



Biological recovery at the Flix Reservoir, Spain

FCC CONSTRUCCIÓN: AN OVERVIEW

SEEKING OUR STAKEHOLDERS SATISFACTION

CORPORATE STRATEGY PROFILES

FCC Construcción is the brand name that encompasses the construction activity of FCC Group, whose EBITDA represents 13 %. With more than 100 years of history, its activity focuses on the design and construction of major civil works (roads, railways, airports, hydraulic works and maritime works), industrial (through its subsidiaries engineering, prefabrication, installations and maintenance), and building (residential and non-residential), in stable markets with high growth potential. Furthermore, it has extensive experience in the development of projects in concession scheme.

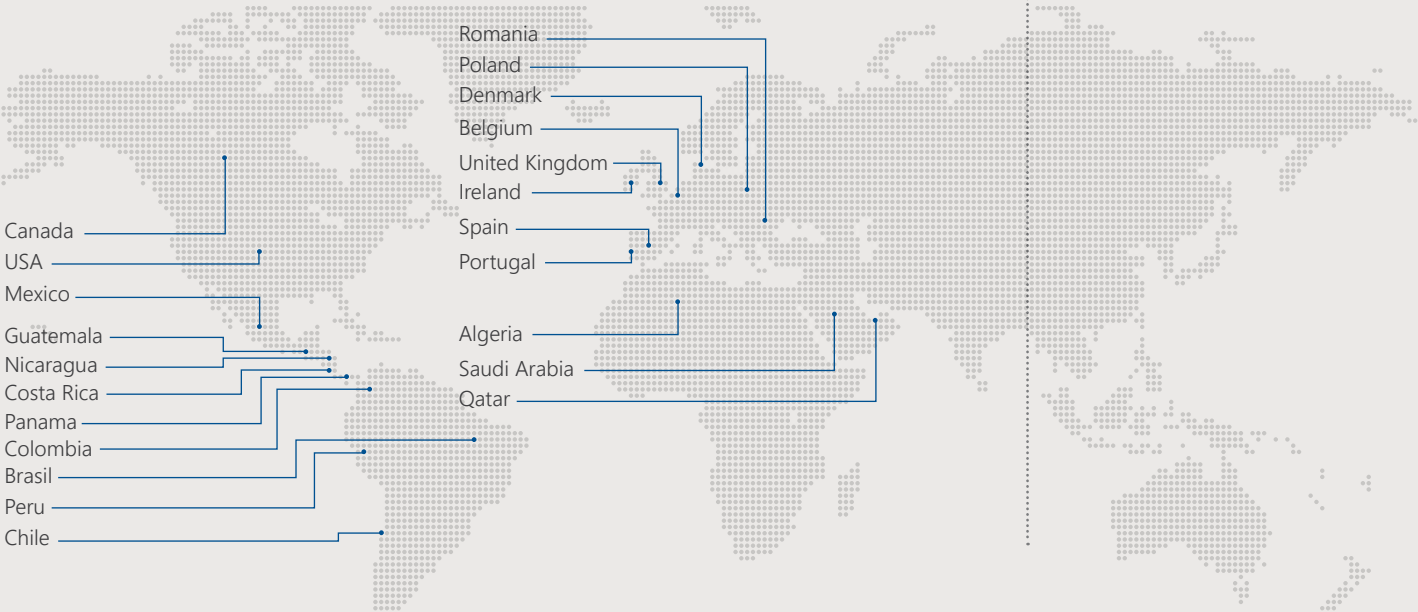
FCC Construcción was the first construction company worldwide preparing and publishing a sustainability report 'in accordance' (2003-2004), which shows its way of managing business. Then and now, the Company does not understand business success without an ethical working dimension.

MAIN FIGURES TO DECEMBER 31, 2013

BUSINESS	PEOPLE	INNOVATION	COMMUNITY	ENVIRONMENT
Annual turnover of EUR 2,589 million	10,676 employees	75% of our activity in Spain is certified 'in accordance' with the Spanish standard UNE 166002 (R&D&i Management: R&D&i management system requirements)	EUR 451,800 for sponsorship of events	66% of our activity is certified according to standard ISO 14001. 98% in Spain
56% of the turnover corresponds to Spain	17.2% of managerial positions occupied by women	Over EUR 3 million invested in sustainability and environmental R&D&i projects (36% of the total amount)	In 2013 the requirements for a responsible selection of suppliers were set	68,316 m ³ of water is recycled or reused on site.
EUR 6,608 million of portfolio, 62% of which coming from our activity abroad	104,368 hours of training	Extending the Equality Plan on its subsidiary companies	In Spain, CO ₂ emissions avoided by the implementation of Good Practices exceed direct emissions (Scope 1)	

GEOGRAPHIC DIVERSIFICATION

We have a steady presence in the different countries where we work, either directly or indirectly via local companies, subsidiaries and affiliates. We focus on markets with high growth potential: Middle East, North Africa, Latin America and North America.



MISSION, VISION, VALUES

MISSION

Create shared value for society and for our shareholders, and provide management and services necessary to design, construct and operate infrastructures and services that contribute in an efficient, sustainable and secure way to the welfare of people.

VISION

Being the international construction company in providing solutions oriented to the welfare of the citizenship, and to social progress and sustainable development. A diversified and integrated company, committed to employees and admired for its ability to create value and for its ability to innovate to meet social needs.

VALUES

- Doing things right
- Efficiency
- Proximity
- Integrity

RESPONSIBLE, SUSTAINED AND COMMITTED MANAGEMENT

For **FCC Construcción**, social responsibility is part of corporate strategy and it is performed in all areas and activities of the company. Observance of human and labour rights, environmental respect and business ethic, are included in the corporate principles and people linked to the company.

In order to fulfil the company's commitment with sustainability, the 3rd Corporate Responsibility Master Plan 2012-2014 of FCC Group promotes responsible actions that are based on its three strategic action areas: **Connecting Citizens, Intelligent Services and Exemplary Behaviour**.

In accordance with said Corporate Plan, **FCC Construcción** has established a set of objectives that are related to the main aspects of the organisation's performance and that provide answers to the expectations of the company stakeholders. The different action plans of **FCC Construcción** are described in detail in this Sustainability Report.

■ Ethical Management

FCC Construcción believes that integrity, honesty and transparency lead the company to success. Group FCC **Ethics Policy** establishes the Code of Conduct to be observed by all the members of the organization. For further about the Ethical Management System, please see Annex 3 in this report.

■ Responsible Management

As a signatory of the **UN Global Compact's ten principles** since 2004, **FCC Construcción** works steadily to always being a company respectful to human and labour rights of people who directly and indirectly are involved in the development of its activities; and it respects the environment and the community in which it operates.

FCC Construcción believes that an ethical and responsible management is not restricted to direct development of its activities, but it also extends to the entire value chain by means of responsible procurement policies when assessing and selecting suppliers. Since 2014, the requirements of quality, health and safety at work, environment, technical resources and experience add the demands of social requirements and respect for human rights. The identification of these requirements performed during the year 2013, corresponds the development of the measures envisaged in the Corporate Social Responsibility Master Plan 2012-2014.

In line with the **3rd Corporate Responsibility Master Plan 2012-2014** of FCC Group, **FCC Construcción** has defined a metric to assess the social and environmental sustainability of the bidding projects, which allows categorizing the tenders to submit. The categorization of the project enables early identification of relevant requirements for bidding, assessing and auditing the project. The implementation of this projects metric will be completed in 2014.

■ Creation of wealth

FCC Construcción believes that a social responsible company contributes to the development, prosperity, stability and health of the social environment in which it operates, creating direct and indirect jobs, boosting the local economy and creating shared value, focusing long-term success. Researching on what has value for all stakeholders means seeking **competitive opportunities**, trying to harmonize what is valuable for the company and what the

different groups interacting with it in the development of their activities appreciate.

■ Environmental protection

FCC Construcción is aware of the impact the industry has on the natural environment, so that one of their management objectives is the implementation of **Good Practices®** respectful to the environment, beyond the strict compliance with the regulations in force. Such strategic objective is included in the **FCC Construcción** Environmental Management System, certified 'in accordance' with the international standard ISO 14001; it is integrated into the Company's General Management System, and it is applicable to all sites and work centres.

■ Commitment to Local Communities

Seeking to create wealth for Local Communities, **FCC Construcción's** strategic goal is hiring local professionals in those countries where the company operates. To meet such commitment, it engages in the cultures of those countries where it operates creating new jobs. Respect and engagement in the cultures of the communities in which it operates are HRM rules of conduct..

MATERIAL ASPECTS AND BOUNDARIES (G4-18a); (G4-26)

Following the reporting principles set on the new G4 Guide Global Reporting Initiative, **FCC Construcción** has drawn this Sustainability Report from a materiality criterion, by which focuses primarily on those aspects that have been identified as most relevant in year 2013.

Thus, **FCC Construcción** intends to enhance all aspects of sustainability and corporate responsibility that are relevant to both the business and the stakeholders, and it is committed to incorporate them into the decision-making strategy of the company. However, this report covers not only outstanding aspects in the survey, but it also incorporates other issues included in the **FCC Construcción** Management System, and that are traditionally included in our Sustainability Reports.

The identification of the said aspects was performed from a Materiality Assessment (see www.fccco.es), by means of the following procedure:

1. 46 specific Aspects outlined in G4 GRI Guide were identified and classified by each axis of the FCC Citizen Services Corporate Social Responsibility Master Plan. It has allowed us to link G4 Aspects and our company's strategy in sustainability.
2. The "Relevance" of each Aspect was quantitatively assessed by external consultants. This assessment determined the number of entries and the importance of each Aspect in the public information issued from **FCC Construcción's** relevant consultants, both international (G4 Guide and Construction & Real Estate Sector Supplement, DJSI, Global Compact of the United Nations OECD) and sectoral (International Project Finance, Spanish Construction Labour Foundation, TECNIBERIA).
3. The "Maturity" is determined by benchmarking and validation of public information on sustainability, issued by main **FCC Construcción's** competitors, on a scale in which FCC itself is situated.



COMMUNICATION WITH STAKEHOLDERS (G4-24); (G4-25); (G4-27)

CSR strategy is integrated all over the value chain of **FCC Construcción**, and it seeks to align the interests and meet expectations of different stakeholders. A proper and constant communication with them through various channels enabled is essential to achieve that objective.

MATERIAL ASPECTS		STAKEHOLDERS												
		Shareholders	Employees	Customers	Suppliers	Financiers	R&D&i and Technology Development Centres	NGOs and Foundations	Universities, other educational institutions and professional colleges	Business Organizations	Public Administrations	Local Community	Trade Unions and Workers Organizations	Media and competitors
Exemplary Behaviour														
	Anti-corruption	*	*	*	*	*				*	*	*	*	*
	Training and Education		*	*	*	*	*							*
	Occupational Health and Safety		*	*	*	*						*	*	*
	Employment									*	*	*	*	*
	Diversity and Equal Opportunities		*	*	*	*						*	*	*
Connecting Citizens														
	Local Communities			*	*	*	*	*	*	*	*	*	*	*
	Indirect Economic Impacts				*	*				*	*	*	*	*
Intelligent Services														
	Emissions		*	*	*	*	*	*	*	*	*	*	*	*
	Biodiversity		*	*	*	*	*	*	*	*	*	*	*	*
	Effluents and Waste		*	*	*	*	*	*	*	*	*	*	*	*
	Energy		*	*	*	*	*	*	*	*	*	*	*	*
	Water		*	*	*	*	*	*	*	*	*	*	*	*

MATERIAL ASPECTS		STAKEHOLDERS												
		Shareholders	Employees	Customers	Suppliers	Financiers	R&D&i and Technology Development Centres	NGOs and Foundations	Universities, other educational institutions and professional colleges	Business Organizations	Public Administrations	Local Community	Trade Unions and Workers Organizations	Media and competitors
Main Communication Channels	Partnerships, alliances and sponsorships						*	*	*					*
	Press articles and other initiatives	*	*	*	*	*	*	*	*	*	*	*	*	*
	Associations		*	*	*	*	*	*	*	*	*	*	*	*
	Seminars on current topics		*	*	*	*	*	*	*	*	*	*	*	*
	FCC Construcción Environmental Report	*	*	*	*	*	*	*	*	*	*	*	*	*
	FCC Group Annual Report				*	*	*	*	*	*	*	*	*	*
	Customers Satisfaction Survey	*	*	*	*	*	*	*	*	*	*	*	*	*
	Exhibitions, Conferences...		*	*	*	*	*	*	*	*	*	*	*	*
	Topic brochures and videos	*	*	*	*	*	*	*	*	*	*	*	*	*
	Training		*	*	*	*	*	*	*	*	*	*	*	*
	Intranet (News, forums, databases...)		*	*	*	*	*	*	*	*	*	*	*	*
	General Meeting of FCC Group Shareholders	*	*	*	*	*	*	*	*	*	*	*	*	*
	FCC Construcción CSR Reports		*	*	*	*	*	*	*	*	*	*	*	*
	FCC Group CSR Reports	*	*	*	*	*	*	*	*	*	*	*	*	*
	FCC Group Websites	*	*	*	*	*	*	*	*	*	*	*	*	*
	FCC Group Public Performances	*	*	*	*	*	*	*	*	*	*	*	*	*
	Objectives monitoring internal meetings		*	*	*	*	*	*	*	*	*	*	*	*

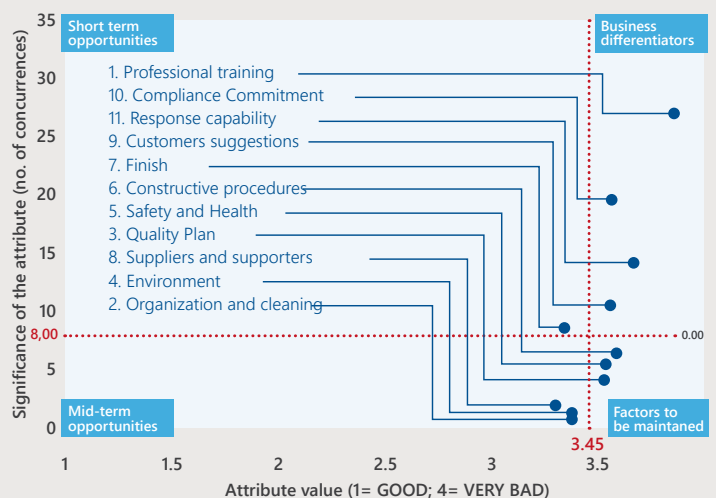
CUSTOMER SATISFACTION SURVEY

By the "Survey upon Completion of the Works", the customers assess **FCC Construcción's** works, valuing different aspects.

For the completed works in 2013, the aspects which have been best valued by the customers, both in qualifying and importance - hence they indicate the differentiating factors of our business - have been: work team professionalism, the ability to respond to problems and unexpected circumstances, customer service, and compliance with commitments.

Even issues such as health and safety, Quality Plan, environmental protection, subcontractors and partners performance, which our clients do not deem so important since they understand that their management is ensured by the System, receive a high mark.

Decision-making chart



ORGANIZATION'S SUPPLY CHAIN

FCC Construcción, like all contractors, has an extensive supply chain, because the bulk of the activities performed on site is subcontracted.

Consequently, it is crucial that integrity and sustainability standards in force in **FCC Construcción** extend to the supply chain. Thus, all suppliers, subcontractors and other trading partners are required to sign an agreement by which they declare to know and respect **FCC Construcción** Code of Ethics.

Pursuant to the Quality Management System, all suppliers must be assessed prior to hiring any goods or services, and they must be included in the Suppliers Catalogue. **FCC Construcción** Suppliers Assessment validates quality criteria, occupational health and safety aspects, environmental and human rights requirements, and other specific technical aspects subject to the contract.

RELEVANT NATIONAL AND INTERNATIONAL ORGANIZATIONS

FCC Construcción influences on relevant issues in the infrastructure industry through active participation in associations and sectoral organizations to which it belongs.

In Spain, it participates actively in SEOPAN (that is, Spanish National Contractors Association) and CNC (that is, Contractors National Confederation). The Company is increasing its presence abroad, and, for instance, it is present in associations such as the European Construction Industry Federation (FIEC), the Chambers of Commerce associated with the embassies of the countries where **FCC Construcción** develops its activity, Professional Colleges and some others; they are true examples of the increasing company's presence.

AWARDS AND RECOGNITIONS

- Prize awarded by **ASBI** (American Segmental Bridge Institute) to the Vidin-Calafat Bridge in Bulgaria-Romania.
- **Building Better Healthcare Award** for the Hospital in Enniskillen (Northern Ireland).
- **Engineering New Record's Best Global Project Awards** for the Hospital in Enniskillen.
- **Green Apple Award** (for Built Environment and Architectural Heritage) for the Hospital in Enniskillen.
- **CEAL** (Business Council of Latin America) for FCC expansion in Latin America.
- **XIIth Biennial of Architecture and Urbanism**, in the category of civic symbolism, for the City Hall of Lalin (Pontevedra, Galicia).
- **"Zero Accidents"** Annual Award CLH Group (Hydrocarbon Logistics Company) to FCC Industrial, a subsidiary company of Group FCC.
- Prize **"Acueducto de Segovia"** awarded by the College of Spanish Civil Engineers to Autovía del Sur A-4, Variante de Despeñaperros (that means A-4 Southern Highway, Despeñaperros diversion), as the Best Project.
- **"Un compromiso real con la sostenibilidad"** (that is, "An actual commitment to sustainability"). ISTUR (Instituto de la Sostenibilidad Turística) to FCC
- Prize **"Best Municipal Public Work of the Year"** awarded by the College of Spanish Civil Engineers to Urban Development Area AR Nuevo Tres Cantos (Madrid).
- **FCC Construcción** is appointed **"Environmental Ambassador"** for 2014, in recognition to the environmental project of Hospital of Enniskillen.

Certified Management Systems

Management Area	Certificate	Scope (% of certified activity)	
		Total	Spain
Quality	ISO 9001	97.2	98.0
Environment	ISO 14001	66.2	98.0
Occupational Health and Safety	OHSAS 18001	54.3	98.0
Green House Gas Emissions	ISO 14064	42.4	75.1
Information Security	ISO 27001	42.4	75.1
R&D Management	UNE 166002	NA	75.1



FCC CONSTRUCCIÓN: an overview. Seeking our stakeholders satisfaction	03
Our Chairman's and Corporate Manager's Statement	11
Responsible Construction. Corporate Governance, Ethics and Risk Management	14
Main figures and internationalization	20
Environment: an intelligent service	24
Connecting citizens. Human Rights, Occupational Health and Safety, Training and Communities	30
Building the future. Innovations and work team adaptation	40
Annex 1. Table of contents and indicators according GRI4 and Global Compact	46
Annex 2. Principles applied to this Report	60
Annex 3. Environmental Management System and Ethical Management System	61





CHAIRMAN'S STATEMENT

As it is scheduled every year, we publish our Sustainability Report, by which we inform about the actual facts of our management. We are convinced that it is not enough doing, or trying to do things well, but we must also inform all our stakeholders in a transparent and rigorous way.

This Sustainability Report 2013-2014 is the first one to be published after the perfect storm that led to the crisis. The necessary deconsolidation of ALPINE and its exclusion from **FCC Construcción** balance sheet; the scarce investment in our domestic market; and, especially, the unavoidable reduction in staff numbers in order to adjust our structure to actual demand, have meant painful episodes in our recent history; but all that was necessary to build a future in a global environment.

The results start to show, so hopeful, the consolidation and adjustment efforts made.

The situation of the construction sector in Spain, has forced us to change the model, scenario and rules. We have adopted imaginative solutions, sometimes unpleasant, to be able to compete in other countries, and to make noticeable our capabilities, enhancing our offer, our competitive differences and our centenary reputation.

Large contracts abroad, as Gerald Desmond bridge in LA and Mersey in Liverpool, and subways in Riyadh, Doha and Lima have boosted our international portfolio. Our efforts to regain our traditional financial stability become rewarded, and we occupy the best position to deal with the new situation by budgetary strength, internationalization and efficiency.

The "reputation" of a company is an intangible asset difficult to achieve, and it requires the alignment and effort of all those people linked to a company; yet, it can be lost in a minute. Presently, we are aware that the responsibility of all **FCC Construcción** managers transcends the framework of our balance, because we also feel responsible for the defence of national interests abroad.

We are and will be committed to observe a quality and environmental policy integrated into the value chain; to pursue innovation and development; and to look after the working conditions of our employees and our host communities.

Securing the future development of our company in markets with high growth potential is a difficult challenge. The responsibility, the expertise of our professionals and the culture of effort are our best tools to continue doing what we best know: responsible construction.

To conclude, this statement renews our commitment to the United Nations Global Compact's Principles, which FCC signed in 2004. Observance of human and labour rights, environmental respect and business ethics are part of the corporate principles and of those people linked to the company, beyond rhetorical statements.



Miguel Jurado Fernández
Chairman of FCC Construcción, S.A.



"Large contracts abroad, as Gerald Desmond bridge in LA and Mersey in Liverpool, and subways in Riyadh, Doha and Lima have boosted our international portfolio."



OUR CORPORATE MANAGER'S STATEMENT

FCC Construcción has made significant sacrifices since the last Sustainability Report, published in 2012. 2013 was a year marked by adjustments: the deconsolidation of the Austrian subsidiary ALPINE; the falling of construction investment in Spain for the seventh consecutive year ; and a deep restructuring initiated in the company to adapt the cost structure to the actual demand.

FCC Group Strategic Plan sets the path to follow in the near future: concentration of efforts on strategic businesses; presence abroad where locations are most stable and profitable; a liabilities structure in line with the cash flow generation; and an efficient approach to operations, to adapt to market conditions.

We have worked hard; and the result of the collective effort of all company's employees - whose dedication and sacrifice I publicly thank and appreciate - has stabilised the balance sheet data, so that we can peer the end of the recession.

Presently, **FCC Construcción** operates in 35 countries; a 62 % of the portfolio is located abroad and the sales in 2013 amounted EUR 2,589 million. A gross operating profit (EBITDA) of EUR 98.8 million means an improvement compared to 2012, and it anticipates the restoration of profitability. On 31 December, the portfolio amounted to EUR 6.608 million; that is, an increase of 12.3% compared to 2012, by means of major projects awards, which have made headlines across the world media, and they ensure an increase in production in the coming years.

In **FCC Construcción** we work to ensure our shareholders' earnings, because we understand that all businesses committed to sustainability and seeking to survive have the results orientation as a priority.

Everything to be read in the following pages has become possible by hard working over 114 years, since we postulate as the oldest construction firm in Spain.

Traditionally, our daily commitment to our customers, our staff, social and environmental concerns linked to our operations; the strict control of the risks which threatens our business every day; our commitment to innovation as a competitive differentiation - all this in long term - have built up a corporate culture in **FCC Construcción**, featured by its seriousness and commitment. I am honoured to present to you all that in this Report.

Vicente Mohedano Martín

Corporate Manager of FCC Construcción, S.A.



"FCC Construcción operates in 35 countries; a 62 % of the portfolio is located abroad and the sales in 2013 amounted EUR 2,589 million"



San Marcos Viaduct, Mexico

RESPONSIBLE CONSTRUCTION. SEEKING OUR STAKEHOLDERS SATISFACTION

“THE ‘REPUTATION’ OF A COMPANY IS AN INTANGIBLE ASSET DIFFICULT TO ACHIEVE, AND IT REQUIRES THE ALIGNMENT AND EFFORT OF ALL THOSE PEOPLE LINKED TO A COMPANY; YET, IT CAN BE LOST IN A MINUTE.”

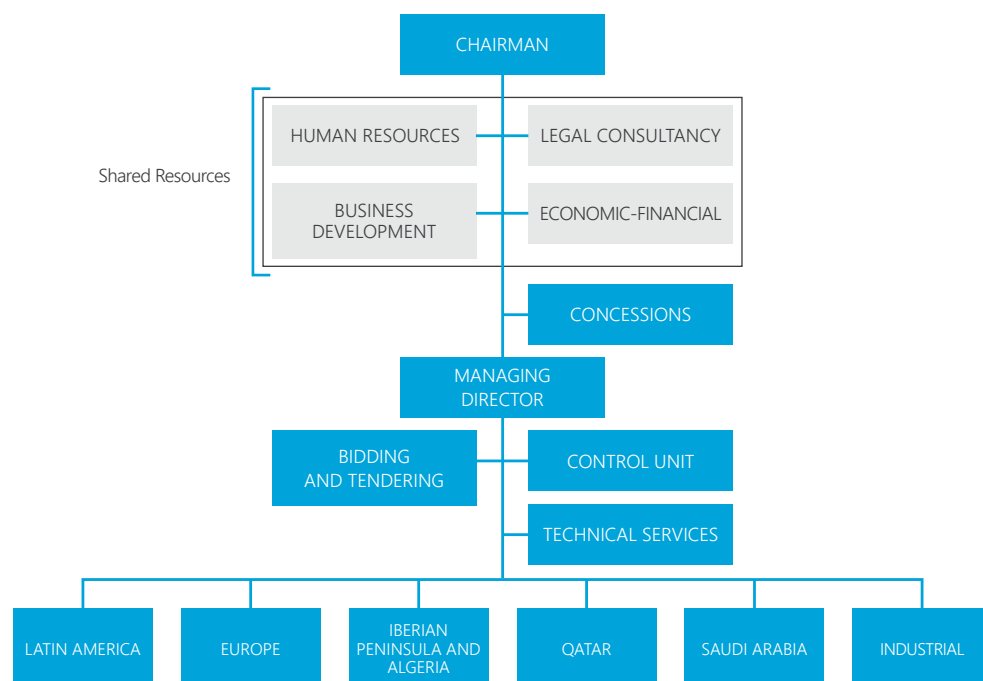
- For the sixth consecutive year, FCC Group renews its presence in the FTSE4Good and Dow Jones Sustainability Indexes (World and European).
- The Sustainability Committee is composed of members representing the highest levels of the company.
- A number of civil engineering works in Costa Rica, Colombia and Saudi Arabia have been assessed ‘in accordance’ with the Equator Principles and the World Bank

CORPORATE GOVERNANCE

FCC Construcción follows and implements FCC Group Corporate Governance policies. The structure of government and self-regulation contributes to achieve the corporate challenge of strengthening transparency and good governance. The parent company, FCC, has implemented 90% of the international standards of the Unified Code of Good Governance, and it produces and publishes the annual Corporate Governance Report.

The FCC Corporate Governance is set out in the following normative documents:

- Corporate Bylaws
- Shareholders Meeting Regulations
- Board of Directors Regulations
- Code of Ethics
- Internal Code of Conduct
- Crime Prevention and Response Manual



INTEGRITY FRAMEWORK

Code of Ethics and anti-corruption

FCC Construcción assumes and applies the FCC Code of Ethics, which sets the code of conduct that guides our professionals' actions and behaviour in ethical, social and environmental issues. It must be implemented in all countries where FCC operates, and all employees, managers, suppliers and subcontractors working for **FCC Construcción** must comply with it.

The **Code of Ethics**, in force since 2008, is published in the FCC Group corporate website. It includes matters related to corruption and bribery; specifically, one chapter is closely related to monitoring the preparation of financial information and it is named "Internal Control and fraud prevention". It addresses issues such as the manipulation of information, protection of intellectual property, corruption and bribery, and money laundering and irregularities in payments.

Moreover, it also addresses issues such as human rights, management of human resources, occupational health and safety and environmentally-friendly behaviour.

TOP MILESTONES OF 2013

- Launching the FCC Group Chairman's Blog.
- Implementing the new Strategic Plan 2013-2015
- Incorporation of Bill Gates' Group, Microsoft's co-founder, as shareholder of FCC Group by his purchasing of 6% of the company shares.
- Incorporation of George Soros' Group as shareholder of FCC Group.
- Implementing PETRA (Special Program for Risk Management of Technical Accidents) in international works, focusing on monitoring the compliance with the contract requirements and the grievances, as well as with the scheduled planning.
- Our works comply with social and environmental responsibility, in accordance with the Equator Principles and IFC Guidelines.

FUTURE CHALLENGES

- Reduction of FCC Group indebtedness to a debt ratio which enables the company to tackle debt with operating profits.
- Regain the economic and financial stability which allows us to remunerate shareholders adequately
- Promote the Contract Manager role in order to reinforce its actual presence in major contracts.
- Update the **FCC Construcción** Risks Map.



The **Crime Prevention and Response Manual** defines the controls and procedures to prevent the commission of crimes, and it identifies those risks associated with the infringement of the Code of Ethics. Most of those internal assessments, set in the Company's General Procedures, are verified by periodical audits. Specifically, the potential high-priority risks related to **FCC Construcción** managers, employees and stakeholders' ethical behaviour are: the risk of bribery, the risk of international corruption, and the risk of private corruption.

Furthermore, the Code of Ethics promotes the corporate culture of the company, in the extent that it has drawn with the aim to comprise and reinforce its identity and code of conduct.

In 2013, there were five infringements of **FCC Construcción** Code of Ethics: one non-compliance related with the required principle of respect to people; one corruption and bribery case; and two breaches of the principle of integrity.

Regulatory Compliance

FCC Construcción has regulatory compliance monitoring systems at the level of FCC Group which ensures third parties the compliance with legislation applicable in each case, as well as with international regulations and standards.

SUSTAINABLE DEVELOPMENT AND VALUE CREATION

FCC Construcción takes an active role and advocates the sustainable development model, refusing to be just a bystander in the current events. We have a responsibility to shape reality; and we must offer solutions; share experiences and knowledge; contribute to the definition of methods and standards that ensure the best results and avoid mistakes that we may have been committed formerly but they have helped us to learn. A more environmentally friendly construction, a more sustainable environment, can be achieved only with clear guidelines that set out the construction sector's active role; suggesting possibilities; engaging in the process; and providing solutions and viewpoints from our scope.

Tunnel breakthrough at the Toronto Metro Project, Canada



FCC Construcción has a Technical Services Directorate, which provides technical support for projects and studies to prepare offers. The company consists of a multidisciplinary team of highly qualified professionals, specialised in all areas of civil engineering and construction and familiar with different construction techniques, which provides our clients with an extra level of confidence, reliance and professionalism.

In addition, the company has special machinery for strategic work (tunnel-boring machines, incremental launching formwork, floating docks, cable cranes, road machinery, etc.) as well as other equipment (aggregate, macadam and concrete plants, spreaders, tower cranes, auxiliary equipment, etc.), which are made available to our worksites and which are also correctly operated and maintained by our own machinery yards and equipment warehouses.

Quality

The Quality Management System, which is certified according to standard ISO 9001 in all the countries where the company operates, is based on the continual improvement of the sector. By ensuring customer satisfaction, this Management System is a key element for strengthen and improving the organisation's leadership position in the market.

Environment

FCC Construcción has implemented a Good Environmental Practices System®, which focuses on a management that is oriented towards the

CASE STUDY

1

Our social and environmental risks management ensures the compliance with the Equator Principles to our project finance suppliers

An appropriate risk management is an important requirement to consider within the **FCC Construcción** CSR policy. The social and environmental risks management begins in the early stages of project planning, because the design and the financial procurement require having considered adequately these concepts from preliminaries.

It should be noted that the financing of major projects involves financial entities signatories of the Equator Principles. It is a voluntary commitment by which loans are awarded only to projects that can demonstrate proper management of their social and environmental impacts.

In 2013, the Riyadh Metro Project went through the four phases of the compliance assessment according to the Equator Principles. In the first phase - a project categorization based on potential social or environmental impacts - the project was classified as **Category B**; it comprises projects with potential limited adverse social or environmental impact. By failing to be classified as

Category C, in a second phase the Project conducted a socio-environmental assessment of its risks and, after a thorough analysis, an action plan to minimize and mitigate potential adverse impacts was proposed. Simultaneously Phases 3 and 4 for consultations and grievances, and monitoring and reporting, have been initiated, and they will be subject to regular monitoring throughout the execution of the project.

All these phases are internalised in the **FCC Construcción** Management and Sustainability System, which, after these early processes of due diligence by the World Bank, is being expanded so as to cover all the criteria set by the Performance Standards on Environmental and Social Sustainability and IFC.

Our business principles are confirmed by foreign demand in an increasingly international context, and this year it has meant a feedback and a continuous improvement process of our Management and Sustainability System.





Electoral Tribunal, Panama

environmental protection. This strategic objective is part of the Environmental Management System, certified according to standard ISO 14001.

Occupational Health and Safety

FCC Construcción ensures its workers' health and safety. As a result of this strategic objective, there has been a decline in the frequency and severity rates of accidents, mainly due to a decrease in the number of minor accidents (37%). **FCC Construcción**, which concentrates in an ongoing international expansion process, adapts its Management and Sustainability System to ensure its implementation throughout the scope of the company.

Information Security Management System

Part of our commitment to customers is framed into the Information Security. **FCC Construcción** is the only Spanish construction company with a certified ISMS (Information Security Management System) 'in accordance' with ISO 27001; it enables our company to keep under control possible threats to our information assets, protecting our customers' simultaneously.

Local development

FCC Construcción cooperates with the communities where it is operating, minimising the potential social risks that derive from its activities and working in different projects for the most underprivileged members of the community.

RISKS MANAGEMENT

Risks identification and management

Driven from the Top Management, the Risks and Opportunities Management System has consolidated systematically in **FCC Construcción** this year. Adopting Risk Management Procedures enables the identification of opportunities that may not be visible at first glimpse;

Luis Chicho Fábrega Hospital, Panama



the transformation of threats into opportunities; and the avoidance of all or part of any loss, strengthening business strategy and differentiation from competence.

Based on a reliable and internationally recognised methodology, risk detection and risk assessment processes - and their subsequent control - are processes subject to constant review, and it is applicable to all phases of each project. For contracting, the precautionary principle endorsed by the Risk Management System enables the entry into new markets, with very demanding customers, reinforcing this way the objective of the company of its international development.

The Equator Principles

The revision and monitoring of the Equator Principles in FCC Construction is a requirement to be considered for funds raising from multilateral institutions and commercial entities. Such funds are quite important for major projects and work performed by the company.

The Equator Principles (EPs) form the risk management framework that the financial institutions have voluntarily adopted, for determining, assessing and managing environmental and social risks in those projects that they finance. Currently 79 financial institutions have adopted EPs, and they will apply them to all loans allocated to projects of more than \$ 10 million.

The Equator Principles base on the social and environmental sustainability policies drawn by the International Finance Corporation (IFC) and the World Bank recommendations on environment and health and safety. They provide due diligence standards making social and environmental decisions in risk management.

In 2013, various civil engineering projects have been evaluated 'in accordance' with the Equator Principles and the World Bank. For example, the extension and rehabilitation of No. 1 Route Section Cañas-Liberia, the Wastewater Treatment Plant "The Pits" in Costa Rica, the restoration of Bogota River in Colombia and Riyadh Metro in Saudi Arabia.





Highway M 45, Spain

MAIN FIGURES AND INTERNATIONALIZATION

“IN FCC CONSTRUCCIÓN WE STRIVE TO MAINTAIN THE PROFIT TO OUR SHAREHOLDERS RESULTS ORIENTATION IS THE PRIORITY FOR ANY COMPANY INTENDING TO SURVIVE AND BE SUSTAINABLE.”

- We achieve a contracting volume of EUR 3,462 million and a portfolio of EUR 6.608 million.
- Operating in more than 35 countries, the international portfolio accounted for 62% of total on 31 December. The debt was reduced EUR 907.6 million.

BUSINESS CONTEXT

In a restrictive economic environment, conditioned by a slow economic recovery and a contraction of financial market, FCC Group focuses its business activity on strategic markets, with the aim to increase cash flow and reduce debt levels. Such strategy will restore investors' and market's confidence. **FCC Construcción** contributes to this corporate strategic objective boosting projects in countries with stable legal frameworks, great opportunities for growth and infrastructure needs.

In the second semester of 2013, ADA (Arriyadh Development Authority) awarded **FCC Construcción** the construction of the capital subway (Riyadh, in Saudi Arabia). This contract sets up as the world's largest and it is led by FCC, in partnership with Samsung and Alstom, among others. The contract price is EUR 6,070 million, and the deadline to complete the work is 5 years.

Also in 2013, a consortium participated by FCC was awarded the construction of the bridge over the River Mersey in Liverpool, whose estimated investment is EUR 700 million. These and other major contracts cause the portfolio to have grown 12.3% in 2013.

ECONOMIC PERFORMANCE

MAIN FINANCIAL FIGURES (*)		
	Millones €	
	2013	2012
Turnover	2,589.2	2,935.6
Gross Operating Profit (EBITDA)	98.8	89.4
EBITDA Margin	3.8%	3.0%
Net financial debt	-153.3	754.3
Contracts	3,462.2	1,752.3
Portfolio	6,608.2	5,886.2

(*) The data corresponding to 2013 exclude ALPINE. For fiscal year 2012 the data have been restated to ease comparison. Further information can be found in the Annual Report and the 2013 Earnings Report, January-December, published in www.fcc.es

The turnover reached EUR 2,589.2 million in 2013, representing a reduction of 11.8% over the previous year, in response to severe adjustment of public investment in Spain, partly compensated by increased international revenues (14.5%).

The gross operating profit (EBITDA) amounted to EUR 98.8 million from a sales margin of 3.8%, which is beginning to acknowledge the gradual retrieval of profitability in 2013, as a result of actions implemented to adapt the cost structure in Spain to the current level of demand.

By region, it is outstanding the growth of production in Latin America - a 32% - due to the ending phase of major contracts in Panama, although in Europe it descends 41.5% due to the completion of the Vidin-Calafat bridge works. In the U.S. and Canada there has been a strong growth due to the construction of the Gerald Desmond Bridge, and the higher advance in the construction works in Toronto subway.

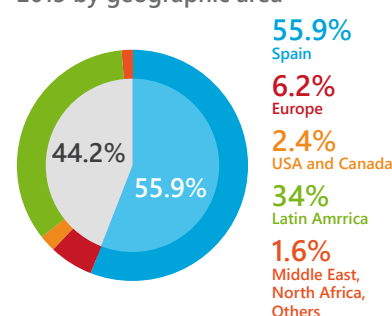
TOP MILESTONES OF 2013

- Debt reduction of **FCC Construcción** EUR 907.6 million.
- Deconsolidation of Alpine.
- Strong upturn of the international contracting due to an increase of investment in infrastructure all over the world.
- Contract award of Riyadh Metro, in Saudi Arabia, the largest construction project all over the world.
- Completion of major projects: Bridge between Vidin (Bulgaria) and Calafat (Romania); Line 1 of the Panama Metro.
- Selection of the **FCC Construcción** Management and Sustainability System by the most representative international works.
- Adequation of the company's processes to the international reality.

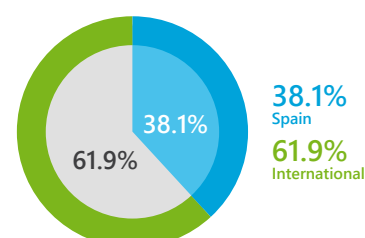
FUTURE CHALLENGES

- Ensure cash inflow in all contracts.
- Cost reduction according to the activity level, especially those structure costs that are not directly related to sales costs.
- Ensuring the operational and financial sustainability, so that gradually increases the EBITDA to place it over 1,000 million per year.
- Providing positive balance of international activity in 2014 to the income statement of FCC Group.
- Refinancing the recourse debt included within the boundaries of the Group, in order to clear the financial horizon until 2017 (reported to the National Securities Market Commission on April 1, 2014).

Revenue breakdown in 2013 by geographic area



Portfolio breakdown in 2013 by geographic area



International experience in metropolitan infrastructures

In 2013 FCC has been awarded many international subways

Undoubtedly, 2013 and 2012 were key years for **FCC Construcción** positioning as a leader contractor for metropolitan infrastructures worldwide.

The opening of the Athens Metro, the awarding of the mega-contract of Riyadh Metro in Saudi Arabia, the starting of the line1 of Metro in Panama City, and, more recently, the awarding of Lima and Doha (Qatar) subways contracts - which were developed in 2013 -, are the best examples of the materialization of **FCC Construcción** internationalization process during the last two years. Based on a high-tech construction model, the added value submitted by FCC is shown first at design phase, when **FCC Construcción** technical services lead the project; going onto the construction phase, with a qualified team of professionals experienced in metropolitan infrastructures; and ending up with the starting-up of the infrastructure.

Specialization, high quality standards and completion of work in deadline and at the stipulated price, have situated **FCC Construcción** as the most suitable contractor to conduct the construction of metropolitan infrastructures. Cities like Riyadh, Doha, Lima, Panama, Athens, etc. have entrusted our company these major works.

Thus, the awarding of the Riyadh Metro - with a total budget of EUR 16,300 million - represents a milestone in the execution of this type of infrastructures. The contract, which comprises lines 4, 5 and 6 of the Saudi capital and amounts to EUR 6,070 million, is a consortium led by FCC, and it also includes the multinationals Samsung and Alstom.

Presently, the Riyadh Metro is the largest project worldwide; with a total of 176 km of track and 25 stations, it is a very complex project, by the intervention of a multinational heterogeneous work team, with one common goal which is to provide the City of Riyadh with the latest and most modern subway system in the world.



The Museum of Royal Collections and Almudena Cathedral behind, Spain

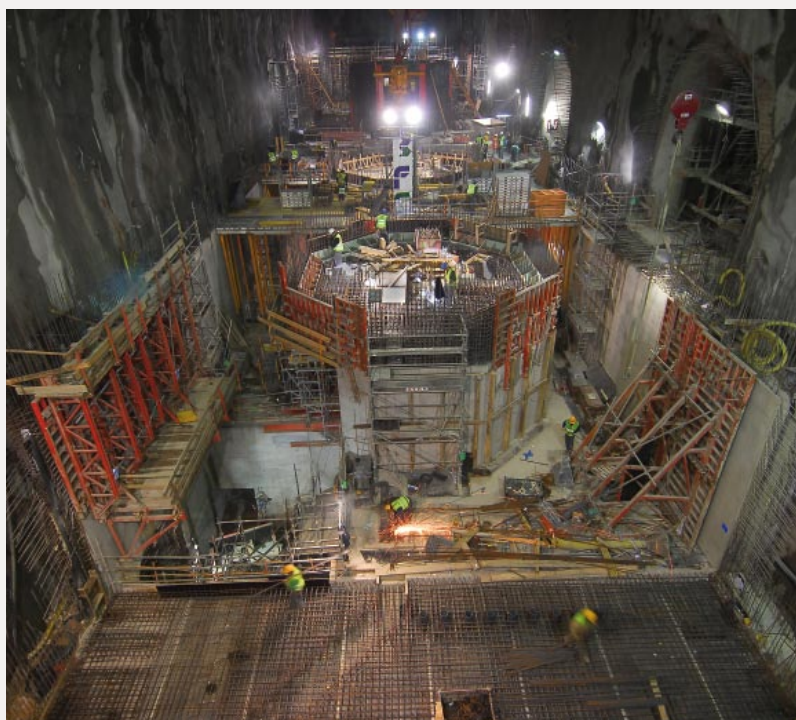
INDIRECT ECONOMIC IMPACTS

Investment in infrastructure has a positive impact on the development of the community. During the execution of the works, there is a direct social impact by means of employment generation, and an indirect social impact as a consequence of the development of production networks of local subcontractors and manufacturers. This activity does not require a special qualification, so it enables the incorporation of local personnel within the most qualified personnel structure.

The implementation of a construction in remote isolated areas implies quite often the development of community facilities, which enable the creation of a consolidated community. By training the employees and their families, they will be provided with opportunities to start entrepreneurship or finding a job in other industry once the work is finished.

Out of local scope, the provision of infrastructure creates regional wealth, since over 50 percent of the investment reverts to the public treasury through taxes.

Cavern of La Muela II hydroelectric station, Spain



We promote local communities and their economies in sectors "The Valdeza" and "Community April 19" in Panama

FCC manages, in a 20-year concession scheme, the Quarry La Valdeza, located in the area named Valdeza and Community 19 de Abril in Panama. In addition to fulfilling its main task, which is the obtaining of raw materials for the execution of works and projects, the Quarry La Valdeza and FCC are doing important work in the communities involved. It is a hardworking and enterprising population in which men and women struggle to build healthy and prosperous homes for their families.

The branch of **FCC Construcción** in Latin America and these communities have built a mutually beneficial network which, daily, adds pinches of will, understanding and cooperation. Besides the usual actions performed in such facilities as reforestation, dust control, truck traffic or noise control, other initiatives are being developed 'in accordance' with FCC Corporate Social Responsibility Policy.

With the aim to improve the economic development in the area, a basic criterion in the recruitment of staff for the quarry is that most of the workers belong to the Community. Another example of the important economic impact of the Quarry La Valdeza on its surroundings, is the entrepreneurial fostering, i.e. a dressmaking workshop for 12 women of the community.

FCC also thinks that sport is crucial in the young people and children's education, because they are the future of society. Thus, it has built sports facilities including a playground and basketball and football courts, which will enable young people to play sports and have healthy fun.

Moreover, the first football league La Valdeza has been already organised and there were 12 teams involved.

A healthy company - as FCC is - is even healthier if it reinforces this commitment to the stakeholders, so that in La Valdeza a Health Day was organised and several services were provided; among others, General Health Services, blood pressure testing and vaccination.

Since it started its operation in this area, the branch of **FCC Construcción** in America has been often praised for its work for the benefit of the community. The indirect economic impacts that **FCC Construcción** America generates in the community are also very appreciated. Those gestures of gratitude reinforce the work done and they demonstrate that our activity can generate economic and social benefits beyond the company itself, improving the lives of communities and local economies we interact with.

Social integration courses. Local community La Valdeza, Panama



Metro line L1 in Panama City



Vidin Bridge, Bulgaria

ENVIRONMENT: AN INTELLIGENT SERVICE

"WE ARE AND WILL BE COMMITTED TO: OBSERVE A QUALITY AND ENVIRONMENTAL POLICY, INTEGRATED INTO THE VALUE CHAIN; TO INNOVATION AND DEVELOPMENT; AND TO LOOK AFTER THE WORKING CONDITIONS OF OUR EMPLOYEES AND OUR HOST COMMUNITIES."

- More than 7 million m³ of reused inert waste in Spain.
- Over 68,000 m³ of reused or recycled water.
- 19,312 tonnes of CO₂ equivalents avoided in Spain.
- Over 114 years building sustainable infrastructure.

APPROACH AND ENVIRONMENTAL GOOD PRACTICES

To achieve a balance between profitability maintenance and environmental impacts reduction, even in the current context of the company - which operates in multiple locations worldwide -, in 2013 our Environmental Management System has been certified 'in accordance' with ISO 14001 in the 20 countries where the company is operating. It means that 66% of our activity is certified.

FCC Construcción is aware of the impact that the construction sector has on the environment, and how its deterioration can affect its own business. Fourteen years ago, the Company set planning and good practices during the execution of works as strategic goals. It was a mean to integrate environmental matters in the process. **FCC Construcción** has implemented a Good Practices System® which, in addition to legal and contractual requirements, incorporates actions that ensure better actual environmental performances.

In 2013, each of our works has applied an average of 88% of applicable Environmental Good Practices, planning and improving thereby their environmental performance. Although 97% of the works executed in 2013 has achieved the environmental objective of the organization, it is important to highlight the decline in comparison to previous years, mainly driven by international works, where the environmental requirements demanded by the customer and the project are very strict; this makes very difficult to score points through the implementation of voluntary measures.

Good Practices Implementation		
	2013	2012
Works that provide data related to Good Practices	205/207 (99%)	252/253 (100%)
Implementation of Good Practices at work	22/25 (88%)	No data*
Works that achieve the environmental objective	198/205 (96.6%)	251/252 (99.5%)

(*) These data cannot be compared because in international works in 2012 the average number of applied Good Practices was known, but not the average number of applicable Good Practices. The extension of monitoring the compliance with the environmental objective to all countries where FCC Construcción operates, provides a global figure for the entire company in 2013.

RESPONSIBLE CONSUMPTION

Global development and its consequences, such as climate change or increasing global population, imply a significant risk to resources such as water and energy, which are key elements in the social and economic development of the countries where we operate.

FCC Construcción is aware that we face a limited availability of these resources, especially in countries where they become scarce - as water in the Middle East, North Africa and Iberian Peninsula -, so we encourage their efficient consumption by using the best available technologies, and the recycling and reusing of materials and resources in our activities.

For example, to reduce water consumption, the work reuse on-site the water resulting from the washing of concrete hoppers and process wastewater; they are used for sprinkling down site roads, rinsing out the vats or as raw material for the concrete manufacturing process in the plants located on site; all this after the compulsory compatibility study.

All consumptions made this year, either energy, water or materials, have decreased with respect to previous years. This descent is a clear indicator of less construction activity, because in 2013 there have been less works in process, and many of them ended early in the year or they were stopped during a significant period.

TOP MILESTONES OF 2013

- Attainment of the environmental management system certificate, with global scope and comprising 20 countries.
- Definition of metrics to assess social and environmental sustainability for bidding projects.
- Extension of Scope 3 of the "GHGs Emissions inventory".
- Verification of the GHG Report 'in accordance' with the CO2 measurement Protocol of ENCORD.
- Preparation of the Environmental Report 2013
- Extension of the monitoring of compliance with the environmental objective to all countries where **FCC Construcción** operates.

FUTURE CHALLENGES

- Enabling the online and multilingual software CACUMEN, in order to expand the environmental data compilation, and to improve their accuracy thereof.
- Implementation of metrics to assess environmental and social sustainability of new bidding projects, and design of a database to analyse the results.
- Modification of the Suppliers' Assessment criteria by including social and human rights criteria.
- Identification of business opportunities related to climate change, working in the "adaption" line of the Company's Climate Change Strategy.
- Preparation of Basic Guidelines on how to act at works in what concerns to biodiversity conservation and management, interaction with local communities and cultural heritage management.
- Inclusion of additional environmental and social criteria to the policies, procedures, guidelines, and application software comprised in the Management and Sustainability System, pursuant to the International Finance Corporation Performance Standards.

¹ Further information about the Good Practices System; please see Annex 3 in this report..

For instance, water consumption in 2013 was 2,054,239 m³, a decrease of 54.5% over the previous year, being surface water the main source for our works.

Water consumption		
	m ³	
	2013	2012
Surface water*	1,281,974	2,627,737
Groundwater*	385,495	464,178
Municipal water supply	268,291	1,205,431
Recycled water or water reused at the same work.	68,316	210,126
Other sources of water	50,136	2,542
TOTAL	2,054,239	4,510,014

(*) Estimation based on the authorized water withdrawal.

FCC Construcción's energy consumption amounted to 629,499 GJ in 2013, being non-renewable fuels, especially diesel, the main type of consumed energy. By geographical location, the highest electric consumption reported comes from Spain, and 72% of fuel consumption was made in Spain and in countries located in South America and Central America where FCC operates.

Energy Consumption		
	GJ	
	2013	2012
Direct Energy Consumption	560,371	1,020,513
■ Fuel-oil consumption	123,838	254,756
■ Diesel fuel consumption	412,942	695,123
■ Petrol consumption	22,735	42,737
■ Natural Gas Consumption	824	27,706
■ Propane and butane consumption	32	191
Direct Energy Consumption (electricity)	69,128	111,578
TOTAL	629,499	1,132,091

EMISSIONS

Because of its strong commitment to sustainability, and as part of a defined strategy addressing climate change, in 2011 **FCC Construcción** became the first Spanish construction company that got its GHG emissions inventory verified. Moreover, since 2012, FCC has the certification "AENOR Environmental Mark for calculated CO₂eq Emission carbon footprint". It certifies the accuracy of the calculation and demonstrates that the company has included greenhouse gases management in its System and its strategy.

For the GHGs calculation, a comprehensive approach is used, by integrating activity data received from each work and fixed centre, and quantifying the emissions at corporate level.

Although there were less emissions of greenhouse gases in 2013 than previous years, largely as a consequence of lower activity levels, it is noteworthy that this year the verified emissions avoided by the implementation of good practices exceed the verified GHG emissions due to fuel consumption.

By the implementation of the know-how accumulated since 2010, **FCC Construcción** has participated throughout the year in the development of the FCC Group's climate change strategy, which has been approved by the top management in the company and has become a comprehensive corporate policy that respects the particularities of each of area. Even more, we are aware that 90% of our emissions are consequence of the activity of the company but they occur from sources not owned by the organisation. Thus, **FCC Construcción** is engaged working on extending the quantification and verification of scope 3 emissions, and on raising awareness in our own staff, suppliers and subcontractors, by reporting examples of Good Practices in the construction sector.

Besides GHG emissions, significant for its relation to the climate change but of low magnitude, the most important atmospheric emissions that occur in the construction sector are dust and particles emissions (2,028.7 t), minimised by works by the implementation of good practices - as watering roads and stockpiles, using screens against dust dispersal or using molecular sprays in facilities that generate dust. Other less significant emissions which can occur as a result of our activities are sulphur oxides emissions (3.8 T) or nitrogen oxides emissions (196 T).

Green House Gases Emissions (T CO ₂ eq)				
	Total FCC Construcción*		FCC Construcción**	
	2013	2012	2013	2012
Total GHGs emissions	436,450	591,042	306,453	331,332
■ Direct emissions (Scope 1)	43,348	75,084	16,870	20,750
■ Indirect emissions (Scope 2)	4,797	8,995	2,273	4,820
■ Other Indirect emissions (Scope 3)	388,305	506,963	287,310	305,762
GHGs emissions avoided by the implementation of good practices at work	21,377	18,317	19,312	14,367

(*) Emissions calculated according to the corporate FCC Construcción inventory, based on the activity data reported by different organizations and countries.

(**) Emissions verified by AENOR (see certificate and Greenhouse Gas Emissions Report on www.fccco.es)

WASTES AND EFFLUENTS

FCC Construcción Environmental Management System pays special attention to management of wastes from works, either surplus soil and stones and clean rubble and other debris.

Reducing the volume of material sent to landfill and its reusing or transformation is an indicator of its good management.

In fiscal year 2013, there has been a significant reduction of the total hazardous waste generated due to a decrease in our activity; however non-hazardous waste has increased.

Generated waste (T)		
	Total	
	2013	2012
Total Waste**	4,226,166	3,660,660
Hazardous waste	3,043	4,490
Non-hazardous waste	4,223,123*	3,656,170

(*) The increase in waste generated in 2013 is primarily due to the waste sludge dredging of "Restoration of Flix Dam" work, and surplus of soil or stone waste of Yesa Dam" work.

(**) 95% of hazardous waste is managed by authorized agents, whereas in the case of non-hazardous waste, 80% goes to landfill and the remaining 20% is subject to recovery.

CASE STUDY

4

Costless waste management in the refurbishment of the administrative building OGMA in Alverca do Ribatejo, Portugal

Proper waste management is a requirement within the **FCC Construcción** Environmental Protection Policy, and, as such, its cost is assumed in the works budgets. The opportunity for waste recovery minimize the environmental, social and economic burden that waste management entails, as it becomes demonstrated in this Case Study.

Indeed, in the refurbishment of the first floor of Building 49 in the work OGMA in Portugal, it should proceed to the replacement of interior finishes, windows, electricity, air conditioning, painting, etc. The estimated cost for waste management was very high because, despite reusing existing materials, it represented almost 2% of the budget of the work.

To boost waste hierarchy and minimize waste generation, the following resolutions were adopted on site:

- All components of the luminaires were separated: fluorescent lamps, capacitors, starters, metal box and wiring .
- Fluorescent lamps were replaced by compact luminaires, which are more efficient.
- The remaining recoverable waste was segregated: air conditioning ducts (which were also flattened to reduce their volume), partition wall and suspended ceilings frames, shutters and wood.
- This recoverable waste was transported and managed by an authorized agent, which paid € 7,000 to work.

Thanks to the economic benefit obtained by making a correct segregation of reusable elements on-site, other waste management was paid with this extra income, and even little economic benefit upon the completion of the works was obtained.

In addition to the evident environmental benefit, due to the reduced need of landfills, this best practice taught the work managers that if waste management is planned adequately from the beginning, it will result positive in the financial balance of the work.

Recycled or reused material*		
	m ³	
	2013 expected amount	2013 actual amount
Surplus of soil and stone		
■ Expressly obtained (borrow)	2,518,840	1,071,036
■ Reused from other works	117,052	60,412
■ Reused in the same work (excavation-fill)	4,476,423	7,054,069
■ Temporary storage (prior to its final use)	79,341	83,120
■ Reused in other works	203,191	290,527
■ Sent to landfill	4,869,956	6,883,536
■ Total excavation	11,174,473	13,678,557
■ Total fill	8,552,657	7,026,121
Clean rubble (concrete, mortar, bricks, precast elements, others)		
■ Reused from other work	7,820	2,680
■ Reused in the same work	58,045	41,503
■ Sent to landfill	143,585	51,601
■ Reused in other work	0	5
■ Delivered to waste recovery	21,277	152,343

(*) Data provided by works executed by FCC Construcción in Spain exclusively.

Water is a constant element in **FCC Construcción's** activity; at work, there are discharges of effluents and process water into land, underground watercourses, streams or rivers and coastal environment. Furthermore, sometimes streams diversions, gravel pit exploitation, performance of activities in areas of hydraulic and maritime-terrestrial public domain, or works below water table, can also occur. It forces us to consider the potential impacts on the hydrological environment caused by our activities, with the aim to maintain the quality of the receivers of water coming from the worksite, and the amount and distribution of water flows, surface and groundwater, in the surroundings of each centre.

FCC Construcción centres apply for administrative authorization to carry out direct or indirect discharges; these discharge authorizations stipulate the water quality parameters to be controlled and the frequency of such tests. Therefore, some quality parameters are controlled to a greater extent than others, depending on the discharge flows, effluent

Zaragoza
Tramway, Spain



characteristics and the features of the receiver. In all our work, prior to discharges, an initial analytical characterization is carried out by an accredited laboratory, in order to ensure that the effluent is within the limits; subsequent analyses are performed, according to the schedule set.

BIODIVERSITY

The execution of our works inevitably has an effect on biotic components related to plant and animal species and their habitats; especially in the case of civil engineering works. **FCC Construcción** is aware of the importance to know thoroughly the environment in which we operate, and which we will affect somehow. Such knowledge is particularly necessary in Latin America, where countries show great biological wealth.

Land adjacent to or located natural protected areas or areas of high biodiversity. Or non-protected areas of high diversity *		
	m³	
Type of disorder	No. of works	Surface (mil. m²)
■ Location in natural or protected areas	8	1,003
■ Location in a landscape catalogued as relevant	19	1,013
■ Impact on protected natural channels	14	2.7
■ Impact on protected or catalogued vegetation	23	15.5
■ Impact on catalogued or protected animals	19	14.2

(*) Not compared with data from the previous year, because in 2013 those data included international works.

We are aware of the importance of minimizing the degradation of the natural environment where our company operates. Thus, **FCC Construcción** implements measures for the protection and restoration of degraded areas or particularly sensitive to degradation. Specifically, in **2013, 969,955 m²** of protected areas were restored, and protection measures were implemented in **1,554,513 m²** of sensitive areas.

CASE STUDY

Our wastewater management in the Hospital of Enniskillen (Northern Ireland.)

The new hospital in Enniskillen, in Northern Ireland, is enclosed in an area formerly occupied by an old farm, and it is not part of any developed urban area. The location of the work caused two drainage problems that should be solved.

- What to do with sewage water produced by the temporary site facilities.
- How to comply with the requirements of NIEA (Northern Ireland Environment Agency) to prevent spillage of high levels of solid waste from the work into the runoff water, avoiding their pouring into the Lough Erne's hydraulic system.

We must stress that the problem was even worse due to the rainy weather in that area.

The solution for the first problem - the sewage water - was achieved by constructing a temporary sanitation network connected to a grease trap interceptor, and a sewage treatment plant. By means of the temporary drainage system, the work was able to cleanse and purify sewage water before it was discharged to the drainage system of the work. Moreover, the solid waste was monthly collected till the temporary sewage system was connected to the local sewage network.

In the case of drainage water and runoff water, the layout of the work allowed us to channel them to a pond where they were treated before its canalization to the nearest lake. A rudimentary but absolutely ecological filtering system was built. It consisted of a channel with bundles of straw on its bottom, through which the water from the main pond was canalised to become filtered, and led to a smaller pond where that water was decanted. Water purity and its pH parameters were measured weekly, in order to ensure that the discharge parameters were achieved. During the execution of the works, there were 175 PH measurements, all of them performed by NIEA, and they never exceeded the authorized limit for solid waste concentration, nor the permitted pH.

CASE STUDY

We protection the aquatic fauna in the work Highway A-8, Spain

The construction of the Highway A-8 - 8.2 km long - includes two tunnels and five viaducts. The possible impact on the communities of animals living in rivers running through the area affected by the project was identified as a potential risk.

In order to minimize this impact, and as a response to the Environmental Surveillance Plan associated to the Project, **FCC Construcción** proceeded to take measures to protect these animals. To accomplish this, we proceeded to capture any specimen of aquatic animal that we found in this area, in particular those who stayed in the land occupied by the new infrastructure.

For the capture, electrofishing was used. Electrofishing relies on two electrodes which deliver pulsed Direct Current into the water to stun fish. A high-voltage difference causes a current to flow from the anode to the cathode; when a fish encounters a large enough potential gradient on this path; it causes galvanotaxis in the fish. Galvanotaxis is uncontrolled muscular convulsion that results in the fish swimming toward the anode, and it eases its capture with nets. Individuals captured by using electrofishing were biometrically analysed, and, then, they were transferred to an area protected from the influence of the work, and located upstream of the area of capture.



Zapotillo Dam, Mexico



FCC Construcción team in Vidin Bridge, Bulgaria

CONNECTING CITIZENS. HUMAN RIGHTS, OCCUPATIONAL HEALTH AND SAFETY, TRAINING AND COMMUNITIES

“WE HAVE WORKED HARD; AND THE RESULT OF THE COLLECTIVE EFFORT OF ALL EMPLOYEES OF THE COMPANY - WHOSE DEDICATION AND SACRIFICE I PUBLICLY ACKNOWLEDGE AND APPRECIATE - HAS MANAGED TO STABILIZE THE BALANCE SHEET DATA, IN A WAY THAT WE CAN GLIMPSE THE END OF THE RECESSION PERIOD.”

- Every year FCC Construcción renews its commitment as a signatory of the UN Global Compact' ten principles.
- Over 104,000 hours of continuous training.
- Enhancing international mobility of FCC Construcción employees.
- About EUR 500,000 invested in sponsorships and social actions.
- We create wealth in our environment through a significant share in purchasing from local vendors.

HUMAN RIGHTS

As a signatory of the **UN Global Compact's ten principles**, **FCC Construcción** works steadily to always being a company respectful to human and labour rights of people directly and indirectly involved in the development of its activities.

In 2013, no grievances regarding human or labour rights of **FCC Construcción's** employees were reported.

FCC Construcción aims to transfer its human rights commitment to its supply chain. In 2014, it is intended to include the commitment to social requirements and human rights in the suppliers' assessment. It will be added to the current requirements regarding quality, environmental management, occupational health and safety, human resources, etc. which all those suppliers applying to be included in the **FCC Construcción** Suppliers List must meet.

LABOUR RELATIONS

Policy

FCC Construcción bases its labour relations policy on full equality among all his employees, and the promotion of diversity resulting from the development of its own business. Thus, the entire **FCC Construcción's** staff is recipient of all perks agreed with employees' representatives (access to preferential loans, death and disability insurance, health insurance, disability aids, loyalty awards). Equally, the base salary stipulated in the collective bargaining agreement is the same for all staff under the same professional category, without gender discrimination.

Staff

In 2013, the staff was significantly reduced, as a result of the deconsolidation of ALPINE and the adjustment of the number of employees because of the slump of the company's activity.

FCC Construction Staff		
	2013	2012
Spain	5,676	6,330
European Union (others)	311	13,741
US and Canada	32	36
Latin America	4,461	3,729
Rest of the World*	196	3,394
Total	10,676	27,230

(*) Rest of the World: Asia, North Africa and Middle East.

On speaking about professional categories, the biggest decline occurs among personnel performing the work function (category 4), caused by the slump in activity during the year, and the deconsolidation of Alpine.

In 2013, it has continued the **internal mobility program** of the company, which promotes the relocation of our employees in key locations where they will progress in their careers. It is a mean to retain talent within the organization, as far as the circumstances allow it.

Personnel expenses in 2013 decreased by 64%, from 1,378 million Euros in 2012 to 485 million Euros for the year 2013.

TOP MILESTONES OF 2013

- Adapt the staff size to the business turnover in Spain. Staff downsizing process initiated in 2013 will extend up to 2015, by means of voluntary resignations and dismissals, due to the current situation of the market.
- For a second consecutive year, achievement of the top rating "Advanced Level" in the UN Global Compact Progress Report.
- Organization of the 1st Disability Week for the social and occupational integration, in collaboration with Adecco and ONCE (Spanish Foundation for Cooperation and the Social Inclusion of the Disabled)
- Joining the new campaign against gender violence launched by the Spanish Ministry of Health, Social Services and Equality.
- Extending the Equality Plan on its subsidiary companies. FCC Industrial signs the Equity Plan
- Noteworthy participation of FCC employees in the II Reforestation Day called by WWF-Spain.
- Appointment of FCC Citizen Services as European official partner in the campaign "Working together for risk prevention"
- Delivery of more than 100,000 hours of staff training, 71% taught e-learning.
- Participation in 43 working groups dealing with sustainability and environmental issues in construction.

FUTURE CHALLENGES

- Prepare our employees to work in a global scenario.
- Increasing the number of expatriates versus local staff by 10% annually over the next 3 years.
- Changing Suppliers' Assessment criteria including social and human rights criteria, for the cases of new suppliers' assessments.
- Establishment of the Observatory of Sustainability, a collaboration agreement signed by FCC, Universidad Rey Juan Carlos (King Juan Carlos University) and London Metropolitan University: The "Eco-Cities Trends" project, which aims at identifying social perceptions and demands for cities in the future, and at designing effective business actions to respond.

Breakdown by gender, employment contract and region

	2013				
	Gender breakdown		Breakdown by employment contract		
	Women	Men	Permanent	Fixed-term	In relation to a specific project
Spain	750	4,926	3,348	1,793	535
European Union (others)	96	215	161	150	0
US and Canada	10	22	7	25	0
Latin America	686	3,775	1,016	3,440	5
Rest of the World*	20	176	1	195	0
Total	1,561	9,115	4,533	5,603	540

(*) Rest of the World: Asia, North Africa and Middle East.

Staff. Breakdown by gender and occupational category (*)

	2013		
	Total	Women	Men
Category 1	870	150 (17.2%)	720
Category 2	1,730	289 (16.7%)	1,441
Category 3	1,278	552 (43.2%)	726
Category 4	6,798	570 (8.4%)	6,228
Total	10,676	1,561 (14.6%)	9,115

(*) Category 1: Managers and directors, department managers and works managers.

Category 2: University Graduates, section supervisors, business managers, workshop managers and other qualified graduates.

Category 3: Officers, administrative assistants and technical assistants, and middle managers.

Category 4: Subordinates and operatives.

Diversity and Equal Opportunities

Our personnel is our most important asset, so that the company respects their right to freedom of speech, political thought and, in general, participation in public life.

The progressive internationalization of the company, which is present in 35 countries, makes it increasingly diverse; and the growing local hiring versus the number of expatriate employees promotes the mixture of cultures within the company's own staff. Diversity at



FCC Construcción is also marked by the wide variety of profiles required to perform various jobs in the work.

FCC Construcción and FCC Industrial promote the implementation of measures to help their employees to reconcile work, private and family life. Other useful tools in this regard are FCC Group Ethical Code and the Protocol for the Prevention of Mobbing and Sexual Harassment at Workplace.

In 2013, FCC has engaged in a **Women Leadership Development Program** in cooperation with the Spain's School of Industrial Organization (EOI), with the aim to promote the professional development of our female employees, enhancing their access to leadership positions and easing the acquisition and development of practical managerial competencies and skills.

TRAINING

FCC Construcción enhances development and internal promotion involved in external recruitment policies covering managerial positions within the company. Therefore it is necessary to have the tools to attract the best talent possible, and, later, develop good training plans that enable new skills and competences upgrade, update, and development.

FCC Construcción believes that continuous employee training is necessary to maintain the quality within their works. It is noteworthy that despite the decrease in the number of employees and the activities performed, the number of training hours and the training costs remain unalterable for the current staff.

Training hours and costs associated to environment, quality, and risks management				
	Hours		Cost (€)	
	2013	2012	2013	2012
Environment	2,119	1,926	22,144	29,808
Risks Prevention	11,486	20,966	349,519	372,944
Quality	816	466	1,640	21,129
Other training areas	89,947	154,469	1,161,284	1,181,585
Total	104,368	177,827	1,534,587	1,605,486

Training Breakdown of training hours by gender and occupation (*)				
	2013			2012
	Total	Women	Men	Total
Category 1	1,244	317	927	2,617
Category 2	100,696	23,086	77,610	162,769
Category 3	1,048	147	901	10,462
Category 4	1,380	0	1,380	1,979
Total	104,368	23,550	80,188	177,827

(*) Category 1: Managers and directors, department managers and works managers

Category 2: University Graduates, section supervisors, business managers, workshop managers and other qualified graduates

Category 3: Officers, administrative assistants and technical assistants, and middle managers

Category 4: Subordinates and operatives

CASE STUDY

7

We are leading the Master Degree Program of Science in Construction Engineering in collaboration with the UNICAN (University of Cantabria, Spain) addressed to Site Managers

Following the collaboration agreement subscribed in 2012 with University of Cantabria, a Graduate Program of Science in Construction Engineering was developed, materialised and eventually consolidated in 2013 with the enrolment of the first group.

A total of 32 professionals working in **FCC Construcción** and 12 students of the School of Civil Engineering followed the three specialization courses that the Program comprises: Construction Management, Civil Engineering Technology and Building Technology.

The **Master of Science in Construction Engineering** has consolidated as an ambitious graduate program adapted to the European Higher Education Area (EHEA) and comprised of 60 ECTS credits. The Master Program and contents are designed and conducted by the Construction Engineering Department in collaboration with the Research Group GITECO (Construction Technology Research Group at University of Cantabria) and **FCC Construcción** Training Department. It responds to the demand for training on different issues referred to business management issued by civil engineers.

Most teachers are very experienced professionals who have working in our company for a long time; it provides a highly practical approach to the Program.

In order to harmonize the academic and professional life of a collective with very little free time - as it is the case of the Site Managers - many lessons are e-learning.

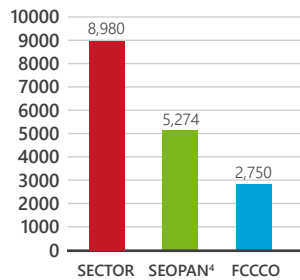
The collaboration between the company and the university ensures that this Academic Training Plan is more flexible than others, because it consists of three modules - Construction Management, Civil Engineering Technology and Building Technology - and the students can select new subjects according to their progress and career plans within the company.

This business-university collaboration qualifies the Site Managers to work abroad, as it endows them with human resources, technological, risks management, and environmental management tools, which are key subjects in the Program.

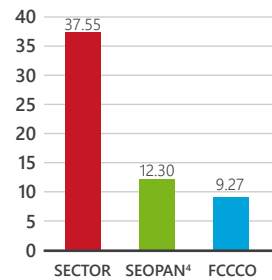
OCCUPATIONAL HEALTH AND SAFETY

Within the frame of rapid growth of the business abroad, in 2013 **FCC Construcción** developed an intense activity regarding Occupational Health and Safety at its international works.

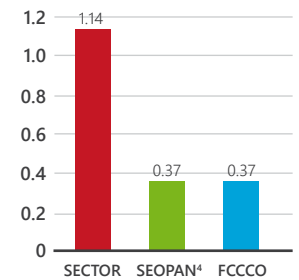
2013 Incident index¹



2013 Frequency index²



2013 Seriousness index³



¹ It is the number of accidents with sick leave x 100,000/average number of employees.

² It is the number of accidents involving sick leave for every 1,000,000 hours worked.

³ It is the number of working days lost due to sick leave accidents registered for every 1,000 hours worked.

⁴ Spanish National Association of Construction Companies.

The **Occupational Health and Safety System** 'in accordance' with the international standard OHSAS 18001, has been completely implemented in our works in Spain, and it is being assessed abroad by means of international audits. Those audits use detailed processes for monitoring and assessing the appropriate implementation of the OH&S System abroad, specifically in Latin American countries.

Vía Brazil Corridor Project
Section 1, Panama





Towing of caissons in Brazil

According to the Management System, **FCC Construcción** implements worldwide the same requirements established for the works executed in Spain, except where the law of the host country where the work is performed is more demanding or strict than the Spanish one. 'in accordance' with this policy, all centres appoint health and safety representatives (HSRs) and constitute **Health and Safety Committees** or similar body, depending on the requirements and denominations in the host country.

Reducing accidents is a priority for **FCC Construcción**. Considering that the type of accidents in our industry changes as our activities, personnel and comprehensive circumstances do it, the information obtained from daily **Accident and Incident Reports** constitutes a basic tool for the achievement of "0 Accidents" goal.

Riyadh Metro Project, Saudi Arabia



CASE STUDY

8

Human Resources Management in Middle East

The expatriate management Policies mean a big challenge for the companies in their internationalization processes. FCC is not an exception, despite its extensive experience in the international arena, and its international portfolio, which represents 62% of total on 31 December 2013.

In 2013, the Project Riyadh Metro in Arabia Saudi was awarded to FCC. This is a major project, and it involves great complexity, even in what concerns the **human resources management**. The expatriation of specialised personnel and its specialised training were necessary to perform specific functions within this international project. Furthermore, they demand constant advice on the culture and folks of the country, as well as permanent support to workers in safety, labour, legal, fiscal, immigration and health issues. Moreover, said project involves continuous local workforce hiring.

Within the framework of this project, and with the aim to maintain a fluent communication between the expatriate personnel and their families - and so ensure their well-being and adaptation in the destination country -, **FCC Construcción** works to set the foundations of the future **Expatriate Assistance Office**, which intends to be opened in short. The company has also established a security department,

located in the Riyadh headquarters, which is in permanent contact with the expatriates and their families.

Gradually, and in response to the production requirements, it is expected to hire about 15,000 workers, of which over 900 will be local staff and other 100 will be **FCC Construcción** expatriates.

Traditionally, in the construction sector the number of women is lower than men. In the case of the Middle East this ratio tends to reduce due to the difficulties for expatriation - family conciliation, host country customs, etc.; and despite the incentives established in the rules of the Company.

Yet today, less than twelve months after the awarding of the largest contract in the world, there are several **FCC Construcción** female employees and their families who live expatriated in Saudi Arabia, and they have adapted perfectly to Arabian culture and customs.

There they work and contribute their professionalism and expertise to their jobs, and they enjoy a standard family life, within the respect and the utmost consideration to their host country customs.



San Marcos Viaduct, Mexico

A necessary indicator for training management is the assessment of the attendants. In 2013 the best rated occupational health and safety training actions have been those related to "Occupational Ergonomics", "Office Hazards" and "Road Safety". But equally important has been the preparation of the "Occupational Health and Safety Basic Training Guide", which provides necessary training for all centres and jobs in **FCC Construcción**. This Guide compiles training activities according to the new "V Convenio de la Construcción en España" (that is, 5th Collective Agreement for the Construction Industry in Spain).

Simultaneously, the **Campaigns for Safety and Health** at Work focuses on our workers' heart and back health, in cooperation with FREMAP (Mutual Societies for Work-related Injuries and Occupational Diseases), and according activities like "Escucha a tu corazón" (that is, "Listen to your heart") or "Cuidando tu espalda" (that is, "Taking Care of Your Back") have been organised. All this following the campaign "At my workplace, Occupational Health and Safety IS worthwhile, I am pretty sure", initiated in 2012. In all work centres we notice the profusion of posters and leaflets, and visible results in the attitude of our employees who attended our training sessions.

Bridge over the Danube, Bulgaria



As for Research, Development and Innovation (R&D&I), **FCC Construcción** has participated in highly technological projects to help to reduce accidents rates, either in linear infrastructures (PRECOIL Project), in buildings and infrastructures showing structural defects (SETH Project and SORTI Project) and other environments within the construction sector (SEIRCO Project).

FCC Construcción actively participates and collaborates with the most prominent agencies and platforms in the field of safety and health, both national and international, such as the National Committee for Health and Safety at Work, National Institute of Safety and Hygiene at Work (INSHT), European Agency for Safety and Health at Work, ENCORD, and the European Construction Industry Federation (FIEC), a social representative officially recognised by the European Commission.



Auditorium and Congress Palace of Burgos, Spain

COMMITMENT WITH COMMUNITIES

Pursuant to a culture of social responsibility, **FCC Construcción** considers the achievements and the processes developed should be a standard of behaviour and part of the cultural heritage in the construction sector worldwide. Thus, it participates and leads many national technical committees, such as AEN / CTN 198 / SC2 "Sustainability of construction works - Civil Engineering Works", that chairs, and others international, as, for instance, the CEN-TC 165 "Wastewater Engineering", CEN / TC 350 "Sustainability of Construction Works", ISO / TC 59 / SC 17 "Sustainability in buildings and civil engineering works" and ISO / TC 207 "Environmental Management", among others. He also has an active presence in the most relevant Technical Associations in their area of activity: ACHE (Spanish Scientific-Technical Structural Concrete Association), ATPYC (Spanish Technical Association of Ports and Coasts, member of PIANC), CNGP-SPANCOLD (Spanish Commission on Large Dams), president of the Technical Committee, "Engineering Activities in hydraulic planning" and Spanish representative in international ICOLD-CIGB.

In the frame of the **FCC Construcción Management and Sustainability System**, the works identify the environmental and social aspects of the projects,

CASE STUDY

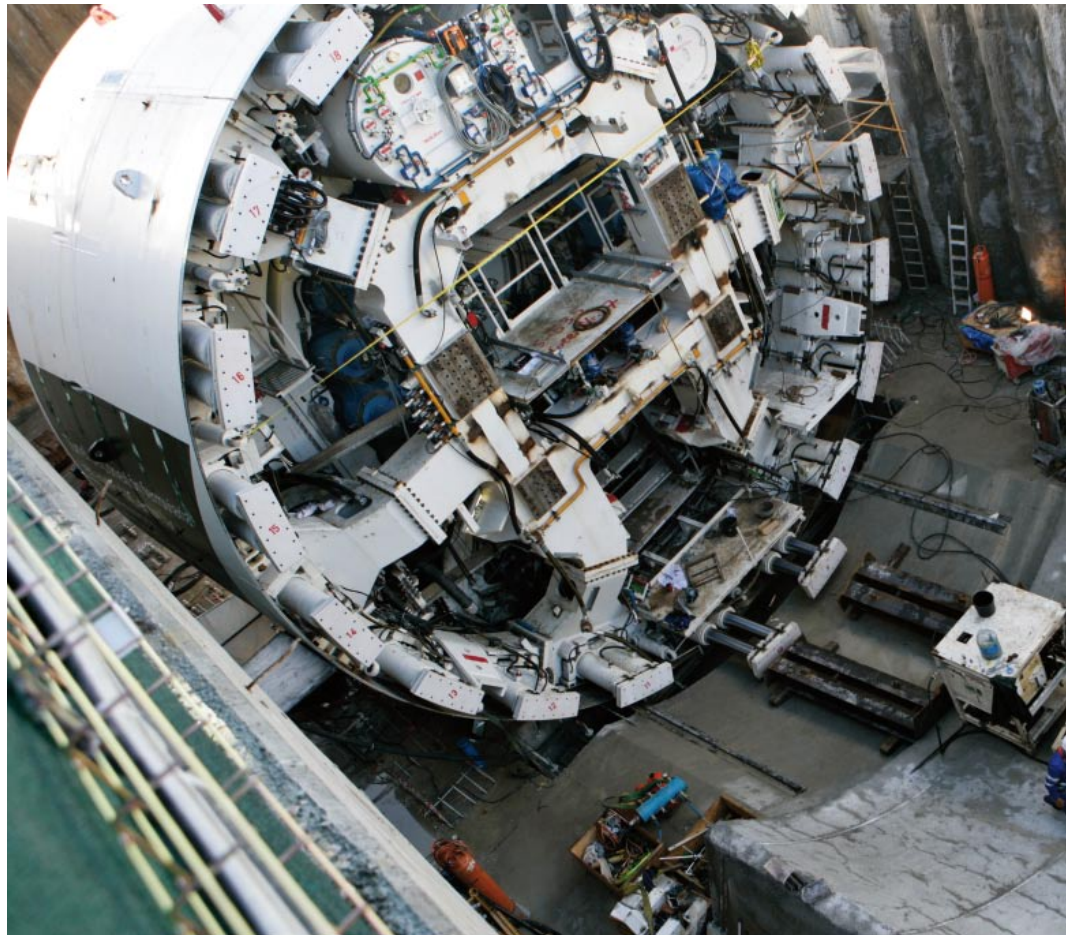
9

Support to local communities in the neighbourhood of the highway Nuevo Necaxa-Tehuacán, in México

The construction of the highway Nuevo Necaxa-Tehuacán has had associated various support activities to the local communities located in its surroundings. Among these activities, the following are highlighted:

- **Community of Tepapatlaxco:** construction of an access track to Las Pilas community and construction of a hostel with 10 houses.
- **Community of San Pedro Petlacotla:** construction of concrete roads and gabion walls and support to other works, by making equipment and machinery available to the community.
- **Community of San Agustín:** improvement of the main town streets and of its football field, maintenance and paving of the track to Xicotepec and sponsor of the local religious festivities.
- **Community of Plan de Ayala:** improvement of the community main streets, construction of local tracks to other communities, building of a well for potable water supply and setting up of the drinking water network.
- **Community of Teteloloya:** fan donation for its secondary school, cement donation for its multiple use court, construction of a perimetral wall for flood protection in the hurricane season and support with workers and machines for mud cleaning after landslides.
- **Community of La Esperanza:** construction of well, storage tank and elevated tank for its drinking water network and improvement of the main streets' paving.





TBM of the high speed tunnel Atocha – Chamartin in Madrid, Spain

and they stress the most significant ones for the local communities in which they operate. For each of these aspects, an action plan comprising measures resulting from legal and contractual requirements, and the consultations to the affected communities is prepared. Simultaneously, during the execution of the works a fluent and direct communication with the various stakeholders is held, especially with the work staff, the local community and the customers. They are informed about the project progress and the measures implemented to minimize the potential adverse impacts. One example is **FCC Construcción** involvement in Poland, where it promoted an initiative to inform the local community about necessary traffic diversions; and, even more, the company sponsored local festivals. Another example is **FCC Construcción's** action in Portugal. There, the company informed the affected people about the logging and clearing works included in the execution of one of its projects, their development and scope, and the potential risks to people and properties. And the last example is the Citizen Participation Plan developed in a project executed by **FCC Construcción** in Chile.

Furthermore, a lot of social projects have been undertaken at works, such as the Panama Canal, Metro Line 1 of Panama or the quarries of "La Valdeza" and "El Coco", in Panama and support has been provided to the local communities located near El Zapotillo's dam or the highway Nexaca-Tehuacán, in Mexico. For more information about these projects, please take a look at the section titled "The Community" of the web sites of FCC Centroamérica and FCC México.



In 2013, **FCC Construcción** has worked with FCC Group (our parent company) in the preparation of the **project “Trend Eco-Cities”**. This project involves the creation of an observatory of trends, for the identification of the great challenges that our cities shall tackle in future, in regard to infrastructures; waste management, consumption and energy efficiency; water uses and sustainability, among others. The collaboration agreement was signed early in 2014, and it is included in the **3rd CSR Mater Plan** 2012-2014 of FCC, on the axis “Intelligent Services”. Its primary objective is the active participation in the design of urban communities of the future, through the connection with the Society and the innovation.

CASE STUDY

10

Citizen Participation Plan in the paving works between the towns Puerto Nuevo and Quillaico, in Chile.

The work is included in the project of integral paving of Lago Ranco ring road, and it involves paving the road T-775 between Puerto Nuevo and Quillaico, including a bridge over the river Bueno in Puerto Lapi and actions in the Quillín Nature Reserve, which harbours valuable ecosystems. It is noteworthy that this work is located in a stunning scenery, and it is a very busy tourists path in that area. Therefore, they decided to enhance fluid communication with the population on which we exert direct influence, namely the owners, the tourists and the drivers.

FCC Construcción has developed a Citizen Participation Plan, primarily aimed at maintaining adequate communication and coordination with technical agencies implied in the work, but also ensuring a proper distribution of information to the community and the road users.

Pursuant to the Citizen Participation Plan, the process consists of three key components, which constitute the steps sequence in the plan.

1. Focused Strategic Assessment:
A preliminary assessment of the project and the particularities of the closest and surrounding natural and social environment is performed, by identifying stakeholders and defining participation strategies.
2. Operational Planning: activities, deadlines, responsibilities are defined to the various stakeholders, by means of leaflets, posters, meetings, publications, radio broadcasts, etc.
3. Implementation and Monitoring:
The communication and information activities to be implemented are defined, and the verification of compliance and the Citizen Participation Plan impacts are performed.

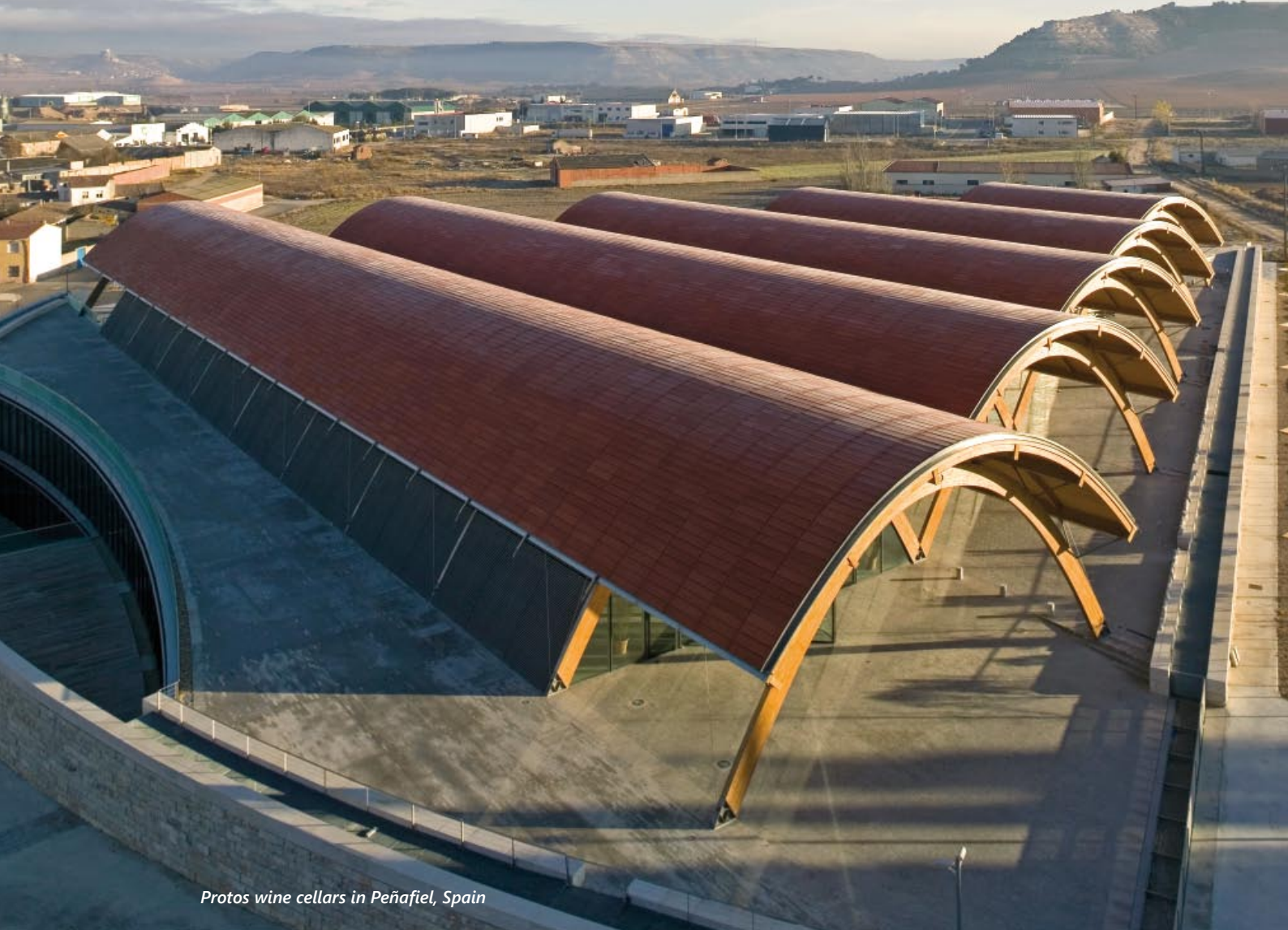
CASE STUDY

11

Merchants relocation in the Project Cuesta Las Chilcas, Valparaíso (Chile)

The Environmental Impact Assessment performed for the 4.66 km of Route 5 North (Pan-American Highway) road improvement project found that, in the area on influence of the work, twenty people lived from cheese trading, and they would be affected by the execution of the works.

To mitigate the inconvenience caused to these merchants, they were relocated during the execution of the works. The project included the building of new stalls with improved hygienic and sanitary conditions than formerly, so as this collective will be able to continue its trading activity in future.



Protos wine cellars in Peñafiel, Spain

BUILDING THE FUTURE. INNOVATIONS AND WORK TEAM ADAPTATION

“SECURING THE FUTURE DEVELOPMENT OF OUR COMPANY IN MARKETS WITH HIGH GROWTH POTENTIAL IS A DIFFICULT CHALLENGE. THE RESPONSIBILITY, THE EXPERTISE OF OUR PROFESSIONALS AND THE CULTURE OF EFFORT ARE OUR BEST TOOLS”

- Over EUR 3 million invested in sustainability and environmental R&D&i projects (36% of the total amount) .

THE END OF THE RECESSION

In 2013, **FCC Construcción** completed the consolidation of the starting point of a new context imposed by the situation : limited operations in the national market and boosting of the international market.

Alpine ceased its activity in mid-2013 and split from **FCC Construcción**. It meant a debt relief of EUR 909.6 million due to the derecognition of ALPINE's assets and liabilities from its consolidated balance statement.

From then on, there have been various reorganizations aimed at enhancing the presence of **FCC Construcción** in strategic and stable countries, the retreat in those less interesting, and the business reorientation in search of a greater economic sustainability assurance for projects.

In order to adapt staff costs to the current situation of the local market - there is a reduced public investment in Spain -, **FCC Construcción** performed two staff adjustment processes in 2013, by means of voluntary and forced resignations. One of them was completed in April; and the other was initiated late in 2013, it is being performed in 2014 and it will continue during 2015. This required a revision of the allocation of functions and restructuring the organization.

The settings made during 2013 to adapt the company to the actual situation of the market, and to avoid deterioration in profitability - which is essential for an organization that seeks to endure -, will enable greater efficiency in operations and costs adapted to the market conditions.

Presently, the company works on the consolidation of the internationalization process, the establishment of the new structure and the maintenance of its leading position in its strategic markets.

In this restrictive economic scenario, conditioned by a perceptible but slow economic recovery and limited funding, **FCC Construcción** focuses on one of the traditionally FCC Group core businesses: the construction of major infrastructures. It provides great added value thanks to the professionalism of its Technical Services.

FCC Construcción faces the future endowed with the appropriate tools to deal with an expected improvement of the business cycle in its target markets, taking advantage of new developing opportunities, as it has done throughout its over a hundred years of experience.

TOP MILESTONES OF 2013

- Renewal of the R&D&i Management System certificate, 'in accordance' with the Spanish Standard UNE 166002: 2006
- Awarding of major projects, such as "Zero Impact", in partnership with ADIF.
- Significant increase in R&D&i Projects related to Occupational Health and Safety (SEIRCO Project BOVETRANS, etc.).

FUTURE CHALLENGES

- Achieving the awarding of major projects within the H2020 Framework Programme, to get the allocation of more public funds.
- Integrating R&D&i Projects and so achieving tax benefits in those countries where FCC Construcción operates.
- Get active involvement of Customers and Public Administrations.



FCC Construcción Corporate Office in Madrid, Spain

COMMITMENT TO INNOVATION

FCC Construcción promotes an active policy of technological development. It continuously apply innovation onto their works, as an example of the Company's strong commitment to research and development, sustainability, and its contribution to the quality of life of the society, which are its competitive factors. This innovation policy is permanently coordinated across all the FCC business areas.

The development and use of innovative technologies in the execution of the works provides a significant added value, and it is a differentiating factor in the highly competitive and internationalised current market.

Investment in R&D&i (€)		
	2013	2012
Total investment during the year*	9,111,697	11,439,093
Subventions	426,381	377,638
Favourable loans	2,369,566	1,955,500

(*) 36% of the total investment is allocated to projects involving Sustainability or Environment.

FCC Construcción R&D&i performance, accredited by our Management System certified 'in accordance' with the Spanish Standard UNE 166002: 2006, aims to continue as key agent for the most important improvements in the construction sector - for instance, technological innovation of materials, equipment and processes. Thus, **FCC Construcción** participates actively in those initiatives that comply with the policies of the company.

*Do Cargo Viaduct at the
Transmontana Motorway, Portugal*





*Castellana Tower Building
in Madrid, Spain*

FCC Construcción is involved in the technological issues of the most peculiar works, and it develops its own R&D&i projects, and innovative constructive procedures. They, along with the boosting of its own materials, machinery and auxiliary equipment available, make possible offering its customers a range of technical solutions of its own, which are a differentiating factor within the sector.

FCC Construcción and its subsidiaries develop a large number of R&D&i projects, some of which are carried out in partnership with Public Administrations, such as the **European Project LIFE "Zero Impact"**, in partnership with ADIF (Administrator of Railway Infrastructures). There are own internal projects, projects in partnership with other companies in FCC Group, and projects in partnership with other companies of the construction sector, often with technology SMBs. It makes possible the development of projects in horizontal partnerships and value chains Moreover, universities and technology centres usually participate in these projects.

At present, **IISIS** (Integrated research into sustainable islands) Project continues in progress. It is developed in partnership with various companies within FCC Group, namely: **FCC Construcción**, FCC Medio Ambiente, FCC Energía, FCC Aqualia; and Grupo Cementos Portland Valderrivas. Further information about this Project is available in the Sustainability Report 2011-2012 and the 2013 FCC Citizen Services CSR Report.

Other noteworthy projects: are RS, Sustainable Building refurbishment.; **NEWCRETE**, Concrete for structural use, containing a high percentage of recycled aggregates; **APANTALLA**, Development of new nanostructured materials with improved electromagnetic radiation shielding properties; Project **SEIRCO**, Smart expert system for risk evaluation in different building sector environments; **BOVETRANS**, Development of a system of vaults that takes advantage of daylight for transitional lighting in road tunnels; **AUSCULTACIÓN CONTINUA**, Design, development and validation of a distributed system for the continuous auscultation of building structures in urban environments. And various Research Projects on new materials (**CEMESMER**, **CEMESFERAS**, **NANOMICRO**, and **MERLIN**) developed in partnership with Grupo Cemento Portland Valderribas (our brand name in the construction materials industry). In Europe, The following Project continue on process: **BUILDSMART**, Energy efficient solutions ready for the market; **CETIEB**, Cost Effective Tools for Better Indoor Environment in Retrofitted Energy Efficient Buildings; and **SMARTBLIND**, Development of an active film for smart windows with inkjet method.

Further detailed information on those project related to sustainability is detailed below.

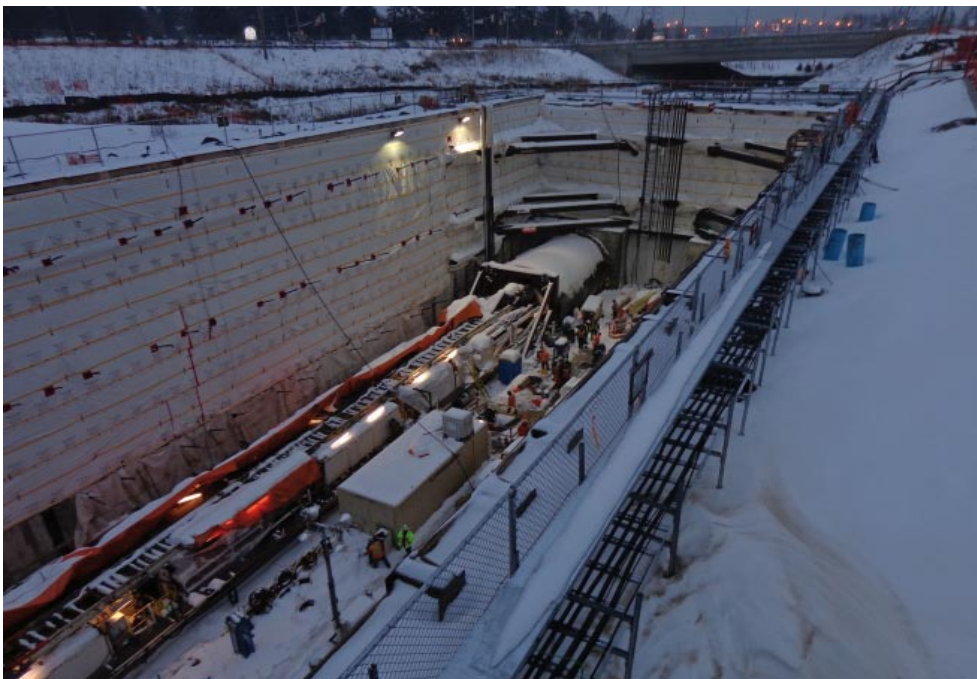
INNOVATIVE PROJECTS IN SUSTAINABILITY	
Project	Description
Granadique	<i>Detection of breaks in vertical breakwaters based on auscultation from the support base.</i> The methodology developed in this research enables the monitoring of the ground behaviour during the construction process and commissioning of the vertical breakwaters. This results in achieving a perfect chronological definition of the status of the breakwaters, thereby enabling appropriate changes to be made during the construction process, and adapting to the results produced by the instrumentation installed. The main <u>innovation</u> in this project consists on the anticipated and precise methodology to monitoring the ground behaviour on which the breakwaters are based.
Dregreen	<i>Ecological dredging to extract highly contaminated sludge in reservoirs.</i> FCC Construcción has developed an eco-dredging prototype for the treatment of both marine and river sludge that ensures a minimal dispersion of contaminants during the sludge extraction process. The main innovation is the optimization of eco-dredging works and its methodology.
Almonte	<i>Design and development of a new and original arch - world record for spans - , using the bracing incremental launching and cable-stayed method.</i> The project's main objective is to design the building process for an arch with a 384-metre span within a short implementation period. To do this, there must be a new approach to the project in terms of the dimensions of the keystone, the travelling cranes and the staying system, which will be completed with a new design for the materials loading and moving system and to study the formulation of the concrete. The main <u>innovation</u> of the project is indeed this new approach to the dimensions and items involved.
Merlín	<i>Development of better local infrastructure rehabilitation works.</i> The project is the research on a new type of rigid pavement with single or double surface dressing and using industrialised construction methods, either with traditional concrete slipform pavers and compact pavers with high paving capacity. This type of innovative rigid pavement may improve the requirements of comfort (outside and inside noise, vibration), safety (grip under braking) and rolling resistance, in what regards to economic profitability, and it can be used either in new works or reinforcing. The outstanding <u>innovation</u> of this project is obtaining a new generation of concrete pavements to be used in bituminous pavement rehabilitation.



Açú Port, Brazil

FCC Construcción participates actively in promoting various European and national sectoral initiatives related to R&D&i. It should be noted the active participation in European organizations such as the European Construction Technology Platform (ECTP), the E2BA¹, reFINE (Research for the future Infrastructures in Europe)², the Joint Task Force on Transport Infrastructure, ENCORD³, or JTIs ((Joint Technology Initiatives); and SHIFT²RAIL, the first European rail joint technology initiative to seek focused research and innovation (R&I) and market-driven solutions. In Spain, FCC is member of PTEC (Spanish Construction Technology Platform)⁴, R&D&i Commissions in SEOPAN (Spanish National Contractors Association) and R&D&i Commissions in CEOE (Spanish Confederation of Employers' Organizations). All those organizations aim to enhance the presence of the construction sector (both infrastructures and building) in Research, Development and Innovation, and to become a forum for companies, universities, technology centres and other R&D&i agents.

Toronto Metro Project, Canada



CASE STUDY

12

We research and develop new technologies in the railway industry

In 2013 FCC Construction signed the MoU (Memorandum of Understanding) to join the Shift2Rail (S2R) initiative to boost research and development in new technologies in the railway industry, in order to work up in the implementation of a single European railway area. This ambitious initiative has an estimated budget of EUR 8 million.

The S2R initiative has three objectives referred to Capacity, Reliability and Cost Reduction. At first, it must face three serious challenges: the growing demand of the EU, with an increase of up to 100% capacity; the necessity to increase reliability by 50%; and the demand to reduce life-cycle costs by 50 %.

Also, S2R is a public-private partnership (PPP) project that will manage European Union's funds for railway research and innovation until 2024, and it will feature the participation of many of the agents involved in the European railways (infrastructure managers, rolling stock manufacturers, construction companies, technology companies ...) It is estimated that the funds will be distributed 50% to the public sector and the private sector.

¹ Energy Efficient Buildings Association

² Research for Future Infrastructure Networks in Europe

³ European Network of Construction Companies for Research and Development

⁴ Spanish Construction Technology Platform

Annex 1. Table of contents and indicators according GRI4 and Global Compact

Ref. GRI			Ref. Global Compact	Description	Page	Omissions	External Assurance
	GRI4	GRI3.1					
GENERAL STANDARD DISCLOSURES	STRATEGY AND ANALYSIS						
	G4-1	1.1	Renewal of commitment	Statement from the most senior decision maker of the organization.	Page 11, 13		Yes. Page 59
	G4-2	1.2		Description of key impacts, risks and opportunities.	Page 3, 15, 21, 25, 31, 32, 41		Yes. Page 59
	ORGANIATIONAL PROFILE						
	G4-3	2.1	Standard Disclosures	Name of the organization	FCC Construcción		Yes. Page 59
	G4-4	2.2	Standard Disclosures	Primary brands, products, and services.	Page 3 Page 336 in the FCC Group Annual Report 2013		Yes. Page 59
	G4-5	2.4	Standard Disclosures	Corporate headquarters address	Back cover		Yes. Page 59
	G4-6	2.5	Standard Disclosures	Countries in which the company operates Identification of countries with significant operations	Page 3		Yes. Page 59
	G4-7	2.6	Standard Disclosures	Nature of ownership and legal form	FCC Construcción is one of the companies of the consortium FCC Group. See further information in www.fccco.es		Yes. Page 59
	G4-8	2.7		Markets served	Page 3		Yes. Page 59
	G4-9	2.8	Standard Disclosures	Scale of the organization	Page 3, 21, 31 Page 328 in the FCC Group Annual Report 2013		Yes. Page 59
	G4-10	LA1	Standard Disclosures and Principle 6	Total workforce by employment type, employment contract, and region, broken down by gender.	Page 32	Data related to subcontracted workers refer to workers at works, and they have no correspondence at the organization level. Currently , there is participation in working groups to define the criteria for counting subcontracted workers.	Yes. Page 59
	G4-11	LA4	Principle 3	Percentage of employees covered by collective bargaining agreements.	100% of permanent employment contracts		Yes. Page 59
	G4-12	--		Description of the organization's supply chain.	Page 6 See G4-EC9 (Annex 1 Page 51)		Yes. Page 59
	G4-13	2.9		Significant changes in the reporting organization or its supply chain.	Page 11, 13, 21, 41		Yes. Page 59
	G4-14	4.11		Reporting whether and how the precautionary approach or principle is addressed by the reporting organization.	Page 4, 18		Yes. Page 59
	G4-15	4.12	Principle 1 y Principle 7	List of externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.	Page 4		Yes. Page 59
	G4-16	4.13	Standard Disclosures	Memberships in associations and/or national/ international advocacy organizations in which the reporting organization participates or supports.	Page 7, 36, 37, 45		Yes. Page 59
	MATERIAL ASPECTS AND BOUNDARIES (G4-18a)						
	G4-17	2.3	Standard Disclosures	Operational structure of the organization,	2013 Earnings Report, Page 20-25 Annual Accounts Page 256 in the FCC Group Annual Report 2013		Yes. Page 59

Ref. GRI			Ref. Global Compact	Description	Page	Omissions	External Assurance	
GRI4	GRI3.1							
GENERAL STANDARD DISCLOSURES	G4-18	3.5		Process for defining the report content and the Aspect Boundaries. Explanation of how the organization has implemented the Reporting Principles for Defining Report Content.	Page 4, 5, 6, 7 Annex 2. Pages 548-553 in the FCC Group 2013 CSR Report		Yes. Page 59	
	G4-19	--	Standard Disclosures	List of all the material Aspects identified	Page 5, 6		Yes. Page 59	
	G4-20	3.6, 3.7, 3.8	Standard Disclosures	Scope and Boundaries of the Material Aspects within the reporting organization.	Annex 2. Page 59		Yes. Page 59	
	G4-21	3.6, 3.7, 3.8		Scope and boundaries of each of the Material Aspects outside the reporting organization.	Annex 2. Page 59		Yes. Page 59	
	G4-22	3.10		Effect of any re-statements of information provided in earlier reports.	Due to the deconsolidation of ALPINE in 2013, some of the data referred to the period 2012 have been re-expressed to ease comparison. Page 21		Yes. Page 59	
	G4-23	3.11		Significant changes from previous reporting periods in the scope.	2013 Report is prepared 'in accordance' with GRI G4.		Yes. Page 59	
	STAKEHOLDER ENGAGEMENT							
	G4-24	4.14	Standard Disclosures	List of stakeholder groups engaged by the organization.	Page 6		Yes. Page 59	
	G4-25	4.15	Standard Disclosures	Basis for identification and selection of stakeholders with whom to engage.	Relevant stakeholders with whom the company interacts in the development of its activity.		Yes. Page 59	
	G4-26	4.16	Standard Disclosures	Approach of the reporting organization about stakeholders engagement.	Based on the economic, social and contractual significance. Page 6		Yes. Page 59	
	G4-27	4.17	Standard Disclosures	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	Page 6		Yes. Page 59	
	REPORT PROFILE							
	G4-28	3.1	Standard Disclosures	Reporting period for information provided.	Annex 2. Page 59		Yes. Page 59	
	G4-29	3.2	Standard Disclosures	Date of most recent previous report	Annex 2. Page 59		Yes. Page 59	
	G4-30	3.3	Standard Disclosures	Reporting cycle	Annex 2. Page 59		Yes. Page 59	
	G4-31	3.4	Standard Disclosures	Contact point for questions regarding the report or its contents	Annex 2. Page 59		Yes. Page 59	
	G4-32	3.12		Identification of the 'In accordance' option the organization has chosen, GRI Content Index for the chosen option, and the reference to the External Assurance Report.	Annex 2. Page 59		Yes. Page 59	
	G4-33	3.13		Policy and current practice with regard to seeking external assurance for the report.	Annex 2. Page 59		Yes. Page 59	
	GOVERNANCE							
	G4-34	4.1	Standard Disclosures	Governance structure of the organization.	See Organization chart Page 15		Yes. Page 59	
G4-35	--	Standard Disclosures	Process for delegating authority for economic, environmental and social topics.	Section F.1 (page.77) in FCC Group Annual Corporate Governance Report 2013 (www.fcc.es)		Yes. Page 59		

Ref. GRI			Ref. Global Compact	Description	Page	Omissions	External Assurance
	GRI4	GRI3.1					
GENERAL STANDARD DISCLOSURES	G4-36	--	Standard Disclosures	Indicate whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body.	Yes, Deputy Technical Services Manager and Quality and CSR Director.		Yes. Page 59
	G4-37	4.4	Standard Disclosures	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	Page 6		Yes. Page 59
	G4-38	4.1;4.3	Standard Disclosures	Composition of the highest governance body and its committees.	Executive Committee Page 10 and 11 in the FCC Group Annual Report 2013		Yes. Page 59
	G4-39	4.2	Standard Disclosures	Indicate whether the Chair of the highest governance body is also an executive officer within the reporting organization.	Yes		Yes. Page 59
	G4-40	4.7	Standard Disclosures	Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, for issues concerning economic, environmental and social performance.	Responsibility of the Appointments and Remuneration Committee See page 114 in Annual Corporate Governance Report 2013		Yes. Page 59
	G4-41	4.6	Standard Disclosures	Report processes for the highest governance body to ensure conflicts of interest are avoided and managed.	Section D.6 (Page 61 in Annual Corporate Governance Report 2013		Yes. Page 59
	G4-42	--	Standard Disclosures	Description of the highest governance body's and senior executives' roles in all matters relating to strategy, policy and economic objectives, and environmental and social performance of the reporting organization.	Page 2 and corporate policies, set in the Quality Management Manual and in www.fcc.es		Yes. Page 59
	G4-43	--	Standard Disclosures	Measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics.	By means of the Training Plan, which covers these matters and which apply to top managers as well. Also, by periodic reports on the status of the management system; and by regular meetings of the governance bodies (Sustainability Committee, Contracting Committee, and some others), just as it is set in the FCC Construcción Procedure "General Organization and Duties".		Yes. Page 59
	G4-44	4.10	Standard Disclosures	Processes for evaluating the highest governance body's own performance.	Audit and Control Committee Pages 241, 393 y 394, FCC Group Annual Report 2013 (www.fcc.es)		Yes. Page 59
	G4-45	4.9	Standard Disclosures	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities. It includes the highest governance body's role in the implementation of due diligence processes.	Pages Page 241 and 264 in the FCC Group Annual Report 2013		Yes. Page 59
	G4-46	--	Standard Disclosures	Highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics.	Page 530 in the FCC Group Annual Report 2013		Yes. Page 59
	G4-47	4.9	Standard Disclosures	Frequency of the highest governance body's review of economic, environmental and social	All FCC Construcción Committees meet every four months, as established in the organization's internal procedures.		Yes. Page 59
	G4-48	--	Standard Disclosures	Identifying the highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material Aspects identified by the organization are covered.	Chairman and Corporate Manager of FCC Construcción (see Organizational chart).		Yes. Page 59

Ref. GRI			Ref. Global Compact	Description	Page	Omissions	External Assurance
	GRI4	GRI3.1					
GENERAL STANDARD DISCLOSURES	G4-49	4.4	Standard Disclosures	Report the process for communicating critical concerns to the highest governance body.	'Ad hoc' meetings of the Chairman of FCC Construcción and the CEO of FCC Group.		Yes. Page 59
	G4-50	--	Standard Disclosures	Identifying the nature and total number of critical concerns that were communicated to the highest governance during the reporting period. Identifying the mechanism(s) and procedures used to address and resolve them.	Page 11, 13 They are identified by the Sustainability Committee and transferred to the CEO of FCC Group.		Yes. Page 59
	G4-51	4.5	Standard Disclosures	Description of the remuneration policies for the highest governance body and senior executives, and its correlation with their economic, environmental and social performance.	Responsibility of the Appointments and Remuneration Committee See Annual Report on the Remuneration of Directors		Yes. Page 59
	G4-52	--	Standard Disclosures	Processes for determining remuneration of corporate governance members indicating whether remuneration consultants are involved.	The Appointments and Remuneration Committee establishes the remunerations policy and performance appraisal of top managers. Annual Report on the Remuneration of Directors		Yes. Page 59
	G4-53	4.4	Standard Disclosures	Description of the stakeholders' involvement in determining the remuneration of the corporate governance members.	Page 3 of Annual Report on the Remuneration of Directors		Yes. Page 59
	G4-54	--	Standard Disclosures	Ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual).	Not available	These data are not available for 2013, because it was in July of that year when the FCC Construcción Human Resources Management was created. It is planned the definition and development of procedures and indicators throughout 2014, so that these data will be reported in the Annual Report 2015-2016.	Yes. Page 59
	G4-55	--	Standard Disclosures	Ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual).	Not available	See "Omissions" in G4-54 (Annex 1 Page 49)	Yes. Page 59
	ETHICS AND INTEGRITY						
	G4-56	--	Standard Disclosures	Organization's values, principles, standards and codes of conduct.	Page 3, 15		Yes. Page 59
	G4-57	--	Principle 10	Description of the internal and external mechanisms that ensure that organization's ethical and lawful behaviour.	Page 4, 15. Annex 3, Pag 61 The organization's Code of Ethics set the patterns that ensure an ethical and lawful behaviour.		Yes. Page 59
	G4-58	--	Principle 10	Description of the internal and external mechanisms for reporting concerns about unethical or unlawful behaviour on the side of the organization.	Page 15. Annex 3, Page. 61. To report on related defaults and non-compliances, the employees and third parties will send their reports to the "Response Committee" by: internal-5 communication channel (only for employees), mail or email (for all Stakeholders).		Yes. Page 59

Ref. GRI			Ref. Global Compact	Description	Page	Omissions	External Assurance
	GRI4	GRI3.1					
GENERAL STANDARD DISCLOSURES	MANAGEMENT APPROACH						
	ECONOMIC PERFORMANCE INDICATORS						
	Data on economic performance indicators corresponding to 2012 are displayed on the Sustainability Report 2011-2012, available www.fccco.es						
	G4-EC1	EC1		Direct economic value generated and distributed	Page 21. See 2013 Earnings Presentation of FCC Construcción .		Yes. Page 59
	G4-EC2	EC2		Financial implications and other risks and opportunities for the organization's activities due to climate change	There exists a climate change strategy, which defines the main risks and opportunities for each business area. See FCC Group 2013 CSR Report, Page 512		Yes. Page 59
	G4-EC3	EC3		Coverage of the organization's defined benefit plan obligations	Not available	These concepts are included in the income statement of the company, in the section Current Expenditure, but it is not specified.	Yes. Page 59
	G4-EC4	EC4		Financial assistance received by the organization from governments	- Subsidies (training rebates) 459.781 € - R&D Grants: 2.795.947 € - Tax relief and tax credits 1.636.472 €		Yes. Page 59
	G4-EC5	EC5		Ratios of standard entry level wage compared to local minimum wage at significant locations of operation	FCC Construcción remunerates its employees 'in accordance' with the current legislation and collective bargaining agreements in the countries where it operates. It sets a plus in the remuneration calculated by reference to the cost of living and quality of life, which is of appliance for expatriates.	See "Omissions" in G4-54 (Annex 1 Page 49)	Yes. Page 59
	G4-EC6	EC7		Percentage of senior management at significant locations of operation that are hired from the local community	Considering the "Country Manager" position as a "Senior Manager", there are no local senior managers outside Spain.		Yes. Page 59
	G4-EC7	EC8		Development and impact of infrastructure investments and services supported, primarily for public benefit through commercial, in-kind or pro bono engagements.	All investment in infrastructure and provided services is part of the business itself.		Yes. Page 59
G4-EC8	EC9		Understanding and description of significant indirect economic impacts, including the extent of such impacts.	Page 22, 32, 33 The Spanish National Contractors Association, SEOPAN, estimates that in Spain, per million Euros invested in infrastructure, eighteen jobs are generated, six of which are indirect.		Yes. Page 59	

Ref. GRI			Ref. Global Compact	Description	Page	Omissions	External Assurance
	GRI4	GRI3.1					
GENERAL STANDARD DISCLOSURES	G4-EC9	EC6		Policies, practices, and proportion of spending on local suppliers at significant locations of operation.	Not available	These data re not available for 2013, because it has been a year of transition in which the purchases management was decentralised from FCC Group, and the purchasing responsibilities in the field of their activity were returned to businesses At year-end the "Procurement Records Management" IT application was developed. It is fully operational in 2014, when we will be able to obtain data of this indicator.	Yes. Page 59
	ENVIRONMENTAL DIMENSION						
	ENVIRONMENTAL PERFORMANCE INDICATORS						
	Data on environmental performance indicators corresponding to 2012 are displayed on the Sustainability Report 2011/2013, available www.fccco.es						
	G4-EN1	EN1	Principle 8	Total weight or volume of materials that are used	Primary materials*. • 1,762,848 t of topsoil • 29,572,044 t of aggregates, soil and gravel • 730,933 t of asphalt • 3,322,718 t of concrete • 202,937 t of steel		Yes. Page 59
	G4-EN2	EN2	Principle 8	Percentage of materials used that are recycled input materials	Page 28 The surplus of soil or rocks that are reused on site represents 30% of total raw material used, and the surplus of clean debris reused is 1.3% of total semi-finished products used in the works executed in Spain.	These data correspond only to FCC Construcción Spain.	Yes. Page 59
	G4-EN3	EN3; EN4	Principle 8	Energy consumption within the organization	Page 26		Yes. Page 59
	G4-EN4	--	Principle 8	Energy consumption outside of the organization	Not available	In 2013, there were no recorded data of energy consumption within activities such as procurement of goods and services, transport, waste management or business travel.	Yes. Page 59
	G4-EN5	--		Energy Intensity	243.12 GJ/million euros	The ratio only includes the internal energy consumption.	Yes. Page 59
	G4-EN6	EN5; EN7	Principle 8	Reduction of energy consumption	Not available		Yes. Page 59
	G4-EN7	EN6	Principle 8	Reductions in energy requirements of products and services	Not available		Yes. Page 59

Ref. GRI			Ref. Global Compact	Description	Page	Omissions	External Assurance
	GRI4	GRI3.1					
GENERAL STANDARD DISCLOSURES		CRE1		Building energy intensity.	n/a	This indicator only applies to real estate activities not included in the business area of FCC Construcción	Yes. Page 59
	G4-EN8	EN8	Principio 8	Total water withdrawal by source.	Page 26 Further information on implemented Good Practices on Environmental Report.		Yes. Page 59
	G4-EN9	EN9	Principle 8	water sources significantly affected by withdrawal of water	• Surface water in protected areas 154,980 m³ • Underground water in protected areas 45,479 m³ Currently, no information available about the environmental and social value of the water source.	FCC Construcción data, excluded FCC Industrial See "Omissions" in G4-EN14 (Annex 1 Page 52)	Yes. Page 59
	G4-EN10	EN10	Principle 8	Percentage of total volume of water recycled and reused.	68,316 m ³ (3.3%)		Yes. Page 59
		CRE2		Building water intensity .	n/a	This indicator only applies to real estate activities not included in the business area of FCC Construcción	Yes. Page 59
	G4-EN11	EN11	Principle 8	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Page 29		Yes. Page 59
	G4-EN12	EN12	Principle 8	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas and resulting from activities, products and services.	See Environmental Report.		Yes. Page 59
	G4-EN13	EN13	Principle 8	Habitat protected or restored	• Restoration of affected lands 969,955 m² • Protection of sensitive areas 1,554,513 m²		Yes. Page 59
	G4-EN14	EN15	Principle 8	No. of species by level of the risk of extinction	Currently, this information is not retrieved centrally for all countries where significant activities take place; however, all production centres record and maintain the list of endangered species. Examples related to plant and animal species management plans can be found in the Environmental Reports.	We are working on improving the environmental and social information management tool to collect this information. Its implementation is scheduled for late 2014, so that data will be reported in the Annual Report 2015 2016.	Yes. Page 59
	G4-EN15	EN16	Principle 8	Direct greenhouse gas (GHG) emissions (scope 1)	Page 27 See GHG Emissions Report 2013		Yes. Page 59
	G4-EN16		Principle 8	Energy indirect greenhouse gas (GHG) emissions (Scope 2).	Page 27 See GHG Emissions Report 2013		Yes. Page 59
	G4-EN17	EN17	Principle 8	Other indirect GHG Emissions (Scope 3)	Page 27 See GHG Emissions Report 2013		Yes. Page 59
	G4-EN18	--		Greenhouse gas (GHG) emissions intensity	168.6 t CO ₂ e/million €		Yes. Page 59
	G4-EN19	EN18	Principle 9	Greenhouse gas (GHG) emissions intensity	Page 27 See GHG Emissions Report 2013		Yes. Page 59

Ref. GRI			Ref. Global Compact	Description	Page	Omissions	External Assurance
	GRI4	GRI3.1					
GENERAL STANDARD DISCLOSURES		CRE3		<i>Greenhouse gas emissions intensity from buildings.</i>	n/a	This indicator only applies to real estate activities not included in the business area of FCC Construcción	Yes. Page 59
		CRE4		<i>Greenhouse gas emissions intensity from new construction and redevelopment activity.</i>	168.6 t CO2e/million €		Yes. Page 59
	G4-EN20	EN19	Principle 8	Emissions of ozone-depleting substances (ODS)	n/a	These emissions do not occur in the construction works.	Yes. Page 59
	G4-EN21	EN20	Principio 8	NOx, SOx and other significant air emissions	Page 27 NOx: 195,955.66 kg** SOx: 3,763.99 kg** Particles: 2,028,663.06 kg**		Yes. Page 59
	G4-EN22	EN21	Principle 8	Total water discharge by quality and destination.	890,797 m³ • Public Water Works*** 784,962 m³ • Sewage Network**** 80,557 m³ • Sealed septic tank: 24,127 m³ For further information, please see Environmental Report.		Yes. Page 59
	G4-EN23	EN22	Principle 8	Total weight of waste by type and disposal method	Page 27		Yes. Page 59
	G4-EN24	EN23		Total number and volume of significant spills.	Page 28 spills (12.84 m³)		Yes. Page 59
	G4-EN25	EN24	Principio 8	Weight of transported, imported, exported, or treated waste deemed hazardous	n/a	FCC Construcción does not transport hazardous waste as part of its activity, but it hires authorized transporters and managers to ensure an appropriate management of such waste.	Yes. Page 59
	G4-EN26	EN25	Principle 8	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	• Significant discharges in protected natural areas. (6 works) • Significant discharges in natural coastline. (13 works)	FCC Construcción data, excluded FCC Industrial. See "Omissions" in G4-EN14 (Annex 1 Page 52)	Yes. Page 59
	G4-EN27	EN26	Principle 8	Impact mitigation of environmental impacts of products and services	FCC Construcción has implemented a Good Practices System that comprises performances which better ensure better environmental results.		Yes. Page 59
	G4-EN28	EN27	Principle 8	Percentage of products sold and their packaging materials that are reclaimed by category	n/a	FCC Construcción's construction activity does not include the production of bulk or packaged goods intended for sale or shipment to the customer.	Yes. Page 59
	G4-EN29	EN28	Principle 8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	In 2013 fifteen legal proceedings against FCC Construcción were brought, three of which are still to be resolved. Other twelve resolved proceedings resulted in fines of €43,892.	These data correspond only to FCC Construcción Spain.	Yes. Page 59

Ref. GRI			Ref. Global Compact	Description	Page	Omissions	External Assurance
	GRI4	GRI3.1					
GENERAL STANDARD DISCLOSURES	G4-EN30	EN29		Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	The most important environmental impacts are related to transport in civil work; for instance, dirt being brought into and out of the works, emission of dust due to transport of earth and rubble, and emission of dust due to heavy machinery: Page 25 (In Scope 3, CO ₂ emissions due to staff business travel are included)		Yes. Page 59
	G4-EN31	EN30		Total environmental protection expenditures and investments by type.	Costs: 115,020 million euros		Yes. Page 59
		CRES		Land and other assets remediated and in need of remediation for the existing or intended land use according to applicable legal designations.	• Remediation of 45 m² of contaminated soils. • 9 m² evaluated for remediation, but not done yet.	These data correspond only to FCC Construcción Spain	Yes. Page 59
	G4-EN32	--		Percentage of new suppliers that were screened using environmental criteria.	All FCC Construcción supplier's assessments consider environmental criteria.		Yes. Page 59
	G4-EN33	--		Significant actual and potential negative environmental impacts in the supply chain and actions taken.	Not available	Presently, FCC Construcción does not collect the negative environmental impacts of the supply chain information.	Yes. Page 59
	G4-EN34	--		Number of grievances about environmental impacts filed, addressed and resolved through formal grievance mechanisms.	In 2013 fifteen legal proceedings against FCC Construcción were brought, three of which are still to be resolved. Those grievances that do not result in litigation are managed at work, and the information is not collected.		Yes. Page 59
	SOCIAL DIMENSSION						
	SOCIAL PERFORMANCE INDICATORS						
	Data on social performance indicators corresponding to 2012 are displayed on the Sustainability Report 2011-2012, available www.fccco.es						
	1 Labour Practices and decent work						
	G4-LA1	LA2	Principle 6	Total number and rate of new employee hires and employee turnover by age group, gender, and region.	10,676 Further information on Page 31, 32		Yes. Page 59
	G4-LA2	LA3	Principle 6	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation.	All permanent employees enjoy the same benefits, regardless of the type of workday. page 31, 32		Yes. Page 59
	G4-LA3	LA15		Return to work and retention rates after parental leave, by gender.	100% of the employees return to work after parental leave.	Due to the collective dismissals carried out in 2013, the retention rate has not been calculated because it might be wrong.	Yes. Page 59

Ref. GRI			Ref. Global Compact	Description	Page	Omissions	External Assurance
	GRI4	GRI3.1					
GENERAL STANDARD DISCLOSURES	G4-LA4	LA5		Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements.	Specified in collective agreements.		Yes. Page 59
	G4-LA5	LA6		Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	100% of permanent employment contracts. OH&S Committees in those centres where the employees have appointed HSRs (HEalth and safety Representatives) See page 34, 35		Yes. Page 59
	G4-LA6	LA7		Rates of injury, occupational diseases, lost days, and absenteeism, and number of work related fatalities by region and by gender.	Page 34, 35 Absenteeism: 4.18%		Yes. Page 59
	G4-LA7	LA8		Workers who are involved in occupational activities who have a high incidence or high risk of specific diseases.	Workers included in category 4 (Subordinates and operatives) and all employees travelling outside EU		Yes. Page 59
		CRE6		Percentage of the organization operating in verified compliance with an internationally recognized health and safety management system.	54.3% (98.0% in Spain)		Yes. Page 59
	G4-LA8	LA9		Health and safety topics covered in formal agreements with trade unions.	Health and safety topics covered in formal agreements are minimum disposals for OH&S in the construction sector, and the specific health and safety training for workers.		Yes. Page 59
	G4-LA9	LA10	Principle 6	Average hours of training per year per employee by gender, and by employee category.	9.78 hour per employee Further information on page 33		Yes. Page 59
	G4-LA10	LA11		Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	There exists a corporate training program for common and transversal areas within the company: training in culture and values of the company, software applications training, language training and training in skills and competences.		Yes. Page 59
	G4-LA11	LA12	Principle 6	Percentage of employees receiving regular performance and career development reviews, by gender.	Period 2012-2013 was a transition period in which the performance evaluation system has been revised and redesigned, in order to extend it to all FCC Construcción employees during 2014.		Yes. Page 59
	G4-LA12	LA13	Principio 6	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.	Page 31, 32. See further information in www.fccco.es		Yes. Page 59
	G4-LA13	LA14	Principle 6	Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.	The minimum wages are set in collective agreements ,and there are no differences between men and women.		Yes. Page 59
	G4-LA14	--		Percentage of new suppliers that were screened using labour practices criteria.	All FCC Construcción suppliers assessments consider labour criteria; for instance, be current on its obligations to the Tesorería General de la Seguridad Social (General Treasury of the Social Security) or have a Security Plan.		Yes. Page 59

Ref. GRI			Ref. Global Compact	Description	Page	Omissions	External Assurance
GRI4	GRI3.1						
G4-LA15	--			Significant actual and potential negative impacts for labour practices in the supply chain and actions taken.	Presently, FCC Construcción does not collect the negative impacts for labour practices of the supply chain information.	See "Omissions" in G4-54 (Annex 1 Page 49)	Yes. Page 59
G4-LA16	--			Number of grievances about labour practices filed, addressed and resolved through formal grievance mechanisms.	Page 16		Yes. Page 59
2. Human Rights							
G4-HR1	HR1			Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening.	See Equator Principles Page 17, 19		Yes. Page 59
G4-HR2	HR3			Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	All FCC Construcción employees must take a 8 hours training course on the Code of Ethics.		Yes. Page 59
G4-HR3	HR4			Total number of incidents of discrimination and corrective actions taken.	In 2013 there were no discrimination incidents. Corrective measures are defined in the Code of Ethics.		Yes. Page 59
G4-HR4	HR5			Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights.	In 2013, there were no reports on centres and providers with significant risks to freedom of association. Corrective measures are defined in the Code of Ethics.	Early in 2014 the preliminary suppliers assessment pattern was modified, and social and human rights criteria were added.	Yes. Page 59
G4-HR5	HR6			Operations and significant suppliers identified as having significant risk for incidents of child labour, and measures taken to contribute to the effective abolition of child labour.	In 2013 there were no reports on centres and providers with significant risks for incidents of child labour. Corrective measures are defined in the Code of Ethics.	See further information on G4-HR4 Annex 1 Page 56	Yes. Page 59
G4-HR6	HR7			Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labour, and measures to contribute to the elimination of all forms of forced or compulsory labour.	In 2013, there were no recorded significant centres or suppliers with risks for incidents of forced or compulsory labour. Corrective measures are defined in the Code of Ethics.	See further information on G4-HR4 Annex 1 Page 56	Yes. Page 59
G4-HR7	HR8			Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	All security personnel have been trained on aspects of human rights that are relevant to their operations.		Yes. Page 59
G4-HR8	HR9			Percentage and total number of centres that have been subject to human rights assessments.	FCC Construcción is signatory member of the UN Global Compact's ten principles, and it respects human rights and the legislation in force in those countries where it operates.	See further information on G4-HR4 Annex 1 Page 56	Yes. Page 59
G4-HR9	HR10			Total number of incidents of violations involving rights of indigenous people and actions taken.	In 2013, there were no recorded significant incidents of violations involving rights of indigenous people.	See further information on G4-HR4 Annex 1 Page 56	Yes. Page 59
G4-HR10	HR2			Percentage of significant suppliers, contractors and other business partners that have undergone human rights screening, and actions taken.	Not available	See further information on G4-HR4 Annex 1 Page 56	Yes. Page 59

Ref. GRI			Ref. Global Compact	Description	Page	Omissions	External Assurance
	GRI4	GRI3.1					
GENERAL STANDARD DISCLOSURES	G4-HR11	--		Significant actual and potential negative human rights impacts in the supply chain and actions taken.	Not available	Presently FCC Construcción does not collect information on the suppliers' negative impacts related to human rights.	Yes. Page 59
	G4-HR12	HR11		Number of grievances about labour practices filed, addressed and resolved through formal grievance mechanisms.	Internal Communication Channel has gathered one grievance on human rights.		Yes. Page 59
	3. Society						
	G4-SO1	SO1		Percentage of operations with implemented local community engagement, impact assessments, and development programs.	Page 60 in Annex 3, Page 23, 37, 39	See "Omissions" in G4-EN14 (Annex 1 Page 52)	Yes. Page 59
	G4-SO2	SO9		Operations with significant potential or actual negative and positive impacts on local communities.	Page 60 in Annex 3, In 2013, a grievance by the local communities was recorded.		Yes. Page 59
		CRE7		<i>Number of persons voluntarily and involuntarily displaced and/or resettled by development, broken down by project.</i>	Page 38. In 2013 there were no serious incidents related to migrations of communities where FCC operates. Nonetheless, in two projects, in Chile and Mexico, merchants and dwellers were relocated respectively.		Yes. Page 59
	G4-SO3	SO2		Percentage and total number of centres assessed for risks related to corruption and the significant risks identified.	100% of the business units have been assessed. There is a map of criminal risks of the entire organization, an action plan and a Crime Prevention and Response Manual. See page 18		Yes. Page 59
	G4-SO4	SO3		Communication and training on anticorruption policies and procedures.	100% of FCC Construcción staff is trained on the Code of Ethics.		Yes. Page 59
	G4-SO5	SO4		Confirmed incidents of corruption and actions taken.	Ethics Channel has picked up one grievance on corruption and bribery.		Yes. Page 59
	G4-SO6	SO6		Total value of financial and in-kind contributions to political parties by country and recipient/beneficiary.	FCC Construcción makes no financial contributions to any political party.		Yes. Page 59
	G4-SO7	SO7		Total number of legal actions for anticompetitive behaviour, anti-trust, and monopoly practices and their outcomes.	There were no legal actions carried out in this regard.		Yes. Page 59
	G4-SO8	SO8		Monetary value of sanctions, and significant fines resulting of non-compliance with laws and regulations.	€600, due to an incident of image rights.		Yes. Page 59
	G4-SO9	--		Percentage of new suppliers that were screened using criteria for impacts on society.	Not available	One of the goals set for the year 2014 is the amendment of the preliminary suppliers assessment, by adding social and human rights criteria.	Yes. Page 59

Ref. GRI			Ref. Global Compact	Description	Page	Omissions	External Assurance
	GRI4	GRI3.1					
GENERAL STANDARD DISCLOSURES	G4-SO10	--		Significant actual and potential negative impacts on society in the supply chain and actions taken.	Presently, FCC Construcción does not collect the negative impacts on society of the supply chain information.	Ver "Omisiones" de G4-54. (Annex 1 Page 49)	Yes. Page 59
	G4-SO11	--		Number of grievances about impacts on society filed, addressed and resolved through formal grievance mechanisms	In 2013, one grievance by the local communities was recorded.		Yes. Page 59
	4. Product Responsibility						
	G4-PR1	PR1		Life cycle stages in which health and safety impacts of products and services on customers are assessed for improvement.	Safety and health at construction sites are basic pillars for FCC Construcción , hence the potential risks in the works are continuously assessed.		Yes. Page 59
	G4-PR2	PR2		Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	There were no legal non-compliances recorded in 2013.		Yes. Page 59
	G4-PR3	PR3		Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	In residential building, the Building Record is required.		Yes. Page 59
	G4-PR4	PR4		Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labelling.	There have been no incidents of this type.		Yes. Page 59
	G4-PR5	PR5		Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	Page 6		Yes. Page 59
		CRE8		Type and number of sustainability certification, rating and labelling schemes for new construction, management, occupation, and redevelopment.	57 energy efficiency certificates		Yes. Page 59
	G4-PR6	PR6		Sale of banned or disputed products	n/a		Yes. Page 59
	G4-PR7	PR7		Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship.	In 2013, one incident related to image rights was recorded.		Yes. Page 59
	G4-PR8	PR8		Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	There have been no incidents of this type.		Yes. Page 59
	G4-PR9	PR9		Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.	There have been no incidents of this type.		Yes. Page 59

* The material consumption data are obtained from invoices, delivery notes and work certificates, except in the case of soil and gravel, which can be defined through measurements and determining the volume.

** Data obtained by own assessment, considering the activity data of the works and the emission factors of the European Environment Agency (EMEP / EEA air pollutant emission inventory guidebook) and the Environmental Protection Agency of the United States (Compilation of Air pollutant Emission Factors).

*** Data obtained by estimation based on authorized discharge volumes.

**** For those offices that we rent, we do not have bills, so discharges are estimated according to the number of employees.

SUSTAINABLE VERIFICATION REPORT

VMS-Nº 023/14

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

FCC CONSTRUCCIÓN

Entitled ***SUSTAINABILITY REPORT 2013-2014***

and Legal Deposit number: M-24813-2014

Provides a reasonable image and a balanced view of its performance, taking into account not only the data veracity but also the general content of the report.

This external assurance is in accordance with the **Exhaustive Option** of the G4 Guide developed by the Global Reporting Initiative (GRI) along with the Construction and Real State Sector Supplement. The verification has been fulfilled on 8th August, 2014 and no subsequent performances can be considered.

The present verification 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 2014/1446/GRI/01 dated 17th July, 2014 and to the General Regulation of January 2007, which require, amongst other commitments, the permission to visit the installations by the technical services of AENOR to verify the veracity of stated data.

This declaration does not condition the decision that Global Reporting Initiative can adopt to incorporate FCC CONSTRUCCIÓN in the "GRI Reports List" which is published in its Web <http://www.globalreporting.org/GRIReports/GRIReportsList/>.

Issued on: 5th September 2014


AENOR Asociación Española de
Normalización y Certificación
Avelino BRITO
Chief Executive Officer

Annex 2 Principles Applied to this Report

BOUNDARIES AND PERIODICITY (G4-18b)

In this Report **FCC Construcción** communicates the impacts of its economic, environmental, social, ethics and governance performance in year 2013, compared with the previous reporting period.

FCC Construcción prepares the Sustainability Report on a biennial basis. However, and with the aim to preserve its commitment to transparency and information to its stakeholders, in the second year of the reporting period, it produces an information leaflet to report about the most significant events and indicators in that mid-period.

BOUNDARIES (G4-20); (G4-22)

Unless otherwise indicated, the information contained in this Report refers to all the activity performed by **FCC Construcción** and its subsidiaries and affiliates. Any available information about the behaviour of the supply chain for specific aspects will be reported in the corresponding sections.

The coverage of the quantitative data excludes Alpine, Austrian **FCC Construcción** subsidiary company, which deconsolidated from FCC Group in 2013, when it filed for bankruptcy and went into liquidation. As a consequence, the economic, social and environmental information gathered for this Report does not include 2013 Alpine's data. All variances referred to this boundary are recorded in corresponding data sheet.

In the case of temporary joint ventures participated by **FCC Construcción**, the environmental values in all those where we have operational control, regardless of its percentage of participation, is provided.

REPORTING PRINCIPLES FOR DEFINING THE REPORT CONTENT (G4-18b)

FCC Construcción has prepared this Sustainability Report following the guidelines set in G4 Global Reporting Initiative (GRI) "Sustainability Reporting Guidelines", of March 2013, 'in accordance' with the Comprehensive option, and it has been verified and certified by an independent third party (AENOR). It has been also been considered guidance provided in the GRI's Construction and Real Estate Sector Supplement (CRESS).

- **Materiality and stakeholder engagement:** To prepare this report, the results of the Materiality Assessment conducted by FCC Group 'in accordance' with Standard AA1000, have been considered,
- **Sustainability context:** This Report assess the performance of the Company and it sets the links between sustainability and organizational strategy.
- **Completeness:** This Report is an assessment of the ethical, social and environmental performance of the organization. Throughout the report, there are references to other sources where to find further information.
- **Reliability:** The information used in this Report has been gathered from reliable sources, and it has been validated and verified by independent third parties. In the case of the reported environmental values, they come from invoices,

delivery notes and measurements. Whenever there is an estimate for the definition thereof, it is explained in the corresponding section.

FCC Construcción prepares this Sustainability Report 'in accordance' with the Comprehensive option outlined in G4 GRI Guidelines.

NEW APPROACH G4 (G4-18b); (G4-23)

The most important novelty in this Sustainability Report 2013-2014 is the contents. They are based on the new framework of the Global Reporting Initiative (G4).

G4 GRI guidelines entails the Companies to conduct a preliminary Materiality Assessment in order to identify those governance, social and environmental issues that, due to its relevance to both the business and stakeholders, significantly influence the strategy and decision making of the Companies.

In addition to these - the most critical issues for the company - the Report also covers other aspects (not highlighted in the Materiality Assessment), which the Company has been collecting and verifying in later years.

PROCESS OF IDENTIFYING MATERIAL ASPECTS (G4-18a)

FCC Construcción has carried out a process to determine the material aspects of the year 2013, which is detailed in the initial drop-down menu of this Sustainability Report.

PREVIOUS REPORT

The previous CSR Report covers the years 2011-2012. The updating leaflet attached to that Report refers to fiscal year 2012.

OTHER USEFUL INFORMATION

This CSR Report is also a Progress Report on **FCC Construcción** compliance with the UN Global Compact's ten principles.

For further information or comments on this Report, please send an e-mail to:

fcco@fcc.es (for the attention of Quality and CSR Director)

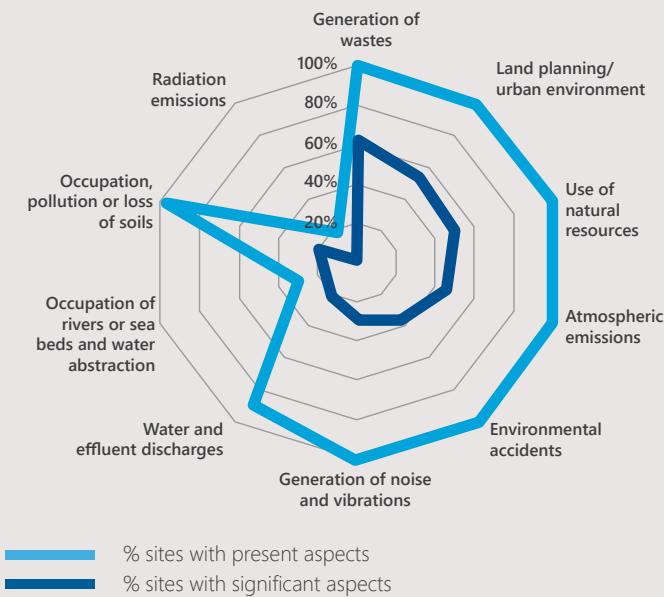
Annex 3 Environmental Management System and Ethical Management System

ENVIRONMENTAL MANAGEMENT SYSTEM

FCC Construcción Environmental Management System is based on the identification of environmental aspects most commonly found in our works and fixed centres.

Each identified environmental and social aspect is assessed in terms of the magnitude of its potential impact, and the importance or sensitivity of the environment receiving such impact. Their degree of significance is obtained thereby. Thus, on planning the environmental and social performance of the work, great emphasis is set on the monitoring and minimization impact caused by the most significant aspects of each project.

The following radar chart plots the percentages of works that in 2013 displayed each of the significant environmental aspects described in the **FCC Construcción** Management System.



target score to be achieved at each work, which in 2013 was 57 points. Around 97% of the works executed in 2013 have achieved the target set by the company: the average environmental target score achieved was 69 points.

A software application manages the Environmental Plan at the works and facilities of the company, and it ensures reliability and availability of data.

- It identifies environmental aspects and it values its relevance.
- It selects the environmental legislation to be applied for each aspect.
- It sets a performance management program that gives compliance with legal requirements and others.
- It monitors the Waste Management Record Sheet, and it tracks the origin and destination of soil and debris.
- It supports the planning, monitoring and control of implemented Good Practices in all works.

The information generated at the works, and used by the them for environmental management, is entered into a database which provides a snapshot of the company's environmental performance, guides improvement actions and provides information to society.

A demanding system of internal audits, and the inner controls within the different integration processes, validate the accuracy of data.

FCC Construcción Good Practices System, in addition to legal and contractual requirements, incorporates actions that ensure more accurate environmental performances.

The site managers have a list of 69 voluntary good practices. Among them, they select those which can be applied, on the basis of their activities, circumstances and characteristics.

Good Practices are assigned different weighting, according to their importance. Thus, those Good Practices involving greater benefit to the environment achieve higher marks, as well as those being intrinsically the best and the most innovative, or those which imply more effort for the work, either due to investment, the research, management or wit involved. Even more, the degree of implementation is considered for the assessment. Thus, the greater generalization of the practice, the more intervention or the wider the scope of the Best Practice is, it will result in a higher valuation.

The summation of the product of the degree of implementation by the importance of each best practice, provides a score which is an indicator of this additional environmental effort of the work. This value is the result of the comparison between the effort and the progress of the work on environmental issues, and it sets a

ETHICAL MANAGEMENT SYSTEM

FCC is a highly diversified global company which obviously integrates multiple organizations and their various cultures and backgrounds. The challenge of ensuring respect for values and behaviour principles, which is shared by all organizations and employees, is a Company's commitment. For FCC, **good governance** means ensuring that the company is managed to create long term value, so that the expectations of stakeholders are integrated into their administration and management model. FCC adopts the international standards of good governance and the recommendations of the Spanish Unified Good Governance Code of Listed Companies.

The FCC **Code of Ethics**, which was drawn up and approved by the Board of Directors in 2008, is a tool to provide guidance to actions in outstanding social, environmental and ethical issues. It aims to highlight corporate culture and behaviour patterns, and it serves as guidance in the company's business relations with third-parties. The Code of Ethics confirms FCC's commitment to social responsibility and transparency, as demonstrated by its joining to UN Global Compact and the CSR Master Plan.

FCC agrees not to assign decision-making responsibilities related to ethics and compliance, to people who are liable for wrongdoing or conduct incompatible with the corporate Code of Ethics.

The ethical principles contained in the Code apply to all directors, managers and employees of FCC Group companies; and they are mandatory. To ensure that the code is well known, FCC Group communicates and disseminates it among its customers, suppliers, business partners and other related stakeholders. Regular internal communication channels and FCC Group corporate website - accessible to everyone - are used.

Additionally, to ensure that these principles are applied to our value chain, a clause is included in all contracts with suppliers and subcontractors. That clause requires that the latter knows and respects the Code of Ethics, which is available in all the languages of the countries where FCC operates. The non-compliance with the above mentioned clause may lead to the cancellation of the contract.

The Code provides a procedure that allows all employees to report in confidence and without fear of reprisal, behaviour or actions that are inappropriate as per the principles included herein. FCC Group's Intranet home page contains an internal communication channel for ethical issues. There, the reported

non-compliances are recorded and classified, and they are resolved according to the established procedures.

The monitoring of the compliance with FCC Group Code of Ethics is responsibility of Monitoring Committee of Internal Code of Conduct in the Securities Markets, which also leads the implementation, interpretation and follow-up of compliance with the provisions of the cited Regulation .

In addition, the Board of Directors of the Company has an Audit and Control Committee which ensures that disciplinary actions are taken in the event of non-compliances with the Code of Ethics. It assesses risks relating to ethics, integrity and compliance with the management and risks control systems. Moreover, the Response Committee is the professional body in charge of promoting the dissemination, awareness and compliance with the corporate Code of Ethics.

