Construcción

CLIMATE CHANGE STRATEGY 2023-2026

Date
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CONTENTS

LIST OF ABBREVIATIONS

APAT	Technical-action forecast document
AR5 o AR6	Fifth or sixth IPCC Assessment Report
BIM	Building Information Modelling
BREEAM	Building Research Establishment Environmental Assessment
CDP	Carbon Disclosure Project
CO_2	Carbon dioxide
ECTP	European Council of Spatial Planners
EIC	European Innovation Council
ENCORD	European Network of Construction Companies for Research and Development
ETS	European Emissions Trading System
EU	European Union
GCCA	Global Cement and Concrete Association
GEI	Greenhouse gases
IEA	International Energy Agency
IPCC	Intergovernmental Expert Group on Climate Change
IT	Information technology
LEED	Leadership in Energy and Environmental Design
NbS	Nature-based Solutions
NZE	Net Zero Emissions by 2050 Scenario
ODS	Sustainable Development Goals
PNACC	National Plan for Adapting to Climate Change
PNIEC	Integrated National Energy and Climate Plan
RDI	Research, development and innovation
SBTi	Science Based Targets initiative
SEOPAN	Construction Companies and Infrastructure Concessionaires Association
SSP	Shared Socioeconomic Pathways
STEPS	Stated Policies Scenario
t CO_2 eq	Equivalent tonnes of carbon dioxide
TCFD	Task Force for Climate-related Financial Disclosures
UNEP	United Nations Environment Programme

THE CONTEXT FOR CLIMATE ACTION

The international undertaking

Climate change is one of the greatest challenges that humanity currently faces, and it requires urgent measures to be taken. With the signing of the Paris Agreement in 2015, **an international commitment** was established to reduce greenhouse gas emissions (GHG emissions, in advance) so as to limit the rise in global temperatures to less than 2°C - preferably 1.5°C - compared with pre-industrial levels.

In order to meet the 1.5°C target, there needs to be a 43% reduction in net global emissions by 2030, compared with 2019, and an 84% reduction by 2050, according to the Intergovernmental Panel on Climate Change. (IPCC).

However, the latest United Nations (UN) report (2020) on the gap between GHG emissions targets and actual figures shows that the planet is still heading for a rise in temperature of more than 3ºC over the course of this century. When the report was completed, 126 countries, responsible for 51% of global GHG emissions, had adopted, announced or were considering emission-neutrality targets.

The UN has indicated that the measures to be prioritised must include direct support for zero-emission technology and infrastructure and the promotion of nature-based solutions (NbS).

Cepsa Tower. Financial District Madrid. Business Area, Madrid. Spain

Leadership by the European Union

In the international context, the European Union has called for a more ambitious approach to energy and climate be taken, seeking to become a benchmark for climate action.

With regard to plans to mitigate climate change, the EU's target is to achieve a reduction in GHG emissions of at least 55% by 2030 compared with 1990 values, with renewable energy to account for 45% of the total and energy efficiency to improve by 13%. All this is part of the **European Green Deal** set of initiatives, with the final goal of achieving climate neutrality by 2050.

This led the European Commission, in July 2021, to announce the first set of measures adopted within the package of legislation proposals on climate and energy, called "Fit for 55", subsequently extended with the "***REPowerEU***" plan in May 2022. These measures include new arrangements under the European Emission Trading System (ETS) for transport by road and buildings, to be implemented from 2025, supplemented by a new social fund for the climate providing 72.2 billion euros to address the social impact.

Another measure consists of reducing gas consumption in sectors including non-metal minerals, cement, glass, ceramics, chemicals and refineries, as well as decarbonising the EU's primary steel production by 2030. Also, with the intention to encouraging energy efficiency even further, yet more improvements are being negotiated, such as introducing requirements to reduce energy consumption, end all fossil-fuel subsidies, and fostering a higher take-up rate for renewable-energy technology in the transport and industrial sectors.

With regard to adapting to climate change, in February 2021 the EU approved its new **Strategy on Climate Change Adaptation**, which lays out the path for preparing for the inevitable effects of climate change and becoming a resilient society. To achieve this, the strategy includes measures to build awareness of adaptation and to integrate adaptation into macrobudget policy, as well as nature-based solutions (NbS) and local adaptation measures.

Another notable initiative in the framework of the European Agreement for a Fair Transition Towards Climate Neutrality is the new **European Taxonomy** regulation. This regulation, which was announced in late 2019, consists of a unified classification system to enable sustainable economic activities to be identified according to six environmental targets, including two related to climate change (mitigation and adaptation), orientated to pointing private investment towards activities that seek sustainable growth and a climate-neutral economy.

The Taxonomy was created with the aim of becoming a transversal standard for all current and future EU regulations on sustainable finance. It has currently been materialised by *Delegate Regulation (EU) 2021/2139 of the Commission of 4 June 2021*, which sets out the technical criteria for only two climate-change targets, although the remainder of the criteria are expected to be published in 2023.

As a result, European firms are making major efforts to quantify how many of their activities

that can be catalogued as "aligned with sustainability" according to the taxonomic criteria defined in the Regulation. In order to achieve a greater proportion of activities aligned with the climate-change mitigation and adaptation targets, companies will have to orient their strategies towards measures and actions to achieve climate neutrality.

Reform of the industrial facilities at Dublin Airport. Ireland

Spain's commitment towards energy and climate transition

In the European context, in 2021 Spain launched its **National Integrated Energy and Climate Plan (PNIEC, by its acronym in Spanish) 2021–2030**, establishing action areas in order to achieve carbon neutrality by 2050. Designed in line with the EU targets and from a cost-efficient viewpoint, the PNIEC includes a raft of measures for all emitting sectors on the national inventory, such as transport, industry, farming, etc., paying particular attention to the energy sector and clearly supporting the transition towards a renewable electrified model. With these measures Spain seeks to achieve a 23% reduction in GHG emissions compared with 1990, increase the role of renewables to account for at least 42% of the total end consumption of energy, improve energy efficiency by 39.5%, and ensure that more than 74% of the electricity generated comes from renewable sources.

Also, from the viewpoint of adapting to climate change, the **National Climate Change Adaptation Plan (PNACC, by its acronym in Spanish) 2021–2030** has been conceived as a basic planning instrument seeking a coordinated response to address climate change. Its objectives include strengthening climate observations and developing climate services, the continuous generation and transfer of knowledge, strengthening adaptation skills and encouraging all the relevant actors to get involved (public authorities, private sector, social organisations and the general public).

Climate change in the construction sector

The construction and civil-engineering sector impacts both directly and indirectly on global warming, and its sustainable transformation plays a key role in mitigating and adapting to climate change. The International Energy Agency (IEA) reported that in 2020 the construction and building sector accounted for 37% of all carbon-dioxide emissions related to energy and processes. Ten per cent of these emissions corresponded to the manufacture of building materials and products such as steel, cement and glass(IEA & UNEP, 2019). With regard to the data presented at the Regional Research, Development and Innovation (RDI) Forum, the infrastructure-construction stage represents only 2% of the EU's emissions, but the infrastructure-use stage accounts for a far larger amount: 36%.

The IEA estimates that in order for the sector to be able to achieve carbon neutrality by 2050 it will be essential to cut direct CO_2 emissions from buildings by half, achieving a 60% reduction in indirect construction emissions by 2030, equivalent to a reduction of 6% every year between now and then (UNEP, 2020).

Experts in the sector are sure that part of the solution lies in low-carbon-emission infrastructure, e.g. rail infrastructure, which can reduce the number of trips people make by road, sustainable urban-transport projects, or reinforcing infrastructure to cope with extreme weather phenomena, all of which will contribute towards making the countries that are most vulnerable to climate change more resilient.

Considering the construction sector's entire value chain, the production of materials used in infrastructure usually accounts for a significant percentage of the Scope-3 GHG emissions of construction firms, so it is extremely important to work with the suppliers of materials to define strategies with the objective of reducing these emissions.

The firms and organisations that constitute the construction sector's supply chain are aware of the climate change issue and, although it is a major challenge for the industry, they have already set ambitious targets to address it.

A good example of this is the Global Cement and Concrete Association (GCCA), which has proposed achieving carbon neutrality by 2050. In step with the GCCA, some leading firms have already set emission-reduction targets for 2030, showing their level of commitment by adhering to such initiatives as the Science Based Targets initiative (SBTi), which proposes reducing scope 1+2 by up to 95% and also achieving significant reductions in scope 3.

The strategies adopted by the EU and other countries committed to combating climate change foresee the deployment of a set of actions, such as support for the technological-investment sector and renovating infrastructure. Indeed, the construction and civil-engineering industry is acknowledged as being one of the key industries for transition, and construction firms currently play and will play in the future a key role in achieving emission-reduction targets and launching measures to counter the adverse effects of climate change.

Although climate change is a global challenge requiring major efforts to be made, it will also present **new opportunities** for all sectors. In the construction field, the opportunities will come from innovation in materials, urban regeneration, improving the energy efficiency of buildings, integrating new techniques, designing low-carbon infrastructure, optimising building processes, etc., thereby making construction and civil engineering activities increasingly sustainable and resilient.

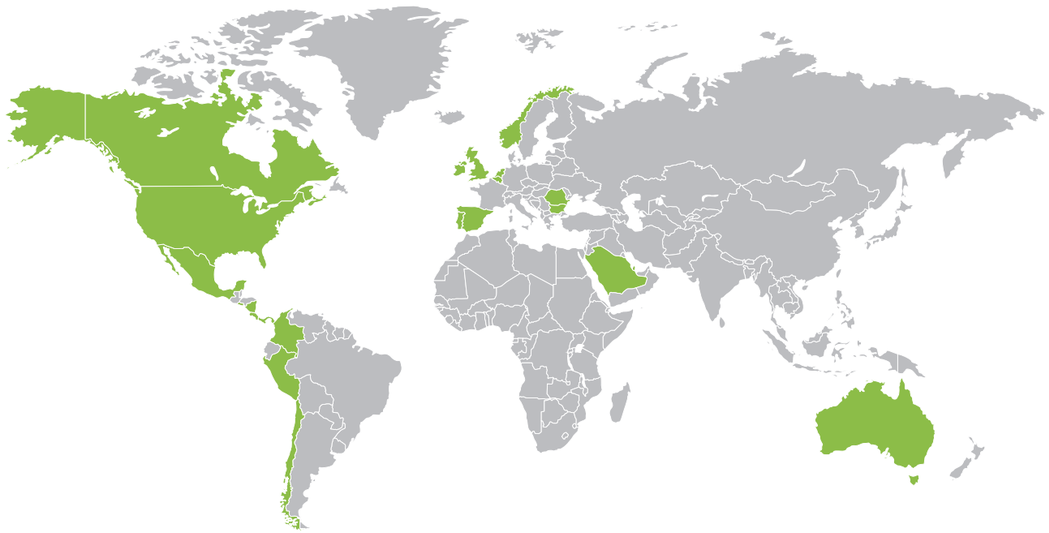
Viaduct over the "rambla del Maltés", Murcia-Almería. Spain

THE ROAD TRAVELLED BY FCC CONSTRUCCIÓN

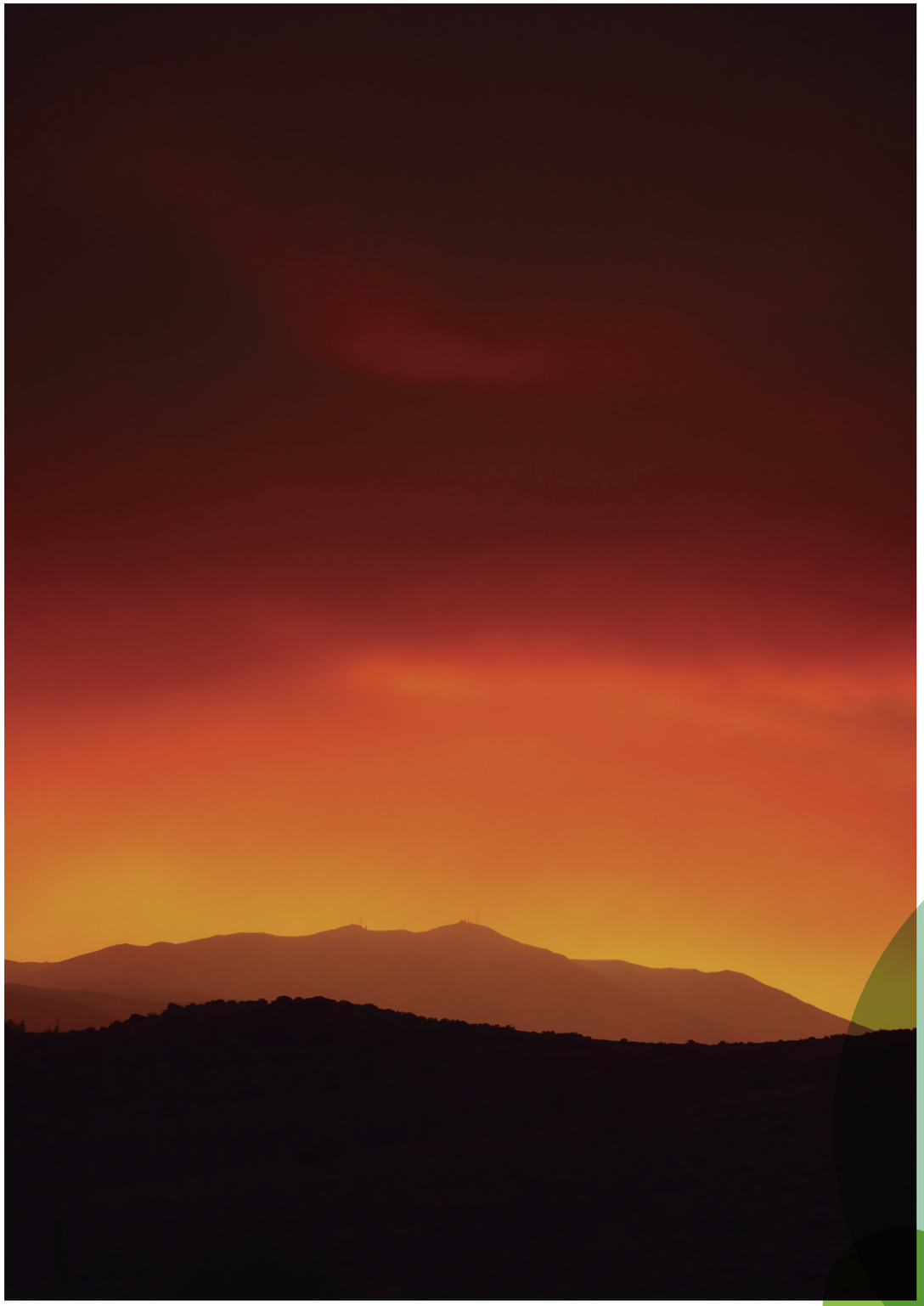
FCC Construcción S.A., with more than 120 years' experience, is one of the leading construction companies in Europe and the world. The company is a member of the FCC Group, recognised worldwide for its environmental, water and construction services.

FCC Construcción's business covers all aspects of engineering and construction, and the firm is a global benchmark for civil works, residential and non-residential buildings.

The company, based in Spain, operates throughout Europe and in many other countries all over the world, in North America, in much of Central America, on the US West Coast, and also in Australia and the Middle East.



Spain, Belgium, Norway, Netherlands, Portugal, Romania, Bulgaria, Ireland, UK, USA, Canada, Chile, Colombia, Mexico, Peru, El Salvador, Costa Rica, Nicaragua, Saudi Arabia, Qatar and Australia, among others.



Commitment towards sustainability and climate change

Over the years FCC Construcción, as part of its commitment towards sustainability and climate change, has been carrying out various actions that have made the company a pioneering force within its sector in this field:

Related to this, FCC Construcción has defined and implemented a new Climate Change Strategy 2023–2026, based on recommendations made by the Task Force on Climate Related Financial Disclosures (TCFD), addressing the challenges and opportunities of mitigating and adapting to climate change for the purpose of achieving the target of carbon neutrality by 2050.

2010
The company has been implementing a **Protocol for Quantifying GHG emissions)** for more than ten years now. Every year, FCC Construcción prepares and verifies its own GHG emissions report. It was the first construction firm in Spain to verify its carbon footprint through an accredited external agency (AENOR).

2014
The company is voluntarily listed on the **MITERD** (Ministry for Ecological Transition and Demographic Challenges) **Carbon Footprint, Offsetting and Absorption Projects Register.** Since then, it calculates its emissions for **Scope 1, 2 and 3**, including defining its **undertakings made to reduce** its carbon footprint.

2017
Approval of the **Climate Change Strategy (2017–2020)**. Also approved were FCC Construcción's **Management Targets**, one of which was to verify the carbon footprint of the company's entire business in 2020 under the standard ISO 14064-1.

2019
Participation in the UN Climate Change Conference (COP25) held in Madrid. GHG emissions were verified for the first time in eight countries, as well as those verified in 2018.

2021
New extension of Scope 3. Verification achieved for 100% of FCC Construcción's business, thereby meeting the target set in the organisation's strategy, and contributing towards SDG13 (Climate Action).

2012
"**Environment CO_2 verified**" carbon-footprint certification was obtained. This accredits the **accuracy of the calculation** and the **inclusion of GHG emissions management** in the organisations system and strategy. An initiative awarded a runner-up prize in the "Management for Sustainable Development" category at the European Environmental Awards (Entorno Foundation).

2016
The scope of registration was extended, obtaining the "Calculate and Reduce" seal. This seal covers every year from 2016 to 2020.

2018
GHG emissions were verified for the first time in Panama, Peru and Portugal, in addition to the verification that has been done in Spain since 2010, in the efforts to meet the target set in 2017.

2020
Extension of Scope 3 and verification of GHG emissions in another nine countries where FCC Construcción operates, under the standard ISO 14064-1.

How FCC Construcción's carbon footprint has evolved

Analysing GHG emissions is extremely important when it comes to defining a long-term strategy for reducing them and achieving carbon neutrality by 2050. FCC Construcción's GHG emissions calculations include all three Scopes: 1 and 2, corresponding to direct and indirect emissions from energy consumption, and Scope 3, which is defined as other indirect emissions including those from the production and transport of materials, works units built by subcontractors, the transport of waste and surplus materials, business trips and travelling to work.

In recent years, in accordance with its transparency undertakings, the company has steadily been extending its Scope 3 and geographical limits in order to complete the whole scope. Thanks to these efforts to ensure that carbon-footprint calculations accurately reflect FCC Construcción's activities, the company established 2021 as the historical baseline for GHG emissions, in accordance with the standard EN-ISO 14064-1:2019.

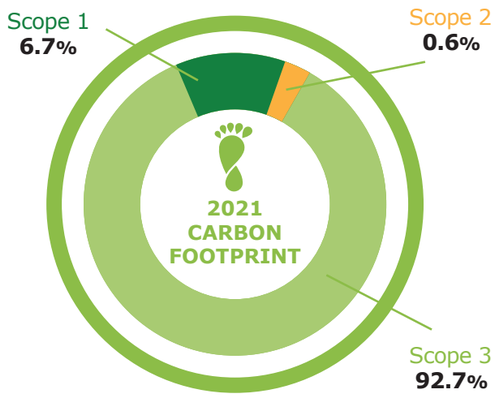
Verified emissions by scope (2020 and 2021)

	Scope 1 (t CO_2 eq)	Scope 2 (t CO_2 eq)	Scope 3 (t CO_2 eq)	Total emissions (t CO_2 eq)
2020	54,891.98	2,960.30	594,966.96	652,.819.23
2021	42,095.60	3,491.24	579,090.73	624,677.57
Variation	-23%	18%	-3%	-4%*

*The 2021 scope-3 emissions shown on the chart have been calculated considering more materials categories than in 2020, yet they are still lower and so, in relative terms, they are significant less than the absolute data shows.

The analysis of the company's carbon footprint has led to the conclusion that the main scope-1 GHG emissions are associated with the consumption of diesel fuel by machinery and generators, as well as by vehicles. The sources of most of the annual emissions fall within scope 3, associated with the production of materials used on sites.

This analysis of FCC Construcción's carbon footprint has been considered when defining the company's strategic lines for decarbonisation as set out in this Strategy.



CARBON FOOTPRINT 2021	EMISSIONS (t CO_2 eq)	% CONTRIBUTION TOWARDS TOTAL FOOTPRINT
Scope 1/Category 1: Direct GHG emissions and removals	**42,095.60**	**6.7%**
Associated with fuel consumption at projects	39,134.67	6.3%
Associated with fuel consumption at premises	2,960.93	0.5%
Scope 2/Category 2: Indirect GHG emissions caused by imported energy	**3,491,24**	**0.6%**
Associated with electricity consumption at projects	2,469.43	0.4%
Associated with electricity at premises	1,021.81	0.2%
Associated with electricity consumption of vehicles	0.00	0.0%
Scope 3	**579,090,73**	**92.7%**
Category 3: Indirect GHG emissions caused by transport	**26,453,64**	**4.2%**
Associated with employee business travel	2,244.87	0.4%
Associated with employees commuting to the workplace	4,599.48	0.7%
Associated with the transport of consumed materials	19,609.29	3.1%
Category 4: Indirect emissions caused by products used by the organisation	**552,637,09**	**88.5%**
Associated with the production of consumed materials	512,283.97	82.0%
Associated with the execution of subcontracted works units	22,509.59	3.6%
Associated with purchased energy activities	10,405.02	1.7%
Associated with the transport and management of waste and surplus materials	7,399.79	1.2%
Associated with the consumption of water from the supply network	38.72	0.0%
Total emissions	**624.677,57**	**100,0%**

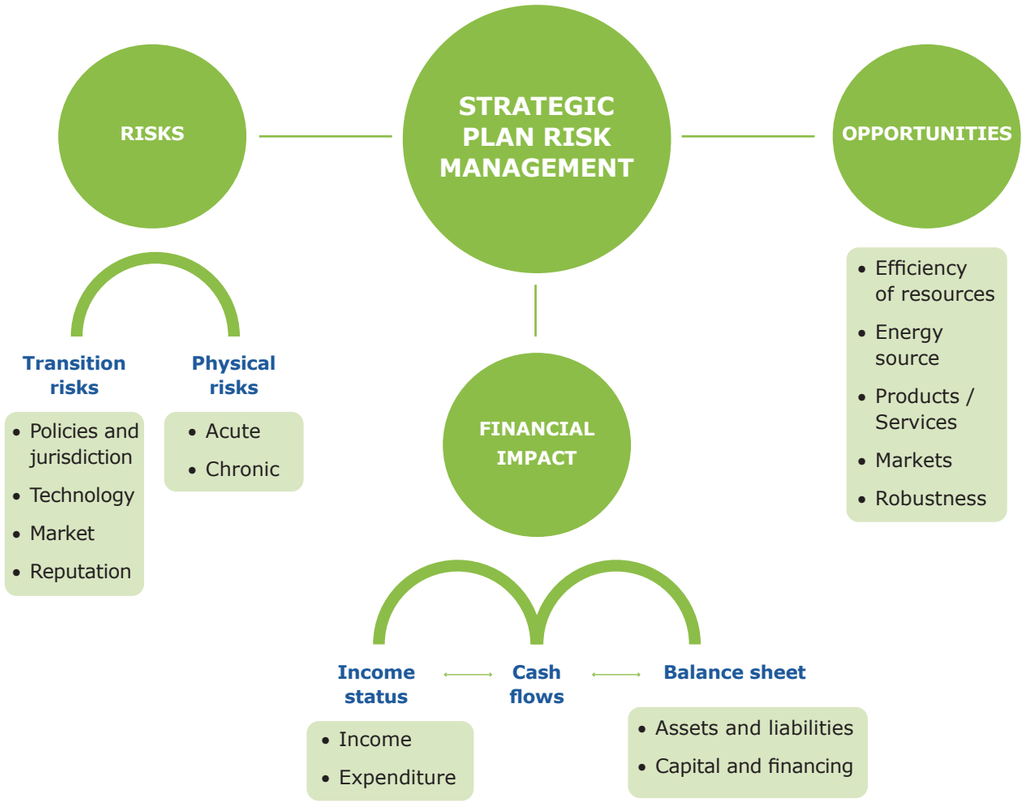
FCC Construcción Verified Emissions Report 2021


Rehabilitation of the Carpinteira de Covilhã bridge. Portugal

Risks and opportunities of climate change

Since 2017, both FCC Construcción's Sustainability Reports and Environmental Reporting publication have followed the TCFD recommendations. In the preparation of this Climate Change Strategy an in-depth study of the **risks and opportunities** of climate change has been made, as well as of the financial repercussions that they could have on assets and investments.

This identification and assessment of risks has been carried out for different climate scenarios. For each, projections of the main climate variables and their consequent physical impact have been analysed, together with the potential changes to transition risks. The aim of doing this has been to determine any risks that might have a significant financial impact on the various links in the value chain and any opportunities related to climate-change mitigation and adaptation.



Source: TCFD Adaptation (2021)

DEFINITION AND ANALYSIS OF CLIMATE SCENARIOS

From the analysis performed, three scenarios have been defined, grouping sets of hypotheses related to physical and transition risks.

1. **Climate neutrality**
2. **Trends scenario**
3. **High-emission development**

The main characteristics of each scenario defined were the following:

SCENARIO	INCREASE IN TEMPERATURES BY 2050	DESCRIPTION	BASED ON	MAIN IMPLICATIONS
CLIMATE NEUTRALITY	1.5 -1.7°C above pre-industrial levels	Fast action towards sustainable development and carbon neutrality. Major regulatory and market adjustments with a view to meeting the Paris Agreement target.	IPCC SSP1-2.6 IEA Net Zero Emissions (NZE) Scenario	Accelerated changes towards decarbonisation via the most ambitious and demanding measures in various sectors, in order to achieve the SDGs and energy transition. Gradual variations in the physical variables owing to global warming, following the trends observed.
TRENDS SCENARIO	1.5 - 2.0°C above pre-industrial levels	Continuing social, economic and technological changes; slow progress towards sustainable development based on current policies.	IPCC SSP2-4.5 IEA Stated Policies Scenario (STEPS) scenario	Compliance with climate-change policies and plans currently in force, but with slower transition. Lack of new climate policies. Gradually rising temperatures on the surface of the land, sustained decrease in average annual rainfall and increase in drought periods.
HIGH-EMISSION DEVELOPMENT	1.6 - 2.4°C above pre-industrial levels	High level of GHG emissions as economic and social development is stepped up, together with the exploitation of fossil fuels and the adoption of resource- and energy-intensive lifestyles all over the world.	IPCC SSP5-8.5	Lack of new policies to mitigate climate change; rapid, unrestricted growth of the use of non-renewable energy sources. Some actions at the national rather than global level. Sharp increase in average annual rainfall, but increasingly severe storms and floods. Exponential increase in the frequency and severity of other extreme phenomena.

RISKS AND OPPORTUNITIES OF CLIMATE CHANGE

Since 2017, FCC Construcción has implemented a procedure to identify risks and opportunities resulting from the significant environmental issues that are detected at the beginning of building projects and regularly reviewed. The company compiles and monitors all this data so as to be able to devise a strategic plan, the objectives of which include:

- Minimise the appearance of risks and prevent them whenever possible.
- Reduce the impact of environmental risks, their harm and their potential impact on work sites.
- Identify and leverage opportunities for action.

In order to identify the risks and opportunities of climate change, FCC Construcción takes the following steps:

IDENTIFICATION

PRIORITISATION

IDENTIFICATION

To identify **physical risks**, scientific reports and databases on projections for the main climate variables are consulted, taking into account the nature of the physical threats. Climate projections for different physical variables are also studied, including variations in annual temperatures (maximum and minimum, including cold snaps and heatwaves), changes in rainfall patterns, wildfires, sub-zero conditions (blizzards), landslides, extreme weather phenomena, heat oscillations, and rising sea levels.

The **risks and opportunities of transition** were identified by taking into account the climate commitments and energy policies of the principal countries where FCC operates, including any emerging regulations that might affect assets and the value chain. Market trends and the latest technological developments of interest for FCC Construcción were also identified, based on analysis of such platforms as the Infrastructure Builders and Concessionaires Association (SEOPAN, by its acronym in Spanish), the European Innovation Council (EIC) and other leading organisations in the sector. Finally, the potential impact that stakeholders' opinions might have was studied. This initial analysis revealed both risks and opportunities of different kinds for FCC Construcción.

FCC Construcción floating dock

PRIORITISATION

First, a preliminary study will be carried out to examine and assess the probability of occurrence and magnitude of any risks associated with these physical variables in the different locations where FCC Construcción operates, considering percentage of the company's portfolio accounted for by each region. The level (institutional, site or both) that could affect each of the risks and opportunities identified is also considered.

Also, when studying opportunities, priority is given to those that are the likeliest to materialise in the short and medium term and should therefore be included in FCC Construcción's strategic planning, leveraging their benefits to the maximum.

Identifying risks and opportunities and their position on the various time horizons is a key part of the process of devising FCC Construcción's route map towards neutrality and climate resilience. It is important to stress that risks and opportunities will both vary according to the region where FCC Construcción is operating.

The graphic below summarises the climate risks and opportunities that have been prioritised, together with the corresponding management measures detailed in the next section). They have been classified according to the time horizon at which they are most likely to materialise:

RISKS Political Regulatory Reputational Technological Physical Market **RISKS**

SHORT-TERM

Risk	Description	Type of risk	Region affected	Prioritisation	Mitigation and adaptation measures
Greater obligations to disclose non-financial information.	Greater regulatory requirements for non-financial disclosures regarding climate risks and GHG Emissions-management performance, among other factors.	Political, Regulatory	Europe	HIGH	**Measure 3.3.** Manage risks caused by emerging regulations and legislation. **Measure 3.4.** Leverage opportunities.
Extension of the Emission Rights Trading System (RCDE) to cover the construction sector.	Extension of sectors under the EU RCDE, including the construction and road transport sectors and other sectors affecting FCC Construcción's value chain, with stricter requirements to reduce GHG emissions in the short term.	Political, Regulatory	Europe	HIGH	**Measure 1.4.** Circular economy. **Measure 3.3.** Manage risks caused by emerging regulations and legislation.
Difficulties involved in identifying and interpreting the legal requirements related to climate change that are applicable to different countries where the company operates.	Difficulties identifying and interpreting the legal requirements applicable in different countries (particularly those related to climate change) make it possible for firms to be exposed to financial and reputational penalties. FCC Construcción could have to face legal actions in the near future unless the impact of climate change is addressed appropriately.	Political, Regulatory	All regions	HIGH	**Measure 3.3.** Manage risks caused by emerging regulations and legislation.
Changes in stakeholders' expectations.	Stakeholders more interested in sustainability and climate-change topics, calling for non-financial disclosures to be more transparent and traceability.	Reputational	All regions	HIGH	**Measure 3.1.** Good governance. **Measure 3.2.** Stakeholders.

RISKS Political Regulatory Reputational Technological Physical Market **RISKS**

MEDIUM-TERM

Risk	Description	Type of risk	Region affected	Prioritisation	Mitigation and adaptation measures
Lack of technical capacity in terms of digitisation and big data to help FCC Construcción to compile data on climate risks.	Lack of adaptation to technological advances in data and systems hindering decision-making in the management of climate risks.		All regions	HIGH	**Measure 1.6.** Green IT. **Measure 2.5.** Invest in RDI and digital solutions to optimise risk analysis.
Changes in rainfall patterns.	Regions will undergo variations in rainfall patterns (excesses in some cases and deficits in others). In cases of water stress, costs may increase for operations, with impact including interruptions in water supplies and delays in activities.		North America Central America South America Central and Northern Europe Middle East Australia	HIGH	**Measure 2.4.** Improve the response to less rainfall and more droughts.
Increasing severity and frequency of extreme water and weather phenomena.	Increasing frequency and severity of extreme phenomena, increasing the likelihood of damage to infrastructure and machinery, traditional materials less resilient, potential supply problems, delays to activities and higher operating costs.		North America Central America South America Australia Northern Europe	HIGH	**Measure 2.1.** Reduce the impact caused by extreme water and weather phenomena.
Rising maximum temperatures: Heatwaves.	Forecast increase in average temperatures, expected to be particularly severe in the northern hemisphere, with negative impact on workers' health and on the material used (swelling from heat expansion) and higher operating and capital costs because of increasing energy demand.		All regions	HIGH	**Measure 2.3.** Improve the company's response to rising temperatures and heatwaves.
High dependence on fossil fuels.	Rising prices of fossil fuels and limitations on renewable alternatives in public tender processes could make projects more costly and less profitable.		All regions	HIGH	**Measure 1.2.** Reduce consumption of fossil fuels. **Measure 1.3.** Replace conventional electricity sources with 100% renewable alternatives.
Rising costs of raw materials.	Rising costs of certain raw materials because of interruptions to the supply chain, lack of supplies or transfer of climate-related taxes and penalties to the chain.		All regions	HIGH	**Measure 1.4.** Circular economy. **Measure 3.3.** Manage risks caused by emerging regulations and legislation.

RISKS Political Regulatory Reputational Technological Physical Market **RISKS**

LONG-TERM

Risk	Description	Type of risk	Region affected	Prioritisation	Mitigation and adaptation measures
Rising sea levels.	In all the regions studied a relative rise in sea levels is expected, increasing the frequency and seriousness of coastal flooding and storm tides. These, in turn, may cause: • Damage to port infrastructure, housing and non-residential buildings in low-altitude areas. • Impact on the structural safety of breakwaters; deformation and breakdowns not foreseen in the design of maritime infrastructure. • Increasing need to undertake greater protection measures. • Need to relocate certain assets temporarily or even permanently in order to assure the safety of infrastructure and continuity of business.		All regions	HIGH	**Measure 2.2.** Adapt to rising sea levels.
Exposure to penalties and litigation for breaches of climate-change regulations.	Greater exposure to penalties and litigation for long-term breaches of climate-change regulations.		All regions	HIGH	**Measure 1.1.** Energy efficiency. **Measure 1.3.** Replace conventional electricity sources with 100% renewable alternatives. **Measure 1.5.** Sustainable logistics and mobility. **Measure 3.1.** Good governance. **Measure 3.3.** Manage risks caused by emerging regulations and legislation.

OPPORTUNITIES Political Regulatory Reputational Technological Physical Market **OPPORTUNITIES**

SHORT-TERM

Risk	Description	Type of risk	Region affected	Prioritisation	Mitigation and adaptation measures
Opportunities to gain access to financing associated with accreditation of projects under green-bond schemes.	**1.** New opportunities to access green funding will have a positive impact on the future financing costs. Example: sustainable loans linked to reductions in CO_2 emissions, issue of green bonds to finance or refinance green projects (investment in sustainable, socially responsible assets) in line with green taxonomies (EU, Colombia, etc.) **2.** Possibility of securing funds by recovering European aid (Next Generation), 0 programmes for investment in basic infrastructure by international organisations (BID, World Bank)		All regions	HIGH	**Measure 3.1.** Good governance. **Measure 3.2.** Stakeholders. **Measure 3.4.** Leverage opportunities.
Leveraging public incentives and subsidies in the sector.	Access to public funds and participation in recovery programmes to enable FCC Construcción to diversify and explore new business areas, in Europe and the rest of the world, in projects oriented towards combating climate change.		Europe	HIGH	**Measure 3.1.** Good governance. **Measure 3.4.** Leverage opportunities.

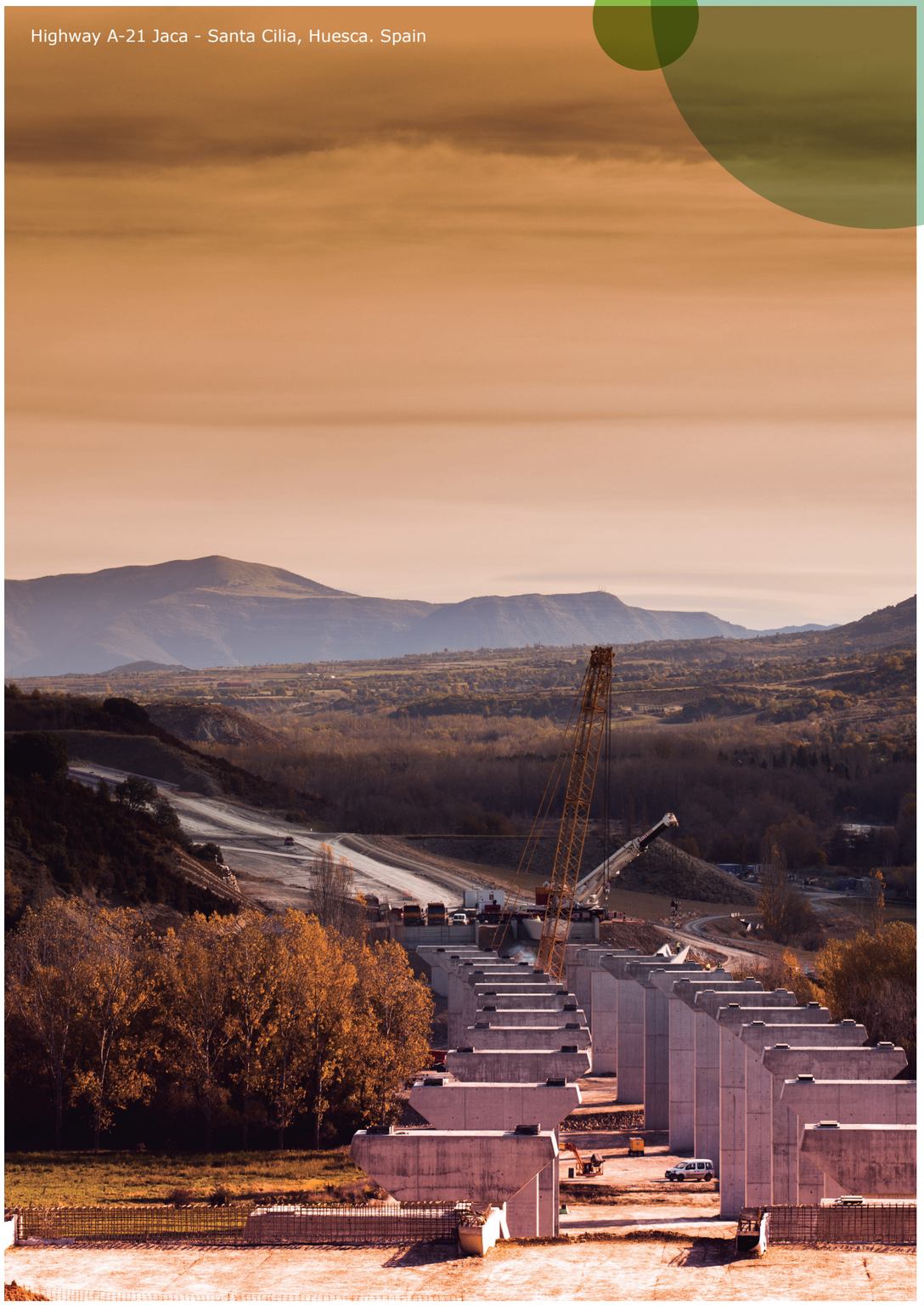
MEDIUM-TERM

Risk	Description	Type of risk	Region affected	Prioritisation	Mitigation and adaptation measures
Access to more efficient new technology.	Greater incentives for investment in RDI and access to new technology, enabling FCC Construcción to make savings on resources and associated costs while also enhancing its competitive edge.		All regions	HIGH	**Measure 1.6.** Green IT. **Measure 2.5.** Invest in RDI and digital solutions to optimise risk analysis.
Leveraging the latest digital technology: Big data.	Improved efficiency of data collection thanks to big data, the use of design platforms and inclusion of BIM methodology, enabling time and resources to be optimised, decision-making to be improved, operating costs to be cut and emissions associated with projects to be reduced.		All regions	HIGH	**Measure 1.4** Circular economy. **Measure 1.6** Green IT. **Measure 3.1** Good governance.
New business opportunities related to low-emission and climate-change-resilient projects.	Access to new markets/business opportunities resulting from actions to combat climate change.		All regions	HIGH	**Measure 3.4** Leverage opportunities.

ROUTE MAP TOWARDS DECARBONISATION AND CLIMATE RESILIENCE

The international, European and national context suggests a clear action area oriented towards climate resilience and neutrality, based on sustainability, technology and research. The aim is therefore to build societies that are adapted to climate change and emission-neutral, based on new solutions in order to achieve a more circular economy with efficient consumption and sectors with higher levels of electrification, by opting for decarbonisation of the energy system, dominated by renewables.

In this framework, FCC Construcción will continue to work to provide high-quality services, building in the challenges and opportunities of climate change in terms of infrastructure that is more climate-resilient and lower GHG emissions. The following long-term vision and strategic targets have also been set.


Highway A-21 Jaca - Santa Cilia, Huesca. Spain

Vision and targets by 2050

Considering the 2050 horizon, FCC Construcción aims to position itself as a benchmark in resilient, emission-neutral construction and a key actor in the application of climate-change-related measures, trends and policies, strengthening its activities through research and sustainable development.

To achieve this, FCC Construcción has established two strategic goals:

- **Contribute towards climate neutrality, driving decarbonisation by opting for energy efficiency, renewables, and more sustainable materials and products taking a circularity approach.**

- **Leverage climate-change opportunities to improve the services we provide to clients, in the form of infrastructure that is more resilient to climate change.**

In order to achieve these goals, a set of action areas and measures have been established, including aspects related to mitigating and reducing GHG emissions and adapting to climate change, thereby helping to strengthen the company's sustainability strategy for the coming years.

FCC Construcción's route map for this has three main component parts:

1. Metrics: improving knowledge both of GHG emissions attributable to the company's business and of the risks and opportunities associated with climate change.

2. Strategy: establishing the actions necessary to work in line with the strategic goals set.

3. Governance: through monitoring, assessment and management of the opportunities and risks associated with climate change.

Strategic lines and actions: 2026-2030-2050

The action areas proposed to meet the targets set will be a continuation of FCC Construcción's Environmental and Social Best Practices®.

STRATEGIC LINES AND ACTIONS

Mitigation: Moving towards climate neutrality

Adaptation: Solutions for climate resilience in construction

Improving climate-change governance

Pan-European rail corridor. Romania

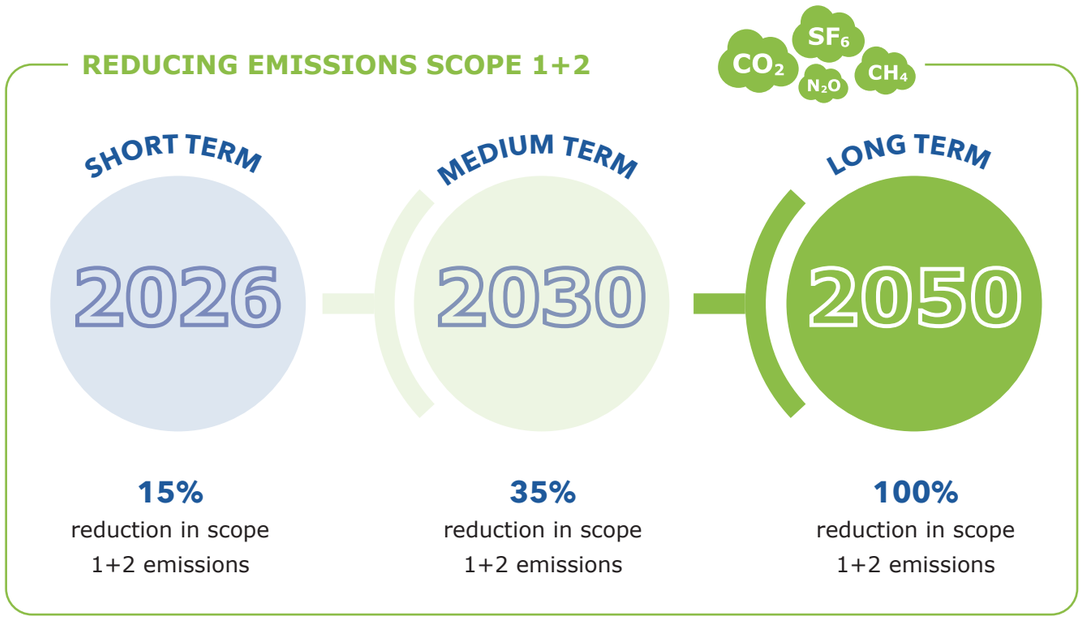
Lines 4-5-6 Riyadh Metro. Saudi Arabia

STRATEGIC LINE 1. MITIGATION: MOVING TOWARDS CLIMATE NEUTRALITY

- **Measure 1.1. Energy efficiency**
- **Measure 1.2. Reduce consumption of fossil fuels**
- **Measure 1.3. Conventional electricity sources evolving towards 100% renewable alternatives**
- **Measure 1.4. Circular economy**
  - 1.4.1 Sustainable use of resources
  - 1.4.2 Waste
- **Measure 1.5. Sustainable logistics and mobility**
- **Measure 1.6. Green IT**

FCC Construcción long-term commitment to carbon neutrality is based on implementing actions in the areas of energy efficiency, renewables, circularity and sustainable waste management, low-emission mobility and the responsible, sustainable use of resources.

In this regard, FCC Construcción has set the following targets to reduce its Scope-1+2 emissions.



The various initiatives that will shape the route map defined by FCC Construcción in its strategy towards decarbonisation are described in more detail below.

MEASURE 1.1. ENERGY EFFICIENCY

This first measure seeks to reduce Scope-1+2 GHG emissions by continuing with the action areas that FCC Construcción is already working on and has considerable experience dealing with. The company's energy demand depends particularly on the type of works, the contracting volume and, if FCC Construcción does not have a design and build (D&B) contract, the client's design.

As FCC Construcción strives to achieve energy efficiency and optimised consumption, the company has defined several key indicators on energy consumption and the impact of the carbon footprint both on sites and at fixed centres, in order to monitoring how these indicators have evolved and so be able to implement best practices.

These will be applied to processes, at facilities supporting the main business, and to the vehicle fleet, assuring the quality of the completed project, and also on sites whenever it falls within the company's remit, including such actions as:

- Updating and disseminating the Basic Guidelines for Energy-Efficiency Management on Sites.

- Implementing energy-efficiency measures at support facilities.

- Implementing energy-efficiency measures at offices and optimising air-conditioning installations, for example by adjusting heating curves by applying ventilation in summer, setting timers according to working hours, proper maintenance of filters, statically or dynamically adjusting the air and/or water side, etc.

- Backup-training and awareness-building programmes for site personnel on the efficient use of energy.

- Opting for more efficient, lower-emission lighting.

2026 target: 100% of lighting with more efficient lighting units in Europe.

2030 target: 100% of lighting with more efficient lighting units in all countries.

- Appropriate maintenance of vehicles and machinery to reduce atmospheric emissions and making savings on fuel consumption.

- Improving the energy efficiency of newly built and refurbished buildings.


Santomera dam. Murcia. Spain

MEASURE 1.2. REDUCE CONSUMPTION OF FOSSIL FUELS

FCC Construcción is committed to replacing fossil fuels with alternatives with less impact on climate change, thereby reducing the company's emissions associated with Scope 1 of the carbon footprint in order to meet the reduction targets set.

• FCC Construcción will gradually replace its fleet of vehicles, opting for more sustainable ones to reduce the emissions associated with Scope 1 of the carbon footprint. The milestones to be reached with this measure are:

2026 target: 10% of the vehicle fleet.

2030 target:: 65% of the vehicle fleet in Europe and 45% in the rest of the world.

2050 TARGET

100% of FCC Construcción's vehicle fleet to be emission- neutral.

• Include policies for the hire and/or acquisition of vehicles to include emission-reduction criteria.

2026 target: Implement a policy for the hire and/or acquisition of vehicles to include emission-reduction criteria.

• Prioritising more modern own and subcontractors' machinery, capable of consuming clean energy.

2026 target: Include emission-reduction criteria when purchasing and renting machinery, replacing fossil fuels with more sustainable alternatives in order to achieve a 15% reduction for Scope 1+2 compared with 2021.

2030 target: Replace fossil fuels with more sustainable alternatives in order to achieve a 35% reduction for Scope 1+2.

2050 TARGET

FCC Construcción will steadily replace its machinery as alternatives come onto the market that use 100% renewable energy sources, setting the target of replacing all the company's own industrial machinery by 2050 to achieve a 100% reduction for Scope 1+2.

• Continue to monitor and report fossil-fuel and renewables consumption in order to determine the organisation's performance and study the need for more ambitious steps to be taken if the targets set are not reached.

• Boost investment in RDI projects that favour the transition towards more sustainable machinery.

• Develop an internal guide as part of FCC Construcción's Best Practices System®, focusing on mitigating climate change.

ELECTRIC VEHICLES (100% RENEWABLE ELECTRICITY)

10%
reduction in consumption of petrol (Gasoline) and Diesel A

61%
reduction in consumption of petrol (Gasoline) and Diesel A

100%
reduction in consumption of petrol (Gasoline) and Diesel A

ST ICE ORIOL. Substation in Cáceres. Spain

MEASURE 1.3. CONVENTIONAL ELECTRICITY SOURCES EVOLVING TOWARDS 100% RENEWABLE ALTERNATIVES

FCC Construcción is committed to purchasing electricity from guaranteed sources, with gradual implementation across all the countries where the company operates, until all the electricity consumed and reported for Scope 2 of the carbon footprint is covered by 2050, thus improving the organisation's efficiency.

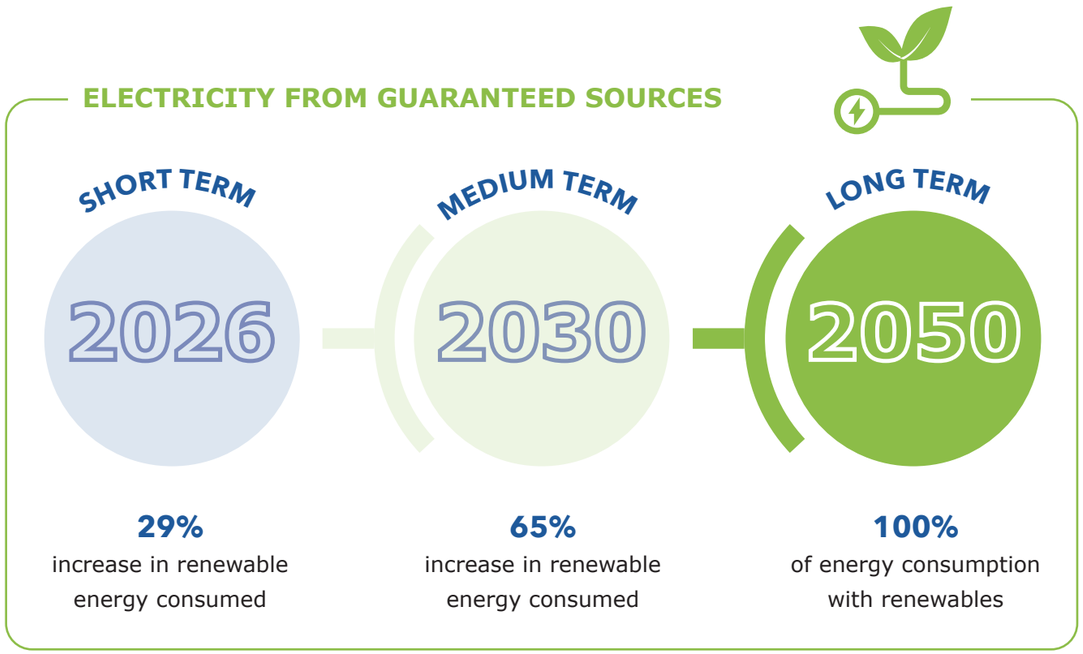
- Purchase energy from 100% renewable sources.

2026 target: Implement electricity consumption with renewable-source guarantees at head offices and fixed centres.

2030 target: Increase the amount of electricity from renewable sources by 50% on projects whenever it is viable.

2050 TARGET

Implement the purchase of electricity with guaranteed sources in all countries where we operate, achieving a 100% reduction in non-renewable energy consumption compared with 2021.



MEASURE 1.4. CIRCULAR ECONOMY

1.4.1 Sustainable use of resources

As a measure to mitigate and address the risk of rising costs and possible scarcity of raw materials, FCC Construcción will continue to apply the efficient use of resources and a circular-economy approach, giving priority to suppliers of materials who are in line with the company's long-term reduction targets and using carbon-neutral materials in its processes. Some of the main actions in order to achieve this are:

- Encourage more efficient use of resources, based on the principles of reducing consumption combined with increasing the rates of reuse, recycling and valorization of waste.
- Reuse auxiliary items on different sites.

2026 target: Define and draw up a procedure for the systematic reuse of auxiliary items by and among sites.

2026 target: Introduce a new best practice for the reuse of auxiliary items on site scored under the company's Best Practices System®.

- Encourage the use of sustainable materials (e.g., reused, recycled, with recycled materials in some components, or with low impact in the extraction, transformation and production process) whenever possible.

2050 TARGET

Use of more than 90% of responsible, recycled or recyclable materials.

- Positively value suppliers who offer plans for the reuse or recovery of materials. Include environmental declarations for products, carbon-footprint calculations and life-cycle analyses carried out among the criteria for procurement decisions.
- Continue with the systematic checking and application of value engineering to projects in order to optimise the consumption of materials and minimise the generation of waste.
- Foster use of the Lean-Construction model on sites in order to optimise activities that add value to building projects, and reduce or eliminate those that do not do so.
- Increase investment in RDI projects focusing on:
  - Seeking new, more sustainable building materials.
  - Optimising processes to minimise the consumption of resources by means of building-information modelling (BIM).

Working hand in hand with concrete and steel suppliers will be a priority for FCC Construcción, as these are the materials with the greatest impact on emissions associated with the production of raw materials and the main

contributors to the total carbon footprint. In the case of the concrete sector, the decarbonisation of 90% of the sector's emissions by 2050 would mean reducing Scope-3 emissions by 29% and the total carbon footprint by 27% compared with 2021. For the steel sector, reducing its emissions by 60% would mean reducing Scope-3 emissions by 28% and the total carbon footprint by 27% compared with 2021.

Furthermore, FCC Construcción will continue to schedule deliveries so that material arrives when it is needed and the amount of waste generated because of inadequate storage conditions or damage to material is reduced.

1.4.2 Waste

Although waste management would seem not to have significant impact on the carbon footprint (1%), its total management is a key factor in reducing the environmental impact of FCC Construcción's activities. For this reason, work will continue to be done on the efficient management of demolition waste and its use on other parts of the site. Whenever possible, a second use will be found for any surplus building materials.

In addition to these measures, FCC Construcción implements a waste management and minimisation plan at the beginning of works, forwarding it to the client. This means that efficient acquisition regarding waste, optimising materials, off-site buildings, the reuse and recovery of materials, a deconstruction and flexibility are all taken into account when projects are being designed.

- Facilitate the use of by-products resulting from processes, either on the same site or by others. Reuse resources available on site. To achieve this, the reuse of earth and other construction waste and demolition rubble will particularly be encouraged.

2026 target: Prepare for the reuse, recycling and/or other types of valorization of more than 70% of non-hazardous building and demolition waste (excluding earth).

2026 target: Value 90% of the volume of earth.

2050 TARGET

Recycle **100%** of hazardous waste.

- Foster a culture to promote the circular economy by reducing both the amount of waste generated and the amount that is dumped at landfills.

2026 target: Implement the zero-waste methodology on all the company's sites by preparing and enforcing waste-management guidelines.

2026 target: Obtain zero-waste certification for the set of strategic works selected.

MEASURE 1.5. SUSTAINABLE LOGISTICS AND MOBILITY

With regard to logistics and transport, FCC Construcción will value the extent to which suppliers are aligned with the company's climate-change strategy, encouraging them to adopt policies that are consistent with the company's efforts and objectives. In this regard, priority will be given to those using energy-efficient vehicles and machinery and with emission-reduction programmes in place.

Another source of emissions associated with transport is travel by personnel to the workplace, which falls within covered by Scope 3. To mitigate these emissions, FCC Construcción is considering the following actions:

- Pay attention to social and market trends regarding needs and possibilities of hybrid working (distance and presence) for those jobs where it is possible.

- Promote online virtual training whenever possible.

- Foster initiatives for collective transport, providing parking spaces for FCC Construcción workers who share a vehicle to travel to and from work together.

2026 target: Implement a carpooling platform.

- Encourage the use of public transport by FCC Construcción personnel, by means of flexible-pay mechanisms.

- Boost electric mobility among FCC Construcción's workforce by installing recharging points at corporate buildings.

- Prioritise the most sustainable model for the organisation's business trips.

- Encourage the use of videoconferencing to replace presence meetings requiring personnel to travel, in order to reduce Scope-3 GHG emissions.

- Optimise vehicle and machinery movements on sites by preparing mobility-management plans.

- Provide training in efficient driving for the workforce.

- Work on reducing emissions by the value chain by contracting local suppliers to deliver to the site, to reduce the distances involved in transporting materials.

- Encourage the contracting of materials and waste hauliers with zero- or low-emission fleets.

- Prioritise the acquisition of more energy-efficient tyres (i.e., European label equal to or higher than "C").

MEASURE 1.6. GREEN IT

Opt to reduce CO_2 emissions by implementing greener IT-based solutions, enabling more efficient use to be made of energy and resources.

• Implement *Alejandría* software within the organisation, increasing the optimal use of FCC Construcción's resources, working online to reduce the time taken to complete tasks and find documents.

2026 target: 100% implementation of the Alejandría software.

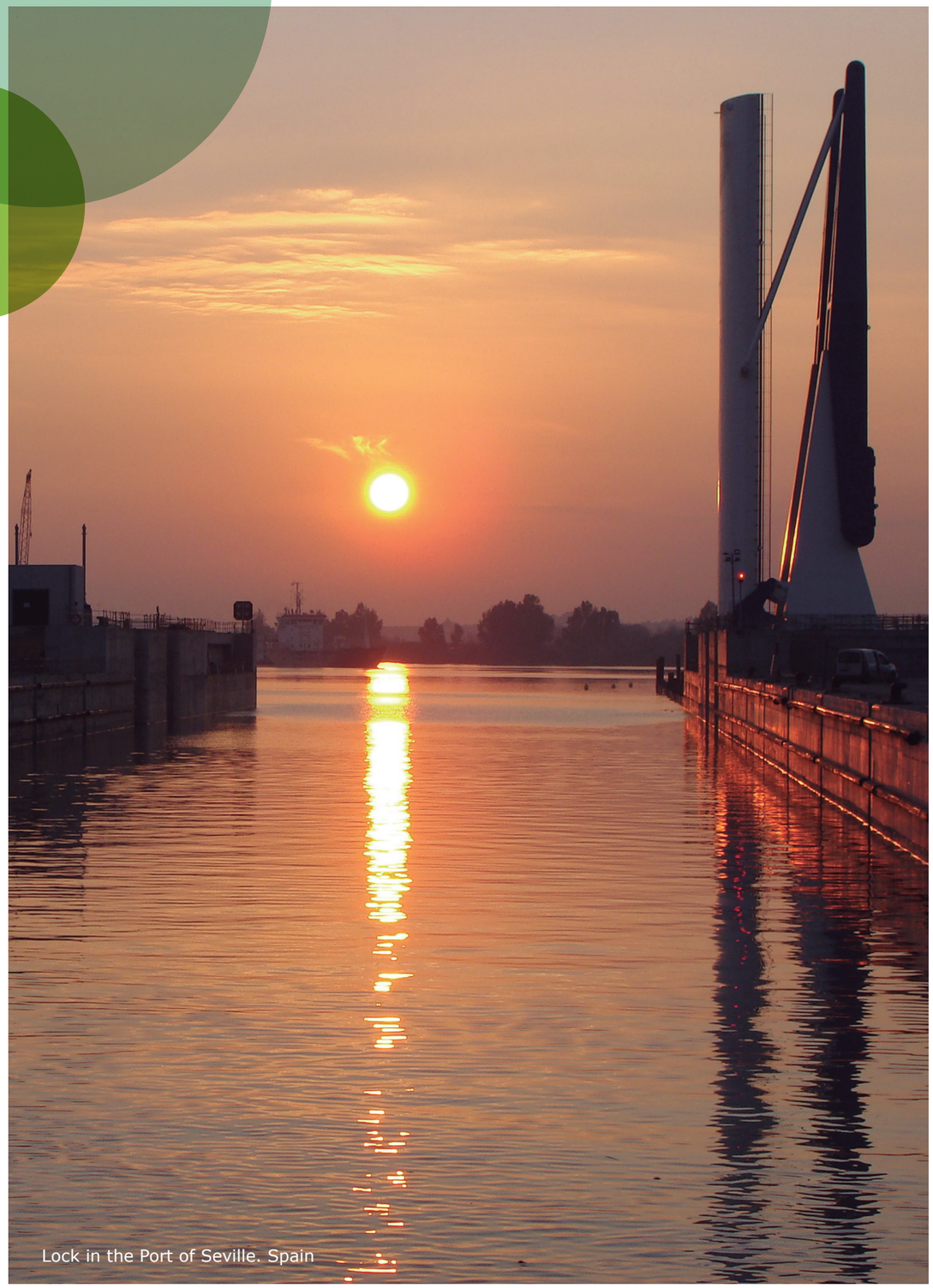
2026 target: Compile experiences to be transferred, structured by type of works, and publish them regularly for internal dissemination.

2026 target: Create a document library and make it available for the organisation.

2026 target: Develop and new IT tool to cover not only site-support and planning duties but also an information and data-collection repository (DISCON).

• Replace physical servers with virtual ones that can be used by different people with their own dedicated resources.

University Hospital of Salamanca. Spain



Lock in the Port of Seville. Spain

STRATEGIC LINE 2. SOLUTIONS FOR CLIMATE RESILIENCE IN CONSTRUCTION

- **Measure 2.1. Reducing the impact caused by extreme water and weather phenomena**
- **Measure 2.2. Adapt to rising sea levels**
- **Measure 2.3. Improve the response to rising temperature and heatwaves**
- **Measure 2.4. Improve the response to less rainfall and more droughts**
- **Measure 2.5. Invest in RDI and digital solutions to optimise risk analysis**

The nature of FCC Construcción's business positions the company as one that provides solutions to adapt to climate change for civil works and buildings. Being aware of the challenges posed by the increasingly frequent and intense impact of climate change, the company seeks with this strategic line to improve its services and products in order to achieve infrastructure that is more resilient to climate change.

In general, and in line with the requirements for adapting to climate change, (e.g., the EU Taxonomy), for each activity the company undertakes the exposure and vulnerability to one or more physical climate risks will be assessed, determining their importance or likelihood of materialising. For this analysis climate projections will be used that are appropriate for the forecast scale and duration of the activity, based on the best practices available and the most up-to-date scientific data, such as publications by the IPCC and other reliable scientific sources. Subsequently, the most appropriate adaptation solutions will be assessed for the most important physical risks, giving priority to nature-based solutions (NbS) or green infrastructure whenever possible.

• Carry out actions with a view to reducing the impact of climate change on works.

2026 target: Implement plans to mitigate the physical risks associated with climate change on all sites.

MEASURE 2.1. REDUCING THE IMPACT CAUSED BY EXTREME WATER AND WEATHER PHENOMENA

During the design stage and execution of works, FCC Construcción will take into account the specific characteristics of the relevant area and its vulnerability to climate change. In this regard, actions will continue to be devised and proposed to clients in order to achieve a reduction of the impact caused by water and weather phenomena during works and over the course of their life cycle. These measures would include but not be limited to:

• Size drains for the heavy rainfall forecast.

• Propose increasing safety coefficients for structures.

• Size for higher wind, snow loads, etc.

• Adapt building processes to new climatic conditions.

• Protect surfaces with hydroseeding, planting, geotextiles, etc.

Continue to work on reviewing the conditions of existing infrastructure, seeking to comply with the current legislation and taking preventive action. For example:

• Carry out preventive actions on existing slopes presenting a high risk of erosion.

• Review the erosion condition of piers, abutments and defensive works for structures located on rivers.

• Strengthen drainage parts (crest and guard ditches) and protection works for drainage ditches at the base of cuttings.

The following actions will also be undertaken **during the construction stage:**

• Preventive measures and response systems will be established on the site of the project/works, depending on the climate patterns found and projections made in the region where the company is working.

• Environmental-management and emergency plans will continue to be drawn up for areas susceptible to flooding, in order to prevent any storm and flood damage to infrastructure during the building stage.

• Protection against exceptionally severe and probably increasingly frequent rainfall and heavy storms will be assured to safeguard the workforce and machinery.

• Whenever possible, improvements will be suggested to clients to replace materials with low resistance to physical climate effects with other, more resilient ones.

MEASURE 2.2. ADAPT TO RISING SEA LEVELS

• FCC Construcción will focus on regularly identifying preventive actions, taking climate-change forecasts and meteorological data into account in the different regions where sites are located, with the aim of identifying the best adaptation measures for infrastructure and facilities that are exposed and vulnerable to this risk.

• From the design stage of works, actions will be suggested to clients in order to strengthen the resilience of infrastructure and buildings to rising sea levels, including giving priority to the use of more suitable materials.

Industrial Bridge. Chile

MEASURE 2.3. IMPROVE THE RESPONSE TO RISING TEMPERATURES AND HEATWAVES

FCC Construcción has built adaptation measures into its operations, such as adjusting working hours in areas with high temperatures, so as to avoid the hottest parts of the day or in the event of heatwaves or abnormal weather phenomena.

- Include in site OHS plans a specific chapter on temperature and heatwaves, as well as providing training and building awareness the best practices to be applied during heat waves.

- Use more materials that are better able to withstand the expected temperature variations.

- Adapt building processes to new heat conditions.

- When undertaking works, give priority to heat-resistant building materials and wall coverings.

- When temperatures are very high, use cooling methods when concreting.

High temperatures, combined with other conditions involving fire risks (e.g., dry land and vegetation and strong winds), may increase the risk of fire, especially in North America, parts of South America, Australia and the Iberian Peninsula. To address risks of this type, a Fire Emergency Plan will be enforced in areas with a high fire risk.

MEASURE 2.4. IMPROVE THE RESPONSE TO LESS RAINFALL AND MORE DROUGHTS

Changing rainfall patterns may mean it rains less, resulting in water stress, and climate projections for certain areas forecast more severe and longer-lasting droughts. This may result in higher costs and cause interruptions in water supplies and delays in activities.

To mitigate the impact of risks of this type, the company will strive to use water responsibly and efficiently. With this in view, reductions in water consumption during the building stage of works will be encouraged, particularly considering the specific climate patterns in the regions where the company's projects are located. Water-collection, -reuse and -treatment actions will also be applied.

2026 target: Calculate the water footprint for works in Spain.

Objetivo 2030: Calculate the water footprint for 100% of activities.

OBJETIVO 2050

Reduce water consumption by 20%.

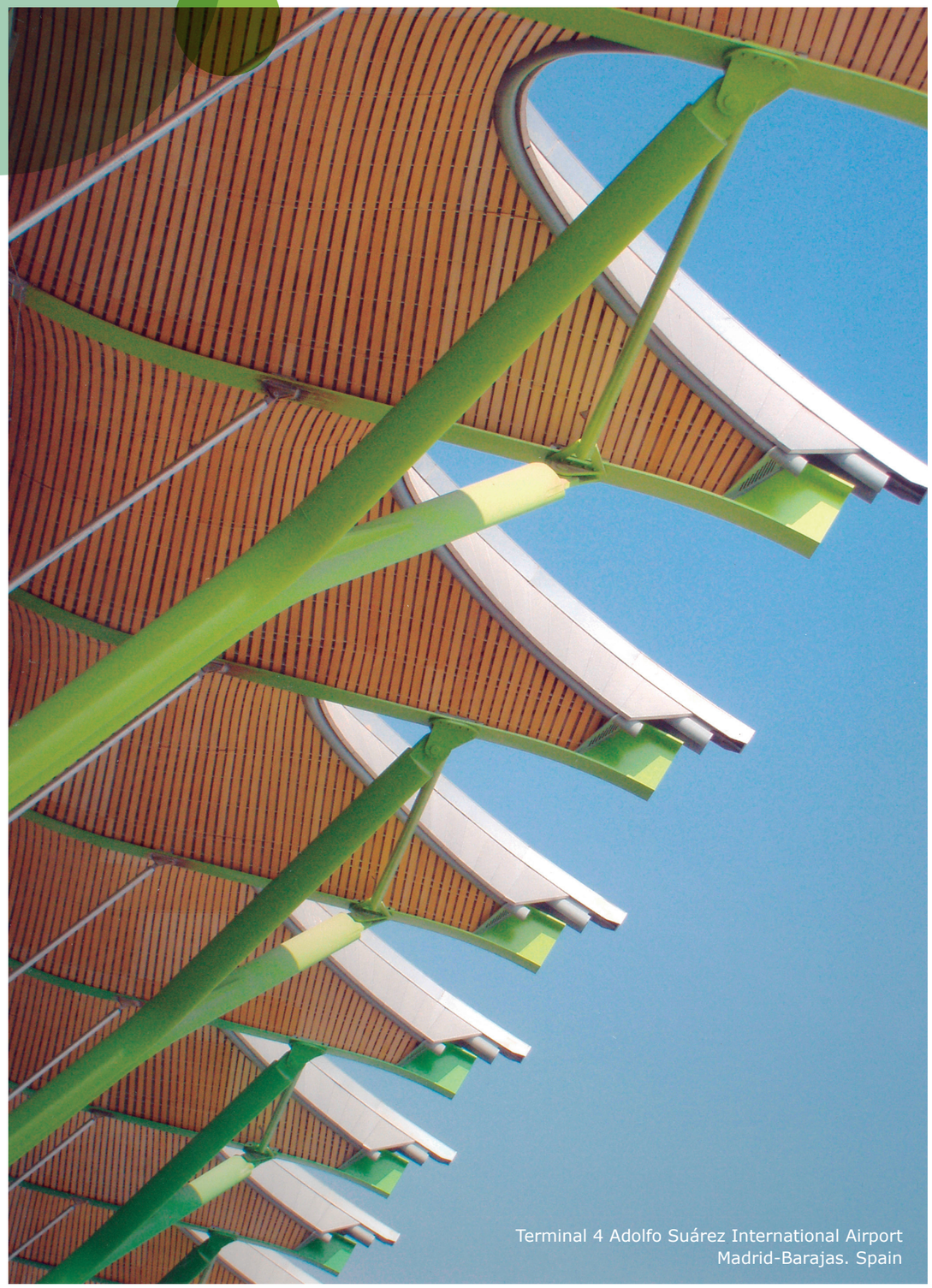
MEASURE 2.5. INVEST IN RDI AND DIGITAL SOLUTIONS TO OPTIMISE RISK ANALYSIS

Transversally, in order to improve FCC Construcción's response to the various climate risks, the company will focus on investing in RDI, particularly in terms of digitisation and data-handling tools to enable its Management and Sustainability System to be optimised, supplemented with internal software to enable real-time data to be obtained from sites and fixed centres.

Efforts will be made to compile and manage climate information more efficiently, thereby strengthening the analysis and assessment of risks above and beyond compliance with the official requirements.

Investment will continue to be made in technical training for handling these tools.

Abbu Rawash water treatment plant. Egypt



Terminal 4 Adolfo Suárez International Airport
Madrid-Barajas. Spain

STRATEGIC LINE 3. IMPROVING CLIMATE-CHANGE GOVERNANCE

- **Measure 3.1. Good governance**
- **Measure 3.2. Stakeholders**
- **Measure 3.3. Manage risks caused by emerging regulations and legislation**
- **Measure 3.4. Leverage opportunities**

Climate change involves a set of challenges that are driving major policies at all levels. Monitoring and analysing how these policies might pose a risk or present an opportunity for FCC Construcción's business is also a priority of this strategy. This strategic line therefore seeks to improve knowledge for decision-making under this strategy as a whole and, in short, what the organisation does to address climate change.

MEASURE 3.1. GOOD GOVERNANCE

The evolution of climate-change regulations in different countries will be monitored on an ongoing basis. Measures will also be developed to mitigate the risk of fluctuating prices of materials as a result of new regulations in this regard.

• Wherever possible, align FCC Construcción's taxonomically eligible activities with the technical criteria for mitigating and adapting to climate, in an effort to increasing the alignment percentage.

2026 target: Prepare and implement a climate-change policy for approval by senior management.

2026 target: Prepare a procedure to align our activities with the targets to mitigate and adapt to climate change.

• Maintain third-party verification of the carbon footprint for 100% of the company's business.

• Continue to calculate the emissions avoided by reusing waste and consuming sustainable materials, and upgrade the calculation methods used based on the latest trends.

• Include the preliminary GHG emissions calculation from the study phase and subsequently in the Technical Action Forecast (APAT), and, based on the result, implement climate-change mitigation and adaptation measures.

2026 target: Prepare a detailed analysis of climate risks for the main bioclimatic regions where FCC Construcción operates.

• Encourage the use of the latest digital tools to make the compiling, management and monitoring of climate-change-related issues more efficient.

• Drive RDI projects to reduce CO_2 emissions in the construction sector.

MEASURE 3.2. STAKEHOLDERS

Heightened environmental awareness among stakeholders increases the level demands regarding environmental performance and transparency in non-financial reporting. Negative views of the construction and concessions business are a risk for FCC Construcción, intensifying the need to develop policies, strategies and management programmes that are oriented towards combating climate change, as well as transparency when reporting results.

• Continue working with national and international organisations, such as the European Network of Construction for Research and Development (ENCORD), the European Council of Territorial Planners (ECTP), SEOPAN, the UN Global Compact, the World Green Building Council and the World Business Council for Sustainable Development, with a view to being part of the drive to change markets and certification systems, while staying up to date with the latest developments regarding climate-change-related certification and new regulations.

• Encourage participation in events and initiatives on climate change in order to stay up to date on the latest development in this field and the needs of stakeholders.

• Leverage new business opportunities, given the global trends towards sustainable investment, driving and offering clients solutions aligned with the EU taxonomy and so contributing towards combating climate change.

To respond to this kind of risk, FCC Construcción will implement this Climate Change Strategy, establishing the necessary monitoring and controls to achieve the goals set. The company will also continue to work constantly to improve its sustainability reports, performance reports and environmental statements, publishing the results of its climate-change-related management via sustainability reports and participating in questionnaires and indices like the Carbon Disclosure Project (CDP). In addition, FCC already has its annual emissions reports verified in accordance with international standards.

Alicante Digital District. Spain

MEASURE 3.3. MANAGE RISKS CAUSED BY EMERGING REGULATIONS AND LEGISLATION

FCC Construcción is exposed to varying regulatory frameworks depending on the countries where the company is operating. In the coming years, new, more ambitious targets, requirements and regulations on climate change are expected, which the company must adapt to. It is therefore considered necessary to identify, interpret and monitor all the applicable legal requirements in the countries where the company operates, not only to assure its own adequate functioning in each country but also to regulatory penalties, fines and litigation for breaches.

• As part of risk analysis, include consideration of the appearance of any new regulations during the life cycle of works.

• Whenever possible, implement measures that anticipate requirements under new regulations expected to come into force.

MEASURE 3.4. LEVERAGE OPPORTUNITIES

In this area, FCC Construcción has determined a set of opportunities to respond to the risks identified, taking into account changing regulations and how the market is evolving.

• Work with groups and organisations involved in developing guidelines for tools to disseminate sustainability reports. Regulation of this matter is becoming increasingly ambitious. That is why it is important for FCC Construcción to aim to get involved with these groups in order to be familiar with the latest trends.

• Leverage new business opportunities, given the global trend towards sustainable investment.

Objetivo 2026: Draw up a strategic map of opportunities associated with climate change.

• Develop and offer clients solutions aligned with the EU taxonomy, contributing towards combating climate change and thus gaining access to new markets and business opportunities.

• Strive to stand out from the competition by disseminating knowledge about efforts to combat climate change.

• Support the research and development of solutions optimised for each configuration and geographical location, leveraging climate change as an opportunity to deliver more resilient infrastructure with a smaller carbon footprint to our clients.

• Leverage the organisation's experience of projects that meet the demands of sustainable-building certifications, such as LEED and BREEAM, as well as other sustainability and energy-performance certifications, with a view to achieving better market penetration.

• Continue to encourage training of the workforce, introducing climate change in the topics to be addressed, depending on each type of job profile and the associated responsibilities.

• Drive activities for internal and external dissemination of the efforts being made and the successes achieved with regard to climate change.

Remodeling Plaza de España in Madrid. Spain

SUMMARY OF THE 2050 ROUTE MAP

FCC Construcción's route map for 2050 includes targets to be reached and action areas in order to achieve them, as summarised below.

VISION	**By 2050, FCC Construcción has positioned itself as a benchmark in resilient, emission-neutral construction and a key actor in the application of climate-change-related measures, trends and policies, striving to meet its targets through research and sustainable development.**	
STRATEGIC TARGETS	**Move towards climate neutrality, driving decarbonisation by opting for energy efficiency, renewables, and more sustainable materials and products taking a circularity approach.**	**Leverage climate-change opportunities to improve the services we provide to clients, in the form of infrastructure that is more resilient to climate change.**
SECTOR-WIDE STRATEGIC LINES	**STRATEGIC LINE 1. MITIGATION: MOVING TOWARDS CLIMATE NEUTRALITY**	
SECTOR-WIDE ACTIONS	**Measure 1.1. Energy efficiency** • Update and disseminate the Basic Guidelines for Energy-Efficiency Management on Sites. •Implement energy-efficiency measures at support facilities. • Implement energy-efficiency measures at offices and optimise air-conditioning installations, for example by adjusting heating curves by applying ventilation in summer, setting timers according to working hours, proper maintenance of filters, statically or dynamically adjusting the air and/or water side, etc. • Backup-training and awareness-building programmes for site personnel on the efficient use of energy. • Opting for more efficient, lower-emission lighting. **2026 target:** 100% of lighting with more efficient lighting units in Europe. **2030 target:** 100% of lighting with more efficient lighting units in all countries. • Maintain vehicles and machinery appropriately to reduce atmospheric emissions and make savings on fuel consumption. • Improve the energy efficiency of newly built and refurbished buildings.	**Measure 1.2. Reduce consumption of fossil fuels** • FCC Construcción will gradually replace its fleet of vehicles, opting for more sustainable ones to reduce the emissions associated with Scope 1 of the carbon footprint. The milestones to be reached with this measure are: **2026 target:** 10% of the vehicle fleet. **2030 target:** 65% of the vehicle fleet in Europe and 45% in the rest of the world. **2050 target:** 100% of FCC Construcción's vehicle fleet emission neutral. • Include policies for the hire and/or acquisition of vehicles to include emission-reduction criteria. **2026 target:** Implement a policy for the hire and/or acquisition of vehicles to include emission-reduction criteria. • Prioritising more modern own and subcontractors' machinery, capable of consuming clean energy. **2026 target:** Include emission-reduction criteria when purchasing and renting machinery, and replacing fossil fuels with more sustainable alternatives in order to achieve a 15% reduction for Scope 1+2 compared with 2021. **2030 target:** Replace fossil fuels with more sustainable alternatives in order to reduce Scope 1+2 emissions by 35%. **2050 target:** FCC Construcción will steadily replace its machinery as alternatives come onto the market that use 100% renewable energy sources, setting the target of replacing all the company's own industrial machinery by 2050 to achieve a 100% reduction for Scope 1+2.

SECTOR-WIDE ACTIONS

Measure 1.2. Reduce consumption of fossil fuels

• Continue to monitor and report fossil-fuel and renewables consumption in order to determine the organisation's performance, and study the need for more ambitious steps to be taken if the targets set are not reached.

• Boost investment in RDI projects that favour the transition towards more sustainable machinery.

• Develop an in-house guide as part of FCC Construcción's Best Practices System®, focusing on mitigating climate change.

Electric vehicles

2026 target: 10% reduction in consumption of petrol (gasoline) and diesel A.

2030 target: 61% reduction in consumption of petrol (gasoline) and diesel A.

2050 target: 100% reduction in consumption of petrol (gasoline) and diesel A.

Measure 1.3. Conventional electricity sources evolving towards 100% renewable alternatives

• Purchase energy from 100% renewable sources.

2026 target: Implement electricity consumption with renewable-source guarantees at head offices and fixed centres.

2030 target: Increase the amount of electricity from renewable sources by 50% on projects whenever it is viable.

2050 target: Implement the purchase of electricity with guaranteed sources in all countries where we operate, achieving a 100% reduction in non-renewable energy consumption compared with 2021.

Measure 1.4. Circular economy

• Encourage more efficient use of resources, based on the principles of reducing consumption and increasing the rates of reuse, recycling and valorization.

• Reuse auxiliary items on different sites.

2026 target: Define and draw up a procedure for the systematic reuse of auxiliary items by and among sites.

2026 target: Introduce a new best practice for the reuse of auxiliary items on site scored under the company's Best Practices System®.

• Encourage the use of sustainable materials (e.g., reused, recycled, with recycled materials in some components, or with low impact in the extraction, transformation and production process) whenever possible.

2050 target: Use of more than 90% of responsible, recycled or recyclable materials.

Measure 1.4. Circular economy

• Positively value suppliers who offer plans for the reuse or recovery of materials. Include environmental declarations for products, carbon-footprint calculations and life-cycle analyses carried out among the criteria for procurement decisions.

• Continue with the systematic checking and application of value engineering to projects in order to optimise the consumption of materials and minimise the generation of waste.

• Foster use of the lean-construction model on sites in order to optimise activities that add value to building projects, and reduce or eliminate those that do not do so.

• Increase investment in RDI projects focusing on:
  • Seeking new, more sustainable building materials,
  • Optimising processes to minimise the consumption of resources by means of building-information modelling (BIM).

• Facilitate the use of by-products resulting from processes, either on the same site or by others. Reuse resources available on site. To achieve this, the reuse of earth and other construction waste and demolition rubble will particularly be encouraged.

2026 target: Prepare for the reuse, recycling and/or other types of valorization of more than 70% of non-hazardous building and demolition waste (excluding earth).

2026 target: Valorization of 90% of the volume of earth.

• Foster a culture to promote the circular economy by reducing both the amount of waste generated and the amount that is dumped at landfills.

2026 target: Implement the zero-waste methodology on all the company's sites by preparing and enforcing waste-management guidelines.

2026 target: Obtain zero-waste certification for the set of strategic works selected.

2050 target: Recycle 100% of hazardous waste..

Measure 1.5. Sustainable logistics and mobility

• Pay attention to social and market trends regarding needs and possibilities of hybrid working (distance and presence) for those jobs where it is possible.

• Boost online virtual training whenever possible.

• Boost initiatives for collective transport, providing parking spaces for FCC Construcción workers who share a vehicle to travel to and from work together.

2026 target: Implement a carpooling platform.

• Encourage the use of public transport by FCC Construcción personnel, by means of flexible-pay mechanisms.

• Boost electric mobility among FCC Construcción's workforce by installing recharging points at corporate buildings.

• Prioritise the most sustainable model for the organisation's business trips.

SECTOR-WIDE ACTIONS	**Measure 1.5. Sustainable logistics and mobility** • Optimise vehicle and machinery movements on sites by preparing mobility-management plans. • Provide training in efficient driving for the workforce. • Work on reducing emissions by the value chain by contracting local suppliers to deliver to the site, to reduce the distances involved in transporting materials. • Encourage the contracting of materials and waste hauliers with zero- or low-emission fleets. • Prioritise the acquisition of more energy-efficient tyres (i.e., with the European label higher or equal to "C").		**Measure 1.6. Green IT** • Implement Alejandría software within the organisation, increasing the optimal use of FCC Construcción's resources, working online to reduce the time taken to complete tasks and find documents. **2026 target:** 100% implementation of the Alejandría software. **2026 target:** Compile experiences to be transferred, structured by type of works, and publish them regularly for in-house dissemination. **2026 target:** Create a document library and make it available for the organisation. **2026 target:** Develop a new IT tool to cover not only site-support and planning duties but also an information and data-collection repository (DISCON). • Replace physical servers with virtual ones that can be used by different people with their own dedicated resources.
STRATEGIC TARGETS	**Leverage climate-change opportunities to improve the services we provide**		**to clients, in the form of infrastructure that is more resilient to climate change.**
SECTOR-WIDE STRATEGIC LINES	**STRATEGIC LINE 2. SOLUTIONS FOR CLIMATE RESILIENCE IN CONSTRUCTION**		
SECTOR-WIDE ACTIONS	**Measure 2.1. Reducing the impact caused by extreme water and weather phenomena** • Actions will continue to be devised and proposed to clients with a view to reducing the impact caused by water and weather phenomena during works and over the course of their life cycle. These measures would include but not be limited to: • Size drains for the heavy rainfall expected in the future. • Propose increasing safety coefficients for structures. • Size for higher wind, snow loads, etc. • Adapt building processes to new climatic conditions. • Protect surfaces with hydroseeding, planting, geotextiles, etc. • Continue to work on reviewing the conditions of existing infrastructure, seeking to comply with the current legislation and taking preventive action. For example: • Carry out preventive actions on existing slopespresenting a high risk of erosion. • Review the erosion condition of piers, abutments and defensive works for structures located on rivers. • Strengthen drainage parts (crest and guard ditches) and protection works for drainage ditches at the base of cuttings. **During the construction stage** • Preventive measures and response systems will be established on the site of the project/works, depending on the climate patterns found and projections made in the region where the company is working. • Environmental-management and emergency plans will continue to be drawn up for areas susceptible to flooding, in order to prevent any storm and flood damage to infrastructure during the building stage.		**Measure 2.1. Reducing the impact caused by extreme water and weather phenomena** • Protection against exceptionally severe and probably increasingly frequent rainfall and heavy storms will be assured to safeguard the workforce and machinery. • Whenever possible, improvements will be suggested to clients to replace materials with low resistance to physical climate effects with other, more resilient ones. **Measure 2.2. Adapt to rising sea levels** • FCC Construcción will focus on regularly identifying preventive actions, taking climate-change forecasts and meteorological data into account in the different regions where sites are located, with a view to identifying the best adaptation measures for infrastructure and facilities that are exposed and vulnerable to this risk. • From the design stage of works, actions will be suggested to clients in order to strengthen the resilience of infrastructure and buildings to rising sea levels, including giving priority to the use of more suitable materials. **Measure 2.3. Improve the response to rising temperatures and heatwaves** • Include plans a specific chapter on temperature and heatwaves in on-site OHS plans, as well as providing training and building awareness the best practices to be applied during heat waves. • Use materials better able to withstand the expected temperature variations. • Adapt building processes to new heat conditions. • When undertaking works, give priority to heat-resistant building materials and wall coverings. • When temperatures are very high, use cooling methods when concreting.

SECTOR-WIDE ACTIONS

Measure 2.4. Improve the response to less rainfall and more droughts

• Encourage reductions in water consumption during the building stage of works, particularly considering the specific climate patterns in the regions where the company's projects are located.

• Apply water-collection, -reuse and -treatment actions.

2026 target: Calculate the water footprint for works in Spain.

2030 target: Calculate the water footprint for 100% of activities.

2050 target: Reduce water consumption by 20%.

Measure 2.5. Invest in RDI and digital solutions to optimise risk analysis

• Invest in RDI focusing on digitisation and data-handling tools to optimise the Management and Sustainability System.

• Make efforts to compile and manage climate information more efficiently, thereby strengthening the analysis and assessment of risks above and beyond compliance with the official requirements.

• Invest in technical training in the handling of the new tools.

TRANSVERSAL STRATEGIC LINE

STRATEGIC LINE 3:
IMPROVING CLIMATE-CHANGE GOVERNANCE

TRANSVERSAL ACTION

Measure 3.1. Good governance

• Wherever possible, align FCC Construcción's taxonomically eligible activities with the technical criteria for mitigating and adapting to climate, with a view to increasing the alignment percentage.

2026 target: Prepare and implement a climate-change policy for approval by senior management.

2026 target: Prepare a procedure to align our activities with the targets to mitigate and adapt to climate change.

• Maintain third-party verification of the carbon footprint for 100% of the company's business.

• Continue to calculate the emissions avoided by reusing waste and consuming sustainable materials, and upgrade the calculation methods used based on the latest trends.

• Include the preliminary GGE calculation from the study phase and subsequently in the Technical Action Forecast (APAT), and, based on the result, implement climate-change mitigation and adaptation measures.

2026 target: Prepare a detailed analysis of climate risks for the main bioclimatic regions where FCC Construcción operates.

• Encourage the use of the latest digital tools to make the compiling, management and monitoring of climate-change-related issues more efficient.

• Develop RDI projects to reduce CO_2 emissions in the construction sector.

Measure 3.2. Stakeholders

• Continue working with national and international organisations, such as the EIC, the European Network of Construction for Research and Development (ENCORD), the European Council of Territorial Planners (ECTP), SEOPAN, the UN Global Compact, the World Green Building Council and the World Business Council for Sustainable Development, with a view to being part of the drive to change markets and certification systems, while staying up to date with the latest developments regarding climate-change-related certification and new regulations.

• Encourage participation in events and initiatives on climate change in order to stay up to date on the latest development in this field and the needs of stakeholders.

• Leverage new business opportunities, given the global trends towards sustainable investment, driving and offering clients solutions aligned with the EU taxonomy and so contributing towards combating climate change.

Measure 3.3. Managing risks caused by emerging regulations and legislation

• As part of risk analysis, include consideration of the appearance of any new regulations during the life cycle of works.

• Whenever possible, implement measures that anticipate requirements under new regulations expected to come into force.

TRANSVERSAL ACTION

Measure 3.4. Leveraging opportunities

• Work with groups and organisations involved in developing guidelines for tools to disseminate sustainability reports. Regulation of this matter is becoming increasingly ambitious. That is why it is important for FCC Construcción to aim to get involved with these groups in order to be familiar with the latest trends.

• Leverage new business opportunities, given the global trend towards sustainable investment.

2026 target: Draw up a strategic map of opportunities associated with climate change.

• Develop and offer clients solutions aligned with the EU taxonomy, contributing towards combating climate change and thus gaining access to new markets and business opportunities.

• Strive to stand out from the competition by disseminating knowledge about efforts to combat climate change.

• Support the research and development of solutions optimised for each configuration and geographical location, leveraging climate change as an opportunity to deliver more resilient infrastructure with a smaller carbon footprint to our clients.

• Leverage the organisation's experience of projects that meet the demands of sustainable-building certifications, such as LEED and BREEAM, as well as other sustainability and energy-performance certifications, with a view to achieving better market penetration.

• Continue to encourage training of the workforce, introducing climate change in the topics to be addressed, depending on each type of job profile and the associated responsibilities.

• Drive activities for internal and external dissemination of the efforts being made and the successes achieved with regard to climate change.

2050 ROUTE MAP (% REDUCTION COMPARED WITH 2021)

	2026	2030	2050
Reduction in consumption of petrol (Gasoline) and Diesel A	10%	61%	100%
Increase in consumption of renewable electricity	29%	65%	100%
Reduction in Scope-1 emissions	14%	33%	100%
Reduction in Scope-2 emissions	29%	65%	100%
Reduction in Scope-1+2 emissions	15%	35%	100%

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