to the client of the actions carried out and the closure of the complaint or claim with the agreement of the client or user.

During 2003, this communications mechanism increased in activity. Far from being a negative development, this reflects the increased effectiveness of this service. This effectiveness is also seen in the shorter times taken to resolve these disagreements.

More important	SHORT TERM OPPORTUNITIES Level of finishes Fulfilment of undertakings	DIFFERENTIATING BUSINESS FACTORS Professional skills of the work team State of safety and health Capacity to respond to problems and unforeseen circumstances
	MEDIUM TERM OPPORTUNITIES Order and cleanliness on site Quality plan applied to the project Respect for the environment Functioning of sub-contractors and collaborators	FACTORS TO BE MAINTAINED Suitability of building processes Attention to the client's instructions
Less important	Lower ratings	Highest ratings



04

We invest in
human capital



- Taking care of our people
- Collaboration with the supply chain
- Commitment with society



99.6%
of our personnel
are employed full
time



Accident rate
lower than
 $1/4$
of the sector
average



116,000
hours dedicated
to continuous
improvement

Challenges for the future

- Maintaining human resources as the company's main competitive factor
- Pro-active integration in the supply chain and sub-contractors in developing projects
- Opening of new ways to communicate with society

We invest in human capital

Taking care of our people

Human resources management

The FCC CONSTRUCCIÓN Management System includes a procedure designed to develop and retain our most valuable employees, always with equal opportunity criteria and in a climate of dialogue and cordiality.

The Management System thus identifies the levels of skills and the evaluation of each work post. Once its functions are defined, it is evaluated on the basis of the levels required for each basic skill, valuing both knowledge and skills inherent in the post as well as its responsibilities and autonomy.

Performance evaluation and checks

Each company director annually evaluates the development of his personnel's skills and reports on their abilities, behaviour and personal situation relating to their dedication, geographical mobility, motivation and professional positioning.

Bonuses, internal promotion and non-financial awards for fidelity to the company or management excellence are available to award the results of these evaluations.

Internal communication and employees participation

As well as the vertical hierarchical process found in any company, internal communication is complemented with a horizontal structure consisting of the professional organisations in a cascade: the quality committee, the divisional committees, zone committees and branch committees.

Communications media such as the Web site, intranet and internal magazines are also managed from headquarters.

Employees participation in decision-making is handled through the company committee, as described in the employees' statutes.

UNDERTAKING WITH EMPLOYEES

FCC CONSTRUCCIÓN acts so that the professionals in the front ranks of the building sector want to join the company and, once in it:

- Have solid supports for developing their work
- Have not only a means to work but also possibilities for development
- There is satisfaction and interest in remaining with the company
- There is no discrimination between organisations
- They improve their technical and human training

VALUES IN HUMAN RESOURCE MATTERS

- Honesty/responsibility
- Orientation towards the client/orientation towards the business
- Knowledge/quality of work/leadership/teamwork
- Initiative/decision-taking
- Management capacity/organisational capability
- Dedication/connection with the company

FCC CONSTRUCCIÓN annually awards the Quality Promotion Prize "Fomento" to the "excellent project of the year" as a recognition of the best work teams



We invest in human capital

Taking care of our people



Hiring policy

Depending on the posts needed for the development of the forecast operational plans, the directors of each organisation compare the profile of the existing work posts and those required and the individual evaluation records. The differences between the two determine the needs and are the basis for preparing the annual staff plans.

Priority is given to the best university records when hiring. For example, FCC CONSTRUCCIÓN maintains a close collaboration with the Civil Engineering High School of Madrid where a post-graduate course is given for final year students aimed at orienting their professional careers towards project management.

100% of the staff is covered by the collective agreement which, depending on the post, may be the General Building Agreement, provincial agreements, the offices agreement, metalworkers' agreement or agricultural agreement. There are therefore no general social benefits for all employees since each type of agreement has its specific ones.

Quality and stability at work

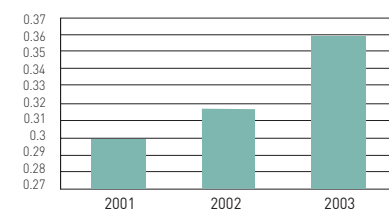
The creation of employment in building companies is directly related to the volume of contracts. As a result of the increase in contracting and portfolio, FCC CONSTRUCCIÓN increased its total staff in 2003 by 2.7% compared to 2001, for a total of 8,196 employees.

The entry of women into the labour market in such an economically important sector with such a small female presence as in the building sector helps significantly to remove prejudices regarding equality between the sexes. Thus, in 2003, women comprised 12.54% of the staff.

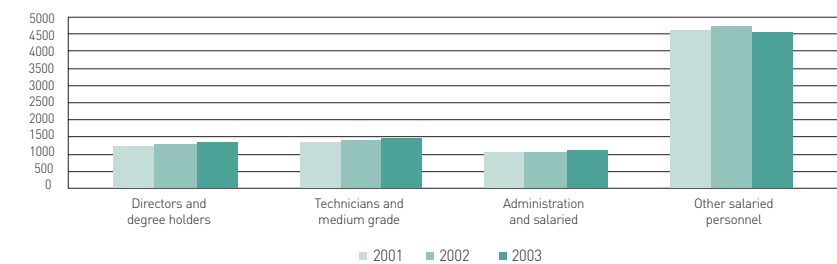
INTEGRATION OF DISFAVOURED GROUPS

FCC CONSTRUCCIÓN currently complies with the legal requirements for hiring disabled persons. Because of safety aspects in the building sector, our system for hiring these groups follows that of article 2.1.3 of Spanish Royal Decree 27/2000, of 14 January which sets alternative measures for complying with the reserve amount of 2% in favour of disabled workers in companies with 50 or more employees

G4.1 Turnover per employee (millions of euros)



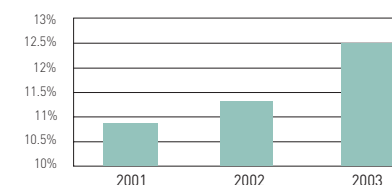
G4.2 Staff by qualifications (number of employees)



T4.1 Staff characteristics

	2001	2002	2003
Average length of service of all employees (years)	10.94	9.25	8.72
Average length of service of staff (years)	16.91	16.08	14.39
Full time employees	99.6%	99.6%	99.6%
Staff with > 4 yrs service	98.3%	94.2%	88.1%

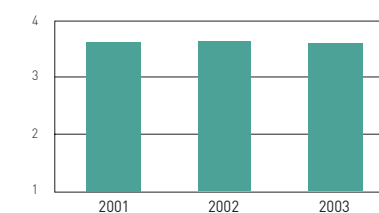
G4.3 Presence of women (%)



T4.2 Average age of staff

Year	2001	2002	2003
Average age	39.25	39.23	39.18

G4.4 Client satisfaction with the professional capabilities of the work team (4: very good; 1: bad)



Development of professional capabilities

Continuous personnel training is a basic aspect in FCC CONSTRUCCIÓN. The excellent appreciation of clients of the professional capabilities of our teams proves the quality of our training management.

The management system defines the training activities in the annual training plans.

These plans are aimed at all groups within the company and are basically structured in three stages:

- **Entry training:** designed to facilitate the integration of new employees
- **Basic training:** designed to fill in knowledge gaps regarding building activities and project management
- **Re-cycling training:** designed to impart knowledge of new building systems, skills and attitudes regarding new technologies, environmental management, prevention of risks at work or planning
- **Personalised training:** through courses and technical seminars on single, latest-generation themes, by expert professionals

We invest in human capital

Taking care of our people

Training needs are detected through annual training surveys sent to each work centre. The data are processed to produce the annual training plan.

FCC CONSTRUCCIÓN has over 100 internal trainers to provide training and uses specialised external centres for specific aspects such as office computing and languages.

Each training course is evaluated by its participants, providing feedback on its effectiveness and allowing its contents and training media to be adapted to requirements constantly. The knowledge and skills acquired by the attendees are also evaluated using questionnaires, in the case of knowledge, and practical exercises for skills.

During 2003 some 160,000 hours were dedicated to training, most of which were for 284 courses for 3,128 employees.

G4.5 Training hours by employee category (%)

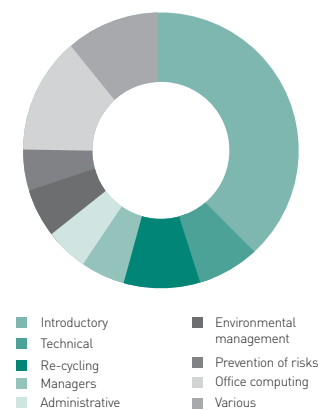


The participants' degree of satisfaction remained at the high level achieved in 2002 with an average score of 8 out of 10 in all courses. The degree of effectiveness, measured by test type questionnaires completed by the participants at the end of each course, reached 85% in 2003, exceeding the result for the previous year by 2.6%.

VIRTUAL TRAINING PLATFORM

FCC CONSTRUCCIÓN uses all available channels in training its personnel, both traditional and distance methods as well as the newest that take advantage of the possibilities offered by new information technologies. In 2003, FCC CONSTRUCCIÓN implemented an experimental e-learning platform on its corporate intranet, with a pilot course on the Financial Information System (FIS), with 200 students and a success rate of 83%.

G4.6 Training hours by subject (%), 2003



POLICY FOR PREVENTION OF RISKS AT WORK

FCC CONSTRUCCIÓN considers it essential to safeguard its workers by setting the conditions necessary to:

- Comply with current legislation and internal standards, undertaking projects with a high level of safety
- Include prevention in decision-making at all levels of the company
- Plan, organise and implement suitable prevention tracking that reduces risky situations on sites
- Involve all stakeholders (clients, sub-contractors and staff) in preventive management
- Research into the design of protective systems

Health and safety at work

The FCC CONSTRUCCIÓN management system for preventing accidents at work sets the requirements, scope and responsibilities of all levels of the company and the actions to be carried out in this area.

It is audited externally and also applies to sub-contractors working on every site, who are required to comply with the preventive obligations to the same degree as our personnel.

Resources are organised by the prevention service, part of the FCC GROUP prevention service, which has specialists in safety and medicine at work. A qualified external organisation provides the industrial hygiene and ergonomics and psycho-sociological specialities.

With 65 technicians, 43 of whom are degree holders, this prevention service is present in all FCC CONSTRUCCIÓN zones and branches, covering the entire country and bringing the prevention technicians in close touch with sites.

Each site has a safety committee which co-ordinates the companies involved there and programmes and tracks prevention. On-site information is provided by safety manuals and standards for specific operations: earth moving, structures, masonry and crafts, installations and civil engineering. Office staff are given specific safety manuals for their work.

T4.3 Prevention of risks at work seminars, 2003

Attendees	Number of seminars
Zone and branch directors	10
Branch directors, department managers	50
Department managers, site managers	300
Monthly on-site safety and co-ordination meetings	2,228

We invest in human capital

Taking care of our people

All site technicians and mid-level management have the level of training required by law and at each site there are at least two persons with the basic level of training. Newly-hired technicians and middle managers receive training on prevention in the integrated course in the company's internal training.

The result of preventive actions has been that the accident rate in FCC CONSTRUCCIÓN has dropped significantly in the last few years, and is currently below one quarter of the sector average.

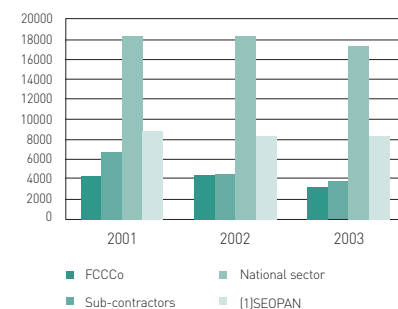
ACCIDENT RECORDING AND NOTIFICATION

The criteria for notifying accidents at work are set by Spanish regulations according to OIT criteria and are carried out by applying this standard.

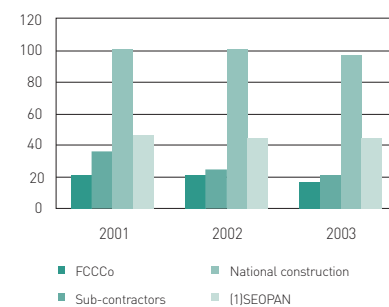
From 2004, the recording will be according to the official Delta Plan.



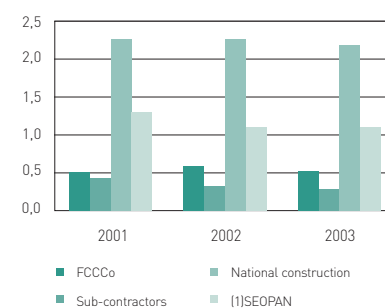
G4.7 Incidents index
(number of accidents with loss of working days x 100,000/average number of workers)



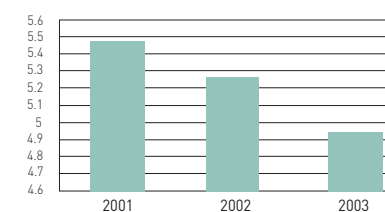
G4.8 Frequency index
(number of accidents with loss of working days x 1,000,000/hours worked)



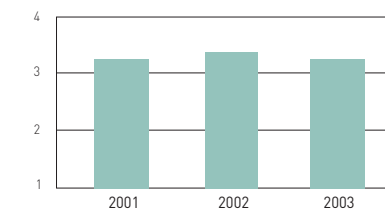
G4.9 Seriousness index
(number of days lost to accidents x 1,000 hours/hours worked)



G4.10 Absenteeism rate
(number of days lost/number of days worked)



G4.11 Client satisfaction with safety and hygiene on sites
(4: Very good; 1: Bad)



TRAINING AGREEMENTS IN SPAIN

- School of Industrial Organisation
- SEK International University
- Antonio Camuñas Foundation
- Carolina Foundation
- Carlos III University Foundation
- Complutense University of Madrid
- Laguna de Joatzel Institute (FP)

Solutions for a better life

The comfort and safety of the users of projects in which FCC CONSTRUCCIÓN participates is one of the company's main concerns and is an aspect to which special attention is paid when proposing building systems and design improvements to the client.

Professional future and work opportunity

FCC CONSTRUCCIÓN maintains a close relationship with Technical High schools and universities to attract students from the final courses, true breeding grounds of future employees.

It also provides grants to allow them to complete their academic learning and to improve their professional capacity within the company by carrying out under supervision the activities that they will undertake in their professional future.

It also supports numerous organisations, providing courses relating to building techniques, project management, environmental management and the prevention of risks at work.

T4.4 Number of students receiving grants

	Number of students
2001	18
2002	21
2003	19

Data on number of contracts in the year, in the building area only.
(Integrated in 2004.)

PROGRAMME OF COLLABORATION WITH THE CIVIL ENGINEERING HIGH SCHOOL OF MADRID

The 24th course for the highest-ranking students ending their university studies has trained more than 350, of whom some 70 are now on the staff of FCC CONSTRUCCIÓN.

Each year an average of 25 students that have passed the selection process complete their training in FCC CONSTRUCCIÓN.

We invest in human capital

Commitment towards society

Social development and cultural promotion

To promote the values it wishes to broadcast to society, FCC CONSTRUCCIÓN is involved in social and cultural promotional activities relating to:

- The recovery and diffusion of the history and customs of aspects directly or indirectly relating to building, through annual publications
- Social, cultural and sports organisations
- Teaching organisations (universities, training centres, etc)

The Institutional Relations Directorate evaluates this type of action and tracks them.

EMERGENCY IN GALICIA

FCC CONSTRUCCIÓN was involved in the Government's emergency call following the catastrophe caused by the sinking of the tanker Prestige.

Our efforts were centred on stopping the environmental pollution and protecting the sea and coast from the spillage of large quantities of fuel oil.

Specifically, we co-operated with the Ministry of the Environment in 170 kilometres of the area of coast known as the Barbanza peninsular between Muros and Rianxo in La Coruña, with 131 beaches.

Initially, 650 containers were supplied as an emergency measure to the ports and beaches in Galicia. Tests were carried out on 31 beaches to determine their pollution levels and a campaign was started to determine the hydrocarbons on another 98 beaches using in situ and laboratory techniques.

Conventional methods were used to remove the oil and clean beaches and rocky areas were cleaned using high pressure water.

SOME SOCIAL AND CULTURAL ACTIONS

- The bus against drug addiction (Community of Valencia)
- Advanced course in infrastructures and public services (CICCP)
- Children's section of the Architecture Rugby Club
- International Music Festival, Castell de Peralada
- Christopher Columbus genetic research project
- Forum 2004 (Barcelona)
- No child without a toy, no child without a dream (Cádiz)
- Children's summer campus, R C Celta, Vigo

MAIN PUBLICATIONS

- Artífex: Roman engineering in Spain
- The Fabar tunnel, a treasure of Ordovícico
- The Casón del Bueno Retiro
- Momoyama. The golden century of Japanese art
- Single-subject magazines

The FCC CONSTRUCCIÓN management system includes mechanisms to reduce the contingencies in payments to suppliers according to the agreed terms

Purchasing and supply process

FCC CONSTRUCCIÓN is aware of the effect that its suppliers of goods and services have on its economic, social and environmental performance so it encourages them to adhere to its standards and values. When it contracts services, it therefore evaluates their degree of compliance with the following requirements as well as the resources they have available and their experience:

Prevention of risks at work

- The existence of records for training and the application of safety at work plans in the processes included in the contract.
- The degree of compliance with requirements for the prevention of risks at work contained in the project documents.

Environment

- The existence of ISO 14001 or EMAS environmental management certificates
- The provision of the permits and licences required by law and relating to the activities in the contract
- Whether environmental non-compliances have occurred due to the supplier's actions and if so, whether they have been identified by him previously and whether he has maintained a positive attitude towards repairing or correcting them
- The degree of attention and application regarding the indications and standards for environmental behaviour set by FCC CONSTRUCCIÓN
- The degree of compliance with the environmental requirements in the project documents: purchasing specifications, building procedures, work instructions, inspection programmes, etc
- The carrying out of environmental actions to minimise wastes, using advanced, environmentally respectful technologies, the recovery of the space occupied by his installations, implementation of preventive actions, etc

Quality

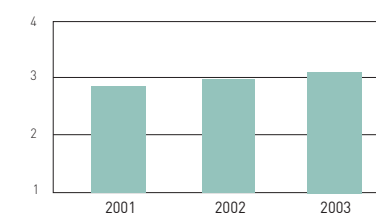
- The existence of an ISO 9001 quality control system
- The degree of attention to and application of the standards for behaviour set by FCC CONSTRUCCIÓN regarding his activities and processes
- The degree of compliance with the quality requirements in the project documents
- The degree of collaboration in improving and supplying technology for the products/processes/services contracted

FCC CONSTRUCCIÓN'S COMMITMENTS WITH ITS SUPPLIERS

Regarding its suppliers, FCC CONSTRUCCIÓN acts so that:

- They want to belong to the core of stable collaborating companies
- Their loyalty is suitably valued, and their efforts to meet their commitments
- First line companies in their specialities want to enter the group of approved suppliers
- There is the necessary transparency in relations with suppliers to encourage mutual confidence
- The necessary mechanisms are created to jointly promote innovation in building and sustainability

G4.12 Clients' satisfaction with the functioning of sub-contractors. (4: Very good; 1: Bad).



05

Environmental responsibility



- Main impacts of building activity
- Integrated environmental management
- Services for environmental improvement



79%
of projects have
fully complied
with their
environmental
objective



96%
of projects
include the
restoration of the
areas affected by
the installations
in their
objectives



90%
of projects have
reduced waste
inert products by
more than 15%

Future challenges:

- Implement good environmental practices systematically and generally that are increasingly effective and to extend their use and responsibility to clients and suppliers

Environmental responsibility
Main impacts of building activity



T5.1. Main environmental aspects of constructing activity

Aspects	Generating activity
Emissions to the atmosphere (dust, particles and gases)	Earth moving, movement of machinery an demolition of buildings and structures
Noise generation	Machinery, explosions and blows
Consumption of resources	Water in making and curing concrete, spraying levellings and surfaces and general supply Fossil fuels and oil derivatives in machinery Electrical power in offices and on sites Consumption of materials (earth, gravel, iron and components for making concrete, bricks, paint, ceramic materials, etc) Consumption of paper
Water pollution	Earth moving, movement of machinery and extraction of gravel in sites close to rivers
Generation of wastes	Urban wastes Building and demolition wastes (inert): excess earth and rubble Dangerous wastes: used oils, packaging that has contained dangerous substances, etc
Occupation and alteration of land	Occupation of land for storing materials and of loam, and by auxiliary installations and the opening of accesses and roads to the site Localised compacting of soil in areas used by heavy machinery. Soil compacting reduces its permeability, in turn reducing infiltration and increasing surface run-off and erosion Pollution by accidental spillage of dangerous substances or wastes Loss of soil due to excavation and removal during the undertaking. Changes to the geomorphology of the area occupied due to the management of tips on the site and borrowed areas
Effects to the biodiversity and landscape	Occupation of the site, auxiliary installations and tips and borrowing

FCC CONSTRUCCION ENVIRON-
MENTAL POLICY

FCC CONSTRUCCIÓN's environmental actions are focused on:

- Compliance with the applicable laws, standards and undertakings to which the company subscribes
- Planning to reduce significant environmental impacts
- Continous improvement through analysing and minimising the environmental effects of its activity and the prevention of pollution, reduction of wastes and optimisation of the consumption of resources
- The involvement of the stakeholders (clients, sub-contractors and employees) in environmental management

SEGOVIA AQUEDUCT
ENVIRONMENTAL AWARD

Awarded by the Spanish Civil Engineers' Professional Body in recognition of the best environmental management provided on the Aragón motorway, Sagunto - Soneja section

Environmental management system

FCC CONSTRUCCIÓN has set up an Environmental Management System complying with the ISO 14001 standard in all its projects and in those of the company's centres whose activities affect the environment.

Environmental responsibility affects all levels of the organisation and is built into the Company Management System.

Environmental actions are defined and implemented through the environmental plan, a basic document for communication throughout the company, which describes the following actions:

- Environmental aspects and legal requirements are identified at the site
- The relevance of these environmental aspects is evaluated with regard to the activities on the site
- The necessary environment environmental actions are defined for each aspect
- Emergency plans are prepared for potential environmental accidents containing the preventive measures adopted and the actions to be considered initially if an accident occurs
- The site environmental plan is tracked and revised

ENVIRONMENTAL AWARD FROM THE CANADIAN CONSTRUCTION
ASSOCIATION

Awarded by the Canadian Construction Association to MRDC, the temporary joint venture responsible for the Fredericton - Moncton motorway (New Brunswick), in which FCC CONSTRUCCIÓN was the main partner. This award is given to those organisations that have stood out for their environmental policies, whether because of their innovations, design or the building techniques used.

5

Environmental responsibility

Integrated environmental management

In 2003, 100% of the projects had planned a series of voluntary good practices to a value of at least the 50 points set as a general objective

Good practices

To support environmental management and to comply with the strategic objective of adopting environmental practices that go further than the legal requirements, a series of basic environmental management guides have been prepared for each type of project as well as for specific actions.

A series of good practices have been planned, aimed at starting actions that respect the sites' surroundings, and evaluated using a points system depending on the importance and scope of the associated effort. The objecting in 2003 has been to surpass 50 points in all projects.

Good practices have been planned in the following areas:

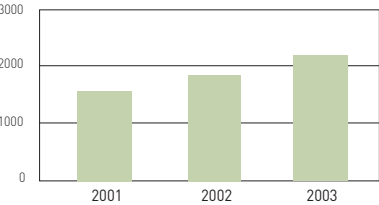
- Social aspects: training, dialogue with the stakeholders or the inclusion of sub-contractors in the dynamics of environmental protection
- Operational control of potentially polluting activities: emissions to the atmosphere, generation of noise and vibration, water spillages
- Intensity of resource use: occupation, pollution or loss of soil, use of natural resources, generation of wastes, landscaping (biodiversity, urban medium)

BASIC GUIDES

By project type: building, road, dam, canal and marine works

By action: emissions, noise and vibration, tipping, wastes, re-use and re-cycling, resources management and natural spaces

G5.1 Persons who have received environmental training (accumulated data)



Training

FCC CONSTRUCCIÓN has set up an extensive basic training plan for environmental respect.

Almost all technicians involved in taking decisions that affect the environment have taken the 16-hour "Environmental Awareness and Training" course and an ambitious site foremen training plan has been started, a key point for effective environmental management.

Involvement of the supply chain

Aware of the importance of suppliers and sub-contractors, FCC CONSTRUCCIÓN gives its contractors guidelines for environmental behaviour through the distribution of its environmental behaviour code.

Contracts also systematically contain environmental requirements in the purchasing specifications. The definition of these requirements arises from the identification carried out during the process of evaluating environmental aspects.

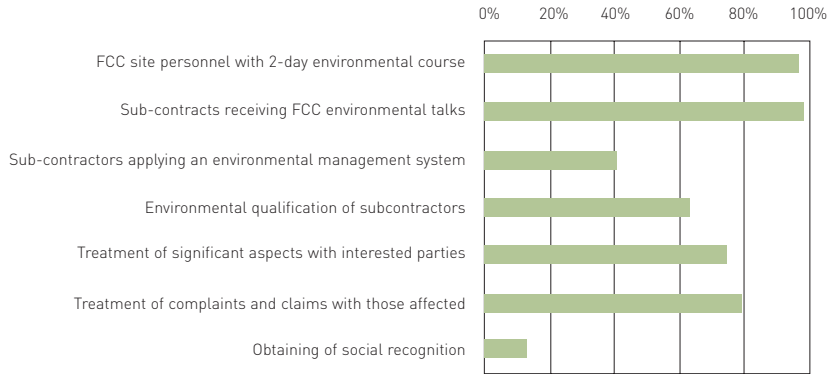
At all its sites, FCC CONSTRUCCIÓN requires that the sub-contractor's personnel be trained when their activities affect the environment.

T5.2 Points in Zones, with an objective set at 50 points

	Planned		Good practices (voluntary and required)
	Planned	Achieved	
ZONE I	55.1	54.9	67.0
ZONE II	62.4	61.1	67.1
ZONE III	60.4	60.4	62.9
ZONE IV	59.2	59.0	64.1
ZONE V	58.9	58.5	59.4
ZONE VI	55.3	55.7	58.8
ZONE VII	54.9	55.7	58.9
ZONE VIII	58.4	61.5	63.5
ZONE IX	50.6	50.5	77.8
Average	58.4	58.6	63.5

Note: For clarification of the good practices tables, see the Environmental Communication 2004 at www.fccco.es

G5.2 Percentage of projects that have adopted good practices in the social area (2003)



Our responsibility does not end with complying with the law
In reality, this is where it starts

Emissions to the atmosphere

Earth moving, the movement of machinery and the demolition of buildings and structures are activities that cause the most important emissions of dust and particles.

The use of machinery also generates the emission of pollutant gases such as CO², CO, NO_x, VOCs and SO², so that their suitable maintenance is fundamental.

Although some of the good practices do not apply to many projects, there are others that require great efforts since they apply generally.

MAIN INDICATORS
Tracks and storages are sprayed to reduce dust in over 80% of FCC CONSTRUCCIÓN's projects

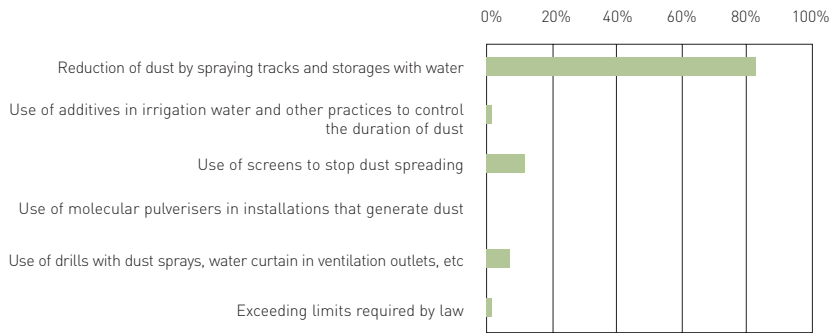
MAIN RESULTS
In 70% of civil engineering work, noise is generated away from urban areas and protected natural spaces

Generation of noise and vibration

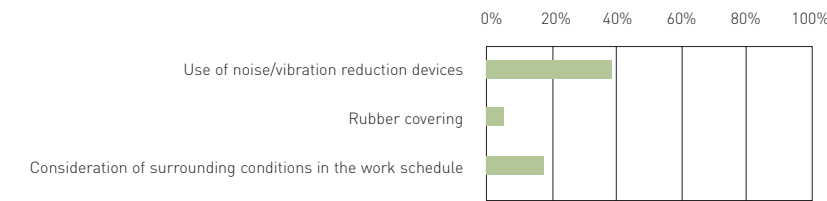
The procedures and technologies available now in the building sector do not allow the desirable levels of noise reduction to be reached. Therefore, efforts are concentrated on actions that cause lower sound levels indirectly or, directly, those that cause lesser nuisance because of the hours in which they take place, nearby activities and the uses and customs of the affected area.

Good practices are normally difficult to apply in this area, either because of their high costs or because they require highly specialised fixed equipment that is incompatible with the mobile nature of building. However, actions such as the installation of measuring equipment to reduce operating noise are relatively frequent in our projects.

G5.3 Projects that have adopted good practices relating to atmospheric emissions (2003)



G5.4 Percentage of projects adopting good practices regarding noise and vibration (2003)



We try to find the best destination for excess inert material. Please help us

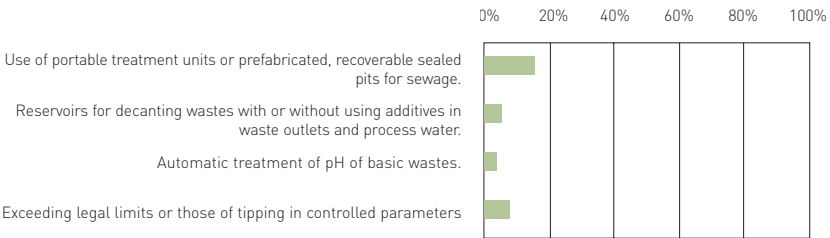
Spillings

Water is a great resource that we affect permanently to a greater or lesser extent. We consume water, we change tips, divert rivers, alter hydrological systems, occupy river banks, and change the water itself and its presence in the environment.

It seems that efforts on projects already designed must be focused on treating the wastes produced by the work and on minimising their effect on water when they are spilled. The good practices have been designed along these lines.

The effort made - which must be increased - is logically focused more in civil engineering, where the environment is normally more fragile and the qualities to be conversed are greater.

G5.5 Percentages of projects that have adopted good practices relating to water (2003)



MAIN INDICATORS

Although units for treating waste are available on all sites, some 15% of them use recoverable elements for later re-cycling, avoiding demolition, the generation of wastes and the consumption of another element in new projects

MAIN RESULTS

The areas affected by the installations are restored in 96% of projects

The areas occupied by the site are limited in 86% of projects

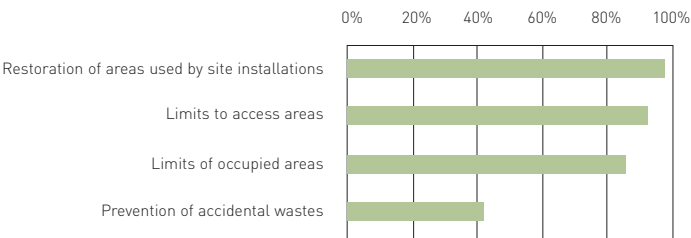
In 84% of projects, additional measures are used to prevent dirt at the site entrance and exit

Use of land

Land is the most valuable resource involved, to a greater or lesser extent, in the building sector. The first effect is the occupation and pollution of soil as well as compacting that exceeds the strict requirement of the work or the misuse of areas temporarily occupied by the site.

For this reason, the matter has been given greater importance and in fact, in the large majority of projects, all the proposed measures are applied, notable among which for its universal application is the restoration of the areas affected by the site's temporary installations.

G5.6 Percentage of projects that have adopted good practices regarding land use (2003)



Our target is to reduce the ecological impact of our activity and its effects

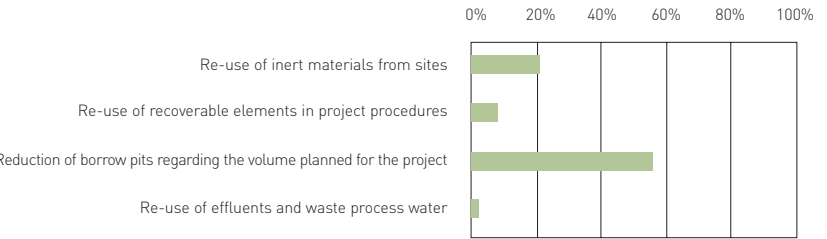
Rational use of resources

An extraordinary amount of inert materials are used traditionally in the building industry.

Closely related to the consumption of inert materials is the generation of wastes, a key target for reduction. These two aspects are so closely linked that they frequently share solutions.

The good practices proposed for a moderate and conscious consumption of natural resources are both the re-use of inert materials from the site itself and the search for a useful destination (other than dump) for the excess inert materials.

G7.7 Percentage of projects that have adopted good practices relating to resources management (2003).



ENERGY-SAVING AND EFFICIENCY MEASURES

- In offices, the installation of individual light switches in each office, automatically-programmed switching on and off of lighting in common areas.
- On sites: in the maintenance of vehicles and machines and in the design of their installations, is where this action is especially relevant, involving the following, among others:
- Checks that all the sub-contractors' vehicles pass the legal technical inspections
 - Tunnel borers are designed with variable frequency electrical actuators instead of the traditional hydraulic ones, reducing power consumption by about 16%
 - All site installations have reactive energy reducers
 - Hot bituminous asphalt mixing plants use multi-fuel burners that can work either with gas or fuel oil alternatively, reducing environmental emissions
 - Power transport voltages are optimised in all site installations to minimise losses



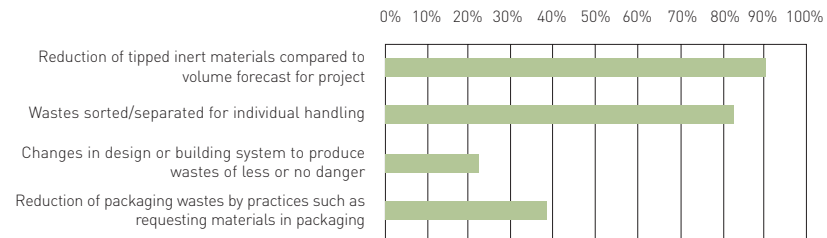
When we throw away useful material we must remember that we are making its recovery more difficult

Generation of wastes

As well as the measures adopted to reduce the amount of inert materials dumped, as described above, the suitable management of dangerous wastes has also been adopted generally in FCC CONSTRUCCIÓN.

Major efforts have been made in this area to identify and sort the wastes normally handled during building to prevent their unsuitable handling due to lack of knowledge and a list of the dangerous wastes has been prepared as a guide for working on site. They are sorted according to international codes, separated into individual lots and handled according to current legislation by authorised transport and handling companies.

G5.8 Percentage of projects that have adopted good practices regarding the management of wastes (2003)



MAIN RESULTS

Wastes are sorted into three or more categories for individual treatment in 83% of projects

T5.3 Generation of wastes by types (2003).

	AMOUNT FORECAST	REAL AMOUNT
Inert material set to dump		
Excess earth or rock (m³)	11,361,710	8,092,942
Rubble that may generate dry material (concrete, mortar, bricks, prefabricated items, others) (m³)	343,134	479,553
Various classes (asphaltic agglomerate, plasters, bentonite, glass fibre, etc) (m³)	80,980	156,614
Mixture of unclassified wastes (m³)	82,044	160,188
Urban and similar wastes		
USW (kg)		1,461,867
Glass (kg)		18,207
Wood (kg)		1,532,795
Scrap (kg)		1,622,666
Paper and cardboard (kg)		630,018
Rubber, plastic (kg)		458,208
Others (kg)		112,321
Non-dangerous packaging		
Returned to suppliers		799,274
Handled on site (valued or taken to tip) (kg)		71,553
Dangerous wastes		
Used oils (m³)		78
Button batteries, alkaline batteries, NiCad batteries (kg)		800
Vehicle batteries (units)		276
Vehicle filters (units)		1,242
Fluorescent tubes, mercury lamps, gas lamps (units)		814
DW plastic or metal packaging (kg)		37,220
Greases, lubricants, anti-freezes, detergents (m³)		535
Fibre cement (m³)		110
Aerosols, paint, solvent, curing liquid, stripper, liquid polish, epoxy resins, accelerators, liquefiers, plasticizers (m³)		49
Bitumens (kg)		2,097
DW polluted earth (m³)		15,134
DW polluted cloths (kg)		3,497
Others (Kg)		61,007
Re-cycled/used materials		
Excess used earth (compensation excavation/filling) (m³)	6,820,009	18,002,155
Used earth from other sites (m³)	424,193	1,189,688
Excess earth sent to other sites (m³)	2,114,168	3,700,925
Excess loaned earth (m³)	9,306,805	6,386,281
Total excavation (m³)	22,220,246	23,625,720
Total filling (m³)	17,569,967	18,889,550

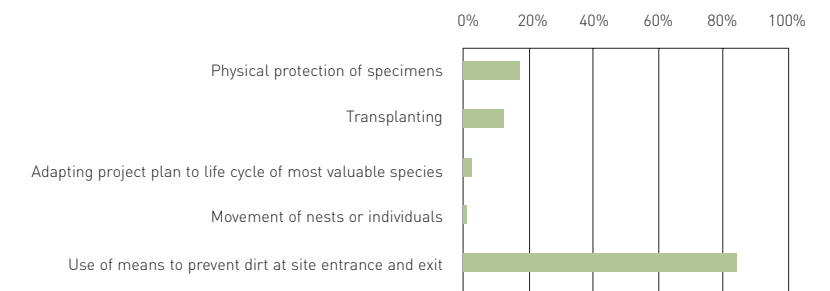
We know how to solve today's problems

We are learning how to solve tomorrow's

Effects on the biodiversity and urban environment

In some areas, building has an especially strong impact on biodiversity and the urban environment, in which the defence of individuals (flora or fauna) is sometimes involved or in which it is necessary to consider factors that may change a community's rhythm to a greater or lesser degree.

G5.9 Percentage of projects that have adopted good practices regarding the biological medium (2003)



MAIN RESULTS

In civil engineering:

- In 91% of cases, the work does not affect protected natural landscapes
- In 84% of projects, the plant life affected is an abundant resource that is neither catalogued nor protected

In building:

- In 79% of cases, nuisances to pedestrians and the occupation of pavements and areas of transit take place in wide areas and with nearby alternative routes

The environmental factor in the end product

As well as carrying out civil engineering and building, FCC CONSTRUCCIÓN offers services that help to lean up our surroundings. These are water treatment stations, the stabilising or decontamination of soils and the installation of emissions purifying filters, the cleaning of rivers, the dredging of sea or reservoir beds, the maintaining of forests, etc.

In our eagerness for quality of life, our activities in sectors such as sewerage, water or landscaping allow us to contribute to the restoration of degraded environments and to recover previously-used areas.

BAIX LLOBREGAT (BARCELONA) WATER TREATMENT PLANT

With a capacity to treat 420,000 m³ of waste water daily, these installations reduce pollution in waste water by 92%

The plant currently has two treatment lines, one for water and the other for sludge. The gas produced in the sludge stabiliser is used as fuel for four electrical generators. This power is used by the treatment plant and the generators' exhausts are used to heat the oil used in the heat drying line

The planned new installation provides an environmental benefit that will improve the quality of life of those living in the area and the properties of the wastes, thus preserving the area's beaches, marine life and the surrounding environment. The treated water can also be used for watering public parks and gardens. The sludge from the biological treatment will be used as agricultural fertiliser and the biogas generated will be used to generate electrical power for the plant



06

Culture of innovation



- Encouraging new technologies, research and development



more than €3 million

spent directly on innovation

Future challenges:

- Transmit the innovation in both projects and technical services to the stakeholders
- Consolidate the culture of innovation, giving a strong qualitative and quantitative impulse to R&D activities

Encouraging new technologies, research and development

Aware of the importance of these factors in maintaining a competitive position in the market and in constantly improving the quality of its projects and services, FCC CONSTRUCCIÓN and his group at subsidiaries have a policy focused on actively encouraging technological research and development.

The FCC CONSTRUCCIÓN management system promotes new building technologies by carrying out R&D in specific projects.

This technological advance is carried out by developing our own technologies when undertaking specific projects with the support of our technical services and in collaboration with other companies and universities in basic research, this work being co-ordinated by the R&D department. Examples of these activities are the development of mobile structures for bridges and roofs or the prefabrication of large bridges in concrete.

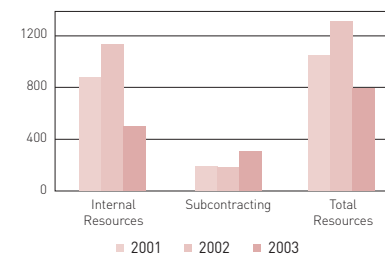
Currently, FCC CONSTRUCCIÓN has eight R&D projects under way. One is financed by the European Union within the 5th Outline Programme (use of low cost stainless steels for reinforcing concrete).

It was also participated in the organisation of various proposals for projects for the European Union's 6th Outline Programme and we have also been involved in various projects within the Profit programme:

- Optimisation of wastes in the building industry
- Development of low reflection solutions in the walls of caissons
- Sprayed concrete for supporting tunnels. The improvement of the performance of materials and the automation of their use on site

Within Europe, we currently form part of the management boards of projects in the 6th Outline Programme of the European Commission, Tunconstruct and ManuBuild, carrying out an important part of the co-ordination and R&D activities in both.

G6.1 Resources assigned to innovation (€ thousands)



WATER TREATMENT AND PURIFICATION

FCC CONSTRUCCIÓN has an important participation in forming national and European technological building platforms

It is also a member of ENCORD, made up of large European companies in the building sector, which plays an important role for promoting R&D work within the European building sector

Construmat prize, 2001,
for Building Product and Industrial Process

Most important actions

Bridges and special structures

- Bridge over the River Ebro for the Zaragoza - Huesca high speed line. The first with a metal structure for a high speed railway line in Spain. It is 305 m long with a central span of 125 m and two access spans, one on each side, of 40 and 50 m.
- Compacted concrete for the mixed arch of the Ronda de la Hispanidad bridge over the River Ebro in Zaragoza, with a span of 120 m and a 31 m wide deck supported centrally with a smooth single arch of mixed triangular cross-section in which buckling outside its plane is controlled by the transverse parts of the supporting struts.
- Roof structure for the Delicias station in Zaragoza, 370 m long, consisting of two large 150 m span metal arches 43 m apart, making it the largest space covered without the use of pillars.
- Stressed façades of the new Barajas airport terminal building, up to 15 m high, in stainless steel and glass. The structural elements were reduced to the minimum to give greater transparency, requiring the pre-stressing of these parts, which are anchored to the roof.

Marine projects

- Development of low reflection solutions in the dock walls of caissons.
- Vacuum injection of post-stressed cables in the floating dock for the enlargement of the port of Condamine (Monaco), 352 m long with a dead weight of 160,000 tons. Designed for a useful life of 100 years.

Underground building

- Comparative study of the operation of the TBMs in the Guadarrama tunnels for the high speed line to the north east of Spain. Analysis of the TBM disc cutters.
- Use of metal reinforcement fibres for concrete in line 9 of the Barcelona underground system.

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G5.2	Percentage of projects that have adopted good practices in the social area (2003)	61
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GRI Content Index

The following table shows the page in the FCC Construcción 2003 Sustainability Report containing the requirements of the Global Reporting Initiative (GRI Guide 2002).

Vision and strategy		Economic performance indicators					Social performance indicators				
1.1 Vision and strategy	28	Element	Core		Additional		Element	Core		Additional	
1.2 Statement from the CEO	7	Customers	EC1 Net sales	10			Employment	LA1 Breakdown of workforce	11		
Profile			EC2 Geographic breakdown of markets	10, 11, 41				LA2 Net employment creation and overage turnover	48-49		
2.1 Name of organisation	4	Suppliers	EC3 Cost of all goods, materials and services purchased	31			Labour/ Management relations	LA3 Employees covered by collective bargaining agreements	48		
2.2 Major products	12-19		EC4 Contracts that were paid in accordance with agreed terms	55				LA4 Policy and procedures involving information, consultation and negotiation with employees	46		
2.3 Operational structure	20-22	Employees	EC5 Total payroll and benefits	31			Health and safety	LA5 Practices on recording and notification of occupational accidents and diseases	52		
2.4 Major departments	20-23		EC6 Distribution to providers of capital	31				LA6 Joint health and safety committees	51		
2.5 Countries in which the organization's operations ate located	11	Providers of capital	EC7 Increase in retained earnings	10			Training and education	LA7 Standard injury, lost day and absentee rates number	52-53		
2.6 Nature of ownership	10-24	Public sector	EC8 Taxes	31				LA8 Policies and programmes on HIV/AIDS	N/A		
2.7 Nature of markets served	10, 11, 41		EC9 Subsidies received	73			Diversity and opportunity	LA9 Hours of training	50, 61	LA 16 Programmes to support the continued employability	49
								LA10 Equal opportunity policies or programmes	7, 46		
2.8 Scale of the organization	10, 11	Indirect financial impacts	EC10 Donations	31			Human rights	LA11 Composition of senior management and corporate governance bodies including female/male ratio	49		
2.9 List of stakeholders (key attributes and relationship to the organisation)	32-34		EC13 Indirect economic impacts	31				HR1 Policies and procedures to deal with human rights	7		
2.10 Contact persons	4	Environmental performance indicators					Non-discrimination	HR2 Evidences of consideration of human rights as part or investment decisions, including selection of suppliers	SEE NOTE BELOW		
2.11 Reporting period	4	Element	Core	Additional			HR3 Policies and procedures to evaluated and address human rights with supply chain	HR1 Policies and procedures to deal with human rights	7		
2.12 Date of most recent previous report	N/A							Materials	EN1 Total materials used	N Av	
2.13 Boundaries of report	4	EN2 Percentage of materials used that are wastes from external sources	69			HR3 Policies and procedures to evaluated and address human rights with supply chain	SEE NOTE BELOW				
2.14 Significant changes	N/A	Energy	EN3 Direct energy used	N/A	EN17 Initiatives to increase energy efficiency	67	Disciplinary practices				
2.15 Bases for reporting on joint ventures, subsidiaries, leased facilities, outsourcing operations, etc	N/A		EN4 Indirect energy used	N/A			Security practices				
2.16 Re-statements of information provided in earlier reports	N/A	Water	EN5 Total water used	N Av			Indigenous rights				
2.17 Decisions not to apply GRI principles or protocols	79	Biodiversity	EN6 Location and size of land owned, leased or managed in biodiversity-rich areas	70	EN27 Programmes for protecting and restoring native ecosystems and species in degraded areas	65 71	Bribery and corruption	S01 Policies to manage impacts on communities	29-30	S04 Awards received	22 59 75
2.18 Criteria used in accounting (economic, environmental and	10, 35, 53		EN7 Description of major impacts on biodiversity	58, 70						S02 Policy and procedures addressing bribery and corruption	7
2.19 Changes from previous years in the measurement applied	N/A	Emissions, effluents and waste	EN8 Greenhouse gas emissions	N Av			Political contributions	S03 Policy for managing political lobbying and contributions	N/A		
2.20 Internal practices to enhance and provide assurance	39, 51		EN9 Use and emissions of ozone-depleting substances	N Av			Competition and prices				
2.21 Independent assurance for the full report	81		EN10 NOx, SOx and other significant air emissions	N Av			Customer health and safety	PR1 Policy for preserving health and safety during the use of products and services	53		

Profile		Financial					Social				
		Aspect	Central		Additional		Element	Central		Additional	
2.22 Additional information	11, 24, 32, 60	Emissions, effluents and waste	EN11 Total amount of wastes	69			Products and services	PR2 Product information and labelling	N/A	PR8 Procedures relating to customer satisfaction	41
PR8 Procedures relating to customer satisfaction			EN12 Discharged to water	N Av			Advertising				
3.1 Governance structure	24-25		EN13 Spills of chemical, oils and fuels	N Av			Respect for	PR3 Policies and procedures for consumer privacy	SEE NOTE BELOW		
3.2 Percentage of the board directors that are independent	N/A	Suppliers			EN33 Performance of suppliers relative to environmental procedures	55 61					
3.3 Process to guide the strategic direction	39	Products and services	EN14 Environmental impacts of principals products and services	58							
3.4 Board-level processes for the identification and management of risk and opportunities	28-30		EN15 Weight of products sold that is reclaimable	N Av							
3.5 Linkage between executive compensation and achievement of financial and non-financial goals	N Av	Compliance	EN16 Incidents of and fines for non-compliance with environmental issues	N/A							
3.6 Organisational structure	22	Transport									
3.7 Mission and values statement, code of conduct principles and policies	10, 47	General									
3.8 Mechanisms for shareholder to provide recommendations to the board of directors	24										
3.9 Bases for identification and selection of major stakeholders	32-34										
3.10 Approaches to stakeholders consultation	32-34, 42-43, 50										
3.11 Type of information generated by stakeholders consultations	32-34, 42, 50										
3.12 Use of information resulting from stakeholders engagement	32, 42-43										
3.13 Explanation of whether the precautionary approach is addressed	51, 59										
3.14 Externally developed set of principles or initiatives to which the organization subscribes	7										
3.15 Principal membership in associations	22-23, 75										
3.16 Policies and systems for managing upstream and downstream impacts	30, 38, 55, 61										
3.17 Approach to managing indirect impacts	29-31, 35, 55										
3.18 Major decisions regarding the location of or changes in operations	N/A										
3.19 Programmes and procedures pertaining to performance	22, 28, 38-39, 51, 54, 59										
3.20 Status of certifications	37										
GRI Content Index											
4.1 GRI cross-reference table	79										

2.6 FCC CONSTRUCCIÓN is a limited company (with shares), as also are so, most of its subsidiaries

2.12, 2.14, 2.15, 2.16. Not applicable; this is the first sustainability report prepared at the group level. There are no reports for subsidiaries

2.19. Not applicable; there have been no changes in the methods of calculating that prevent comparisons with previous years

3.2. Not applicable; there are no independent directors

3.5. Not available; this is confidential information

3.18. Includes the board of directors appointed in December 2004

EN1, EN3, EN5, EN8, EN9, EN10, EN12, EN13, EN15. No available. In the building sector, these data are very complicated to collect due to the high degree of dislocation of the activity and the large number of mobile sources of pollution. Thus, the evaluation of our environmental behaviour is based on estimates, with which we can quantify our advances and detect our opportunities for improvement without having to incur the high costs that the exhaustive monitoring of this information would involve. This information can be consulted in the environmental communication available at www.fccco.es

EN4. Not applicable; energy products are neither produced nor distributed

EN16. Not applicable. FCC CONSTRUCCIÓN has not received any fines for environmental non-compliance

LA8. Not applicable; there are no AIDS-specific programmes

HR2, HR3. As we declare in our Chairman's statement, we participate in the Global Compact as a voluntary initiative and we pursue its principles. See page 7.

S03. Not applicable; contracts are achieved through public requests for tenders from the investing organisations

PR2. Not applicable; buildings are not labelled, although all are delivered with the documentation required by the standards

PR3. We have procedures and storage capabilities for safeguarding classified information approved by the Spanish Ministry of Defence and NATO.

AENOR certification

AENOR

Asociación Española de
Normalización y Certificación

SUSTAINABLE REPORT VALIDATION

VMS-Nº 018/04

The Spanish Association for Standardisation and Certification (AENOR) validates that the sustainable Report of the following firm:

FCC CONSTRUCCIÓN, S.A.

Entitled: *SUSTAINABILITY REPORT 2003/2004*

Legal deposit number: M-46768-2004

This Report is in accordance with the requirements of the 2002 edition guide for the elaboration of Sustainable Reports, developed by the Global Reporting Initiative (GRI). The validation has been fulfilled on 28th October and no subsequent performances can be considered

The present validation will be in force, unless it is cancelled or withdrawn upon AENOR's written notification and according to specific terms of the contract – application nº GRI – 020/2004 of 27th October 2004 and to the General Regulation of January 2003, which require, amongst other commitments, the permission to visit the installations by the technical services of AENOR to verify the veracity of stated data.

Issued on: 29^h November 2004


General Manager of AENOR



FCC CONSTRUCCION AND THE TEN UNITED NATIONS GLOBAL COMPACT PRINCIPLES

GLOBAL COMPACT COMMUNICATIONS ON PROGRESS (COP)

a) Statement of continued support for the Global Compact

FCC Construcción, signatory of United Nations Global Compact, publishes on www.fcco.es its Sustainability Report in digital form and its update online, and declares that considers the ten principles related to human rights, labour standards, environment and anti-corruption, as an essential part of its strategy and operations, conscious of its liability against society and environment.

José Mayor Oreja
Chairman

b) Descripción de las acciones prácticas puestas en práctica para integrar los principios.

In our Sustainability Report, "in accordance" with the principles of Global Reporting Initiative, [Guide 2002], we describe in six chapters the advance of the integrated management system of FCC Construcción, as result of our intent of reporting with transparency to all the stakeholders and to promote a valid behavior model for the sector.

FCC Construcción has signed recently the ten principles of Global Compact. and pretends to highlight the current situation related to the three aspects: labour, environment and ethics, as starting point towards the promotion of development objectives for the millenium.

c) Measurement of outcomes

Human Rights	Relevant GRI Indicators	FCC Construcccion Sustainability Report
1 Businesses are asked to support and respect the protection of international human rights within their sphere of influence.		See Chairman's Statement. Page 7 digital version and online update.
	HR1 Description of policies, guidelines, corporate structure, and procedures to deal with all aspects of human rights relevant to operation, including monitoring mechanisms and results.	CHAPTER 1 Who we are, main data, products and markets, management and organisation. • Introduction • Operational structure, products and markets • Company management and organisation CHAPTER 2 Vision and strategy for sustainable development, communications and financial impact in the value chain. • Vision and strategy for the future • Transparency and participation • Generating wealth
	HR2 Evidence of consideration of human rights impacts as part of investment and procurement decisions, including selection of suppliers/contractors.	See Chairman's Statement. Page 7 digital version and online update.
	HR3 Description of policies and procedures to evaluate and address human rights performance within the supply chain and contractors, including monitoring systems and results of monitoring.	CHAPTER 4 Management of human resources, training, health and safety at work. Relations with the supply chain and contribution to social progress. • Taking care of our people • Collaboration with the supply chain • Commitment with society
2 Make sure their own corporations are not complicit in human rights abuses.	HR2 Evidence of consideration of human rights impacts as part of investment and procurement decisions, including selection of suppliers/contractors	See Chairman's Statement. Page 7 digital version and online update.
	HR3 Description of policies and procedures to evaluate and address human rights performance within the supply chain and contractors, including monitoring systems and results of monitoring	CHAPTER 3 Management system, quality policy, undertaking with clients. • Integrated management system • Value and satisfaction for the client CHAPTER 4 Management of human resources, training, health and safety at work. Relations with the supply chain and contribution to social progress. • Taking care of our people • Collaboration with the supply chain • Commitment with society

Labor	Relevant GRI Indicators	FCC Construcccion Sustainability Report
3 Businesses are asked to uphold the freedom of association and the effective recognition of the right to collective bargaining.	HR5 Description of freedom of association policy and extent to which this policy is universally applied independent of local laws, as well as description of procedures/programmes to address this issue.	See Chairman's Statement. Page 7 digital version and online update.
	LA3 Percentage of employees represented by independent trade union organisations or other bona fide employee representatives broken down geographically OR percentage of employees covered by collective bargaining agreements broken down by region/country.	
	LA4 Policy and procedures involving information, consultation, and negotiation with employees over changes in the reporting organisation's operations (e.g., restructuring)	
4 The elimination of all forms of forced and compulsory labour.	HR7 Description of policy to prevent forced and compulsory labour and extent to which this policy is visibly stated and applied as well as description of procedures/programmes to address this issues, including monitoring systems and results of monitoring.	CHAPTER 4 Management of human resources, training, health and safety at work. Relations with the supply chain and contribution to social progress. • Taking care of our people • Collaboration with the supply chain • Commitment with society
5 The effective abolition of child labour.	HR6 Description of policy excluding child labour as defined by the ILO Convention 138 and extent to which this policy is visibly stated and applied, as well as description of procedures/ programmes to address this issue, including monitoring systems and results of monitoring.	
6 The elimination of discrimination in respect of employment and occupation.	HR4 Description of global policy and procedures/programmes preventing all forms of discrimination in operations, including monitoring systems and results of monitoring	
	LA10 Description of equal opportunity policies or programmes, as well as monitoring systems to ensure compliance and results of monitoring	CHAPTER 1 Who we are, main data, products and markets, management and organisation. • Introduction • Operational structure, products and markets • Company management and organisation CHAPTER 4 Management of human resources, training, health and safety at work. Relations with the supply chain and contribution to social progress. • Taking care of our people • Collaboration with the supply chain • Commitment with society
	LA11 Composition of senior management and corporate governance bodies (including the board of directors, including female/male ration and other indicators of diversity as culturally appropriate.	

Environment	Relevant GRI Indicators	FCC Construcción Sustainability Report
7 Businesses are asked to support a precautionary approach to environmental challenges.	3.13 Explanation of whether and how the precautionary approach or principle is addressed by the organisation.	See Environmental Report 2004 . www.fccco.es CHAPTER 5 Main environmental impacts, good practices and results of environmental management on sites. • Main impacts of building activity • Integrated environmental management • Services for environmental improvement CHAPTER 6 Main technological advances in building activities, projects under way and future activities. Encouraging new technologies, research and development
8 Undertake initiatives to promote grater environmental responsibility;	EN1 Total materials use other than water, by type.	Not available in the building sector. See GRI Content Index.
	EN2 Percentage of materials used that are wastes (processed or unprocessed) from sources external to the reporting organisation	CHAPTER 6 Main technological advances in building activities, projects under way and future activities. Encouraging new technologies, research and development
	EN3 Direct energy use segmented by primary source.	Not available in the building sector. See GRI Content Index.
	EN4 Indirect energy use	Not applicable, energy products are neither produced nor distributed.
	EN5 Total water use	Not available in the building sector. See GRI Content Index.
	EN6 Location and size of land owned, leased, or managed in biodiversity-rich habitats	See Sustainability Report, page 58, T.5.1
	EN7 Description of the major impacts on biodiversity associated with activities and/or products and services in terrestrial, fresh waster and marine environments.	See Sustainability Report, page 58, T.5.1
	EN8 Greenhouse gas emissions.	Not available in the building sector. See GRI Content Index.
	EN9 Use and emissions of ozone-depleting substances.	
	EN10 NOx, SOx, and other significant air emissions by type	
	EN11 Total amount of waste by type and destination	See Sustainability Report, page 69, T.5.3
	EN12 Significant discharges to water by type.	Not available in the building sector. See GRI Content Index.
	EN13 Significant spills of chemicals, oils, and fuels in terms of total number and total volume.	
	EN14 Significant environmental impacts of principal products and services.	See Sustainability Report, page 58, T.5.1
	EN15 Percentage of the weight of products sold that is reclaimable at the end of the products' useful life and percentage that is actually reclaimed.	Not available in the building sector. See GRI Content Index.
	EN16 Incidents of and fines for non-compliance with all applicable international declarations/conventions/ treaties, and national, sub-national, regional, and local regulations associated with environmental issues.	See GRI Content Index.
	1.1 Statement of the organisation's vision and strategy regarding its contribution to sustainable development.	CHAPTER 2 Vision and strategy for sustainable development, communications and financial impact in the value chain. • Vision and strategy for the future • Transparency and participation • Generating wealth

9 Encourage the development and diffusion of environmentally friendly technologies.	EN17 Initiatives to use renewable energy sources and to increase energy efficiency.	CHAPTER 5 Main environmental impacts, good practices and results of environmental management on sites. • Main impacts of building activity • Integrated environmental management • Services for environmental improvement CHAPTER 6 Main technological advances in building activities, projects under way and future activities. Encouraging new technologies, research and development
Anti-Corruption	Relevant GRI Indicators	FCC Construcción Sustainability Report
10 Business should work against corruption in all its forms, including extortion and bribery.	S02 Description of the policy, procedures/management systems, and compliance mechanisms for organisations and employees addressing bribery and corruption.	The Manual of FCC Group's General Norms, in chapter MNG 40.10 BIDDING, article 7 establishes specific procedures for the aplication of this principle.

Your opinion can help us to improve

In order to manage our strategy for sustainability and communication for your expectations from FCC CONSTRUCCIÓN, it would be of great help to us to receive your opinion using this short questionnaire:

To which group do you belong	
Shareholders	
Clients	
Employees	
Suppliers and sub-contractors	
Government	
General public	
Communications media	
Companies in the sector	
Partners	

Give a value to the following aspects in this report	Low	Normal	High
Clarity of structure and presentation			
Importance of information			
Legibility and ease of understanding			
Explanation of technical information			
Credibility of data			

After reading the report, what is your opinion of the information with regard to the following aspects?	Low	Normal	High
Definition and management of the strategy of sustainability			
Treatment of financial results			
Treatment of environmental results			
Treatment of social results			
Understanding and consideration of the needs of the interested parties			

Do you think there are relevant aspects that are not covered by the report	Yes		No	
If the answer is yes, describe them:				

If you would like to receive future editions of our sustainability report, please provide your details	
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