

responsibility corporate social report



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Since 2005 the **FCC Group** has been committed to adopting widely accepted international frameworks for the non-financial accountability of major companies. More and more transparency is expected from leading businesses, especially in the current climate.

Initiatives such as The United Nations Global Compact, the OECD Guidelines for Multinational Enterprises, the Dow Jones Sustainability Index (DJSI) and the Global Reporting Initiative (GRI) have guided the FCC Group in its corporate responsibility considerations and commitments and in measuring its own activities in terms of their impact and contribution to sustainability.

Our policies, management and results have been recognised in 2008 with our listing on the DJSI, following an evaluation of the most important aspects of our business activity.

The FCC Group has been rated as one of the top construction companies worldwide by Sustainability Asset Management (SAM), which prepares the most renowned sustainable development benchmark for global companies each year.

This is the fourth consecutive year that FCC has published data on its corporate social responsibility. This report and our website show the policies, plans, practices and results that have arisen from the Group's hard work and endeavour to address the most relevant concerns and opportunities for creating sustainable value.

This report, which was approved by the Board of Directors on 5 May 2009, has been presented to the union representatives of the company's employees for their information.

Interview with the Chairman and Managing Director

Mr. Baldomero Falcones Chairman and Managing Director

“Corporate social responsibility is a key leadership function in the most advanced companies”

Mr. Falcones, how would you view the current crisis in terms of corporate social responsibility and sustainability? How is the market situation affecting the objectives of Plan 10?

The financial crisis is affecting everyone, and this is a time of significant structural change with global implications. Nevertheless, FCC feels well prepared to face this transition period, confident of our ability to emerge in an even stronger position.

Our 2008-2010 Strategic Plan reflects and responds to the current situation, which we detected before it began. FCC aims to manage risk in a prudent manner and to make the most of opportunities, such as the move towards a low-carbon economy, the management of sustainable cities or the development of civil infrastructures that strengthen

the competitive edge of emerging economies.

The Group is therefore facing the current global market downturn with strength and highly considerable assets. FCC has significant experience and knowledge of the market segments in which it has been operating and generating wealth for years, supported by a reliable team of experts and advanced technology.

Experience, talent, innovation and a healthy financial position are the strengths on which FCC studies opportunities for ongoing growth in the infrastructure and services areas, as well as in new and attractive fields such as renewable energies. FCC created a new division in 2008, FCC Energy and Sustainability, which has allowed us to position ourselves in this sector and other areas of strategic importance for the Group.

The link between generating value for the company and environmental, social and ethical performance is clearly established in Plan 10. This Plan's objectives are to generate shareholder value, improve the professional development of our employees and contribute to sustainable development within the community. The market, our organisation and all related stakeholders have been clearly informed of this set of goals.

In 2008 we implemented strict consolidation measures, all the while continuing to create opportunities for sustained growth. At FCC everyone is committed to improving efficiency and saving in areas such as energy and travel. Our cost savings have included

freezing salaries and bonuses for 250 senior managers and these measures have been combined with a plan to encourage loyalty and thereby retain talent, including initiatives such as the Group's share option or international career development plans.

FCC has also undertaken to protect its personnel and, in this regard, has restricted new recruitment and replacements.

We have also progressed in sector-based and geographical diversification. At the end of 2008, activities outside Spain represented 42% of operations, up 6% on the prior year, placing us in an ideal position to meet the objectives by the end of the Plan. Today FCC is a global company which remains sensitive to local issues.

Are corporate social responsibility and sustainability considerations integrated within the company?

I firmly believe that FCC's growth is balanced in terms of financial, environmental and social issues.

As a company we are committed to protecting the environment and we see the development of clean technologies as a cornerstone for competitiveness and growth. We also provide public services in many countries and towns.

In line with recommendations for good corporate governance, the board of directors is ultimately responsible for CSR. The board has delegated this role to a department specifically created in 2005



to oversee the entire Group and which reports directly to the Secretary General. In 2008, our majority shareholder, myself and other members of the board of directors implemented a number of measures which symbolised the importance of the Code of Ethics, with the purpose of promoting the Group's culture of values and integrity. FCC has also laid the foundations for consolidating its corporate responsibility management model, not only due to inclusion of sustainability within Plan 10, but also due to approval of the FCC Group 2009-2010 Corporate Responsibility Master Plan, which details our sustainability commitments. We are extremely proud of the first plan, which met over 90% of its objectives.

What is the key to ensuring that a company such as FCC contributes effectively to sustainable development?

Integrating this objective into the governing structure and business strategy is, as I have already mentioned, crucial. However, equally important are the corporate culture, practices and daily activities. FCC promotes a culture of integrity to implement this objective in its business activities, based on the Group's Code of Ethics approved by the board of directors in 2008. During the year FCC has focused on involving the entire organisation in preparing and rolling out new tools to strengthen the Group's culture of integrity. At FCC we feel that compliance with this Code of Ethics is extremely important, and we are also aware that this issue is also highly valued by third parties. Cultures of integrity are increasingly important to shareholders and, according to a study by the Spanish Excellence in Sustainability Club (of which FCC is a member), 75% of shareholders are "interested" in the ethical, social and environment aspects of the company in which they invest.

In terms of the value of CSR for the market, what importance does FCC place on responsible corporate management in the 21st century?

I believe that at present there are three key players clearly signalling the market value of corporate responsibility.

The first of these is the market importance of a public sector constantly expressing its backing for corporate responsibility and sustainability.

The European Commission is finalising a public procurement manual for its member states, which includes sustainable criteria. In Spain the entry into force of Public Sector Procurement Law 30/2007 (which establishes the possibility of rewarding social and environmental aspects during public tenders) forms the basis of a policy supporting the implementation of corporate responsibility and sustainability criteria.

The public sector is a notable FCC customer, both in the construction and services areas. We have seen how environmental and social criteria are of growing importance in calls for tender, whether at the bid acceptance or evaluation stage, representing a factor to be considered when awarding contracts and one which must be implemented in the execution of any project.

These requirements have not taken us by surprise; in fact, nothing could be further from the truth. In 2008 the Group was awarded various tenders, which have not only been based on the financial and quality aspects of our bids, but also on environmental issues (such as energy efficiency, carbon emission levels, rational water consumption and waste recycling) and social factors (including

employee CSR training and support for fair trade when purchasing work clothes). An example was the environmental services contract in the city of Barcelona.

Secondly, companies that are committed to extending their responsibilities throughout the supply and contractor chain have clearly understood that this forms part of their risk management, in terms of operations and reputation.

At FCC we place strict demands on our contractors and suppliers, in particular when it comes to health and safety in the workplace, an issue which is as important for our contractors as it is for our own personnel. Consequently, we focus our health and safety strategies on both areas, particularly in terms of training, having invested 333,856 hours in health and safety training in 2008.

Equally as important is the selection of suppliers, as they are key collaborators for any company that is committed to excellence and technological development. FCC is at the forefront of technology, and we are constantly innovating across all our areas (vehicles, materials, quality, processes, etc.). We are well connected to the world of R&D&I and invest in this area of growth. Our scientific and technological collaborations keep us moving forward, constantly prepared and ready to adapt to any challenge within or outside our Group.

In 2008 FCC undertook a process to strengthen its production chain by expanding the Group's ethical commitment. Our aim is to ensure that all our suppliers and contractors are aware of the way in which we act, and to encourage their commitment to principles such as compliance with the UN Global Compact. To do so, the FCC management committee has approved a clause in this regard, which is included in all Group contracts.

Finally I should mention socially responsible investors. Our corporate responsibility management and results were recognised in 2008 by being listed on the DJSI World and Stoxx responsible investment indices, following a thorough evaluation of almost all our business activities. The FCC Group is also one of the leading construction companies in the world, as rated by Sustainability Asset Management (SAM), which prepares the most renowned sustainable development benchmark for global companies each year.

In your opinion what does the future hold for corporate social responsibility?

The most valuable aspect that has arisen from the experience of FCC and other companies, leading the way in which corporate social responsibility has developed, is the idea that management of this area must be focused on creating value. Progress in that direction is currently one of the fundamental challenges in developing corporate responsibility.

Companies like FCC have been able to anticipate this aspect. This is shown by the fact the CSR and sustainability are integrated within our governance model and strategic plan, as well as our day-to-day management. Now is the time for all players within the market, particularly customers, to recognise and reward this approach, thereby strengthening corporate social responsibility and contributing to the collective goal of

sustainability.

Standardisation of CSR, which will be evident, for example, by non-financial accountability maturing to the levels currently seen in financial accounts, requires the market to set clear and logical limits on the value of managed products and services, based on a set of responsibility and sustainability parameters.

The above, together with the CSR report which FCC is publishing for the 4th consecutive year, demonstrate once again the Group's firm commitment to corporate social responsibility, sustainability and the international frameworks assumed by FCC, particularly the UN Global Compact and its ten principles, a commitment which we have publicly renewed.

The initiatives that show this commitment are described in detail in this 2008 Corporate Social Responsibility Report, prepared in accordance with the Global Reporting Initiative (GRI) G3 Guidelines. The report verifies our levels of compliance with the aforementioned GRI indicators, the Accountability and Global Compact principles and our commitment to the OECD principles and UN Millennium Goals.

The information contained in this document shows that FCC has a solid foundation for making an active and important contribution to solving the challenges faced by this generation of businesses, promoting sustainability and responsibility for those to come.



01

Responsibly creating value A solid business and corporate social responsibility

.....

FCC contributes to making efficient infrastructures and services available in the countries and cities in which it operates

.....

FCC provides infrastructures and services, ranging from environmental to urban and water management services. FCC also carries weight in the cement market and this activity is complemented by property development, mainly lettings of buildings and offices. A new, emerging activity, no doubt strategic in the future, is the Group's recently created energy division.

In 2008 FCC's corporate responsibility centred on involving the entire organisation in preparing and then deploying strategic tools to guide and reinforce the business, the culture of sustainability and the company's integrity.

.....

Today more than ever, efficiency and integrity are key values in caring for a company, the environment and society

.....

FCC key to sustainable competitiveness: Responding to the crisis

FCC's 2008-2010 strategic plan, launched in May 2008, reflects and responds to the reality we are currently facing. The strategic plan aims to create value for shareholders, optimise the professional growth of employees and contribute to the sustainable development of the community.

The plan has introduced measures to promote austerity and consolidation without impeding the creation of opportunities for sustained growth:

- > Austerity, aiming to make savings and improve efficiency in the most important costs such as energy and travel, freezing the salaries and bonuses of 250 senior managers, introducing a loyalty plan with share options.
- > Protection of our staff, with restrictions on recruitment and replacement.

> Consolidation and progress in sector and geographical diversification. At the end of 2008, activity outside Spain represents 42% of all activity, 6% more than in 2007, demonstrating that FCC is on course to meet its objective of 50% by the end of the plan. Diversification is fundamental to Plan 10, to build up FCC's knowledge and know-how and apply them to other markets, allowing the Group to access different economic cycles. Today, the Group's activity is concentrated in Spain, Portugal, central Europe, the UK and the US.

> The company has strength and considerable assets for facing the current global market downturn. The Group has a solid background and knowledge of the segments of the market in which it has operated for years, generating wealth, human resources and cutting-edge technology. Experience, talent, innovation and a healthy financial position are the strengths upon which the Group is seeking to build opportunities for continued growth in infrastructures and services. FCC is confident about the future.

☞ For more information go to <http://www.fcc.es>

Compliance with the 2007-2008 Master Plan

The 1st 2007-2008 Corporate Responsibility Master Plan established 6 strategic objectives, 8 corporate plans and 5 area plans to implement the FCC Group's corporate responsibility policy.

The 1st Corporate Responsibility Master Plan has been 90% completed

☞ Evaluation of compliance with the objectives of FCC's 1st Corporate Responsibility Master Plan (2007-08) can be found at <http://www.fcc.es>





Principal milestones

The board of directors approves FCC's first CSR Master Plan (2007-2008)

JANUARY_2007

- > The board of directors approves the creation of the Corporate Social Responsibility Management Structure.
- > Project Galileo (standardisation of CSR in international subsidiaries) is launched

MAY_2007

- > FCC Medio Ambiente wins a prize for Project Eureka.
- > The FCC Group agrees to adhere to the United Nations Global Compact (FCC Co and CPV have already joined).
- > Aqualia is chosen as the World's Best Water Management Company.

JANUARY_2008

- > The Green Centre/ecology office is launched.
- > FCCCo and CPV sign the Bali Declaration.
- > 85% of the recommendations in the Unified Code of Good Governance for listed companies are met.

MAY_2008

- > The FCC Group's mission, vision and values are defined.
- > The board of directors approves the Code of Ethics.
- > The employee volunteering scheme is launched.

AUGUST_2008

- > FCC is listed under the silver category on the DJSI World and Stoxx responsible investment indices.
- > The Family Plan is signed.
- > The Equality Plan is signed.

SEPTEMBER_2008

- > Plan 10: CSR is introduced to business strategy.
- > FCC Energía y Sostenibilidad is created.
- > The board of directors approves the CSR clause in supplier contracts.

DECEMBER_2008

- > The board of directors approves FCC's second CSR Master Plan (2009-2010).

In context

"CSR in the Corporate Governance of Ibox 35 Companies. An Analysis of Transparency", published by the ESADE Institute for Social Innovation in November 2008, deals with one of the key topics in the development of corporate social responsibility (CSR) in the immediate future: its place in corporate governance. The study covers the following questions: To what extent is CSR integrated in companies' day-to-day procedures and corporate strategies? And, consequently, what conditions need to exist for this integration to be credible and possible? The authors demonstrate the importance of CSR becoming an integral element of strategy and a clear commitment by boards of directors. The Institute for Social Innovation indicates that CSR is key to avoiding situations such as the current crisis, as the companies which have incorporated CSR in their corporate governance bodies use effective risk management and aim to achieve long-term business results. 'If CSR is not rooted in corporate governance, a financial crisis may once again shake companies' foundations'.



2007-08 has given way to a period of maturity in CR in the Group. In 2008 FCC laid the foundations upon which to consolidate its CSR management model



2008 Achievements

- > For the first time the Strategic Plan includes an objective of sustainable development in the communities in which the Group operates.
- > 90% compliance with the first CSR Master Plan.

2008

- > The second CSR Master Plan consolidates the Group's CSR strategy.
- > FCC is listed on the DJSI World and Stoxx responsible investment indices.

2008

2009 Priorities

- > Investment in the activity of FCC Energía y Sostenibilidad.
- > Talent internationalisation plan.
- > Distribution of the second CSR Master Plan.

2009

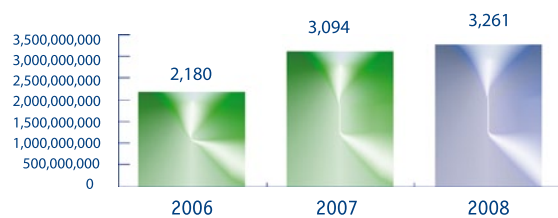
- > Development of a procedure for compliance with the Code of Ethics by the main suppliers.
- > Participation in sector working groups.

2009

Trends

Wages and salaries paid

Million euros





€14,016
million in net
sales in 2008

€369 million
paid in dividends

€3,260
million in wages
and salaries

1.1 Business strategy and sustainability: FCC's strategic "Plan 10"

The Strategic Plan aims to create value for shareholders, help employees optimise their professional growth and contribute to sustainable development of the community

The corporate initiatives of Plan 10, FCC's current strategic plan, include social corporate responsibility and good governance, specifically good corporate governance, dialogue with stakeholders, sustainable development, commitment, corporate citizenship, our internal social dimension, our social reputation, responsible communication and integrated CRS management. By including these aspects, FCC also aims to achieve the business objectives established in this plan.

The Strategic Plan places particular emphasis on the importance of managing people, which shows the company's commitment to developing a business model based on attracting and retaining talent. The main initiatives in talent management are directed towards developing and internationalising

management, rotation and training, internal communications – including a channel for making suggestions – and improving occupational health and safety. The plan introduces variable remuneration as a loyalty creation tool and an incentive for meeting our corporate objectives.

FCC's commitment to energy efficiency, environmental sustainability and taking market opportunities in the renewable energy sector is evident in the creation of a new business area, FCC Energía. The new company will allow FCC to take advantage of abilities and synergies in environmental services, urban waste, water, cement and infrastructures.

The creation of FCC Energía will enable the Group to position itself in strategic geographical locations in the energy sector

Diversification is fundamental to Plan 10, to strengthen FCC's knowledge and know-how and apply them to other markets, allowing the Group to access different economic cycles.

The inclusion of this initiative within corporate responsibility and good governance in the Strategic Plan is a clear indication of the Group's commitment to instilling responsible management and the increasing strategic importance of corporate responsibility.

With Plan 10, corporate social responsibility has been incorporated into FCC's business strategy



**258 meetings
with investors
and analysts**

**€29
million
invested in R&D&I**

**Over 3,000
suppliers with
ISO certification**

1.2. Corporate Responsibility strategy: the FCC Group's Corporate Social Responsibility Master Plan 2009-2010

The FCC Group's Corporate Social Responsibility Master Plan 2009 – 2010, **approved by the board of directors in November 2008**, establishes the sustainability commitments of FCC and its business areas, enabling harmonisation of the Group's responses to its corporate responsibility challenges, with special attention to the particularities of each business area. The main objectives of the Plan are as follows:

> To establish the strategic lines of FCC's corporate social responsibility policy and areas for 2009 – 2010.

> To outline the socially responsible activities which will be used to respond to our strategic challenges.

> To consolidate the organisational structure established in the former Master Plan, which describes and deploys the FCC Group's socially responsible strategy and activities.

> To achieve a joint corporate social responsibility (CSR) vision and mission in all areas of the Group.

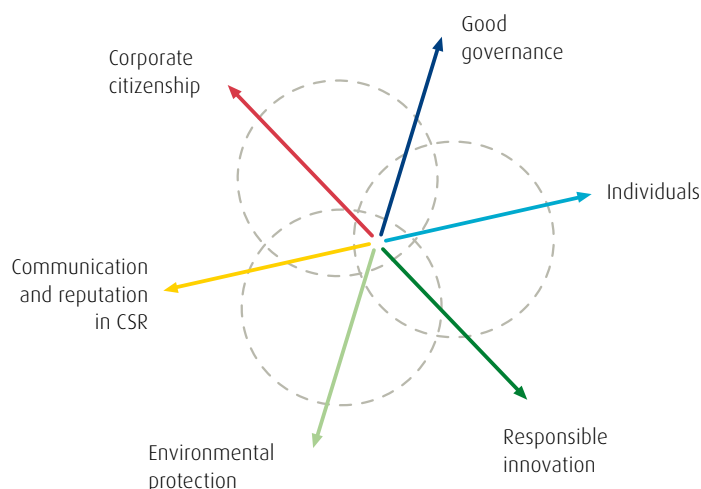
The strategic lines of the Master Plan 2009-2010 are as follows:

1. Good governance.
2. The people of FCC.
3. Communication and recognition of FCC's socially responsible strategy.
4. Our corporate citizenship.
5. Looking after the environment.
6. Responsible innovation within the Group.

The Group has used materiality studies conducted on emerging CSR issues in Spain and abroad relevant to FCC to establish these lines.

All of the strategic lines respond to the Strategic Plan (Plan 10) objective of providing a Group response to our social responsibility challenges

Strategic lines of FCC's CSR Master Plan (2008-2009)





Organisational structure of corporate responsibility within the FCC Group

Consolidating the organisational structure in corporate responsibility is one of the four objectives of the 2nd Corporate Social Responsibility Master Plan. The following organisational structure has been established to integrate, co-ordinate and execute FCC's corporate responsibility policy:

> FCC board of directors

The board of directors is the highest governing body responsible for the Group's CSR policy. The regulations governing the board state that its plenary session is responsible for approving, inter alia, the Group's corporate governance and social responsibility policies. The board of directors also approves the Annual Corporate Governance Report, the Annual CSR Report and, every two years, the Corporate Social Responsibility Master Plan.

> FCC General Secretariat

FCC's Corporate Social Responsibility Department is under the jurisdiction of the General Secretariat, which also presides over the Corporate Social Responsibility Committee and the

Internal Code of Conduct Monitoring Committee.

> FCC Corporate Social Responsibility Department

This department was created in 2005 and is run by the Group's General Secretariat, overseen by the board of directors. The Department comprises a corporate team of five employees with an average age of 36, four of whom are female. The Department is also directly supported by the teams responsible for corporate responsibility in other subsidiaries and countries. The main areas of this department's responsibility are: preparing the biennial Corporate Social Responsibility Master Plan and monitoring its compliance, co-ordinating the FCC Corporate Social Responsibility Committee and outlining strategic policies, preparing the Annual CSR Report (which it has prepared since 2005) and the Annual Corporate Governance Report for the Spanish National Securities Market Commission and monitoring good corporate governance recommendations, recording information on directors and persons privy to confidential information, collaborating with the General Secretariat in the adaptation to internal FCC regulations and compliance with the Internal Code of Conduct, managing FCC participation in national and international sustainability indices (DJSI, FTSE4Good,

IBEX), annually preparing the Group's Progress Report on its adherence to the United Nations Global Compact and managing the Group's communications on CSR through the website and intranet.

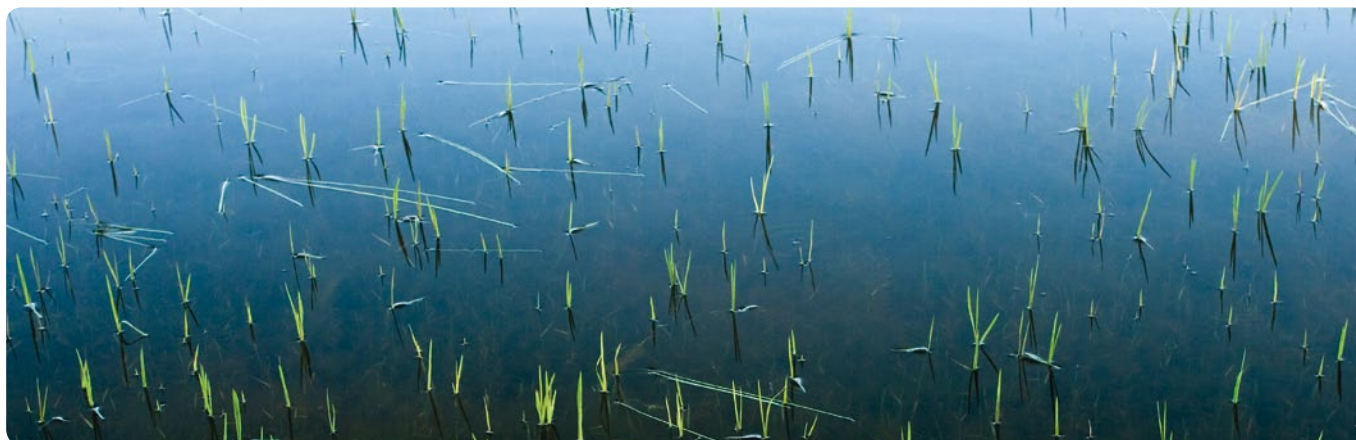
> The Group's Corporate Social Responsibility Committee

Chaired by the FCC General Secretariat, this Committee comprises specialists in the co-ordination of initiatives and corporate social responsibility from each of the FCC business areas (at the date of publishing this report, the business areas are: FCC Construcción, Cementos Portland Valderrivas, Realia, FCC Medio Ambiente, FCC Ámbito, Aqualia, Proactiva, Energía y Sostenibilidad, Versia and Per Gestora). The managers of the corporate responsibility, internal audit, human resources, communication, corporate image, legal advisory, shareholder and investor relations, information systems and technology and information security departments are also members of the Committee.

> Corporate social responsibility and sustainability committees by areas

The composition of each committee should reflect the representation of the different departments involved in sustainability or CSR in the various business areas.





Dividend per
share:
€2,13

Increase in
dividend per share:
3.9%

40.16%
of purchases
from local suppliers

1.3. Economic value generated and distributed

FCC is a major driver of direct and indirect wealth generation, achieving profits for its shareholders, creating employment, either directly or through suppliers and contractors, investing

in R&D&I, paying taxes and designing voluntary social initiatives to benefit the societies and communities in which we are present.

Economic value generated			
	2008	2007	2006
Income (thousands of Euros)			
Turnover of products and services	14,016,295	13,880,633	9,480,928
Total economic value generated	14,016,295	13,880,633	9,480,928

Economic value retained			
	2008	2007	2006
Economic value retained (thousands of Euros)			
Economic value generated	14,016,295	13,880,633	9,480,928
Economic value distributed	11,304,918	13,283,289	8,903,405
Total economic value retained	2,711,377	597,344	577,523



Economic value distributed			
	2008	2007	2006
Materials consumed and other external expenses (thousands of Euros)			
Materials consumed (suppliers of materials and services)	6,987,241	6,352,253	4,512,844
Other external expenses	-	2,588,603	1,512,614
Total	6,987,241	8,940,856	6,025,458
Salaries and remuneration (thousands of Euros)			
Wages and salaries	3,260,766	3,093,509	2,180,050
Total	3,260,766	3,093,509	2,180,050
Payments to providers of capital (thousands of Euros)			
Dividends payable to shareholders	368,960	384,454	210,736
Interest payable on loans	593,657	515,254	209,139
Total	962,617	899,708	419,875
Payments to governments (thousands of Euros)			
Income taxes	94,294	349,216	278,022
Total	94,294	349,216	278,022
Total economic value distributed (thousands of Euros)	11,304,918	13,283,289	8,903,405

1.3.1. Value for FCC shareholders

The severe economic crisis currently affecting the global economy, with significant consequences for practically all industrial sectors, has had a considerable effect on FCC's market value, which closed 2008 at €23.33 per share, a loss of 54% for the year. However, a dividend of €2.13 per share was paid on account to shareholders with a charge to 2007 profits, 3.9% more than the prior year, representing a payout of 59.2%.



1.3.2. Significant financial assistance received from governments

Governments

Total grants received from **governments** in 2008 are as follows:

Company	Grant (€)
Aqualia (Aqualia España, Aqualia Infraestructuras España, Aqualia Industrial España)	12,611,278
FCC Construcción	764,196
Medio Ambiente España	26,546
Waste Recycling Group	64,752

R&D subsidies

R&D subsidies totalling €5,906,802.70 were allocated to FCC Construcción in 2008.

FCC does not have any Spanish public entities among its shareholders. However, certain subsidiaries of Aqualia, engaged in the management of the integral water cycle, are part-owned by city councils which oversee that services are carried out correctly. Similarly, three subsidiaries of FCC Ámbito – Recilec, Egmasa and Aragersa - are partly owned by public companies or autonomous bodies.

Other transactions with public organisations

Administrative or judicial fines incurred in 2008 for non-compliance with laws and regulations totalled €17,700.

The FCC Group did not contribute to any political parties in 2008. The FCC Group Code of Ethics limits donations to political parties and/or their representatives to the circumstances expressly foreseen in prevailing legislation.





1.4. Investment in R&D&I

In 2008, R&D&I investment, distributed by business area, was as follows:

	Global budget for FCC projects underway in 2008 (Euros)*	Total external grants in 2008 (Euros)	Total loans obtained on Favourable Terms in 2008 (Euros)	FCC investment 2008 (Euros)
Construcción	28,075,612.30	1,489,712.34	4,417,089.75	11,940,301.45
Cemento	778,000	0	0	778,000
Versia	459,315	0	0	456,815
Aqualia	33,400	215,800	0	14,991,600
FCC Ámbito	47,658	0	0	15,886
MA Nacional	2,079,395.70	26,546	0	826,512.32
TOTAL FCC	30,695,381.00	1,516,258.34	4,417,089.75	29,009,114.77

* The global budget for projects in which FCC participates, independent of the proportion of involvement or whether the project is a multi-year activity.

Innovation and an enterprising mentality produce results. FCC's commitment to developing clean technologies has set the Group apart for over a decade

1.5. The value of quality: the highest standards for customers and users

2008 Fostering Innovation Award for the project to automate the manufacture of railway sleepers.

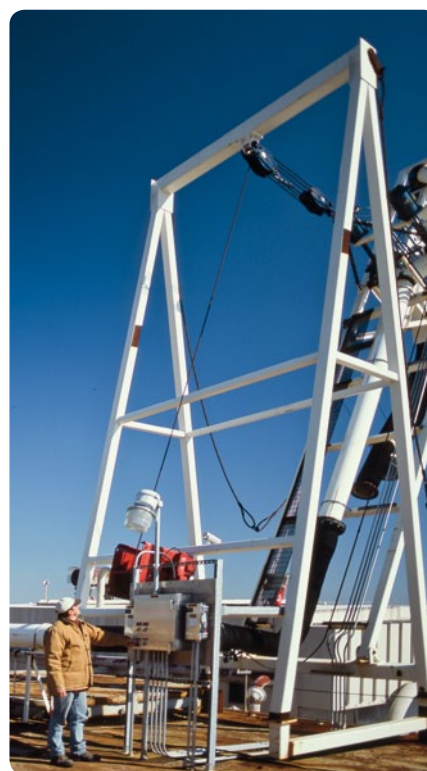
This year the project to automate the railway sleeper manufacturing process, enabling greater control over production and lower costs, won the Fostering Innovation Award promoted by the Group's construction division.

FCC's activities and projects aim to create value for its customers. FCC's customers include public administrations, private

institutions and individuals. Our activities serve the basic needs of millions of people.

Accredited individuals and companies internally and externally assess the quality of the products and services offered by FCC within the company's quality management systems. The extent of ISO 9001-certified activity grows every year, and at 31 December 2008 is as follows:

% of activities certified by ISO 9001	
Cementos Portland Valderrivas	84%
FCC Construcción	100%
FCC Ámbito	68%
Aqualia	93%
Medio Ambiente Nacional	90%
Versia	77%



The various initiatives taken in 2008 to continue improvement in the management systems of each of our business lines include the following:

Progress in quality improvement in 2008	
Cementos Portland Valderrivas	> Unification of the quality control system: During 2008 the Quality Control and R&D&I departments of Cementos Portland Valderrivas have been working on the unification and implantation of the Group's quality control system in all its businesses (cement, concrete, mortar, aggregate and transport) and countries (Spain, Tunisia and USA), improving the efficiency of its quality control processes.
FCC Construcción	> Adaptation of the system to ISO 9001:2008 > Updating of customer relations procedures with regard to the treatment of customers' personal data as part of the adaptation of the system to ISO 9001:2008. > Introduction of risk management to adapt the application of a management and sustainability system to construction works. > In Prefabricados Delta, improvements in the manufacturing of PRFV pipes and procurement of the CETREN railway sleeper interoperability certificate. > In Matinsa, introduction of COEX courses for recently incorporated personnel in the roads division and establishment of an improvement group to prepare a procedure to ensure compliance with preventative winter road measures. > In Impulsa, the Mexican subsidiary, consolidation of the management system in all works. > In the Portuguese subsidiary RRC, improvement of the library of technical standards and legislation on the intranet. > In Prefabricados Delta, procurement of the AENOR product certificate for PRFV pipes. > Co-ordination of the Spanish Quality Association (AEC) Construction Committee by FCC Construcción. > FCC Construcción's chairing of the working group "Sustainability in Civil Works" in the international Technical Committee ISO/TC-59/SC17 "Building construction sustainability", within which FCC also participates in the other working groups. > At European level, participation in the committee CEN/TC-350 "Sustainability of construction works" and its Spanish mirror committee AEN/CTN 198 "Sustainable construction", where we hold the presidency of the subcommittee SC2, "Sustainability in civil works".
FCC Ámbito	> Increase in the number of certified centres. > Introduction of a customer satisfaction evaluation system. > Introduction of a document given to recently incorporated personnel outlining general and specific legislation. > Introduction of talks to all personnel to raise environmental awareness. > Procurement of the Port of Valencia Seal of Guarantee for FCC Ámbito in Levante
Aqualia	> In Aqualia España, introduction of certification of the management system. > In Aqualia Infraestructuras España, introduction of a four-monthly report containing quality control information and CSR data. > In Aqualia Industrial España, planning of the introduction of a quality control management system to Aqualia Industrial Servicios.

In 2008, the customer satisfaction surveys carried out by each business area reflect the same good results of the prior year, with overall customer satisfaction at a level between very good and good.

Customer satisfaction: global valuation	
Cementos Portland Valderrivas	Not in 2008
FCC Construcción	VG-G
FCC Ámbito	VG
Aqualia	VG-G
Medio Ambiente Nacional	Not in 2008
Versia	Not in 2008
Proactiva	VG



Customer service is a key factor in satisfying the customer and achieving continuous improvement as it allows us to identify the requirements and opportunities to add value to our business. Customer services offices operate for FCC activities involving contact with customers, such as Aqualia, Proactiva and CPV.

In November 2007 CPV introduced its Customer Homepage, an online channel through which customers can consult delivery notes, save and print copies of invoices, view their accounts and ask submit queries or make suggestions. The homepage can also be used to consult the different products' certificates and technical documentation.

Aqualia serves over 2 million customers in Spain

At December 2008, Aqualia España has over 2 million integral water cycle management customers. Aqualia provides access to its customers through various communication channels, including the customer service Aqualia Contact, which was contacted 685,983 times in 2008 for requests, complaints, breakdowns and consultations.

Consultations represent 62.54% of total contact from customers and complaints 1.93%. Complaints are resolved within an average of 26 calendar days.

As a result of Aqualia España's communications with customers, measures have been taken to improve and add social value to customer communications, including the introduction of a virtual office and electronic billing.

In 2008, FCC invested in 13,855 hours of training for 1,918 employees on the UNE-EN ISO 9001 standard, the quality control management system introduced by the company and the related IT tools, with the aim of applying these to activity areas.

All FCC Group companies have introduced voluntary measures to maintain the highest quality control management standards and international best practices. FCC's work in this aspect includes compliance with voluntary codes and active participation in sector associations and initiatives regarding the regulation of technical development and sustainable management.

FCC Construcción is a member of the Madrid Excelente quality seal

Our public and private customers continue to have confidence in us. This is the recognition we aspire to in local, national and international markets

1.6. Strengthening the supply chain

Managing the supply chain is a vital aspect for a Group operating in diverse segments of international markets. In 2008 FCC has reinforced its supply functions, aiming to make the most of existing opportunities for better co-ordination, integration and collaboration. The measures have focused on achieving greater efficiency with regard to purchases, strengthening the information system and mitigating operational, environmental and reputational risks in the supply chain.

Quality must be ensured in the chain of contractors and suppliers to guarantee the efficiency of production processes. FCC is aware of the importance of this and has therefore established communications, collaboration, monitoring and control channels, defined by the quality control management systems of the lines of business and in accordance with the directives of the Group’s Code of Ethics. The business units apply purchase procedures in managing relations with suppliers. At corporate level, purchases are managed by a specialised purchases department, which monitors the quality of the products introduced to the production process.

FCC guarantees equal opportunities for all suppliers in the selection process, ensuring objective competition and transparency in the process by establishing its sales terms, pricing policies and payment methods.

.....

All of the FCC Group’s contracts with suppliers and contractors in 2008 contained information on the guiding principles of the Group’s Code of Ethics. This clause aims to encourage good social, environmental and ethical practices

.....

Furthermore, in their relations with FCC, suppliers and contractors must commit to the ten principles of the United

Nations Global Compact, which the Group adheres to. Non-compliance with any of the principles established in the Global Compact may be grounds for the termination of contracts.

In 2008, 40.16% of purchases were made from local suppliers.

.....

The FCC Code of Ethics is available in Spanish, English, Portuguese and Arabic

.....





02

Good governance The foundation of sustainable competitiveness in FCC

FCC considers that good governance of the company is an asset shared by the entity itself and society as a whole. The Group's endeavours to reinforce its structure of governance and self-regulation have served to strengthen its competitiveness, which is one of the cornerstones of economic and social development.

The corporate governance of the FCC Group is based on the recommendations of the main international frameworks for excellence in this area. The size and

composition of the Company's board of directors are based on the principles of representation of the ownership of the Group and balanced governance of the entity. FCC furthered its implementation of the Unified Code in 2008, having now adopted 86 per cent of its recommendations.

Management of legal and reputational risks based on prevention and control is sustained by promotion of integrity as an essential part of FCC culture, the introduction of new whistle-blowing channels and the systems in place to safeguard compliance.

.....

The Code of Ethics of the FCC Group constitutes a formal standard of

conduct promoting integrity, ethical behaviour and the fulfilment of the commitments undertaken by the organisation and by the individuals of which it is comprised. The code is intended as a guide to exemplary conduct, to generate the confidence of the stakeholders whose involvement, collaboration and trust are essential to the Company's success

.....

FCC key to sustainable competitiveness: Leadership in CSR beginning with the Company's board of directors

FCC's board of directors and Management Committee are formally responsible CSR, guiding its incorporation into the business strategy of the Group.

The Group's CSR Committee is chaired by its General Secretary and Executive Director, who are also responsible for the CSR of the Company, created in 2005. The board of directors has approved the Group's CSR policy (CSR Master Plans 2007-08 and 2009-10), the creation of its CSR Committees, the Code of Ethics and the annual CSR reports, all of which constitute noteworthy developments. The Master Plans must also be approved by the Management Committee, which has authorised a contractual clause requiring that the Company's suppliers be informed of FCC's Code of Ethics and that they comply with the 10 principles of the Global Compact.

The strategic integration of CSR in FCC has been possible as CSR was included in the Group's Strategic Plan (2009-10), or Plan 10, which establishes the "contribution to the sustainable development of communities" as one of its three global objectives.

Plan 10 reflects corporate social responsibility as one of its corporate initiatives, placing particular emphasis on good corporate governance, dialogue with stakeholders, sustainable development, commitment, corporate citizenship, internal social performance, social reputation, responsible communication and integrated CSR management. FCC also aims to promote compliance with the business objectives set forth in this plan but including CSR.



CSR will be included in the evaluation of Plan 10's performance. The evaluation of the 1st CSR Master Plan (2007-808) is available on the corporate website.

For more information go to <http://www.fcc.es>

Objectives and programmes

The objectives of the 2009-10 CSR Master Plan include the promotion and reinforcement of good governance, integrity and transparency as well as the introduction, promotion and compliance with the FCC Group's Code of Ethics.

The main lines of action representing the FCC Group's commitment to good governance are:

Maintaining the highest international standards of good corporate governance:

The Group will monitor corporate governance benchmarks on an ongoing basis to identify and assess the best international practices and recommendations. FCC will participate in work teams and studies on corporate governance. Compliance with the Group's policy and socially responsible initiatives will be reviewed annually.

Advancing in the management of non-financial risks:

Advances will be made in the analysis and management of the non-financial risks assumed by the Group, with particular focus on risks relating to the Company's reputation, the environment, ethical conduct and conflicts with the community. The Group will develop an internal regulatory framework in information management and security and implement an information security management system based on the ISO 27001 standard.

Extending compliance commitments through the integrity framework:

standardisation of CSR within the Group will be advanced through Galileo, a project designed to integrate FCC's CSR policy in its international companies, and promote FCC's CSR integrated management system through the IT solution "Horizonte". Implementation of the Company's Code of Ethics will be furthered through a training and dissemination plan aimed at all Group employees. The Group will promote compliance with the 10 principles of the Global Compact, both within the Group and by suppliers.



In Context

In its fifth, 2008, edition of the “Review of Corporate Governance and Information Transparency in Companies Listed on the Spanish Stock Exchange” the Financial Studies Foundation (FEF) analyses the position and development of corporate governance in the Spanish market, as well as listed companies’ implementation of the recommendations of the Unified Code. Of the total responses reflected in the Annual Corporate Governance Reports (IAGC) of the 135 companies regarding their compliance with the 58 recommendations of the Unified Code, 73% are affirmative (FCC responded affirmatively to 84%), indicating full

compliance with the recommendation, with an even higher percentage among IBEX 35 and larger companies. The companies included in the study reported partial compliance with 9% of the recommendations (FCC partially complied with 7%), while only 10% of the recommendations had not been implemented (FCC has yet to implement 7%). The remaining 8% were not applicable to the companies considered (2% of the recommendations did not apply to FCC, 1 question in absolute terms). The individual valuations of corporate governance and information transparency practices in 2007 are reflected in the FEF rating included in the 2008 publication, with a grading system of A-B-C-D. FCC received a B.

FCC’s culture of integrity continues to be a priority in the 2nd CSR Master Plan

Milestones 2008

- > Approval of the Strategic Plan (2009-10), Plan 10.
- > Approval of the second CSR Master Plan (2009-10).
- > Approval of the Code of Ethics.

2008

- > Preparation of the Training Plan and the contents of the Integrity and Ethics course.
- > Approval of a contract clause extending the Code of Ethics to cover suppliers.

2008

Priorities 2009

- > Participation in working groups on corporate governance.
- > Implementation of the information management and security system (ISO 27001).

2009

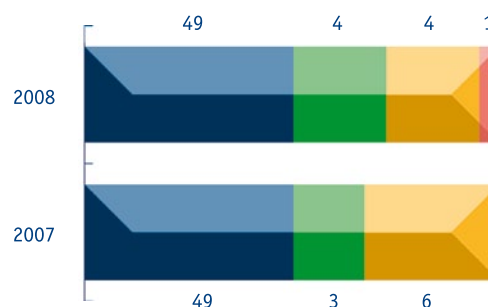
- > Employee training in the Code of Ethics.
- > Extension of Global Compact commitments to suppliers.

2009

Trends

Level of compliance with the recommendations of the Unified Code

- FULL COMPLIANCE
- PARTIAL COMPLIANCE
- NON-COMPLIANCE
- NOT APPLICABLE



24% of board members are women

3% of share capital is allocated to the management remuneration plan

86% compliance with the Unified Code

2.1. Model of Corporate Governance

The highest governing body in the area of corporate social responsibility in FCC is the Company's board of directors

2.1.1. Structure of the board of directors

At 31 December 2008 the board of directors is formed by 21 directors, of which three occupy executive positions within the Company, and four are independent external directors. The number of female board members (five) is once again high compared with other Ibex 35 companies.

The Company's chief executive is the chairman of the board of directors. FCC has taken measures to limit the risks associated with the accumulation of power in one single person. Article 34.3 of the regulation governing the board of directors of FCC, S.A. provides for the control of these risks through the appointment of an independent director, appointed to this effect by the board itself, who is authorised to convene board meetings or add new points to the agenda, coordinating and echoing the concerns of the external directors and directing the board's evaluation of its chairman.

The board of directors organises its work through plenary sessions or committee meetings. Eleven plenary sessions

took place in 2008. The Chairman was present at each of these sessions, which had a high level of attendance and participation by the directors.

The activities of the board are organised around four committees: the Strategy Committee, Executive Committee, Audit and Control Committee and Appointments and Remuneration Committee. The functions and competences of these committees are subject to the regulation governing the board of directors.

The Appointments and Remuneration Committee should receive prior notification of appointments of board members and senior management. This Committee is responsible for assessing the skills, knowledge and experience required by potential candidates.

The regulation governing the board of directors (art. 25) establishes procedures to resolve potential conflicts of interest.



2.1.2. Main actions carried out by FCC's board of directors in the area of corporate social responsibility

FCC's leadership focus in CSR in 2008 has been its introduction in the strategic business plan and the promotion of the integrity system

In 2008 the main actions of the board of directors in the area of CSR were as follows:

> Leadership and corporate culture promoting the development of CSR.

> Supervision of CSR Management in FCC (General Secretary, Executive Director).

> Chairmanship of the Group's CSR Committee (General Secretary, Executive Director).

> Chairmanship of the Internal Code of Conduct Monitoring Committee (General Secretary, Executive Director).

> Integration of CSR in the Strategic Plan of the FCC Group (preparation and approval of Plan 10).

> Approval of the CSR Policy: 2nd CSR Master Plan (2009-2010) and review of compliance with the 1st Master Plan in this area (2007-2008).

> Approval of the Annual CSR Report for 2007 and Corporate Governance Report for 2007.

> Leadership in advancing the compliance framework and culture of integrity.

> Approval of FCC's Code of Ethics, with the review of its Mission, Vision and Values.

> Approval of the training in the Code of Ethics.
Promotion of the Code of Ethics among senior management: *"The importance of what unites us: our values"* (address delivered by FCC's General Secretary and Executive Director).



2.1.3. Transparency

Compensation and Remuneration

In 2008 the non-variable remuneration of the board of directors amounted to €7,519 thousand, representing 2.23% of the profit attributable to the parent company.

Type of board members	Number of board members	Company remuneration (thousands of Euros)	Group Remuneration (thousands of Euros)
Executive Directors	3	4,756	-
Directors representing a major shareholder	14	1,445	922
Independent directors	4	336	60
Total members	21	6,537	982

Total remuneration of senior management, not including executive directors, amounts to €5,859 thousand.

Following the announcement of the ordinary general meeting convened for 18 June 2008, a report on the remuneration policy for the Company's board of directors was made available to all shareholders. The report provides details of the objective and structure of the remuneration policy, the remuneration of directors in their capacity as board members, the remuneration of executive directors for their performance of management and executive functions and, in relation to this point, the structure of the remuneration of and basic terms of contracts with executive directors.

At their general meeting the shareholders approved a motion whereby the executive directors and management personnel of the Company may receive remuneration in the form of shares or share options, or remuneration indexed to the value of the Company's shares. The agreement signed by the shareholders at their general meeting delegated the development and execution of this proposal to the Company's board of directors.

In relation to the remuneration policy for senior management personnel, in 2008 the board of directors approved the incorporation of a share option plan. Completing management plans to retain human capital, a financing system has been approved (in 2009) to encourage voluntary share purchases by executive management personnel. In total, the Company has placed 75% of own shares, currently representing approximately 4% of share capital, at the disposal of its management personnel.

Evaluation of the board of directors

At the session held on 29 January 2009 the board of directors evaluated its performance and that of its committees in 2008, in compliance with article 38.6 of the regulation of the board of directors. The evaluation analysed not only the performance of the board of directors and each of its different Committees (Executive Committee, Audit and Control Committee, Appointments and Remuneration Committee and Strategy Committee), but also of the Chairman and Chief Executive.

From the results of this evaluation we can conclude that 2008 was a highly satisfactory year. Both the board of directors and its committees and the Chairman and Chief Executive have managed their responsibilities and duties efficiently, organising their work in compliance with established procedures, and demonstrating a clear commitment to the ongoing improvement of its management. The evaluation also shows that the various committees supported the launch of numerous projects aligned with the Group's strategy, reinforcing the efficiency of the board of directors and the transparency of its management to fulfil the main objective, that of safeguarding social interests.

Section B.2.5 of the annual corporate governance report sets out the internal regulations establishing the obligation to prepare an annual report on the activities of the board of directors and its committees.

Shareholders and investors

Shareholders and investors may submit their recommendations, suggestions or complaints to the Stock Market and Investor Relations department, which reports to the Group's General Finance Management.

CSR is a key issue for FCC's board of directors



**A Code
of Ethics
available
in 4 languages**

**Clause
requiring
supplier
compliance with
the Global Compact**

**Objective 2010
100% of employees
will be familiar
with FCC's
Code of Ethics**

2.2. Tools for safeguarding integrity

*A forward-thinking
code of ethics reinforces
a contemporary culture
of integrity*

FCC has established a number of regulations governing the functioning of the Group, its subsidiaries and investee companies. The existing regulatory and integrity framework was updated in 2008 with the approval of the Code of Ethics, which is applicable in all countries and to all employees and management personnel and has now been extended to the Company's contractors and suppliers.

The initiatives foreseen in the 2007-2008 CSR Master Plan for the dissemination of the FCC Group's Code of Ethics were also carried out in 2008.

2.2.1. Contractual clause to promote responsibility in the production chain

The Management Committee has unanimously agreed to introduce a clause ensuring fulfilment of the commitment to inform FCC's suppliers and contractors of the Group's Code of Ethics in its contracts with these parties. The supplier/contractor undertakes, under all circumstances, to comply with the ten principles of the United Nations

Global Compact, to which the Group has committed (www.pactomundial.org), in their contractual relationship with FCC. Failure to comply with any one of these principles could constitute just cause to rescind the contract.

2.2.2. The Code of Ethics is already accessible on an international level

The Code of Ethics, published originally in Spanish, is available in English, Portuguese and Arabic, to facilitate its application to the Group's international activities. Its publication in four major languages permits the access to and understanding of the Code on the part of all the employees, managers, contractors and suppliers bound by its requirements.





2.2.3. Awareness raising and training in integrity help to internalise the Group's commitments with respect to ethical conduct

A number of seminars were held for senior management during 2008, with the Chairman and Managing Director and General Secretary of FCC and the Chairman of the Group's CSR Committee promoting FCC's new Code of Ethics and other integrity tools. The corporate address, The importance of what unites us: our values, defines the core components of what is meant by ethical conduct within FCC.

FCC has concentrated on training in the area of integrity, the outcome of which is the Group's first training course in ethics and integrity. The course primarily focuses on the following two issues:

- > The importance of compliance with the legal, regulatory and professional requirements applicable to the Group and the obligation to report any possible breaches of these standards.

- > Comprehension of the Code of Ethics of the FCC Group and the associated procedures and protocols.

The Code of Ethics training plan establishes the objective of training one hundred per cent of the Group's employees and management personnel within the two year covered by the new CSR Master Plan.

2.2.4. Ethical channels for confidential reporting

The individuals bound by the Company's Code of Ethics are required to report any possible infractions of its stipulations. Ethical channels and procedures have been established to allow the Company's employees to report these infractions confidentially, in good faith and without fear of reprisals.

The Group has established a general procedure for communicating issues relating to the Code of Ethics. The Internal Code of Conduct Monitoring Committee is responsible for resolving these issues, as foreseen by the code. Employees report to the secretary of the Monitoring Committee by e-mail using the Group's intranet or by postal

mail, which should be clearly marked Personal-Confidential.

FCC also has specific procedures to deal with irregularities of a financial and accounting nature. The resolution of these issues is the responsibility of the Audit and Control Committee. Employees may report their concerns to the Audit and Control Committee representative through the Group's intranet (internal channel of communication) or by postal mail, clearly marked Personal-Confidential.

The Group has also established a specific procedure for handling cases of workplace and sexual harassment. The resolution of these issues is the responsibility of the head of human and other resources. Employees may report their concerns to the director or head of human resources by e-mail.

In 2008 the Code of Ethics channel registered a complaint regarding professional development, equal opportunities and non-discrimination, which was followed up and resolved in accordance with the established procedure.



Management of principle 10 of the Global Compact: Working against corruption in all its forms, including extortion and bribery

A forward-thinking Code of Ethics upholds a culture of integrity

The framework of integrity and safeguarding compliance with prevailing legislation is applicable to all the countries in which the Group operates and includes the anti-corruption policy of the FCC Group. FCC's management system for the prevention and control of corruption is detailed in the Code of Ethics, which is available on the Group's corporate website.

The actions carried out in 2008 to implement principle 10 include the following:

The Group's principal shareholder, Chairman and General Secretary lead the way in raising awareness regarding compliance with principle 10. The corporate discourse "The importance of what unites us: our values", penned by the General Secretary, constitutes a clear guideline for compliance with principle 10: "(...) nobody, under any circumstances, should jeopardise the Group's commitment to moral and ethical conduct. Not even when we believe that this could help us to obtain advantages in the market. We do not seek advantages which require us to compromise our values. We want compliance with laws, regulations, standards, policies and procedures, both internal and external, to constitute a basis of conduct within our company. We

aspire to being an organisation in which there is no room for bad practice, and in which our employees feel emboldened to speak up against unethical behaviour".

Extending compliance with the Global Compact to the production chain:

The contractual clause approved by the Management Committee extends the Group's commitment to the 10 principles of the Global Compact to its suppliers and contractors. Failure to comply with any one of these principles could constitute just cause to terminate the contract.

Training to work against corruption:

The training course in ethics and integrity provides a clear definition of corruption and bribery and establishes how the employees of FCC should conduct themselves. The FCC Group understands corruption as the use of unethical practices to obtain a particular benefit. The anti-corruption position assumed by FCC means that: we will not engage in unethical practices to influence persons outside the company, for our own benefit or that of the Group; we will be vigilant to ensure that other individuals or organisations do not use these practices in their relations with the FCC Group; we will not directly or indirectly make, offer or receive any payment in cash or in kind or any other benefit which, due to its value, nature or circumstances, could reasonably alter the course of the commercial, administrative or professional relations in which we participate; we will abstain from making payments to facilitate or speed up bureaucratic procedure.

Study of the reputational risks to which the Group is exposed, specifically including the potential for corruption.

Registration, through the confidential ethical channel, of incidents reported and consultations and/or complaints relating to integrity. One complaint was registered in 2008.

☞ The Code of Ethics and internal regulations are available on the Company's corporate website, http://www.fcc.es/fcc/corp/esp/rc_gc.htm

To achieve the Sustainability objectives of the Strategic Plan, the Group is supported by a consolidated culture of integrity, good corporate governance and its commitment to the three cornerstones of sustainable growth

€60 million
insurance policy
against
environmental
risk

17 types
of risks analysed
and managed

1,500 news
stories analysed
in the reputational
crises study

2.3. Risk management

The planning systems and operations management processes of the FCC Group are designed to cover the different risks to which it is exposed in the ordinary course of its business. Risk management is included within the Group management process and, as such, involves all members of the organisation. It is supported by policies on prevention, supervision and control, as well as corrective actions aimed to facilitate the achievement of the Entity's goals.

The general description of the Group's risk policy, detailing and evaluating the risks covered by its systems, together with an explanation of their adaptation to the profile of each type of risk, is set out in section D of the annual corporate governance report for 2008, "Risk Control Systems".

2.3.1. Environmental risk management

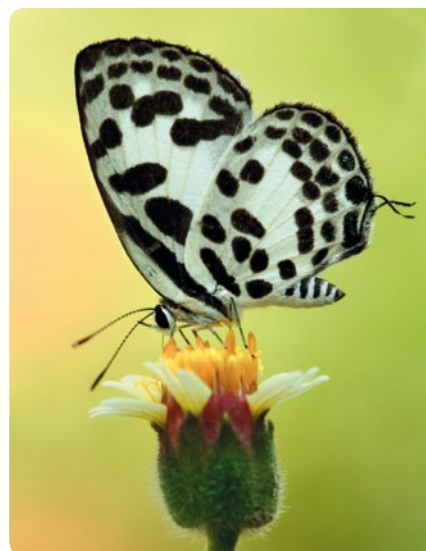
The different areas of activity of the FCC Group have environmental management systems certified under the UNE-EN ISO 14001 standard or equivalent. These management systems are focused on compliance with the applicable regulations, on-going analysis of risks and possible improvements and the minimisation of environmental impacts through adequate operational control.

The basic tool for the prevention of environmental risk is the environmental plan prepared by each operating unit, which comprises the following:

- > Identification of the environmental issues relating to the unit's activity and the applicable legislation.
- > Evaluation criteria of environmental impacts.
- > The measures required to minimise impacts.
- > A system for monitoring and measuring the established objectives.

FCC is well covered against environmental risks. In 2008 the Group renewed its environmental risks insurance policy, which amounts to €60,000,000. In this way, FCC surpasses the requirements of Law 26 of 23 October 2007 on Environmental Responsibility, which does not include any stipulations with respect to financial protection or guarantee.

*Protecting the environment
is an intrinsic part of
FCC's business.
The Group is prepared to
protect the environment,
and has the necessary
technology and know-how*





Standard environmental risk report models (MIRAT)

In 2008 the FCC Group participated, through FCC Medio Ambiente, in the environmental services sector MIRAT project. The project required the Group, and other sector companies, to collaborate with the Ministry of the Environment and Rural and Marine Affairs in preparing a standard environmental risk report models (MIRAT) which will serve as a basis for the analysis of environmental risks considered by the Environmental Liability Law. The aforementioned standard foresees different voluntary instruments, such as analyses of environmental sector risks and the definition of rating systems. The sector analyses, which should be adapted to each specific case, may consist of standard environmental risk report models (MIRAT, to use the Spanish acronym) or comprise methodological guides, when so warranted by the heterogeneity of the activities included in a single sector. FCC is actively participating in this initiative which requires the expert collaboration of companies belonging to the sector.

2.3.2. Management of occupational risks

A priority objective of the FCC Group is to carry out its activities under high standards of health and safety for all its personnel, and in strict compliance with applicable legislation. Consequently, the implementation of its occupational risk prevention systems is of the utmost importance.

These systems are formalised and organised on the basis of:

- > The assignment of functions and responsibilities.
- > Compliance with certain procedures integrated into the production process, which are aimed at evaluating risks and establishing preventive and health and safety plans.
- > Ongoing training supported by professionals in the field.
- > Regular monitoring of the measures to be implemented in the different operating units under the supervision of prevention technicians.
- > A system of audits carried out by external and internal professionals.

.....

Employees may register their complaints confidentially, in good faith and without fear of reprisals through the internal reporting channel and the ethical channel

.....

2.3.3. Reputational risk management

The main action planned for the management of reputational risk is to explain the current position of the Company, the activities carried out by FCC and the minimal weight of residential construction within the Group. The presentation of quarterly results, addressed to the market through the Spanish Securities Market Commission (CNMV), presents fairly the position and figures of the Group, as well as its strong points, such as its level of liquidity, its having closed 2008 as Spain's leading construction company in terms of turnover, its high level of sector and international diversification and the development of the new business area, FCC Energía.

*In times of crisis,
Reputational risk is
a critical factor.
FCC reports its
position to the market
with accuracy and
transparency*



Study of reputational crises

Based on AA1000 accountability methodology and the definition of reputational crises of the Institute of Crisis Management, FCC has analysed events which have had an impact in the press and may in turn have triggered negative reactions in specific concurrent

stakeholders. FCC has analysed the different levels of vulnerability to focus the management of crisis situations. As a result of this analysis, critical issues relating to reputation have received special treatment not only in the course on Ethics prepared in 2008, but also in

meetings with stakeholders and the selection of information for this report, in which issues with a higher degree of reputational risk have been examined in greater detail.

Distribution of reputational crises by issue





Chapters 3 and 4 of this Corporate Social Responsibility report deal **with labour practices and health and safety in the workplace**, detailing the main management focuses, diagnostics and plans for improvement, performance indicators, investments in training for ongoing improvement, and best practices. The section on risk management reports on the management of occupational risks.

Chapter 7 details the Group's management focus with respect to **relations with stakeholders** and the activities carried out in 2008. Chapter 1 describes the distribution of value

among stakeholders. Chapter 3 details the work coordinated with the employee representatives on equality plans.

Integrity and ethics are explored in detail in this chapter, with particular attention to FCC's compliance with principle 10 of the Global Compact through its commitment to fighting against corruption. In 2008 FCC worked with expert entities to implement its integrity system and develop the contents of the training course in the Group's Code of Ethics.

The 2009-2010 CSR Master Plan foresees advances in the reputational risk management system as part of good governance, echoing the significance attributed to this issue in the previous Plan.





03

The people who make our project possible

FCC's management team and professionals have implemented a diversification strategy that has served as a model for the sector

One of the distinguishing features of FCC is its capacity to operate within a large number of segments and geographical areas, and the identification, development and connection of talent have all been crucial to the Group's international growth philosophy. This capacity has led to FCC undertaking

significant infrastructure and service projects in various countries, as well as in the cement and concessions areas.

In 2008, 93,510 people were employed by the Group in more than 50 countries. The wide spectrum of nationalities represented by FCC personnel reflects the geographical diversification of the markets in which the Group operates. Today FCC's activity is mainly concentrated in Spain and Portugal, as well as Central Europe, the UK, Latin America and the US.

Diversity is a value that strengthens our knowledge and know-how, as well

as our ability to apply these assets to other markets

The Group's social responsibility also includes an effective response to changes in the social and legislative environment of gender equality. When facing this challenge FCC is supported by the Department of Human Resources and Media, in coordination with the Group's various areas of activity and ongoing dialogue with employee representatives. This particular area involves a review of organisational processes and improvements to the balance between gender and resources to avoid any form of discrimination.



FCC key to sustainable competitiveness: International talent

Faced with growth at international level, FCC has implemented an international HR policy to match the Group's levels of expansion. The international HR department was created at the end of 2007, and is prudent when integrating human resource policies, given the wide range of activities and countries in which we operate. We are aware of the past successes of the companies we have acquired and, consequently, one of our priorities has been to identify, recognise and promote their strengths.

The international HR department, along with HR teams from foreign companies, identify which policies and processes should be shared across the board and which should not.

When adopting significant integration measures, the international HR department acts together with general management of the parent company of that in which these measures are to be implemented.

This way of working is in line with the current organisational model, as companies acquired abroad are integrated in the business area of the parent company that leads the activity they perform. Before any action is taken, however, we always study the specific situation of the company in depth, evaluating the possible impact of the measures we have proposed. Examples of significant international talent management projects are as follows:

> An initiative has been launched to attract young civil engineers from various European countries to take part in a training programme in Spain and Austria, before joining one of our companies. In this way they become

familiar with the Group's best practices and train to become potential future site managers or project directors, within a reasonable period of time (4 – 5 years).

> An international mobility programme has been implemented, which focuses on developing profiles and international careers in our water management area.

We are establishing the mechanisms we need to promote professional development with a wide scope, satisfy the company's current international project requirements and anticipate future needs.

For more information go to <http://www.fcc.es>

Objectives and programmes

The 2009-10 Master Plan includes the objective of attracting and retaining talent.

The main lines of action that will guide the FCC Group's commitment to people are as follows:

Talent management: Ensuring the professional development of the Group's team by preparing development plans for management personnel.

Encouraging equality plans: Work will continue on promoting policies that favour access to employment, training and promotion, salary equality, balance between personal, family and professional life, and improvements to female employment and health in the workplace conditions, bringing them into line with those of their male counterparts.

Communication: Employee participation and motivation will be strengthened, making information and collaboration more accessible. Existing communication

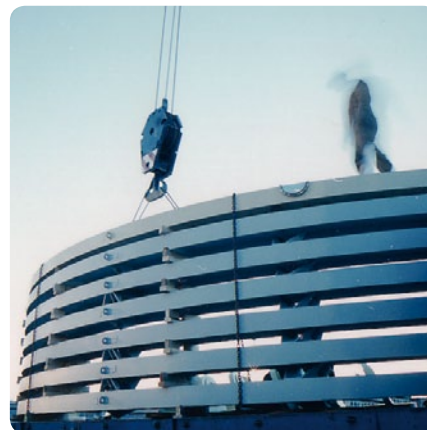
channels will be reviewed, with the corporate media (intranet, magazines, etc.) extended to and therefore unifying the Group's various companies.

Work-life balance: Development of mechanisms to improve flexibility, thereby promoting the conditions required to ensure a healthy work-life balance.

Diversity management: To increase the integration of minority communities into the Group and its environment. To encourage the wealth of talent and creativity that arises from the Group's diversity.

Health and safety in the workplace: To reduce the number of accidents and amount of lost time in the different areas of the company, with the "zero accidents" objective as the ultimate goal.

Internationalisation: To integrate the action policies laid out by all the subsidiaries within the Group's international structure.



In context

The integration of people at a disadvantage when accessing the labour market is a challenge that must be faced by society to move forward in terms of equal opportunities, the insertion of underprivileged groups, social cohesion and the protection of fundamental human rights. According to data from the second edition of the SIFU Group Foundation's report on employment integration, only three of every ten companies in Spain comply with Spanish legislation on the social integration of disabled people (LISMI), 96% of all companies claim that they are aware of this legislation governing the insertion of disabled individuals into the workplace, but only 36% of companies have disabled employees. The Adecco Foundation has a leading role to play in this regard. Classified as a charitable

welfare organisation by the Ministry of Labour and Social Affairs, this foundation is a not-for-profit organisation that is committed to the inclusion of individuals in the workplace who, for various reasons, face difficulty when looking for employment.

The foundation collaborates with disabled people (over 6,700 have joined the labour market), people aged over 45 (over 135,000 men and women have found work), single mothers, women who have suffered from domestic violence, mothers of large families (over 25,000 women have found jobs to suit them), and sportsmen and ex-sportsmen: 98.2% of those involved in the MA and replacement programmes have managed to make their way into the labour market. FCC has also signed a collaboration agreement with the Adecco Foundation and, through labour

insertion initiatives, has progressed in its compliance with the LISMI. In 2008 FCC's collaboration with the aforementioned Foundation was seen in the launch of the Family Plan, which is described in this chapter.

71.63% of the Group's workers are covered by equality plans

2008 Achievements

- > Equality plans prepared and signed for Construcción and Medio Ambiente.
- > A platform for dialogue and collaboration with various Spanish universities is established.

2008

- > Launch of the Talent Internationalisation Plan.
- > Six international missions (in progress).
- > Variable remuneration measures in Plan 10.

2008

2009 Priorities

- > Implementation of the equality measures foreseen in the approved plans.
- > Preparation and signature of equality plans in the remaining activity areas.
- > Development of the Talent Internationalisation Plan.
- > International integration of human resources initiatives.

2009

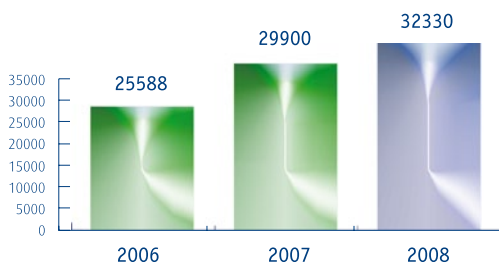
- > Employee training.
- > New employee participation channels.
- > Development of the Communication Plan.

2009



Trends

Permanent contracts



93,510
employees

969,529
hours of training

3,475
jobs created

3.1. Attracting and retaining talent

FCC is fully aware of the importance of the role played by good human resource management in the prosperity and survival of the Group. Our employees form the foundation on which the company's growth is sustained, and their knowledge and experience are the values which set FCC apart from the competition.

Attracting and retaining top professionals is the main challenge faced by the Human Resources and Media Department. All the actions and principles applied by FCC in the human resources field are based on the

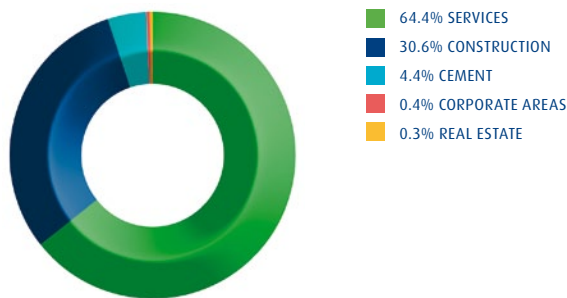
United Nations Universal Declaration of Human Rights, the International Labour Organisation principles and OECD recommendations.

Establishing the best procedures to recruit the top professionals in the market is a fundamental objective of the FCC Group's recruitment department, following the policy of the Human Resources and Media Department on attracting and retaining talent.

During 2008, 93,510 people were employed by the Group in over 50 countries, 63.5% of which worked in

Spain. This headcount was up by 3,475 employees (net) compared to 2007, which demonstrates the company's healthy financial standing and is irrefutable evidence of its solvency.

Activity sector of personnel

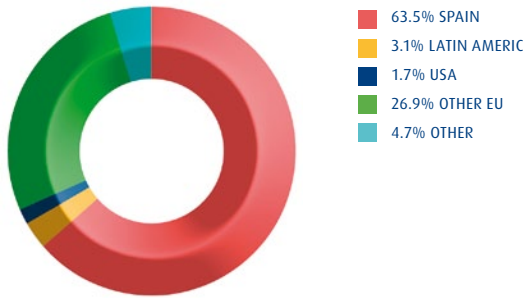


The most important factor when ensuring that talent is attracted and retained is to offer stable and quality employment, and FCC is a standard-bearer in this regard.

Local recruitment

Local recruitment accounted for 54.82% of the total in 2008, across all the employment categories for which recruitment was carried out during the year.

Activity sector of personnel



JOB CREATION – FCC GROUP	2006	2007	2008 (*)
TOTAL HEADCOUNT	92,565	96,137	93,510
ANNUAL VARIATION (%)	37 %	3.8 %	5.6 %

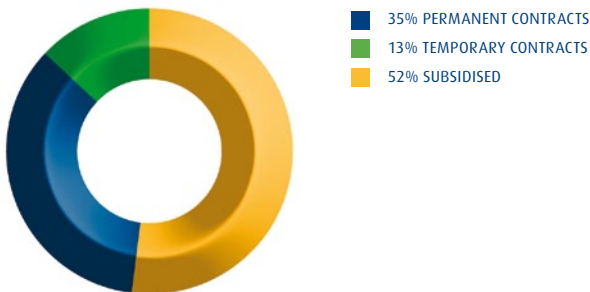
The Group's job creation in 2008 was 5.6%, a rise of 3,475 employees on 2007 (using total annual headcount as the reference).

* In 2008 the consolidation criteria used in the prior year was modified, with jointly owned companies no longer included in consolidated data.

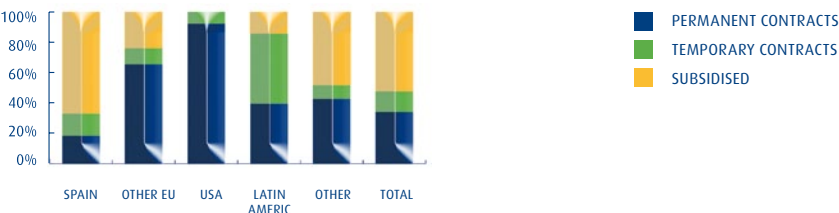
Job stability

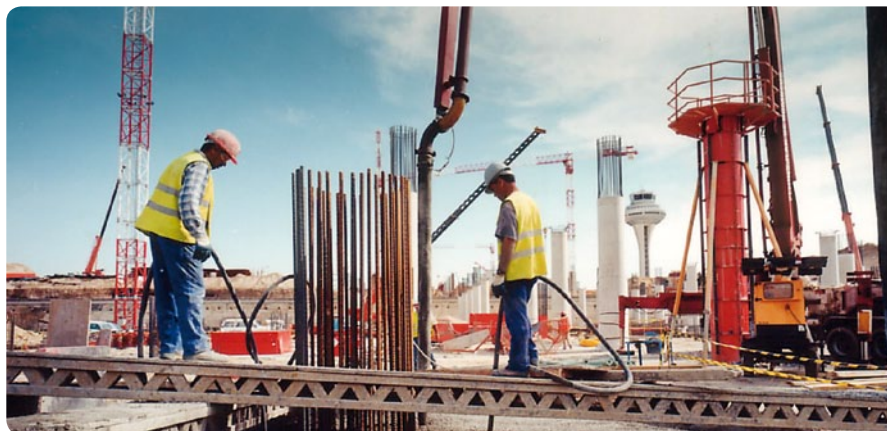
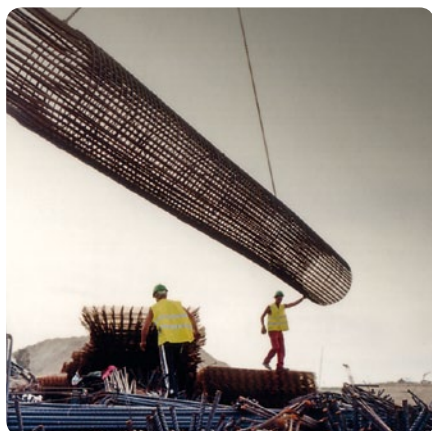
Job stability is one of the most important factors when attracting and retaining talent. FCC is aware of this issue, and for yet another year has continued to increase employment quality, with an 8% rise in the number of permanent contracts and an 11% reduction in temporary recruitment.

Employees by contract type



Type of contract by geographical area



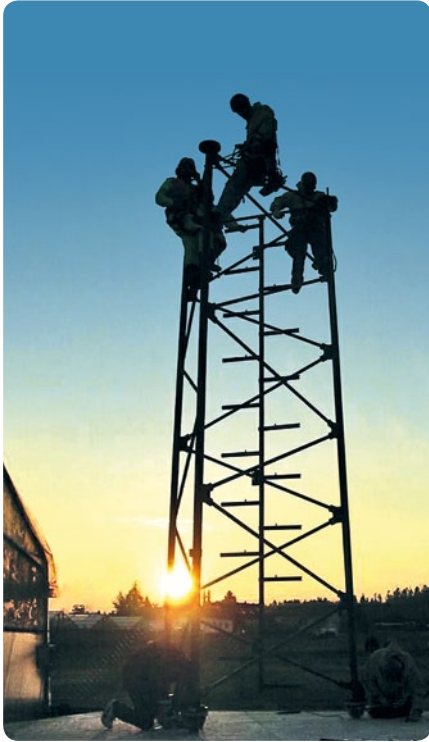


FCC GROUP	2006	2007	2008
Permanent contracts	25,588	29,900	32,331
Temporary contracts	17,045	13,890	12,359
Subsidised*	49,932	52,347	48,820
TOTAL	92,565	96,137	93,510

(*) Employees whose working relationship with FCC is based on administrative or commercial service contracts.

In 2008 the average age of FCC personnel was 40.5 years, with the average length-of-service in the Group standing at 6.75 years.

Distribution of employees by age		
	Number of employees	Percentage [%]
Over 65 years of age	218	0.23
From 60 to 65	3,827	4.09
From 55 to 59	7,152	7.65
From 50 to 54	10,060	10.76
From 45 to 49	12,786	13.67
From 40 to 44	14,563	15.57
From 35 to 39	14,210	15.20
From 30 to 34	13,902	14.87
From 25 to 29	10,518	11.25
From 19 to 24	5,886	6.29
From 16 to 18	388	0.41
TOTAL	93,510	100.00



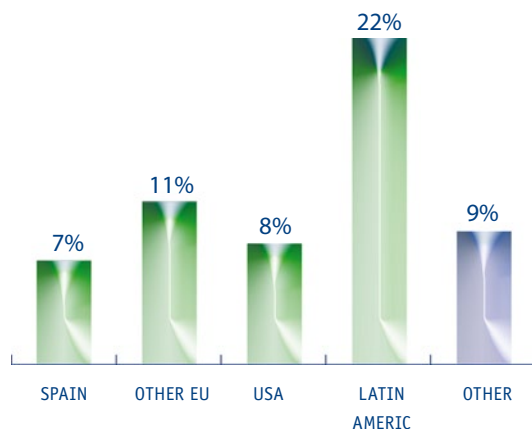
Length of service		
	Number of employees	Percentage [%]
Over 43 years	45	0.05
From 40 to 43 years	161	0.17
From 36 to 39 years	451	0.48
From 32 to 35 years	1,230	1.32
From 28 to 31 years	1,407	1.50
From 24 to 27 years	2,044	2.19
From 20 to 23 years	3,186	3.41
From 16 to 19 years	5,799	6.20
From 12 to 15 years	5,946	6.36
From 8 to 11 years	9,181	9.82
From 4 to 7 years	16,518	17.66
From 1 to 3 years	26,061	27.87
Less than 1 year	21,480	22.97
TOTAL	93,510	100.00

Distribution of employees by working hours				
	Full time	Part time	Multi-employment	Retirements
Cement	3,979	105	11	9
Other	594	10	3	1
Construction	28,039	596	70	153
Services	50,621	9,566	41	595
Total	83,233	10,277	125	759



83,233 of FCC's 93,510 employees in 2008 worked on a full-time basis, representing 89% of the total.

Voluntary turnover by area



Voluntary turnover in 2008 was 8,128 employees, 8.69% of the total.



FCC's commitment to universities

FCC is conscious of the importance of attracting the best professionals as soon as they complete their training. The Group has therefore established framework agreements for collaboration with Spain's main universities, as defined in the FCC Corporate Responsibility Master Plan: "To establish lines of collaboration with the best universities and business schools".

The Group's main objective is to maintain stable long-term relationships with Spanish universities. During 2008 FCC was present in various employment fairs in the Universidad Politécnica de Madrid, Barcelona and Valencia, and the Universidad de Cantabria.

FCC is also involved in various educational cooperation agreements, accepting interns from the Polytechnic Universities in Madrid, Catalonia and Valencia, and universities in Cantabria, Extremadura, Seville and the Basque Country, as well as the Universidad Europea de Madrid

Number of students who have completed internships in FCC

Number of interns – universities	114
Number of interns – professional training	33
TOTAL	147

Each business area also has its own agreements and collaboration programmes with various universities.

Cementos Portland Valderrivas

This division cooperates with the chair sponsored by ANEFA (the Spanish association of aggregate manufacturers) at the Universidad Politécnica de Madrid, and also has various agreements and collaboration initiatives with the Universidad de Navarra..

FCC Construcción

This division is involved in two programmes on construction management and building, renovation and technical control management at the Centro Superior de Edificación of the Universidad Europea de Madrid, in collaboration with the A. Camuñas

Foundation. The division also organises the EFCC programme for 25 students in the Superior Technical School of Road, Canal and Port Engineers of the Universidad Politécnica de Madrid, to familiarise them with how companies work and facilitate their subsequent integration into these companies. As in every other year the FCC CONSTRUCCIÓN awards were also given to the top three students graduating in the 2007-2008 academic year.

This FCC division also collaborates in the MA in Land Mechanics and Cement Engineering and the MA in Tunnels and Underground Works.

Alpine

Alpine has cooperation agreements with different European universities, in addition to its own training programmes. Employees from this

business area receive support to help them balance their studies with work, as well as availing of an international exchange programme. This company also collaborates with the Ingenium Education business school, and takes part in a number of employment fairs.

Aqualia

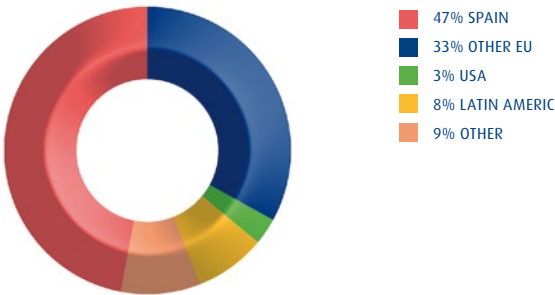
Aqualia has signed various agreements with business schools that have significant experience and knowledge of business reality and learning methodologies.

This company also collaborates with the technological water institute of the Universidad Politécnica de Valencia, the Universidad Rey Juan Carlos, the Universidad de Cantabria, the Universidad de Almería, the Universidad Adeje, the Universidad Autónoma de Madrid and the Universidad Antonio de Nebrija.

FCC’s policy for attracting talent has once again led to an increase in the number of university graduates within the company, rising to 10,964 in 2008.

Employees with university degrees by area of activity		
	Number of employees	Percentage [%]
Cement	974	23.85
Corporate areas	187	52.69
Construction	6,596	23.03
Real estate	120	48.78
Services	3,088	5.13
TOTAL FCC	10,964	11.73

Employees with university degrees by area





3.2. Development of human capital and knowledge management

Internal employee promotion is a cornerstone of human capital development for any company. In 2008 there were 1,983 internal promotions, all of which were employees on the Group's payroll. Internal promotion and a suitable remuneration policy are the factors that set FCC apart in the field of human capital development.



International mobility programme

Work has begun on the design and implementation of an international mobility programme within the water management business. This programme aims to offer all interested employees (who have the right skills) the possibility of accessing and occupying the Group's vacancies in other countries.

FCC is a multinational company present in over 50 countries, with ongoing international expansion. The creation of the international mobility programme arose from the company's requirements to cover specific vacancies abroad that require specialist personnel.

The International Human Resources Department and the Water Management Department have designed and rolled out a communication process to inform the Group's employees of this programme, stressing the importance of the programme as a way for employees to develop both personally and professionally.

This programme included the design of an internal selection process, which guarantees confidentiality and respect for any candidate applying for international missions or projects, even when these candidates currently hold a key role within the organisation. Management is firmly committed to the idea that "participation as a candidate in these processes will never have a negative impact on an employee's professional career".

The results of this programme to date have been positive, with over 20 applications received during the first month, five of which led to international missions for Group employees.

Finally, an application has been created for the Aqualia intranet where employees can consult and apply for existing vacancies.

This programme is scheduled to be extended to other business areas.

Training

The Group invested €22,877 million in training in 2008, up 33.3% on 2007. The total number of participants in this training activity also increased by 7,700 to 98,228 compared to the prior year.

The Group's training is divided into the following areas:



Induction training	Training required upon incorporation into a new position, whether when joining the company or due to changes in position or function.
Maintenance	Practical or theoretical training for the maintenance of facilities, buildings, machinery and equipment.
Production/operations	Training in processes which directly intervene in the preparation of products or services related to each activity.
Environment	Training in standard UNE-EN ISO 14001 and the company's environmental management system, as well as the IT tools related to this system, for subsequent application in the area in which the company carries out its activity.
Competences/skills	Training to develop attitudes/skills or knowledge which are non-technical in nature, but help to develop personal people management skills.
Languages	Training in certain languages.
Office applications/IT	Practical and theoretical training for telematic programs and specific applications designed for the Company, including scientific training for the automatic treatment of information by computer.
Health and safety in the workplace	Health and safety in the workplace training for employees, which goes beyond mere compliance with regulatory and legal obligations, thereby increasing their knowledge of this area.
Financial and administrative management	Training related to financial areas and administrative management, including knowledge of accounting, financial planning, budgetary issues, personnel and works administration, etc.
Legal area	Training in all specialist law and legal practice areas.
Comercial management and marketing	Training in customer service and the specific tools involved, as well as providing information on business marketing techniques (tools to manage advertising, image and the sale of services).
Quality	Training in standard UNE-EN ISO 9001 and the quality management system implemented within the company, as well as the IT tools related to this area, for subsequent application in the different areas of activity.
Corporate responsibility	Training on the development of factors that determine the corporate image, business culture and values, responsibility as an organisation and business ethics.



Number of participants in training activities by subject and category					
	Category 1	Category 2	Category 3	Category 4	TOTAL
Induction training	126	399	2,367	7,659	10,551
Maintenance	72	298	524	1,828	2,722
Production/operations	500	2,516	2,487	5,966	11,469
Environment	147	892	687	3,553	5,279
Competences/skills	503	988	1,645	2,903	6,039
Language	801	1,632	944	191	3,568
Office applications/IT	556	1,764	1,613	245	4,178
Health and safety in the workplace	1,256	3,606	8,855	34,361	48,078
Financial and administrative management	248	633	764	125	1,770
Legal area	243	457	310	385	1,395
Commercial management and marketing	64	171	296	50	581
Quality	135	572	354	857	1,918
Corporate responsibility	66	218	236	160	680
TOTAL	4,717	14,146	21,082	58,283	98,228

Group personnel categories for training purposes:

Category 1: Senior management and management, departmental managers, service and site managers.

Category 2: University graduates, section managers, business managers, workshop managers and qualified personnel.

Category 3: Technical and administrative assistants and middle management.

Category 4: Workers and subordinates.

Participants: employees who participate at least once in one or more courses or training initiatives during the year.

Training hours by subject and category					
	Category 1	Category 2	Category 3	Category 4	TOTAL
Induction training	598	7,456	53,970	117,075	179,098
Maintenance	792	3,637	7,944	20,891	33,262
Production/operations	5,918	35,556	35,712	53,160	130,346
Environment	1,934	7,946	5,892	17,024	32,797
Competences/skills	9,314	17,203	18,238	33,597	78,351
Language	14,894	25,589	15,275	2,075	57,834
Office applications/IT	8,290	23,888	23,513	6,150	61,841
Health and safety in the workplace	9,283	45,644	63,795	215,135	333,856
Financial and administrative management	3,870	8,849	8,826	1,780	23,324
Legal area	1,900	5,158	2,616	2,785	12,459
Comercial management and marketing	782	1,864	3,221	303	6,170
Quality	917	5,359	4,646	2,933	13,855
Corporate responsibility	1,205	2,595	1,948	587	6,334
TOTAL	59,698	190,741	245,596	473,494	969,529

Training expenses by subject and category					
	Category 1	Category 2	Category 3	Category 4	TOTAL
Induction training	20,103	281,377	1,226,604	1,087,625	2,615,708
Maintenance	27,858	112,333	200,836	316,163	657,190
Production/operations	230,859	2,142,782	1,677,749	1,122,717	5,174,107
Environment	33,826	204,430	152,598	266,637	657,491
Competences/skills	527,231	487,508	510,641	758,394	2,283,775
Language	594,221	669,848	371,993	38,146	1,674,208
Office applications/IT	314,146	779,590	657,629	68,581	1,819,945
Health and safety in the workplace	218,861	1,077,860	1,974,795	3,017,763	6,289,278
Financial and administrative management	160,206	269,888	195,829	22,836	648,759
Legal area	73,066	117,295	75,188	58,717	324,266
Comercial management and marketing	51,442	99,863	87,367	8,436	247,109
Quality	30,688	171,280	97,957	49,730	349,655
Corporate responsibility	29,117	46,280	50,325	9,812	135,535
TOTAL	2,311,624	6,460,334	7,279,510	6,825,559	22,877,027

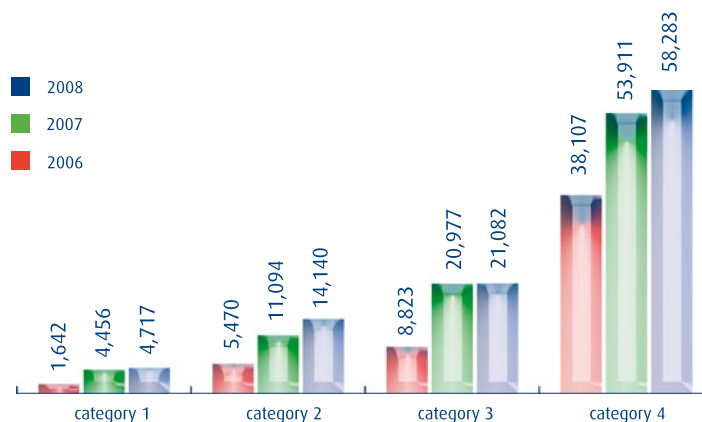
Incluidos los gastos de formación de las áreas internacionales, y el coste-empresa de la hora de formación que coincide con el horario de trabajo

Number of participants in training activities by professional category					
	Total participants	Category 1	Category 2	Category 3	Category 4
Total FCC Group 2008	98,228	4,717	14,146	21,082	58,283
Total FCC Group 2007	90,438	4,456	11,094	20,977	53,911
Total FCC Group 2006	54,042	1,642	5,470	8,823	38,107



Number of participants by area of activity (category)					
Organisation	Category 1	Category 2	Category 3	Category 4	TOTAL
Corporate areas	130	262	127	2	521
Medio ambiente	204	591	1,964	23,088	25,847
Ámbito	58	291	421	1,308	2,078
Aqualia	362	1,214	1,659	2,222	5,457
Versia	350	828	8,353	15,488	25,019
Construcción	1,895	5,687	4,169	1,381	13,132
Medio ambiente internacional	1,204	3,146	2,768	9,526	16,644
Cementos	477	2,090	1,615	5,268	9,450
Realia	37	37	6	-	80
TOTAL	4,717	14,146	21,082	58,283	98,228

Number of participants by professional category



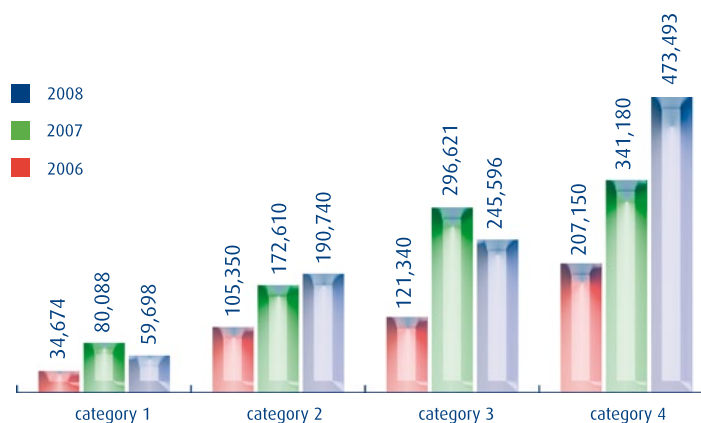
Training hours by professional category					
	Nº total de horas	Categoría 1	Categoría 2	Categoría 3	Categoría 4
Total FCC Group 2008	969,529	59,698	190,741	245,596	473,494
Total FCC Group 2007	890,510	80,088	172,619	296,621	341,182
Total FCC Group 2006	468,522	34,674	105,353	121,341	207,154





Training hours by area of activity (category)					
Organisation	Category 1	Category 2	Category 3	Category 4	TOTAL
Corporate areas	4,446	7,771	2,804	30	15,051
Medio ambiente	7,670	18,354	46,141	206,184	278,349
Ámbito	554	2,079	2,504	3,114	8,250
Aqualia	4,053	16,634	16,002	17,433	54,121
Versia	4,126	8,065	97,219	107,265	216,675
Construcción	21,472	92,127	53,491	18,135	185,224
Medio ambiente internacional	10,633	24,660	11,807	99,644	146,744
Cementos	5,862	20,476	15,387	21,690	63,414
Realia	883	577	242	-	1,702
TOTAL	59,698	190,741	245,596	473,494	969,529

FCC Group training hours

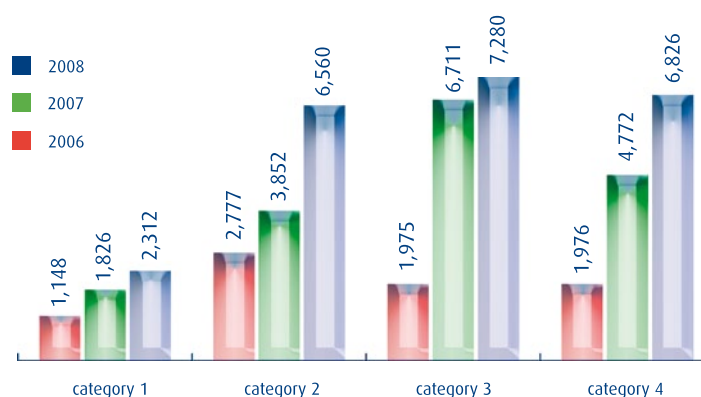


Training expenses by professional category					
	(thousands of Euros)	Category 1	Category 2	Category 3	Category 4
Total FCC Group 2008	22,877	2,312	6,460	7,280	6,826
Total FCC Group 2007	17,167	1,826	3,852	6,717	4,772
Total FCC Group 2006	7,876	1,148	2,777	1,975	1,976



Training expenses by area of activity (category)					
Organisation	Category 1	Category 2	Category 3	Category 4	TOTAL
Corporate areas	182,551	140,579	39,257	621	363,009
Medio ambiente	147,531	221,690	1,433,656	1,671,956	3,474,832
Ámbito	23,759	53,491	46,149	50,489	173,887
Aqualia	136,635	453,673	340,732	205,915	1,136,955
Versia	135,645	813,475	3,043,668	3,299,471	7,292,259
Construcción	1,087,250	3,377,291	1,653,460	397,929	6,515,930
Medio ambiente internacional	346,634	819,124	240,337	634,921	2,041,016
Cementos	225,130	567,866	475,918	564,256	1,833,170
Realia	26,490	13,144	6,334	-	45,969
TOTAL	2,311,624	6,460,334	7,279,510	6,825,55	22,877,027

FCC Group training expenses by category
(thousands of Euros)



Corporate social responsibility training

Corporate social responsibility training has been incorporated as a strategic part of the FCC Corporate Responsibility Master Plan. To meet the objectives laid out in this plan a range of training programmes have been incorporated, including the following:

Second corporate responsibility training day

FCC held its second corporate responsibility training day in the Torre Picasso to strengthen and encourage

management involvement in the Group's commitment to creating a culture based on ethics, values and integrity.

The opening session of the event was attended by Baldomero Falcones, FCC Chairman and Managing Director, who highlighted the Group's progress in the field of socially responsible commitment, which has led to inclusion at "silver" level in the select DJSI index.

This was followed by the Group's Secretary General Felipe B. García, who spoke about the importance of organisations like FCC, with codes of ethics, communicating the values that govern their work to all their employees

and thereby turning those values into defining features of the organisation as a whole.

Health and safety in the workplace training

In 2008 FCC's different business areas have continued to strengthen their training in health and safety issues, as a response to the Group's commitment in this regard.

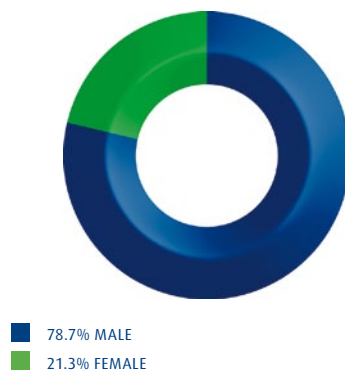
Health and safety in the workplace training hours					
Organisation	Category 1	Category 2	Category 3	Category 4	TOTAL
Corporate areas	47	31	-	-	78
Medio Ambiente	1,530	7,555	24,542	144,094	177,721
Ámbito	53	866	776	2,248	3,941
Aqualia	1,012	2,481	5,122	3,766	12,380
Versia	563	2,146	66,384	81,464	150,557
Construcción	4,070	24,241	10,288	10,783	49,381
Medio Ambiente Internacional	1,029	5,045	4,817	78,459	89,350
Cementos	1,542	4,599	3,428	11,248	20,816
TOTAL	9,844	46,962	115,357	332,061	504,224

3.3. Diversity and equal opportunities

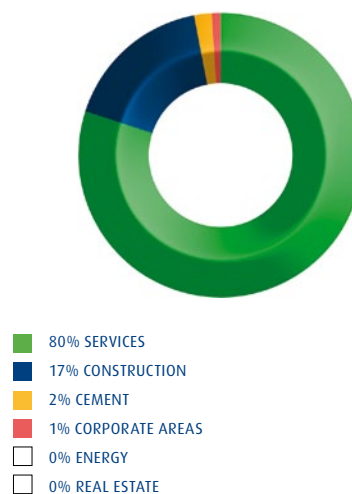
One of the main pillars of the Group's HR policy concerns equal opportunities with regard to access to employment. Everyone employed by FCC has been selected based on their knowledge, qualifications and skills, and they are promoted to recognise their personal performance and the value they contribute to the Group, regardless of gender.

Male/female salary equality is also one of the fundamental principles on which FCC's collective labour agreements are founded.

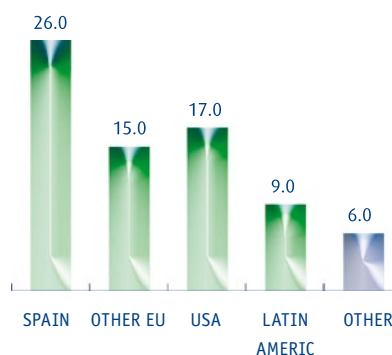
Gender of personnel



Activity sector of female employees



Female employees of FCC
(% of total)





Headcount by gender and category				
	Male	Female	TOTAL 2008	% Female
Categoría 1	3,565	1,029	4,594	22.3
Categoría 2	5,614	1,558	7,172	21.7
Categoría 3	5,306	5,328	10,634	50.1
Categoría 4	59,127	11,983	71,111	16.8
TOTAL	73,612	19,898	93,510	21.3

FCC Group professional categories

Category 1: includes personnel with management functions and/or honours graduates.

Category 2: includes personnel with functions that require general degrees.

Category 3: includes personnel with administrative and similar functions.

Category 4: includes all other salaried personnel.

FCC against discrimination

The Group's significant internationalisation is one of the main reasons behind the diversification of the FCC workforce. Good management of this diversity and the maintenance of safe, healthy and dignified working conditions are the responsibility of the FCC Human Resources and Media Department.

Two incidents of discrimination were detected in 2008. Both were resolved in court in favour of the company, one with a verdict supporting the defendant and the other with the withdrawal of the complaint, and therefore the discrimination which had been reported did not actually exist in either case.

FCC and the Family Plan for disabled family members

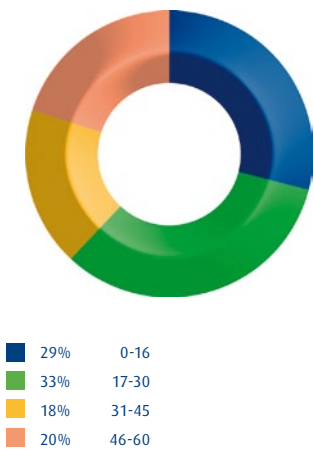
2008 marked the first anniversary of the issue of the inaugural Family Plan report. This plan, which arose from collaboration with the Adecco Foundation, is directed at employee family members with a level of disability equal to or exceeding 33%.

The majority of the measures included in the plan have been geared towards the work-life balance using employment timetables and, in certain cases, training activities to improve the employability of participants.

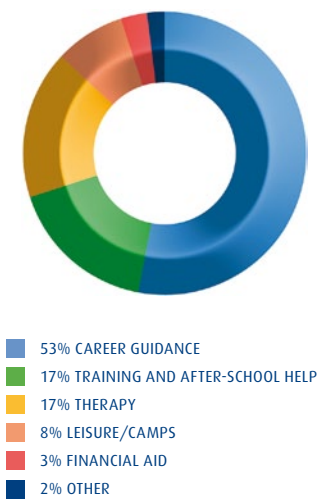
In 2008, 148 people benefited from this plan, the majority of whom were the sons and daughters of employees, although these beneficiaries also included spouses and parents.



Age of Family Plan beneficiaries



Family Plan Initiatives



Remuneration and other benefits

FCC personnel expenses (due to salaries, wages and other similar items) totalled €3,260,766 thousand in 2008.

As part of its HR policy, the FCC Group promotes fair and equal treatment of employee remuneration, responding to equality, transparency and recognition criteria. In Spain the average annual

salary for full-time FCC employees was €26,277.41, which is 3.13 times higher than the minimum wage established for 2008 (€8,400.00), as well as exceeding the minimum conditions within each of the countries in which we are present.

FCC also offers its employees a social benefit programme to increase their wellbeing and improve their quality of life which, in the long run, will lead to greater integration in and commitment

to the Group. The value of these social benefits in 2008 stood at €1.45 million, including healthcare, disability cover and subsidised loans.

Social benefits			
Social benefit	Total cost million of euros	Cost paid by the company (%)	Cost paid by the employee
Healthcare	0,96	50	50
Disability cover	0,07	100	0
Subsidised loans	0,02	20,30 ó 40	80,70 ó 60
Travel and accident insurance	0,40	100	0
TOTAL FCC GROUP	1,45		

FCC makes different measures available for all its employees so that they can balance their work life with their personal and family commitments. According to collective labour agreements, the Group’s maternity leave conditions exceed the legal minimum.

(*)These improvements have been implemented for consolidated Group companies in Spain, and are applicable to management, technicians, administrative staff and porters for all areas, as well as construction area managers, who have been with the Group for at least a year and have a permanent contract. Travel and accident insurance is an improvement that has been introduced for consolidated Group companies in Spain, and is applicable to management, technicians, administrative staff and porters for all areas, as well as construction area managers, who have a permanent contract.



Local recruitment policy

FCC's significant international expansion over recent years has led to the acquisition of foreign companies with significant experience of the countries in which they are incorporated and the markets in which they operate. These companies now report to the director of the parent company of the corresponding business line.

The positive performance of the companies acquired by FCC suggests that the best way to continue with these trends is to promote the recruitment of local personnel. The Group's vocation for retaining its local roots while continuing to grow has allowed it to become a global multinational organisation.

FCC's local recruitment policy is based on the following aspects:

- > FCC promotes diversity among customers, employees, processes and cultures, as a sustainable competitive advantage.

- > FCC encourages teamwork among personnel from different backgrounds and cultures.

- > FCC seeks commitment from its employees in all the countries in which it operates.

- > FCC considers that quick adaptation to new environments must involve commitment and the assignment of key functions to individuals who have knowledge of the environments in question.

- > FCC includes among its missions a focus on the communities in which it carries out its activities.

- > FCC prioritises local recruitment.

- > FCC undertakes to establish mechanisms that ensure the systematic application of its local recruitment policy.

- > FCC undertakes to regularly review its local recruitment policy, if deemed necessary by prevailing circumstances.

3.3.3. Management of principle six of the UN Global Compact

In 2008 FCC undertook a full diagnosis of gender equality and measures to effectively review policies, procedures and normal practices in this regard, to identify the Group's requirements in terms of compliance with anti-discrimination regulations.

The FCC Equality Plan

FCC was the first company within the sector in Spain to sign the equality plan, recognised as a best practice by the Global Compact and published on its website. One of the most significant points of this plan is that its application goes beyond mere legislative compliance, as it includes all of the Group's service and construction companies, regardless of whether they exceed the legally established minimum of 250 employees.

The following FCC Group companies have developed an equality plan:
FCC Construcción, S.A. and all its subsidiaries engaged in construction activity in Spain, regardless of the size of their workforce.

Fomento de Construcciones y Contratas, S.A., as parent of the Group in Spain, and all its subsidiaries within the environment division of the services area in Spain, regardless of the size of their workforce.

The equality plan consists of "an ordered set of measures which, actually and effectively allow all companies to meet their objectives with regard to equal treatment and opportunities between male and female employees, eliminating any form of gender-based discrimination" within the global environment for which they have been designed.

The main objectives of the plan are as follows:

- > To promote the defence and effective application of the principle of gender equality, guaranteeing the same opportunities for incorporation and professional development at all levels within the employment environment.
- > To improve the balance of gender distribution within the plan's scope of application.
- > To promote and improve the possibility for women to hold positions of responsibility, contributing to reductions in inequality and imbalance which, although arising from historical, cultural, social and family-related factors, may occur within FCC.
- > To prevent discrimination in the workplace on gender grounds, establishing a protocol for action in such cases.
- > To strengthen the Group's commitment to sustainability and corporate responsibility, with an aim to improve the quality of life of employees and their families, as well as to instil the principle of equal opportunities.
- > To establish principles to exclude any measures which may upset the professional, personal and family-related balance of FCC employees, male and female alike.

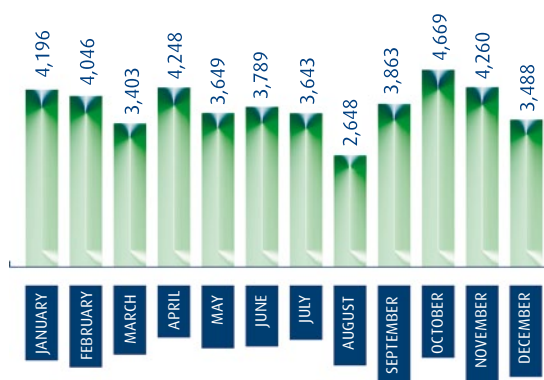


3.4. Individual participation within the organisation

Internal communications

At the end of 2007 the FCC Group's corporate intranet was created. Known as FCCnet, this application was designed as a virtual meeting point for the Group's employees, acting as a mechanism to transmit information to employees in an effective manner.

Average daily visits to the intranet



Employee volunteering scheme

The employee volunteering scheme arose from the need to channel Group employee initiatives in the social action sphere, serving as a way to allow them to collaborate in projects to help under-privileged groups. The plan also informed and encouraged the rest of the Group's employees with regard to the advantages of taking part in corporate citizenship programmes and supporting the Group's mission, thereby generating value for society and contributing to the wellbeing of its members.

Freedom of association

FCC respects freedom of association and the right to form trade unions. Collective labour agreements are applied within the company and, pursuant to prevailing legal provisions, may be negotiated within smaller scopes, in compliance with the principles of good faith. There is a protocol for reporting workplace harassment and a form for this purpose, which can be accessed via the corporate intranet to report any acts that damage the individual rights of employees, and which constitute workplace or sexual harassment.

To enhance the work of the Group's trade unions notice boards are made available for these organisations, and time in lieu is given to trade union representatives for activities that increase membership and provide information within the workplace. The Group also allows assemblies to be held in the workplace and facilitates elections for employee representatives, collaborating with the persons legally empowered to call such elections, and also provides areas for elected representative units and any trade union sections they establish in accordance with prevailing legal provisions. Regular meetings are also



held, providing a forum for constant open dialogue.

The Group's general policy respects legal regulations concerning the notification of organisational changes to employee representatives, allowing negotiation thereof and complying with the minimum 30-day period established for such changes.

In Spain 100% of the Group's workforce is covered by general collective bargaining agreements, based on the sector of activity and pursuant to the workers' statute. In 2008 at global level 83.6% of employees were covered by collective bargaining agreements for the companies or work centres in which they were employed

The most significant aspects related to collective bargaining agreements in 2008 were as follows:

> The number of collective bargaining agreements (considered as any written agreement reached between representatives and trade unions or employee representatives) totalled 723.

> There were 555 collective bargaining agreements with health and safety clauses.

> The number of employees covered by collective bargaining agreements (considered as any written agreement entered into by trade unions, employee representatives and company representatives) was 78,208.

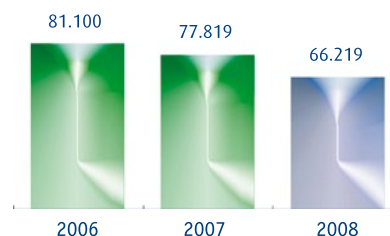
> A total of 49,515 employees were represented by health and safety committees.

> 61,913 employees worked in centres with employee legal representatives or a trade union delegate with legal authority.

> There were a total of 562 work centres with health and safety committees.

In 2008, 66.21% of FCC personnel were legally represented by a trade union. It is important to note that trends in the level of trade union representation within FCC are linked to factors beyond the Group's control, such as trade union election calendars. FCC collaborates in these kinds of processes so that they are organised at the best possible time.

Percentage of employees represented by trade unions





04

Safe and healthy environments

Our comprehensive approach to safety

.....

Health and safety is an undisputable priority at FCC, as its consequences affect the lives of our people, their families and the company itself

.....

FCC takes a comprehensive approach to managing health and safety. We are not only concerned about the safety of our employees and our contractors' employees, but also of our users, our customers and the environment in which we operate.

The highest international health and safety standards feature in our management systems. More company activities gain official certification each year, an impressive effort in a Group which continues to grow and incorporate companies with varying management systems.

.....

In 2008 the accident rate has fallen 16.3% compared to the prior year. A total of 524,224 hours have been invested in health and safety training, attended by 58,246 participants

.....

FCC key to health and safety: the Joint Prevention Service

The FCC Group's health and safety strategy has been implemented through specific Action Plans run by the Human Resources and Media Department. These plans prioritise the integration of health and safety management in all Group companies, making it one of the most important aspects of business plans, management models and decision-making processes.

This department works to integrate and standardise health and safety policies and management systems and is committed to instilling a single, constantly improving health and safety culture in each company.

These principles materialise in the Group's health and safety policy directives, which go beyond formal compliance with legislation and aim to implement a corporate management system and develop monitoring and control mechanisms to ensure:

- > The integration of health and safety management at all levels of the company.
- > The planning, organisation and implementation of an appropriate

system to monitor the results of accident prevention measures.

- > The involvement of all interested parties
- > customers, subcontractors and our own personnel - in health and safety management.
- > The development of human potential through ambitious training and information programmes.
- > The control and quality of employee health monitoring
- > The establishment of permanent objectives to maintain and improve health and safety in the workplace, with the ultimate aim of reducing occupational accidents and improving working conditions.

To consolidate the health and safety policy and raise awareness in all Group companies, FCC is supported by its Joint Prevention Service in Spain and various prevention services abroad.

FCC Group's Joint Prevention Service was established in 1997 and at the end of 2008 serves 117 companies in the Group's different business areas in Spain, as well as joint ventures involving Group companies.

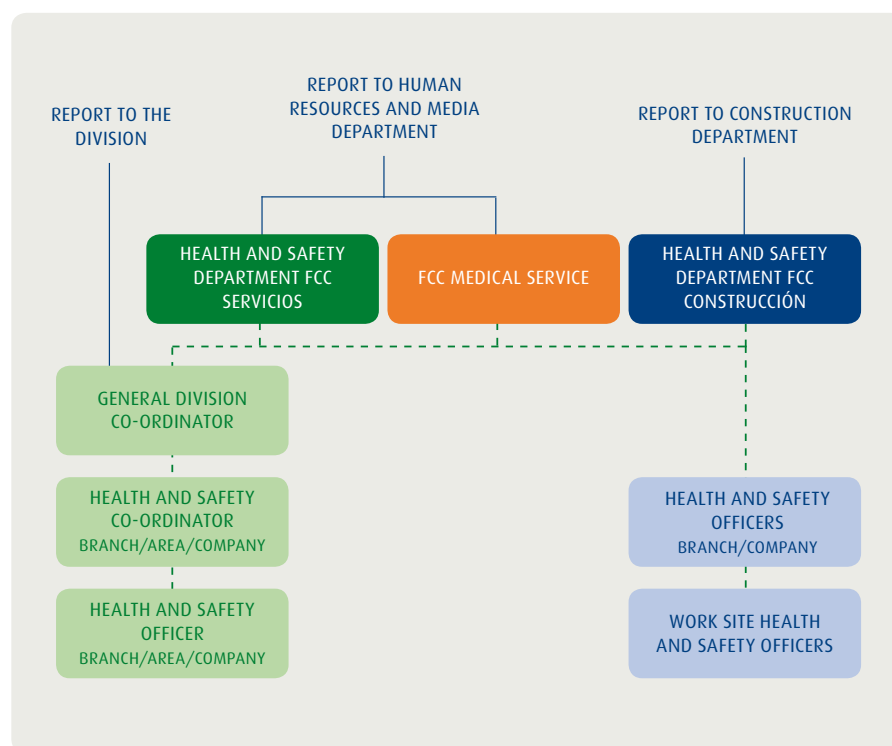
12 new companies joined the service during 2008 and its human resources and number of health and safety officers have increased once again this year.

The Joint Prevention Service has an average of 240 specialised officers dedicated exclusively to health and safety, representing one officer for every 202 workers. *trabajadores.*

Organigrama Servicio Prevención Mancomunado

REPORTS TO (FUNCTIONAL) -----

REPORTS TO (HIERARCHICAL) -----





2009-2010 Master Plan Objectives

FCC's 2009-2010 Master Plan concerning health and safety aims to improve employees' working conditions.

The main strategic lines reflecting the FCC Group's commitment to improving health and safety conditions in the 2009-2010 period are:

- > To reduce the accident rate and days lost due to accidents in the business areas, with the ultimate goal of "zero accidents".
- > To guarantee optimum standardised management in line with recognised standards, including all the Group's international activities.
- > To project the image of a Group committed to accident prevention.

In context

Accident rates at the FCC Group are significantly lower than the most important external references in Spain, due to the organisation's firm commitment to improving the health and safety conditions of its employees.

It should be noted that the accident rate in FCC Construcción is 5.8% below the average for companies in SEOPAN, which comprises the main companies in the sector, and 58.4% below the construction sector in Spain in general.

The FCC Group in Spain's Medio Ambiente division has a 17% lower accident rate than the urban sanitation figures published by the Ministry of Labour and Immigration.



2008 Achievements

- > 16.3% reduction in accident rate.
- > 702 fewer employees taking leave due to accidents.

2008

- > OHSAS certification of 82.3% of FCC Group companies in Spain.
- > Unification of documentation criteria and models.

2008

2009 Priorities

- > Consolidate the reduction in accident rate and severity index.
- > Design a company health and safety manual.

2009

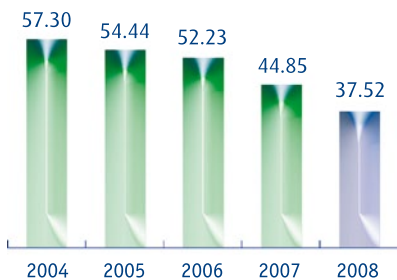
- > Maintain OHSAS certification.
- > Initiate awareness and prevention campaigns.
- > Introduce Prevista software.

2009

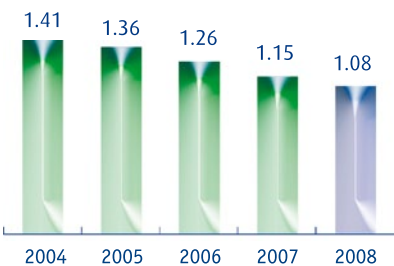
Trends

Reducing accident rates is one of FCC's main achievements over the last five years.

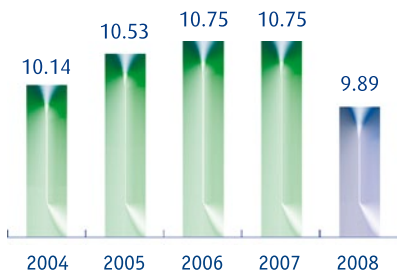
FCC Accident rate



FCC Severity index



FCC Absenteeism (illness + accidents)



Between 2004 and 2008 the accident rate has fallen by 34.5%, the severity index by 30.5% and absenteeism by 2.46%. The number of Group employees taking leave due to accidents is following a permanent downward trend.





16.3%
reduction
in the accident
rate

16.7%
reduction
in leave taken
due to accidents

151
OHSAS-certified
companies

4.1. Health and safety culture

One of FCC's main challenges is to promote and consolidate a culture of health and safety in all activities and for all employees. Initiatives of many different types are carried out each year to achieve this aim. Activities carried out to instil a health and safety culture in Group companies are mainly based on:

- > Training and informing employees on health and safety (general, initial, regular and specific in nature, accompanied by awareness campaigns)
- > Raising awareness of healthy lifestyles, bringing the necessary attention to employees' wellbeing.
- > Encouraging the participation and collaboration of all stakeholders.
- > Providing the means to guarantee the permanence, continuity, consolidation and Group identity of health and safety management.
- > Recognising the participation and commitment of personnel with health and safety management prizes.

For example:

Training and informing employees is a fundamental objective to implement an occupational health and safety culture, going beyond the training foreseen in employees' Required Training Plans.



FCC Construcción has been certified as a training entity for the Labour Foundation for the Construction Industry and has over 75 trainers in its different branches. Procedures are still underway to obtain the Construction Professional Identity Card in accordance with the Fourth General Collective Agreement for the Construction Sector.

General management of certain companies operating outside Spain have specified that the position of Health and Safety Co-ordinator must be assigned to "university graduates trained in occupational health and safety". Some countries have achieved 70% compliance so far (Argentina, Chile, Ecuador, Venezuela and Mexico, which has partially complied), with Brazil and Colombia still to meet the objective.

The cement area in the US offers its employees a training programme on caring for particularly sensitive persons. Companies also offer Employee Assistance Programmes (EAP), which give advice on a variety of different topics, based on each employee's individual needs.

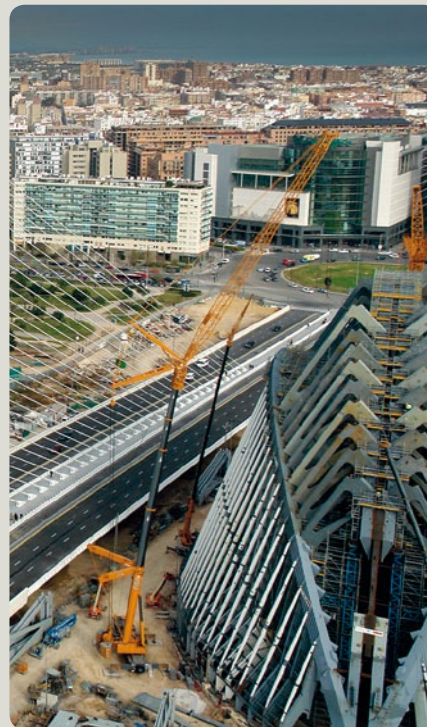
The majority of Group companies hold employee awareness campaigns, promoting both safety values at work and healthy lifestyles for employees and their families.

For example, Cemento, Medio Ambiente and Versia held a Heatwave Health and Safety Campaign to raise awareness of the health risks of hot temperatures during the summer months.

In the United States, heatwave training was accompanied by training for managers on the action to take in the event of meteorological phenomenon such as a hurricane.

Aqualia has initiated a far-reaching health and safety communication campaign, with the strategic target of reducing the accident rate by 30% in 2008-2010. Operational objectives have been developed under the slogan: "When it comes to safety, you don't waste a minute: you could save a life. It's your responsibility."

In the international construction area of Portuguese company Ramallo Rosa Cobetar, a prevention campaign was launched this year involving an attractive, colourful presentation sent by e-mail to employees detailing the symptoms of a possible heart attack and the action to take if an attack is suffered or witnessed.





The FCC Group maintains continuous dialogue with its suppliers and subcontractors, passing on its concern for occupational health and safety. This can be seen in the low rates of leave due to accidents among the Group's subcontractors and the rise in initiatives to co-ordinate the health and safety activities carried out by our technical personnel.

Group companies are also aware of the importance of the collaboration, participation and integration of the various stakeholders and public and private institutions in the company's health and safety activities.

In the construction area, we have signed a health and safety policy agreement with Bovis Lend Lease, a company specialising in Project Management, integrating initiatives in each of the company's activities and providing a safe workplace for employees, third parties, subcontractors and anyone who could be affected by our activity, aiming to ensure that all progress made in health and safety, lessons learned and individual best practices established are shared and implemented as a Group.

Our participation in the Technical Construction Platform's Health and Safety Strategic Line (LESS), which has set the ultimate goal of zero accidents in the sector, is also noteworthy. Work in this line has three main foci: comprehensive training, project stage initiatives and construction stage initiatives.



All Group companies in Spain collaborate with the National Health and Safety Commission and the labour authorities of the different autonomous regions.

FCC Construcción participates in the Presidency of the Safety Council of SEOPAN (the Spanish Association of Construction Companies) and the Federation of Construction Groups.

Aqualia is participating in AGA (Spanish Association of Residential Water Supply Management Companies), through a technical commission on human resources, in the preparation of an Action Guidebook for the prevention of hygiene risks in the integral water cycle, financed by the Occupational Health and Safety Foundation.

The Waste Recycling Group (United Kingdom) is a member of the British Safety Council, which promotes a healthier, safer and more sustainable society. The UK Department of Trade and Industry has awarded this company CHAS accreditation, a quality seal demonstrating that it meets certain excellence requirements in relation to the health and safety of its employees.

Different autonomous and regional authorities occasionally request the participation of our companies in health and safety campaigns and we also invite the authorities to collaborate in our initiatives.

For example, we have participated in the nation-wide road safety at work campaign promoted by the government of Navarra and run by the Navarra Occupational Health Institute. A "Precautionary programme on consumption of alcohol and other drugs in the workplace" was also carried out by FCC Medio Ambiente in its Lérida-Tarragona branch, in collaboration with the Department of Health and Ministry of Employment of the Government of Catalonia.

Cemento España has been working with the National Silicosis Institute on a "Prospective study on the exposure and pulmonary function of cement workers" in its El Alto factory. This project entails a Europe-wide study on the effects and impact of cement dust on workers' health.

One of the company's plans for the integration of health and safety activity is to meet the needs identified and standardise the procedures to be used. Our objectives include giving companies and their employees the means to improve and

guarantee the permanence, continuity, consolidation and Group identity of health and safety management.

The Joint Prevention Service has developed a homepage using the Sharepoint tool, containing a document management database to support all FCC companies. Currently over a thousand users consult this health and safety homepage.

We have also introduced the Prevista software, which boosts the efforts of health and safety officers, allowing both technical and comprehensive activities carried out in work centres to be controlled quickly and easily.

Aqualia is currently introducing additional communication channels, such as an internet microsite, an e-mail address and newswatches and internal news distributed around the organisation.

Although the best compensation for good management is the results, a number of companies have introduced prizes recognising good health and safety awareness, reinforcing

employee and organisation motivation to manage health and safety in the workplace.



4.2. Managing healthy and safe workplaces

A key element we have established for monitoring and controlling the introduction of occupational health and safety management systems are the internal and external audits which allow us to certify that these systems comply with the highest international standards. The main standard applied by FCC is OHSAS 18001.

During 2008 136 Group companies have been internally audited. 122 external audits have also been carried out on 257 work centres.

151 Group companies are currently OHSAS 18001-certified and we aim to establish a schedule for the certification of all Group companies by 2010.

During 2009 we will continue to analyse the progress made by currently uncertified companies in adapting to the standard. 42,935 of our employees in Spain work in OHSAS-certified companies, representing 72.26% of the total staff.

We work with highly prestigious companies, such as AESPLA, AUDELCO, BUREAU VERITAS, etc. in our external certification audits.

A fundamental element of management is the Occupational Health and Safety Management System's role of defining the location and hierarchical structure of health and safety as well as the basic elements of monitoring, control and participation.

This is mainly carried out through tiered meetings and basic responsibilities allocated at all management levels for the total implantation of the system in our centres, contracts and services.

The Management System oversees comprehensive and technical activities. The most significant data are as follows:

> 8,633 technical health and safety initiatives involving the evaluation of workplace risks, planning for emergencies, defining precautionary measures and technical monitoring and control.

> 8,141 health and safety management initiatives involving precautionary planning, operational control and monitoring and control at management level.

> 2,189 tiered health and safety meetings in the different areas of responsibility for monitoring and controlling initiatives.

> 2,894 works safety commission monitoring and co-ordination meetings held with subcontractors.

> 702 Health and Safety Committee meetings

During 2008 the System has been reviewed and adapted to the new requirements established by OHSAS 18001.

The approval of the modifications by each activity area is due to take place in 2009.

4.3 Health and safety results

FCC Group incidents	2005	2006	2007	2008	2008*
Own staff			52	36	160
Contractors			60	44	37
Total				80	197

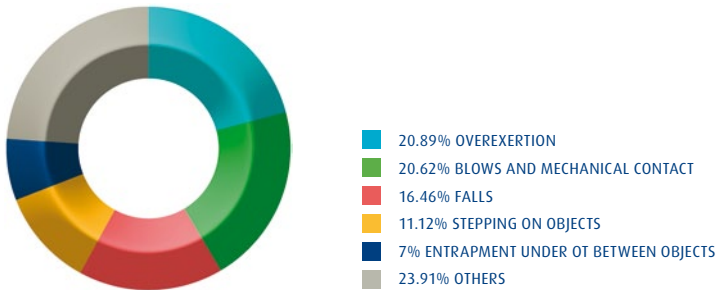
Incidents = serious accidents and mortalities

Accident rate	2005	2006	2007	2008	2008*
Own staff	54.22	52.21	44.84	37.52	40.60
Contractors					21.69
Total					37.34

Days lost due to injuries per million hours worked per year.

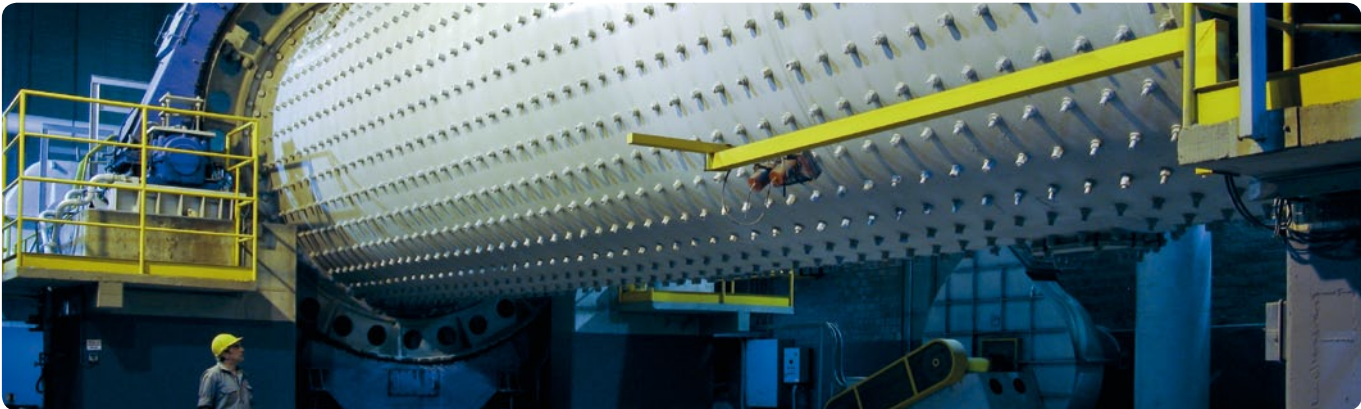
* FCC GROUP GLOBAL DATA

Total FCC Group incidents



35.3% reduction in road accidents

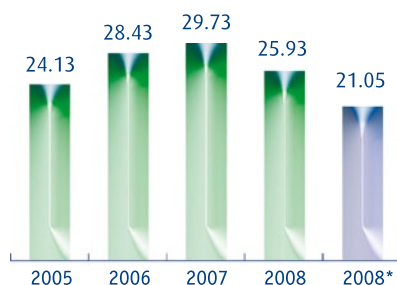
30.6% reduction in total serious accidents involving our staff



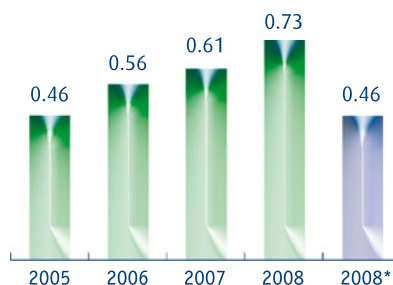


FCC Construcción

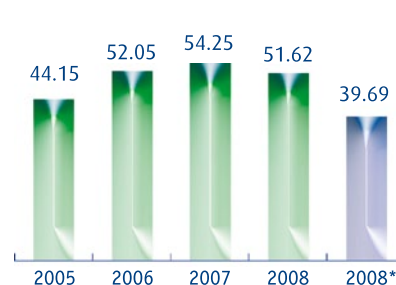
Accident rate



Severity index

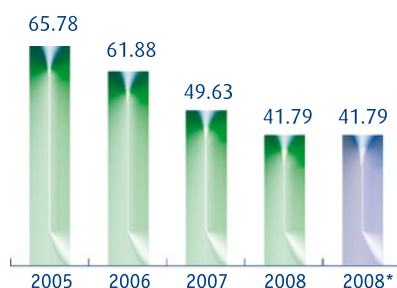


Incident rate

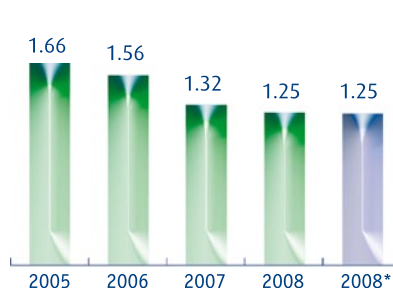


FCC Medio Ambiente Nacional

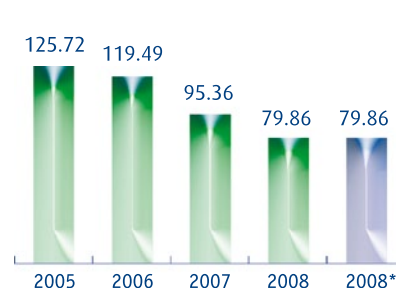
Accident rate



Severity index

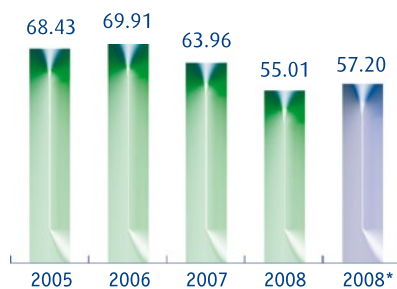


Incident rate

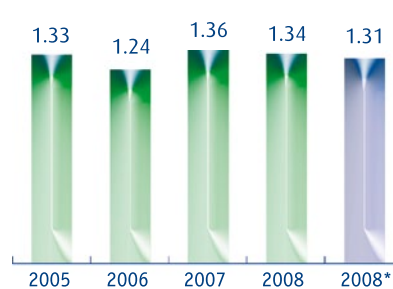


FCC Versia

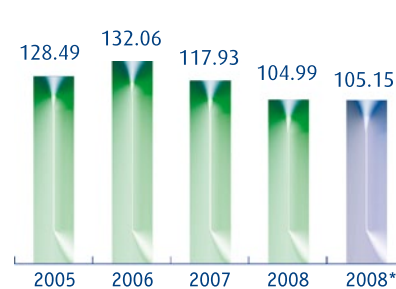
Accident rate



Severity index



Incident rate

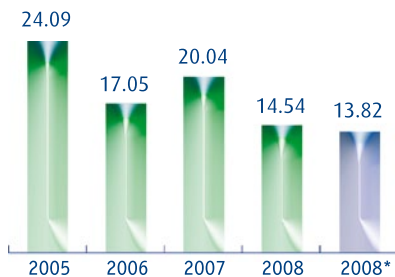


■ Data for FCC personnel in Spain

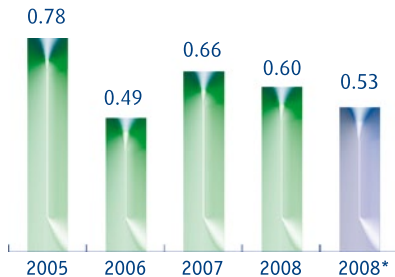
■ Total data (FCC personnel and contractors) for the Group (Spain and international)

Aqualia

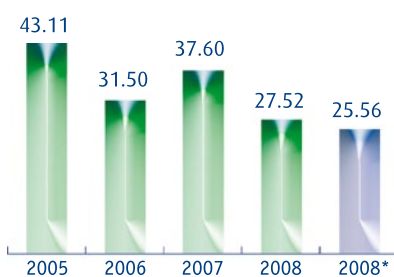
Accident rate



Severity index



Incident rate

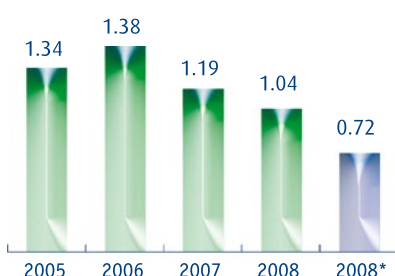


FCC Ámbito

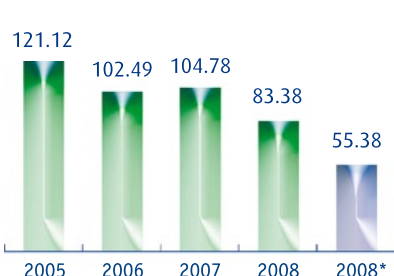
Accident rate



Severity index



Incident rate



■ Data for FCC personnel in Spain

■ Total data (FCC personnel and contractors) for the Group (Spain and international)



FCC Group	2005	2006	2007	2008
Absenteeism (sick and accident leave)	31,968	34,487	35,830	31,848
Accidents (employees on leave due to accidents)*	4,594	4,846	4,201	3,445
Workforce impact				
Days lost due to accidents	114,195	117,100	107,311	99,015
Days lost due to illness	918,201	1,029,205	1,054,060	937,395

* Excludes commuting and third-party accidents

Scope: companies adhered to the JPS.



4.4. The safety of our users, customers and the environment of our operations

FCC participates in the Spanish Technical Construction Platform

Managing occupational health and safety is a clear requirement for the sector due to the level of risk inherent in its activities and because its accident rate is above the Spanish average.

Committed to overcoming this reality, the Spanish Technical Construction Platform, which comprises the main sector companies, promotes a Health and Safety Strategic Line with the final objective of zero accidents in construction. FCC Construcción has been part of this initiative and its strategic research agenda since it began in 2006.

The approach promoted by this initiative, in line with FCC's approach to managing occupational health and safety, is not only to act in the workplace, namely construction sites, but also in other areas where decisions are made that influence the execution stage of works.

This working group's agenda focuses on three main points:

- > Comprehensive training.
- > Project stage initiatives.
- > Construction stage initiatives.

Training involves the application of continuous programmes for all workers, starting in primary education, thereby promoting a culture of health and safety in the sector and making it an attractive option for prospective employees. Training also aims to improve the health and safety culture among other agents participating in the sector, such as

developers, planners, project and site managers and business owners.

In the project stage, which is the cause or origin of over 50% of serious construction accidents, the priority is to establish requirements and procedures from the outset to minimise risks related to construction.

In the execution stage, the main initiatives involve implementing advanced technology to detect, anticipate, plan, control and manage safety.

The results of this comprehensive approach are:

1. The widespread use of advanced technology in equipment and machinery.
2. Comprehensively planned construction processes and projects which consider how they affect workers' safety.

3. The minimal presence of workers in medium- and high-risk works due to the automation of processes.
Lines for future progress are:

> The development of methodology and research to:

_Obtain an exact image of the current situation and the specific causes of accidents.

_Use our knowledge of problems in all areas.

> Support from new information technology to:

_Detect issues in real time and on-line problems, negligence and deviations get back on track immediately and automatically.



External initiatives

FCC's active participation in organisations includes membership of AESPLA, the Spanish Association of Occupational Health and Safety Services.

This association aims to help to improve health and safety service management and its activities include the following:

- > Sharing experiences in the health and safety field.
- > Participating in fora analysing the management and functioning of health and safety services.
- > Studying the application of legal requirements in this field.
- > Presenting plans and dialogue with the authorities.

The most significant initiatives carried out in 2008 are as follows:

Work for third parties

- > Reports prepared by the Association's working groups presenting its position on some of the measures foreseen in the Spanish Occupational Health and Safety Strategy (2007-2012).

Documents submitted for the Association's consultation

- > "Guide for the monitoring and control of health activity in health and safety services", a proposal by the Ministry of Health and Consumer Affairs dated 16 January 2008.
- > Proposal of indicator models for monitoring the Spanish Occupational Health and Safety Strategy, presented by a working group of the CNSST in January and November 2008.

- > Draft technical guidelines for the evaluation and prevention of risks related to explosive atmospheres in the workplace.

- > Proposal for bonus-malus reward schemes to reduce work-related accidents.

- > Official working document prepared by the General Secretariat for Employment of the Ministry of Labour and Immigration on the quality of occupational health and safety and external prevention services.

- > Working document for the development of legislation for the Spanish Occupational Health and Safety Strategy.

- > 6th national survey of businesses on working conditions.

- > Project to develop a royal decree modifying the legislation governing collaboration in the management of mutual funds for accidents at work and occupational illness linked to the social security scheme.

Fora

During 2008 the Association has participated in the following fora:

- > The commission for social security, occupational health and safety, health and social services of the C.E.O.E (Spanish Confederation of Business Organisations)
- > A social dialogue round-table discussion on the Spanish Occupational Health and Safety Strategy planned by the government for 2007-2012.

- > The 3rd and 4th plenary sessions of the Work and Social Security Inspectorate's Tripartite Commission (24 January 2008 and 20 November 2008).

- > In 2009 Laboralia founded its Organisation Committee, appointing José M^a de Bona, chairman of AESPLA, as vice-chair.

- > Presentations in the Madrid Autonomous Region's 2nd Occupational Health and Safety Conference (October 2008).

- > The Organisation Committee of SICUR, represented by Nicolás Pericacho (Enagás).

- > A project by the Observatorio de Salud Laboral, entitled "Application of quality criteria to health and safety service in Spain", represented by Silvia Oceransky (Trasmediterranea) and Juan Carlos Saez de Rus (FCC).

- > Health and safety awareness days in the aerospace sector, organised by the Communication and Air Transport Federation of trade union CCOO (3 and 4 June, Madrid).





Casos significativos

Road safety

The FCC Group has been working for years to improve road safety, both at national and international level, and this is currently one of the fundamental priorities of Group companies, which are holding an increasing number of training and awareness days and campaigns for their employees.

These programmes aim to improve employees' knowledge of road safety, with regard to both driving and regulations, for employee use of vehicles both at work and outside of work – whether for commuting or personal use -, with the aim of minimising road accidents. Awareness campaigns are also held during periods when most people travel, such as holiday seasons or long weekends.

We aim to make our employees aware of the importance of driving safely and carefully and being aware of road accidents.

Some of our companies have worked with public bodies in road accident awareness campaigns. For example, this year Logística España (Versia) has worked

actively with the Navarra Government (through the Navarra Occupational Health Institute) in a campaign aimed at making employees, health and safety officers and company management aware of the need to take measures to reduce road accidents during work or between the workplace and employees' homes.

The Navarra Occupational Health Institute has published diaries, bookmarks and calendars which were distributed among employees as part of the campaign. Work sessions were also held with health and safety officers and first aiders to emphasise that road safety should be included in occupational health and safety campaigns, encouraging the preparation of mobility plans favouring the use of public and shared transport to avoid accidents as well as to reduce employee stress and impact on the environmental.

Addictions: prevention programmes

Addictions are currently one of the fastest-growing public health problems, affecting a significant part of our society. Alcoholism and drug dependency have an impact on the social-work environment, increasing the likelihood of accidents and absenteeism and decreasing productivity, favouring dissatisfaction and provoking workplace stress.

FCC Group companies in Spain and abroad are aware of this problem and have carried out information campaigns and initiatives for the early detection and treatment of addictions, with widespread distribution of posters, slogans, training days, prevention, treatment and action programmes to combat tobacco, alcohol and drug consumption and addiction.

One highlight is the presentation of the "Precautionary Programme on Consumption of Alcohol and other Drugs in the Workplace" carried out by FCC Medio Ambiente in the Lérida-Tarragona branch, in collaboration with the Department of Health and the Ministry of Employment of the Government of Catalonia.

Its main objective is to improve the health of all Reus contract employees by raising awareness of healthy living and avoiding the consumption of alcohol and drugs.

Under the slogan "FCC S.A, a safe and healthy company" the programme aims to prevent and reduce workplace accidents and disciplinary measures, reduce absenteeism and promote good working relations, improving the working climate and instilling a sense of belonging to the company, to benefit our employees' health.





05

Eco-efficiency

Responsibility and innovation
combined for greater profitability

FCC is dedicated to using environmental technologies for greater efficiency, thereby generating possibilities of improving the Group's business and the environment in which it operates.

Our investment activity and collaboration with universities and research centres contribute to ongoing improvements in operations and results, as well as exploring opportunities that may be implemented in the future.

FCC studies trends in customer expectations and the technological applications transforming the market sectors and segments in which the Group operates, as well as other areas, considering how these new technologies can be applied to markets and business models.

Our investment in the development of eco-efficient technologies has allowed us to add increasing value to the management of environmental services, public resources such as water, infrastructure construction and concession management. The possibilities offered by the Spanish Public Sector Procurement Law, which favours responsible companies committed to sustainability, have been taken up by FCC as it moves forward in response to new demands.

.....

FCC is a forward-thinking company supported by over 100 years of experience and the constant evaluation of new segments and models in which to compete. The Group is committed to technology and energy in its endeavour to increase efficiency and responsible growth

.....



FCC key to sustainable competitiveness: Development of clean technologies for sustainable cities

FCC has the most advanced clean technologies in the market for vehicles used to render urban environmental services: 930 natural gas-powered vehicles and 32 fully electric vehicles (with a zero energy balance), as well as 200 fully electric street-cleaning vehicles with fewer features.

The Group's position in the technological field is a result of firm commitment over the past ten years, leading to its current advantageous position over its main competitors.

FCC's management approach to technological development considers the analysis of the entire life cycle, applying sustainability criteria. In other words, it responds to environmental and social risks, and highlights the value of

market opportunities for urban services in a profitable manner (both in financial terms and with regard to emissions), providing sustainability for customers, city authorities, the general public and FCC itself.

The Group's technological development and creation process is constantly evolving, moving towards clean and profitable solutions and getting them onto the market as soon as possible. This process begins with the definition of requirements based on FCC's knowledge and experience as a user, and includes the identification of technological partners, the development of prototypes, optimisation, series development and technological maintenance to ensure the technology produced is competitive, sustainable and safe.

The public service we aim to give must be exceptional.

For more information go to <http://www.fcc.es>

Objectives and programmes

The 2009 – 2010 Master Plan establishes two objectives and eight programmes that will shape the definition of policies, the implementation of procedures and the use of innovation as measures to reduce the environmental impact of Group activities.

The main lines of action followed by FCC in this regard are as follows:

> Definition of an environmental policy by the Group's senior management that includes FCC's main environmental commitments:

A policy will be developed to standardise environmental practices at Group level, a crucial step in promoting respect for the environment.

> Expansion of the scope of certification for environmental system and development of the FCC Green Centres Plan, the essential goal of which is to implement environmental good practices in the Group's work centres, with the aim of reducing environmental impact and raising awareness among employees.

> Greater reduction in waste at source and the recycling and recovery of waste generated and managed by FCC.

> Promotion of research, development and innovation as strategic and competitive factors relating to FCC's business management: A corporate system will be implemented to manage information and knowledge on innovative initiatives that have been developed, and investment will be made in new projects that meet the needs of FCC's stakeholders.



External perspective

The Spanish Sustainability Observatory (OSE) highlights that European (and therefore Spanish) water policy is based on the concept of sustainability. In other words, the development model must be clearly removed from the use of resources and the deterioration of the environment.

In many cases this position has led to the preparation of strategies which are directly or indirectly related to water and the issuing of regulations. Planning is fundamental to sustainable water management, to increase the availability of this resource, protect its quality and ensure it is sustainable for its

intended use as well as economising and rationalising use in harmony with the environment.

Another instrument for sustainable water management, considered in the European Framework Water Directive, is the mechanism to establish suitable prices which will allow the recovery of all water service costs.

In Spain, where water shortages are becoming increasingly severe, techniques to save and re-use treated water are particularly important.

Finally, sustainable water management is also based on good management of other resources (such as energy), which are used in water services. Through

its subsidiary Aqualia, FCC manages the comprehensive water cycle in a sustainable and responsible manner. Aqualia renders a public service under excellent conditions, and is committed to raising social awareness and encouraging rational and efficient water use.

The repercussion of water prices on household finances represents about 0.33% of the average household budget in Spain, compared to the 1% OECD European average.

2008 Achievements

- > Wider scope of environmental certification.
- > Integration of eco-efficiency as a principal focus of the Strategic Plan (2009-2010).

2008

- > Creation of FCC Energía, focused on renewable energies.
- > Over Euros 13 million invested in R&D&I.

2008

2009 Priorities

- > Unification of the FCC Group's environmental policy.
- > Widening of the scope of certified environmental management systems.
- > Promotion of green purchasing.

2009

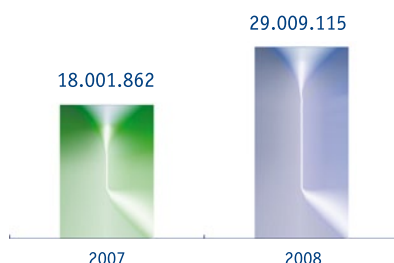
- > Inclusion of environmental criteria in the development of R&D&I projects.
- > Increase in recycling and recovery of waste generated and managed.

2009

Trends

Investment in R&D&I

euros





72%
of FCC's
turnover has
environmental
certification

FCC
earmarks over
€29 million for
R&D&I projects

95% of grants
received in 2008
used directly for
R&D&I

5.1. R&D&I as a vector for sustainable growth

FCC carries out research and development on an ongoing basis, to ensure that each of its activities can avail of sustainable technologies. These include methodologies, techniques, systems, equipment and processes which are financially feasible and may

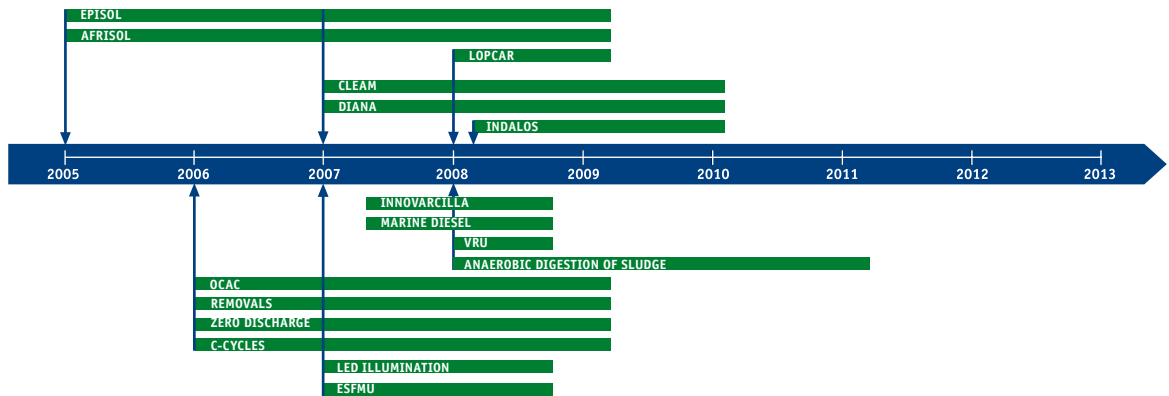
be reproduced and applied, thereby minimising any negative environmental effects and promoting a positive impact on the environment, quality of life and sustainability within society.

R&D&I activity continued throughout 2008, with a total budget exceeding €29 million. The following table shows FCC projects underway in this area in 2008, all of which have primarily environmental objectives.

ENVIRONMENTAL R&D&I PROJECTS			
Project	Timescale	Description	Business area
ARFRISOL	2005 – 2009	Bioclimatic design and the use of alternative energies in buildings.	Construction
LOPCAR	2008 – 2009	Study, development and validation of the technological framework for the use of paper mill sludge in the creation of motorway sections (filling, levelled areas, structural levels).	Construction
CLEAM	2007 – 2010	Planning of research lines to significantly move away from the current infrastructure model, which is largely based on traditional concepts that do not fully include environmental criteria.	Construction
DIANA	2007 - 2009	Improved energy efficiency in the treatment processes used by the waste treatment plant in Tudela (Navarra).	Environmental services (FCC Medio Ambiente (Spain))
INDALOS	2008 - 2010	Improved energy eco-efficiency for processes in the Vitoria waste treatment centre.	Environmental services (FCC Medio Ambiente (Spain))
Optimisation of the agricultural quality of compost (OCAC)	2006 - 2009	Optimisation of compost for subsequent use in agricultural plantations.	Environmental services (FCC Medio Ambiente (Spain))
VRU	2008	Making full energy use of the waste rejected by the Group's solid urban waste treatment plants.	Environmental services (FCC Medio Ambiente (Spain))
REMOVALS (Reduction, modification and recovery of sludge).	2006 - 2009	Development of a technological policy to allow the modification or recovery of excess biological sludge and its quality and toxicity through simultaneous transformation into ecological energy. Other high-value products (such as activated carbon) will also be obtained.	Environmental services (FCC Ámbito)
Project with Innovarcilla	2008	Study of the possible incorporation of waste into certain ceramic products.	Environmental services (FCC Ámbito)

Feasibility of the use of spent oils for marine diesel oil	2008	Study of the possible application of a product to transform spent automotive oils (such as marine diesel) into a fuel for use by fishing boats.	Environmental services (FCC Ámbito)
New technologies for industrial wastewater treatment	2006-2009	Zero discharge through membrane separation technology that enables wastewater to be fully reused within the industry.	Environmental services (Aqualia)
Sustainable usage of sludge for energy	2008-2011	Optimised anaerobic digestion of purification sludge, to procure disinfected waste and maximise biogas production.	Environmental services (Aqualia)
EPISOL	2005 Present	Design, development and production of a light urban vehicle for internal use, with a hybrid electric propulsion system and solar panels, thereby improving mobility within cities.	Versia (Cemusa)
C-CYCLES	2006 Present	Design of a bicycle hire system to meet the demands of councils and official bodies.	Versia (Cemusa)
LED illumination of Advertising panels.(LED)	2007 Present	Illumination of advertising panels with LEDs, reducing electrical energy consumption and CO ₂ emissions and providing uniform lighting.	Versia (Cemusa)
Photovoltaic solar energy for street furniture (ESFMU)	2007 Present	Development of technology to provide electrically-autonomous street furniture.	Versia (Cemusa)

R&D&I in the FCC Group: projects in progress in 2008



FCC contribution to R&D&I projects in which it participates

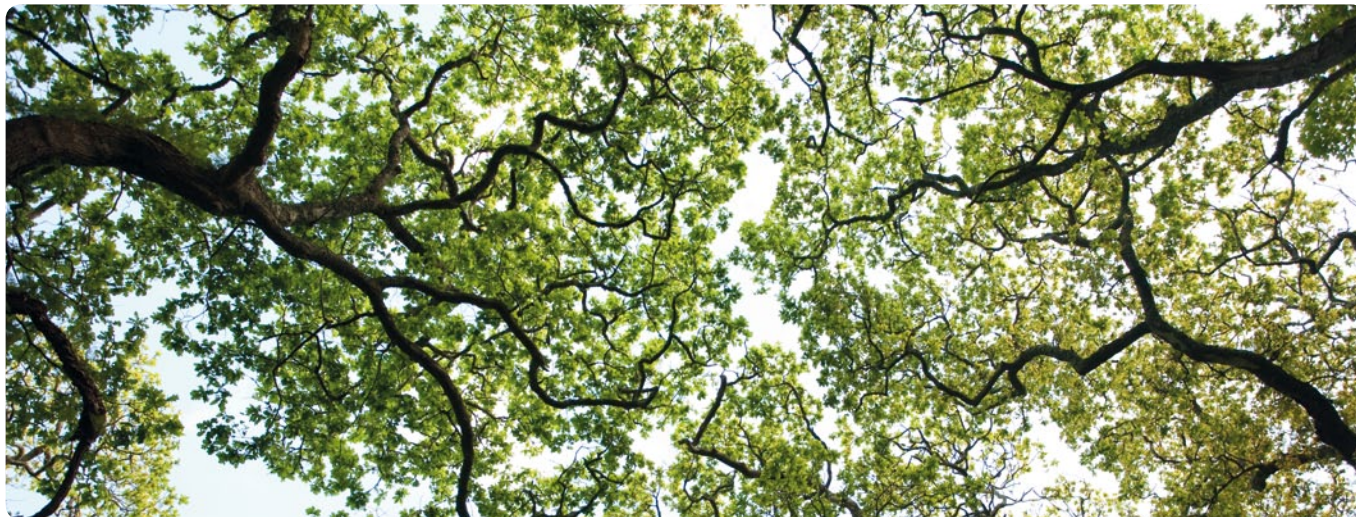


31% FCC CONTRIBUTION 2008
69% INVESTMENT BY OTHER INSTITUTION

Origin of R&D&I investment



80% DIRECT FROM FCC
15% LOANS OF FAVOURABLE TERMS
5% EXTERNAL GRANTS (€)



32,797
hours of
environmental
training

8% less
NOx emitted by
the cement area

46% of the
generated has been
reused, recycled or
recovered

5.2. Our main indicators

5.2.1. Ongoing improvements to impact measurement

In 2008 FCC completed the first stage of Project Horizonte, a sustainability indicator management system which has been created from the need to define a common language and shared reference system for the Group as a whole. Environmental indicators have been reviewed to bring them into line with the individual characteristics of each of our activities, as well as requests for information from our primary stakeholders. This work has strengthened the overall perspective offered by the integrated indicators system, which ensures the balance of all the components that comprise FCC's global sustainability evaluation.

.....

*Horizonte manages
information on 24
environmental
indicators*

.....

5.2.2. Environmental management systems

One of the most effective tools for controlling, monitoring and minimising the environmental impact of the activities carried out by FCC is the implementation of environmental management systems. The 2009-2010 Corporate Responsibility Master Plan, approved by the Group’s board of directors in 2008, considers the extension of the scope of such systems as key to contributing to environmental sustainability.

During 2008 the majority of business areas significantly increased the scope of their environmental management systems, although on occasion the acquisition of uncertified companies reduced the indicator level. Particularly noteworthy is the certification of Apline Austria’s environmental management system, especially as this company represents a significant portion of the construction area’s turnover.

72% of FCC’s activity has environmental certification

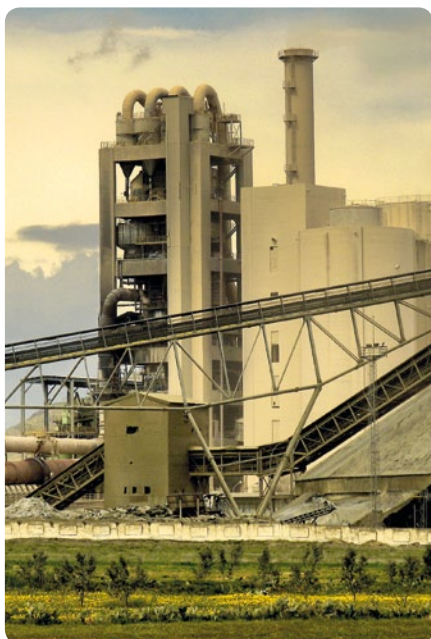
Turnover covered by environmental management systems (%)		
	2007	2008
Cement	60%	59%
Construction	65%	78.2%
Medio Ambiente (Spain)	82% (criteria: 2007: 77%)	87%
Medio Ambiente internacional (Waste Recycling Group)	60.6%	82%
FCC Ámbito	69.6%	74.9%
Aqualia	35.5%	90.8%
Versia	12.7%	30%



In addition to internal evaluations performed on environmental management systems, the Group’s activities are also subject to a number of regular government inspections.

In 2008 fines were imposed for non-compliance with environmental regulations, representing 0.007% of

the Group’s total turnover. These fines, which totalled €996,060, reflect current sanction proceedings relating to cement production, construction and urban waste management activities (the latter of which mainly relate to landfills and incidents concerning water legislation).



5.2.3. Emissions

Three of the FCC Group's activities have particular relevance in terms of atmospheric emissions which are not directly related to the greenhouse effect, such as NO_x , SO_2 , solid particles and substances which deplete the ozone layer (the production of cement and its derivatives, the handling of raw materials with high dust levels and the use of machinery and vehicles by the Group's various business areas). GHG emissions are dealt with in more detail in Chapter 6 "Climate Change".

Cement

Cement production requires extremely high temperatures and enormous amounts of energy, which lead to the emission of pollutants. Trends in the emission of NO_x , SO_2 and particles related to cement manufacturing are shown in the following table:

Emissions of NO_x , SO_2 and particles by the cement division						
	NO_x [kg/Mt cement]		SO_2 [kg/Mt cement]		Particles [kg/Mt cement]	
	2007	2008	2007	2008	2007	2008
Spain	1.42	1.37	0.28	0.32	0.03	0.02
US	1.13	1.27	0.81	0.86	0.10	0.08
Tunisia	1.51	1.14	0.08	0.35	0.18	0.30
Argentina	0.94	2.34	0.01	0.01	0.21	0.14
Uruguay(*)	0.84	1.11	0.20	0.18	0.03	0.07

(*) The scope is limited to the Minas plant. Values are expressed in kg/mT of clinker as this is a clinker mill.

The cement division continues to work actively on developing technologies and mechanisms to reduce emissions from clinker combustion furnaces. Progress has been made on the installation of ammoniacal water injection equipment

to reduce NO_x emissions, and work has continued to bring down solid particle emission levels through the installation of sleeve filters at the main generation points.

Absolute values for pollutant emissions by the cement sector have been reduced, as shown in the following table:

Tonnes emitted		
Pollutant gases	2007	2008
NO_x	24,524.393	22,499.917
SO_2	5,379.562	5,254.085
Particles	1,277.218	1,200.117



Construction

The main lines of action followed by the construction area to reduce NO_x and SO₂ emissions as much as possible are:

- > Carrying out regular machinery maintenance
- > Incorporating new technologies (catalysts, particle filters and other technologies)
- > Controlling the speed of vehicles while in operation

To reduce solid particle emissions (an extremely important factor within the construction sector), FCC Construcción has implemented a number of good practices (GP).

Good practices related to environmental emissions	% of works applying the GP compared to total works	% of works applying the GP compared to the total works to which they can be applied
Reduction of dust through irrigation using road cleaning water and stored water.	91%	97%
Use of additives in irrigation water to create surface crust, road surfacing and other long-term dust control practices.	7%	56%
Use of screens to prevent dust dispersion in localised activities.	12%	75%
Use of molecular grinders in facilities that produce dust, such as aggregate treatment plants, etc.	4%	60%
Use of drilling machinery with dust humidifying systems, wet curtains at ventilation outlets and other dust capture systems.	8%	77%
Improvements to the levels required by legislation with regard to controlled parameters (opacity of discharges, suspended particles, etc.).	7%	67%
Adequate maintenance of machinery in operation on the site.	63%	90%
Use of chutes for dumping rubble from height, and covering of containers with tarpaulins.	29%	85%



Waste management activities

All facilities with comprehensive environmental authorisation (based on the type of process) have equipment to minimise pollutant emissions, such as gas washing systems or sleeve filters, thereby enabling them to comply with established emission limits.

5.2.4 Material consumption

The rise in demand for services and production involves an increase in productive inputs, and the consumption of materials plays a particularly relevant role (in addition to energy).

For Group activities such as cement and construction, the demand for raw materials is a significant environmental

issue. In general terms, the line of action followed by the Group in this area is to optimise consumption processes, as well as to use sub-products and waste as replacements for raw and auxiliary materials.

The following table, which details 2008 material consumption by business area, shows that 40% of the raw and auxiliary materials used by the Group comes from materials considered as waste. A significant part of this percentage comprises soil and rock extracted during construction projects, which are subsequently used as filling materials.

Area	Total materials used (mT)	Total materials which are waste products (mT)	Material types
Cement	59,076,569.00	1,316,646.00	Marta caliza, yesos, áridos, arcilla, cenizas y escorias, etc.
Construcción	43,447,073.20	39,352,964.00	This figure comprises consumption of asphalt agglomerate (10,052,822 t) and concrete (13,291,412 m ³). Average concrete density has been estimated at 2,350 kg/m ³ .
FCC Ámbito	17,654.23	nd	Methanol, sepiolite, lime, magnesite, additives, etc. as process materials and wire, film, packaging, etc. as auxiliary materials.
Aqualia	24,482	nd	Reagents for the treatment of water for human consumption and the purification of wastewater.
Medio Ambiente internacional	nd	nd	
Medio Ambiente (Spain)	14,843.10	nd	This data reflects maintenance and conservation work on parks and gardens, activity which mainly consumes sand, gravel, soil and peat.
Versia	74,132.00	223.00	
TOTAL	102,654,753.53	40,669,833.00	

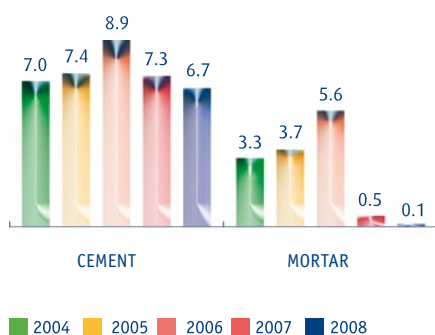
Cement

The most significant environmental impact of this line of business is the extraction of raw materials from quarries and gravel mines. Lime marl is the main raw material used in the manufacture of cement.

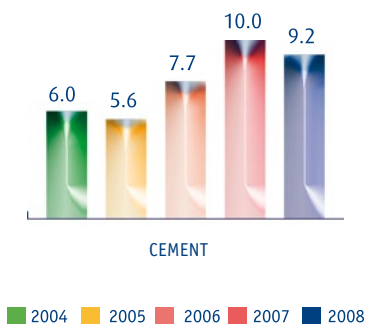
Cementos Portland Valderrivas encourages the responsible use of natural resources, and continues to research ways to use alternative raw materials, such as various types of rubble, ash, ferrous sulphate, pyrite ash, foundry sands, fluorite, carbonate sludge and other types of compounds.



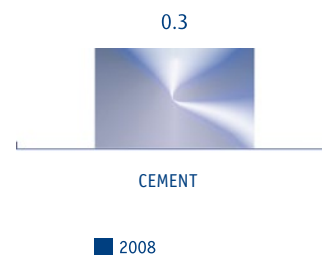
Replacement of raw materials with waste in Spain



Replacement of raw materials with waste in the USA



Replacement of raw materials with waste in other countries



Efficient use of materials and consumption of alternative resources are the main research paths for reducing the impact on the environment

Construction

The construction division, with its highly resource-dependent processes, has evaluated the selection of the materials to be used, weighing up the advantages and disadvantages presented by each.

Encouraging the use of recycled and surplus materials for alternative purposes and the segregation and selective separation of surplus material for recovery are the main practices to be implemented in this regard.



Good practices related to the consumption of materials by FCC Construcción	% of works applying the GP compared to total works	% of works applying the GP compared to the total works to which they can be applied
Re-use of inert materials from other works.	17%	83%
Use of recoverable items from work processes, such as removable walls (normally made of concrete from prior demolition work) in aggregate crushing facilities, etc.	6%	62%
Reductions in the level of loans compared to the volume foreseen for the project.	68%	90%
Re-use of excavated soil	31%	82%
Use of items recovered from other works, such as portable treatment equipment, containers, etc.	6%	92%

A total of 24,183,012 m³ of land and rock left over from excavation activity was used in works in 2008, considered as raw material as opposed to waste (in which case it would have been taken directly to the landfill). A further 88,213 m³ of surplus clean rubble was also used in

construction works. In total, 24,271,225 m³ of inert waste was re-used as resources in the production cycle, making use of materials which would otherwise have been treated as waste.

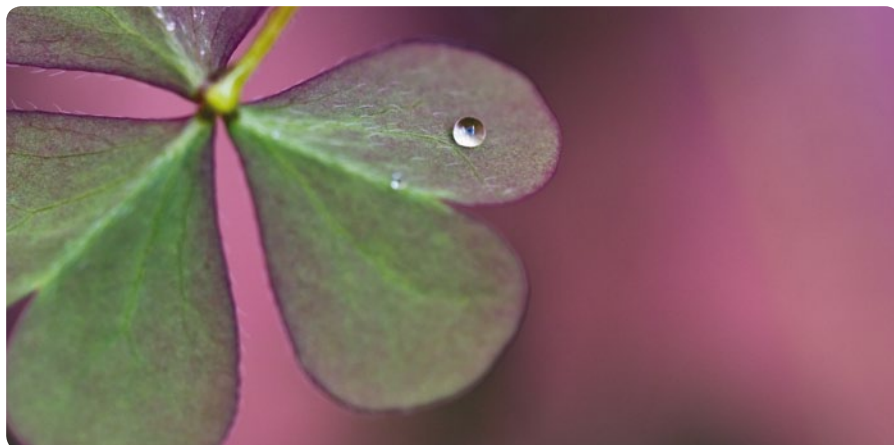
5.2.5. Water consumption

Water is a crucial resource for almost all the activities carried out by the FCC Group. It is needed for the manufacture of cement and concrete, steam in plants that generate energy from waste, decontamination of industrial waste and road cleaning and garden maintenance activities.

The following table shows water consumption by FCC, broken down by division. Aqualia, the Group company engaged in integral water management activity, is the lead consumer of this resource, and is therefore dealt with in a separate section.

The steps taken by the Group to minimise consumption of this scarce resource are focused on:

- > The eco-efficiency of consumption processes.
- > The re-use of wastewater.
- > Making use of rainwater, etc.



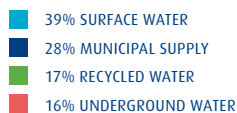
	Consumption from municipal supply (m³)	Consumption from underground water (m³)	Consumption from surface water (m³)	Recycled water consumption (m³)	Consumption from other sources (m³)	Total water consumption (m³)
Construction*	2,309,520.70	44,355.60	5,194,340.00	1,099,794.49	700	8,648,710.79
Cement**	854,453.00	2,244,425.00	765,513.00	403,062.00	32,320	4,299.773
Real state	272,976.00	-	-	1,000.00		273,976.00
Services	830,008.76	74,131.67	8,616.10	1,034,680.35	41,764.99	1,989,201.87
Medio Ambiente (Spain)***	176,076.59			26,158.88	37,185.50	239,420.97
Medio Ambiente (International)	137,029.00	71,570.00	-	1,000,000.00	-	1,208,599.00
Aqualia	19,108.78	601.67	-	8,521.47	1,700.17	29,932.09
FCC Ámbito	42,217.11	1,960.00	8,616.10	-	2,877.20	55,670.41
Versia	455,577.28	-	-	-	2.12	455,579.40
Corporate areas	5,647.00	-	-	-	-	5,647.00
Total FCC 2008	4,272,605.46	2,362,912.27	5,968,469.10	2,538,536.84	74,784.99	15,217,308.66

(*) Alpine consumption data not available.

(**) Data for the Cemento plants in the USA are not available.

(***) Excludes watering gardens and road cleaning.

Origin of water consumed





Cement

One of the challenges faced by the FCC cement area is the optimisation of water use, increasing the amount of water recycled and reused thereby reducing consumption.

The following initiatives have been implemented by this division to bring water consumption levels down:

> Use of recycling equipment in the concrete division. The purpose of this measure is to fully dispose of waste, reaching a zero water balance by controlling use of water in the process and adequately managing contaminated and clean water, ensuring that 100% of the water that enters the plant is used for concrete manufacturing. Approximately 70% of the division in Spain currently has recycling equipment installed.

> Installation of water recycling facilities for washing vehicles at plants and in quarries.

> The refurbishment of water distribution and collection networks is also an interesting area for innovation and investment.

The most interesting water resource initiative within the cement division was implemented in the El Alto plant in Madrid, which has a closed water circuit that optimises this resource through re-use. This is done through an 11,000 m³ collection reservoir which stores process water, instead of simply dumping it.

In 2008 Cementos Portland Valderrivas met the target set for 2009 of recycling and re-using 35% of its water



Construction

To reduce water consumption this area uses water generated from washing concrete mixers and wastewater from a wide range of processes. This water is used on the premises to clean roads, re-wash mixers or as a raw material in the concrete manufacturing process within

the plants, always with the relevant compatibility studies

The following table shows the good practices (GP) implemented in FCC Construcción works, as well as the scope thereof.

Good practices relating to the efficient use of water resources	% of works applying the GP compared to total works	% of works applying the GP compared to the total works to which they can be applied
Re-use of water used for washing concrete mixers.	17%	83%
Reuse of effluents and process wastewater.	6%	62%

Other initiatives implemented by this division include automatic irrigation for curing as part of the reinforced concrete pipe manufacturing process (with

recovery of more than 30%), and the installation of water recovery cisterns for hydraulic testing, where 100% of the water consumed is recovered.

Waste management activities

The water consumed by this division mainly relates to park and garden irrigation activity. To reduce the impact of this consumption the surface area watered by automatic irrigation systems is being increased, and attempts have also been made to reduce network water consumption. In 2008 surface areas with automatic irrigation increased in size by 5.5%.

44% of surface areas are irrigated with water from alternative sources, 25% with well water not fit for human consumption or phreatic water, and 19% with re-generated water

The importance of employee awareness in reducing water consumption

Regardless of the saving measures and new technologies implemented, employee awareness of the rational use of water is essential if consumption of this resource is to be reduced.

Employee awareness plays a key role in bringing water consumption levels down within the cement area. This can be seen in cement plants, where information posters are being distributed to raise awareness and encourage responsible use of this resource.

Technologies for the efficient use of water in the rendering of services

The services rendered by the environmental division currently tend to use undrinkable, regenerated and phreatic water for cleaning and hosing streets, mechanical sweeping, washing vehicles and containers and watering parks and gardens.

With regard to facilities, the drinking water used in changing rooms is treated by various plants so that it can then be used to wash vehicles. This is the aim for the Zaragoza and Barcelona treatment plants, as well as those which are already in service, such as the one in Parque de Villaverde (Madrid).

Nevertheless this in itself is not sufficient, and it is crucial that techniques for lower consumption are also introduced. Only irrigation and hosing vehicles are permitted to consume more than 20 m³ of water per day and per vehicle. This requirement has led to improvements in newly constructed equipment, some of which now contain high-pressure pumps, low flow rates and automatic systems to optimise water use, resulting in savings of 30-80% compared to former equipment (depending on the equipment and type of street cleaning in question).

Optimisation of street-cleaning activity and the consequent reduction in water consumption has been achieved by providing equipment with an innovative system to optimise this resource, involving the incorporation of adjustable street cleaning machines which are controlled by a programmable automaton, allowing flow and pressure to be adjusted based on the speed of the vehicle.

This awareness is also vitally important for the construction area, not only in terms of own employees, but also sub-contracted personnel, raising awareness of responsible water use, drought, desertification and the development of environmental good practices that benefit the environment. During 2008, environmental training and awareness activities for employees working in construction were carried out in 99% of works. In addition, the Portuguese construction subsidiary has included technical instructions in all contracts for subcontracted works, focusing on environmental protection through water saving measures.

All industrial waste treatment centres have organised environmental awareness talks, including a specific section on the efficient use of water.

In 2008, environmental training and awareness activities for employees were carried out in 99% of FCC Construcción works



5.2.6. Accidental discharges and spillages

The Group's environmental management systems include specific procedures on adequate management to minimise the impact of discharges, as well as the

prevention of and possible responses to accidental spillages. The following discharges were recorded in 2008:



Vertidos por área de negocio			
	Total volume of wastewater (m ³)	Volume of wastewater subject to purification before discharge (m ³)	Percentage of Discharges purified [%]
Construction (*)	1,188,505.49	319,641.54	26.89
Cement	554,258.00	554,258.00	100.00
Medio Ambiente (Spain)	N/av	522,373.83	N/av
Medio Ambiente (International)	2,070,198.00	2,070,198.00	100.00
Aqualia	15,422,157.27	10,960,460.00	71.07
Ámbito	155,079.40	N/av	N/av
Versia	126,726.35	5,742.00	4.53

(*) Only includes volumes of sanitary water and concrete plant discharges.

The data does not include spillages during works processes or discharges from the pipe manufacturing process.

Cement

The cement production process does not generate any waste, apart from one-off cases such as discharges from refrigeration circuits. In any event discharges are regularly analysed to ensure that they do not damage the environment.

The wastewater produced by cement activity is primarily sanitary and rainwater, as well as water used to wash gravel. Discharge parameters are controlled in line with levels authorised by water confederations and other relevant bodies.

Construction

The construction division has settling basins which collect effluents from works, and control a set of parameters including oils, colour, pH and suspended solids.

In 2008 accidental discharges within this division amounted to an estimated total of 10.3 m³. The spillages were mainly hydrocarbons and oils from works machinery, as well as water used to wash troughs and mixers.

To prevent possible discharges on-site and to minimise their potential impact, measures such as the following have been carried out:

- > Training for personnel (including sub-contracted personnel) in practices for containing accidental spillages.
- > Selection of low-dispersion areas for collection of hazardous substances and the installation of suitable containers for watertight storage of these materials.
- > Maintenance of machinery to reduce possible leaks and discharges from mechanical equipment.
- > Preparation of an emergency plan as part of the area's environmental planning.

Waste management activities

Due to the sensitive nature of centres engaged in hazardous waste management, these facilities must have a self-protection plan that quantifies risk, defines existing protection measures and specifies the procedures to be enacted in the event of any emergencies that may arise. All other waste facilities have similar plans, although they are not mandatory.

Annual simulations are carried out in facilities to test the effectiveness of their self-protection plans, and personnel are trained in how to react in emergency situations.

Accidental spillages in this business area's facilities in 2008 have been insignificant for a variety of reasons, including the extensive preparation of personnel for emergency situations.

5.2.7 Waste generation

All FCC activities aim to minimise waste production, separating waste for internal storage before it is treated by an authorised waste management company, seeking the best possible

option (recycling, reuse and/or recovery) as opposed to disposal or landfill dumping.

Only 0.2% of total waste generated by FCC is considered hazardous.

	HAZARDOUS		NON-HAZARDOUS								Total waste generated [Tm]
	waste generated [Tm]	Total waste generated	Re-used	Earmarked for recycling	Earmarked for composting	Earmarked for energy recovery	Earmarked for incineration	Earmarked for landfill	Other destinations	Unspecified final destination	
Construction	22,014.0	28,497,236.8	294,741.6	28,652.9	36,100.0		2,588.0	212,122.3	7,761.0	27,915,271.1	28,519,250.8
Cement	2,975.8	16,452.0								16,452.0	19,427.8
Total real estate	4.3	236.7		137.9						98.8	241.0
Realia	3.7	198.8							98.8	100.0	202.5
Torre Picasso	0.6	137.9	137.9							0.0	138.5
Total services	116,171.0	63,790,955.4	172,553.6	738,586.2	41,272,646.0	268.2	147.6	9,751,033.3	11,538,573.7	317,146.8	63,907,126.4
Medio Ambiente (Spain)	630.2	6,309.7	6,309.7							0.0	6,939.9
Medio Ambiente (International)	21,613.5	0.0								N/av	21,613.5
Aqualia	5,847.7	52,022,556.3	722,289.0	41,272,646.0		99.0	9,711,858.0		315,663.3	1.0	52,028,404.1
Ámbito	87,954.6	11,569,792.7	1,358.4		220.0		29,642.6	11,538,571.7		0.0	11,657,747.3
Versia	125.0	20,077.4	326.4	8,629.1	48.2	48.6	9,532.7	2.0	1,483.5	7.0	20,202.5
Corporate areas	0.4	49.4	-	49.4	-	-	-	-	-	-	49.8
TOTAL FCC	141,165.5	92,304,930.3	467,295.2	767,426.3	41,308,746.0	268.2	2,735.6	9,963,155.6	11,546,334.7	28,248,968.7	92,446,095.8



In this area the Group's cement division has the objective of "increasing recycling, re-use and/or recovery of waste within the Spanish cement business to 75% of total hazardous waste and 45% of non-hazardous waste by 2009".

A set of initiatives have been defined by the construction division to meet the objective of reducing the amount of waste generated, some of which are detailed below:

> Adequate planning of the purchase of materials to discourage excessive stockpiling of resources which, once expired or obsolete, will become waste.

> Purchase of raw and auxiliary materials which, where possible, can be re-used and come in large multi-use recipients to reduce the number of empty containers.

> Setting of limits for the maximum amounts of waste that sub-contracted parties can generate in each activity, and the introduction of penalties to be applied should these limits be exceeded.



> Refraining from the unnecessary use of toxic or hazardous substances in equipment and machinery maintenance operations, thereby reducing hazardous waste.

Re-using and recycling construction waste throughout the life cycle of buildings and infrastructures is a fundamental strategy to achieve sustainability within the construction sector. FCC Construcción has implemented good practices which focus on the recycling or recovery of potentially

useful waste from work sites. In this way the need for landfills is reduced, the consumption of new natural resources is avoided and a response is given to the global demand from today's society.

Good practices related to waste generation	% of works applying the GP compared to total works	% of works applying the GP compared to the total works to which they can be applied
Reduction in inert waste sent to landfill compared to the volume foreseen for the project.	85%	93%
Construction and demolition waste is classified/separated for individual treatment.	64%	92%
Changes to the design of the construction system with regard to the use of materials that generate hazardous waste (fibre cement, release agents, additives, resins, varnishes, paints, etc.) thereby generating waste with lower or zero hazard levels.	9%	72%
Reduction of packaging waste through practices such as requesting materials which come in containers that can be returned to the supplier, the re-use of contaminated containers, ordering large volumes or bulk materials instead of ready-packaged, etc.	29%	79%
Management of excavation surpluses.	31%	80%
Recovery of rubble.	19%	69%

The Group’s waste management and treatment activities and its measures to prevent and minimise the impact of generated waste are the same as those implemented for customer waste managed by the Group. FCC tries to reduce the impact of the waste generated within its own facilities by increasing the use of biodegradable or ecological products.

The most significant waste generated by the comprehensive water management division is sludge from water treatment plants. Consequently, one of the most important measures to minimise the impact of waste in this area is the aim to dry dehydrated sludge as much as possible, thereby reducing its volume and subsequent impact on transportation and end management. Particular attention is paid to identifying the most suitable process to make the most of each different type of sludge.

The initiatives implemented by Versia are focused on increasing the amount of waste earmarked for recycling or recovery. Action in this area mainly concerns training and raising awareness of employees, and collaboration initiatives have also been started with customers, especially in the logistics area.

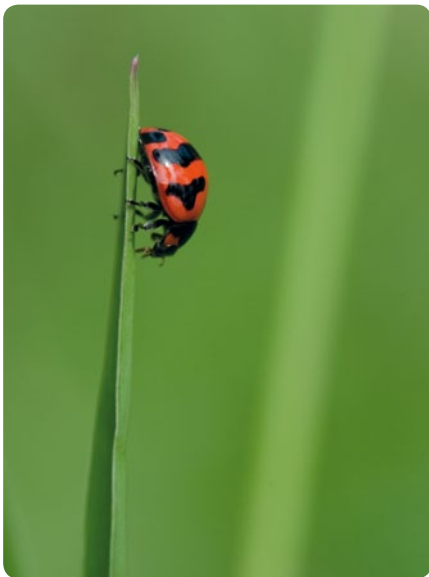
The activities undertaken by this company which generate most waste are logistics and street furniture. Furniture is recovered and recycled for subsequent use in future installations. Activity carried out in the logistics field has been as follows:

> Packaging material has been made lighter due to a change in design: Reduction in the thickness of the plastic used to shrink-wrap merchandise from 17 microns to 8 microns. This has led to a 284-tonne reduction in the amount of plastic put onto the market.

> Replacement of a cardboard box model with cushioned paper and plastic bags, which weigh much less, leading to a reduction of just over 7 tonnes of cardboard.

> Collaboration and advisory services for customers to encourage the re-use of packaging materials in cases where this material is not treated by FCC.

5.3. Biodiversity



Protection and improvements to the natural environment, as well as biodiversity and ecosystem conservation, are the main management goals in the areas where we operate, as we act to protect and recover the habitats found in these zones.

The table below shows the size of protected areas or zones of high biodiversity value that contained or were adjacent to FCC activities in 2008.

Business area	Surface area of protected areas or zones of high biodiversity value home or adjacent to FCC activities (m²)
Cement	5,071,685
Construction (*)	28,663,900
Aqualia	450
Medio Ambiente (Spain)	4,939,561
Total FCC	38,675,596.00



Cement

The main impact of this division's activity on biodiversity is the alteration of habitats and ecosystems by quarry operations, due to the occupation of spaces and the extraction, crushing and transport of materials. A new future challenge has been created in this regard, known as the "Development of comprehensive management criteria for restoring quarries and encouraging biodiversity".

Restoration plans are implemented to restore or recover (where possible) the original state of the areas in which the Group has operated to reduce the environmental impact. These restoration plans have been implemented in lime marl quarries (from which the materials used to produce cement are extracted) and in gravel and aggregate quarries.

This division has a mini electrical power station in Zudaire (Navarra), a protected area with rich biodiversity. The area occupied by the division within this natural park has been kept to a minimum, but for prevention purposes there is a technician who is in charge of maintaining and supervising the facilities.

The quarry in Vallcarca (Barcelona) is located within the Garraf Park and is adjacent to a zone belonging to the Natura 2000 programme, just like the quarry in Monjos (Barcelona).

The plant and quarry in Mataporquera (Cantabria) are located in a special bird protection area (ZEPA).

The Group has 958,865 m² of aggregate facilities that border protected areas or zones of high biodiversity (Parque Natural de Armañón, Biotopo de Galdames and Parque Natural de Urdaibai). In addition, the El Porcal plant in Madrid (now dormant) is located within the Parque Regional del Sureste.

The cement area in the US manages a total of 913,304 m² located in protected wetland areas.

Construction

This area of activity has an impact on biodiversity, particularly with regard to civil works. These may be located on land adjacent to or within protected natural areas, as well as areas which, although not officially protected, are rich in biodiversity.

FCC Construcción has procedures for protecting this biodiversity, as well as a set of internal guidelines which include all the protected natural areas in Spain, providing assistance when planning activities carried out within these zones.

Good practices are also implemented in works to minimise the impact on biological diversity, thereby protecting plant and animal species that may be disrupted by the works, regardless of the level of protection of the species in question and whether or not the works are carried out in a protected natural area.

While the works are being carried out the most important areas are protected using beacons, thereby preventing access to machinery and personnel. The effects of all works are minimised by using pre-existing paths, designing any new routes

that may be needed in a way that will allow their use in the future.

Following the works restoration activity is carried out in the form of cleaning and removal of all items that do not belong in the area, as well as the de-compacting of soil bringing it into line with the morphology of the surrounding environment, planting indigenous flora and adding ornamental items which are integrated with the new or existing environment.

The activities carried out by FCC Construcción include certain restoration measures which are not directly linked to construction activity, including the following in 2008:

- > Adaptation of public areas in forests.
- > Forest parks.
- > Environmental restoration of ponds.
- > Restoration of natural areas affected by the exploitation of resources (sand and gravel).
- > Restoration of inert waste landfills.
- > Restoration of river banks.
- > Restoration and regeneration of dune systems and beach walkways.

In 2008 a total of 32,549,000 m² was subject to protection measures by the construction division, whereas restoration measures were applied to land covering 50,636,700 m².

In 2008 FCC Construcción carried out 14 works in natural or protected areas, 15 with a possible impact on natural flows within protected areas, and 32 in areas classified as "relevant". In addition, 14 works affected protected vegetation and 19 had an impact on protected animal species.

Waste management activities

When finding a location for any waste treatment centre, any natural spaces classified as protected natural spaces are automatically excluded.

The park and garden conservation and maintenance activities carried out by this division are sometimes located in or close to areas which are classified or legally protected by the relevant authorities, although the activities in question are not considered to have any impact on these zones. This conservation and maintenance activity is performed within or adjacent to 4,939,561 m² of protected or high-biodiversity areas, as follows:

- > Parque de Grajera (La Rioja) 4,500,000 m².
- > El Capricho (Madrid) 176,000 m².
- > Sabatini (Madrid) 25,400 m².
- > Jardines del Real (Valencia) 182,900 m².
- > Alameda de la Ciudad de Valencia, 55,200 m².

The management and maintenance of gardens includes the development and introduction of specific practices for ornamental and therapeutic pruning, the control of plagues and diseases, the protection of unusual trees, etc. The practices employed by this division use non-aggressive techniques with regard to biodiversity and the environment.

The measures implemented in the golf course close to La Grajera, which are a clear example of biodiversity protection, include:

- > The installation of thermal and photovoltaic panels on buildings
- > Introduction of electric vehicles

> The planning of species adapted to drought conditions

> The installation of automatic irrigation equipment to limit water consumption

> The use of phytosanitary products with a low environmental impact.

Comprehensive water management

In terms of the Group's comprehensive water management, infrastructure construction is the activity which has the largest impact on areas of rich biodiversity.

All projects promoted by local entities include an environmental impact study, which provides precautions to be taken so that the environmental impact can be reduced.

In 2008, during the construction of the Santa Eulalia desalination plant (located next to a protected area), precautionary measures were implemented including, inter alia, the modification of the path of one of the pipes to avoid any negative impact on marine flora.



5.4. Sustainable construction and other innovation vectors

FCC understands sustainable construction to be construction adapted to and respective of its environment, which saves energy and considers the impact on people. The Group is clearly committed to a form of construction that preserves the environmental conditions of the area in which it is created, throughout the entire life cycle of the construction in question. The Group's activities apply urban planning processes, architectural building design, the manufacture or use of green construction materials, the inclusion of clean technologies in buildings and the consideration of biodiversity factors when planning and/or carrying out construction activities.

Over recent years society has made a number of demands regarding the construction of buildings, particularly in terms of the materials used, energy efficiency and comfort. These demands, which traditionally led to a rise in the end price of the product on offer, have been made in such a way as to require construction companies to refrain from increasing the price of the end product, and adaptation to this new way of operating is a way in which companies can stand out from the competition. The research carried out to improve features through analysis of materials, thermo-fluid dynamic simulations and acoustic

and lighting tests is a factor that sets the Group apart from other companies within the sector.

The Group's environmental quality management and health and safety in the workplace systems have fully integrated the new Spanish technical building code (CTE), with a total of 35 procedures modified in this regard during 2008. CTE training is also being provided to employees.

One of the cornerstones for adaptation to sustainable construction requirements lies in the R&D&I field. The FCC Group develops research projects in collaboration with other large sector companies, as well as important universities. Joint research with other institutions allows experiences from all parties to be shared, taking advantage of any synergies that may exist.

The most significant environmental good practices are those related to noise and atmospheric pollution, the dumping of contaminated water, alterations to soil and sub-soil, the consumption of energy, materials and water and the generation of waste.

FCC Construcción leads and participates in committees and fora which focus on sustainable construction:

> Chairing the sustainability in civil works working party of the ISO/TC – 59/SC17 sustainable construction international technical committee, through which it also participates in the remaining working parties.

> Coordination of the Spanish Quality Association's construction committee.

> Participation at European level within the CEN/TC – 350 committee on construction work sustainability.

> Participation in the Spanish AEN/ CTN 198 sustainable construction mirror committee, in which FCC chairs sub-committee SC2 on sustainability in civil works.

FCC Construcción chairs the sustainability in civil works working party of the ISO/TC – 59/SC17 sustainable construction international technical committee





5.5. Water management

Aqualia, the FCC Group subsidiary engaged in integral management of the water cycle, bases its activity on the design, construction and operation of water management infrastructures. In 2007 Aqualia was named best water management company in the world by Global Water Intelligence.

All the projects carried out by Aqualia are designed to obtain the best return

Aqualia's annual strategic plan sets annual performance goals for all its operations, as well as providing data on compliance with these objectives:

- > Low-level network performance > 72.5% (performance achieved: 71%).
- > Technical network performance > 68% (performance achieved: 68 %).
- > Supply network loss index < 19 m³/km·día (index value achieved: 15.6 m³/ (km·day).
- > Drinking water connection point loss index < 0.40 m³ / connection·day (index value achieved: 0.32 m³/ connection point*day).

To meet these goals the company's operations use a range of methodologies and technologies, including inter alia:

- > Looking for leaks.
- > Adjusting network pressure in line with demand.
- > Organisation of networks by sector and monitoring of performance within these sectors.
- > Pipe renovation.
- > Presentation of proposals to renew pipelines to properties.
- > Detection of consumption fraud.

In 2008 Proactiva Medioambiente, the FCC subsidiary in Latin America which is partly engaged in water management, carried out significant work in applying the most advanced technologies and methods to detect water losses, reducing network losses by an average of 1.5%.

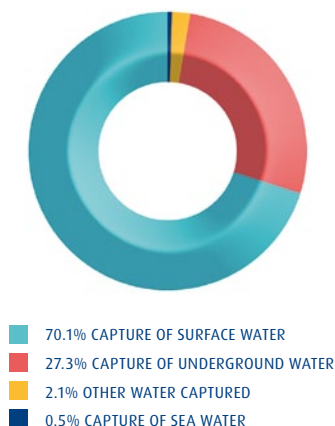
Proactiva has distributed leaflets to its customers informing them of the main causes of household leaks, as well as providing possible solutions

In 2008 the volume of water captured by FCC totalled 975,917,919.11 m³, while the total volume of wastewater received for treatment stood at 504,974,363 m³.



Source of captured water	Aqualia	Proactiva	TOTAL FCC
Capture of underground water (m³)	153,676,366.00	112,548,164.00	266,224,530.00
Capture of surface water (m³)	513,194,214.00	171,094,534.00	684,288,748.00
Capture of sea water (m³)	3,874,769.11	1,000,669.00	4,875,438.11
Other water captured (m³)	20,529,203.00	-	20,529,203.00
TOTAL WATER CAPTURE (m³)	691,274,552.11	284,643,367.00	975,917,919.11

Water captured for management



	Total volume of wastewater received (m³)
Aqualia	496,867,135
Proactiva	8,107,228
TOTAL FCC 2008	504,974,363



The water management area carries out work to develop water management infrastructures, including the risk of accidental spillage.

In 2008 the following accidental spillages were recorded during work carried out by Aqualia Infraestructuras España:

Spillage	Solution
Bajo Almanzora: dumping of concrete mixer washing liquid in an unauthorised area.	Cleaning of the affected area and filing of a complaint with the concrete supplier.
Butarque: Spillage of gasoil on generator sets.	The area was cleaned and the waste collected using sand and drying material, with the waste being treated as hazardous.
Golondrina: Rupture of a pipe in the irrigation system during excavation of the biological reactor.	The system was repaired and the water was shut off in the part of the system where the excavated areas were located.
Lleida: three spillages during 2008 > Water leak during a watertightness test. > Small oil spillage. > Spillage from a concrete mixer outside the area specifically designated for this purpose.	> The supply was shut off and the leak repaired. > The contaminated soil was collected and deposited in the waste collection area. > The spilled concrete was removed and the mixer truck drivers were warned to clean the trough in the right place.
Roque – Prieto: Oil spillages.	Cleaning of the area with drying paper, with the collected waste being treated as hazardous.
Talavera: Uncontrolled spillages from the fuel tank of one of the subcontractors.	Cleaning of the area and request to the subcontractor to remove the spilled substances.
Valdepeñas: Two spillages > Due to a rupture in the supply channel. > Washing of concrete mixers in the incorrect location.	> The piping was repaired. > Creation of a specific area for washing these mixers.

5.6. Waste management

The FCC Group has two business areas engaged in waste management. A key objective of this activity is to improve management techniques to achieve the most sustainable process possible, favouring the use of waste over its dumping in landfills, and minimizing the environmental impact of the processes used to treat this waste.

Management of hazardous waste is basically the neutralisation of the hazardous elements of this waste through suitable treatment, before subsequent dumping in landfills. Recycling and recovery possibilities are higher in the case of urban waste.

The main initiative in the treatment of solid urban waste and similar products has been the introduction of best practices for treatment processes and the selection of these processes. The improvements implemented include:

> Modification of selection trommels to increase the capture of organic

fragments, for subsequent recovery and composting or biomethanisation.

> Technological modifications to the design of the packaging selection lines, introducing more efficient mechanical processes and thereby improving the amount of recoverable products, such as plastics and metals.





Gestión de residuos no peligrosos				
NON-HAZARDOUS WASTE	Medio Ambiente (Spain)	Medio Ambiente (International)	FCC Ámbito	TOTAL FCC 2008
Collected (Tm)	5,909,986.00 (*)	14,535,845.59	951,228.22	21,397,059.81
Treated/disposed of (Tm)	5,649,157.00	123,820.80	16,719,982.66	22,492,960.46
Glass waste sent for recycling (tonnes)	4,722.61	32,489.22	97,880.25	135,092.08
Paper/cardboard waste sent for recycling (mT)	23,009.45	45,717.65	12,206,260.81	12,274,987.91
Metal waste sent for recycling (mT)	17,647.78		4,429,355.43	4,447,003.21
Wood waste sent for recycling (mT)	645.17	42,932.00	99,556.77	143,133.94
Plastic waste sent for recycling (mT)	18,539.06	2,681.93	229,813.43	251,034.42
Construction and demolition waste sent for recycling (mT)	-		15,562.00	15,562.00
Other waste sent for recycling (mT)	6.88 (Electronic waste)	-	23,487.10	23,493.98
Total waste sent for recycling (mT)	64,570.95 (**)	123,820.80	17,101,915.79	17,290,307.54
Waste treated in biological treatment plants (mT)	1,440.173		3.18	1440176.18
Waste treated in energy recovery plants (mT)	63.332		-	63.332
Waste sent to landfill (mT)	3,993,092.00		115,617.02	4,108,709.02

(*) Data includes waste collected directly by FCC Medio Ambiente (Spain) and treated in its facilities, as well as a further 142,140.79 mT of waste (hazardous and non-hazardous) which passes through this company's facilities, although it is not subject to treatment.

(**) Corresponds to the waste treated in Medio Ambiente (Spain) facilities.



Management of hazardous waste	Tonnes
Total hazardous waste collected *	306,106.77
Total hazardous waste treated/disposed of**	191,792.10
Hazardous waste sent for recycling	19,063.40
Hazardous waste sent for energy recovery	17,746.97
Hazardous waste sent for incineration	3,708.57
Hazardous waste sent to landfill	213,550.19
Hazardous waste sent for physicochemical treatment	80,192.94
Hazardous waste sent for stabilisation	76,842.39
Hazardous waste with other destinations	12,543.76

* Hazardous waste collected by the industrial waste management division FCC Ámbito, whether subsequently received by own facilities or taken to third-party facilities.

** Waste managed in own facilities.



06

Climate Change Vector of growth and innovation

.....

FCC is convinced that climate change is a strategic issue for current corporate activity and critical to the Group's legacy to future generations

.....

Given the concern regarding carbon emissions and the price of oil, energy efficiency and renewable energies are critical both to our businesses and to the planet.

Sustainability is a crucial aspect of FCC's business objectives, reflected in the diversification of the Group's business model to include energy. FCC is committed to the use of renewable energies, the recovery of energy from biomass and from waste with a high calorific value for its thermal or thermoelectric application, and the promotion of energy efficient processes.



FCC key to sustainable competitiveness: Market opportunities for FCC relating to climate change

The current market situation provides FCC with interesting opportunities to help combat climate change.

FCC manages a significant quantity of waste which may have a high biomass content. The combustion of biomass has a neutral effect in terms of greenhouse gas emissions, as the CO₂ emitted has previously been absorbed from the atmosphere through natural processes. However, when this waste is dumped in landfills it undergoes fermentation processes which result in the emission of a methane-rich biogas, which has a larger impact in terms of GHG emissions (with a global warming potential 21 times that of CO₂).

Consequently, using this biomass as an alternative energy source to fossil fuels has a doubly beneficial effect in terms of reducing greenhouse gas emissions: firstly, it avoids the emission of methane associated with its decomposition in landfills and, secondly, it avoids the emission of GHG associated with the fossil fuels for which it is used as a substitute.

The solutions offered by FCC include thermal treatment for the recovery of energy from biomass or the use of the biogas generated by its decomposition in landfills or in mechanisation plants.

These opportunities will be capitalised through the new area, FCC Energía, the objective of which is to reinforce these environmentally sustainable solutions, and to generate energy from other renewable sources.

For more information go to <http://www.fcc.es>

Objectives and programmes

One of the objectives established by the CSR Master Plan (2009 – 2010) is the reduction of greenhouse gas emissions generated directly and indirectly by the activities of the Group.

- > The main lines of action planned to achieve this objective are as follows:
- > Developing technologies which maximise energy efficiency through the use of cleaner fuels .
- > Capturing greenhouse gases.
- > Generating and consuming renewable energies.
- > Implementing and certifying an energy management system within the Group.

External outlook

Climate change is changing the rules for the energy sector. The World Energy Outlook 2008 summarises the scenario: What is needed is nothing less than an energy revolution.

Fuelling the future with low carbon energy is the sustainability challenge to which the sector's companies must rise.

Energy-related CO₂ represents 61% of global GHG emissions. The global objectives are to ensure a reliable and affordable supply of energy, and to change rapidly to a new, efficient, environmentally-friendly energy

supply system with low CO₂ emissions. Corporate and governmental efforts have resulted in regulatory changes, favouring the development of renewable energies and clean technologies. In 2020 20% of energy consumed in the EU should come from renewable sources, compared with the 12% forecast for Spain in 2010.

FCC undertakes the challenge of climate change from the perspective of its commitment to energy efficiency and renewable energies. The creation of FCC Energía in 2008 reinforces this commitment and the relevant market opportunities.

FCC Energía is the 6th largest producer of wind energy in Spain

2008 Achievements

- > 12,616,187 GJ of energy produced from renewable sources.
- > 4 clean development mechanisms registered and 3 in the pipeline.

2008

- > 1,206,600 tonnes of CO₂ avoided.
- > Creation of FCC Energía.
- > 487 MW of installed capacity in renewable energies.

2008

2009 Priorities

- > Development of two wind farms.
- > Increase in the use of alternative fuels at cement factories.
- > Reduction of electricity consumption at work centres.

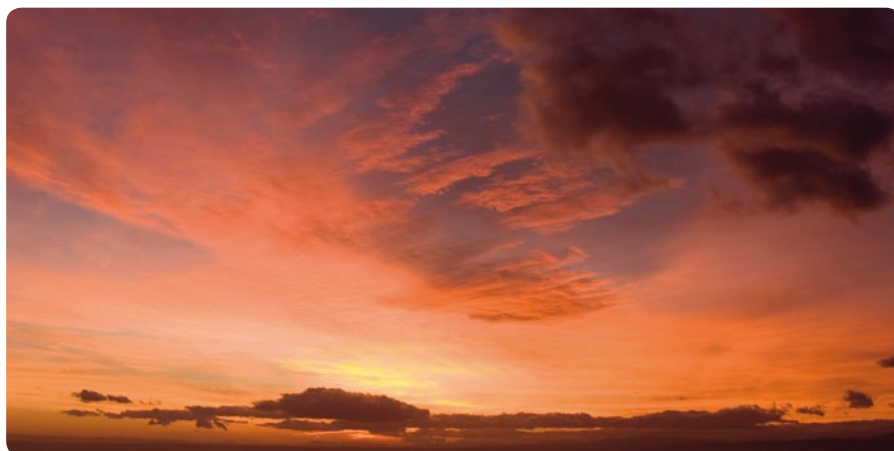
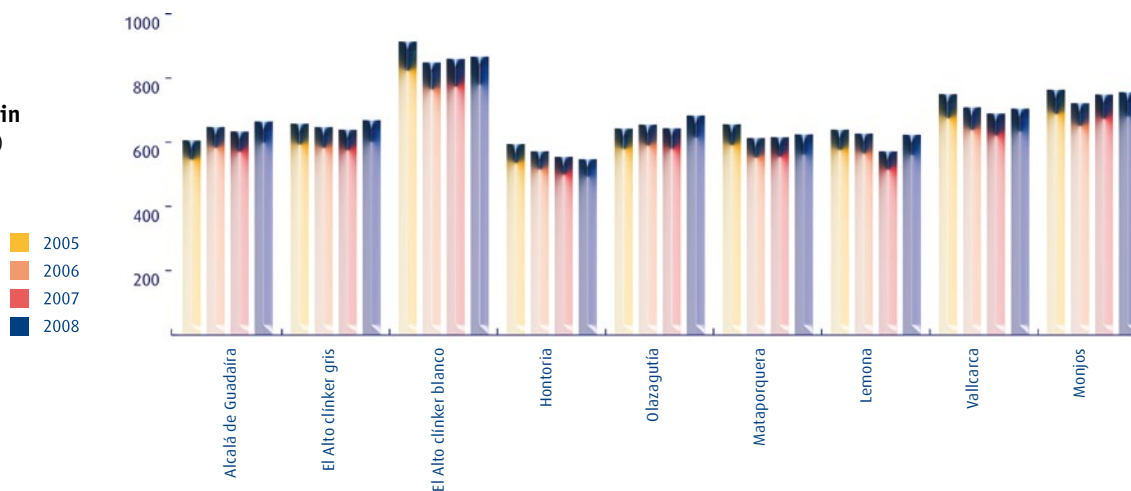
2009

- > Implementation of an energy management system in the Group.
- > Registration of CDMs under development.
- > Increase in the capture of CO₂ emissions at landfills.

2009

Trends

CO₂ emissions in Spain
((kg CO₂/tonne of cement))





Emission of
1,206,600
tonnes of
CO₂ avoided

4 CDM
projects
registered and
4 projects
in the pipeline

12,807,671
GJ
of energy
produced from
renewable sources

6.1. Risks and opportunities relating to climate change

.....
*In 2008 FCC became
the 6th largest producer
of wind energy in Spain*
.....

FCC changed its approach to combating climate change in 2008, redefining it as not only a risk for the Group but also as a strategic strength.

The creation of the new Energy and Sustainability department and of the company FCC Energía advances the Group's integral strategy of growth in renewable energies, through wind and solar energy and that recovered from

waste. Furthermore, the energy area will improve energy efficiency in all of the Group's activities.

The installed capacity of FCC Energía totalled 591 MW in 2008. This capacity comprises 467 MW produced by 16 wind farms, 104 MW generated at its four waste management installations and 20 MW produced at its two photovoltaic farms.

With the energy generated by the new area of FCC, the Group has avoided the emission into the atmosphere of 339,475 t of CO₂eq compared to the emissions that would have been produced based on the energy mix of the electricity system.

Renewable energy produced by origin (GJ)	
Wind energy	2,670,606
Solar energy	27,003
Energy from waste	865,368
TOTAL FCC 2008	3,562,978

Each area regularly evaluates the risks and opportunities of its respective businesses with respect to climate change. The table below presents the evaluations updated in 2008:

Opportunities		Risks
Cement	• Use of waste and alternative fuels. • Improvement of production systems.	• Tightening of legislation relating to greenhouse gas emissions.
Construction	• Development of new products and solutions to adapt the conditions of buildings and infrastructures to more extreme climates. • Development of measures to adapt to extreme changes. • Reconstruction of assets damaged by weather conditions. • Renovation of existing buildings to improve their energy efficiency. • Improvement of existing infrastructures. • Development of new subterranean designs which offer protection from the rise in temperatures. • Greater volume of business due to the incorporation of new elements and considerations relating to climate in the construction of infrastructures. • Development of new pipelines due to the drought.	• Material damage to constructions due to extreme weather conditions. • Impairment of assets located in vulnerable areas. • Town planning and developments without market outlets due to demographic changes. • Modification required to construction models to make buildings inhabitable (greater need for air conditioning and insulation). • Reinforcement of maintenance activities for installations. • Building materials become more expensive. • Increase in the number of claims made during the guarantee period. • Stricter requirements relating to dumping or emission authorisations.
Water management	• Development of new strategies for saving water. • Use of more efficient and environmentally- friendly technologies.	• Lower volume of business in water sales. • Higher supply costs. • Increased need for investment in mitigating measures for periods of drought. • Equipment price increases due to the mandatory use of more sustainable materials.
Waste management	• Development of new technologies for recycling solid waste. • Development of new procedures to maximise the extraction of biogas from decomposing waste.	• Stricter social requirements with respect to waste management. • Landfill incidents due to potential floods in the area.
Versia	• Increase in environmental requirements relating to vehicles, which would lead to an increase in the range of services offered by entities which carry out Vehicle Roadworthiness Testing. • Reduction of private traffic in favour of public transport, which would increase the need for street furniture in cities. • Development of street furniture adapted to stricter environmental requirements. These technologies include the installation of low energy-consumption lighting, the installation of solar plates on street furniture, development of vehicles with a lower environmental impact and development of new, sustainable mobility projects promoting the use of bicycles in urban areas.	• Increase in extreme weather conditions, leading to changes in the logistics and urban services activity. • Less need to de-ice airplanes due to higher winter temperatures. • Increase in costs deriving from the application of new legislation with respect to reducing emissions. • Need to adapt operating processes due to changes in legislation regarding uses of water and other products for industrial processes and cleaning. • Rising cost of road transport, with negative consequences for the logistics area. • Possible reduction in air activity, with reductions in airport management activity.
Energy	• State development of renewable energy farms.	• Appearance of extreme weather conditions, such as strong winds.



6.1.2. Clean Development Mechanism projects

FCC's climate change strategy includes the use of flexibility mechanisms. In 2008 FCC had 4 registered CDM projects. The Clean Development Mechanism (CDM) is one of the flexible mechanisms established by the Kyoto Protocol to help developed countries to meet their climate change commitments. Developed countries generate electricity from renewable energy sources in a developing country to substitute energy generated in that country using fossil fuels. The energy produced by the CDM therefore substitutes that generated in the country of origin, avoiding the emission into the atmosphere of a specific quantity of CO₂, which having been measured and certified can be sold on the international carbon market.

CDM allow developed countries to meet their commitments to reduce emissions and companies to diversify their businesses, while providing developing countries with technology and a number of indirect benefits to which they would not otherwise have access.

Furthermore, the cement division of the FCC Group also participates in the Spanish Carbon Fund, with a contribution of €2.5 million distributed over several years in accordance with the commitment acquired.

Cementos Portland Valderrivas, the cement area of FCC, and Proactiva Medio Ambiente, the area engaged in the management of water and waste in Latin America, are the two Group organisations which have CDM projects, each of which is at a different stage of development:

> Project Minas in Argentina (Cementos Portland Valderrivas):

project registered with the Executive Committee of the UNFCCC, based on the partial substitution of fossil fuels with biomass (rice husk) at the Minas factory belonging to Cementos Avellaneda. The total reduction of CO₂ emissions obtained is 40,612.74 t of CO₂ (2002-2007).

> Project San Luis in Uruguay (Cementos Portland Valderrivas):

project registered with the Executive Committee of the UNFCCC, based on the partial substitution of fossil fuels with biomass (peanut husks) at the San Luis factory of Cementos Avellaneda. The estimated reduction is 38,587.75 t of CO₂ (2000-2007)

> Project Mérida in Mexico (Proactiva Medio Ambiente). Registered with the Executive Committee of the UNFCCC.

> Project Fachinal in Argentina (Proactiva Medio Ambiente).

Registered with the Executive Committee of the UNFCCC, based on capturing and burning biogas from the Fachinal landfill.

FCC is currently in the process of registering five new CDM projects

> Project Tijuquinhos in Brazil (Proactiva Medio Ambiente).

The Group has applied to register this project with the Executive Committee of the UNFCCC.

> Project Presidente in Colombia (Proactiva Medio Ambiente).

The design document is currently being prepared.

> Project La Yesca in Chile (Proactiva Medio Ambiente).

The design document is currently being prepared.

> Project Tlalnepantla in Mexico (Proactiva Medio Ambiente).

The design document is currently being prepared.



**33% of
energy produced
by FCC derives
from waste**

**17% more
biogas captured
for energy
cogeneration at
Medio Ambiente
in Spain**

**Alternative fuels
represent 7.3%
of fuels used
by Cementos**

6.2. GHG emissions

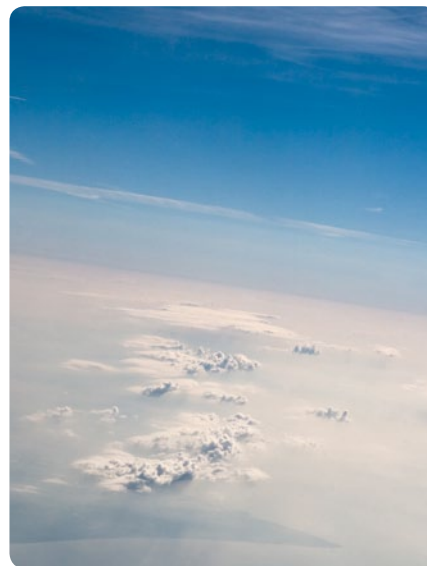
The projects and activities carried out by FCC contribute notably to improving the quality of life of many people. However, it is inherent to the Group's activity and, for the time being, inevitable, that

in carrying out these activities certain quantities of greenhouse gases (GHG) are emitted into the atmosphere, thereby contributing to climate change.

In 2008 the Group emitted a total of 18,476,829.2 TCO₂eq in direct emissions and 638,522.7 TCO₂eq in indirect emissions.

Emisiones de GEI		
	Direct emissions of GHG 2008 [T CO ₂ eq]	Emisiones indirectas de GEI 2008 [T CO ₂ eq]
Construcción (*)	2,842.0	33,164.0
Cement	10,763,119.0	378,366.0
Torre Picasso	718.6	1,979.3
Medio Ambiente (Spain)	1,600,119.0	8,240.9
Medio Ambiente (International)	5,802,661.0	19,852.0
Aqualia	65,933.9	171,793.1
Ámbito	150,893.6	7,396.8
Versia	90,542.1	17,730.6
Total Services	7,710,149.5	225,013.3
Total FCC	18,476,829.2	638,522.7

(*) The figure for Construcción excludes direct emissions generated by fuel consumption in works.





Direct GHG emissions



62% GHG EMISSIONS FROM FUEL CONSUMPTION
 37% GHG EMISSIONS FROM LANDFILL SITES
 1% OTHER DIRECT GHG EMISSIONS

Indirect GHG emissions



96% GHG EMISSIONS FROM CONSUMPTION OF IMPORTED ELECTRICITY
 4% GHG EMISSIONS DUE TO WORK-RELATED TRAVEL

FCC has adopted a twofold approach to minimising the impact of GHG emissions. Processes for reducing emissions are perfected and optimised and advances are made in using technologies which maximise usage of energy and renewable energies.

6.3. Perfecting and optimising processes to reduce emissions

FCC implements all available mechanisms and carries out research projects to minimise the environmental damage deriving from its activities. The following activities relating to GHG emissions are particular noteworthy:

- > Monitoring and reducing direct and indirect GHG emissions.
- > Implementing an energy management system within the Group.

> Extending the Green Centres Plan introduced in the former Master Plan.

> Annual meeting of the Group's environmental work group, to monitor the environmental performance of the activities of FCC and identify possible synergies within the Group.

A higher number of FCC Group subsidiaries now have certified environmental management systems, in

which the emission of GHG is identified as an environmental issue and therefore subject to the specific reduction targets for each business activity.

During 2008 the different divisions of the Group continued to implement specific measures in their processes to reduce GHG emissions, including the following:

Cement

- > Improving energy efficiency by manufacturing clinker in more efficient furnaces.
- > Increasing the use of materials containing lime (CaO), thereby reducing CO₂ emissions deriving from the clinker firing process.
- > Optimising the use of clinker through the utilisation of additives in cement manufacture.
- > Participating in the Spanish Carbon Fund.

Construcción

- > Renovating existing properties instead of building new constructions, reducing the pollution generated by up to 60%.
- > Reutilising waste and materials left over from other activities.
- > Stabilising soil with lime.

> Carrying out regular maintenance work on machinery to ensure that it functions correctly, incorporating more efficient machines where necessary.

> Avoiding the unnecessary felling of trees and, where their removal is required, replanting them in other areas.

> Reforesting degraded areas close to Group installations, to boost the sink effect of trees.

> Participating in work groups, fora and initiatives relating to climate change.

> Optimising transport.

Waste management activities

- > Reducing pollutant and GHG emissions deriving from the fleet of vehicles.
- > Reducing the percentage of waste managed by FCC sent to landfill sites without any prior recovery of energy.

> Reducing GHG emissions from landfill sites, through the active degasification of blocks of waste.

Versia

Gradual replacement of the logistics services' fleet of lorries and light industrial vehicles, in accordance with new European regulations.

The initiatives implemented by the cement line of business have avoided the emission into the atmosphere of 79,200 t of CO₂, while the construction business has avoided 24,247 t of CO₂.

The Barredo Foundation building. Project ARFRISOL

FCC Construcción has actively participated together with other large companies in Project Arfrisol (based on bioclimatic architecture and solar cooling) within the framework of projects developed by the Ministry of Education and Science. This building, located in Siero (Asturias), is one of five to be constructed in different climactic areas of Spain to study the possible technical adaptation of bioclimatic architecture and the use of solar energy in flagship public buildings.

The objective of the project is to demonstrate that it is possible to save

up to 90% of the energy consumed by buildings by employing bioclimatic criteria in their design and construction.

The building uses thermal solar panels and a biomass boiler to generate heat, while photovoltaic solar panels supply the electricity required to run the building. The building's cooling system substitutes traditional compression systems with technologies which harness the caloric energy generated from solar power. Additionally, there are pipes laid down under the building's foundations which cool the hot water from the absorption pumps.

A sophisticated centralised control system has been installed to obtain the maximum possible efficiency from the combination of the systems incorporated into the building's design. This control system is capable of prioritising the operation of certain installations to optimise energy consumption, in addition to quantifying the energy saving obtained from the use of the building's technological features.



6.4. Energy efficiency and clean energies

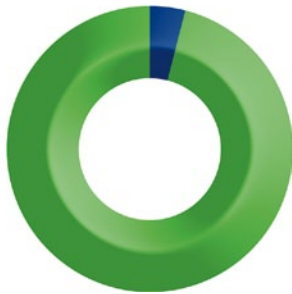
Energy efficiency resulting from the application of technologies which maximise energy usage, as well as generating and consuming energy from renewable sources, are two vital mechanisms for reducing CO₂ emissions and combating climate change. Each FCC Group business area channels its investments in efficiency differently.

In 2008 direct consumption of renewable energy represented 0.5 % of total direct energy consumption.



Direct energy consumption (GJ)			
Business area	Non -renewable energy consumed (GJ)	Renewable energy consumed (GJ)	Total direct energy consumption 2008 (GJ)
Construction	1,085,442.26	6,663.60	1,092,105.86
Cement	43,186,777.00	4,133,361.00	47,320,138.00
Total real estate	390,926.98	-	390,926.98
Realia	120,759.98	-	120,759.98
Torre Picasso	270,167.00	-	270,167.00
Total Services	72,386,710.42	298,228.23	72,684,938.65
Medio Ambiente (National)	2,557,837.04	1,164.18	2,559,001.22
Medio Ambiente (International)	578,166.47	202,662.00	780,828.47
Aqualia	66,155,342.00	77,041.00	66,232,383.00
FCC Ámbito	853,798.09	15,594.05	869,392.14
Versia	2,241,566.82	1,767.00	2,243,333.82
Corporate areas	827.31	-	827.31
Total FCC 2008	1,390,311,425.32	6,781,677.27	1,397,346,012.21

Direct energy consumption



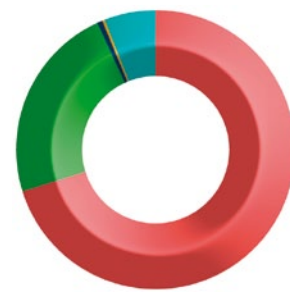
96% NON-RENEWABLE ENERGY CONSUMPTION
4% RENEWABLE ENERGY CONSUMPTION

Origin of non-renewable energy consumed directly



61% FUEL OIL
6% COAL
1% NATURAL GAS
1% PETROL
31% OTHERS

Origin of renewable energy consumed directly



70.70% WASTE
23.16% BIOMASS
0.10% HYDRAULIC
0.04% SOLAR
6% OTHERS

Indirect energy consumption (GJ)				
	Electrical energy consumed (GJ)	Energy consumed in the form of steam (GJ)	Energy consumed from other sources (GJ)	Total indirect energy consumed (GJ)
Construction	20,564.61	-	-	20,564.61
Cement	6,637,712.40	-	-	6,637,712.40
Total real estate	55,684.32	-	-	55,684.32
Realia	34,909.95	-	-	34,909.95
Torre Picasso	20,774.38	-	-	20,774.38
Total Services	5,165,427.09	9,349.71	1,619.74	5,176,396.54
Medio Ambiente (National)	105,042.80	-	-	105,042.80
Medio Ambiente (International)	202,662.00	-	-	202,662.00
Aqualia	4,354,607.08	-	-	4,354,607.08
FCC Ámbito	136,544.58	-	-	136,544.58
Versia	366,570.63	9,349.71	1,619.74	377,540.08
Corporate areas	93,356.69	-	-	93,356.69
Total FCC 2008	11,972,745.12	9,349.71	1,619.74	11,983,714.57



6.4.1. Initiatives implemented to reduce GHG emissions through energy efficiency and clean energies

Cementos

The manufacture of cement requires a large volume of energy, most of which is consumed directly. This division actively promotes the diversification of energy sources for the consumption required by its cement factories.

In 2008 energy has been recovered from waste at the factories of Hontoria, Lemona, Mataporquera, and Vallcarca in Spain; Harleyville and Bath in the USA; San Luis and Olavarría in Argentina and Minas in Uruguay. The types of waste employed include used oil, meat flours,

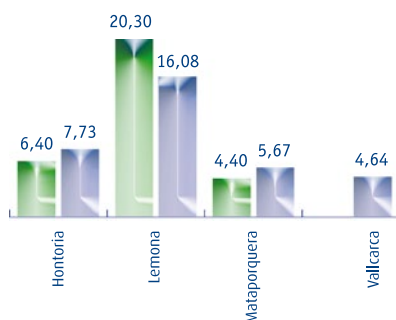
sludge from sewage treatment plants, wood, used tyres, coffee dregs, waste from light fragmentation of vehicles no longer in use, non-recyclable solid municipal waste, plastics, prunings, solvents, and rice and peanut husks.

This division also promotes the generation of electricity and caloric energy from renewable sources. It currently operates three mini hydroelectric plants located in Zudaire (Navarra), Estremera (Madrid) and Bedia (Vizcaya).

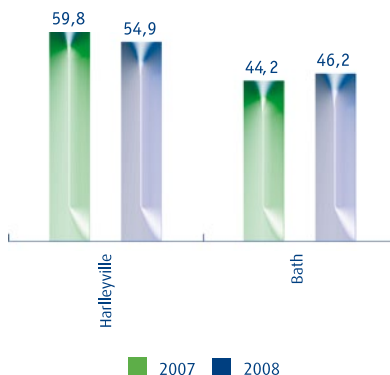


The cement area could reduce its emissions by 222,500 tonnes of CO₂ per year through the commitment undertaken to use forest material as fuel in its furnaces

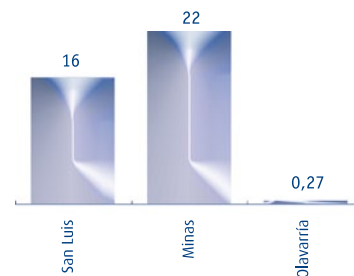
Fuel replacement in the cement business in Spain
(% of energy)



Fuel replacement in the cement business in the US
(% of energy)



Fuel replacement in the cement business in other countries
(% of energy)



■ 2007 ■ 2008

Construcción

The main activities which consume energy in this business area are the manufacture and transportation of construction materials, the consumption of fuel for machinery at building sites, the generation of electricity and air-conditioning and lighting.

The principal measures introduced to reduce energy consumption relate to maximum possible use of natural light, insulation of industrial bays to avoid heat loss, selection of suitable lighting for each type of installation, fluorescent lamps, adequate maintenance of works vehicles, awareness raising campaigns to reduce energy consumption, substitution of old equipment for more modern and efficient equipment and installation of devices in offices to automatically turn off equipment at the end of the day and at weekends.

Waste management activities

The operation of the Company's fleets is the process with the highest energy consumption in the management of municipal waste. This activity uses 93% of the energy consumed by the waste management area. Other energy consuming processes are the

treatment of waste, its elimination at landfills, the maintenance of gardens and administrative jobs in offices and workshops. The installations which consume most electricity are the treatment and energy recovery plants.

The initiatives adopted to minimise the environmental impact of this area include the following: awareness-raising talks, improving the performance of electrical apparatuses, exercising greater control over preventive maintenance plans, optimising work shifts, incorporating timers to switch light offs automatically and improving the illumination of the Company's installations.

With respect to the reduction of diffuse emissions of GHG from landfill sites, the Group has reinforced the active degasification of blocks of waste for the generation of electricity from the biogas collected.

In the national area of Medio Ambiente the capture of biogas for the cogeneration of electricity increased by 17% in 2008 compared with 2007

FCC's environmental services area invests in the use of clean technologies in its fleet of vehicles.

FCC's environmental services area has a fleet of 10,000 industrial vehicles in the Spanish market and 2,500 more in the international market. Over 930 of these vehicles use natural gas technology and 32 are electrical. In addition to these industrial vehicles, FCC has 200 purely electrical vehicles for road cleaning purposes, which have fewer features.

Water management

The energy consumption of this division primarily relates to the water treatment plants, particularly the desalination plants. The impact of this area is minimised by selecting the most energy efficient equipment and its adequate maintenance.

Versia

In addition to the electricity consumed for the lighting and air-conditioning of offices and industrial bays, the activities carried out by Versia which consume the greatest volume of energy are transport, the illumination of street furniture and car parks, and the machinery used for handling services.

The measures adopted to contain energy consumption in 2008 include reducing night lighting, turning off equipment during standby periods, and decreasing the number of hours and the intensity of street furniture illumination.



Of the total energy generated by FCC, 33% is recovered from waste

6.4.2 Generation of clean energies

In general terms, one of the main measures adopted by all the business areas of FCC to reduce their environmental impact is generating

energy from renewable sources. In this way, the Group avoided the emission of 716,118 t of CO₂eq into the atmosphere in 2008.

Energy produced from renewable sources (GJ)	
Cement	3,672,287.82
Energía	3,562,978
Total services	5,572,404.73
Medio Ambiente (national)	191,483
Medio Ambiente (international)	5,359,409.63
Aqualia	19,829.61
FCC Ámbito	39.59
Versia	1,642.9
TOTAL FCC 2008	12,807,670.55



07

A committed company

FCC's public vocation

FCC's commitment to the public is based on over 100 years of local activities. Its aim is to seek collaborators to help solve shared challenges and create the legacy of a sustainable world.

Creating wealth and jobs is the most recognised and fundamental way in which companies contribute to society. FCC is recognised as an employer of choice and a company dedicated to advancing public knowledge and resources.

FCC works hard on building relations and communications in various areas of society, sharing expert know-how while learning to identify the economic, social and environmental challenges faced by communities and, in particular, young people.

.....

*FCC cares how it is
perceived by the young,
our future employees
and users of our
infrastructures and
services*

.....



FCC key to Sustainable Competitiveness: connection to society

FCC considers CSR as an intangible asset of incalculable strategic value that encourages staff loyalty. CSR generates business awareness and identity by staff seeing what the company achieves for society and how it is addressing key issues. The company is a benchmark for the public in terms of expectations, goals and commitments. This has been made evident in the company. Firstly, because of our renowned shareholder Esther Koplowitz, one of the world's major philanthropists, whose eponymous foundation has made significant donations to community projects.

The company's reputation and FCC's involvement in society are, therefore, fundamental issues. Secondly, because our company operates in continuous contact with local communities, providing very visible public services ranging from water supply to refuse collection. CSR is therefore an intangible issue but key and strategic for the company. FCC understands that CSR harnesses the future to the present.

Therefore, FCC brings CSR to universities, contributing knowledge and experience to inspire and educate the managers of the future in today's classrooms studying Business Administration, Economics, Engineering etc. CSR is a way of managing the company from a humanist viewpoint, with heart and thought for the public. A responsible company also needs socially responsible consumers. Social responsibility is for all society, not only business, even if they are currently its focus. FCC views CSR as responsibly managing and being accountable for the company's impact and contribution to sustainability; a humanist approach by a company with over one hundred years' history and a public vocation and future.

☞ For more information go to <http://www.fcc.es>

Objectives and programmes

The 2009-10 CR Master Plan has twin strategic objectives and 15 lines of action to develop the FCC Group's commitment of responsibility to communities.

Strengthen external and internal communications of FCC's socially responsible activities and, therefore, its reputation for responsibility and sustainability.

- > Development of external and internal communications policy.
- > Involvement of FCC in fora, institutions, foundations and institutions of reference for CSR.
- > Dialogue with stakeholders.

Progress in identifying social action through the new FCC Foundation and consolidating the employee volunteering scheme.

- > Consolidation of the employee volunteering scheme.
- > Continued collaboration with the Esther Koplowitz Foundation.
- > Promotion of the FCC Foundation recently set up to improve education in Spain, amongst other aims.

Following the approval (in November 2008) and launch of the second CR Master Plan, the challenge for the Group in showing its public commitment is to develop new communications platforms that lead to wider knowledge of the Group's activities and results in sustainable competitiveness. The

technology will enable new 2.0 external internal communications programmes to be launched.

FCC's employee volunteering scheme now enters a consolidation phase, following the successful launch of the first initiative.

FCC will continue to develop relations through activities with stakeholders, networking and collaboration in fora, institutions, foundations and standard-bearing organisations.

In context

The study on "new trends in corporate social action" by Lourdes Urriolagoitia, published by ESADE's IIS in November 2008, concludes that for companies' social action to have a positive social impact, it needs to be managed observing six requirements: harmonisation, focus, an active role, collaboration, involvement of senior management and formalisation. The leading companies in this field consider it essential to work with a specialised strategic partner and have shifted the focus from donor-recipient relations to working in conjunction with institutions from the third sector and collaborating directly in managing the same project. The study also highlights that to make progress towards a strategic model of philanthropic management, one that enhances competitiveness while helping to resolve social problems, companies need to work on projects that constitute a long-term commitment. FCC's second Master Plan establishes a commitment to society as an objective and foresees reviewing social action strategy and promoting the recently created FCC Foundation.

The first year of the employee volunteering scheme saw a high level of participation



2008 Achievements

- > Completed evaluations of needs of the community and impact on social and economic development of societies in which we operate.
- > Employee volunteering scheme.

2008

- > Participation in working groups and fora on CSR, sustainability and good governance.
- > All areas maintain relations with stakeholders and seven publish CSR reports.

2008

2009 Priorities

- > Participation in fora and working groups on CSR.
- > Collaboration with Spanish and international universities.

2009

- > Review of the social action strategy.
- > Development of employee volunteering scheme.
- > Communication plan.

2009

Trends

FCC maintained its level of community donations in 2008, contributing 0.7% of its EBITDA. In absolute terms, however, the total donations made are down in relation to growth in EBIT in 2008.



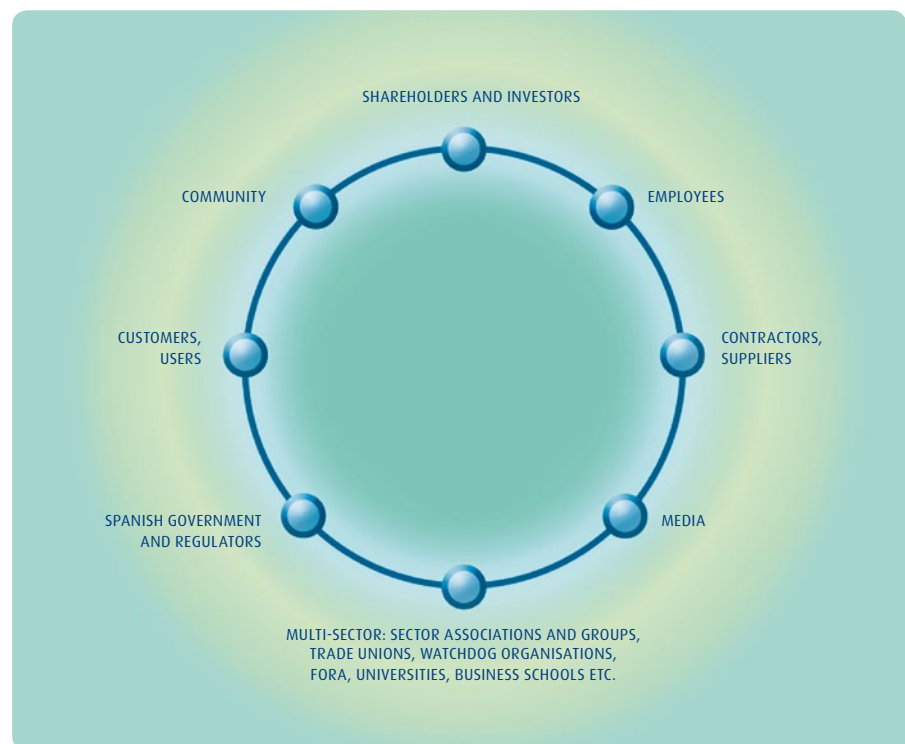
258 meetings
with
shareholders,
investors and
analysts

**Extension of
agreements with
universities and
business schools**

3,500
advertising
spaces provided
for combating
climate change

7.1. Shared knowledge: FCC and its stakeholders

FCC has cooperative relations with its stakeholders directed at the intelligent use of information in taking new opportunities arising from collaboration projects.



Relations with stakeholders form part of the FCC Group's business management and strategy at corporate level and in each of the business areas. FCC cultivates and helps effectively develop its relations. The Group has launched various channels and formats for

monitoring information, communications and relations. FCC's activity in this area is focused on proposing activities and actively considering and responding to the initiatives suggested to it.

Our communications reflect the confidence of our shareholders and investors

With the current global market as it is, FCC has doubled its efforts to explain to investors - above all foreign investors - the strategic design of the Group and the value of the level of diversification achieved, for sustainability and for the

future business activity of this Group after over one hundred years of history.

The Stock Market and Investor Relations Department makes clear, regular and comprehensive information on the company available to shareholders, investors, analysts and the public. It also provides quarterly results, explains business developments within the Plan 10 and organises half-yearly meetings

to maintain smooth and stable dialogue with shareholders, investors and analysts.

A total of 258 meetings with investors and analysts were organised in 2008. Of these meetings, 196 were with investors, 51 with analysts and 11 with account managers.

“Investor Day”: Introduction of the FCC Services division to the market

In October 2008 over 50 analysts and investors took part in the “Investor Day” organised by the Stock Market and Investor Relations Department to introduce the FCC Services division. Speakers at this event included the chairman and managing director of the FCC Group and the chairman and various general managers from its Services division. The event highlighted FCC’s competitive strengths and the major advantages that could prove attractive for the capital market during the current economic downturn, including leadership in activities, strategic visibility, financial soundness and commitment to shareholders. The FCC Services division, valued at Euros 7,400 million, is a strategic launching point for rolling out the Plan 10, as it is the recipient of almost 60% of the investment planned for 2008-2010.

FCC involves its employees in the Group’s social responsibility

FCC informs and involves its staff in the field of corporate social responsibility. Through such initiatives as the Code of Ethics and employee volunteering scheme, and internal communications, CR has become part of the company’s culture. This improves employee satisfaction, creates opportunities for staff from all professional categories and Group activities to interact and generates a greater sense of a corporate family.

prepared through the efforts of many staff from all the administrative and business areas forming FCC.

In 2008, over 140 people contributed to the tool Horizonte, the integrated information system for CR.

Internal communications in the area of CR were advanced in 2008 by developing protocols for the induction of new staff and publishing daily CR news on the intranets of the Group and respective companies. Other advances included CR sections in internal newsletters and on the corporate website and CR-related press coverage. Corporate responsibility and environmental reports were also

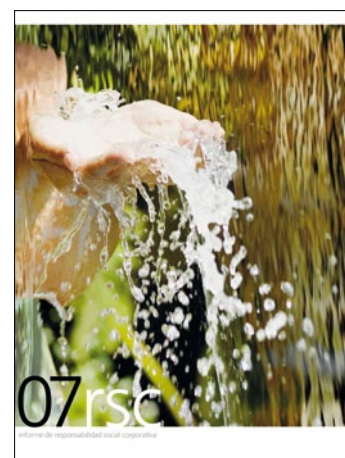


FCC's newsletter



CSR and sustainability reports in the FCC Group

In line with the commitments undertaken in its CR Master Plan, the Group's different business areas publish their respective CR/Sustainability reports and environmental bulletins every year or two years:



FCC extends CR to its suppliers and contractors

FCC encourages contractors and suppliers to become involved in protecting the environment, endowing these parties with responsibilities and making them aware of the role they could and should play.

The Group knows that its responsible performance depends on the conduct of its suppliers and subcontractors. Its management systems and training initiatives, therefore,

extend to the supply chain. FCC's own and subcontracted personnel are subject to ongoing training to raise awareness of the importance of complying with management policies, specifically those on occupational health. Training initiatives also inform staff of the procedures and requirements of the environmental management system, significant environmental issues, actual or potential impacts associated with their work, their duties and responsibilities and the possible consequences of deviating from established procedures.

FCC Construcción: Creating CR synergies in the production chain

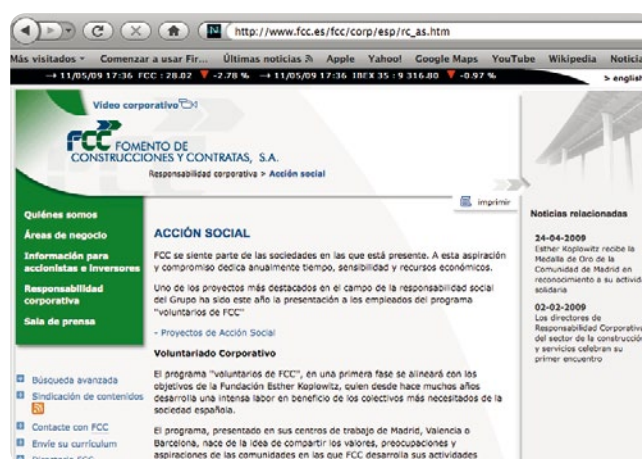
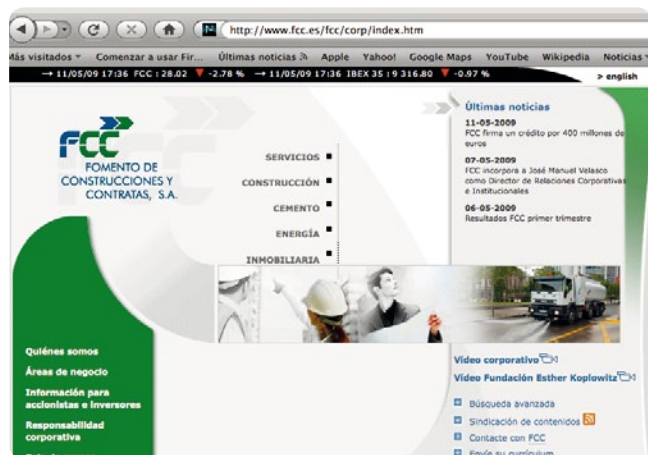
FCC Construcción recognises how important suppliers and subcontractors are to fulfilling its commitments. It has therefore established an evaluation policy and criteria to analyse each supplier's synergy with the company. Supply policy is based on mutual trust, to ensure the necessary transparency, create mechanisms for joint promotion of innovation in construction and sustainability, and attach proper value to loyalty and meeting commitments.

By incorporating environmental and social criteria in processes for selecting and assessing suppliers, we encourage the market to reward environmental quality and good health and safety policy in companies related to the construction sector. With FCC Construcción acting in a more sustainable way, other interested parties or players are impelled to follow suit.

Suppliers and subcontractors are assessed and selected using computer software containing historical data and ratings for those companies. This application enables the entire organisation to identify and select suppliers. The criteria used to assess suppliers are:

- > UNE-EN ISO 14001:2004 or EMAS certification.
- > Permits and licences for contracted activities.
- > Accidents and a pro-active response to repairing damage.
- > Observance and application of established standards and guidelines.
- > Compliance with project document requirements.
- > Waste minimisation, use of advanced technologies, restoration of areas occupied by their facilities, implementation of preventive measures.
- > Occupational health and safety practices.
- > Advances in quality, available resources and experience of similar projects -The requirement is also established, for all projects, to provide training for subcontracted personnel whose activities could impact the environment.

The effectiveness of the supplier assessment and selection system is measured in feedback from customers. Our customers are highly satisfied with our suppliers and subcontractors, helping to project a positive image of the company.



FCC cultivates its communications policy

The **Communications department** is responsible for all contact between the Group companies and the media and also organises the company's internal communications.

In 2008, the Communications department held 90 press conferences, issued over 750 press releases and monitored over 62,000 hits in the media.

FCC's website is praised by experts as one of the most user-friendly IBEX 35 company websites. It has also WAI certification, from the W3C consortium, for accessibility for the disabled.

The FCC website also has a specific area on corporate responsibility, providing information on the companies' commitments to social responsibility and the corporate responsibility initiatives undertaken. The "Action" section reports on FCC's various activities in this field.

Visitors to the FCC website in 2008: an average of 2,635 daily visitors

The **FCC Group's newsletter**, printed every two months and with a circulation of 12,000, covers all the domestic and international activities of this major group.

Since 2008, the newsletter has also included a regular feature on all the Group's CSR initiatives.

As a means of saving paper and reaching more readers, the Group's newsletter was changed to digital format in January 2009. The publication is distributed by email and also published on the FCC website.

FCC collaborates with the Spanish government and regulators in developing advanced forms of efficient and sustainable management

All FCC Group companies have implemented voluntary measures to maintain the highest standards of production and service in their respective sectors of activity. Group companies pioneer and actively participate in initiatives for sector self-regulation and for regulatory changes, including new legislation.

In 2008, various public organisations requested guidance from FCC companies in standardising the most advanced, thorough and effective management criteria in their respective sectors. FCC provided its expert knowledge and experience in implementing international best practices.

FCC Construcción shares know-how in regulatory developments in the sector

FCC Construcción is deeply involved in developing rules and standards for technical advances and sustainable management in the sector:

- > Chair of the “Civil engineering works” working group of the ISO technical committee TC 59/SC 17 “Sustainability in building construction”, through which it participates in the other working groups.
- > Coordination of the Building Committee of the Spanish Association for Quality.
- > Participation in the European Committee for Standardisation technical committee TC 350 Sustainability of construction works.
- > Participation in the Spanish mirror committee AEN / CTN 198 “Sustainable Construction”, on which FCC chairs the subcommittee SC2 “Sustainability in public works”.

FCC contributes to these fora as follows:

- > Defining technical terminology and general principles.
- > Describing the life cycle of the building or infrastructure.
- > Defining and using sustainability indicators for civil engineering and building works.
- > Environmental declaration for products.
- > Determining a method for evaluating the environmental, economic and social impacts of civil engineering and building works.

FCC collaborates with customers and users to contribute social added value

The Spanish government is one of the FCC Group’s main customers. The Group therefore closely monitors new and emerging legislation and contributes toward standardisation.

The company’s Sustainability and Management System has mechanisms to ensure that our customers’ environmental requirements are met. In 2008, the relevant protocols have been reviewed and updated to incorporate the requirements of the Green Public Procurement Plan and new technical conditions from the different government departments and authorities.

Prepared for the government’s Green Public Procurement Plan

The Spanish government’s Green Public Procurement Plan was approved in January 2008 in response to the European Union’s sustainable development strategy. The strategy recognises the importance of using environmental criteria for public contracts and the need for action plans in that area. By requiring public authorities to consider the environment when deciding on purchases, the Spanish plan is a major step towards sustainability. Large companies are affected by government decisions but companies’ own suppliers and subcontractors are also directly affected. Blindly adopting contractual and tender requirements means that such conditions are met. However, viewing these requirements in an overall context of sustainability enables companies to comply intelligently, ensuring the best results and that all the links in the chain are involved in the process and assume any obligations and benefits.

FCC undertakes to satisfy the “green buying” requirements of its customers and takes the further step of demanding sustainability from its collaborators.



FCC is involved with sector associations and groups in promoting corporate responsibility and sustainable development

Business representatives from the construction and services sectors are important to raising awareness and sharing the challenges of corporate responsibility and sustainability faced by these respective sectors, both key to Spain's economy. FCC is on the CSR committee of the CEOE.

Aqualia, founding member of the world water rights committee

The world water rights committee is a combined effort to study the issues surrounding this vital asset, seriously affected by shortages and pollution. The committee will provide backing for all types of activities, meetings, promotions, courses and informative events, maintaining Zaragoza's reputation as a benchmark for water debates following the Expo held there.

The world water rights committee is an initiative of the Aragon Institute of Civil Engineers and was mainly founded by Spanish public bodies, such as the association itself, AquaEbro, Acuamed, Expo Zaragoza 2008 and certain other organisations, mainly universities from other countries. The main companies from the sector such as Aqualia, as a founding member of the committee, later became involved.

FCC is part of the community working towards sustainability

FCC campaigns intensely to raise public awareness of the themed initiatives to which the Group has publicly committed. In 2008 notable initiatives included the defence of water, through involvement in macro-events such as the Zaragoza Expo and Conama 9, and combating climate change, through the organisation of a macro-campaign in collaboration with WWF- ADENA, due to be launched in March 2009.

Campaign for responsible and reasonable water usage

FCC organised a debate session entitled *El agua no está sola* ("Water, a concern for everyone") as part of the ninth Spanish Environmental Congress (Conama 9) held in Madrid. Water resources and sustainability were the central theme of this debate, which involved the former speaker of the Spanish Parliament, the chairman of FCC; the chairman of the Expo 2008 state company; the chairman of the Spanish Consumers Association; the dean of the Institute of Architects; the chairman of SEPES and the Housing undersecretary.

The event helped to raise awareness of the fact that water has become an ever scarcer and more valuable resource. Spain is a privileged country because it has water. However, there is water for everybody but not, it was emphasised, for everything. It is therefore necessary to be responsible and create a culture of reasonable water usage.

Baldomero Falcones stated that FCC's commitment to sustainability dates back many years as it is closely related to its business vocation. In our work we provide technological innovation, respect the environment and invest in training to ensure we have the best professionals. Aqualia, recognised in 2007 as the best water management company in the world, provides effective and sustainable technological solutions enabling integrated management of water, its distribution and efficient usage. With high technology, expert knowledge and public sensitivity, water can be managed based on the service commitment of supplying people with sufficient, quality water, while caring for the environment at the same time.

Climate change hour campaign

FCC provided the international organisation WWF-Adena with 3,500 advertising spaces at its subsidiary Cemusa's bus shelters in Spanish cities. The "Earth hour" campaign was the biggest environmental campaign in history and aimed to involve governments, the public and companies in a joint initiative to highlight the problems caused by global warming and demand a response from political leaders to reduce CO₂ emissions.

The campaign was born at the FCC Group's climate change workshop on 13 December 2007 and organised during 2008 for Earth Day in March 2009.

For more information on the FCC Group's relations with stakeholders and, respectively, Group companies, go to www.fcc.es

In more and more areas of society, actions which are uncoordinated are ineffective. We believe in cooperating, for example, to guide young talent from their training to successful professional careers

7.2. FCC in CSR fora and initiatives and business associations

Public relations expand FCC's understanding of the communities in which it operates.

FCC helps to develop CSR by sharing the lessons learned from its own experience





FCC and the Global Compact

The Group has carried out information campaigns to circulate the principles of the Global Compact amongst its staff and in recent newly acquired international companies. In 2008, FCC contributed a good practice for implementing principle six, the elimination of discrimination, of the Global Compact. At the end of the year FCC presented its first progress report on the ten principles forming the Compact.

FCC adhered to the Global Compact as a group in 2007. FCC Construcción and Cementos Portland Valderrivas had already done so and published their respective progress reports. The Group and its two divisions are also members of ASEPAM (Spanish Global Compact Association).

FCC joins the Excellence in Sustainability Club

The FCC Group has joined the Excellence in Sustainability Club, a sustainable growth initiative launched by a group of large companies with the involvement of leading Spanish enterprises in CSR. Members of the club share responsible practices to improve business excellence and social progress..

FCC's director of corporate responsibility has joined the management board of the Club as the member representing corporate governance.

Cementos Portland Valderrivas, member of the WBCSD

The CPV group is a member of the prestigious World Business Council for Sustainable Development (WBCSD), a world-leading business association setting the global agenda for sustainable development, business competitiveness and sustainable societies.

FCC and the Entorno Foundation

Through its construction and cement divisions, the FCC Group has collaborated with Fundación Entorno – Consejo Empresarial Español para el Desarrollo Sostenible (FE-BCSD Spain). Their shared mission is to take on sustainable development challenges as a business opportunity. The Foundation has one hundred collaborators and associated companies and more than 7,000 annual beneficiaries. Cementos Portland joined this initiative in a public event held at the Escuela de Ingenieros de Minas in 2007. The event was attended by MP

Ramón Jáuregui, a former advocate of the Spanish parliament subcommittee on corporate social responsibility and the current cabinet committee in this area.

FCC and Madrid 2016

The Group is the preferred sponsor of an exciting project: Madrid's bid for the Olympic and Paralympic Games in 2016. Hosting the games would move the city into the world's spotlight, with benefits not just for Madrid but Spain as a whole. For FCC to sponsor the Madrid 2016 bid represents the greatest achievement in terms of brand recognition and value.



7.3. Corporate citizenship

.....

Organisations such as FCC with long-term goals know the importance of a culture of cooperation, in which people share their experience and feelings, knowledge and know-how, commitment to progress and quality of life with respect to the communities of which the Group and its people form part

.....

We assess the needs of the community and our impact on local development

FCC is aware that its activities are highly influential on the communities in which it operates and it therefore regularly assesses the needs of those communities.

In general FCC's projects are studied carefully to analyse possible improvements on the initial design, always seeking the best way, in the short, medium and long term, of meeting the requirements of beneficiaries of the projects.

FCC's activities generate value in the countries where the company operates by creating jobs, driving companies to improve productivity, developing capacities for social and economic development and facilitating and stimulating foreign investment. The responsibly creating value chapter outlines the impact of FCC by generating and distributing value.



Employee volunteering scheme

The employee volunteering scheme enables willing staff and their families to take part in projects to help the underprivileged.

The scheme also presents an opportunity to inform the rest of staff of the advantages of participating in corporate citizenship projects, supporting the company's mission of creating value for society and contributing to people's wellbeing.

The scheme's objectives are to:

- > Enable as many FCC Group employees as possible to volunteer for social action projects.
- > Communicate the meaning, implications and benefits of CSR within the company.
- > Encourage employee bonding through collaborations between staff from the FCC Group's different areas of activity.

In 2008, the team responsible for the corporate volunteer scheme organised informative talks at FCC's different offices in Madrid, Valencia and Barcelona. The Group's general secretary took part.

A specific section has been added to the Group's intranet to inform the whole company of initiatives underway and facilitate communications among volunteers. The project has been announced in the FCC Group's CSR report, available on its website, and through the intranet, the internal newsletter issued every two months and various articles published in specialist magazines on CSR.

At the initial stage, the objectives of the scheme are those of the Esther Koplowitz Foundation, which has built and supports public homes for the elderly and for the disabled.

In its first year, the corporate volunteer scheme reached 433 beneficiaries.

This programme has been selected by the Excellence in Sustainability Club for inclusion in its catalogue of good CSR business practices.

🔗 For more information on the employee volunteering scheme and examples and case studies of FCC's collaborations with other public, business and social institutions, go to **www.fcc.es**



7.4. Recognition and prizes: rewarding FCC's work

With practically every aspect of our business activity evaluated, our policies, management and results have been recognised by inclusion on the DJSI in 2008.

The FCC Group is one of the top 10 construction companies in the world according to Sustainability Asset Management (SAM), which every year prepares the most renowned benchmark for the sustainable performance of major international companies

The annual Sustainable Asset Management (SAM) report placed FCC in the Silver category in its sector. FCC included on the select DJSI.

FCC has been recognised with the Silver category by the 2009 sustainability yearbook prepared by the rating agency SAM in collaboration with PriceWaterhouseCoopers. The report, the most prestigious analysis of sustainability criteria, examined 2,500 of the most important companies in the world, of which only 367 from 57 sectors were included in the final publication.

UGT rewards FCC for its equal opportunities policy.

The Federation of Public Services of the Valencia region UGT workers' union recognised FCC for its contribution and efforts in applying and defending equal opportunities for its male and female workers.

Prize for FCC from the Spanish Accounting and Business Administration Association (AECA).

AECA awarded FCC a distinction in the "Spanish Company with Best Financial Information on the Internet, Transparency and Corporate Reliability 2008", as the IBEX 35 company with most improvement compared to the preceding year.

The Global Compact selects FCC as a benchmark for equal opportunity practices.

FCC's equal opportunities scheme, launched by its human resources department, earned recognition by the Spanish Network of the Global Compact as a benchmark for equal opportunity practices.



FCC's corporate volunteer scheme, an example of good practice in corporate responsibility.

FCC's employee volunteer scheme has been included in the catalogue of best practices in corporate responsibility published by the Excellence in Sustainability Club. This publication compiles best practices from 45 companies in areas such as corporate responsibility in the chain of value, responsible innovation, dialogue with stakeholders, responsible human resources management, corporate governance, professional integrity and conservation of the environment.

Construction

The Fundación Entorno – BCSD Spain receives the Bancaja Hábitat Live in Spain 2008 award.

This foundation has been recognised by the publication "Building value. Incentives for sustainable construction" featuring the participation of FCC Construcción. The report reflects on the challenges of the current model for developing sustainable construction and covers a wide range of proposed measures and incentives aimed at the public and private sectors, some of which are already guiding the construction sector internationally.

FCC Construcción receives recognition from the United Nations for its progress report

In 2008 FCC submitted its 2007 progress report based on the form prepared by ASEPAM. The report described FCC initiatives, results and targets with regard to each of the Global Compact's ten principles and its quality earned FCC a letter of commendation from the Global Compact. The letter also stated that FCC's report was an example for other companies to follow.

FCC Construcción receives the Garrigues – Expansión CIIS 2008 Environmental award in the category of corporate social responsibility and sustainability.

This award was in recognition of the company's commitment to sustainable development and, specifically, the initiative to publish the environmental newsletter every two years since 2000. This report discloses all the company's environmental activities to its stakeholders, thereby fulfilling its commitment to public transparency.

Other recognition

- > Award for the railway works to extend Line 3 of the Madrid Metro and on the Guadarrama tunnels.
- > 2004-2007 Ibiza Architecture Award.
- > Award for the Wörthersee stadium built by Alpine.

Ámbito

Recognition as an eco-responsible company by the Andalusian Federation of Environmental Sciences.

The Andalusian Federation of Environmental Sciences recognised Gestiones Medioambientales del Sur, a company integrated in Ámbito, as an eco-responsible company for its contribution to the shared objective of sustainable development and its business performance in Andalusia.

Environment in Spain

The magazine Capital recognises FCC for its social and environmental commitment.

The financial magazine Capital gave FCC its environmental award in a special edition dedicated to the city of Madrid. The publication highlighted FCC's refuse collection in Madrid since 1940 and its innovation, as a result of which Madrid has 300 garbage collection vehicles on its streets run on compressed natural gas and, since 2008, it has been one of the few cities in the world with completely electric collection vehicles. These awards are intended to recognise Madrid companies and business people as well as initiatives and projects that in some way identify with the city and help it progress.

FCC Medio Ambiente, awarded for the "Energy drive" initiative.

The Guipúzcoa – Navarra branch of FCC Medio Ambiente received an award from the Navarra Environmental Resources Centre for its practices and initiatives combating climate change, as part of the "Energy drive" programme. This environmental education campaign was aimed at reducing greenhouse gas emissions.



FCC is recognised by Albacete Council for its recruitment of the disadvantaged.

El ayuntamiento de Albacete entregó a FCC Medio Ambiente el premio “Empleo Solidario” como reconocimiento a la labor realizada por la Compañía en la inserción social de colectivos con riesgo de exclusión social. Este premio refleja la buena labor de FCC y refrenda el compromiso de las instituciones en el respaldo de las empresas que colaboran en la inserción social de personas en riesgo de exclusión.

FCC es galardonada por ASAFES por la colaboración con su programa de inserción laboral.

Asafes, Asociación de familiares y personas con enfermedad mental de Álava ha premiado a FCC por la contratación de 10 personas de este colectivo, facilitando la inserción laboral promovida por dicha organización.

Proactiva

Honorary recognition of Proactiva Aguas de Montería, S.A E.S.P.

Upon accreditation of the Water Quality Laboratory of the Universidad Pontificia Bolivariana, the FCC Group subsidiary operating in the area received an honorary mention from the university for its good use of natural resources and as a model of environmental management.

Proactiva Aguas de Tunja (Colombia) receives a social responsibility award.

This FCC subsidiary won a social responsibility award in the small company category for its work on developing an area of Columbia. The prize was awarded as part of the 10th Colombian Congress and 1st International Congress of Public Services Companies, Andesco. The event was attended by Columbia's president, Mr. Álvaro Uribe.

Gold and silver broom awards for Proactiva México.

The councils of Guadalupe and Naucalpan received these awards as part of the Internacional Town Planning and Environment Trade Fair, TEM TECMA 2008. The awards were in recognition of two projects carried out by Proactiva México in these municipalities.



About this report

Preparing the corporate responsibility report

FCC has substantial relational capital which contributes to the knowledge and understanding of the issues which concern its stakeholders and are therefore of key significance to its management and the confidence placed in the Group. Its response to these issues effectively directs the Group's focus in the area of corporate social responsibility and ensures the materiality of the public information which the Group prepares for interested parties.

This report has been prepared using the international standards of the Global Reporting Initiative (GRI-G3) and the AA1000 accountability standards.

Stakeholder participation and materiality

Understanding the material issues in the area of corporate social responsibility is especially relevant in the current context of change. To this end, FCC carried out the following processes in 2008:

> Fostering relations with academics and experts in the areas of sustainability, corporate governance, risk management, integrity systems and the fight against corruption, local development, public-private cooperation, cooperation for development, clean technologies, combating climate change, gender equality, diversity and industrial relations, socially responsible investment and corporate social responsibility management, among others. These individuals, with whom the FCC Group's Corporate Social Responsibility department maintains relations ranging from dialogue to collaboration, are linked to universities, business schools, good governance watchdog organisations, companies from the sectors in which FCC operates, business organisations, trade unions, foundations and NGOs. Several Spanish NGOs have published studies on FCC's 2007 Corporate Social Responsibility Report, which have been reviewed by the Group's Corporate Social Responsibility department. This relational capital contributes substantially to keeping FCC at the forefront of the issues,



external initiatives and advanced practices relevant to the Group's corporate social responsibility agenda.

> **Analysis of material issues**, taking into account the degree of attention paid by sector companies, and the risks and opportunities presented to FCC by these expectations. This analysis is based on the recommendations reflected in the materiality study carried out by an independent third party. The aforementioned study is based on a benchmark of the corporate social responsibility reports of the construction sector, the relevance of the issues for socially responsible investors and the issues examined by the media, sector organisations and NGOs. Additionally, an in-depth analysis has been made of the most significant reputational risks to which FCC and the sector have been exposed during the past year.

> **Stakeholder participation is encouraged** through the channels of communication established by the corporate areas and companies of the Group in its strategic and operational management of relations with internal and external stakeholders. All the business and corporate areas of the FCC Group have participated in the preparation of this report.

Materiality, risks and opportunities for the corporate social responsibility agenda of the Group

The participation and analysis processes have identified the material issues and risks and opportunities to be included in the corporate social responsibility agenda of the FCC Group.

The 2008 Corporate Social Responsibility Report must necessarily examine the context of global crisis and FCC's outlook in this respect. The readers of this report expect the Group not only to clearly define its understanding of its role in the economy and in society, but also to demonstrate that it has exercised this role responsibly.

Transparency and credibility are needed today more than ever and for this reason FCC has prepared more detailed information on significant issues for 2008 than for previous years. The 2008 Corporate Social Responsibility Report is supported by documents on specific issues published on the Group's website and duly referenced in each chapter, facilitating access to those readers who wish to know more about FCC's policies and management systems. With this additional effort in providing non-financial data the Group seeks to consolidate the confidence placed in FCC by its stakeholders.

The key objective of defining the material issues in the area of CRS is to focus on what is truly important. As a part of this process a number of questions were prepared to summarise the demands for non-financial information and other concerns expressed by stakeholders. FCC has responded to these questions in its sustainability, corporate governance and annual reports, offering comprehensive explanations of its actions throughout 2008.

> How does FCC explain the construction sector's role in the crisis to its stakeholders and to society in general? See the letter from the Chairman and Managing Director included in FCC's 2008 Annual Report. See also the interview with the Chairman and Managing Director in the 2008 Corporate Social Responsibility Report.

> In this context, how does FCC assess its corporate governance model? See the 2008 Annual Corporate Governance Report. Of particular relevance are sections xxx and xxx of chapter xxx. See also the letter from the Chairman and Managing Director included in the 2008 Annual Report, and the chapter on good governance in the 2008 Corporate Social Responsibility Report.

> How does the FCC Group integrate corporate responsibility in its business strategy? See also the 2008 Corporate Social Responsibility Report, communication from the Chairman and Managing Director, and the rest of the report, particularly the chapter Responsibly creating value.

Scope of the report

The scope of this report is that of the financial consolidated Group. Where the general scope has not been applied details are given. The report contains relevant information on the areas identified in the analysis of material issues to reflect those aspects or indicators which could have significant impact on the Group or material influence on its stakeholders. Finally, in terms of the period covered, historical data have been included where information systems permitted.

Context of sustainability

The information reported relates to the challenges of sustainability and the Group’s positive or negative impact on changing economic, environmental and social conditions.

Quality of disclosures

This report sets out to make public those issues and indicators which have been identified as material and which enable the Group to meet the expectations of its stakeholders by duly reporting its decisions.

The report has been prepared with guidance from G3 principles on quality of information.

The FCC Group’s corporate responsibility reports are aimed at offering an insight into its financial, social and environmental progress which is balanced, comparable, accurate, reliable, regular and clear.

Fiabilidad

FCC’s 2008 Corporate Social Responsibility report has been verified by KPMG in accordance with the ISAE 3000 international standard.

Report self-rating on the G3 scale

The FCC Group has opted to prepare this report in line with the recommendations of the G3 guidelines of the Global reporting initiative

FCC rates this corporate responsibility report an A+. The company chose to have this self-declaration on application of the standard verified externally, through KPMG, and subjected it to a compliance review by the GRI.

	C	C+	B	B+	A	A+
Self-declaration						➡ ☒
External verification						➡ ☒
GRI review						➡ ☒

**external independent
verifier's letter**



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28046 Madrid

Informe de Revisión Independiente del Informe de Responsabilidad Social Corporativa 2008 de Fomento de Construcciones y Contratas, S.A. Según la Norma ISAE 3000

A la Dirección de Fomento de Construcciones y Contratas, S.A. (en adelante FCC)

Introducción

Hemos sido requeridos por FCC, para revisar la información no financiera correspondiente al ejercicio 2008, contenida en su Informe de Responsabilidad Social Corporativa 2008 (en adelante el Informe), el cual está a disposición del público en general y cuyo alcance se describe en el capítulo Sobre este informe.

El contenido, la preparación, el mantenimiento de los sistemas de información que aportan los datos y la integridad del informe de FCC son responsabilidad de su Dirección.

Alcance

En el Informe se describen los esfuerzos y avances realizados por FCC en la consecución de un desarrollo más sostenible. Nuestra responsabilidad ha sido la de revisar el mencionado Informe y comprobar la aplicación de la Guía de Global Reporting Initiative Versión 3 (GRI G3) de acuerdo al nivel de autodeclaración de la compañía, así como ofrecer a los lectores un nivel de aseguramiento limitado de acuerdo con lo establecido por la norma ISAE 3000 (International Standard for Assurance Engagements) en relación a la verificación de información no financiera sobre:

- Que los datos cuantitativos relativos a los indicadores GRI G3 se han obtenido de manera fiable.
- Que las informaciones de carácter cualitativo relativas a los indicadores GRI G3 se encuentran adecuadamente soportadas por documentación interna o de terceros.
- La aplicación de la Guía de GRI G3 para el nivel de aplicación A+ cuya autodeclaración ha recibido la confirmación de Global Reporting Initiative.

Criterios para realizar la revisión

Hemos realizado nuestro trabajo de acuerdo con la norma ISAE 3000: *Assurance Engagements other than Audits or Reviews of Historical Financial Information*, desarrollada por International Auditing and Assurance Standards Board (IAASB) y la Guía de Actuación sobre Trabajos de Revisión de Informes de Responsabilidad Corporativa del Instituto de Censores Jurados de Cuentas de España. Entre otras cuestiones, para el cumplimiento de estas normas:

- Hemos llevado a cabo el trabajo con un equipo de especialistas en verificación y desarrollo sostenible empresarial. Siguiendo con las normas antes mencionadas, este trabajo se realiza cumpliendo las políticas de independencia de KPMG basadas en el Código de Ética Profesional de la IFAC.

2

- Los procedimientos llevados a cabo en nuestra revisión son sustancialmente inferiores a los de un trabajo de seguridad razonable. Por tanto la seguridad proporcionada es también menor. El presente informe en ningún caso puede entenderse como un informe de auditoría.

Asimismo hemos seguido los criterios de aplicación de los principios de la Guía de GRI G3 utilizados por parte de FCC según se describen en el capítulo Sobre este informe.

Trabajo realizado

Hemos revisado la fiabilidad de los datos y de otras informaciones contenidas en el Informe de acuerdo con el alcance descrito, basándonos en la realización de las siguientes actividades:

- Entrevistas con los responsables de los sistemas que proveen la información incluida en el Informe.
- Revisión de los sistemas utilizados para generar, agregar y facilitar los datos.
- Análisis del alcance y presentación de la información que se ofrece.
- Revisión por muestreo de los cálculos realizados a nivel corporativo y la consistencia de los mismos.
- Revisión de que otras informaciones se encuentran adecuadamente soportadas por documentos internos o de terceros.

Conclusiones

Basados en los trabajos descritos anteriormente, no hemos observado circunstancias que nos indiquen que los datos recogidos en el Informe no hayan sido obtenidos de manera fiable, que la información no esté presentada de manera adecuada, ni que existan desviaciones ni omisiones significativas.

KPMG Asesores, S.L.



Julián Martín Blasco
Socio

13 de mayo de 2009

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GRI certification



On May 13, this report received an A+ rating from the Global Reporting Initiative (GRI) institution.

This qualification recognises that the document has been prepared following the information principles and requirements of the “Sustainability Reporting Guidelines” in the current version at the time of publication.

For more information on GRI and the requirements for A+ see:

<http://www.globalreportint.org>

Your opinion is important

Stakeholder dialogue



This report aims to show our stakeholders in a balanced and reasonable fashion how the company tackles the most significant changes regarding its activities.

Any suggestions or comments regarding this report may be sent by letter to:

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Corporate Social Responsibility Department

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Or by email to: rcorporativa@fcc.es

executive **personnel**

Fomento de Construcciones y Contratas, S.A.

Chairman and Managing Director **Baldomero Falcones Jaquotot**

Environment and Water

Chairman of FCC Servicios **José Luis de la Torre Sánchez**

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Chairman of FCC Construcción, S.A. José Mayor Oreja

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Zone V	Teodoro Velázquez Rodríguez		
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Valencia Civil Work	Rafael Catalá Reig		
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International Construction

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Specialised Construction and Investee Companies

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Ibérica de Servicios y Obras, S.A.	Pablo Colio Abril	Megaplas, S.A., and Megaplas Italia, S.A.	José Antonio Martínez Jiménez
Auxiliar de Pipelines, S.A. (APL)	Eduardo Yges Peña	Industrial Companies	
Mantenimiento de Infraestructuras, S.A. (Matinsa)	Fernando Martín Barrios Ignacio Sánchez Salinero (Deputy Manager)	Espelsa	Dámaso Bueno Crespo
Pinturas Jaque, S.L.	Fernando Martín Barrios	Internacional Tecair, S.A., and Eurban, S.A.	Daniel Emilio Candil Menes
		Technical Manager	Miguel Ángel Lobato Kropnick

Cement**Chairman and Managing Director of Cementos Portland Valderrivas, S.A.****Dieter Kiefer**

Corporate Planning and Control Manager and Assistant to the Chairman	José Manuel Revuelta Lapique	Corporate Manager of Cementos Portland Valderrivas Spain	Angel Luis Heras Aguado
General Secretary	Vicente Ynzenga Martínez-Dabán	Corporate Manager of Cementos Portland Valderrivas USA	Manuel Llop Albaladejo
Corporate Administration and Finance Manager	Jaime Úrculo Bareño	Corporate Marketing and Sales Manager	Angel Luis Heras Aguado
Corporate Legal Affairs Manager	José Luis Gómez Cruz	Corporate Human Resources Manager	Fernando Dal-Re Compaire
Corporate Internal Audit Manager	José Ignacio Domínguez Hernández		

Energy and Sustainability

Corporate Manager	Eduardo González Gómez	Energy from Waste and Sustainability	Carlos Urcelay Gordobil
Renewable energy sources	Juan Cervigón Simó		

Real Estate

Torre Picasso

Corporate Manager	Guillermo Alcaide García
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General Secretary's Office

General Secretary	Felipe B. García Pérez
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Corporate Legal Affairs Manager	José María Verdú Ramos
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Madrid Legal Affairs Office	Javier Gil-Casares Armada
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Barcelona Legal Affairs Office	Esteban Correa Artés
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Construction	Nicolás Ossorio Martín
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Services	Alfonso Goncer Coca
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Versia	Juan de los Ríos Jimeno
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FCC Europe	Astrid Menacho Erxleben
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Energy	Mar Sáez Ibeas
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Communications	
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Deputy Corporate Manager	Francisco Javier Hernández Fernández
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Corporate Responsibility	Javier López-Galiacho Perona
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Administration and Information Technologies

Corporate Manager	Antonio Gómez Ciria
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Assistant Corporate Manager	Juan José Drago Masià
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Administrative Coordination	Alberto Farré Ramos
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Taxes	Miguel Mata Rodríguez
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Administrative Organisation and Budgets	José María Alamañac Gil
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Information Systems and Technologies	
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Information Security and Risk Management	Gianluca D'Antonio
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Finance

Corporate Manager	Victor Pastor Fernández
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Finance. Finance Manager	Manuel Somoza Serrano
	Esther Alcocer Koplowitz (Assistant)
	Alicia Alcocer Koplowitz (Assistant)

Stock Market and Investor Relations	Miguel Coronel Granado
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Financing	José Manuel Carrasco Delgado
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Afigesa	José Manuel Carrasco Delgado
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Asiris, S.A.	Miguel Angel Jabal Madrid
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Human Resources

Corporate Manager			
Francisco Martín Monteagudo Emilio Hermida Alberti (Assistant Manager)			
Administration	Carlos Cerdán Ruano	Occupational Safety (Construction)	José Gascón y Marín Laguna
Employee Litigation	Álvaro García-Orea Álvarez	Occupational Safety (Services)	Juan Carlos Sáez de Rus
Training	Carlos Cobián Babé	Screening	Ciro Martín Muñoz
International	José María Merino Matesanz	Medical Services	Rafael Echevarría de Rada
Industrial Relations	Luis Suarez Zarcos		
Safety	Eduardo del Rosal Vergara		

Internal Audits

Manager			
Miguel Hernanz Sanjuán			
Deputy Manager, Internal Audits, Domestic Area		Deputy Manager, Internal Audits, International Area	Sara Megía Recio

International Corporate Strategy and Development

Assistant Corporate Manager	Gérard Ries	International Corporate Development Manager	José Liébana Alcantarilla
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Cost Optimisation

Deputy Corporate Manager	José Ramón Ruiz Carrero	Central General Services	José María Martí Maqueda
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Corporate and Institutional Relations

Director	José Manuel Velasco Guardado	Corporate Image	Antonio de Lorenzo Vázquez
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