

Report approved by the Board of Directors on 17 May 2007



Corporate social responsibility

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The vision and values of FCC's corporate responsibility

FCC wants to be **recognised and admired** by the societies it serves for its contribution to **sustainable development** through its activities, goods and services. Based on a solid **culture and values**, FCC aims to develop **long-lasting and transparent relations of mutual benefit** with its stakeholders

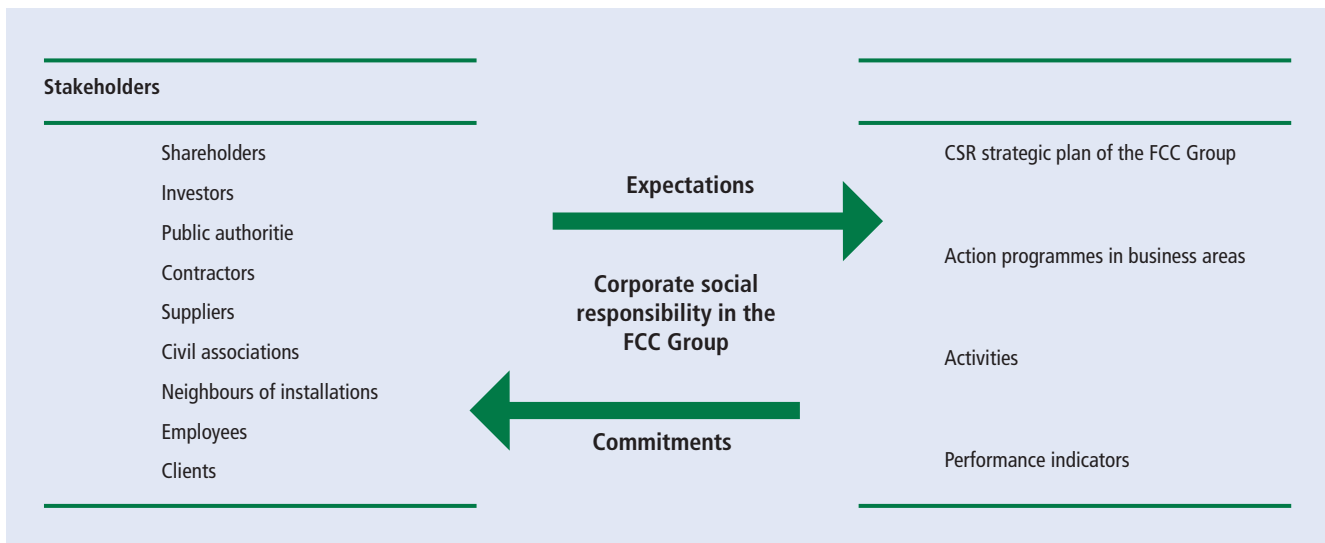
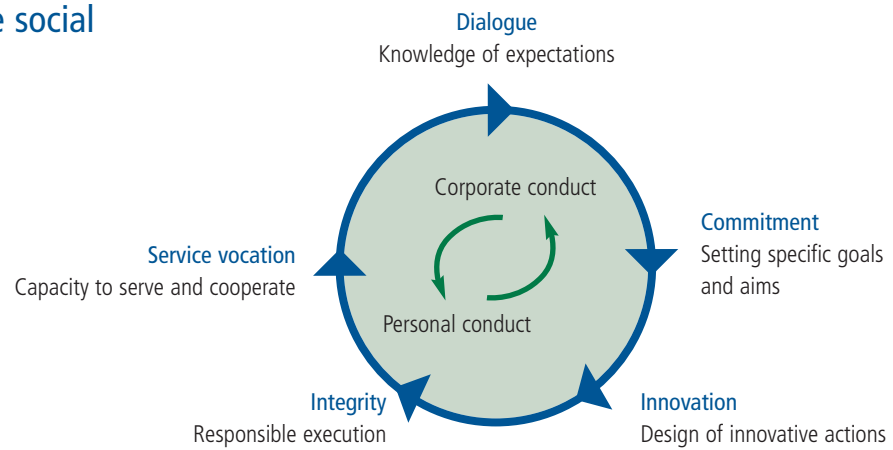
The FCC Group has always been committed to rendering services which bring value to society. Throughout its one hundred years of business, FCC has shown that creating economic value is compatible and synergic with the vocation of providing the public with the goods and services it demands and with protecting and looking after the environment. The Group's diversification strategy has brought it ever closer to the public.

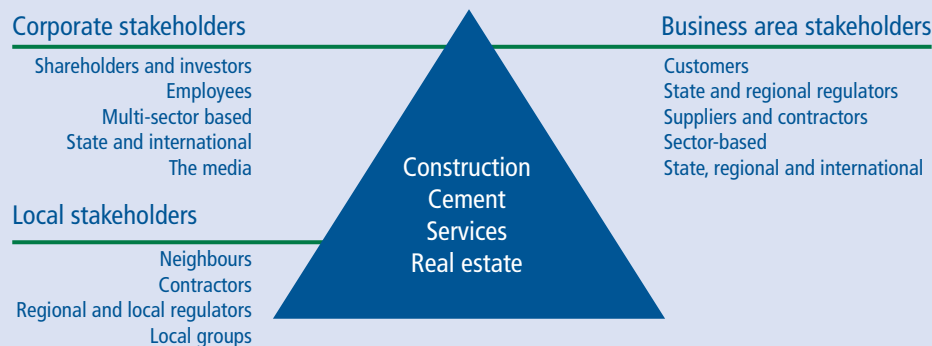
Most of FCC's activities are directly involved in the sustainable development of the societies in which it operates. From services that offer efficient urban sanitation solutions and waste and water cycle management to those related to the construction of infrastructures and housing which promote development and well-being, FCC's activities are designed to respond to sustainable development challenges.



Allianz Arena, Munich

The FCC Group's corporate social responsibility model





FCC stakeholders

FCC defines stakeholders as groups which have or could have influence on the Group's activities.

At corporate level the main stakeholders are:

- The Group's shareholders.
- Institutional investors.
- Employees.
- National and international governments
- National or international non-sector based civil associations.
- Multi-sector national or international forums.
- Suppliers of the corporation's services.
- The media.

The main business area stakeholders are:

- Customers.
- Suppliers and contractors.
- National and regional regulatory bodies.
- Professional sector-based associations.
- Sector-based civil associations.

The principal stakeholders to consider in local activity are:

- The end users of FCC's services or products.
- Neighbours to FCC's activities.
- Local and regional regulatory bodies.
- Local civil associations
- Contractors.

For FCC, keeping channels of dialogue and cooperation open with each stakeholder is a priority. Long-lasting and unselfish relationships generate valuable information for the Group to design its strategic approach and, consequently, take decisions.

In the business area, each of the Group's subsidiaries has set up communication channels which permit a systematic exchange of information between the company and its stakeholders, building mutually beneficial relationships based on trust, knowledge-sharing and integration.

More information at <http://www.fcc.es>



FCC is aware that its business activity is of growing interest in terms of value creation, social well-being and protection of the environment. FCC considers that corporate responsibility principles represent a main purpose to be fulfilled for its different stakeholders.

Therefore, the development of a common culture based on its **social responsibility**, as a **company with over one hundred years of history** and a vocation of **rendering services** to the community, is a priority for FCC

This commitment has been taken up by the Board of Directors and is being promoted by the FCC Group's Corporate Responsibility Direction, the Group's Committee for Corporate Responsibility and committees created in each of the areas. These management teams form FCC's socially responsible management structure.

The Group enjoys a culture based on corporate values which can be summarised as **responsibility, trust and integrity**. These values are the secret to FCC's longevity

FCC Values			
Dialogue	FCC Group companies are the foundation of values and a solid business culture based on dialogue and long-lasting and transparent relationships of mutual benefit with stakeholders.	Integrity	FCC's personnel act in a responsible and upright manner, leading by example on daily basis and analysing the present and future consequences of their actions for the company and community.
Commitment	FCC companies and business areas need to know the expectations of their related stakeholders while establishing information mechanisms for taking decisions. This process has to enable specific commitments to action to be developed which make the company's vision of CR possible.	Service vocation	Those who work at FCC are distinguished by their vocation for serving the company's objectives and those of the community in which their activities are carried out.
Innovation	FCC teams constantly seek the solutions which contribute most value not only to the Company but especially to society and future generations.		



Velodrome. Palma de Mallorca.

FCC's corporate responsibility principles and commitments

The ten principles of the United Nations Global Compact reconcile business activity processes and interests with values and demands regarding human rights, labour, the environment and the fight against corruption.

Observance of human and labour rights, respect for the environment and combating corruption form part of corporate principles and the conduct of everybody connected with FCC, assumed as corporate responsibility as a group. This report outlines the fulfilment of this commitment in 2006. The following table sets out, in brief, how FCC assumes corporate responsibility principles by means of specific actions which respect the ten principles of the Global Compact.

The FCC Group signed the Global Compact in 2006

The Group's support follows that of FCC Construcción and Cementos Portland Valderrivas. This commitment is in keeping with FCC's determination to possess a business management model which is respectful of Global Compact principles



Global Compact Principles	FCC Group commitments and actions
1. Support and respect the protection of internationally proclaimed human rights, within its field of influence.	Chapter 5 Section 20 of the Group's General Guidelines Manual scrupulously respects prevailing legislation at state, regional and local level, internal rules of operation and, in their absence, ethical principles which should govern personal conduct. FCC and its subsidiaries fall within these ethical principles and guidelines.
2. Ensure that its companies are not complicit in human rights abuses.	FCC's support of the Global Compact commits it as a group to oversee effective compliance with this principle.
3. Uphold freedom of association and effective recognition of the right to collective bargaining.	The FCC Group respects employees' freedom of association and guarantees their right to representation by unions in bargaining and representation bodies in the different sectors of activity and in the Group's companies and work centres. As stated in this report, workers in Spain are covered by general collective bargaining, based on the sector of activity and in accordance with the workers' statute. In 2006, 48.11% of employees were covered by company or work centre collective bargaining. <i>(Further information in chapter IV).</i>
4. Uphold the elimination of all forms of forced and compulsory labour.	Any discrimination or coercion is unacceptable in FCC. Conduct that contravenes these principles will be subject to disciplinary proceedings. The company has clear directives regarding set working hours, safety in the workplace and employees' remuneration. These are specified in the General Guidelines Manual, section 20, Personnel, chapters 10 and 50 on working hours, chapter 60 regarding recruitment and chapter 5 on establishing or reviewing remuneration. <i>(Further information in chapter IV)</i>
5. Uphold the effective abolition of child labour.	FCC respects Spanish and European legislation prohibiting the employment of children under 16 years of age. However, conscious that child labour remains a challenge to be overcome in certain situations, and that certain of its workers have been deprived of the right to an education as a result of their socio-economic background, FCC promotes actions aimed at developing basic abilities, wherever the need is identified. As outlined in the chapter "Dialogue and cooperation with the community", Proactiva Medio Ambiente has confronted this requirement wherever it has arisen, including literacy in its training programmes. FCC also publicly recognises the importance of child education and therefore, in its relationships with the community, encourages children's awareness and knowledge of sustainability. <i>(Further information in chapter V)</i>
6. Uphold the elimination of discrimination in respect of employment and occupation.	The principle of non-discrimination is inscribed in the observance of article 28 of Law 62/2003, governing measures for applying the principle of equal treatment. Any discrimination or coercion is unacceptable in the company. Any conduct contravening these principles will be subject to disciplinary proceedings. The company's policy is for equal opportunities in employment and promotion. FCC recruits and promotes personnel based on their qualifications, abilities and aptitudes. The equal opportunities principle is explicitly outlined in the collective agreements for the Group's sector or activity. FCC is committed to recruiting staff with disabilities. To promote the equal opportunities policy, actions are being taken by the Group's senior management with Adecco, an entity specialised in human resources, which through its foundation works toward integrating the disabled in the labour market. This action is in compliance with the Act on Social Integration of the Disabled (LISMI). FCC also values the opportunities offered by the wealth of diversity of the societies in which it operates (over fifty countries) and consequently has promoted initiatives to celebrate internal cultural diversity. <i>(Further information in chapter IV)</i>

7. Support a precautionary approach to environmental challenges.	FCC scrupulously complies with the parameters and requirements of legislation in the countries in which it operates and has standardised and formalised environmental management systems, including extensive identification of risks, action plans, provisions of resources, employee training and audits. FCC also carries out internal environmental improvement programmes. Concern and action for the environment systematically crosses all areas of FCC. The Group has established two strategic aims in its Corporate Responsibility Master Plan: eco-efficiency and the fight against climate change, as well as corporate and area plans aligned to make progress on the challenges of sustainability for future generations. The company also gives priority to suppliers which demonstrate good environmental conduct and have environmental management systems or policies. <i>(Further information in chapter II and VI)</i>
8. Undertake initiatives to promote greater environmental responsibility.	The company carries out responsible and eco-efficient consumption campaigns among customers and users and in the community immediately surrounding the company. FCC supports or takes part in educational projects in association with non-governmental organisations, exercising social leadership towards environmental responsibility. Internal environmental responsibility is also promoted. The 2007-2008 Corporate Responsibility Master Plan has established the "Green Centre" plans, which will boost eco-efficient management at the respective corporate headquarters of the FCC Group. <i>(Further information in chapter II and VI)</i>
9. Encourage the development and diffusion of environmentally friendly technologies.	The FCC Group's corporate responsibility strategy for the environment is based on the application of eco-efficient technologies and processes and alternate energy sources. FCC companies carry out initiatives on the use of renewable energy sources to increase energy efficiency, value waste and minimise its activity's impacts on the environment. FCC also invests in R&D&I and promotes research collaborations to develop pioneering eco-efficient technologies. <i>(Further information in chapter II and VI)</i>
10. Work against corruption in all its forms, including extortion and bribery.	Integrity is one of the Group's values. FCC personnel act in a responsible and upright manner, leading by example and considering the present and future consequences of their daily actions for the company and community. Chapter 5, Section 20 of the Group's General Guidelines establishes scrupulous respect for prevailing legislation. Consequently, Law 13/1995 on public contracts is observed in relation to forgery, crimes against property, bribery, misappropriation of public funds, power dealing, dealings prohibited for civil servants, disclosure of secrets, use of privileged information, crimes against tax authorities and crimes or serious breaches of market discipline. These considerations also affect associations with third parties, particularly joint ventures and economic interest associations, due to their particular legal nature. <i>(Further information in this same chapter, FCC Values section)</i>

More information at <http://www.fcc.es> and <http://www.globalcompact.org>

In 2006 the Group made notable progress developing the company's social responsibility culture and detailing its corporate responsibility vision. The catalysing process for this effort and progress has been preparation of the FCC Group's 2007-2008 Corporate Responsibility Master Plan.

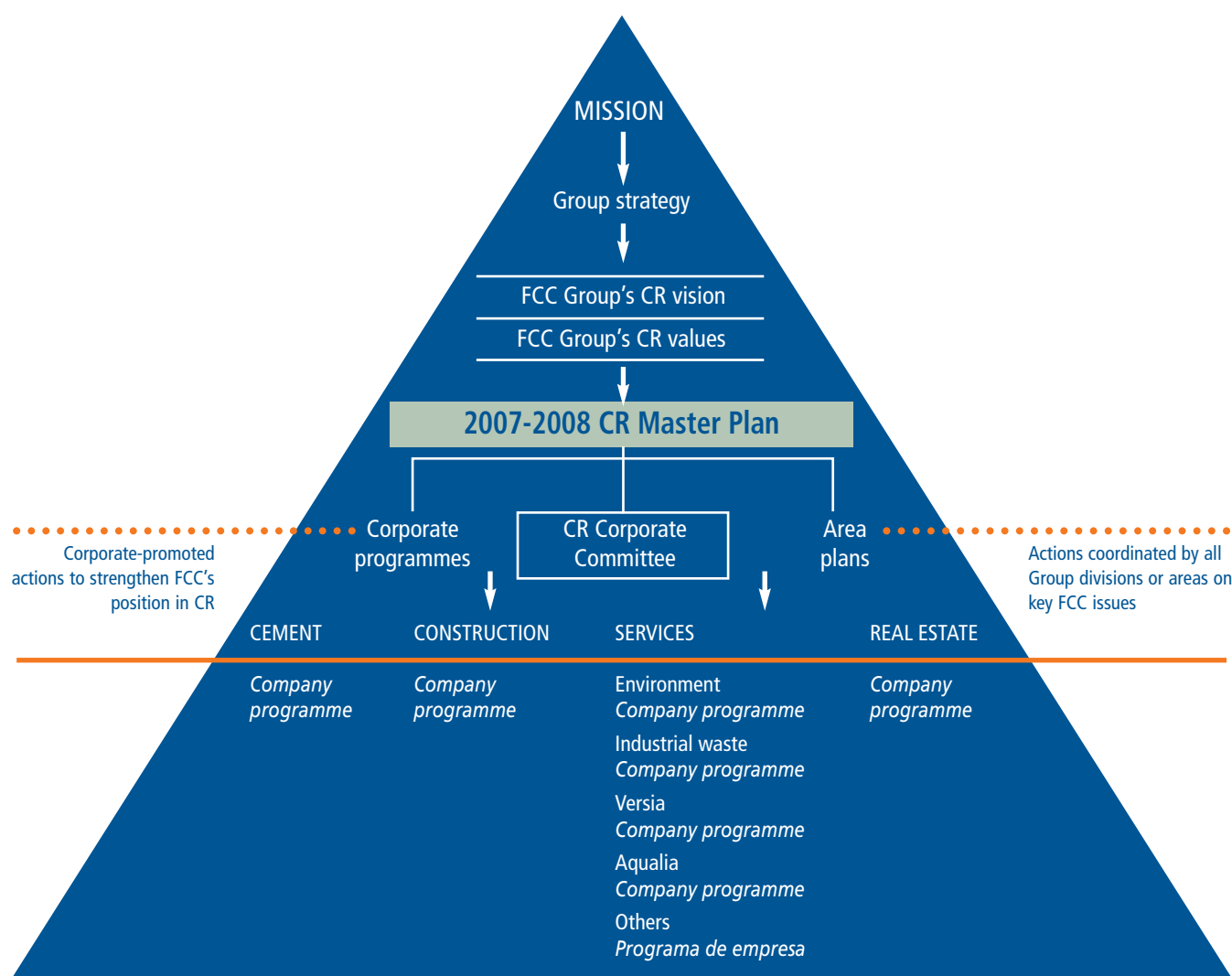
The challenge and FCC's response: Corporate Responsibility Master Plan

FCC is aware of the challenges faced by companies and societies in the twenty-first century. 2006 has seen significant progress in FCC's approach to corporate responsibility, with the establishment of a strategic framework, the Corporate Responsibility Master Plan, which harmonises the group's interests and the particular nature of the different businesses for 2007-2008.

6 key challenges for 2007-2008 Master Plan objectives

The Committee for Corporate Responsibility has encouraged the development of this plan, which establishes a shared working strategy enabling the different Group companies to work toward the strategic objectives set.

The Master Plan has been prepared following in-depth analysis of the corporate responsibility situation, which has involved studies of material aspects in the environmental services, construction, cement and real estate areas. The project was carried out between February and October and aimed to identify the challenges to overcome and responses to the most significant of these.



Corporate responsibility challenges for the FCC Group

Prioritised lines managed at group level

- Corporate governance
- Attracting and retaining talent
- Health and safety in the workplace
- Climate change
- Eco-efficiency
- Community projects

Priority lines at areas level

Construction

- Selection of sustainable construction materials
- Use of natural resources
- Health and safety
- Innovation
- Energy efficiency
- Labour rights
- Inconvenience caused by works
- Community projects

Cement

- CO₂ emissions
- Water usage
- Health and safety
- Use of fuels
- Waste management
- Transport
- Attracting and retaining talent
- Community projects

Services

- Water usage
- Health and safety
- Labour rights
- Innovation
- CO₂ emissions
- Use of natural resources
- Transparency/integrity
- Community projects

Real estate

- Relations with authorities
- Sustainable construction
- Attracting and retaining talent
- Transparency/ethical conduct
- Community projects

Corporate governance, attracting and retaining talent, health and safety in the workplace, the fight against climate change, eco-efficiency and dialogue and cooperation with the community are the six key challenges identified in this plan. A strategic objective has been defined for each, to be met in 2007-2008.

Corporate governance guides FCC in fulfilling the commitments acquired and acting in an honest, transparent and upright manner.

Strategic objective: to be a company recognised as an example of integrity and transparency in our relations with stakeholders.

Attracting and retaining talent, requiring FCC to promote cultural diversity and equal opportunities, as well as develop employees' abilities, increasing employee satisfaction and loyalty.

Strategic objective: to be an organisation of choice for present and future employees, establishing collaborations with Spanish universities.

Health and safety in the workplace, requiring a proactive attitude from FCC to identify and respond to health and safety risks for employees and contractors and in the environment in which it operates.

Strategic objective: to be a model company in terms of health and safety for employees, contractors and the environment in which it carries out its activities.

Combating climate change commits FCC to take responsibility in this global challenge. FCC has policies and procedures in place which promote innovation in processes and products and the use of renewable energies to reduce pollutant emissions.

Strategic objective: assume, fulfil, and communicate our role in the fight against climate change.

Eco-efficiency drives FCC constantly to seek the best options for saving on the use of raw materials and to apply those with least environmental impact.

Strategic objective: develop programmes which position the Group as a pioneer in innovating eco-efficient services and processes.

Dialogue and cooperation involving FCC in the development of the communities in which it operates, contributing to local, national and international initiatives and projects.

Strategic objective: develop non-contractual, long-term socially responsible action programmes with key stakeholders in the Group's strategic areas.

Corporate responsibility challenges for the FCC Group

The challenges identified for each of the Group's areas are the result of analyses of material aspects carried out for the different divisions during 2006.



Drain cleaning. Aguas del Valle. Argentina



Beach cleaning. Barcelona

Corporate responsibility integration in FCC

The strategic objectives represent the FCC Group's response to social, environmental or ethical challenges posed by its activities. Execution of these responses is based on assigning responsibilities in a new structure of corporate responsibility management teams, as well as planning to make policies and principles effective, ensuring integrated action among the Group and the different businesses.

Responsibilities in management

FCC Group's Corporate Responsibility Direction

This management unit is formed by a team working full-time on the Group's corporate responsibility, ensuring progress by selecting initiatives based on designed corporate and area action plans. The Corporate Responsibility Direction coordinates plans with the Committee for Corporate Responsibility and represents FCC in forums and discussion and working groups.

The direction is responsible for the preparation of the Corporate Governance Annual Report and other advisory documents, whilst supporting the General Secretary in implementing the Internal Rules of Conduct. The direction also oversees corporate responsibility contents on FCC's website and coordinates and prepares the Corporate Responsibility Annual Report, as well as related reports addressed to institutional investors for international sustainability indices.

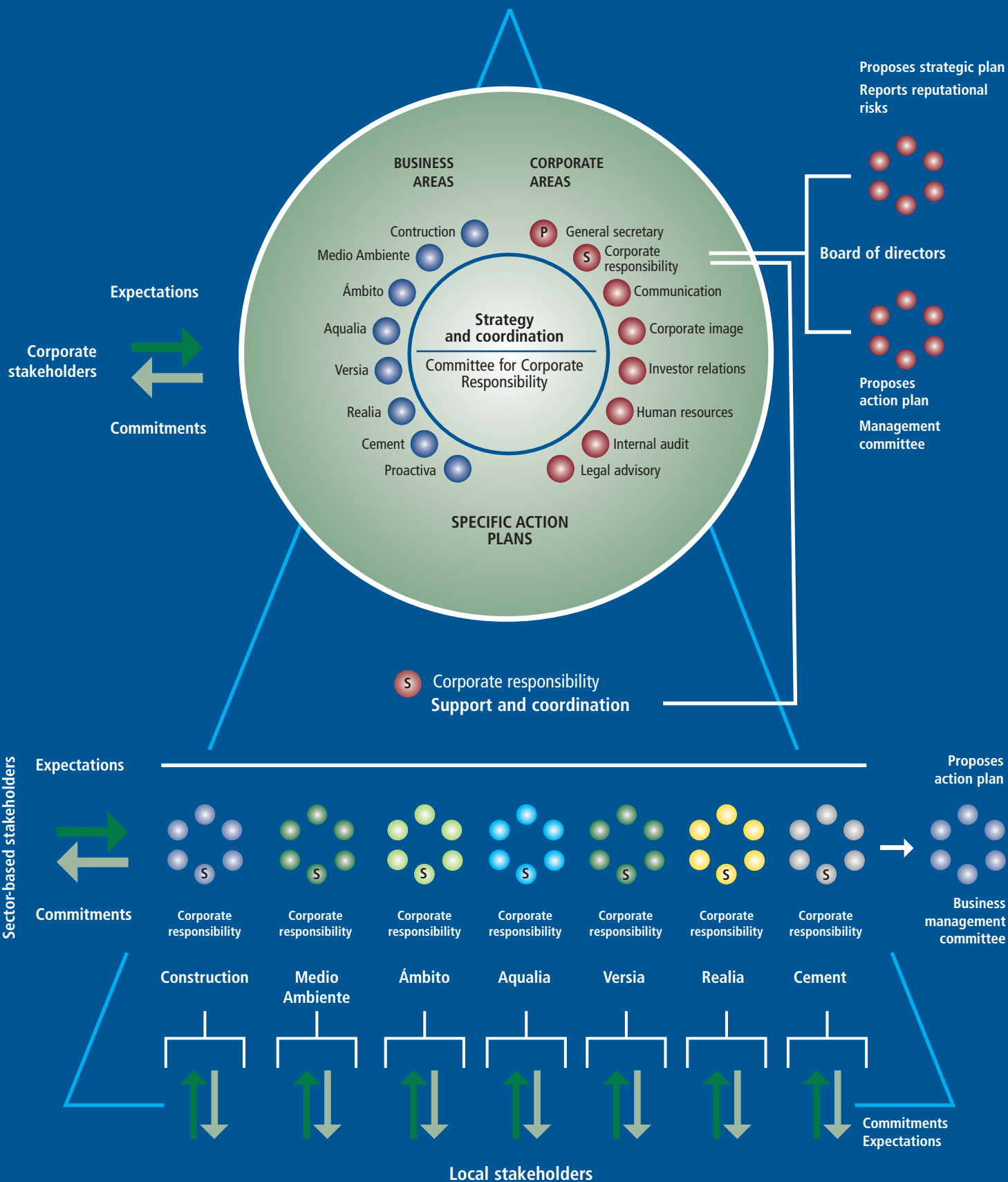
FCC's Committee for Corporate Responsibility

The committee is chaired by the General Secretary of FCC and is formed by specialists in the coordination of corporate responsibility actions from: FCC Medio Ambiente, Ámbito, Aqualia, FCC Versia, FCC Construcción, Cementos Portland Valderrivas, Proactiva Medio Ambiente and Realia. The committee also includes members of the corporate directions of Legal Advisory, Internal Audit, Investor and Shareholder Relations, Communication, Corporate Image and Human Resources.

The principal functions of the committee are to approve the Master Plan and contribute to the coordinated roll-out of the action plans, reviewing their progress and providing reflections and proposals through shared membership of the committee.

Area committees for corporate responsibility

The Master Plan is rolled out through the Group's business divisions, establishing seven area committees: FCC Medio Ambiente, Ámbito, Aqualia, FCC Versia, FCC Construcción, Cementos Portland Valderrivas and Realia. These area committees have a minimum of four members and are chaired by the senior management of each business. The committees also manage implementation of area plans, in line with the Group's Corporate Responsibility Master Plan.





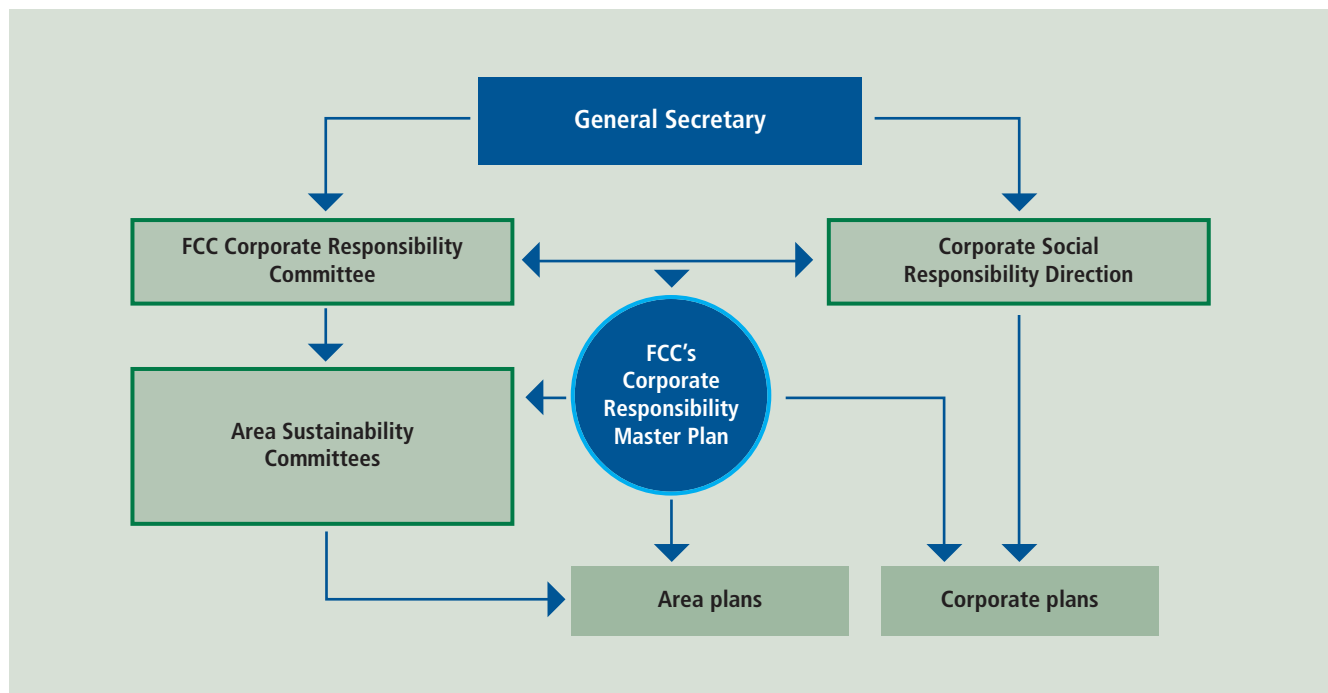
Cartagena-Vera motorway

Responsibilities for action

Execution of the Master Plan is divided into eight corporate plans and five area plans.

Corporate plans are proposed to the Committee for Corporate Responsibility and carried out by the FCC Group's Corporate Responsibility Direction.

Area plans are implemented by each business division and coordinated with the rest of the areas to achieve a shared objective.



The approach to corporate social responsibility in the FCC Group

“from vision to action”

Vision	
FCC wants to be recognised and admired by the societies it serves for its contribution to sustainable development through its activities, goods and services. Based on a solid culture and values, FCC aims to develop long-lasting and transparent relations of mutual benefit with its stakeholders.	
Values	
Dialogue, commitment, innovation, integrity, service vocation.	
Management of corporate responsibility	
FCC Group's Corporate Responsibility Direction FCC Committee for Corporate Responsibility Area committees for corporate responsibility	
2007-2008 Corporate Responsibility Master Plan	
Strategic objectives 2007-2008	
Corporate governance. Strategic objective: to be a company recognised as an example of integrity and transparency in our relations with stakeholders. Attracting and retaining talent. Strategic objective: to be an organisation of choice for present and future employees, establishing collaborations with Spanish universities. Health and safety in the workplace. Strategic objective: to be a model company in terms of health and safety for its employees, contractors and the environment in which it carries out its activities. Combating climate change. Strategic objective: assume, fulfil, and communicate our role in the fight against climate change. Eco-efficiency. Strategic objective: develop programmes which ensure the Group is a pioneer in innovating eco-efficient services and processes. Dialogue and cooperation. Strategic objective: develop non-contractual, long-term socially responsible action programmes with key stakeholders in the Group's strategic areas.	
Action plans	
Corporate plans	Area plans
Integrity	Increasing safety
Talent	Fight against climate change
Reputation	Eco-efficiency
Dialogue and cooperation	Green centre
Training in corporate social responsibility	Dialogue and cooperation
Reputational risk management	
Green centre “headquarters”	
Corporate responsibility policy dissemination plan	



El Escorial Theatre, Madrid



Refurbished Montjuic National Palace

Progress in implementation of corporate responsibility: 2006 milestones, 2007 targets

Objective	2006 milestones	Objectives 2007
Corporate governance	Presentation and internal distribution of the document "Ethical framework for business" Approval of the 2007-2008 Corporate Responsibility Master Plan Creation of corporate responsibility committees in business divisions. Project Galileo, integrating the new international companies into Group policies.	Internal regulations modified for better adaptation to the Unified Code of Good Corporate Governance. Creation of confidential channel for reporting abuses. Preparation, launch and circulation of an ethical code. Design of a system for reputational risk management. Group's support for the Global Compact.
Attracting and retaining talent	Continued collaboration with various universities and training centres. Employee training drive.	Achieve long-term alliances with universities and training centres, as sources of the best talent. Strengthen FCC's image as one of the best Spanish companies to work for.
Health and safety	Certification of occupational risks prevention systems for almost all companies adhered to the SPM (OHSAS 18001). Opening of communication channels with new Group companies for regular issue of key indicators in management of human resources.	Extension of the scope of the OHSAS 18001 standard in the company Launch of a computer program for technical management of occupational risks prevention. Design of systems for implementing certain human resources management practices in newly incorporated companies.



Centre for the mentally handicapped, Pamplona, Navarra

Objective	2006 milestones	2007 objectives
Eco-efficiency and combating climate change	R&D&I projects for development of new technologies which result in reduced waste and emissions of greenhouse gases. Implementation of environmental policies at work centres.	Continuation of R&D&I projects. Extension of scope for implementation of environmental policies at work centres. Set specific objectives by area of activity for reducing greenhouse gas emissions, consumption of resources and waste. Internal training days to instruct newly incorporated companies from our experience in good environmental practices.
Dialogue and cooperation with the community	FCC Foundation set up to structure Community projects. Participation in forums, conferences, working groups, etc.	Preparation of methods of identifying stakeholders. Opening of new channels of communication with different stakeholders. Company Volunteer Plan. Agreement with the Adecco Foundation to help integrate the disabled.

Self-declaration of the report against the G3 scale

		2002 IA	C	C+	B	B+	A	A+
Mandatory	Self-declared							✓
	Checked by third parties							✓
Optional	Checked by GRI							✓

Further information on the FCC Group at <http://www.fcc.es>

About the 2006 Corporate Social Responsibility Report

For the second consecutive year, the FCC Group is publicly disclosing its performance with regard to corporate responsibility, to inform its internal and external stakeholders of the economic, social and environmental context and impact of its business activity.

Just as the market and society and respective information needs have evolved, so has FCC. The Group understands that there is an increasing need for information beyond financial statements. As part of its commitment to respond to stakeholder expectations, new instruments have been incorporated into the company's practices for communicating additional information.

The 2006 corporate social responsibility report presents the internal and external circumstances faced by the Group and how these can affect results. The report also enables readers to evaluate business results in the context in which the entity carries out its operations and to see whether the strategies adopted contribute to a more sustainable scenario. Preparation of information on corporate responsibility is a continuous challenge and process of improvement.

During the period covered by this report the Group has made progress adapting its information gathering and management systems, including new indicators of corporate responsibility when considered necessary. The objective is to extend the

scope and improve the quality of the information published. Furthermore, for the first time this report has received external verification, with an independent opinion from KPMG. As a result of the efforts made, the 2006 Corporate Social Responsibility Report is a more mature document than that of the preceding year.

The FCC Group has opted to prepare this report according to the 2006 recommendations of Global Reporting Initiative





Principles for defining the contents

The present corporate social responsibility report includes the significant actions for sustainability carried out by the FCC Group in all its areas of activity and subsidiaries during 2006. In geographical terms, the scope of the operations includes almost fifty countries, detailed in Chapter IV Attracting and retaining talent.

The economic, social and environmental indicators contained in this report have been structured to reflect the progress of FCC's six strategic lines of corporate responsibility, as established in its Master Plan.

Like the first edition, the 2006 report has been prepared following Global Reporting Initiative guidelines, in this case the G3 version, as well as the AA1000 standard to determine materiality and the commitments acquired through the United Nations Global Compact. The four principles for defining the contents have been applied to guarantee a balanced and fair source of information on FCC's performance.

Principles for defining contents	
Materiality	In addition to the four tests of materiality on the FCC divisions carried out in March 2006, for analysis of the situation prior to preparation of the Master Plan, the present report has been subject to a new materiality test updating the previous test from a group perspective. Risk and maturity levels have been analysed taking into account five external sources of influence on FCC's business: socially responsible investors, competitors, sector-based opinion leaders and agents of public opinion in the press and online. In the analysis of issues currently affecting the responsibility and corporate image of companies in FCC's sectors of activity, special emphasis has been placed on the issues which we have grouped under corporate governance, climate change, eco-efficiency, labour environment and dialogue with the community.
Stakeholder involvement	FCC takes into consideration the expectations of its stakeholders, identified through the materiality analyses described and the channels of communication established by the Group companies in their strategic and operating management of relations with respective stakeholders. The investor relations office has also been involved in the preparation of this report and a number of studies on FCC's 2005 Corporate Social Responsibility report, published by civil society organisations, have been reviewed.

The FCC Group aims to produce **corporate social responsibility reports which offer a balanced, comparable, accurate, reliable, frequent and clear view** of the Group's economic, social and environmental performance

Context of sustainability	FCC's relationship with sustainability is expressed in the Group's vision. This report presents the economic, environmental and social results achieved by FCC. Information is provided on the extent to which these results are indicative of the future, completing data with comments on the management approach for each of the aforementioned aspects, as well as specifying the resources, actions and relationships established by the entity.
Report boundaries	The report covers all of the Group's significant business activities, material issues and relevant indicators, for stakeholders to assess the organisation's economic, environmental and social performance during the stated period.

Considerations for limiting scope of coverage

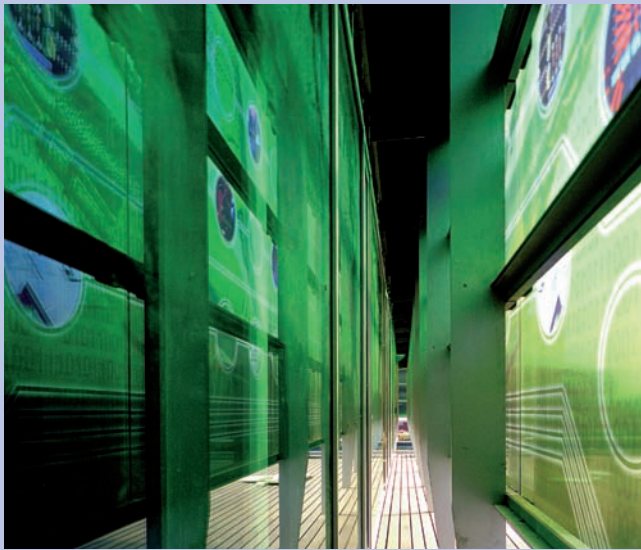
The comprehensive coverage of the present report represents a real challenge for FCC. We are a diversified group which, at 31 December 2006, includes various newly acquired companies and our activity extends to over fifty countries.

We have set out to meet the expectations of those who have given us their opinion on the 2005 Corporate Social Responsibility Report, recognising the interest shown in knowing the Group's global impact in terms of corporate responsibility. The Group's growth rate has led to the incorporation of a number of new companies during the year covered by this report. This diversification inevitably leads to differences in the stage of development of corporate responsibility management systems between already established companies and those which recently joined the Group. As a result, the extent of an indicator is occasionally limited by the information available. This is duly noted in the text.

Principles for defining the quality of reported information

The FCC Group's 2006 Corporate Social Responsibility Report aims to make public those issues and indicators which have been identified as material and which enable its stakeholders' expectations to be met in order for decisions to be taken.

Preparation of the report has been guided by the principles established in the G3 for quality of information.



Ciudad Politécnica de la Innovación. Valencia.



Principles for defining the quality of information

Balance	The report does not present biased information and reflects positive and negative aspects, recognising when results have not met expectations or there have been unexpected negative impacts.
Comparison	Quantitative indicators for which historical data are available have been included in the report to present comparable information with previous years. Indicators are comparable, as the same concepts have been used as in the preceding edition of this report, also prepared following GRI guidelines.
Accuracy	The quantitative and qualitative information provided is presented in the necessary detail, sufficient to meet stakeholders' expectations. The system of preparation of quantitative and qualitative data is duly documented and supervised by those responsible for writing the report.
Frequency	For the second consecutive year, FCC publishes its Corporate Responsibility Annual Report. In response to the new information requirements of the market and society, this practice is in addition to the publication of annual accounts.
Clarity	The quantitative and qualitative information provided is sufficiently clear to meet stakeholders' expectations. Those responsible for preparing the report have considered a broad readership, avoiding technical jargon and including case examples.
Reliability	FCC's 2006 Corporate Social Responsibility Report has been verified by KPMG in accordance with international standard ISAE 3000.



The FCC Group in 2006

FCC's activities as a group are divided into four management units based on the following areas: Services, Construction, Cement and Real Estate.

Services is an area specialised in management of environmental and urban services, rendering a range of these to society through two groups: Environmental Services and Versia.

**Net sales of
€ 3,703 million in 2006**

39% of the Group's total in 2006

Environmental Services, comprising different activities related with urban sanitation, such as the collection and treatment of solid waste, cleaning of public streets and sewer systems, maintenance of green areas and buildings, treatment of industrial waste and the integral water cycle. These activities are carried out by FCC Medio Ambiente, S.A., Aqualia Gestión Integral del Agua, S.A. and other of their subsidiaries, as well as Ámbito.

Versia, which renders various services, such as operation of on-street and underground parking, street furniture and outdoor advertising, public transport, technical inspection of vehicles, ground support for passengers and aircraft (airport handling), logistic services to companies from various sectors, vehicle sales, etc.



**FCC Medio Ambiente, improving
the environment**

The integral water cycle is managed, through Aqualia, in over 850 municipalities, serving a population of 11.1 million in Spain and over 3 million abroad. The Czech water management company Severomoravské Vodovody a Kanalizace Ostrava, A.S. (SmVaK), third largest company in the sector in the Czech Republic and the main operator in Moravia and Silesia, has recently been acquired. Aqualia also supplies water in Poland and has launched commercial operations in Slovakia. From a unique perspective on water management, Aqualia offers solutions for all areas related with the integral water cycle: management of public water services, solutions for water usage in industry, design and construction of water treatment plants, maintenance and operation of infrastructures for irrigation subscriber associations and hydraulic infrastructure concessions.

Treatment and elimination of industrial waste, is managed through Ámbito, which supplies complete solutions for the treatment of specific industrial waste. Eight industrial waste disposal sites are managed in Spain, together with eight transfer centres, five treatment plants, energy recovery centres, three waste collection services, three soil

decontamination and two bases for industrial cleaning. In 2006 Ámbito managed over 1,795,000 tonnes of different types of waste. Recently it has purchased the company GEMECAN and the assets of the Group Hernández Cerrajero-Marepa, engaged in recycling paper and used cardboard from general industry and selective urban waste collection.

Treatment and elimination of urban solid waste in 2,200 municipalities throughout Spain. FCC is fully committed to research into new technologies and specific, customised projects for each city. Abroad, FCC is present in Great Britain, Mexico, Venezuela, Colombia and Chile. It has over 100 centres which annually manage over 12,000,000 millions of tonnes of urban solid waste, subject to different treatment processes (thermal, composting, biomethanisation, recycling, incineration, land-fill sites and dumping).

Maintenance of sewer networks. Most of the services are included in management of the full water cycle. FCC, one of the leading and pioneering companies in this sector, has extensive experience since 1911 and constantly introduces environmental and technological improvements.

Waste collection and various cleaning services. The FCC Group is leader in Spain, one of the largest operators in Latin America and a global player in the United Kingdom, Austria, Portugal, Egypt and eastern Europe. At present it renders services to over 50 million inhabitants in 4,000 municipalities around the world and collects over 12,300,000 tonnes of waste a year.

Conservation of green areas. This activity includes the creation, conservation and restoration of green spaces and historical gardens. FCC operates in 45 municipalities and has received various prestigious awards for its administration of the design, creation or management of public parks and gardens.



FCC Versia in cities

FCC Logística provides logistics services in Spain and Portugal to companies from the automobile, food, drugstore, cosmetics and personal care, electrical appliances, pharmaceuticals, optical and technology sectors. The company has a network of 53 operation centres strategically located in Spain and Portugal, with over 840,000 square metres of storage space.

Parking facilities manage, operate and maintains street-level and underground car parks. Municipal services of vehicle removal and storage are also carried out. Operates in over 90 cities, in which it manages over 141,000 regulated parking spaces and 11,700 spaces in 43 underground car parks. The service of removing badly parked vehicles is also carried out in 29 cities.

Technical Inspection of Vehicles manages 62 MOT centres in Spain and Argentina, carrying out over 2,100,000 inspections annually.

Conservation and systems. This activity is focused on the design, installation, maintenance and conservation of urban infrastructures and the development and operation of traffic management systems.

Handling. Airport ramp, passenger and cargo handling services are carried out through Flightcare. Service is rendered annually to over 200 airlines from around the world, dealing with almost 51 million passengers and over 325,000 flights. Over 200,000 tonnes of cargo are managed every year.

Street furniture and outdoor advertising is managed by Cemusa, which designs, installs, maintains and operates high quality advertising fixtures adapted to particular physical environments. Its clients include councils, transport agencies, airports, shopping centres and other public and private entities and the company helps contribute to the appeal, functionality and economic development of cities. Cemusa is present in over 160 municipalities in 11 countries in Europe and North, Central and South America, with over 125,000 fixtures installed.

Passenger transport. FCC Connex Corporación, S.L., a subsidiary 50% owned by the FCC Group and 50% by Connex, manages private urban and inter-city transport through two companies. Corporación Española de Transportes (CTSA) manages public road transport in Spain and has a fleet of 370 coaches covering over 27 million kilometres a year. Detren, Compañía General de Servicios Ferroviarios, operates the trams on la Diagonal and el Besós (Barcelona), which cover a total of 31 kilometres and transport 17 million passengers a year.

High technology vehicles and systems (SVAT). Versia markets high technology vehicles and equipment for urban sanitation, cleaning coastal waters and beaches, industrial cleaning, airport handling and military use.



Bus shelter, Amsterdam, Holland.



Construction, área especializada en la construcción de obra civil y edificación de inmuebles. Es adjudicataria de proyectos de desarrollo de infraestructuras tales como autopistas, autovías y carreteras, obras hidráulicas, marítimas, aeroportuarias, infraestructuras ferroviarias, urbanizaciones, viviendas, edificaciones no residenciales, conservación de infraestructuras, oleoductos y gasoductos, restauración medioambiental etc.

**Net sales of
€4,395 million in 2006**

**Civil engineering works
represent 59% of net sales**

Cement, the operation of quarries and mineral deposits and manufacture of cement, lime, gypsum, ready-mix derivatives and concrete, is an activity carried out by Cementos Portland Valderrivas, S.A., a group which is quoted on the electronic trading system, and other subsidiaries.

**Net sales of
€1,467 million in 2006**

**Waste recovery and
transport represent 4% of net sales**

Real estate, the sector in which FCC is present through operation of the Torre Picasso building, of which the parent company owns 80%, and the 49.17% interest in the company Realía Business, S.A., acting in promoting real estate products for subsequent sale and the operation of individual buildings and shopping centres.

**€766.5 million
of net sales from Realía
and Torre Picasso**

739,000 m² on patrimony



FCC Construcción,
helping to develop and
improve infrastructures

Railway works: stations, tunnels, sections and additional track for train, metro and tram transport systems. FCC Construcción carries out High Speed expansion plans and constructs new urban and suburban lines in different cities.

Urban developments: FCC Construcción is involved in the development of land for business use and housing.

Housing: construction of homes, commercial premises and car parks.

Non-residential buildings: for administrative, educational, cultural, sporting, commercial, hotel and industrial use.

Refurbishment and maintenance: reforms, extensions, refurbishment and refitting of buildings.

Conservation of infrastructures: maintenance of dual carriageways, roads, dams and automatic hydrographic information systems; reforestation, woodland regeneration, forestation of farmland, restoration of natural resources in areas affected by infrastructure works and auxiliary forest work; prevention and immediate intervention against forest fires.

Administrative concessions: companies which own administrative concessions for the construction and operation of various infrastructures, including dual carriageways, tunnels, airports, pleasure ports, tramlines, etc. and the construction and operation of buildings for various activities.

Other activities: the FCC Construcción area includes companies specialised in engineering, air conditioning, pipelines and gas pipelines, prefabricated products, advanced IT systems, corporate image, forest works, repairs and refurbishments.



Cement and respect for
the environment

Through **Cementos Portland Valderrivas**, the FCC cement area is the first Spanish-owned cement group, with facilities in Spain and the United States. In Spain, Cementos Portland Valderrivas has eight cement plants, 130 concrete plants, twenty dry mortar installations, 55 aggregate quarries and two transport companies. In the United States, Cementos Portland Valderrivas has the following divisions: cement, concrete, aggregates, recycling and prefabricated goods.

The **recycling division**, through Giant Cement Holding, Inc., employs safe methods of recovering waste and using waste materials as fuel. Giant offers safe solutions for the problem of destroying this waste. Industrial waste is treated at its facilities and subsequently used in the manufacture of cement and light aggregates.



Making your dreams
come true

Realia Business operates in three business areas:

Patrimony. Engaged in integral management of leased buildings mainly used as offices and commercial premises. Realia has over 739,000 m² on patrimony.

Development. Realia has over 70 real estate developments with products for sale.

Real estate services are managed through companies: Cismisa, specialised in marketing real estate products; TMI, S.A., engaged in buildings' complete maintenance; and TMI Golf, specialised in the construction and maintenance of golf courses.

Realia manages over 8,000 homes annually.

It has over 11 million m² of land for future developments.

Further information on the FCC Group's business areas at <http://fcc/corp/index.htm>



Cement factory. Hontoria. Palencia



Property development. Guillena. Sevilla

Key indicators

Grup FCC	2004	2005	2006	Variation 05-06	% of 2006 total
Net sales (millions of Euros)					
Construction	3,123	3,347	4,395	31.30%	46.40%
Services	2,347	2,800	3,703	32.27%	39.00%
Cement	887	978	1,467	49.90%	15.50%
Total Grup FCC	6,349	7,090	9,481	33.70%	100.00%
Gross operating profit (Ebitda) (millions of Euros)					
Construction	178	191	269	40.40%	19.39%
Services	376	453	606	33.77%	43.60%
Cement	268	312	485	55.40%	35.00%
Total Grup FCC	842	989	1,387	40.30%	100.00%

Grup FCC	2004	2005	2006	Variation 05-06
Works and services Backlog (millions of Euros)	16,405	20,497	30,510	48.90%
Investments (millions of Euros)	625	943	4,855	414.80%
Works and services contracts (millions of Euros)	5,785	8,489	10,907	28.40%
Equity (millions of Euros)	2,447	2,608	3,418	31.00%
Net financial debt (millions of Euros)	270	403	5,204	1,191.10%

Grup FCC	2004	2005	2006	Variation 05-06
FCC Group's net sales by geographical area (millions of Euros)				
National	5,698	6,387	7,763	21.50%
International	651	703	1,718	144.30%
Total Grup FCC	6,349	7,090	9,481	33.70%

Corporate governance and value creation

145	FCC Corporate responsibility culture
151	Value creation through corporate responsibility
154	Economic value generated and distributed

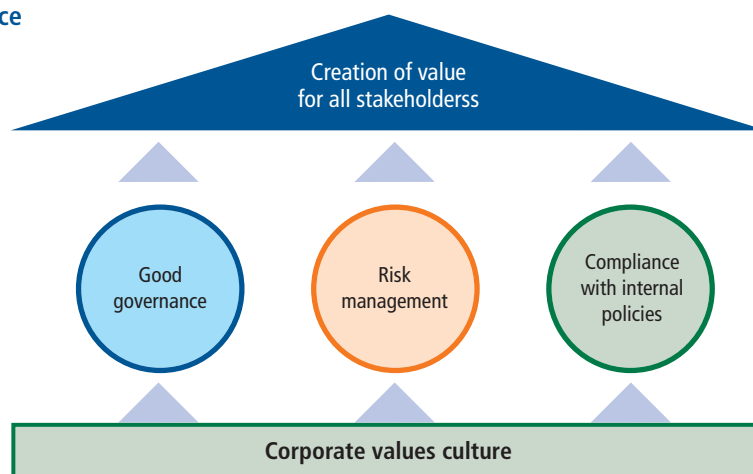
The creation of value and its distribution to shareholders, customers, employees, suppliers and the societies in which the Group companies operate is the responsibility of all persons comprising FCC, especially its governing bodies

For FCC, corporate governance of the Group implies greater emphasis on the leadership of the organisational culture, the internal climate and the processes designed to promote a shared vision. In 2006, the Group established policies, action plans and objectives with a view to enriching its corporate responsibility and sustainability culture.

In 2006, FCC's social responsibility strategy focused on a vision of sustainability shared between its different areas, the planning of objectives and the understanding of relevant events, risks and opportunities in the sustainable environment in which the Group companies operate.

The Corporate Responsibility Master Plan establishes corporate governance as a strategic objective of the Group, which aims to be recognised for its integrity and transparency in relations with its stakeholders.

Corporate governance



FCC Corporate responsibility culture

Leadership in corporate responsibility culture, a key task for the governing bodies of this century-old company

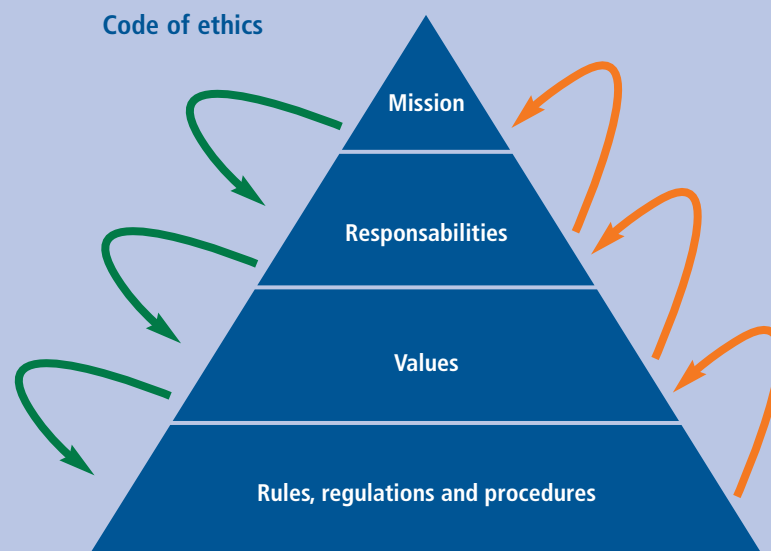
One of the strategic objectives of the Master Plan is **corporate governance**, which entails the preparation of the Corporate Integrity Plan. The objective of this plan is to establish a common framework for ethical behaviour for all FCC areas, which reinforces the Group's business culture and commitment to its employees

The Board of Directors of the FCC Group has defined the strengthening of a common culture as a priority. FCC culture is based on its social responsibility as a century-old company and its vocation of providing services to the community. Consequently, the Board of Directors and Senior management have created a favourable environment for the coordination of activities throughout the year to bring together the social responsibility of the different levels and areas of activity of the Group.

Three projects related to the corporate governance of FCC in 2006 are noteworthy: the Group's Corporate Responsibility Master Plan; the efforts to adapt internal regulations to Group ethics and integrity; and the adaptation of FCC to the recommendations of the new Unified Code of Good Corporate Governance, approved by the CNMV (Spanish stock exchange commission) in May 2006. The first project was completed during the period analysed in this report, while the two remaining projects will be completed in 2007.

The corporate governance of FCC is based on the corporate values culture and compliance with internal regulations. Risk management also forms part of the Group's strategy as it involves all members of the organisation and is accompanied by preventative, supervisory, control and, where applicable, corrective policies to achieve the organisation's objectives.

Business ethics, a determining value of FCC's culture



The promotion of ethics and integrity within the FCC Group stems from the desire to establish a common framework for ethical behaviour for the company in all its areas, which applies not only to our employees but also to members and customers. In compliance with the

recommendations of the Unified Code of Good Corporate Governance, FCC will integrate a system into its internal regulations for the confidential receipt of inquiries and complaints regarding anomalies that may arise, especially in the fields of finance and accounting.

Business ethics, a determining value of FCC's culture

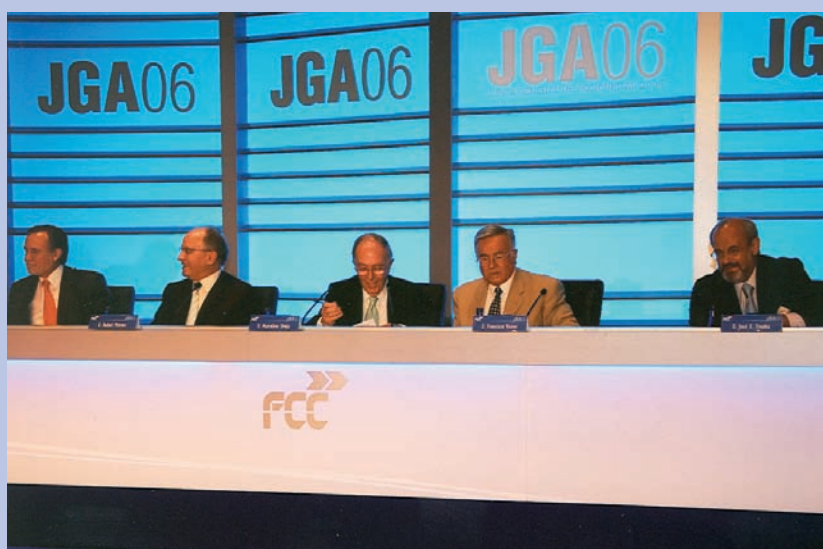
The corporate values culture is promoted from the highest level of responsibility of the Group, thereby fostering corporate governance and developing a common framework for ethical behaviour. In this context, a highlight of 2006 was the corporate conference on business ethics held in Torre Picasso, FCC Group's head office.

The conference was attended by the principal shareholder, Esther Koplowitz, and other members of the Group's Board of Directors, such as Alicia Alcocer and Fernando Falcó. The presiding committee was comprised of Rafael Montes (Managing director), Felipe B. García (General Secretary and Chairman of the Corporate Responsibility Committee), and the Chairmen of FCC Group's lines of business, José Luis de la Torre (Services), José Mayor (Construction), José Ignacio Martínez-Ynzenga (Cement) and Ignacio Bayón (Real estate). The session was attended by 175 of the organisation's Senior Executives.

FCC's General Secretary, Felipe Bernabé García, spoke on principal issues regarding ethical values and business integrity.

RFCC reflections on business ethics and integrity

- "Integrity and respect for the Company's ethical values underpin an organisational culture capable of generating positive attitudes and qualities that are indispensable for the future of our company."
- "Respect for these values is the responsibility of all of those forming part of FCC, especially those of us with the opportunity to assume certain responsibilities within the Company."
- "The Company, and more specifically markets, demands ethical, upright, honest and impeccable conduct. The Company rewards us for acting along these lines and reprimands us if we do not."
- "The Company has implemented measures to set in stone our commitment to integrity and to ensure that all persons forming part of FCC act accordingly."
- "Although no organisation of our size is fully protected from the risk of bad practices, we should strive to be vigilant to avoid such risks."



Adaptation to the new Unified Code of Good Corporate Governance has also been an object of consideration for the Group's governing bodies, particularly the Audit and Control Committee and the Board of Directors. The Code

recommendations may be voluntarily applied by listed companies, however, as of 2008 companies will be obliged to state in their Annual Corporate Governance Report whether or not they have adopted these recommendations.

Unified Code of Good Corporate Governance recommendations directly related to corporate responsibility	FCC corporate governance practices
Establishes the responsibility of the Board of Directors regarding corporate social responsibility strategy and policy.	In 2006, the Corporate Responsibility Master Plan comprising the social responsibility commitments of FCC Group was approved by mandate of the Board of Directors and Senior management.
Where there are few or no female board members, the Board of Directors should explain the reasons and the initiatives taken to correct the situation.	Five of the 19 members of FCC Group's Board of Directors are female, which is among the highest of the Ibex-35 companies. No explicit or implicit conditions in favour of women are applied during the selection process for FCC's Board of Directors.
The Board of Directors is responsible for monitoring compliance with the internal codes of conduct over and above those relating to corporate governance through the Audit Committee or the Appointments Committee or, if they exist independently, the Compliance and Corporate Governance Committees.	One of the strategic objectives of FCC Group's Corporate Responsibility Plan is good corporate governance, which entails the development of the Corporate Integrity Plan. The objective of this plan is to establish a common framework for ethical behaviour for all Group FCC's areas, which favours the strengthening of the Group's business culture and reinforces the commitment of FCC employees. The FCC Audit and Control Committee tasks include monitoring compliance with the codes of conduct and corporate governance regulations.



Reputational risks are included amongst the risks that should be taken into account in the risk control and management system. The Audit Committee is responsible for the risk control and management policy.

Pursuant to FCC Group's Corporate Responsibility Plan, the Corporate Responsibility Committee is responsible for the identification of **reputational risks, which are in turn analysed by the Board of Directors**. Consequently, during the 2007-2008 period, the Group plans to develop a reputational risk map with a view to designing a system to evaluate and manage these risks.

The Audit Committee may establish a **confidential channel** or, if considered necessary, an anonymous channel through which the employees may notify the Board of Directors of any anomalies, especially in the field of finance or any other relevant field.

FCC will incorporate a mechanism into its internal regulations allowing employees to confidentially notify the Audit and Control Committee of the Board of Directors of any anomalies that may arise, especially in the fields of finance and accounting.

For further information on the CNMV's Unified Code of Good Corporate Governance consult:
www.cnmv.es/publicaciones/CUDefinitivo.pdf
www.cnmv.es/publicaciones/gobiernocorp.htm

FCC Group Governing Bodies 2006

GENERAL SHAREHOLDERS' MEETING

Board of Directors

Marcelino Oreja Aguirre	Chairman
	Nominee director
Rafael Montes Sánchez	Managing director
	Executive director
B 1998, S.L.	
Representative: Esther Koplowitz Romero de Juseu	Nominee director
Dominum Desga, S.A.	
Representative: Esther Alcocer Koplowitz ●	Nominee director
Dominum Dirección y Gestión, S.A.	
Representative: Alicia Alcocer Koplowitz ●	Nominee director
EAC Inversiones Corporativas, S.L.	
Representative: Carmen Alcocer Koplowitz ●	Nominee director
Fernando Falcó y Fernández de Córdova ●	Nominee director
Gonzalo Anes y Álvarez de Castrillón	Independent director
Miguel Blesa de la Parra	Nominee director
Juan Castells Masana	Nominee director
Felipe Bernabé García Pérez	General Secretary
	Executive director
Francisco Mas Sardá Casanelles	Independent director
Max Mazin Brodovka	Independent director
Antonio Pérez Colmenero	Executive director
Robert Peugeot	Nominee director
Cartera Deva, S.A.	
Representative: José Aguinaga Cárdenas	Nominee director
Ibersuizas Alfa, S.L.	
Representative: Luis Chicharro Ortega	Nominee director
Ibersuizas Holdings, S.L.	
Representative: Jorge Delclaux Bravo	Nominee director
Larranza XXI, S.L.	
Representative: Lourdes Martínez Zabala	Nominee director

Strategy Committee

Esther Koplowitz Romero de Juseu
Chairlady

Executive Committee

Rafael Montes Sánchez
Chairman

Audit and Control Committee

Fernando Falcó y Fernández de Córdova
Chairman

Appointment and Remuneration Committee

Esther Alcocer Koplowitz
Chairlady

Steering Committee

Rafael Montes Sánchez
Chairman

Fernando Falcó y Fernández de Córdova

Ignacio Bayón Maríné

Antonio Gómez Ciria

José Ignacio Martínez-Ynzenga y Cánovas del Castillo

José Mayor Oreja

Antonio Pérez Colmenero

José Luis de la Torre Sánchez

José Eugenio Trueba Gutiérrez

José Luis Vasco Hernando

Felipe Bernabé García Pérez (Secretary)

Francisco Vicent Chuliá
Secretary (non-member)

● This symbol indicates existing family, commercial, contractual, and business relations between the major shareholders

Typology of Board members	Number of board members	Company remuneration (€M)	Group Remuneration (€M)
Executive directors	3	3.183	138
Nominee directors	13	1.277	843
Independent directors	3	204	—
Total members	19	4.664	981

For further information on FCC Group corporate governance consult <http://www.fcc.es>

- Corporate Governance section on Group web site http://www.fcc.es/fcc/corp/esplrc_gc.htm
- Annual Corporate Social Responsibility reports http://www.fcc.es/fcc/corp/esplrc_idrsc.htm
- Annual Corporate Governance Reports http://www.fcc.es/fcc/corp/esplrc_gc_iadgc.htm
- Company Articles of Association and Regulations http://www.fcc.es/fcc/corp/esplrc_gc_n.htm

FCC Governance Structure

The maximum governing body of the FCC Group is the shareholders through the **annual general shareholders' meeting**.

In accordance with the competences established in the Company articles of association, the **Board of Directors** is responsible for the administration, representation and control of the Group. At 31 December 2006, the Board of Directors comprised 19 members, of which three occupied executive posts in the company meaning that 84.21% of the board members are external and 15.79% are executive directors.

Two new board members were appointed in 2006: Miguel Blesa de la Parra and Max Mazin Brodovka, the latter being an independent director. No Directors have been replaced during the year.

The number of female board members (5) is high compared to the other Ibex 35 companies.

The Board of Directors organises its work through plenary sessions or through committee meetings. According to the annual evaluation report, 10 plenary sessions took place in 2006.

Strategy committee

This committee comprises eight members and advises the board on strategy-related issues and takes decisions related to investments, divestments, third-party agreements, new lines of business and any financial operations affecting the Group's strategy. Number of meetings held during 2006: one.

Executive committee

This committee comprises five members. It runs the Company's business and has the widest-ranging management, administrative, representative and asset-management powers. The Executive Committee of FCC Group is made up of 80% external directors and 20% executive directors. Number of meetings held during 2006: six.

Audit and Control Committee

This committee comprised four members at year-end. It supports the Board of Directors in monitoring the Group's business by periodically reviewing the preparation of financial and economic information, internal controls and external auditor independence. Number of meetings held during 2006: eight.

Appointments and Remuneration Committee

This committee comprises seven members. It informs the Board of Directors of appointments, re-elections, resignations from the board, directors' remuneration and general remuneration and incentive policies for FCC board members and senior management. Number of meetings held during 2006: six.



Lemona Cement plant. Vizcaya



ASA Group Austria

Creation of value from corporate responsibility

In 2006 FCC reached the **age of 106**. Its net sales have grown 33.7% and net profits by 27.1% compared to 2005



Context for growth

The second year of the **strategic plan for 2005-2008** has been completed and targeted growth has already been surpassed.

The main business approach in 2006 has been to increase FCC's international presence and make planned investments, which have reached Euros 4,854 million in 2006, up 414.8% on the prior year.

The integration of newly acquired companies, which has been based on local directives for 2006, has paid special attention to human resources.

Following the priorities set by FCC, modernisation of organisational structures has been promoted, recommendations for good corporate governance applied and the sustainable development model implemented in all areas.

Project Galileo

FCC has introduced project Galileo, which is intended to achieve integration of companies acquired outside Spain through harmonisation of corporate governance policies for legal matters, communication and corporate responsibility.

Corporate areas of the Group are involved in this ambitious project, setting directives for its target areas, by defining an action plan, which was introduced in the last quarter of 2006 and will continue to be developed in 2007 until all newly acquired companies have been fully integrated.

Principal investments made by FCC in 2006

Date	Company	Country	Value of company	Area	Activity
February 2006	Cementos Lemona (96.1%)	Spain	260	Cement	Cement
April 2006	Severomoravské (SmVAK)	Czech Republic	248	Environmental services	Water
June 2006	Uniland (51%)	Spain	1,050	Cement	Cement
July 2006	Waste Recycling Group (WRG)	United Kingdom	2,036	Servicios medioambientales	Waste
July 2006	Alpine Mayreder Bau (80.7%)	Austria	610	Construction	Construction
August 2006	Aeroporti di Roma Handling	Italy	71	Versia	Handling
TOTAL			4,275		

Geographical distribution of FCC's international expansion in 2006

The companies acquired in 2006 as part of the 2005-2008 strategic plan have boosted international turnover, which now represents 18% of the total group net sales. By geographical zones, European turnover is noteworthy, representing two thirds of the total. Activity in eastern and central Europe represents 31% of total international activity.

FCC Group companies stimulate the economic activity of the societies in which they operate. They act as economic catalysts, generating and distributing economic value directly and indirectly. They make an important contribution to the **development and sustainability** of the territory, working in key areas that affect people's lives and well-being



33.7% increase in net sales

27.1% growth in net profit

Growth for sustainability

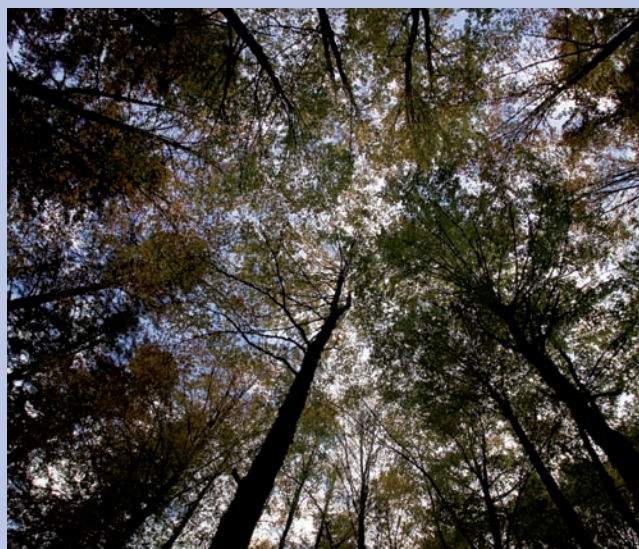
Investment in infrastructure is one of the main drivers behind development. Adequate investment provides greater operability, functional speed and fluid cash circulation, which all have repercussions on productivity and competitiveness:

- Development of land for housing, technological parks, business parks, supermarkets, shopping centres, etc.
- Improvement in railway traffic and availability of the high speed network.
- Arterial road network with greater capacity connecting different areas of cities: motorways, highways and roads.
- Safety and flexibility in land traffic (tunnels, car parks, pedestrian areas, etc.).
- Extension of port and airport capacity.
- Logistic facilities.
- Energy generation, transport and storage capacity.
- Water supply for urban consumption, water sanitation and purification.
- Hydraulic works and irrigation systems, water treatment, purification and desalination plants.
- Waste treatment plant.

An optimum environment for development provided by available infrastructure has a positive effect on economic rationality and well-being of the population as follows:

- Stimulus for private investment.
- Reduction in costs.
- Catalyst for the economy.
- Purchases of supplies.
- Direct and indirect employment.
- Efficiency and productivity of the economic system.
- Increase in tax revenues.
- Decrease in unemployment benefits.
- Private financing of concessions.

A company's approach to development of infrastructure is connected to expectations of greater capacity and growth, bearing in mind that such development is day by day, providing the best service possible.



Economic value generated and distributed

FCC has distributed added value created among the different **stakeholders**, which contribute to its generation. Figures for the creation and distribution of economic value indicate how the **organisation generates wealth for stakeholders and demonstrates its economic profile**

These figures reflect the success of the Strategic Plan, strong organic growth in all areas of the business, rising internationalism, especially in emerging markets and a consistent strategy which has made all this possible.

Value for FCC shareholders

In 2006 the stock exchange yield has continued the upward trend recorded in prior years. FCC's share quotation has risen by 61.2% in 2006, which should be added to the 35.2% recorded in 2005 and 21.2% recorded in 2004. This has almost doubled the performance of the Ibex 35, the index of reference in Spain, which rose by 32%. FCC closed the year with a quotation of Euros 77.20 per share compared to Euros 47.90 the previous year.

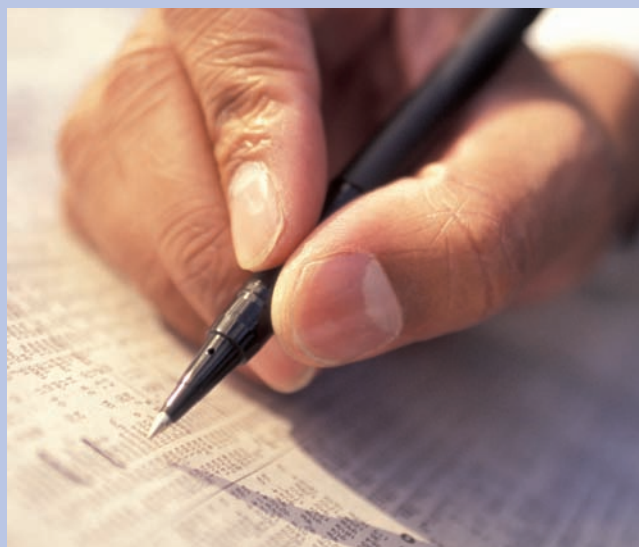
10 Euros invested in FCC at the end of 2001
are worth **36.28** at the end of 2006

DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED

Economic value generated			
	2004	2005	2006
Income (millions of Euros)			
Net sales of products and services	6,348.763	7,089.787	9,480.928
Total economic value generated	6,348.763	7,089.787	9,480.928
Economic value retained			
	2004	2005	2006
Economic value retained (millions of Euros)			
Economic value generated	6,348.763	7,089.787	9,480.928
Economic value distributed	5,923.559	6,684.708	8,903.355
Total economic value retained	425.204	405.079	577.573
Economic value distributed			
	2004	2005	2006
Materials consumed and other external expenses (millions of Euros)			
Materials consumed (suppliers of materials and services)	2,870.019	3,277.051	4,512.844
Other external expenses	962.012	1,069.045	1,512.614
Total	3,832.031	4,346.096	6,025.458
Salaries and remuneration (millions of Euros)			
Wages and salaries	1,715	1,863	2,180
Total	1,715	1,863	2,180
Payments to providers of capital (millions of Euros)			
Dividends payable to shareholders	139.315	177.572	210.736
Interest payable on loans	70.356	80.881	209.139
Total	209.671	258.453	419.875
Payments to governments (millions of Euros)			
Taxes			
Income taxes	166.857	217.159	278.022
Total	166.857	217.159	278.022
Total economic value distributed	5,923.559	6,684.708	8,903.355

**Dividend of Euros
210 million
generated in 2006**

**In the last six years the
dividend distributed has
quadrupled**



The interim **dividend** on account of 2005 paid out on 9 January 2006 was Euros 0.766 per share, totalling over Euros 100 million, which is 12.6% higher than the amount distributed in January 2005. On 10 July a supplementary dividend of Euros 110 million was distributed, representing Euros 0.848 per share. In total FCC has distributed

dividends of Euros 1.614 per share from profits for 2005, which is 18.6% higher than the dividend distributed from profits of the prior year and represents a payout ratio of 50%.

Financial information for shareholders, investors and analysts: reflecting FCC's commitment to transparency, visibility and corporate responsibility

Communication and relations with shareholders, investors and analysts are a substantial responsibility for FCC and are carried out through different channels. The Stock Exchange and Investor Relations Direction coordinate to provide clear and complete historical information on the Company. Quarterly results are produced explaining the main acquisitions forming part of the 2005-2008 strategic plan, such as the acquisition of the Waste Recycling Group and the acquisition of Alpine Mayreder Bau. These are presented to investors and analysts either personally or by webcast. These events demonstrate the Steering Committee's commitment to investor relations. Information on dividends, the date of publication of results, delegation of votes, historical share capital (mergers, splits, etc) is dealt with immediately by the Shareholders' hotline (91 359 32 63). Practically real-time answers are given to all information requests received each day at the Investor

Relations e-mail address (ir@fcc.es). The objective for the year of answering all information requested by mail in less than two days has been achieved.

Quarterly information on own shares and objective prices and recommendations of all the analysts that follow the value of the Group are published on the corporate website.

More information on
<http://www.fcc.es/fcc/corp/index.htm#Inf>



Communication and recognition of FCC financial information

The most relevant information on the Company, its share quotation and other noteworthy data are sent by electronic bulletin each month to people with specific interest in the Company. At the same time, press releases are sent to all the analysts. Roadshows and meetings with investors are held regularly. The sell side financial analysts that monitor the value of the Company's shares are contacted periodically and meetings are generally held at least every six months. In 2006 14 visits were made outside of Spain (USA, Portugal, United Kingdom, France, Switzerland and Andorra) and five visits were organised in Spain (Zaragoza, Barcelona, San Sebastian and Bilbao). In total 300 meetings have been held, of which 67% were to audiences of investors, 21% to analysts and 12% to sales representatives.

The **"Most Improved IR" award shows recognition by the financial community**, within the building sector in Europe, of the considerable effort made by FCC in communication and relations. The award was the result of a survey by the Institutional Investor Research Group, in which a total of 947 analysts took part, representing 102 banks.

**FCC invested Euros 387 million
in concessions
in 2006**

**9.04% increase in
investment in concessions
in 2006**



Parla tram. Madrid

Value for customers and users

Customers have created value for FCC through net sales, which grew 33.7% to Euros 9,480 million.

Customers are FCC's principal asset. The Group undertakes to maintain lasting relations based on confidence and mutual benefit. FCC has very different customers, ranging from corporate clients of Cementos Portland Valderrivas to public administrations and private customers of FCC Medio Ambiente and FCC Construcción, as end and institutional customers of Aqualia or individual customers of Realia. FCC provides services to millions of people, receiving FCC assistance in their homes, districts, towns, airports, companies, etc.

Most Group companies have quality certifications, some companies being pioneers in their sectors with innovative customer service policies.

Quality and customer service are key to the value FCC contributes to the general public. Customer satisfaction surveys show that FCC is globally well perceived.

FCC contributes financial and technical solvency in its collaboration with the public sector, enabling key infrastructure to be developed in the areas and societies in which it operates. Investment of Euros 387 million has been made in public and private projects performed by FCC in 2006 and in development of public infrastructure and equipment

Customer satisfaction 2006	Global indicators* of satisfaction with the company
FCC Construcción	8.7
VERSIA-Parking facilities	8
VERSIA-CyS	8.7
VERSIA-Handling	7.5
VERSIA-SVAT*	8
Medio Ambiente	7.9
Ambito	6.2
Aqualia	6
CEMUSA	8.5
ITV	8.2

* 2005 dates.

* Given the different methodologies used for each area, a proxy indicator has been developed.

**Euros 1,634.445 million
in supplier expenses**

**36.5% increase
in supplier expenses
in 2006**

**Euros 2,180.050 personnel
expenses**

92,565 employees

37% growth in the headcount

Value for business partners: contractors and suppliers

Business partners, contractors and suppliers are key in the FCC value chain, as they **share the responsibility** for generating good profits

Operating expenses have risen 32.1% in 2006, but are down 1.1% as a percentage of net sales, demonstrating the Group's greater production efficiency.

As part of the quality and environmental policy, Group companies share social commitments and requirements to comply with environmental legislation with suppliers and contractors. This undertaking is materialised through purchase management procedures and evaluation or inspection of products and services supplied.

FCC's policy is to include clauses relating to the environment and safety in the workplace in all contracts with suppliers and contract extensions. Suppliers are also contractually required to comply with tax obligations and data protection legislation etc. and to contract insurance and accident coverage.

Value for employees

Personnel expenses have risen 16.9% mainly due to the incorporation of personnel from newly acquired companies which have raised the number of employees to **92,565**, 37% up on the end of the prior year

Value distributed to employees includes investment in training, welfare benefits, etc., which are discussed in the sections on attracting and retaining talent and health and safety.



Aqualia sales offices. Vigo

Combating climate change

161	Evidence of FCC's commitment
163	FCC makes progress in the reduction of CO ₂ emissions
177	FCC manages the risk of climate change

Reducing the emission of greenhouse gases is central to all FCC Group activities

The Group assumes its responsibilities to meet one of the most significant challenges facing the company in the 21st century: the fight against climate change, which is based on the application of eco-efficient technologies and processes and on the generation of sources of alternative energy. There is one common goal for all Group policies and procedures: to act specifically on each source of greenhouse gases (GHG) to reduce emissions to a minimum.

In 2006, FCC's commitment to the fight against climate change has been strengthened through its 2007-2008 Corporate Responsibility Master Plan, which establishes FCC's undertaking to "assume, comply with and communicate its role in the fight against climate change" as a strategic objective. The Group will meet this goal through its respective area plans, for which the common objectives are:

- Design of a protocol to measure the different sources of GHG.
- Development of action plans by divisions with specific reduction targets.
- Progress in the use of renewable energy and technologies which maximise energy output.

The Group has agreed on an indicator to measure progress:

GHG emissions (CO₂ equivalent).



Compensatory measures in Casa de Campo, Madrid



Evidence of FCC's commitment

The Group has been investing in alternative technologies and eco-efficient processes for a number of years in its business areas. In 2006, there is new evidence of FCC's commitment to control and reduce its CO₂ emissions:

- The commitment of its cement factories which signed public agreements to reduce their emissions to levels below those established in legislation.
- Investment in installations with eco-efficient furnaces for the manufacture of clinker using materials which minimise emissions, and use of alternative fuels deriving from waste.
- Participation in the Spanish Carbon Fund.
- Establishment of a sustainable mobility services model, which prioritises the purchase of vehicles causing less pollution and investment in R&D&I for eco-efficient equipment such as hybrid electric vehicles.
- Creation of intercompany eco-efficient synergies, such as the use of waste to generate energy as a substitute fuel in the cements division.

- Contribution to the highest international standards in the fight against climate change such as the CDM (Clean Development Mechanism) of the United Nations Framework Convention on Climate Change (UNFCCC).

The reduction of its GHG emissions is a **strategic goal** for FCC in the short, medium and long-term, and FCC has progressed further this year towards this end





FCC makes progress in reducing its CO₂ emissions

The sector most involved in this challenge is the cement sector as CO₂ emissions are inherent in the production of cement and its derivatives. The Services area encompasses waste, transport and logistics management activities, which have great potential for reducing greenhouse gases.



Cements and CO₂

The Cementos Portland Valderrivas Group has made progress with its commitment to reduce its CO₂ emissions, with emission levels in 2006 lower than 2005. Emissions in operations in Spain have been reduced by an average of 1.99%, by the Alcalá de Guadaira, El Alto, Hontoria, Olazagutia, and Mataporquera cement factories in 2004, 2005 and 2006, and the Lemona factory in 2006.

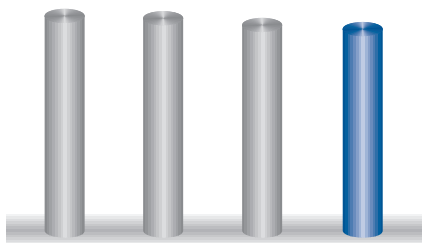
Validation of information on emissions is based on prevailing legislation and, in particular, the "Specific regulation for the verification of reports and information on greenhouse gases of the installations affected by the National Assignment Plan".

The progressive use of alternative fuels and the optimisation of production systems have improved the competitive position of Cementos Portland Valderrivas preparing the company for the expected restriction in emission allowances to be assigned to the cement sector in coming years.

1.99% average reduction in emissions in Cementos Portland Valderrivas operations in Spain

Evolution of Cementos Portland Valderrivas emissions (kg of CO₂/Tm of clinker)

kg of CO ₂ /Tm of clinker	2004	2005	2006
Cement. Spain			
Alcalá de Guadaira	896.10	838.30	848.40
El Alto (grey clinker)	878.00	856.00	843.50
El Alto (white clinker)	1,139.00	1,075.00	1,102.50
Hontoria	903.80	835.50	834.00
Olazagutía	905.10	878.00	855.70
Mataporquera	813.40	856.90	850.70
Lemona			766.20



Recognition of our commitment to reduce emissions

Cementos Portland Valderrivas receives the Environment award from the autonomous region of Madrid for large companies for the El Alto factory. The El Alto factory, situated in Morata de Tajuña, Madrid, has been awarded for its investment and commitment to improving the environment. In 2003, El Alto signed a voluntary agreement with the autonomous region of Madrid, undertaking to reduce its emissions to levels below those established in prevailing legislation. El Alto has certification that its environmental management conforms to regulation UNE-EN ISO 14001 and in 2006 it satisfactorily passed the audit for the EMAS register.

Cementos Portland Valderrivas commitment to reduce CO₂ emissions

The Cementos Portland Valderrivas Group has been working since 2000 to improve its production systems in order to reduce its GHG emissions. The strategy of Cementos Portland Valderrivas is in line with emissions reduction criteria outlined in the Kyoto Protocol, and the emission allowance trading scheme established in Directive 2003/87/EC of the European Parliament and of the Council. It also complies with Spanish legislation, which adopts this directive.

CO₂ is one of the gases present in emissions from clinker manufacturing ovens. This gas, which is emitted in the production of cement, has two origins. Firstly, 60% of the total amount emitted derives from the decarbonisation process, in which limestone (CaCO₃), as the principal material, is transformed into lime (CaO) and carbon dioxide (CO₂). The possibility of reducing these CO₂ emissions is very limited. However, the remaining 40% of CO₂ emissions, produced in the combustion necessary to reach the high temperatures required to activate the chemical reaction allowing the formation of clinker, can be reduced. Therefore, these emissions are directly proportional to the consumption of fuel and the relation between the carbon content and the heating power of the fuel.

The strategy of the Cementos Portland Valderrivas Group for promoting control over and reduction of CO₂ emissions, is based on the following actions:

- Improved energy efficiency, through the manufacture of clinker in more efficient furnaces, with a lower specific consumption per tonne of clinker produced.
- Increased use of materials which include lime (CaO) in their composition, to help reduce CO₂ emissions in the clinkerisation process.
- Promotion of the use of alternative fuels deriving from wastes which would otherwise end up in landfills, especially biomass.
- Improved use of additions in the manufacture of cements, whereby the level of clinker per tonne manufactured is minimised, whilst maintaining product quality.
- Participation as a Group in the Spanish Carbon Fund, to which Cementos Portland Valderrivas has contributed Euros 2.5 million.



Solid urban waste collection. Electric vehicle. Madrid



Solid urban waste treatment plant. Barbanza

Services and CO₂



FCC Medio Ambiente, which is notable for its waste management activities, increased its fleet of industrial vehicles powered with compressed natural gas, which now represent 11% of the company's total vehicles. In 2006, the hybrid-electric KBI rubbish collectors with a 7m³ storage capacity were incorporated into the vehicle fleet. The estimated value of CO₂ emissions associated with vehicle fuel consumption this year was 127,995.29 tonnes of CO₂, which is up 2.5%

compared to 2005. (Sources for the estimation of CO₂ emissions: "Emission factors (kg CO₂)/GJ) based on lower heating values are from IPCC, 1996, Volume 2, Section 1", and the heating capacity of fuels in GJ is from "Compendium of Greenhouse Gas Emissions Estimation Methodologies for the Oil and Gas Industry, American Petroleum Institute, 2001").

Growth in GHG emissions in 2006, mainly attributable to consumption of natural gas, is due to the 15.3% increase in the number of industrial vehicles in cities such as Barcelona, Valencia and Oviedo, as well as the rise in services rendered in Madrid with existing vehicles.

Type of fuel	Fuel consumption	Units	CO ₂ emissions (Tm of CO ₂)
Diesel	37,299,552.12	litres	102,416.03
Natural gas	12,733,679.00	Nm ³	24,984.75
Petrol	249,562.96	litres	594.51
Total		tonnes	127,995.29

CDiesel CO₂ emissions calculation = (Diesel consumption (litres) x 74.01 x 0.0371)/1000.

CNG CO₂ emissions calculation = (CNG consumption (m³) x 56.06 x 0.035)/1000.

Petrol CO₂ emissions calculation = (Petrol consumption (litres) x 69.25 (kg CO₂/GJ) x 0.0344 (GJ/litre))/1000 (kg/t).

Calculation source: GHG Protocol Mobile Guide Versión 1.3.

The calculation is made from fuel consumption of the fleet included in the scope of the environmental management system by FCC Medio Ambiente (approximately 80% of contracts).



Biomethanisation Plant



Hybrid-electric waste-collection vehicle

Emission control in FCC Medio Ambiente

Greenhouse gases derive from two main sources in FCC Medio Ambiente's activities: service vehicles and solid urban waste (SUW) treatment and elimination plants, such as landfills, incineration plants, etc.

FCC Medio Ambiente manages SUW treatment plants, although it does not own them. Therefore, contaminating emissions generated in installations subject to identification requirements foreseen by the Spanish Emissions and Sources of Contamination Register (EPER Spain) are recorded based

on public entities' demands. Since December 2002, according to information publication periods (2003, 2006, 2008) established by EC 2000/479, data on emissions is compiled and submitted to the Ministry of the Environment for subsequent verification and validation by the competent body.

Emissions from FCC Medio Ambiente vehicles are monitored by the maintenance service which assures periodic and systematic control of operating vehicles through MOTs. Furthermore, the new services contract prioritises purchasing vehicles from the EURO range which cause less pollution.

Commitment to R&D&I

FCC Medio Ambiente has earmarked considerable budgetary and human capital resources to R&D&I to maximise energy output, looking to improve its own business processes, and develop synergies with other Group business. The most notable projects in 2006 are:

Hybrid-electric waste-collection vehicle

One of the most sought after goals in the field of automotive technology are zero-emission vehicles (internationally known as ZEV). Since July 2006, the first electric waste collector has been in operation daily, with similar results to diesel or natural gas equivalents. This vehicle is the result of research led by FCC, which lasted four years, with noteworthy European battery, electric traction and chassis and bodywork manufacturing firms.

This vehicle has been designed to allow all collection operations to be carried out electrically, with no contaminating emissions and with minimal noise pollution as a result of the

most advanced technology. The batteries are charged through a diesel (biodiesel) motor, connected directly to a generator only when travelling to discharge waste, so the vehicle is independent throughout the working day. Consequently, it is an electric waste collection vehicle and a hybrid in transport, able to work three shifts per day, as it is capable of recovering the electrical energy used within a short space of time while at the same time travelling to the unloading point.

Generating energy through batteries is guaranteed as energy recovered is quickly restored in the latest generation nickel-metal hydrogen batteries, specially adapted to the vehicle as a result of technology used for traction and electricity generation, similar to that used for high-speed trains.

The vehicle is equipped with an elevator for multi-use containers suitable for multi-collection purposes, conventional SUW collection, cartons and even paper and cardboard. It is equipped with a system allowing transfers to an auxiliary lorry by moving the container with a hydraulic scissor mechanism.

This project has been awarded the Eureka seal for its innovative and technological character. The machine is for exclusive use of FCC and investment in R&D&I for this project in 2006 amounted to Euros 373,937.

Alternative fuel using waste: corporate synergy for environmental purposes

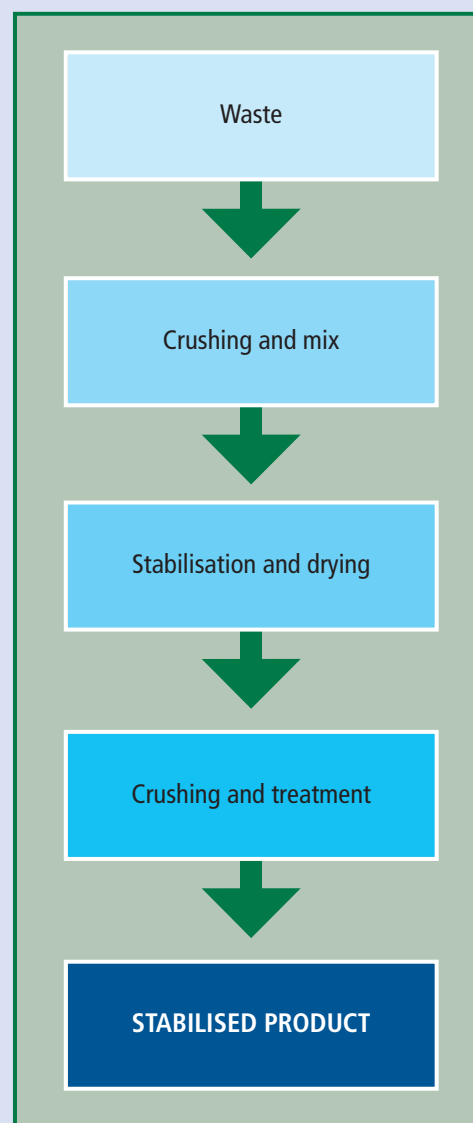
This project aims to produce a new substitute fuel to traditional fuels (gas, coke) from waste from organic waste treatment plants.

Biomechanical waste treatment plants in Spain allow the biodegradable fraction of solid urban waste to be transformed and valued through aerobic treatment processes in compost or even in biogas through anaerobic digestion technology. In turn, these installations generate waste of around 60% of the weight of the original waste entering the plant, which for elimination purposes require a queue-controlled landfill.

The lack of land, social rejection towards the location of landfills, associated with the cement industry's requirements to find alternative sources of energy to petrol in production processes, has led to FCC developing a research project promoting corporate synergy for studying the technical and

economic feasibility of transforming waste generated in waste treatment into a substitute fuel for cement furnaces.

Once the technical specifications of this fuel have been defined (granulometry of the product; heating power, concentration limits, as well as handling requirements, storage and supply), a number of tests will be run through an integrated transformation process to demonstrate the technical reliability of the solution in order to apply it on an industrial scale.



Use of biomass as a fuel in leachate treatment plants

The leachate treatment plant started up in the environmental complex of Barbanza, A Coruña, has led to great achievements from an environmental point of view given the reduction in impacts derived from liquid spillages and emissions into the atmosphere. On the one hand, the contaminated water can be purified in situ with zero spillage. On the other hand, the use of residual biomass (olive stones) as a fuel allows CO₂ emissions to be reduced, as other more contaminating fossil fuels are not being used.

In 2006, the use of olive stones led to a reduction in CO₂ emissions of approximately 1,400 tonnes

Study on the feasibility of biodiesel use in FCC Medio Ambiente vehicles in Girona

In 2006, FCC Medio Ambiente carried out a feasibility study on the use of biodiesel in its vehicles, in collaboration with the Girona council, regional government of Catalonia and the companies Iveco, Repsol and Petrocat. The project, which is in the last stage of experimentation, consists of evaluating the feasibility of using two different types of biodiesel with different mixtures (15% and 30%) for vehicles which collect and clean refuse bins.

Using biodiesel reduces the potential destruction of the ozone layer and, given that it is biodegradable, reduces CO₂ emissions and other pollutants to the atmosphere. Furthermore, it promotes the use of vegetable oil waste as an automotive fuel. Biodiesel has little sulphur in its composition and consequently minimises SO_x emissions which produce acid rain. In its pure state, biodiesel is easily biodegradable and in case of spillage, it does not endanger land or underground waters. It does not contain benzene or any other carcinogenic aromatic substances. Another notable advantage of biodiesel is the generation of wealth in the area it is produced, both in rural and in industrial environments.

Compressed natural gas (CNG) transport

Over the last decade FCC has been committed to innovation in the design of service vehicles for urban sanitation contracts. As a result, the first CNG vehicles entered service in 1998 after lengthy research and experimentation with prototypes which were designed and created specially for these services.

In 2006, new compressed natural gas motors were developed for FCC Medio Ambiente's fleet of industrial vehicles, with better results than their predecessors allowing this fuel to be used in more vehicles. In 2006, FCC's fleet of industrial vehicles in operation run on natural gas totalled 504, representing 11% of the total industrial vehicle fleet, serving 5,079,715 people in Madrid, Barcelona, Valencia, Vigo, Oviedo, Tarragona, Reus, Pozuelo de Alarcón and Paterna.

This technology has enabled FCC to use vehicles which will meet future emission and noise limits, for waste collection services, road sweeping, tubular cleaning and cleaning of sewer network passageways. FCC is the only company able to offer this to date.

Use of bioethanol in light vehicles

In 2006, FCC Medio Ambiente used bioethanol for the first time as a fuel in light vehicles, currently used in inspection service vehicles.





Consumption of renewable energies

Solar energy, like other renewable energies, constitutes an inexhaustible source of energy, unlike fossil fuels. Furthermore, it contributes to national energy self-sufficiency and is less damaging to the environment.

Over the last three years, FCC Medio Ambiente, on its own initiative, has installed a total of 300 m² of solar panels for the production of thermal energy or electricity at the "La Grajera" golf course in Logroño; at the machinery parks in Villaverde; in the new road cleaning fleet in Madrid; at the plant in Vigo; at the environmental facility in Barbanza in Lousame (A Coruña); at the plant in Montoliu; at the plant/workshop at the biomethanisation plant in Burgos, as well as at the transfer plants in Nava de la Asunción, Bodequillas, Cantalejo and Cuéllar in Segovia.

These initiatives have permitted a saving in the consumption of electricity and fossil fuels, achieving a total reduction of atmospheric emissions of approximately 225 tonnes of CO₂ in 2006.

Ecological Office

In 2006, FCC Medio Ambiente extended its "Ecological Office" initiative to the head offices of each of its branches in Spain. At present around 1,000 employees are collaborating in this project. It will be extended gradually to the remaining centres over the next two years.

A policy to reduce consumption of energy resources is being developed as a part of this initiative.

Steps to reduce the use of electricity include the installation of new software for the integrated management of the air conditioning system, the installation of switchboards and probes for office fan coils, the replacement of the old air probes, and substitution of 90% of the conventional fluorescent tubes in offices for low consumption ones.

As a result of these initiatives, in 2006, consumption of electricity was reduced by 3% compared to 2004, and gas consumption was reduced by 45% compared to the same year.



In **Ámbito**, the evolution of specific emissions in 2006 rose slightly by 0.9% compared to 2005, although it remained below the emissions level for 2004.

The generation of GHG emissions associated with transport in the management of industrial waste was of 6543.12 tonnes of CO₂ equivalent. The value of these emissions was calculated for the first time in 2006, and consequently there is no historic data available to show evolution.



Thermal waste treatment plant. Alington, United Kingdom.

CO₂ emissions were calculated on the basis of the consumption of diesel in transport vehicles, using a factor of 2.745771 kg CO₂/l diesel. The scope was defined by taking into consideration the companies in which transportation, carried out by Ámbito itself, is significant. Based on this criterion the scope includes the areas of Aragón, the Centre-Levante, Marepa (national region) and a part of the North and Catalonia.

Due to climate change and erratic rainfall (periods of drought and periods of heavy rain), the use in agriculture of phytosanitary products for the control of pests, to eliminate weeds and boost crop yields is increasing, generating more waste in the form of phytosanitary containers. Inappropriate disposal of these containers, which have held toxic products, would constitute serious risks for the environment by means of soil or water pollution. Ámbito has a plant in La Rioja, TPA

Evolution of specific emissions produced by Ámbito (North, Catalonia and South)

Tm of CO ₂ /year	2004	2005	2006
Waste management <i>(total of tonnes/year)</i>	568.0970	532.9630	542.2790
kg of CO ₂ /Tm treated waste	2004	2005	2006
Waste management <i>(data weighted with respect to tonnes of waste treated)</i>	283.5988	280.7227	283.2573

Ámbito identifies risks and opportunities in relation to climate change

The companies that together form Ámbito specialize in the management of both hazardous and non-hazardous industrial waste. Despite not being a business that is clearly related to climate change, Ámbito has studied how several of its activities contribute in the battle against this negative phenomenon.

Ámbito owns an installation, Recitermia, to manufacture fuel derived from waste for its subsequent use in cement factories, as an alternative to fossil fuels.

Aldeanueva, for the treatment of containers that have stored phytosanitary products. In 2006, 204.71 tonnes of plastic derived from containers holding phytosanitary products were recovered at the plant.

In the physico-chemical treatment plants (TPA-Valdebebas, TEDES and TRISA), measurements of annual emissions are made by an authorised control group and the results are sent to the EPER register, representing an approximate cost of Euros 6,000/year per installation.



Wastewater treatment plant. Salamanca



Wastewater treatment plant. Consentino, Almería



Aqualia emits GHG in the wastewater treatment plants (EDAR) that it manages. The emissions are generated by movement of operators responsible for the maintenance of the infrastructures, and in the generation of waste (such as sludge), which directly emits greenhouse gases during its decomposition.



Aqualia monitors and controls its emissions, through the environmental management system, establishing self-monitoring measures. Greenhouse gas emissions at the plants included in the management system are measured periodically. In this way, Aqualia promotes steps to reduce emissions, such as:

- Encouraging projects that make use of the emissions generated in the EDAR, (biogas), to produce electrical energy, thus reducing the volume of gases emitted.
- Following a policy that promotes the use of technologies to avoid movement of personnel wherever possible. The network's remote control and cartographic management programs (GIS) reduce the need for operators to move from place to place.
- Promoting the use of public transport amongst Aqualia employees.

It is during the purification stage of the integral water cycle that most energy is consumed and processes producing greenhouse gas emissions are carried out. In 2006 Aqualia continued to invest in R+D+I to develop more efficient solutions in the control and reduction of these gases.

Anaerobic reactors in Aqualia

Anaerobic technology is the most suitable for the purification of large quantities of industrial waste due to its having the lowest operating cost (electrical energy, reactive materials and production of sludge). The most notable advantages are:

- 90% reduction in the production of sludge.
- Absence of aeration energy costs.
- Low nutrient requirements.

The treatment is based on the decomposition of the organic material in total absence of oxygen. Emissions of CO₂ and methane (CH₄) are produced in the methane fermentation process, in which the products of acid fermentation are digested by bacteria.

In 2006, two projects aimed at identifying eco-efficient improvements in the water purification process were set in motion:

- Project for the development of new technologies for wastewater treatment.
- Development of a new anaerobic reactor.

The objective of both projects consists of developing new industrial wastewater treatment processes, by means of the study of different technologies and the optimization of different purification processes, thereby obtaining lesser quantities of organic material with a practically negligible generation of sludge.

Aqualia, by means of the company Nilo Medio Ambiente, S.L.U, has received a subsidy from the General Management of Industrial Development, from the Ministry of Industry, Tourism and Trade, of close to Euros 500,000 for the project for the Development of New Technologies for Wastewater Treatment.

Furthermore, the Agency of Innovation and Development from the regional ministry of Innovation, Science and Business of the Board of Andalusia, has approved a subsidy of some Euros 100,000 for the project for the Development of a New Anaerobic Sequencing Batch Reactor (ASBR) for the Treatment of Industrial Wastewater. The total budget for the project is 1.6 million Euros over 2 years.

Turbocompressors

The wastewater purification plant of Guadalquivir has five turbocompressors which provide the air needed to maintain ideal conditions in the biological process of sludge digestion.

Given the number of hours this equipment is used, energy expenditure represents 40% of the total of the wastewater treatment plant (EDAR). Consequently, optimization of hours worked leads directly to a reduction in consumption.

Quantification of saving

	2006 (applying the technology)	2005 (without applying the technology)
Turbo power (kW)	90	90
Hours turbos are in use	13,439,13	13,005.80
Total energy consumed (kWh)	2,056,059	2,198,680
% Contribution of the turbos to the total energy	41.17	46.76
Volume of water treated (m ³)	5,910,795	5,326,984
Unitary consumption of turbos (kWh/m ³)	0.20	0.22

Saving produced (kWh) 2005-2006

89,283.70

% Saving produced 2005-2006

6.87



Proactiva. Collection of hazardous waste. Brazil.

PROACTIVA MEDIO AMBIENTE

FCC Medio Ambiente and Veolia each hold 50% of shares in **Proactiva Medio Ambiente**, which, as part of its integral waste management activity in Latin America, is a pioneer in the promotion of new technologies that contribute to the reduction of greenhouse gases.

In 2006, a Clean Development Mechanism (MDL) gas capture project was started up at the Tijuquinhas landfill in Brazil. The reduction of GHG emissions as a result of the project is 845,513 tonnes of CO₂ equivalent (tCO₂eq) over the first seven years, resulting in an average annual reduction in emissions of 120,788 tCO₂eq/year.

Proactiva Medio Ambiente obtains the Clean Development Mechanism (CDM) seal for its project "Proactiva- Tijuquinhas Landfill (Brazil): Gas capture and installation of chimneys in the landfill", monitored in accordance with ACM0001 version 5

In 2006, Proactiva Medio Ambiente obtained independent validation for the incorporation of the Tijuquinhas landfill, Brazil, onto the CDM project registry of the United Nations Framework Convention on Climate Change (UNFCCC), the objective of which is the stabilization of greenhouse gases concentration in the atmosphere. Once the approval of the respective National Development Agencies of Brazil, Spain and France has been obtained, it will be presented to the Executive Committee of the UNFCCC.

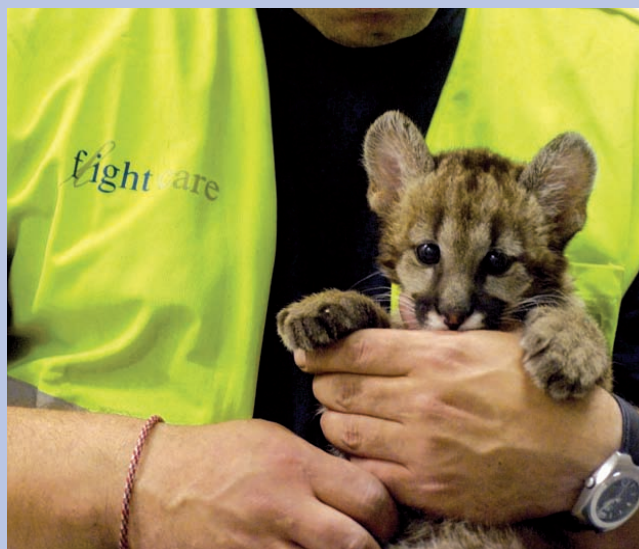
The validated project, planned to start on 1 January 2007, will constitute the installation of a gas capture system and chimneys in the municipal landfill of solid wastes of Tijuquinhas, located in Biguaçu, in the State of Santa Catarina, Brazil. The landfill began operation in 1991 and services 21 municipalities of the County of Florianópolis. The landfill covers an area of 200,000 m², divided into three areas. Areas 1 and 2 have already reached maximum capacity, while area 3 has been built up over areas 1 and 2. The CDM project will have an operational life of 21 years and will reduce significantly the emission of GHG by maximizing capture, which otherwise would have been limited to 10% of passive flaring for reasons of security and odour-control.

The verification process following ACM0001 methodology is of particular interest. The planning model developed by Proactiva is being taken as a reference by other companies and to this end has been posted on the corporate website. This project is an example of the expertise of Proactiva in fighting the battle against climate change.

More information on <http://www.proactiva.es>



Waste Recycling Group. Waste Management. United Kingdom



Handling service



Waste Recycling Group (WRG), specializes in integral waste management in Great Britain and Ireland and was incorporated in 2006 in the Services area of FCC. The principal objective of WRG in its contribution to the fight

against climate change is the minimization of CO₂ and methane (CH₄) emissions, a GHG 21 times more potent than CO₂. WRG have years of experience in the control of the emission of these gases in landfills managed by the company. The capture of gas by means of active abstraction has been the principal measure applied; however the segregation of biodegradable recyclable materials is being studied.

At the date of this report, WRG does not have consolidated data for 2006, because the calendar for environmental accounting followed in Great Britain is different to Spain.

The 2005 data provided by WRG to the Environmental Agency reflected the emission of 92,997 tonnes of methane, representing a 7% reduction compared to 2004. WRG has implemented a strategy to reduce emission of methane from the landfills it manages by means of the capture of this gas which is used to produce electrical energy. This strategy is a response to the program of renewable energies promoted by the British Government.

CO₂ emissions in 2005 totalled 1,978,486 tonnes, 5% less than the previous year.

FCC Versia, also carries out passenger transport, logistics and handling, activities, among others, which are all relevant to the objective of reducing greenhouse gases.



Flightcare España specialises in the airport handling of ramps, passengers and loading. In 2006, the total emissions of the work centres of Flightcare España (Barcelona, Madrid, Las Palmas, Bilbao, Fuerteventura, Lanzarote, Malaga, Santiago de Compostela, Seville and Valencia) reached 3,095.2 tonnes of CO₂ equivalent, up 2.07% on 2005, which is far below the 6% increase in the number of passengers attended. The company has plans for the progressive renovation of its equipment, linked to a plan to promote the use of electrical energy in the monitoring of push-back vehicles, tractors and conveyor belts.



Flightcare España	2004	2005	2006
Total (tonnes of CO ₂ equivalent)	3,045.39	3,032.42	3,095.206



Logistics. Automatic packaging collator in Carrefour warehouse. Seville

Corporación connex

FCC-Connex specialises in urban and inter-city passenger transport. In 2006, the emissions of the FCC-Connex transport business in the Iberian Peninsula totalled 3,995,744 kg of CO₂, applying a factor of 0.340kg of CO₂ per KWh consumed to the calculation.

FCC-Connex promotes eco-efficiency in driving by means of optimising itineraries and kilometres travelled, and by training its drivers in efficient driving techniques, thereby minimizing the emissions generated by this activity. To the same end, to reduce the number of stops and starts of the trams, and, consequently, the energy consumption and emissions generated, the company aims to implement traffic regulation systems that give preference to trams at traffic lights. In 2006, the number of passengers increased by approximately 9%, compared to a 6% increase in energy consumption.



Transport. Besòs Tram. Barcelona

logística, s.a.

FCC Logística, provides logistic services in Spain and Portugal. In 2006 the company registered emissions of 38,889 kg of CO₂ equivalent, using 2.68 kgs of CO₂/litre diesel oil as a conversion factor. Data on evolution is not available as different criteria were used to establish the scope of consolidation in prior years.



Construction and CO₂

The emissions of greenhouse gases generated by **FCC Construcción** are due to its asphalt manufacture activities, its heating boilers, and to the use of different machinery and vehicles. While this emission is not considered one of its most significant environmental features, and currently there is no quantitative information available on CO₂ emitted, FCC Construcción has a methodology for its identification and evaluation, and has implemented measures for the minimization of the possible environmental impact. Amongst the measures taken the most important are:

- Modernisation of machinery.
- Optimum maintenance of equipment.
- Installation of purification systems and self-monitoring of emissions related to asphalt manufacture.
- Suspension of asphalt manufacturing activity in specific weather conditions with wind and thermal inversion.
- Requirement of MOT certification for vehicles where required by law and that are used on a construction site for at least a month.
- Monitoring of unnecessary ignition of machinery on construction sites.
- Planning of traffic and speed control on construction sites.



Project "ARFRISOL"

The objective of this project executed by FCC Construcción is the application of **solar energy and bi-climatic architecture in buildings, with a view to electrical and thermal savings** in heating and refrigeration. Amongst other steps planned, photovoltaic panels will be used to produce electrical energy in several emblematic public buildings, some of them new and others being refurbished, located in different places with diverse climatologic conditions (Almería, Madrid, Soria and Asturias).

These centres will use only 10-20% of conventional energy in comparison with buildings constructed following conventional techniques in the same locations. Consequently, a reduction in energy consumption of 80-90% is hoped for, significantly decreasing CO₂ emissions into the atmosphere.



La Serna Bridge, Salamanca

FCC manages risks impacting climate change



The FCC Group has incorporated the potential impact of climate change into its risk analysis. Management of this risk is carried out both at Group level and in each of the various areas, through the implementation of CO₂ reduction strategies. The FCC Group has contracted an environmental civil liability policy to cover this risk.

The FCC Group has contracted a Euros
6.000.000
environmental civil liability policy

Health and safety

179	Managing healthy and safe workplaces
184	Monitoring health and safety in the workplace
191	Health and safety culture

The Group's health and safety strategy is global, as its scope goes beyond the employees themselves to include the surrounding society (subcontractors, customers, users and the local community) and the environment.

Improvements in the workplace and the range of health and safety services provided are priorities in all the areas in which FCC operates

The areas of health and safety are of critical importance for the Group. They are strictly managed by the General Manager of Human and Media, who in turn reports to the FCC Chief Executive. The supervision of employee health and safety is centralised within the Joint Safety Service. This service provides specific training for employees at all levels of responsibility, as well as for contractors, and ensures compliance with applicable safety legislation from the initial stages of the project management cycle right up to subsequent project verification.

In order to strengthen the quality of its management, the Joint Safety Service has obtained OHSAS certification through the companies which are affiliated to it. With this, the FCC Group has been accredited at the highest international level in terms of safety in the workplace, which also means that the Group complies with the recommendations that the ILO (International Labour Organisation) has included in its guide on health and safety system management. The Joint Safety Service covers 63.4% of the Group's entire workforce.

Health and safety are also main priorities in terms of the Group's corporate responsibility. The Master Plan has set FCC the objective of "being a model company in terms of the health and safety of our employees and contractors, as well as in the environment in which we perform our activities". This goal will be achieved throughout the entire Group through area plans with one single objective: "Raising safety".



Managing healthy and safe workplaces

FCC remains active on this issue, taking initiative and responding to health and safety risks for employees, contractors and the environment.

The Group has a Corporate Medical Service, which is responsible for supervising employee health, as well as duly complying with all current applicable legislation and the concerns which constantly surround this subject.

Health and safety management at FCC:

- Is an integral part of all the company's activities.
- Adapts and coordinates the health and safety system with production, quality control and environmental protection policies.

63.4% of the FCC Group's workforce is covered by the Corporate Safety Service

- Ensures that everyone in the entire organisation, from the General Manager to less qualified employees, as well as contractors, is committed to meeting all legally required safety measures.
- Distributes material that is understood, developed and kept up-to-date by all levels of the organisation.
- Provides employees, contractors and customers with sufficient and appropriate information and training.
- Ensures that all workers participate and remain informed, and are consulted through their representatives, to ensure continuous improvement of management systems.
- Is audited, both internally and externally.
- Is updated and adapted to technical progress, to ensure its continuous improvement.

The "Raising safety" area plans tackle a double goal:

- The alignment of health and safety action plans implemented in the Group's various divisions.
- Continuous development and improvements in the procedures implemented for the management of accidents and incidents, as well as work-related illnesses.

OHSAS 18001 Certification Joint Safety Service

FCC's Joint Safety Service has obtained OHSAS 18001 Certification for its associated companies. This accreditation covers all of the Group's areas, with the exception of Cementos Portland Valderrivas, which has its own safety service, and shows how firmly the Group has implemented its health and safety management system.

OHSAS (Occupational Health and Safety Assessment Series) certification is considered the highest international level in terms of safety in the workplace. It certifies the company takes the subject beyond the minimum requirements demanded by applicable legislation, and allows companies to achieve improved efficiency in the prevention and reduction, or elimination, of occupational risks.

This certification also implies that FCC activity complies with the recommendations that the ILO (International Labour Organisation) has included in its guide on health and safety system management.

Further information on health and safety within the FCC Group at <http://www.fcc.es>

Further information on OHSAS certification at <http://www.bsi-global.com>

Correspondence between OHSAS 18001, OHSAS 18002, and the ILO-OSH:2001 *Guidelines on occupational safety and health management systems*

B.1 Introduction

This annex identifies the key differences between the Int'l ILO-OSH *Guidelines* and the OHSAS documents, and points out their differing requirements.

It should be noted that *no areas of significant difference*

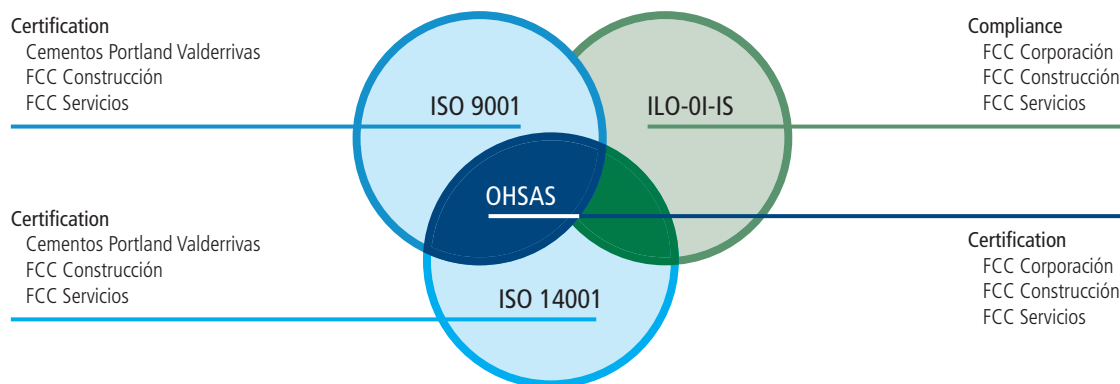
Consequently, those organizations that have implemented a system that is compliant with OHSAS 18001 may be reassured that their system will also be compatible with the recommendations

A correspondence table between the individual clauses of those of the ILO-OSH *Guidelines* is given in B.4.

Table A.2 — Correspondence between OHSAS 18001, ISO 14001:1996 and ISO 9001:2000 (continued)

Clause	OHSAS 18001	Clause	ISO 14001:1996	Clause	ISO 9001:2000
4.4.6	Operational control	4.4.6	Operational control	7	Product realization
				7.1	Planning of product realization
				7.2	Customer-related processes
				7.2.1	Determination of requirements related to the product
				7.2.2	Review of requirements related to the product
				7.3	Design and development
				7.3.1	Design and development planning
				7.3.2	Design and development inputs
				7.3.3	Design and development outputs
				7.3.4	Design and development review
				7.3.5	Design and development verification
				7.3.6	Design and development validation
				7.3.7	Control of design and development changes
				7.4	Purchasing
				7.4.1	Purchasing process
				7.4.2	Purchasing information
				7.4.3	Verification of purchased product
				7.5	Production and service provision
				7.5.1	Control of production and service provision
				7.5.2	Identification and traceability
				7.5.4	Customer property
				7.5.5	Preservation of product
				7.5.2	Validation of processes for production and service provision
4.4.7	Emergency preparedness and response	4.4.7	Emergency preparedness and response	8.3	Control of nonconforming product
4.5	Checking and corrective action	4.5	Checking and corrective action	8	Measurement, analysis and improvement
4.5.1	Performance measurement and monitoring	4.5.1	Monitoring and measurement	7.6	Control of monitoring and measuring devices
				8.1	General

FCC Group certifications in 2006



Division	ISO 14001	ISO 9001	OHSAS 18001
Corporate Level			✓
Construction Area	✓	✓	✓
Cement Area	✓	✓	
Services Area	✓	✓	✓

✓ > 50% of the area certified

Of all the companies affiliated to the Joint Safety Service, 77.8% have been audited and hold OHSAS certification.

With regard to the status of Cementos Portland Valderrivas' health and safety management systems, the company has undertaken the following commitment (as stated in the 2005 sustainability report):

OHSAS certification for the health and safety management systems in the aggregate and cement plants:

1. Aggregate plants in 2006.
2. Cement plants in 2007.

The Mataporquera and Lemona plants, owned by Cementos Alfa and Cementos Lemona respectively, have been certified since 2005. Certification for the Aripresa quarry, where Cementos Portland Valderrivas extracts aggregates, was obtained in July 2006, thus meeting the deadline set in the report. Those cement factories that still have to obtain certification (Alcalá de Guadaira, El Alto, Hontoria and Olazagutía), are working to apply for certification at the end of this year, thus allowing the company to fulfil the commitments undertaken in the abovementioned report.



Street cleaning. Buenos Aires, Argentina



Water analysis laboratory. Colombia

The FCC Construcción Safety Service has also obtained OHSAS 18001 Certification

The FCC Construcción Safety Service forms part of the FCC Group's Joint Safety Service and, as is company policy, safety is part of the FCC Construcción management role. In 2006 it obtained OHSAS 18001 certification for the first time. Safety is an issue which is taken into consideration from the moment the contract for a specific construction project is awarded. Before each project is begun, the possible risks are analysed and evaluated, with corrective measures planned, as well as the means deemed necessary for their execution. All levels of the company involved in the project participate.

Normal construction risks include work carried out at height, handling of heavy loads, excavation, electricity, etc. In order to avoid and reduce these risks, corresponding safety plans are drawn up for each construction project, in which the protective measures to be employed are determined and the auxiliary and machinery features analysed, to make sure that they are equipped with all necessary protective elements once they arrive on site. Due to the intrinsic characteristics of the sector, with a large number of work centres that constantly change, and also due to the succession of construction projects being undertaken, which require different employee profiles and mobility, the changes in the projects take place on a day-to-day basis. As a response to this, preventive measures are regularly renewed, and in situ training ac-

tivities are constantly worked upon in order to increase employee awareness.

The training plan includes safety for technicians and newly-recruited managers, re-training and specialisation courses, and on-the-job training for employees, all carried out in accordance with the stage which the project has reached. All those responsible for construction projects (site managers, assistants, managers, foremen) must undergo a 50-hour course, in compliance with the terms of the Safety Act. Team managers and heads for certain activities, as well as the appointed safety representatives, must also take this course to become a safety resource. In 2006 FCC Construcción also launched an online training programme to contribute to continued improvements in employee knowledge on health and safety issues.

The Medical Service is responsible for monitoring employee health care. Based on the available information, maintaining strict levels of confidentiality, it sets up prevention campaigns and encourages healthy habits.

Looking to the future, policies will be developed to improve integration for everyone involved in a project, including subcontracted workers, leading to stronger coordination between companies.



Water management. Czech Republic



Activities undertaken by the Aqualia Safety Service, which is also OHSAS 18001 certified

Complying with annual planning and objectives, Aqualia's safety technicians have developed a number of specialist activities for the Group's contracts. The most significant are as follows:

- Risk evaluation for newly-incorporated work centres and constant review of those already in existence.
- Training activities which cover the risks specific to the work.
- Preparation and implementation of Emergency Plans for centres with specific risks or frequented by a large number of the general public.
- Preparation of Health and Safety Plans for contracts awarded to Aqualia.
- Regular visits to the sites on which work is underway to evaluate the safety conditions.
- Research into accidents, whether injured employees are required to take time off work or only receive medical assistance.

The management system also has specific procedures to identify, analyse, evaluate, prevent and manage safety in the workplace.

Number of incidents which occurred in the FCC Group in 2006	2004	2005	2006
Own staff	54	37	53
Contracted staff	26	30	48
Total Incidents = serious accidents and fatalities	80	67	101
Accident rate Number of recordable accidents with accumulated loss of days and deaths for the year, for every million hours worked	57.34	54.22	52.21

Monitoring health and safety in the workplace

3.1% reduction in the frequency accident index

53 serious accidents in 2006

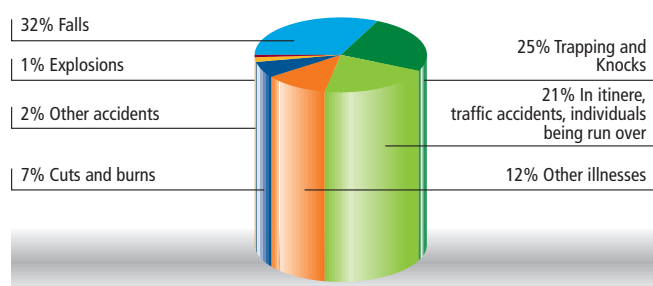
The Joint Safety Service monitors and records all health and safety incidents which take place through out the year in the companies which are associated to it.

In each and every case the accident is investigated, with precise information being collected and a technical investigation report being drawn up. This report contains analysis of the causes of the accident and the preventive

measures undertaken to ensure that the incident is not repeated. These preventive measures generally consist of reinforcing safety training on all levels, adapting machinery and equipment, regularly checking working conditions and carrying out awareness campaigns.

In 2006 the FCC Group's frequency accident index was 52.21, a 3.7% reduction on 2005's rate and 8.9% down on the figures for 2004. In 2006, for the tenth year running this indicator has once again been reduced. Of particular note is the Aqualia area, where the frequency accident index is 17.05.

Number of serious incidents in 2006 at the FCC Group



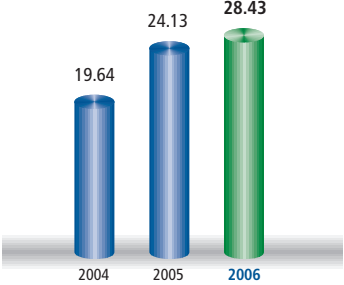
The main health and safety indices per area show the various different levels of risk associated with each kind of activity.



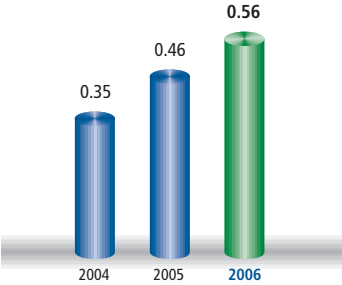
FCC Construcción+Subcontractors

Does not include subsidiaries or companies with different activities

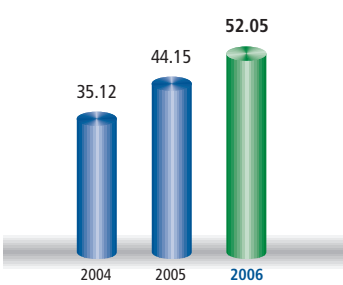
Frequency index



Severity index



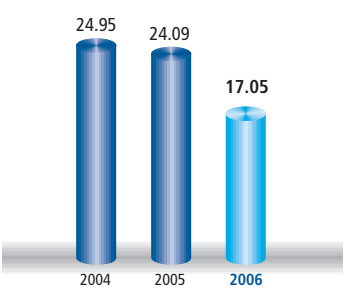
Incident index



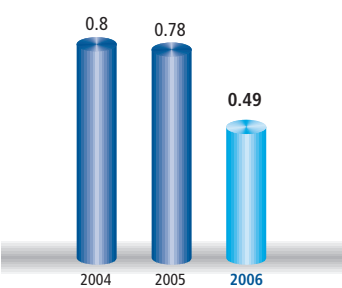
Aqualia

Does not include SEARSA or SEAFSA

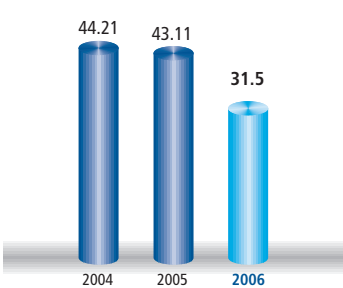
Frequency index



Severity index



Incident index



Frequency index (AR)= $\frac{\text{Number of accidents resulting in sick leave} \times 10^6}{\text{Number of hours worked}}$

Severity index (DS)= $\frac{\text{Days lost} \times 10^3}{\text{Number of hours worked}}$

Incident index(IR)= $\frac{\text{Number of accidents resulting in sick leave} \times 1,000}{\text{Number of workers}}$



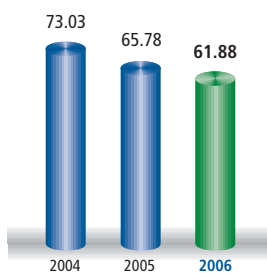
Cleaning in Bilbao City Hall



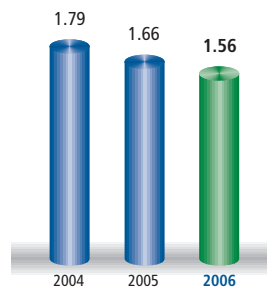
Handling, Belgium

FCC Medio Ambiente

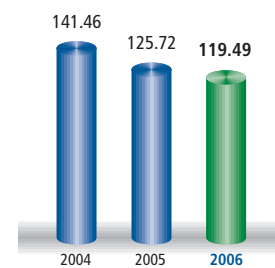
Frequency index



Severity index

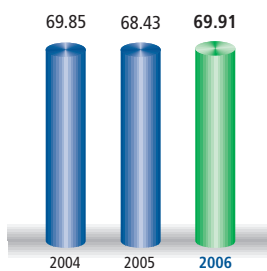


Incident index

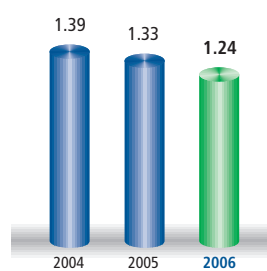


FCC Versia

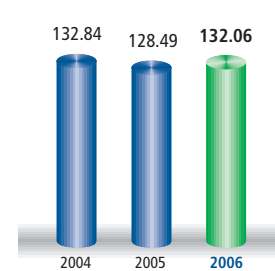
Frequency index



Severity index



Incident index



$$\text{Frequency index (AR)} = \frac{\text{Number of accidents resulting in sick leave} \times 10^6}{\text{Number of hours worked}}$$

$$\text{Severity index (DS)} = \frac{\text{Days lost} \times 10^3}{\text{Number of hours worked}}$$

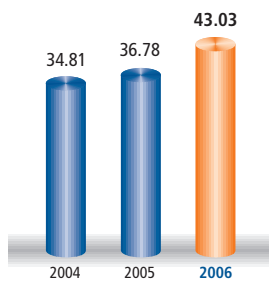
$$\text{Incident index (IR)} = \frac{\text{Number of accidents resulting in sick leave} \times 1,000}{\text{Number of workers}}$$



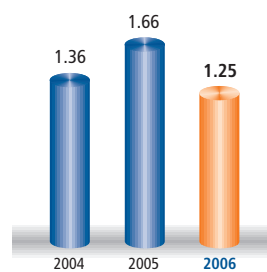
Proactiva. Controlled landfill. Chile

Transport

Frequency index



Severity index

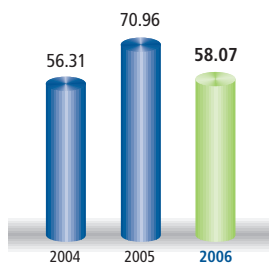


Incident index

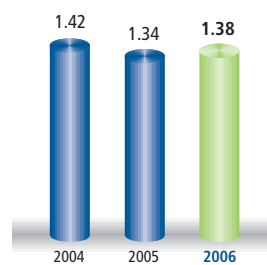


Ámbito

Frequency index



Severity index



Incident index



Frequency index (AR) = $\frac{\text{Number of accidents resulting in sick leave} \times 10^6}{\text{Number of hours worked}}$

Severity index (DS) = $\frac{\text{Days lost} \times 10^3}{\text{Number of hours worked}}$

Incident index (IR) = $\frac{\text{Number of accidents resulting in sick leave} \times 1,000}{\text{Number of workers}}$

At FCC, health and safety in the workplace aims to protect **workers and contractors**, as well as **users and those who live in the areas surrounding FCC operations**

FCC is constantly strengthening its activity in this area. In line with this commitment, corporate responsibility plans will promote, as strongly as possible, health and safety knowledge, awareness and compliance among all those people who are related to the Group.

The Group's accident and illness figures for 2006 for work-related illnesses, lost days and work absenteeism (in calendar days) are slightly higher than those recorded in 2005. Upon examining this trend, however, it must be remembered that the total number of hours worked increased by 10.25% between 2005 and 2006, meaning that the ratios based on the number of hours worked have improved.

Comprehensive health and safety concerns within the FCC Group are tackled from three perspectives: 1) the OHSAS 18001 certified Joint Safety Service, 2) the Environmental Management System, which is ISO 14001 certified and discussed in the chapter on eco-efficiency and the reduction of environmental impacts, and 3) the Quality Management System, which is ISO 9001 certified and decentralised by area and sector of activity.

Several of the FCC Group's business activities are directly linked to the health and safety of the population as a whole, as can be seen in the presentation of the Group's various areas in the first part of this report and, in more detail, in the annual report on economic activity, as well as on the corporate website. Aqualia and FCC Medio Ambiente are the main Group businesses whose business activity implies a direct contribution to public health.

FCC Construcción also contributes to health, by providing infrastructures and constructing hospitals, health centres, housing, etc.

FCC Group	2004	2005	2006
Absenteeism (illness and injury leave)	26,635	31,968	34,487
Accidents (number of employees/accident leave)*	4,439	4,594	4,846
Labour effects			
Days lost (due to accident)	109,303	114,195	117,100
Days lost (due to illness)	792,412	918,201	1,029,205

*Excludes accidents in itinere or involving third parties



Water purification laboratory. Salamanca

Water and health for the population

Within the services area, Aqualia manages the integral water cycle for local councils, local communities and public companies, carrying out its activity in over 800 towns and providing services for over 11 million Spaniards.

For Aqualia, each and every stage of the integral water cycle is crucial. Of prime importance for maintaining quality in each of these stages are the various laboratories run by Aqualia in each of the geographical areas in which it operates. The laboratories in Jerez de la Frontera, Oviedo, Lleida and Ávila provide services to the councils in which Aqualia is present. All of these laboratories are certified and accredited with the ISO 9001 and ISO 17025 standards, which represent the highest levels of professional certification available within the sector.

All the resources within a laboratory must be focused exhaustively monitoring and identifying the characteristics of the water in the various stages of the cycle to ensure quality water distribution within the parameters required by Royal Decree 140/2003, which sets out the sanitation quality criteria required of water for human consumption. Water is considered clean and healthy when it contains no type of micro-organism, parasite or other substance in quantities or concentrations which may represent a health risk.

488,337,270 m³ of purified water
+1,000 analyses each day

99.8% met the specifications of the regulation in force

In 2006 Aqualia carried out over 1,000 analyses each day, ensuring the quality of the water it distributed. 99.8% of the 374,595 samples of water produced during this period met the demands of the regulation in force.

Water which remains untreated may be a significant source of illness. Some of these illnesses are not directly related to water, but they are, however, closely connected to its supply and a lack of sanitation.

In this spirit, Aqualia's commitment to quality is of vital importance for the health of the societies in which it operates. The process of making water fit for human consumption purifies the water of all those components which may be damaging for the health and wellbeing of the consumer. Therefore, once the water has been collected, it is subjected to a series of treatments of varying complexity, depending on its quality at source. In 2006, Aqualia produced a total of 497,954,152 m³ of drinking water.

Completing the integral water management cycle, the waste water treatment plants (EDAR) treat the water, before returning it to the natural environment in optimum conditions. Purification ensures that the quality of the water meets all the required specifications in order for it to be returned to the environment, meaning that suitable treatment of excellent quality has a significant impact on the preservation of our natural resources. In 2006, Aqualia purified 488,337,270 m³ of water.

According to a study published by the OCU in March 2006, of the top 11 cities rated in terms of water quality by their inhabitants, (with private management), five were managed by Aqualia: Almería, Jaén, Lérida, Oviedo and Salamanca.



Street cleaning. Mechanical pavement sweeper. Vitoria and Oviedo

Recognition for FCC Medio Ambiente of its contribution to healthier cities

The Group proudly welcomes public recognition for the positive impact its activity has on the surrounding areas. In terms of public health, in 2006, four of the five cities qualified as the cleanest in Spain by the OCU (Organisation of Consumers and Users) enjoy urban sanitation services supplied by FCC.

FCC in the cleanest cities in Spain

A study carried out by the Organisation of Consumers and Users (OCU) in Spain's 59 largest cities revealed that, in the opinion of the general public, the cleanest are Oviedo, Pamplona, Getxo, Vitoria and Bilbao.

FCC cleans and collects waste in four of these cities: Oviedo, Pamplona, Vitoria and Bilbao.

Noise and vibrations

Noise pollution and vibrations stand out among the factors which have most impact on the health of workers, users and neighbours. The Joint Safety Service tackles these problem areas, as does the FCC Group's business areas, which manage these polluting agents through their environmental management systems.

Monitoring regulatory changes with respect to noise and vibrations

- a) Noise includes any sound that may provoke a loss of hearing, may be damaging to health or could lead to any other type of danger.
- b) Vibrations include any vibration transmitted to the human being by solid structures, which may be damaging to health or could lead to any other type of danger.

The Joint Safety Service directs FCC in protecting against risks in the workplace due to noise and vibrations. During the year through AESPLA it has monitored the draft Royal Decree on employee health and safety protection against risks associated with exposure to noise (underway in 2006).

**234,232 hours of training on
Safety in the Workplace**

38,413 participants

Health and safety culture

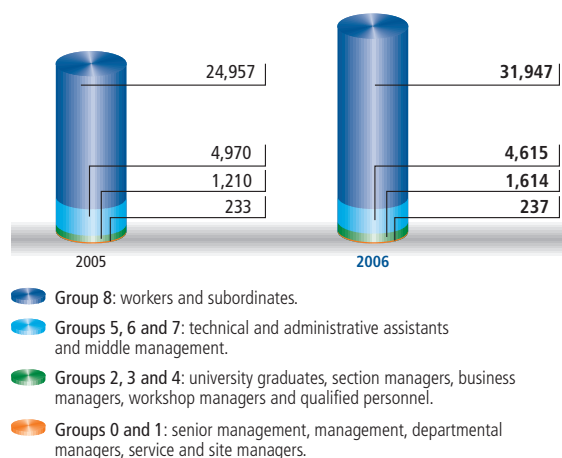
To complete the risk management and supervision cycle, the FCC Group encourages a health and safety culture among all its employees, contractors and other interest groups. This is instilled through training, awareness campaigns, participation in forums and consultation on regulatory developments.

In 2006 the Group ran 234,232 hours of health and safety training, **22,625 hours more than in 2005**. The number of participants rose to 38,413, which represents a **7,043 increase on last year's figures**

Training of employees and contractors

Employees and subcontractors receive specific training and preparation, in accordance with regulations, the requirements of the business and the sector of activity. Basic health and safety training is also given. The Medical Service carries out continuous courses covering first aid and other health issues, directed at employees to complete their health culture. Health and safety training is given both by trainers and in mixed format, and lasts for an average of 6.07 hours.

Health and safety training at the FCC Group
Per category of worker





FCC's Medical Service has implemented drug and alcohol rehabilitation programmes. There are also protocols to help employees to stop smoking, and to give them general advice on how to cope with other addictions (such as gambling, for example). These programmes also include the direct families of the workers.

Awareness campaigns are regularly carried out from the Group and from the various areas, with activities being organised and leaflets, guides and safety manuals being drawn up and published.

The safety management system also involves suppliers, through certain purchasing specifications incorporated into the various areas' purchasing protocol.

Internal and external audits are carried out on a yearly basis, and are aimed at certifying processes and equipment. Global audits are also carried out, such as for OHSAS certification for the Joint Safety Service.

Continuous health and safety **improvements** are achieved through the management of quality, environmental and safety processes. The evaluation of these identifies improvements which FCC has implemented, suitably adapting plans to meet the corrective and development actions identified by the audits. This goal of continuous improvement is also achieved through study projects.

Safety in the workplace at Cementos Portland Valderrivas: "Safety and the Individual" Campaign

Throughout 2006, Cementos Portland Valderrivas has continued to publicise its safety in the workplace campaigns through a website totally dedicated to broadening its scope as far as possible. In this way, safety has been turned into a **vital attitude** that can avoid accidents, both in the workplace and at home.

This work on raising health and safety awareness incorporates the social dimension of sustainability through the "Safety and the Individual" Campaign. This initiative explains that the social dimension of sustainability is related to the impact that an organisation has on the social systems within which it operates. In this spirit, it aims to avoid the treatment of employee rights as something unrelated to human rights, or of less importance than these.

This reflects Cementos Portland Valderrivas' conviction that an organisation's contribution within the area of labour practices should not be solely limited to safeguarding and respecting basic rights, but that it should also encourage quality within the working environment and value relationships with employees.

Further information on safety and the individual and other campaigns at <http://www.canalportland.com>



Proactiva Medio Ambiente promotes the "workplace workout" and the "Wash Your Hands" Campaign in Brazil

The "workplace workout" is a voluntary programme offered by Proactiva Medio Ambiente to the waste management company's employees, twice a week, first thing in the morning.

The "Wash Your Hands" initiative is part of an international campaign to raise health awareness in the workplace, which is promoted through training workshops, posters and informal chats, which focus in particular on dining areas.

Further information at
<http://www.proactiva.es>

Project to fully optimise the composting process at a solid urban waste treatment plant, and the repercussions on its farming applications

FCC leads the abovementioned project, and is supported by the participation of the Universities of Vigo and Santiago de Compostela.

The aim of the project is to find the metal concentration level (aiming to comply with applicable legislation) in the compost during the composting process. This identification will allow for improvements to be implemented, and the solution to the problem to be checked. The project will contribute knowledge on the real applications of compost before and after the improvements, as well as the impact on those crops to which it is applied.

The project, which began in 2006, is scheduled to come to an end in 2009. The total budget is Euros 171,755.00, 60% of which is being subsidised by the Galicia Regional Council's Department of Innovation and Industry.



Public commitment to the promotion of health and safety

The FCC Group is a member of the Spanish Association of Safety in the Workplace Services (AESPLA), and has regularly participated throughout the year in the main health and safety forums, where it has presented its experience and best practices, as well as its standpoint on regulatory developments. Of particular note are the following:

- Various talks during safety forums, on the Occupational Health Report, the Durán 2 Report; Conclusions on the 4th International Health and Safety Congress, ORP; the COPSOQ method, ISTAS 21, and others.
 - Participation in the analysis of documents submitted for consultation, such as royal decrees, agreements and basic criteria on the organisation of resources to develop health activity for safety services, good practice guides, etc.
- FCC also collaborates with institutional initiatives to promote safety, including:
- Welcoming placement students from various training centres, including the University of Zaragoza and CREA (the Aragón Regional Confederation of Employers).
 - Collaboration with consultancy firm Qualitas and the CEPYME (Confederation of Small and Medium-sized Enterprises) in providing informative activities on training in the field of safety in the workplace in companies, as part of the creation and development of training tools by the INEM (Spanish National Employment Institute).
 - Participation in the technical conference "Updating Safety", organised by the Confederation of Employers of Pontevedra and Fermap, in the CEP auditorium, for a duration of three hours.
 - Forums debating on safety, to analyse accident rates and study different courses of action to reduce accidents.
 - FCC Construcción will hold the presidency of the Safety Commission of the FIEC (European Construction Industry Federation) and of the SEOPAN Safety Commission, co-leading a strategic line of the Spanish Construction Technological Platform.



FCC's position on the Spanish strategy on health and safety in the workplace (2007-2011)

Within the framework of the AESPLA association, which brings together heads of internal safety services of some of Spain's largest companies, FCC has debated on the recent Spanish Strategy on Health and Safety in the Workplace (2007-2011), which develops the precepts of the Act on Safety in the Workplace.

The new Spanish Strategy on Health and Safety in the Workplace, which is being developed by the Ministry for Employment, has as its fundamental objectives the strengthening of mechanisms for safety integration, the creation of preventative resources, a reform of the auditing system, and definition of the impact of dangerous activities.

Significant fines for non-compliance with the regulation on the supply, information, marketing and use of products and services

All of the FCC Group's areas operate in highly-regulated environments, both at the national and European level. Internal and external audits, which are linked to certification processes, contribute to the maintenance and control of those solid internal procedures which are implemented through process management. Furthermore, the highly competitive market in which FCC operates through public tender bids for infrastructures, equipment and services concessions, demands accreditation that proves operational solvency. All this demonstrates FCC's active steps to comply with regulations in all areas, and in particular those linked to the supply, information, marketing and use of products and services.

FCC's various types of business activities require that employees, clients and users know the components and, where applicable, the substances which may have an environmental or social impact, and that the corresponding instructions on the safe use of these products and services are also made available.

The dimension, complexity, business volume and diversity of the various players involved in this area may lead to occasional non-compliance with internal and external norms: **this, however, is not relevant to the volume of FCC's activity.**



Hotel Balneario Las Arenas, Valencia. 2006 quality award winner

To achieve this team culture, FCC has established socialisation guidelines for newly-recruited employees of the Group. Getting to know the structure of the companies that make up the Group and the complex organisational chart is fundamental for orientation purposes and to achieve maximum cooperation amongst the more than 90,000 employees. New employees receive comprehensive information through manuals.

Both the general rules manual and the conduct ethics document, which are posted on the Group's intranet, include codes of conduct that must obligatorily be observed. The

manual explains the conduct to be adopted by each employee in terms of internal relations and external relations with public entities and other potential interlocutors from subsidiaries and investees. This FCC culture reference document also includes a section on ethics. Each employee must consider himself a representative of the company and therefore has the moral obligation to use good judgement in dealing with public and private entities with which professional contact is maintained.

The FCC Group is particularly demanding of its people in terms of cooperative behaviour and ethical culture.

Acknowledgement of teamwork

Hotel Balneario Las Arenas (Valencia): the reconstruction of this former spa, designed in the 1930s by the renowned architect Gutiérrez Soto, has respected most of the original areas, while replacing a twin pavilion that was destroyed during a bombing. The resulting luxury hotel offers 250 rooms and the capacity to hold events for up to 3,000 participants. The reconstruction of this building, owned by H. Santos S.D.L., marks the initial step towards recovering the Valencia seafront walk.

Zaragoza-Delicias interchange railway station: for the construction of the Madrid-Zaragoza-Barcelona-French border high-speed railway line, the railway facilities in Zaragoza needed to be extended. The solution was to construct a new

station to integrate long-distance services (which use AVE high-speed and Spanish broad-gauge lines) with suburban trains. The interchange railway station is located on the grounds of the former Delicias station in Zaragoza, and the old Portillo station is now unused.

Navia bypass on the Cantabrian motorway: for this bypass, which runs alongside the Asturian towns of Navia and Coaña, an innovative system has been used for building precast wide-span concrete bridges. This system has afforded FCC a privileged positioning in bridge construction as the only company in Spain capable of industrial construction of wide-span concrete bridges for two-way motorways.

Attracting and retaining talent

197 FCC corporate responsibility
in talent management
198 Talent in FCC
217 FCC, leader in talent

For FCC, a reference group in business leadership, attracting and retaining talent is a priority, while sharing with its professionals the responsibility for their knowledge, know-how and potential

The convergence of talent and experience within the Group enables FCC to maximise its leadership position in the sectors in which it operates, while also contributing to the development of the specialist and personal skills of its professionals.

FCC's human resources policy aims to boost an internal environment of productivity, safety, instruction and training, personal satisfaction and integration within the company. Retaining and developing the company's human capital is an essential task for the Group, since its people are the key to FCC's competitiveness and differentiation.

The prestige of a large, international business group with a hundred-year track record enables communication channels and relations to be established with the best Spanish and European universities, to attract optimum qualified talent and innovation capacity.

The Corporate Responsibility Master Plan reinforces FCC's commitment to its current and future professionals, promoting new management indicators and the commitment of all people within the Group to the actions defined in the Plan.



FCC corporate responsibility in talent management

Corporate Human Resources and Media Management is at the helm of FCC's activities in the challenge of attracting and retaining the best talent. The general manager of Human Resources and Media is responsible for implementing the human resources policy and the actions approved by the Management Committee.

Application of the guidelines established by this managing direction is mandatory for all the organisation's business activities and corporate groups (joint ventures, mixed companies and others) in which FCC holds an interest of over 50% or has management responsibility.

The corporate responsibility approach to human resources management for the Master Plan period is defined in three Group-scale corporate plans, promoted by the Corporate Social Responsibility and Human Resources and Media Management.

The **Group's Corporate Responsibility Master Plan** marks a significant step forward by encouraging the management of key social responsibility indicators, for the Group as a whole, in the human resources field and by promoting the strategic objective of being a company of choice for current and future employees.

The **Corporate Training Plan** is aimed at employees in strategic positions in all business areas. Its objective is to guarantee the correct implementation of the Corporate Responsibility Master Plan and the different action plans, by carrying out training activities to ensure continuity in the Group's actions and enhanced commitment to social responsibility.

The FCC Group's **Corporate Responsibility Policy Diffusion Plan** aims to publicise the corporate responsibility action plan to all Group employees and the main subcontracted companies, so they can adopt the principles and become aware of the importance of their role in achieving FCC's social responsibility objectives. The Master Plan has been communicated through the Group's intranet.

**Average Group headcount
in 2006: 76,054 employees**

**92,565 employees
at 31 December 2006**

**37% growth in
employment in 2006**

Talent in FCC

**FCC's people contribute
their talent to the Group.
It is the driving force behind
the productivity, innovation
and competitiveness of its
companies**

In 2006 the FCC Group had 92,565 employees in over 40 countries, of which 67% were based in Spain. The Group's average headcount in 2006 totalled 76,054 employees.

The Group has grown in line with the number of FCC employees. In 2006 the Group's personnel included a greater variety of profiles, reflecting the international expansion of the Group.

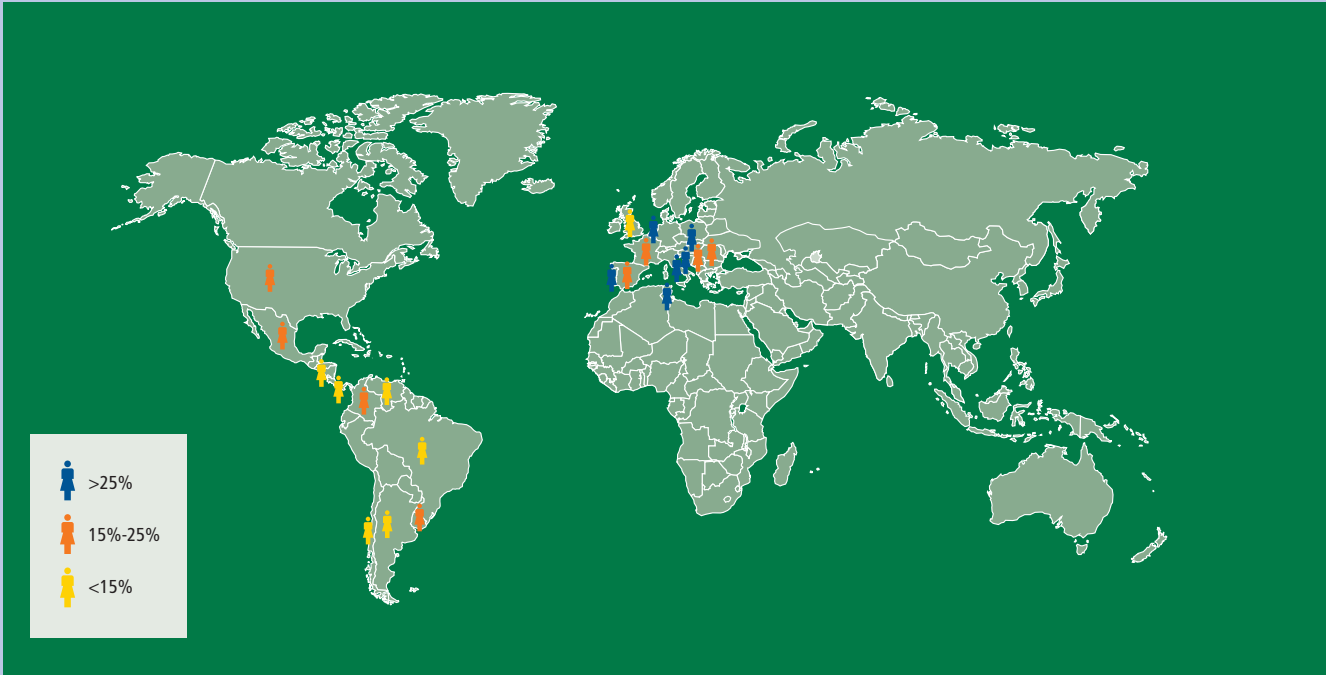


2006 Workforce by sector

	Construction 27%	Services 53%	Versia 13%	Cement 7%
North America				
U.S.				
Canada				
Europe				
Spain				
Andorra				
U.K.				
Holland				
France				
Portugal				
Germany				
Austria				
Switzerland				
Italy				
Belgium				
Eastern Europe				
Romania				
Poland				
Czech Republic				
Slovakia				
Slovenia				
Hungary				
Croatia				
Estonia				
Latin America				
Argentina				
Brazil				
Venezuela				
Mexico				
Colombia				
Chile				
Dominican Republic				
Haiti				
Ecuador				
Uruguay				
M & S Central America				
Costa Rica				
El Salvador				
Guatemala				
Nicaragua				
Panama				
Asia				
China				
Rest of the World				
Morocco				
Egypt				
Algeria				
Tunisia				
Saudi Arabia				
Australia				

FCC Group in 2006





EUROPE

Spain	
Germany	
Andorra	
Austria	
Belgium	
France	
Holland	
Italy	
Portugal	
U.K.	
Switzerland	

EASTERN EUROPE

Croatia	
Czechoslovakia	
Slovakia	
Slovenia	
Estonia	
Hungary	
Poland	
Romania	

AFRICA

Algeria	
Egypt	
Morocco	
Tunisia	

REST OF THE WORLD

Saudi Arabia	
Australia	
China	



Cement factory control room in Olazagutia, Navarra

Managerial and technical personnel posts are filled by residents of FCC operational areas. If no candidate with the required profile is found, other sources are used. The diversity of the workforce reflects the Group's expansion in line with the Strategic Plan.

Creation of employment within the group

Creation of employment FCC Group	2004	2005	2006
Total workforce	63,602	67,562	92,565
Annual variation (%)	2.93%	6.23%	37%

Companies incorporated in 2006

			The Czech group, SMVAK, with 924 employees.		The Uniland group with 2,043 employees.		The British group, WRG, with 1,113 employees.		• The Austrian group, Alpine, with 12,662 employees. • The Italian workforce of Rome airport with 1,314 employees. • The workforce of various companies in the cement sector with 2,000 employees.			
	February		April		June		August		October		December	
January		March		May		July		September		November		
Endesau, Entemanser S.A, Instugasa, Gemecan, Marepa Group, Papeles Vela S.A. and Aremi Asociados with a total of 344 employees.		The Austrian group, ASA, and Spanish group, Cementos Lemona with a total of 2,469 employees and 292 employees respectively.										

Companies excluded in 2006: AIE Auxel Electricidad Auxiliar



Collection of Solid Urban Waste, Vitoria

FCC Group is present in over 40 countries

In 2006 the total workforce was increased by 37% amounting to 25,000 employees more than in 2005. A significant part of the increase is linked to the acquisition of existing companies.

Diversity and Equality

Equal employment and promotion opportunities are company policy. FCC recruits, selects and promotes its employees on the basis of their qualifications, skills and ability.

FCC supports equal opportunities and diversity amongst its employees

The principle of equal remuneration for men and women is implicit in the collective labour agreements of FCC, in line with Convention no. 100 of the ILO on "equal remuneration for men and women workers for work of equal value".

Workforce diversification is in line with the evolution of the business both in terms of the growing international profile of employees (as shown by the table per country) and in the particularities of the Spanish labour market with a rising number of people from other countries and qualified women, although there are still relatively few women with technical degrees. Women currently represent 21.62% of FCC's workforce.

FCC is committed to including people with disabilities in its workforce. Through the equal opportunities policy, action has been taken at management level with Adecco (a company specialising in Human Resources). Through its foundation, Adecco works on integrating disadvantaged groups into the job market.

Working towards a more equal and diverse workforce FCC and the Adecco foundation

During the first quarter of 2007, FCC Construcción entered into a collaboration agreement with the Adecco foundation to facilitate integration of people with disabilities within the Group's workforce.

The foundation will hold training courses for future employees with the aim of facilitating adaptation to the new positions. Fundación Adecco will monitor the process during the first few months to ensure its success.

In the social benefits area, the Adecco foundation will introduce the Family Plan directed at members of employees' families who are disabled. The aim is to give beneficiaries enough personal independence and the resources needed to actively look for a job. Social and labour integration is provided through training together with other leisure and sport activities adapted to encourage social integration of this group.

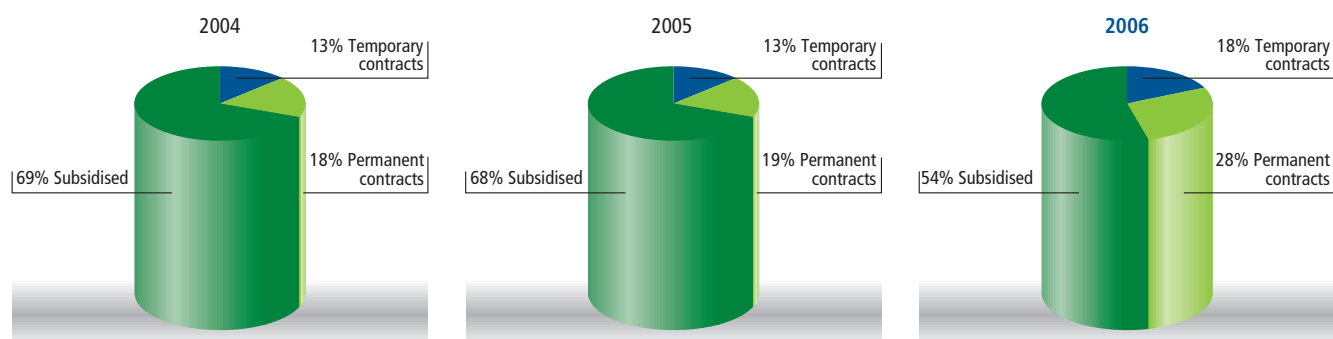
Further information available at <http://www.fcc.es>

49.4% increase in the number of permanent contracts

Employment stability

Workforce data broken down by contract type show a rise in permanent contracts, representing 49.4% of the Group total. These data reflect a clear tendency towards employment stability offered by FCC, and lower staff turnover.

Contract type



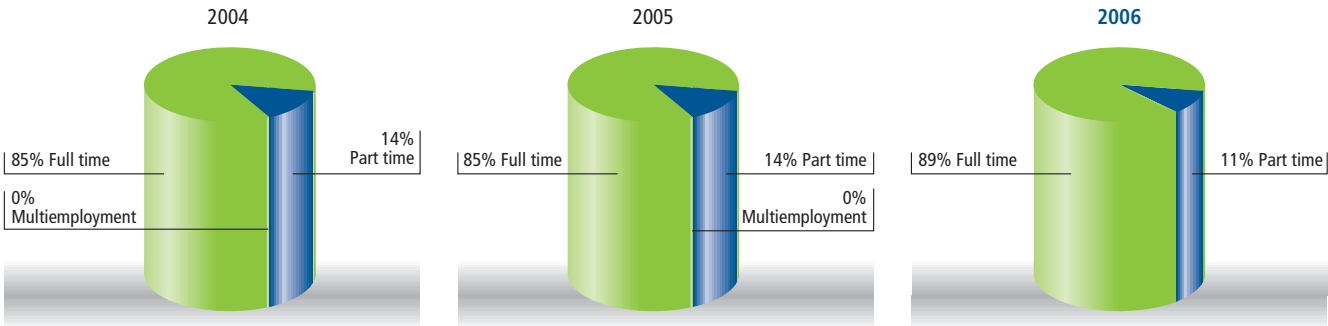
FCC Group	2004	2005	2006
Permanent contracts	11,191	12,502	25,588
Temporary contracts	8,026	8,939	17,045
Subsidised	44,385	46,121	49,932
Total	63,602	67,562	92,565



Of the total number of employees 82,641 work full time, currently 89.2% of the total and a 43% increase compared with 2005.

In 2006 the percentage of staff turnover stood at 18,025 with employees leaving for either voluntary or other reasons. This number includes the total number of staff who left in 2006, excluding loss of contracts or company sales.

Type if working day



	2004	2005	2006
Full time	54,605	57,878	82,641
Part time	8,997	9,684	9,924
Multiemployment	74	66	259
Retirements	405	371	431
Total	63,602	67,562	92,565

Euros 2,180 million
in personnel expenses

Euros 1.28 million
in social benefits

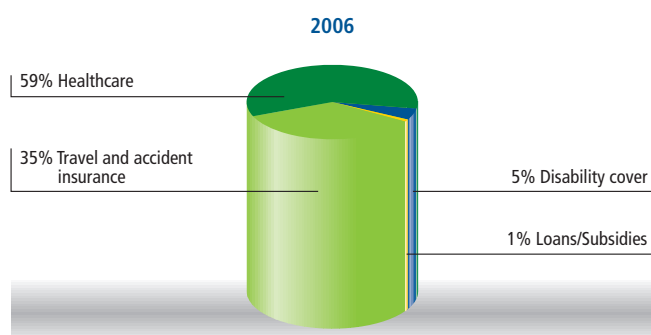
Remuneration and other benefits

In 2006 group personnel expenditure in wages, salaries and other similar costs grew to Euros 2,180.05 million, representing 25% of operating costs.

The FCC Group offers social benefit programmes to its personnel. Through these programmes the company caters to the needs of its employees. The programmes have a positive effect as they promote integration and commitment to the company and contribute to attracting new talent.

In 2006, FCC provided its employees with social benefits totalling Euros 1.28 million. Social benefits which are not required by law and offered by FCC include healthcare, cover for people with disabilities, subsidised loans and more comprehensive travel and accident insurance than required by prevailing legislation. The benefits obtained through these programmes carry certain obligations both for FCC as well as the employee.

Social benefits not required by law



Social benefit	Required by law		Total cost Millions of Euros	Cost paid by company (%)	Cost paid by employee (%)
	Yes	No			
Healthcare (1)		X	0.75	50	50
Disability cover (1)		X	0.07	100	0
Loans/ Subsidies (1)		X	0.01	20,30 or 40	80,70 or 60
Travel and accident insurance (2)	X	X	0.45	100	0
FCC Group Total			1.28		

(1) D.T.A. and S (Management, technicians, administrative staff and subordinates) who have served more than one year, with permanent contracts, belonging to consolidated Group companies.

(2) D.T.A. and S (Management, technicians, administrative staff and subordinates) with permanent contracts belonging to consolidated Group companies.



For FCC, maintaining and improving its human capital through training is a key element, not only in improving employee performance and satisfaction but also in retaining and attracting workers

All social benefits are offered to workers with permanent contracts, which currently represent 28% of the FCC Group's employees. Some of these benefits are also provided by FCC to the majority of full time employees, currently 89.2% of the workforce. The benefits received by almost the entire workforce include healthcare, cover for the disabled, subsidised loans at 20, 30 or 40% depending on their purpose and accident and travel insurance, which also covers workers with temporary contracts.

As required by the collective labour agreements, FCC has introduced measures for maternity care that go beyond the legal requirements. These agreements include voluntary and temporary suspension of contracts owing to childbirth, functional mobility enabling pregnant women to transfer to posts more suitable for their condition, reduction in the working day for baby feeding and childcare leave.

Personal and professional development-training goals

The FCC Group invests in the development of its employees' knowledge, skills and abilities to help them reach their full potential. Their personal success has a knock on effect on the company's own success. The talent-development programmes based on training, knowledge transfer and the inclusion of technological development to the business are a priority for FCC.

**Euros 7.87 million
invested in training**

**54,042 participants in FCC
training activities in 2006**

Continuous professional training of personnel takes place through different annual training programmes which each area introduces according to the needs identified. At present, the programmes are at different stages of development.

**In 2006, Group investment
in training totalled Euros 7,875,339
with 54,042 employees taking part**

2006 Key training indicators

Number of participants

	Total number of participants	Category 1	Category 2	Category 3	Category 4
Total FCC Group 2006	54,042	1,642	5,470	8,823	38,107
Total FCC Group 2005	47,151	1,284	4,870	11,122	29,875
Total FCC Group 2004	37,387	1,329	4,479	7,772	23,807

Number of participants per area of activity

	Total number of participants		Category 1		Category 2		Category 3		Category 4	
	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005
Medio Ambiente	23,919	21,366	218	155	578	499	1,233	1,537	21,890	19,175
Ámbito	1,930	1,073	79	55	337	81	447	199	1,067	738
Aqualia	6,235	1,847	554	105	562	862	795	330	4,324	550
Versia	13,762	15,567	108	95	443	577	4,246	6,931	8,965	7,964
Construction	4,977	4,847	364	680	2,838	2,266	1,049	1,341	726	560
Cement	2,899	2,194	195	108	578	462	996	739	1,130	885
Functional areas	320	255	124	85	134	123	57	45	5	2

Hours of training

	Total number of training hours	Category 1	Category 2	Category 3	Category 4
Total FCC Group 2006	468,523.14	34,674.55	105,353.19	121,341.04	207,154.36
Total FCC Group 2005	460,992.85	12,553.60	47,613.73	108,739.21	292,086.31
Total FCC Group 2004	492,230.00	17,497.00	58,970.00	102,325.00	313,439.00

Number of training hours per area of activity

	Total number of training hours		Category 1		Category 2		Category 3		Category 4	
	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005
Medio Ambiente	100,171.70	79,637.00	3,948.50	577.72	8,054.50	1,859.90	13,824.50	5,728.79	74,344.20	71,470.00
Ámbito	17,665.14	6,358.00	601.25	325.87	6,023.00	4,79.92	4,511.75	1,179.07	6,529.14	4,372.63
Aqualia	34,762.00	27,550.00	6,998.00	1,566.16	8,152.50	12,857.43	6,134.00	4,922.22	13,477.50	8,203.70
Versia	168,892.50	205,393.00	3,200.00	1,253.44	9,435.69	7,613.00	62,250.29	94,006.52	94,006.52	105,078.00
Construction	99,129.00	100,561.00	8,195.00	14,107.97	55,577.00	47,013.00	22,716.50	27,821.74	12,640.50	11,618.32
Cement	33,359.00	26,495.00	5,858.50	1,304.20	11,387.50	5,579.06	10,049.50	8,924.08	6,063.50	10,687.16
Functional areas	14,543.80	14,973.50	5,873.30	4,991.17	6,723.00	7,222.51	1,854.50	2,642.38	93.00	117.44

Training expenses FCC Group (Euros)

	Total training expenses	Category 1	Category 2	Category 3	Category 4
Total FCC Group 2006	7,875,339.91	1,147,526.51	2,777,057.77	1,974,504.70	1,976,250.93
Total FCC Group 2005	8,327,036.72	226,759.03	860,059.57	1,964,185.33	5,276,032.79
Total FCC Group 2004	7,952,685.14	282,695.02	952,739.64	1,653,202.15	5,064,048.34

Training expenses per area of activity (Euros)

	Total training expenses		Category 1		Category 2		Category 3		Category 4	
	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005
Medio Ambiente	806,914.89	141,614.00	66,833.51	1,027.00	89,851.80	3,307.00	139,519.95	10,187.00	510,709.63	127,092.00
Ámbito	153,911.10	24,153.00	6,360.09	1,238.00	58,974.38	1,823.00	46,916.52	4,479.00	41,660.11	16,612.00
Aqualia	741,345.87	287,924.00	207,615.23	16,368.00	165,318.30	134,375.00	149,352.20	51,443.00	219,060.14	85,738.00
Versia	1,376,815.91	3,694,226.00	111,927.80	22,545.00	143,727.41	136,929.00	409,075.86	1,644,805.00	712,084.84	1,889,948.00
Construction	3,262,183.74	2,898,128.00	286,940.15	406,587.00	1,878,869.27	1,354,891.00	816,432.11	801,813.00	279,942.21	334,836.00
Cement	1,186,688.00	1,051,103.00	288,247.00	51,741.00	306,950.00	221,335.00	378,697.00	354,041.00	212,794.00	423,987.00
Functional areas	347,480.40	229,436.00	179,602.73	76,479.00	133,366.61	110,669.00	34,511.06	40,489.00	0.00	1,799.00

- Category 1** Includes groups 0 and 1: senior management and management; departmental managers; service and site managers.
- Category 2** Includes groups 2, 3 and 4: university graduates; section managers; business managers; workshop managers and qualified personnel.
- Category 3** Includes groups 5, 6 and 7: technical and administrative assistants and middle management.
- Category 4** Includes group 8: workers and subordinates.

2006 Training by subject matter

Participants

	Total number of participants		Category 1		Category 2		Category 3		Category 4	
	2006	2005	2006	2005	2006	2005	2006	2005	2006	2005
Health and safety	38,413	31,370	236	233	1,613	1,210	4,615	4,970	31,947	24,957
Environment	1,163	1,893	78	75	317	267	129	774	639	777
Non-technical skills	292	1,345	90	104	146	208	56	842	0	191

Training hours

	Total number of training hours		No. of training hours per worker		Type of training activity	
	2006	2005	2006	2005	2006	2005
Health and safety	234,231.70	211,606	6.10	6.75	Mixed	Mixed
Environment	7,229.50	7,766	6.25	4.10	Attendance	Attendance
Non-technical skills	5,509.00	14,470	18.93	10.76	Attendance	Attendance

Health and safety training

	Total number of participants	Total training hours	Total number of action
Medio Ambiente	20,124	68,961.70	1,878
Ámbito	1,628	11,467.50	410
Aqualia	4,799	18,100.00	490
Versia	9,476	98,219.00	1,716
Construction	927	28,440.50	137
Cement	1,457	7,823.00	227
Functional areas	2	1,220.00	2
Total	38,413	234,231.70	4,860



FCC promotes **corporate responsibility** through strategic training and publicising this policy

One of the strategic components of the Corporate Responsibility Master Plan is training in Corporate Social Responsibility. Action has already taken place within the framework of FCC's corporate training and communication programme, to publicise the Group's corporate responsibility policy.

The Corporate Responsibility Direction has presented the Master Plan to the board of directors and to key figures in all FCC Group business areas. Initiatives to promote awareness of the Plan will continue in 2007 through the training programme, to guarantee that the Master Plan itself and the different action plans are implemented properly, while also ensuring continuity in the Group's actions and an enhanced social responsibility commitment.

The Corporate Responsibility Direction has also started to communicate the Corporate Responsibility Master Plan amongst Group employees, for example by publication on the intranet. A corporate responsibility section has been incorporated into the bi-monthly FCC newsletter and this channel has been used to inform Group employees and the main subcontracted companies of commitments undertaken, to raise personnel awareness of the importance of their role in achieving FCC's social responsibility objectives.

Impact on the development of human capital

Recruiting talent is a priority amongst the Group's human resources policies. As a large business group with a hundred-year leadership track record in the sectors in which it operates, FCC offers considerable development potential to its professionals. FCC's corporate responsibility strategy is to encourage communication of this potential and of the human resources policies that aim to optimise this capability.

The Corporate Responsibility Master Plan therefore aims to create synergies with universities and higher education institutes, enabling FCC to incorporate young talent into its companies. Career opportunities for young graduates in technical subjects have a positive impact on the development of human capital, particularly in a country such as Spain, where there is little capacity to absorb highly-qualified technical employees.

Impact on the development of human capital

According to the 2006 Sustainability Report published by the Spanish Sustainability Monitoring Centre (OSE), in relation to work specialisation, Spain is above the European average in terms of the number of people who hold a higher education degree.

8,570 university graduates

5,484 engineering graduates

The FCC Group attracts a significant number of recent Spanish graduates in technical subjects relating to the Group's different business areas.

The level of demand for graduates in the Group highlights its ability to stimulate development of human capital in the countries in which FCC operates and where it recruits young graduates.

In 2006 the Group's personnel comprised 92,565 employees, including 8,570 university graduates.

Further details at <http://www.fcc.es>

FCC Group, in touch with Spanish universities: collaborations with the Polytechnic and Rey Juan Carlos universities in Madrid and with the university of Almeria

FCC has an annual agreement with the Institute of Road, Canal and Port Engineers (Colegio de Ingenieros de Caminos, Canales y Puertos) to train over twenty-five students. Throughout the academic year members of the FCC Construcción management team give practical classes to students who will become the construction work foremen of the future.

FCC is a member of the Friends of the Institute of Road, Canal and Port Engineers Association.

This association aims to create synergies between the institute and a number of leading companies in Spain, to generate relations with students and student associations, to support the institute in training future industrial engineers by advising on training plans and academic quality, exposing students to best business practice and encouraging innovation and educational research.

The association also collaborates in the organisation of employment round tables which, besides comprising a unique instrument to facilitate the introduction of students into the work market, help to attract the best talent towards the business organisations that support the Institute of Road, Canal and Port Engineers in Madrid.

FCC collaborates with the Rey Juan Carlos university in Madrid through various programmes.

Aqualia has signed an agreement with this university to carry out seminars and courses on sustainable water management and research, and to issue publications on this matter.

The collaboration with this university also includes FCC's backing of qualifications such as the master in urban mobility and the international air transport management diploma.

Aqualia and the university of Almeria have signed an agreement whereby the company takes on students on work experience programmes.

Further details at <http://www.fcc.es>

**Respect, dialogue and dignity are
the three key words that sum up
the working environment within
FCC group companies**

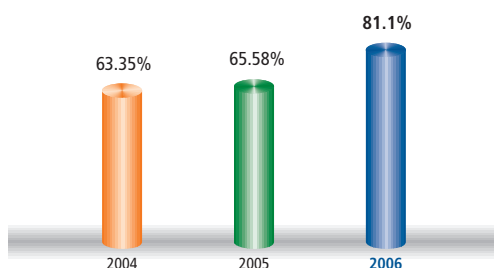
**81.10% of employees are
represented by workers' unions**

Working environment

The FCC Group dates back a hundred years and this success is largely due to the working environment, to which the company's people contribute.

Respect and dignity characterise the relationship between FCC and its employees. Discrimination and coercion are unacceptable within the company and the relationship between management and employees, and amongst the employees themselves, complies with basic rules of respect, fair treatment and non-discrimination. Behaviour that goes against these principles is not permitted and is subject to disciplinary measures.

% of FCC Group employees represented by trade unions



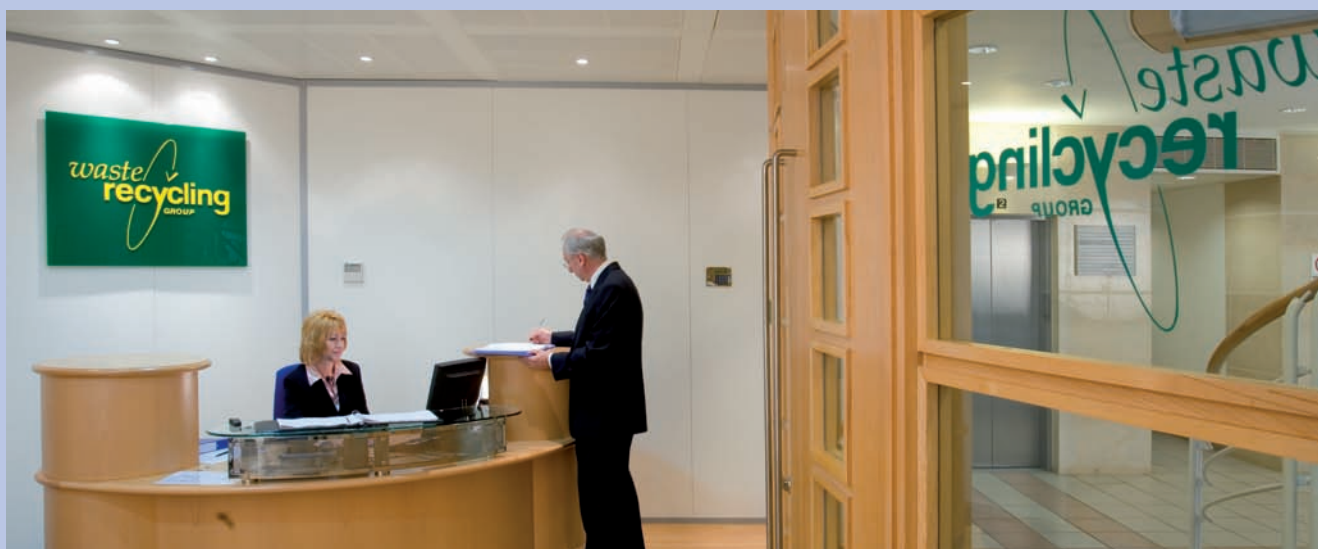
The FCC Group respects the freedom of association of its employees and guarantees their right to be represented by trade unions in the various representation and negotiation bodies, both in the different sectors of activity and the Group's companies and work centres.

All the Group's employees in Spain are covered by collective bargaining agreements, in line with the sector of activity and in accordance with the workers' statute. In 2006, 48.11% of employees were covered by collective bargaining for the company or work centre. This percentage is based on the average headcount of the FCC Group in Spain for 2006, amounting to 61,619 employees.

The FCC Group respects the freedom of association of its employees and guarantees their right to be represented by trade unions in the various legal employee representation bodies in the Group's companies and work centres. In 2006, 81.10% of employees were legally represented by unions.

The Group provides staff representatives, members of the management committee and union representatives with the information they should receive in line with their employee representation functions, with a view to improving working conditions and employee expectations.

The FCC Group also guarantees the application of collective labour agreement pacts for its employees. At year end 2006, 367 company or work centre collective agreements were in force for FCC Group employees in Spain, applicable to 29,645 employees. A further 38 collective agreements are under consideration and negotiations are expected to take place within the year. These additional collective agreements apply to 1,609 employees.



Waste Recycling Group offices, United Kingdom

The number of days lost through strikes in 2006 amounts to 3,183, slightly above the 2005 figure of 3,005 days (up 5.92%) and slightly below that of 2004, which stood at 4,441 days (down 23.33%). This indicator refers to the number of days lost through strikes multiplied by the number of employees who backed the strike.

3,183 days lost through strikes in 2006

5% up on 2005

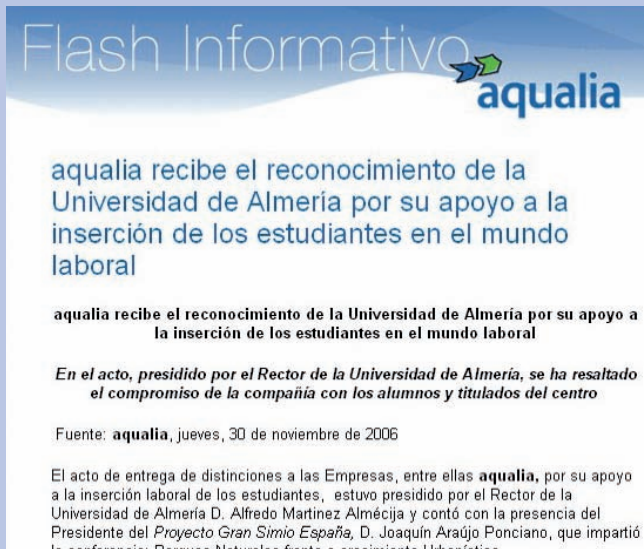
28.3% down on 2004

Internal communication

FCC promotes internal communication, establishing two-way information and communication channels while encouraging cooperation. The main channels used are the bimonthly corporate newsletter, the Group Intranet, internal memoranda issued by electronic and ordinary mail, the corporate website (extranet) and the specific channels of the various areas and subsidiaries.

FCC is aware of the importance of maintaining employee satisfaction and motivation during significant changes within the company structure. It therefore uses the entire range of internal communication channels to guarantee that all Group personnel receive the appropriate information. Notification of significant organisational change is provided as required by prevailing legislation. Consequently, both the policy and the procedures adopted are those required by prevailing labour legislation at any given time.

The acquisitions strategy promoted in 2006 went hand in hand with a Group human resources policy that aimed to retain the personnel from the acquired companies.



Communication in Aqualia

Aqualia issues an internal newsletter, "Aqualia en breve" ("Aqualia, news in brief"), which it uses to convey all news occurring in the Aqualia environment or which affects the company, including specific information relating to each service, branch or area.

Employees also regularly receive information in the form of newflashes relating to the company's activities in different fields.

Cooperation culture and ethical conduct

FCC promotes cooperation, teamwork and knowledge sharing, aiming for optimum internal communication, encouraging contact networks and establishing multi-directional communication and information channels.

In acknowledgement of teamwork, each year FCC Construcción presents a quality award and an innovation award to the most outstanding teams.

The FCC Construcción Sustainability Committee presented the quality award for 2006 to the Hotel Balneario Las Arenas in Valencia and to the Zaragoza-Delicias interchange railway station. The innovation award for 2006 was presented to the Navia bypass.

The Marketing Forum – an Aqualia tool for diffusing and sharing best practice

The Marketing Forum is a work tool devised to facilitate horizontal and vertical communication. This is an interdisciplinary group comprising representatives of the organisation's different areas. The objectives of the Forum include the following:

- I) Make the organisation aware of the importance of basing management practice on marketing.
- II) Provide all Aqualia people with the means to use marketing as a management tool.
- III) Promote horizontal and vertical internal communication and inform on the initiatives undertaken by the marketing department.
- IV) Acquire and share experiences, as part of a continuous improvement system that serves as a catalyst for initiatives.
- V) Generate new solutions for new requirements and compare and perfect marketing developments and tools, with the collaboration of managers from all areas.

The Forum members meet every two months to discuss priority issues.

Further details at <http://www.aqualia.es>



Hotel Balneario Las Arenas, Valencia. 2006 quality award winner

To achieve this team culture, FCC has established socialisation guidelines for newly-recruited employees of the Group. Getting to know the structure of the companies that make up the Group and the complex organisational chart is fundamental for orientation purposes and to achieve maximum cooperation amongst the more than 90,000 employees. New employees receive comprehensive information through manuals.

Both the general rules manual and the conduct ethics document, which are posted on the Group's intranet, include codes of conduct that must obligatorily be observed. The

manual explains the conduct to be adopted by each employee in terms of internal relations and external relations with public entities and other potential interlocutors from subsidiaries and investees. This FCC culture reference document also includes a section on ethics. Each employee must consider himself a representative of the company and therefore has the moral obligation to use good judgement in dealing with public and private entities with which professional contact is maintained.

The FCC Group is particularly demanding of its people in terms of cooperative behaviour and ethical culture.

Acknowledgement of teamwork

Hotel Balneario Las Arenas (Valencia): the reconstruction of this former spa, designed in the 1930s by the renowned architect Gutiérrez Soto, has respected most of the original areas, while replacing a twin pavilion that was destroyed during a bombing. The resulting luxury hotel offers 250 rooms and the capacity to hold events for up to 3,000 participants. The reconstruction of this building, owned by H. Santos S.D.L., marks the initial step towards recovering the Valencia seafront walk.

Zaragoza-Delicias interchange railway station: for the construction of the Madrid-Zaragoza-Barcelona-French border high-speed railway line, the railway facilities in Zaragoza needed to be extended. The solution was to construct a new

station to integrate long-distance services (which use AVE high-speed and Spanish broad-gauge lines) with suburban trains. The interchange railway station is located on the grounds of the former Delicias station in Zaragoza, and the old Portillo station is now unused.

Navia bypass on the Cantabrian motorway: for this bypass, which runs alongside the Asturian towns of Navia and Coaña, an innovative system has been used for building precast wide-span concrete bridges. This system has afforded FCC a privileged positioning in bridge construction as the only company in Spain capable of industrial construction of wide-span concrete bridges for two-way motorways.



Navia bypass. 2006 innovation award winner

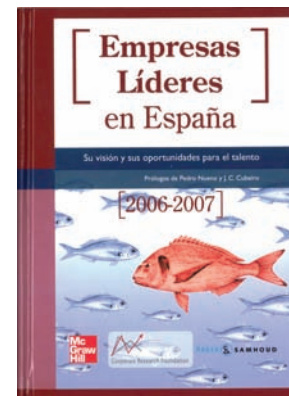
FCC, leader in talent management

Group recognition: FCC, leader in talent management in Spain

FCC has been acknowledged as a leader in talent management in Spain. Analysis performed by Corporate Research Foundation (CRF), which has been documented in the book "Leading Companies in Spain", includes FCC amongst the best companies in Spain, one of the leading firms, where people want to work and of which they can feel proud. During this project, an in-depth study of FCC was performed through questionnaires and interviews with management and professionals carried out by journalists specialising in management and economic resource administration.

As stated in the prologue, this publication "emphasises the companies' contribution to relations with employees, shareholders and the social entourage, while also evaluating their contribution to the innovation of results and, consequently, their future potential".

Further details at <http://www.fcc.es>



Dialogue and cooperation with the community

- 219 Approach to relations with the community
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- 239 Recognition

Establishing lasting relations in the communities in which FCC is present not only allows for a better understanding of the wide-ranging and complex environment of the Group's businesses, but also favours better management of operating and reputational risks, the possibility of identifying strategic opportunities for cooperation and, more importantly, contributes to the progress and confidence of the community in which the Group operates

FCC has a permanent vocation to provide services to the community. The Group's relations with its stakeholders underpin the creation of value. Knowledge of the expectations and concerns of our stakeholders allows FCC to provide market solutions and identify cooperation initiatives in the community.

FCC is involved in numerous collaboration initiatives with entities in the societies in which it operates. Maintaining relations with the community implies exercising the Group's values and therefore contributes to reinforcing its social image. Consequently, this is a strategic area that contributes intangible value to the Group.

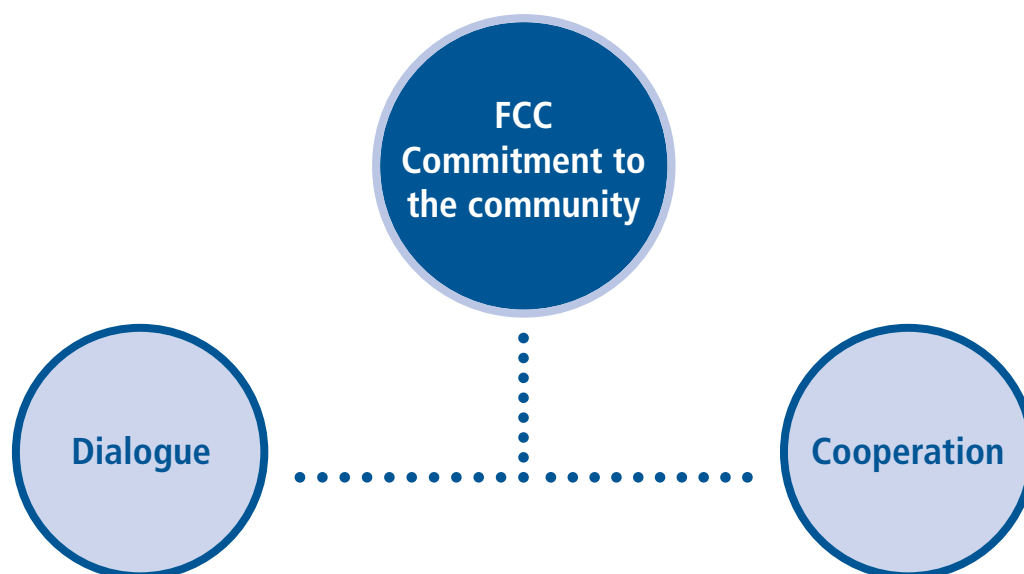
The Corporate Responsibility Master Plan gives fresh impetus to the objective of dialogue and cooperation with the community. This plan provides a basis for the development of long-term social responsibility initiatives with non-contractual stakeholders, which are fundamental to all other strategic areas of the Group. The development of plans (corporate or by the areas) to improve dialogue and cooperation with the community will allow FCC to analyse and evaluate its requirements, thereby optimising the impact of the Group's investments in this social field, increasing recognition and therefore society's confidence in the company. The composition of FCC Foundation provides the solid institutional capacity to fulfil this commitment.



Approach to relations with the community

FCC's commitment to the community is based on two lines of action: dialogue and cooperation. FCC aims to consolidate the public presence of the company in the countries and cities in which it operates by establishing lasting relations with the main stakeholders. The Group also promotes participation in initiatives that favour socio-economic and local environmental development, which in turn fosters stability of the environment and the emergence of new opportunities to contribute reciprocal value.

The Group actively maintains collaboration initiatives established in prior years and also aims to establish new institutional relations with stakeholders, especially those also engaged in sustainability and corporate responsibility initiatives.



FCC group adheres to the United Nations Global Compact



FCC Group dialogue and cooperation initiatives

The FCC Group dialogue and cooperation initiatives are designed to reinforce the local economy, protect the environment, improve the socio-community climate and develop the positioning and public communication of these efforts.

In 2006, FCC set in motion an intense dialogue initiative maintaining contacts, participating in networks and monitoring public debate. This initiative was promoted by representative entities of local and global civil societies.

During the same period, FCC took part in numerous social responsibility initiatives by contributing financing, human resources, knowledge and time.



Dialogue with the community

The scope of this report does not allow for an exhaustive list of all FCC initiatives in this field, however, the most significant of these initiatives have been considered.

Participation in forums

The participation of FCC in public debates is an exercise of transparency of the Group's stance on relevant issues relating to both the sector and the community in which it operates. This activity allows FCC to monitor and make known its stance on issues related to its business area and operating environment. Forums are also a public platform to present proposals to improve the current regulatory framework.

FCC's contribution to the forums in terms of personnel and resources is noteworthy. These forums are a meeting point with other leaders and are an effective way to exchange work experiences with other companies, NGOs and administrations by providing both technical and human interaction spaces.

In 2006, FCC took part in the main corporate responsibility forums in Spain (Excellence in Sustainability Club, Forética, Carolina Foundation, Spanish Confederation of Business Organisations (CEOE), Spanish Global Compact Association (Asepam), Spanish Institute for Business) to put forth its opinions and experiences and to promote the development of joint initiatives with other companies and stakeholders.

The FCC Group joins the Spanish Global Compact Association (ASEPAM)

FCC recently adhered to the United Nations Global Compact, joining other Group companies such as FCC Construcción and Cementos Portland Valderrivas, who became participants in 2004 and 2005, respectively. The FCC group now forms part of ASEPAM, the Spanish Global Compact Association.

Consequently, FCC aligns itself with the United Nations initiative for an ethical commitment to the reconciliation of the interests and processes of business activity with the values and demands of global civil society. The FCC Group will also actively share its experiences and good practices in the implementation of the 10 principles of the Global Compact in the areas of human rights, labour, environment and the fight against corruption, which may serve as an example to other entities undergoing the same process. In this context, in 2006, FCC Construction presented its experiences during the 4th Conference on case examples of the implementation of the ten Global Compact principles in the head office of the Spanish Instituto de Empresa in Madrid.

Further information at <http://www.pactomundial.org/index.asp>

FCC: working together with Fundación Entorno – the Spanish Business Council for Sustainable Development

The Group, represented by one of its most important companies, FCC Construcción, has joined the Spanish Business Council for Sustainable Development (FE-BCSD Spain) with a view to carrying out joint initiatives in the field of sustainable development and business social responsibility, providing support in the implementation of information, dissemination, training, presentation and investigation initiatives.



Fundación Entorno

Consejo Empresarial Español para el
Desarrollo Sostenible

Due to the nature of its activities, FCC focuses on the sustainable construction activities of the Group, and is assisted by both Spanish and international experts and the different stakeholders.

Fundación Entorno provides FCC with the opportunity to collaborate with other large companies through discussion groups on issues as complex and relevant as climate change, the role of businesses in the composition of society and sustainable construction. Membership of Fundación Entorno will also allow FCC to form part of other work groups of the World Business Council for Sustainable Development (WBCSD), an international organisation bringing together over 180 companies. The Fundación Entorno-BCSD Spain is the WBCSD's Spanish representative. The outcome of the work groups of this institution will define the stance of the Spanish business world in the big world debates on sustainable development.

*Further information at
<http://www.fundacionentorno.org>*

FCC Group and the 8th Spanish National Conference on Environment (CONAMA)

FCC contributed largely to the eighth edition of the Spanish National Conference on Environment, **CONAMA 8**, which brought together over ten thousand people interested in the sustainability debate.

The entire FCC Group contributed to this important event, with all the different business areas working on its organisation for several months prior to it taking place under the supervision of FCC Construcción. The Group sponsored the event and was a member of the organisational committee and also introduced the interactive session "Improving the present."

Big names from the business and administration world took part in the session, which dealt with issues related to sustainability and management of water, the evaluation of environmental behaviour and the incorporation of social aspects of the new bill on public sector contracts. Issues such as the role of women in the construction sector were also discussed.

Over twenty FCC Group professionals formed part of the different technical committees, round tables, work groups and technical conferences during CONAMA 8. These professionals contributed their knowledge and experience to the Conference with the aim of providing the information required by society's business community and other sectors involved in the different environmental areas. The FCC representatives actively participated in all thematic forums during CONAMA.

The FCC speakers at CONAMA 8 gave an idea of the extent of institutional knowledge contributed by the Group to public debate:

Sustainable economy

- Role of businesses in a globalised world.
- Corporate social responsibility trends in Spain.
- Sustainability reports.
- Opinions to improve communication; ask to inform.
- Practical cases of corporate social responsibility in Spain. "Awareness reports".
- Knowledge management for sustainable development.
- Sustainable production and consumption in the industry: ecoefficiency.
- Integrated environmental authorisation.
- Public contracting based on sustainability criteria.

Water

- Integral management of water cycle resources and services: challenges and difficulties of the reuse of water.
- Water and the city: challenges in management and citizen education and participation.
- Challenges of water management.
- Use and protection of underground waters.
- Water for human consumption.

Climate change

- Use of alternative fuels in cement factories.
- Trading of GHG emission allowances.

Rural development and protecting nature

- Restoration of rivers and wetlands.
- Incendios forestales.
- Gestión forestal para el desarrollo rural.

Energy

- Incorporation of energy conservation, efficiency and renewable energies criteria: the residential sector case.

Infrastructure and transport

- Mobility. Models and infrastructures for the transport of persons and goods.
- Social perception of the environmental situation in the development of infrastructures.

Waste and pollution

- Waste management systems and models: "Construction waste."
- Noise pollution. Noise maps and municipal regulations : "Noise on building sites"
- Atmospheric pollution. "The Commitment of Portland Valderrivas to atmospheric pollution; the role of atmospheric pollution in sustainability."
- USR management: evaluation of the three "R's" phase
- Management of contaminated soils.

Society and action policies

- From action to the evaluation of the A21 Local. 21 Indicators.
- New trends in environmental education.

FCC and CONAMA8 was supported by a further 320 entities and over 700 speakers and 650 persons from technical committees.

Further information at <http://www.fcc.es>



Aqualia and Proactiva Medio Ambiente in the 4th World Water Forum

The forum was held in Mexico City and was sponsored by the Spanish Institute for Foreign Trade (ICEX) and the Ministry of the Environment. The sessions focused on “Local Actions for a Global Challenge”, including a specific topic on the achievement of the Millennium Development Goals for water supply and sanitation. During the work group sessions on the financing of “water for all”, the analysis of the aqueduct and sewer system concession in Monteria, Colombia, co-financed by FCC, was presented. The work group aims to make recommendations on innovative financing mechanisms and to prepare specific proposals for immediate action to improve local government access to financial resources for investment in water management systems.

Over 20,000 people participated in the forum, including 150 ministers or officials responsible for the environment from a similar number of states. The most significant conclusions drawn from this 4th World Water Forum refer to the need to:

- Push for a resolution from the UNO Human Rights Council emphasising the right to water and sanctioning any violation of this principle.
- Invest approximately eleven thousand million dollars per year until 2015, to improve the water service worldwide and consider hydro-resources as a growth instrument.
- Govern and manage available hydro-resources appropriately, as a basic instrument to satisfy the incessant increase in worldwide demand for water.



FCC and the European Federation of Waste Management (FEAD) initiative

FCC participates in the European Federation of Waste Management (FEAD) inter-professional work groups as a representative of the public sanitation association ASELIPI, of which FCC is a member, collaborating on matters relating to recycling, recovery, biological and thermal treatment, waste disposal sites and audits.

ASELIPI is the national sector association that represents the most significant companies in the environmental sector. It aims to defend the legitimate rights of its members, which it represents in order to contribute to the achievement of its objectives, and to manage and encourage the common business interests of its members.

FCC and the Carolina Foundation, training Latin American leaders in environmental management

In 2006, FCC provided 15 grants to cover all the expenses of Latin American graduates on the “Environmental Management Policies and Instruments” course at the Carolina Foundation.

This initiative aims to prepare public and private administrators of Latin American countries in all environment-related aspects, while conveying the knowledge acquired through the experience obtained during the last fifteen years in Spain, due to the obligatory adaptation of environmental policies to EU quality standards as a result of the country’s incorporation into the European Union.

The course covers the main environmental issues, the threats and dangers faced by the company in relation to the various existing pollutants and the possible solutions for each situation. The different means available to public and private entities, for the application of an efficient environmental policy, are also analysed, with particular emphasis on the need to integrate the environment into other sector policies.

FCC in the ISMS Forum Spain, a meeting point for professionals

A group of experts from the information security field has launched an initiative aimed at promoting and distributing information on this matter, in order to create a permanent forum for all people, companies and organisations to share their experiences and points of view on the subject.

This initiative, known as the ISMS Forum, is chaired by FCC’s Director of Information Security and Risk Management.

The main objectives of the Forum are to support and promote the diffusion of information on the ISO 27000 standard in Spain; to encourage the pooling of information and experience; to collaborate with the overseas sections on the resolution of problems relating to implementation of the standards; to encourage development and application of the standard in the Spanish market; and to cooperate with public and private entities, on both a domestic and international scale, to promote an information security management culture.

Participation in social-educational activities

FCC participates in the sharing of knowledge relating to sustainability and the day-to-day situation of the social community. The Group collaborates in research by contributing, with grants and financial assistance, to the implementation of studies, conferences, seminars, workshops and other knowledge generation and diffusion activities.

During 2006, FCC companies have participated in a number of initiatives, in order to convey their knowledge of and best practice in sustainable resource management, and to encourage social-educational initiatives relating to challenges and solutions, so that the people, the communities to which they belong and local sustainability may reach their full potential.





Collaboration agreement between Aqualia and the Rey Juan Carlos University in Madrid

Aqualia and the Rey Juan Carlos University have signed an agreement for the joint development of research and knowledge-sharing initiatives in relation to water and sustainability

In 2006, as a result of this collaboration, the book "Agua en tus manos: usos, gestión y nuevas fuentes" ("Water in your hands; uses, management and new sources") was published. This publication is a compilation of various articles in which the different authors explain, from their own specialist perspective, the challenges facing the players involved in the management of the integral water cycle, due to changes in Spanish society. This book also includes the Water Framework Directive, details of the search for new water supply sources, drought management and irrigation situations, the obligatory change in orientation for companies in the sector, and the use of mathematical applications to achieve greater efficiency in water usage. The idea for the book arose during the summer course at the Rey Juan Carlos University in Madrid, sponsored by Aqualia.

Further details at
<http://www.aqualia.es>

Ámbito and "New Perspectives in the Characterisation and Recovery of Contaminated Ground"

Ámbito, the FCC Group's industrial waste subsidiary, organised the first environmental issues update seminar under the title "New Perspectives in the Characterisation and Recovery of Contaminated Ground". This seminar, aimed at both customers and interlocutors from autonomous regional entities, was attended by over 90 professionals from various industrial sectors, including experts in energy and refinery, fuel distribution and storage, the chemical and metallurgical industries, real estate agencies, etc., as well as representatives from public administrations. Ámbito reviewed current trends in the definition of location characterisation strategies and the technical-economic viability of technological decontamination principles.

Further details at
<http://www.ambitofcc.com>



FCC and the Complutense University research the environmental impact of youth group drinking in cities

Under the patronage of FCC, a research team comprising teachers and university students, directed by the university professor Felicísimo Valbuena de la Fuente, of Madrid's Complutense University, is studying the "motivation of young people to drink in groups and the personal, social and environmental consequences for Spanish cities".

The research aims to propose a number of recommendations to serve as guidelines for city councils to establish communication plans aimed at young people who gather to drink in groups.

These proposals and recommendations will aim to significantly reduce antisocial behaviour and progressively educate young people to make positive use of their free time. City councils will be able to devise a communication plan aimed at young people, encouraging them to seek out alternatives to group alcohol consumption.

*Further details at
<http://www.fcc.es>*

FCC Medio Ambiente, backing education

Initiatives relating to participation in educational tasks carried out by FCC Medio Ambiente during 2006 include collaboration with the following entities: the Carolina Foundation, for the visit to the Villaverde park in Madrid; the Aragon regional government in the EAREA (Aragonese Environmental Education Strategy) programme; the Leizaola Elkargoa Foundation, for the 7th Bilbao summer course aimed mainly at recent graduates; the Forum Ambiental Foundation, to promote the incorporation of environmental culture into business culture; the Mediterránea Ecological Initiatives Centre in Tarragona, promoting environmental activities aimed at pupils of state and private schools in towns and social-cultural entity groups; and the Environmental Resource Centre in San Sebastian, the local Agenda 21 base, created to generate learning processes aimed at various publics and to encourage participatory sustainability policies within San Sebastian society.

Guided tours of the treatment plants prove to be highly successful citizen awareness initiatives in educational terms and for the promotion of selective waste collection. The recipients of these types of actions mainly comprise schools, students on specific environmental technique courses, technical staff and sector professionals. The following treatment plants were visited in 2006: Castellón ecopark, Jaén treatment plant, container selection plant and land-fill site of the La Ribera joint waste management unit, Manresa composting plant, Barbanza environmental centre, Almanzora ecopark, Migas Calientes composting plant

In Las Palmas de Gran Canaria visits to the local beaches were organised for groups of primary school children, so that they could learn how the beaches are cleaned and become aware of environmental protection. In Blanes (Gerona) schoolchildren visited the company's installations, while in Madrid the 'Puntu Limpio' ('Clean-up Points') programme has been developed, with awareness activities including visits to the city's waste disposal spots.

Beneficiaries:
11.526 pupils

In the environmental area, the FCC Group has participated in the integration of underprivileged groups, in social and employment terms, in collaboration with different associations, foundations, city councils and NGOs, including the Spanish Red Cross, the Federation of Physically and Organically Handicapped Persons Associations in the Autonomous Community of Madrid (FAMMA-Cocemfe Madrid), TIRGI, CERCA, the Tallers de Catalunya Foundation, Recursos Solidaris, L'Arca del Maresme, ASCODEL (Association for the Correction of Long-term Unemployment), Lasarte-Oria city council, Rentería city council, the ECOM Federation, Talleres Baix Camp, the La Safor Mentally Handicapped Association, FEAPS (federation of organisations in favour of the mentally handicapped and cerebral palsy sufferers) in the Murcia autonomous region.

A number of collaboration agreements have been signed with Spanish universities and education institutes to promote internships within the company, such as: Seville University, Santiago de Compostela University, Lleida University, Tarragona University, the Joan XXIII Foundation, the Politècnica de Catalunya University Foundation, the Escola Monalu, the Escola Salesiana de Sarria and Deusto University. FCC has also collaborated with the Salamanca University faculty of sciences on environmental seminars.

Collaboration agreements have also been signed with the following associations and training centres: CREA (Aragon Entrepreneurs Confederation), CEG (Galicia Entrepreneurs Confederation), the Hispalis Secondary Education Institute in Seville, Servicios Parque Delicias, S.L., Hernani city council, the Municipal Gardening School of Zaragoza city council, the Pérez de Lema Educational Centre, gardening training and research centres and schools in Cartagena and the Lan Ekintza Bilbao city council public company.

Beneficiaries:
135 pupils

FCC supports the disabled (ASPRONA)

FCC Medio Ambiente has signed an agreement with the Association for assisting people with learning disabilities and their families in the province of Albacete (ASPRONA). Support is focused on the nurseries where plants are grown for subsequent replantation in Albacete's garden cultivation areas. Help is also provided at the workshop producing plastic liners for litter bins and the graphic arts workshop where printing works are carried out for FCC. Finally, FCC collaborates free-of-charge in cleaning the Albacete bull ring following the traditional Asprona charity bullfight, televised by TVE.



Although industrial development makes Ámbito's industrial waste management activities absolutely necessary, such activities are not usually well received by the communities in which they are carried out. Therefore, despite the positive environmental and economic effect, in terms of job creation, Ámbito usually only carries out occasional activities in each location.

These activities, carried out to benefit the community, aim to convey Ámbito's commitment to each municipality. Ámbito company experts collaborate in local initiatives, giving educational talks on industrial waste management and environmental protection. The company bears the cost of the hours dedicated by the experts and the materials necessary for this activity.



Collaboration between INGES, an Ámbito subsidiary, and Vall d'Uxó city council for the implementation of the local Agenda 21 initiative

Agenda 21, an initiative developed by Vall d'Uxó city council, aimed to evaluate the situation of the municipality, detect requirements and shortfalls from an environmental perspective and establish corrective and preventive strategies to remedy the weaknesses detected.

This initiative comprised experts from the city council and from the main companies located in Vall d'Uxó, as well as members of the public.

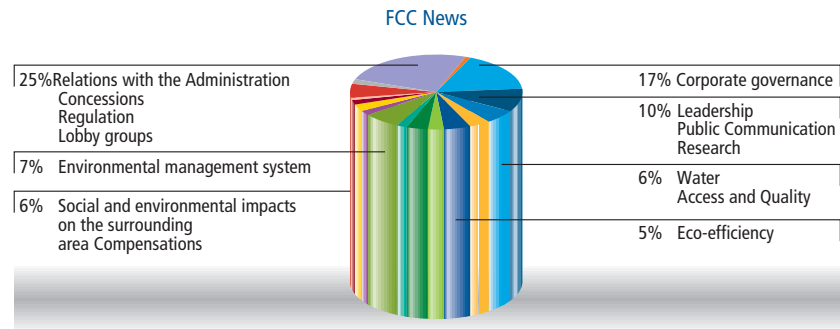
Meetings were initially held every two weeks and subsequently at longer intervals, in the form of follow-up meetings three or four times a year, in line with the confirmation of the proposed actions.

The action plan included several environmental strategies, implemented through specific programmes.

INGES participated in the strategy relating to the "adaptation of integral waste management to minimisation, re-use and recycling criteria and the consideration of the safe elimination of waste". Specifically, INGES participated in the "environmental education and citizen awareness campaign" in collaboration with the city council, organising environmental awareness seminars aimed at individuals and companies.



Thematic profile of corporate responsibility events



FCC communicates its corporate responsibility policy

The Group aims to inform its internal and external stakeholders of its efforts and achievements in corporate responsibility using different channels of communication.

The web pages of the areas and subsidiary companies of FCC include press articles about FCC, and reflect not only its public image but also topics relevant to the entity and its stakeholders.

Furthermore, the corporate web site includes a comprehensive section on corporate responsibility where FCC shows its stakeholders its commitments and advances in corporate governance, sustainability and social benefits, and its work in the community.

For the external stakeholders, the publication by FCC of three sustainability reports for FCC Construcción, Cementos Portland Valderrivas and FCC Medio Ambiente is particularly noteworthy. The biennial FCC Construcción report was prepared in accordance with the new criteria of the G3 standards of the Global Reporting Initiative (GRI).

Following the directives of the United Nations Global Compact, FCC Construcción published its progress report on compliance with the ten principles included in the pact.

Internally, FCC publishes its corporate responsibility policy and actions through different channels.

The corporate newsletter already includes a section of several pages on this subject. The Intranet also keeps employees informed of the main initiatives in corporate responsibility of the Group.

Attention to the press

The Communication Direction of FCC is in constant contact with the media. Beyond purely informative activity, communication with the non-financial press allows the Group to monitor positive and negative impacts on the communities in which the Group is present.

In 2006, over 1,500 non-financial news reports related to the Group were monitored, analysing events by thematic area to determine which issues are most relevant to public opinion.

Corporate governance, leadership and public communication in sustainability and relations with the Public Administration/concessions of public contracts are the topics that receive most attention in the FCC press releases analysed. 52% of releases about FCC focus on these three topics.

Attention to society

As in previous years, in 2006, FCC monitored areas of particular interest to the most dynamic organisations in society on a world scale. The Group recognises the capacity of well-known and powerful social organisations to set events in motion and form opinions. This analysis determines the topics which are most predominant in the Internet



communications of the organisations monitored and provide information for the preparation of the present Report.

The relation of companies with public administrations, in aspects such as concessions of public contracts and the development of regulation and lobbying activities, are the predominant topics in the communication studied. Traditional global concerns such as climate change and health and safety in the workplace are dealt with in press releases and reports about their impact on the sector, and less frequently, about specific companies. Other topics that have also received a lot of news coverage include customer education on sustainable consumption, atmospheric emissions (noise and particles) and soil pollution, social and environmental impacts on the environment, and compensatory actions.

Cooperation in the community

FCC directs its cooperation towards the needs of the communities in which the Group companies operate. These activities include purchases of local supplies, direct economic contributions to social action projects, collaboration agreements with NGOs, and patronage and sponsorship programs. It is not possible to give exhaustive details of all FCC's initiatives in this field in this chapter and therefore only certain initiatives have been mentioned.

Purchase of local supplies

For FCC the local purchasing of supplies is a matter of responsible provisioning, and the main means of contributing to the local economy, beyond the direct creation of employment, payment of taxes and the work or service carried out.

FCC exercises a positive influence on the local economies where it operates. Wherever possible the company contracts locally in the supply chain, following reasonable criteria. There are conditioning factors such as established trading relationships, technical capacity, response time and technical specifications to be considered in the areas of quality, safety, prevention and the environment.

The directives included in the purchase procedures list the factors to be taken into consideration when evaluating suppliers. These include the proximity of the supplier or distance that goods have to be transported. Similarly, to minimise the possible impact of breakdowns, priority is given to local suppliers to facilitate rapid response time and contribute to the efficiency of FCC plants. Nevertheless, other factors may discourage hiring small scale local operators such as the requirement for quality, environmental management and standardisation certifications, the limited supply of machinery or specific equipment for exclusive use by FCC.

Responsibility and management of supplier relations is a priority for all FCC companies, guaranteeing efficiency in the

Credits for local development. WRG, an example from the United Kingdom

Waste Recycling Group, a UK subsidiary of FCC Medio Ambiente, runs a credits program linked to the activity of the landfills that it manages. The objective of this program is the socio-environmental benefit of the communities in which its landfills are located. The majority of the projects are initiatives for the construction of local meeting places for recreational and cultural activities, and green areas. There are groups of volunteers and panels of local advisors that offer their support to this program, ensuring that the financing of WRG is allocated to the most needed projects and those of greatest impact.

Further information at <http://www.wren.org.uk>

making of decisions concerning operations. With the due exceptions, FCC policy is to support the stability of the local economy through the contracting of supplies.

Cooperation in social action projects

In 2006, FCC reformulated its foundational commitment to the development of the areas in which it operates, and the promotion of initiatives that benefit the environment and contribute to the local communities.

The Corporate Responsibility Master Plan includes the commitment of FCC to both dialogue and cooperation by means of the development of socially responsible action programs in the short and medium-term with non-contractual interest groups in strategic areas.

The implementation of this objective within the Group by means of corporate plans and plans divided by area will provide FCC with a tool for the development of action plans in the community.

Proactiva Medio Ambiente Colombia, social commitment in "Presidente"

Proactiva Medio Ambiente, a company 50% owned by each FCC Ambiente and Veolia, has an advanced program of cooperation in community development projects in the Latin American countries where it operates.

The objective of the Presidente landfill project is to contribute to social development and to mitigate the environmental impact on the area close to the landfill, lending support to activities that contribute to improving the quality of life of the local population, with particular attention to the most disadvantaged groups. The projects are intended to achieve:

- A reduction in poverty, with projects related to generation of employment, training and the generation of micro-businesses.

- Mitigation of the environmental impact, with actions intended to diminish odours; promote health and environmental education; and workshops on the handling of solid waste.
- Training and instruction in leadership; workshops in sensitisation and basic principles for coexistence; theatre workshops, painting and activities for senior citizens.
- Communication and transparency, especially of the environmental management plan, the social management plan, and by means of the creation of a community services office.

Further information about Proactiva at <http://www.proactiva.es>

Aqualia educates on responsible use of water



IV Annual children's drawing competition, at a national level and in all towns where Aqualia is present. More than 800 schools participate and over 20,000 drawings are submitted. The competition is for children in their third or fourth year of primary school and there are large individual and group prizes (trips, computers, teaching and educational material).

Aim: to make children aware of the importance of intelligent water consumption to guarantee future development through games and teaching. The initiative involves all actors in the area in which Aqualia works (town councils, users, educational centres, media and company employees).

World Water Day campaign

On this day (22 March), Aqualia organises a number of events in all the areas in which it renders services. The most noteworthy events are those directed at children and teenagers, although there are many more for other groups (neighbourhood associations, consumer associations, etc). There are workshops, tours of the installations (water treatment and purification plants), games, competitions and talks, and conferences in the open air, in public places (marquees), and in public buildings or schools. More than 300 school children participated in the event in Badajoz alone.

Teaching material

As its own initiative and/or in collaboration with public entities, Aqualia has developed a number of educational tools to make school children aware of the integral water cycle and its correct management and consumption. We use workbooks (three levels) to teach this topic in classrooms, either with schoolteachers or Aqualia employees.

We also have PC games, "Water in the home", "The integral water cycle" and "Hydrokid" where children and adults learn about managing water by computer. Comic "Hydrokid, the guardian of water" is a challenging PC game, where children can enjoy themselves whilst at the same time learning about the importance of water and how to manage it correctly. It is also place specific with information on each municipality.



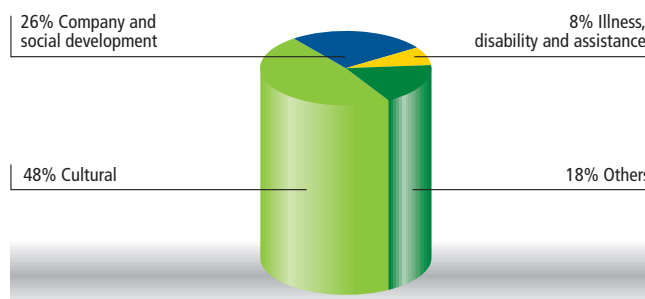


Patronage programmes

The commitment of the FCC Group to society is also demonstrated through a patronage programme, which places emphasis on the promotion of values and of social awareness resulting in a large number of initiatives covering a wide range of areas. Examples of the main FCC Group patronage initiatives in 2006 are listed below.

The following chart shows the distribution of investments made in 2006 based on the type of initiatives.

Breakdown by area of FCC cooperation initiatives

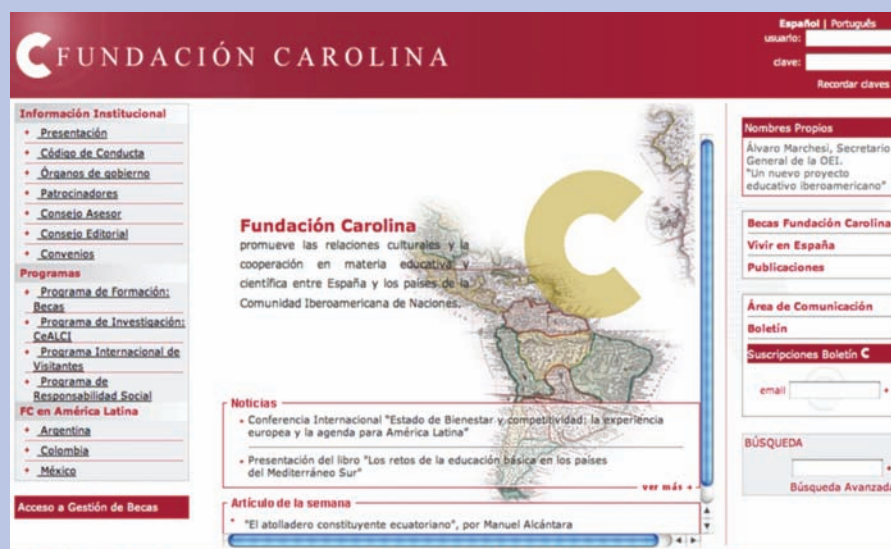


Relation between FCC and the entities and foundations with which it cooperates

Institution	Collaboration
Association for External Promotion of Seville	Social development
Seville Prevention Conference. Prevexpo	Social development
Civitus Nova Forum 2006	Social development
Employment Fair 2006. Valencia	Social development
Environment, Company and Sustainable Development Foundation	Social development
Ernest Lluch Foundation	Social development
I Citizen Participation Conference, Madrid	Social development
III Conference on Civil, Land and Environmental Engineering	Social development



Institution	Collaboration
Intercaminos Project Valencia 2006	Social development
Civil and Environmental Engineering Week. Universidad Pública de Valencia	Social development
VIII Conama. National Conference on the Environment. Sustainable Development Summit	Social development
XIV Conference on Ground Mechanics and Geotechnical Engineering	Social development
Action Against Hunger	Social development
Ad+Solidarity Projects	Social development
SOS Children's Villages Spain	Social development
Help in Action	Social development
Roman Academic Centre	Social development
National Centre for Cardiovascular Research	Social development
Autonomous Region of Madrid Women's Council	Social development
Amigó Foundation	Social development
Carolina Foundation	Social development
Codespa Foundation	Social development
Rtve Crecer Jugando Foundation	Social development
Economic Studies Foundation	Social development
Youth Sport Foundation	Social development
General Foundation of the Universidad Politécnica de Madrid	Social development
Prince of Asturias Foundation	Social development
Vicente Ferrer Foundation	Social development
Claretian Missionaries in Peru – Proclade Bética	Social development
Nuevos Caminos	Social development
San Manuel and San Benito Parish	Social development
Kingdom of Navarra Cup	Social development
Afandice	Assistance
Ribera-Tudela Association for the Physically Handicapped	Assistance
Spanish Association Against Cancer	Assistance
Oncological Children's Association of Madrid	Assistance



Institution	Collaboration
Association for the Promotion of and Attention to Adult Mental Illnesses, Apadema	Assistance
State Coordinating Confederation for the Physically Handicapped in Spain, Cocenfe	Assistance
Spanish Federation Against Cystic Fibrosis	Assistance
Afin Foundation	Assistance
Concerto Foundation	Assistance
Juan XXIII Foundation	Assistance
Leukaemia and Lymphoma Foundation	Assistance
Pequeño Deseo Foundation	Assistance
Promete Foundation	Assistance
Down Syndrome Foundation	Assistance
Theodora Foundation	Assistance
Payasospital	Assistance
Avila town council	Cultural
Cultural Albacete	Cultural
Information Theory Department Universidad Complutense de Madrid	Cultural
Ordovician Tunnel Exhibition. Geomineral Museum of Spain	Cultural
Zaragoza under Transformation Exhibition	Cultural
Friends of the Universidad de Navarra Foundation	Cultural
Friends of the Prado Museum Foundation	Cultural
Canary Island Opera Festival Foundation	Cultural
Silos Foundation	Cultural
Lyric Theatre Foundation	Cultural
Three Mediterranean Cultures and Anne Frank Foundation	Cultural
Universidad Rey Juan Carlos Foundation	Cultural
Hispania Nostra	Cultural
Donostiarra Choir	Cultural
Royal Toledo Foundation	Cultural
XX Castell de Peralada Music festival	Cultural
The Ages of Man (Ciudad Rodrigo)	Cultural

FCC Medio Ambiente promotes the communities in which it is present

The special link between FCC Medio Ambiente with the local communities in which it operates has led to a wide range of sponsorships from this area by FCC. This has contributed to social/community improvement. Throughout 2006 there have been numerous sponsorship and patronage activities undertaken in the social, cultural and sports arena, etc.

FCC supports the World Heritage Site through the Royal Toledo Foundation

The Royal Toledo Foundation, of which FCC is the patron, is a private non-profit-making cultural institution presided by HM the King. It aims to contribute to the conservation and revitalisation of the historic city of Toledo, UNESCO World Heritage Site, through carrying out activities to promote its living conditions and protection, and studies and awareness of its cultural assets. It also strives to conserve and spread the legacy of the sculptor Victorio Macho. The following actions undertaken by the Foundation in 2006 are notable:

- Museum activities, development projects, development of heritage, conservation and restoration of cultural artefacts and exhibitions.
- Heritage awareness, conferences and work meetings on cultural and regional scenery, archaeology and the historic city.
- Research projects, including historical themes, Visigothic Toledo, Toledo at present, studies on the general public and tourism.
- Publications and announcement of the Royal Toledo Foundation Awards, 13th edition.
- Landscape conservation of Vega Baja, Toledo.

Awards received

In recognition of its work, the Royal Toledo Foundation has received the gold medal for Merit in Fine Arts, the medal of honour from the San Fernando Royal Academy of Fine Arts and the gold medal from the City of Toledo.



Proactiva and environmental education in Latin America

- Guardians Project: environmental education for children, which won the silver Escoba award in 2006.
- Recycling: different educational campaigns on recycling led by the Argentinean industrial waste subsidiary (Deltacom).
- Beach cleaning: campaign to keep the environment clean (Brazil).
- Avance Programme: training for Proactiva Mexico and Brazil employees.

Sharing knowledge about "Scenarios in Spain"

For fourteen years FCC has edited a book published annually that is part of a valuable collection, which is widely consulted in universities and by academics for its scientific and informative content.

These books provide in-depth historical analyses of matters that are usually related to activities carried out by the FCC Group.

An average of 15,000 copies are printed every year and each book comprises approximately 400 pages with more than 350 illustrations that are distributed free of charge. To date the following titles have been published:

1993	Recuerdo urbano de España
1994	Puentes de España
1995	El hombre y el agua
1996	Arte y arquitectura de la vivienda española
1997	Viaje por la historia de nuestros caminos
1998	La ciudad. Recorrido por su historia
1999	Memoria viva de un siglo
2000	Historia de las técnicas constructivas
2001	Historia de los parques y jardines
2002	Fiestas de España
2003	El municipio. Recorrido por su historia
2004	Obras singulares de la arquitectura y la ingeniería en España
2005	Historia del carruaje en España
2006	Escenarios de España

In 2006 FCC unveiled its latest book entitled "Scenarios in Spain" describing places that accommodate audiences and the atmosphere for these events.

Around twenty prestigious authors participated in this new volume with many illustrations that provide an attractive image of scenarios in Spain.

The book covers different historical periods and is very general; from the Greek-Roman heritage up to the present time, and includes a large selection of scenarios: Roman theatres and amphitheatres, churches, comedy houses, opera houses, Zarzuela theatres, cafes, cinemas, auditoriums, concert halls, stadiums, racetracks, and many more.

Historical periods

As in previous volumes, the book is divided into historical periods, with four chapters, 480 pages and 929 illustrations.

It begins with the Greek and Roman times and moves on to the end of the Middle Ages, describing the first public spaces dedicated to housing events, with magnificent examples. It continues with the Spanish Golden Age and then on to the Century of Lights, with a splendid selection of places used for theatre representations, public squares,

scenarios for large celebrations and shows; then it moves to the illustration period and on to the birth of cinema. It was during the latter period when there was an enormous increase in the number of stages: the Zarzuela Theatre and the Royal Theatre were built in Madrid at this time, as well as the Lyceum Circle in Barcelona and the first cinemas.

The last chapters are dedicated to the twentieth century and the beginning of the twenty-first century when mega premises start to appear; large cinemas, sports stadiums, velodromes, dog racing tracks, auditoriums and sports pavilions. The last part of the book includes three illustrated appendices of theatres, auditoriums, arenas and sports stadiums in Spain, classified by autonomous regions, provinces and municipalities. This compendium offers an image of our customs and is undoubtedly a very valuable contribution to the history of architecture and construction in Spain.





Teatro-Circo de Abacete. Façade and room (XIXC)

Recognition

Throughout 2006 FCC has received numerous awards and recognition for its work as a company. Due to space limitations, only a few of them are detailed here:

- **FIB Excellent Structures Award 2006, Civil Engineering Structures Category.** Floating dike in Monaco, awarded by the International Federation for Structural Concrete whose headquarters are in Lausanne, in January 2006.
- **International Dedalo Minosse Architecture Award 2005-2006.** Zaragoza Delicias train station, awarded by the region of Veneto, the Ala-Assoarchitecti Association and the architecture magazine, L'Arcadestaca, in June 2006.
- **Arco Award for the Best Architectural Work 2004-2005.** Plaza del Mar and Toyo sea front, Almeria, in development, scenery and public spaces category, awarded by the Almeria Colegio de Arquitectos in November 2006.
- **Award for Aqualia as the best water management company in the world in 2006,** awarded by Global Water Intelligence (GWI).
- **Award for FCC as "Best company in the autonomous region of Madrid",** awarded by the magazine, Mundo Empresarial Europeo.
- **Environmental award from the autonomous region of Madrid for Cementos Portland Valderrivas.**
- **Several awards for the cleanest cities in Spain,** where FCC is in charge of conservation and cleaning.
- **"Aster Award for business track record"** for FCC presented by the ESIC business school.
- **"Best of European Business" award** to Aqualia for its European vocation, presented by Roland Berguer Co.
- The Boadilla del Monte town council received the **X award from the Spanish Association of Public Parks and Gardens for maintaining cleanliness and conservation in green areas,** a service rendered by FCC.
- CTSA, a subsidiary of FCC Transportes, was awarded **"Company of the year"** for services rendered in Avila.
- Proactiva Medio Ambiente Brazil received the **Garopaba award for "Top Business 2006",** for its participation in promoting recycling in the municipality of Garopaba, an award sponsored by the Jornal do Sul.
- Proactiva Mexico, through Setasa, was presented with the **Silver Escoba award,** for its awareness campaigns "Guardians of the environment" and "With you in your colony". Presented at the International Town Planning and Environment Fair.

Eco-efficiency and reducing environmental impacts

241	Protecting the air
248	Protecting the water
255	Protecting the land
261	Compliance with regulations

FCC integrates eco-efficiency and reducing environmental impact objectives into all its business areas. This is the Group's reasonable response to global challenges whose short, medium and long-term repercussions on the quality of life of persons and ecosystems makes them strategic objectives for the Company

The increase in atmospheric pollution shows the need to improve systems to control and reduce contaminants. The ever-increasing gap between demand and availability of water highlights the need to ensure efficient management of this scarce and valuable resource. Contamination of the land may be alleviated through efficient waste management. The loss of wealth of biodiversity evidences the need to restore vulnerable areas.

Aware of the impact of the Group's activity on the environment, FCC has integrated environmental protection and eco-efficient management into the Group's strategic planning and decision-making.

The **Corporate Responsibility Master Plan** pays testament to FCC's commitment to eco-efficiency. This plan establishes the development of programmes that place the Group at the forefront of innovation of eco-efficient processes and services. In order to reinforce this objective, the Group has also established the "green centre" plan, which focuses on identifying and reducing the environmental impacts associated to the Group's work centres.



El Alto Cement Factory, Morata de Tajuña, Madrid

Protecting the air

Cement production, due to the volume and complexity of the production process, is the Group activity that most contributes to atmospheric contamination

One of the direct consequences of the notable economic growth in Spain in recent years has been the development of the urban sector and large-scale investment in infrastructures. Consequently, the consumption of cement has significantly increased.

In this context, in 2006, Cementos Portland Valderrivas Group, the leading national cement producer in Spain undertaking activity in all stages of the cement business cycle: aggregate, cement, concrete and mortar, increased its efforts to continuously improve the prevention and integrated control of the impact of its activities on the environment, incorporating the best techniques available and innovative alternatives that favour maximum eco-efficiency.

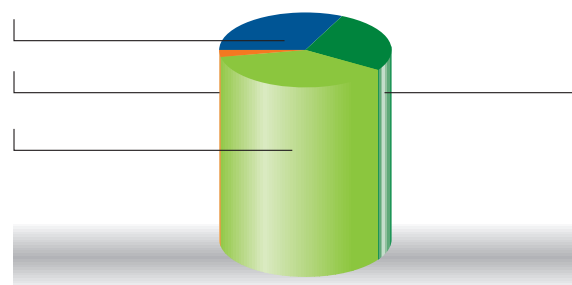
Cementos Portland Valderrivas has also created two committees to oversee compliance with the commitments undertaken in the field of sustainability; a strategic committee, the Sustainability Committee; and an executive committee, the Sustainability Work Committee.

The increase in demand and production leads to a rise in production inputs, of which the consumption of raw materials and energy are particularly relevant. In 2006, Cementos Portland Valderrivas consumed a total of 45,690,340 tonnes of raw materials, of which 42,317,522 tonnes were used in the production centres in Spain and 3,372,818 tonnes in the cement production factory in the US.

The following table shows raw materials consumed in the last three years by product type. In 2006, the scope of activity in Spain has varied compared to 2005 as it includes details of Cementos Leona and the aggregate and mortar production of Cementos Alfa Group.



Percentage consumption of raw materials of Cementos Portland Valderrivas Group in Spain in 2006



Consumption of raw materials of Cementos Portland Valderrivas Group in Spain (tonnes)		2003	2004	2005	2006
Cement	Limestone marl	8,374,046	9,082,318	9,188,385	10,111,246
	Clay	451,054	420,768	367,000	388,351
	Sand	22,896	23,526	13,804	40,701
	Limonite	41,955	36,545	67,818	66,893
	Gypsum	395,407	410,169	407,721	451,226
	Pozzolan	84,855	74,507	107,720	163,776
	Ashes and slag	784,731	751,501	776,008	913,328
	Ferrous sulphate	0	3,577	17,150	30,550
	Kaolins	76,023	60,680	81,246	62,797
	Other materials	319,976	431,346	463,095	748,190
Total cement		10,550,943	11,294,937	11,489,947	12,977,058
Concrete	Cement	823,475	831,744	996,908	1,493,413
	Aggregate	5,867,882	6,131,822	6,854,109	10,337,877
	Ashes	25,862	56,570	54,787	51,564
	Additives	7,451	7,276	9,249	14,104
	Arlite	923	711	965	3,201
Total concrete		6,725,593	7,028,123	7,916,018	11,900,159
Aggregate	Wet-mix macadam	9,042,580	10,124,399	10,593,305	16,224,076
Total aggregate		9,042,580	10,124,399	10,593,305	16,224,076
Mortar	Cement	35,696	33,673	42,498	131,162
	Aggregate	282,316	287,461	392,069	1,033,997
	Ashes	6,711	10,953	17,689	46,262
	Additives	223	197	218	1,168
	Lime	4,848	4,012	3,807	3,639
Total mortar		329,794	336,296	456,281	1,216,228
Total raw material consumption		26,648,910	28,783,755	30,455,551	42,317,522



Consumption of raw materials of Cementos Portland Valderrivas Group in the US (tonnes)		2003	2004	2005	2006*
Cement	Limestone marl	1,961,252	1,946,954	2,031,273	2,775,962
	Sand	88,409	93,026	88,467	199,687
	Gypsum	80,359	78,336	87,569	107,894
	Ashes and slag	126,439	113,493	117,264	168,387
	Other materials	28,995	26,605	29,151	120,888
Total cement		2,285,455	2,258,415	2,353,724	3,372,818

*Includes Thomaston figures

Cement Production and atmospheric contamination

Cement is a basic construction material, which is made using an intermediary product called clinker and is then ground with gypsum and other additives. Clinker is manufactured using mainly minerals, limestone and clay after passing through automated and physio-chemical processes requiring calorific energy.

Emissions of SO₂ (KgSO₂/Tm cement) in 2006:
+0.48% of
weighted average in Spain 2005

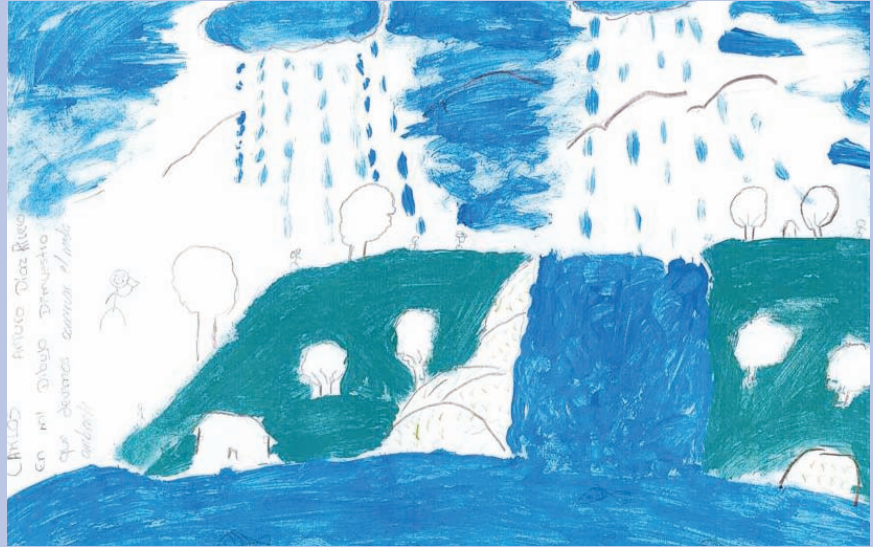
Emissions of NO_x (KgNO_x/Tm cement) in 2006:
-14.61% of
weighted average in Spain 2005

Emissions of particles
(Kg particles/Tm cement) in 2006:
-31.8% of weighted average
in Spain 2005



The emission of contaminants into the atmosphere is the most significant environmental issue of the manufacture of cement.

Environmental aspects	Installation	Operation	Impact
Fugitive particle emissions	Quarries	• Start-up • Crushing • Transport	• Perturbances to the population • Effect on vegetation
	Cement factories	• Transport • Grinding	
Canalised particle emissions	Quarries	• Crushing	• Photochemical smog • Effect on vegetation and fauna • Perturbances to the population
	Cement factories	• Grinding of raw materials and fuels • Manufacture of clinker • Grinding of cement • Bagging cement	
SO ₂ , NO _x , CO and CO ₂ Combustion gas emissions	Cement factories	• Manufacture of clinker	• Acid rain • Photochemical smog • Global warming
Noise and vibration emissions	Quarries	• Blasting • Crushing • Transport (vehicles)	• Perturbances to the population and fauna
	Cement factories	• Grinding of raw materials and fuel • Manufacture of clinker • Grinding of cement • Transport (vehicles)	



Drawings by children during environmental conferences

Monitoring of emissions and air quality

Two fundamental aspects of atmospheric contamination must be taken into consideration: the handling of large quantities of diverse solid materials, such as raw materials, intermediary products, additions and fuels, many of which must be crushed into powder form; the burning of crude oil in a high temperature furnace to obtain clinker.

The different treatments applied to the materials used throughout the production process, transport, storage, grinding, etc. may cause the emission of particles into the atmosphere, however, the main gas emissions occur during the clinkerisation process in the furnace. These emissions are produced as a result of the physio-chemical reactions to which the raw materials are subjected and the use of fuels to burn crude oil. The most significant emissions related to the clinker furnaces are:

- Particles.
 - Nitrogen oxides (NO_x).
 - Sulphur dioxide (SO₂).
 - Carbon dioxide (CO₂).
- Specifically analysed in the
Fight Against Climate Change Chapter.*
- Carbon monoxide (CO).
 - Volatile organic compounds (COV).

Emissions are controlled using three measurement systems:

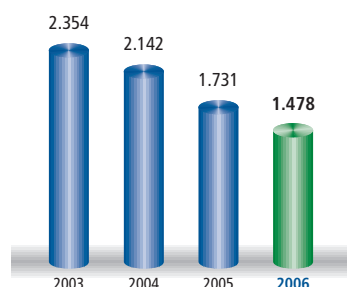
- Continuous systems to measure particles in clinker furnaces and coolers, cement grinders and combustion installations.
- Continuous systems to measure NO_x, SO₂ and CO in the furnaces.
- Annual measurements of chlorohydric acid, fluorhydric acid, VOC, benzene, polyaromatic hydrocarbons (PAHs), heavy metals (arsenic, cadmium, chrome, copper, mercury, nickel, lead, zinc), PM-10 particles and dioxins and furans.

Air quality in the surroundings of each installation is controlled by the vigilance networks that monitor the following parameters:

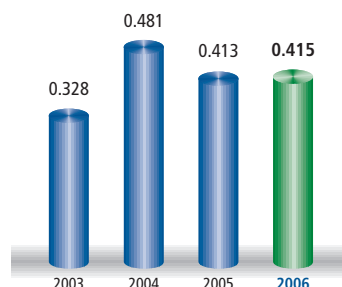
- Sedimentary particles.
- Total suspension particles (TSPs).
- PM-10 suspension particles.
- Nitrogen oxides (NO, NO₂).
- Sulphur dioxide (SO₂).
- Ozone (O₃).
- Meteorological parameters.

Cementos Portland Valderrivas has signed voluntary agreements with the Administration to reduce **the emission of particles and combustion gases into the atmosphere**. These have allowed the Company to prepare its installations sufficiently in advance to comply with Spain's Law 16/2002 on Integrated Pollution Prevention and Control (IPPC).

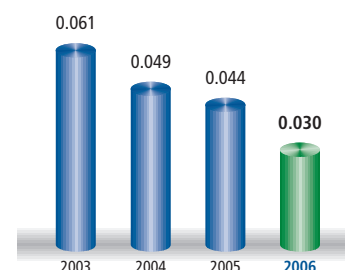
Emissions of NO_x, Spain
Kg/Tm cement. Weighted average



Emissions of SO₂, Spain
Kg/Tm cement. Weighted average



Emission of particles, Spain
Kg/Tm cement. Weighted average



In 2006, the Company also obtained the Integrated Environmental Authorisation for the Mataporquera, El Alto and Alcalá de Guadaira factories.

The Company has also promoted the use of the Best Available Techniques (BATs) in all of its cement division installations. An example of the implementation of BATs is the use of selective non-catalytic reduction (SNCR) in the El Alto cement factory, a technique based on the injection of ammonia to control NO_x emissions. The Company has also carried out trials to use this technique in the factories in Alcalá de Guadaira (Seville),

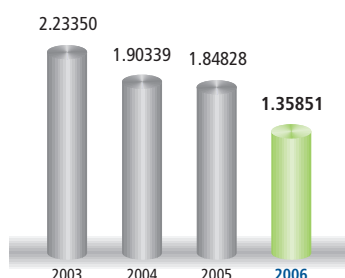
Hontoria (Palencia) and Olazgutia (Navarra) and is awaiting the final authorisations to commence operations in these installations.

In 2006, the Company has continued to achieve positive results regarding the reduction of NO_x, SO₂ and particle emissions. The figures should be interpreted taking into consideration that the weighted average of Spain for 2006 includes details of Lemona and the weighted average of the US for the same year includes details of the Thomaston installation.

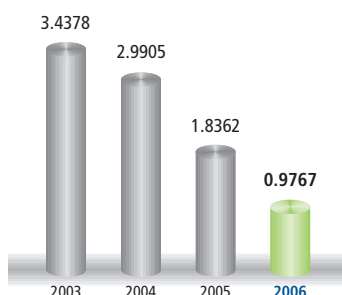
Emissions of SO₂, NO_x and particles of Cementos Portland Valderrivas

	NO _x (Kg/Tm of cement)			SO ₂ (Kg/Tm of cement)			Particles (Kg/Tm of cement)		
	2004	2005	2006	2004	2005	2006	2004	2005	2006
Spain									
Alcalá de Guadaira	1.758	1.526	1.522	0.017	0.022	0.019	0.028	0.030	0.033
El Alto	1.900	1.650	1.371	0.390	0.330	0.220	0.037	0.059	0.045
Hontoria	2.420	1.930	1.900	0.020	0.060	0.060	0.060	0.040	0.005
Olazagutia	3.905	2.461	2.440	1.219	1.238	1.390	0.104	0.011	0.020
Mataporquera	1.200	1.340	0.676	1.190	0.840	0.780	0.044	0.067	0.026
Lemona			0.878			0.624			0.021
US									
Harleyville	1.934	1.823	0.901	3.533	1.348	0.505	0.728	0.754	0.691
Bath	1.869	1.877	1.770	2.381	2.391	2.776	0.339	0.341	0.488
Thomaston			1.669			0.047			0.027

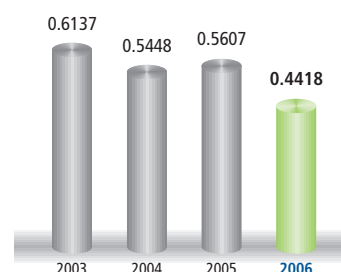
Emissions of NO_x, US
Kg/Tm cement. Weighted average



Emissions of SO₂, US
Kg/Tm cement. Weighted average



Emissions of particles, US
Kg/Tm cement. Weighted average



Energy efficiency in the production of cement

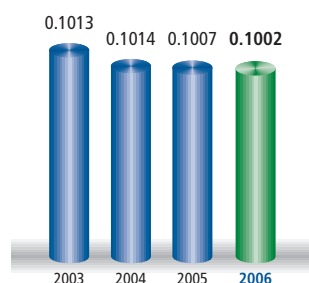
In 2006, energy consumption of Cementos Portland Valderrivas' operations in Spain amounted to 927,747 MWh, while operations in the US amounted to 318,038 MWh.

The ratios for electrical energy consumption and calorific energy per tonne of cement produced show that the measures implemented by Cementos Portland Valderrivas have produced positive results in terms of progress in energy eco-efficiency.

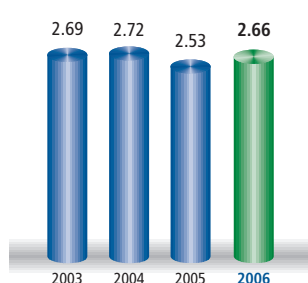


Further information at www.cementosportland.es

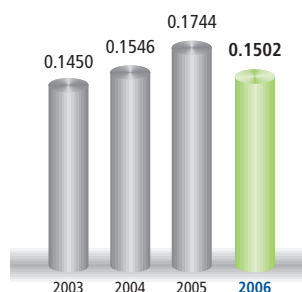
Electrical energy consumption in Spain
MWh/Tm of cement



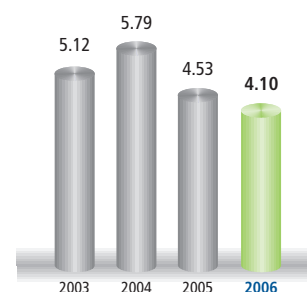
Calorific energy consumption in Spain
GJ/Tm of cement

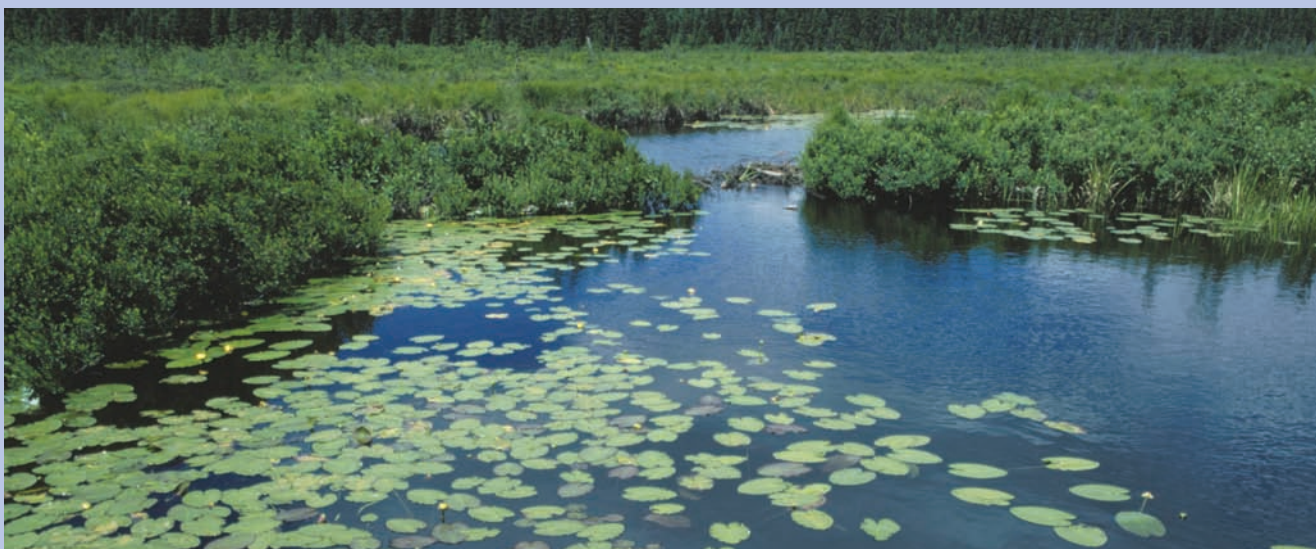


Electrical energy consumption in the US
MWh/Tm of cement



Calorific energy consumption in the US
GJ/Tm of cement





Protecting the water



Collection

562,275,000 m³ of water collected

Conversion into drinking water

5,885,061 kg of reactive materials used in the disinfection of the water

Distribution

174,158,972 m³ of drinking water distributed each quarter

Purification

117,149 m³ of solid waste in wastewater treatment plants

Aqualia is the FCC group company that specialises in integral water cycle management. It provides services to 13 million inhabitants in over 800 municipalities in Spain, Italy, Portugal and the Czech Republic. It has a staff of 6,000 employees and an annual turnover of over Euros 750 million.

Aqualia and integral water management

Aqualia manages a business committed to accessible quality water. This is an important activity due to its implications for public health and sustainability of the ecosystem. This FCC subsidiary assumes a responsible approach to the challenge of the sustainable management and development of scarce water resources under high demand: drinking water, water for purposes of hygiene, food production, energy and industrial goods and maintenance of natural ecosystems.

Aqualia's business activities are diversified and include: solutions for the use of water in industry, design and construction of water treatment plants, optimisation of water for irrigation, and public hydraulic infrastructure concessions, which can in turn include financing, specialised consultancy, site construction and equipment supply, as well as maintenance and operation of hydraulic infrastructures.

At the date of this report, Aqualia has been elected the world's best Water Management company of the year, by the international publication Global Water Intelligence, acknowledging its evolution over recent years and international presence.

Further information at
<http://www.fcc.es> and <http://www.observatorioconstruccion.com>

Aqualia is not limited to the management of water as an economic resource, but performs a second role: the integral management of the accessibility and maintenance of this scarce commodity, making customers and users aware of their own responsibility with regard to sustainable water management.

Aqualia's plan for the management of quality and the environment integrates environmental sustainability into the management of the company. Aqualia has established tools to ensure compliance with this plan:

- Periodic meetings of the quality committees to carry out follow ups and review of action taken.
- Internal audits of all the installations with management systems implemented. In 2006, the majority of subsidies and associated companies had certified management systems in accordance with regulation UNE-EN ISO 14001.

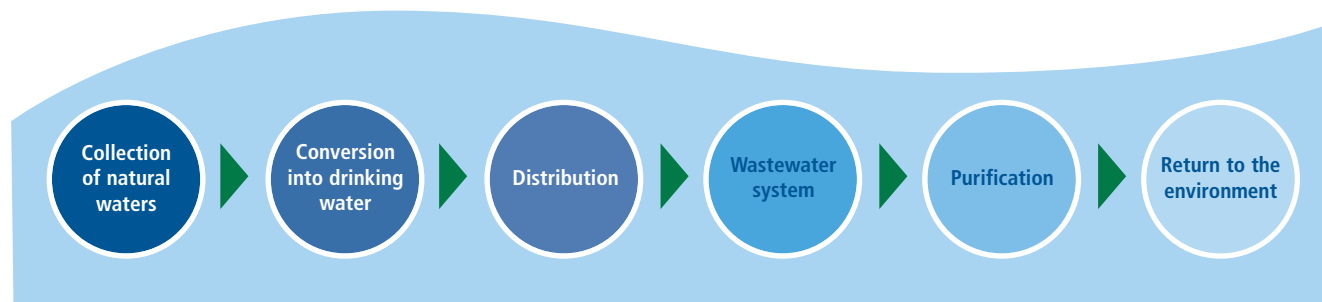
- Processes of continual improvement and the necessary accreditation, by ENAC, of the Aqualia laboratories.

- Management indicators, which can be contracted individually.

The following performance indicators have been established to monitor the plan's progress:

- Quality of water provided and purified.
- Quality of service.
- Technical yield of the network.
- Level of customer service.

Aqualia offers its services at all stages of integral water management:



Control of impacts: avoiding overexploitation of subterranean waters

Subterranean waters offer vital functions and services to humankind and to the environment. They supply streams, springs and wetlands, maintain the stability of the surface soil in areas where the terrain is unstable, and act as a fundamental water resource to satisfy society's basic demands for water.

It is fundamental that the rhythm of extraction does not exceed the process of regeneration. Otherwise, an imbalance will occur with significant impacts on the availability and quality of water.

Aqualia carries out the studies necessary to understanding the process of regeneration, and those aspects that can affect the commercial exploitation of resources. It also measures water quality to detect any possible overexploitation of resources, and to suspend all extraction activities if the quality of water is detected to be below the established threshold.

Further information at <http://www.aqualia.es>

Collection

Water is collected from surface waters (reservoirs and rivers), subterranean waters (wells and springs) and the sea and other salt water sources. Suitable management of resources will allow both quality and quantity to be maintained over time.

The performance of Aqualia in each one of its water systems is based on the premise of a sustainable management of demand, by means of processes that favour a more efficient use of water, and improve the balance between supply and demand. In 2006, the volume of water collected by Aqualia was of 562,275,000 m³, 69.8% of which came from surface sources, 28.8% from subterranean sources and 1.4 from salt-water sources.

Conversion into drinking water

The transformation of untreated water into drinking water is carried out at drinking water treatment plants (ETAP). In 2006, Aqualia had 130 working ETAP, producing a volume of drinking water of 497,954,152 m³.

The process for converting untreated water into drinking water employs reactive disinfectants and energy. In 2006, Aqualia used 5,885,061 kg of reactive materials and 83,024,452 kWh in energy, representing a slight increase in consumption with respect to 2005.

Aqualia are experts in desalinators, desalination, water purification and the mitigation of the impact of brine on marine flora and fauna.

Applying an external pressure greater than natural osmotic pressure, the salts or brine can be separated and the water purified with a low salt content. For each litre of water extracted from the sea, less than half is desalinated. The remaining brine has a salinity that is twice as high as that of sea water and is generally returned to the sea.

Aqualia monitors and mitigates the effects of brine on the surrounding sea bed. The effects of brine on the marine flora and fauna of the surrounding areas depend on the characteristics of the marine life in the area of evacuation. Consequently, before initiating development of a desalination plant, Aqualia analyses the sensitivity of the local marine life and identifies the most suitable course of action.

In 2006 Aqualia was awarded the desalinators of Tordera, in Barcelona, and of Roque Prieto, in Gran Canaria; both within the A.G.U.A. program of the Ministry of the Environment. Aqualia also operates desalinators in Cabo de Gata, Almeria, Denia, Tenerife and Lanzarote.

The City Council of Almeria has awarded the desalinators of Bajo Almanzora to FCC-Befesa-Aqualia. The plant will provide 60 million litres of desalinated water per day, covering the high demand in Bajo Almanzora and Levante,



where, for some time now, a solution has been sought to resolve the situation of drought suffered by the region.

The awarding of the desalination plant of Santa Eularia in Ibiza foresees the design, construction, operation and financing of the station and its adjoining installations. Its financing is forecast for 2007. The Santa Eularia plant will have three wells for the extraction of sea water, one of them for reserve purposes. The plant will obtain 10,000 cubic metres of water daily, which can be increased to up to 15,000, if necessary.

In 2006, Aqualia also won two desalination contracts in Algeria to build and operate, over a 25-year period, the desalinators of Mostaganem and Cap Djinet, with a capacity of 100,000 m³/day, and a total investment of Euros 184 million.

Further information at <http://www.aqualia.es>

Distribution

Drinking water is stored in tanks that are able to modulate supply. The supply of water to each end consumer is made through the supply network, composed of a wide-reaching infrastructure of pipelines that transport the water from the tanks to each residence. In 2006, Aqualia had a storage capacity in tanks of 3,636,366 m³ and managed the distribution of 696,635,890 m³ of water.

The maintenance, monitoring and control of the supply network are essential to avoiding possible leakages of drinking water. Aqualia strictly monitors the 27,375 km supply network to detect and repair, in the shortest time possible, any breakdown that might cause an interruption in supply.

In 2006, Aqualia invested Euros 59,188,301 in the maintenance of the water distribution network to avoid losses and guarantee the quality of the water supplied.



Information technologies to monitor and diminish network losses

The introduction of new IT applications allows Aqualia to monitor the supply of water in order to avoid and, when required, to identify and resolve losses of water in the shortest time possible.

Systematic program to search for leakages: implemented in all departments, this represents a significant saving in water and energy. It also allows for the design of methods to improve infrastructure in accordance with real needs. This is demonstrated by the leakage detection campaigns in 2006 in La Solana, Burgo de Osma, Callosa de Segura, Yecla, Santomera, Corral de Almaguer and Illescas achieved a saving of 1,347,500 m³ of water and of 54,953 kWh of energy. These localities are in an area of high demand of water resources, where eco-efficiency is crucial.

Pegasus equipment: this calculates the pressure of the supply network during the daytime to modulate a constant supply even in situations of high demand. At night-time, with a lower demand of water, excessive pressure on the network can provoke ruptures. This monitoring and adjustment allows a reduction in equipment energy consumption.

Aqualia GIS Management program: a geographical information system applied to supply and drainage networks, which allows for the unification of the permanent monitoring system, and minimises response time in the case of breakdowns in service and interruptions in supply.

Remote control systems: these permit the constant monitoring of the quality of the water supplied and the conditions of the distribution infrastructure. The tank control systems regulate their level, lending to savings in volume of water used and in the consumption of energy, by reducing the volume of water requiring treatment.

Permalog® units: the incorporation of these units detects leakages in the water distribution networks automatically, 24 hours a day. In the case of Denia, a saving was made of 114,177 m³ of water supplied, with an associated energy saving of 161,423 kWh.

Renewal of water meters: Meters monitor the actual consumption of water and allow both users and service personnel to detect internal leakages and set in motion the mechanisms necessary to repair them.



Drawings by children during Environmental Awareness days

Sewer system

The sewer network and pumping stations collect water used in homes, shops and industries and transport it to the wastewater treatment plants (EDAR), where it is processed and recycled until returning optimum water into the natural environment.

Aqualia manages a drainage network of 12,566 km. In 2006, Aqualia pumped 169,984,068 m³ of waste water, with a consumption of 18,699,627 in the wastewater pumping stations.

Purification

Aqualia's management of the purification process is aimed at guaranteeing both the quality of the water returned into the environment and a reduction in the consumption of energy and generation of waste, which contributes considerably to the preservation of natural resources.

In 2006, Aqualia treated 488,337,270 m³ of water, in 254 treatment plants. In this process, 310,019 tonnes of sludge and 117,149 m³ of solid waste were generated. The consumption of electricity in the wastewater treatment plants in this period was of 165,191,504 kWh, representing a reduction in consumption of 4% with respect to 2005.

Vertido Cero: recycled water and reuse of waste

The Vertido Cero project is aimed at reusing wastewater in treatment plants. To this end, a system has been developed employing membrane and evaporation technologies that reduce the generation of sludge

Wastewater treatment plants have a digester, in which the organic material from the water is digested by bacteria, generating two kinds of waste: sludge and gases. Both then undergo a parallel process to optimise their reutilisation:

Sludge: this is dehydrated and reused as agricultural fertiliser.

Bio gas: a fuel that is obtained from the reactions of biodegradation of organic material which is reused as a fuel in the boilers that feed the digester or in the production of electrical energy for consumption in the plants themselves.

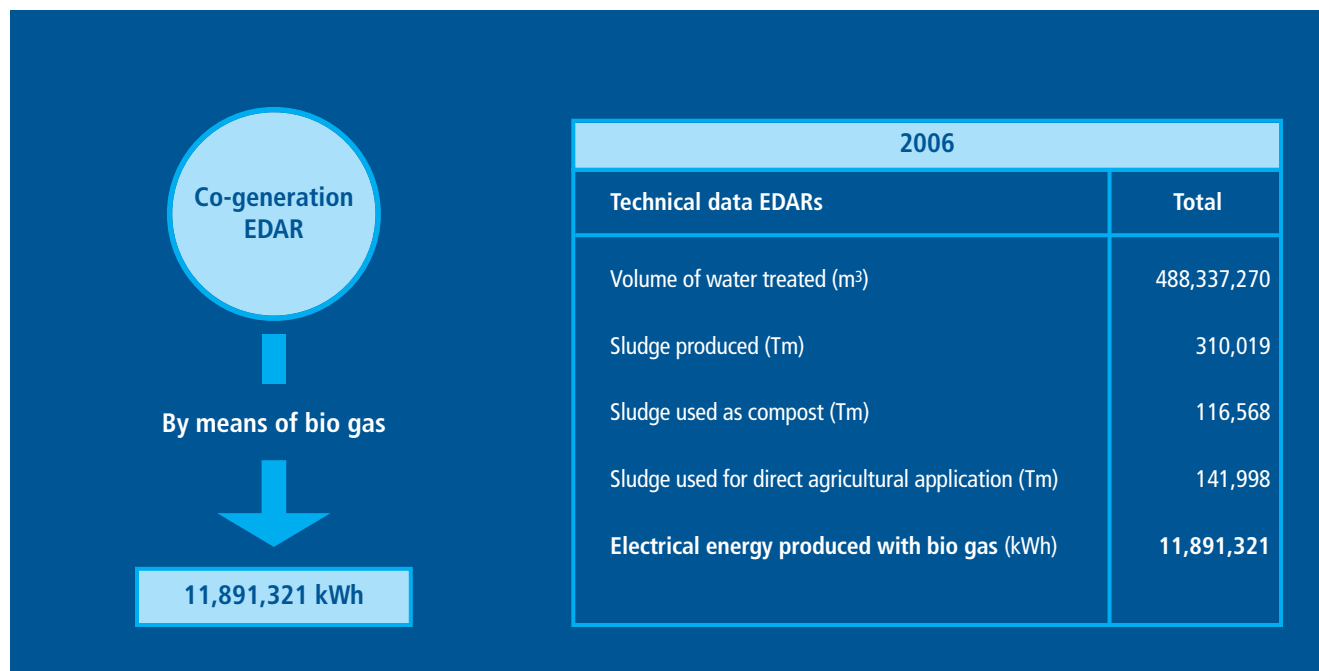
Aqualia is progressively implementing these techniques in all of the water treatment plants that it manages. In 2006, 116,568 tonnes of sludge were reused as compost for direct agricultural applications, and over 11,891,321 kWh was obtained from bio gas, by means of the employment of co-generation equipment.



Energy efficiency in the water management cycle

Aqualia maintains an ongoing commitment to the reduction of energy consumption at its plants. In 2006, despite the notable increase in the volume of water managed by Aqualia compared to 2005, the total consumption of electrical energy in all of its water cycle processes was reduced by 0.5%.

Plants	kWh 2005	kWh 2006	Difference
Collection	108,988,709	112,345,082	3.08%
Conversion into drinking water	82,757,214	83,024,452	0.32%
Distribution	61,845,837	61,409,508	-0.71%
Wastewater	17,235,640	18,699,627	8.49%
Treatment	172,125,002	165,191,504	-4.03%



**1,300,000 tons of waste treated
by Ámbito in 2006**



Protecting the land

Land is the most valuable resource affected by certain business activities. Its occupation, contamination and loss through abandoning areas which were temporarily used for construction projects, alongside the consumption of raw materials and the generation of waste, have an environmental impact which can be linked to construction activity. Likewise, cement production also has a significant effect on land, in terms of both material consumption and waste generation.

The degradation of our land is partially mitigated through adequate waste management and the recovery of its potential value, thus avoiding land loss and the consumption of additional resources. Integral waste management activities help to reduce environmental impact on the land, and also lead to eco-efficiency through recycling of materials.

FCC Construcción and Cementos Portland Valderrivas: minimising impact on the land

FCC's management programmes promote control of and improvements in processes, with the aim of reducing waste generation, avoiding spillages and increasing material recycling.

Waste management at FCC is based on the classification of the EWL, the European Waste List. Waste is classified and coded, and is then treated as established by current legislation, through authorised transport and management companies.

**15,303,243 m³
of inert waste was generated in 2006
by FCC Construcción**

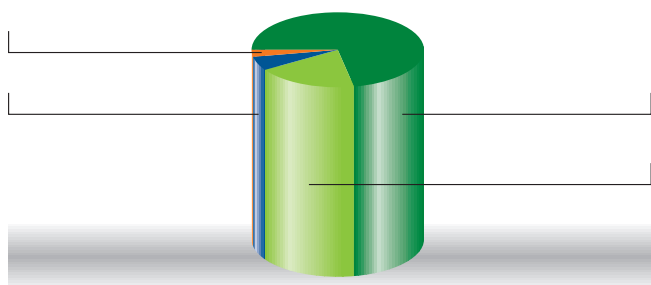
**32.96% substitute
fuel at
Cementos Lemona**



According to information drawn from 318 construction projects (93% of the company total), in 2006 FCC Construcción generated 186,241 tons of non-hazardous waste, 2,667 tons of hazardous waste, and 15,303,243 m³ of inert waste. The various types of hazardous waste generated are shown in the diagram below:



Hazardous waste generated by FCC Construcción in 2006



The **recycling of surplus earth or rock and clean rubble**, is a key priority for FCC Construcción. During each project's design stage, the Company categorises, measures and defines the waste management forecast for the duration of the project itself. The following table shows the forecast waste recycling figures for 2006, along with the actual amounts of waste as recorded at the end of the year. The figures demonstrate the positive results obtained after the implementation of various recycling and waste evaluation measures, resulting in a 44% reduction in the volume of inert waste taken to landfills compared to projected volumes.

Materials recycled/used	Foreseen amount	Actual amount
Surplus earth or rock (m³)		
Landfill	20,732,236	12,000,712
Used in the project	50,460,549	27,374,011
Used resulting from other projects	750,400	629,675
Used in other projects	3,410,723	4,154,052
Obtained expressly (loans)	16,097,153	9,510,424
Total excavation	85,899,019	48,013,749
Total land filling	69,394,887	39,241,811
Clean rubble (concrete, mortar, bricks, prefabricated goods, others) (m³)		
Landfill	1,068,427	320,086
Used in the project	2,101,008	98,865
Used resulting from other projects	1,000	5,180
Used in other projects	3,195	25,888
Delivered to waste disposal contractor	42,069	92,391



The **prevention and management of accidental spillage** in construction projects includes additional protective measures to minimise the possibility of accidental land contamination. On site, in particular at the various storage points, impermeable recipients are made available for any contaminating fluid that may spill and pollute the ground. In the event of accidental spillages, procedures foreseen in the emergencies plan are implemented

In the drive to find new, more efficient environmental management tools, FCC Construcción has implemented a **mechanism to gather environmental information** from all its construction projects. When combined with a specific IT application, this then provides more detailed and extensive information, which is not only produced more quickly, but is also more reliable.

In order to push forward recycling and waste evaluation measures, FCC Construcción has implemented various R+D+I projects focused on studying alternatives to make the most of waste. Two of the projects developed during 2006 were:

Project Challenge

Subsidised by the Ministry for the Environment and introduced in 2004, this project aims to minimise the adverse environmental impact of linear construction projects. This will be achieved through a reduction in surplus materials, the incorporation of waste from other production activities into the construction process, and a general reduction of the use of new materials in construction projects.

Project Slag

This is a study to characterise and re-use steel slag from electric furnaces as a material in road construction. During 2006, the following tasks were carried out: preparation of the slag, preparation of the sub-base, laying of the slag and spreading of the aggregate.

Recycling and energy eco-efficiency at Cementos Portland Valderrivas

In addition to recycling waste material from other industries, Cementos Portland Valderrivas is encouraging the use of residuals to produce energy in the cement business unit. This consists of using waste for fuel purposes, taking advantage of its calorific energy. The process involves the following stages: conducting market surveys, carrying out pilot tests, and processing the relevant authorisations with the local authorities.

In the USA, a large percentage of the energy consumed by the industrial processes employed by the Group's activities is obtained from alternative fuel sources, which come from waste treatment and aerosol recycling. In Spain, Cementos Portland Valderrivas recycles energy from meat and bone meal in the Hontoria plant in Palencia, and used tyres, wood waste, sliced plastics and carbonaceous waste in the Lemona Plant, in the Basque Country.

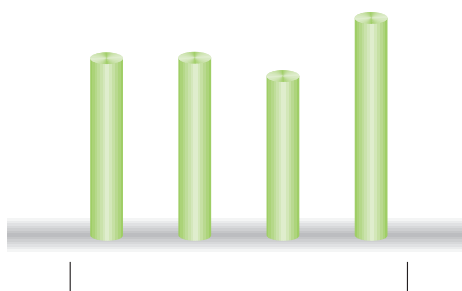
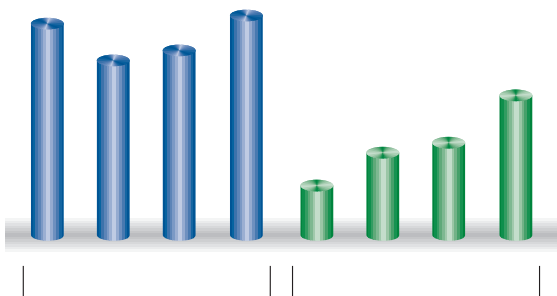
In 2006, the company signed an agreement with SIGNUS (the Integrated Management System for Used Tyres), in order to recycle energy from this type of waste.



Recycling management at Cementos Portland

Valderrivas is based on using waste material from other industries in the production process, as if it were a raw material. This includes various types of sand, ferrous sulphate, fly ash, lamination scale, calcium carbonate sludge, limestone filler, wood bark furnace ash, ESAR furnace ash and ground plaster.

The percentage of materials used which are recycled as energy is increasing on a steady basis. By business activity, the production of cements and mortar is the area where the substitution of raw materials by waste is most significant.

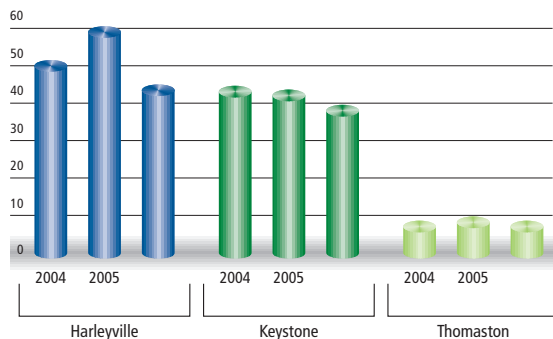




Cement plant. Vallcarca. Barcelona

In 2006, the amount of materials evaluated and used as replacement fuel at Cementos Lemona (Basque Country) was 32.96%. The materials in question were meat and bone meal, used tyres, wood waste, sliced plastics and carbonaceous waste. The Cementos Portland Valderrivas plant in Hontoria (Palencia) reached 6.32% in 2006, compared to 3.95% the previous year, through the use of meat and bone meal. Energy recycling in the USA is particularly significant in Harleyville, where it almost reaches 40%, as well as in Keystone, where it has decreased slightly since 2005, to below 40%.

Percentage replacement of fuels in USA



Ámbito and professional industrial waste management

Ámbito is an expert in industrial waste management. Its main aim is to provide its clients with integral solutions that satisfy their waste management needs.

Ámbito has treatment plants, recycling plants, transfer centres, paper and cardboard sorting and recycling plants, and disposal areas for both hazardous and non-hazardous waste. In 2006, the company treated over 1,300,000 tons of waste in its plants.

As a result of the treatment being carried out on customer-generated waste, other waste is subsequently produced, such as sludge, leachates and waste resulting from on-site sorting. This waste is managed within the plant itself, if it has the relevant authorisation – if not, another authorised Ámbito facility will take charge of treating the waste.

As a result of its activities, Ámbito generated a total of 209,523 tons of waste in 2006, of which 16.71% was hazardous waste.

The minimisation of waste is managed in accordance with the second additional regulation of Royal Decree 952/1997. Ámbito facilities registered as waste producers must draw up a waste minimisation plan every four years, taking into account all waste which is not generated as a result of the treatment process itself, such as fluorescents, absorbent material, oils, etc.



Some activities related to non-hazardous waste management, such as IPODEC or the companies from the paper division, take the waste collected directly from some customers who do not adequately sort it. After treating this waste accordingly on site, there is a significant quantity which cannot be used, and must be sent to the landfills. In cases such as this, where there is no control over the initial sorting of the waste, reduction objectives cannot be set. Instead, commercial tasks are undertaken with the customer, which focus on informing

Ámbito Waste management	2004		2005		2006	
	Hazardous	Non-Hazardous	Hazardous	Non-Hazardous	Hazardous	Non-Hazardous
Destination: landfill	22,095.76	63,096.73	21,608.47	120,686.68	26,787.40	124,194.28
Incinerated	2,520.82	0.00	2,229.56	0.00	1,788.94	0.00
Recycled	218.12	903.32	182.63	18,781.20	185.07	30,851.29
Re-used	1.00	1.10	4.24	1.50	4.98	1.50
Recycled as energy	195.92	0.00	247.01	882.32	369.52	1,774.86
Compost	0.00	0.00	0.00	0.00	0.00	0.00
Others	936.97	14,568.84	5,973.85	25,987.38	5,893.17	17,673.20

customers of the most suitable way for them to separate their waste, thus making the subsequent recycling process much easier.

Compliance with regulations

The activities of the FCC group are subject to environmental regulations. In the majority of cases they need government authorisation to operate and are subject to periodical inspections by the administration. Any non-compliance could mean that, apart from the corresponding fines, this authorisation is withdrawn. As a result and considering the responsibility involved in environmental management, FCC strictly adheres to the legislation in force, and particularly the terms of Integrated Environmental authorisation.

Even so, FCC was not free of non-compliance and had penalties imposed in 2006. Costs incurred due to fines received for non-compliance with environmental regulations amounted to Euros 443,245 in 2006. The data includes FCC Construcción, Cementos Portland Valderrivas, FCC Medio Ambiente, Aqualia and Ámbito.





Appendices

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Accuracy of information contained in this report

Letter from the independent, external inspector



KPMG Asesores S.L.
Edificio Torre Europa
Paseo de la Castellana, 95
28046 Madrid

Informe de Verificación

A los lectores de este Informe

Introducción

Hemos sido requeridos por el Grupo FCC (en adelante FCC) para revisar la información relativa a las prácticas ambientales y sociales correspondientes al ejercicio 2006 contenida en su Informe de Responsabilidad Social Corporativa 2006 (en adelante el Informe), cuya elaboración, incluida la decisión acerca de los asuntos que trata, es responsabilidad de la Dirección de FCC.

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, 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 del mismo un nivel de aseguramiento limitado de acuerdo con lo establecido por la norma ISAE 3000 (International Standard for Assurance Engagements) sobre:

- Que los datos cuantitativos recogidos se han obtenido de manera fiable.
- Que las informaciones de carácter cualitativo que figuran en el mismo se encuentran adecuadamente soportadas por documentación interna o de terceros.
- La aplicación de la Guía de GRI G3 de acuerdo a la autodeclaración realizada por FCC (nivel de aplicación A+).

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). Entre otras cuestiones esta norma requiere que:

- El equipo que realiza el trabajo posea conocimientos específicos, habilidades y competencias profesionales necesarias para entender y revisar la información incluida en el Informe, y que los miembros del mismo cumplan los requerimientos del Código de Ética Profesional de la Federación Internacional de Expertos Contables (IFAC) para asegurar su independencia.
- Cuando se provea de un aseguramiento limitado de la información, que es de un nivel de profundidad menor que el aseguramiento razonable, se utilice una conclusión limitada al trabajo realizado.

En nuestra revisión se han seguido los principios y criterios de verificación de la información incluidos en la Guía de GRI G3 por ser los aplicados por FCC y cuyo entendimiento y aplicación se hallan descritos en el capítulo denominado "Introducción. La responsabilidad corporativa en FCC".

KPMG Asesores S.L. firma española miembro de
KPMG internacional: sociedad suiza

Reg. Mer-Madrid: 1 14.972 P 53
Sec. 8: H. M-240 482. Inscrip. 1.
C / F B-8249650

Trabajo realizado***a) Verificación de datos cuantitativos y otras informaciones de carácter cualitativo contenidas en el Informe***

Hemos revisado la fiabilidad de los datos y 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 contenidas en el Informe se encuentran adecuadamente soportadas por documentos internos o de terceros.

b) Revisión limitada del alineamiento de los criterios y principios para la definición del contenido del Informe y su alcance según GRI G3

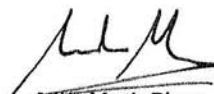
Se han revisado documentalmente los criterios y procedimientos utilizados para definir los contenidos del informe de conformidad con el alcance descrito.

Estos criterios de presentación de la citada información en cuanto a alcance, incluyendo las eventuales limitaciones al mismo, importancia, métodos de integración y agregación de los datos en función de la participación de FCC en las diferentes sociedades del Grupo, se hallan descritos de manera general en el capítulo "Introducción. La responsabilidad corporativa en FCC" y de manera particular en los diferentes capítulos dedicados a la presentación de la información ambiental y social.

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

17 de mayo de 2007

More information on Corporate social responsibility performance of the FCC Group

The information and data in this report have been generated by the management systems of the business areas and management and corporate function areas of the FCC Group. This information can be found in more detail in different public reports available to download on the corporate website:

- FCC Medio Ambiente
- FCC Construcción
- Cementos Portland Valderrivas
- Aqualia



■ FCC Medio Ambiente



■ FCC Construcción



■ Cementos Portland Valderrivas



■ Aqualia

More information on the FCC Group available at <http://www.fcc.es>

Main G3 indicators of the Global Reporting Initiative

G3 Global Reporting Initiative Index + Communication on progress expectations of the Global Compact



G3	Global Compact	Omissions	Page
STRATEGY AND ANALYSIS			
1.1. Statement from the most senior decision maker, strategy.			Letter from the Chairman and Managing Director, P.3-7. The report also provides information on the leadership of the Board of Directors for the CR Strategy. P.144-145
1.2. Description of the key impacts, risks and opportunities.			Letters from the Chairman and Managing Director, P.3-7. See also, P.127-128.
ORGANISATIONAL PROFILE			
2.1. Name of the organisation.			P. 120 y 274.
2.2. Primary brands, products and/or services.			P. 139-142.
2.3. Operational structure of the organisation.			P. 139.
2.4. Location of organisation's headquarters.			P. 278 and 2006 Corporate Governance Report, P.1 (At www.fcc.es)
2.5. Number of countries where the organisation operates, and names of countries with major operations.			P. 198-200.
2.6. Nature of ownership and legal form.			P. 278 and 2006 Corporate Governance Report, P.1 (At www.fcc.es)
2.7. Markets served.			P.151-152 highlight changes in the market compared with the previous year. P.139-142 introduce the market. Other sections of the report also detail the corresponding markets and market share. Information also available at www.fcc.es
2.8. Scale of the reporting organisation (net sales, total capitalisation, etc.).			P. 143
2.9. Significant changes, structure and ownership of the organisation.			P.279-283 and 2006 Corporate Governance Report, P.2-5 (At www.fcc.es).
2.10. Awards received in the reporting period.			P. 190; 217; 239; 249.

REPORT PARAMETERS

Report Profile

3.1. Reporting Period.			P. 136.
3.2. Date of most recent previous report.			P. 135.
3.3. Reporting Cycle (annual, biennial, etc.).			P. 135.
3.4. Contact point.			P. 274.

Report scope and boundary

3.5. Process for defining report content (Determining materiality, prioritising topics within the report and identifying stakeholders).			P. 121-122;128; 136-137;229-230.
3.6. Boundary of the report.			P. 137.
3.7. Limitations on the scope or boundary of the report.			P. 137.
3.8. Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations and other entities that can significantly affect comparability from period to period and/or between organisations.			P. 137.
3.9. Data measurement techniques and the bases of calculations, including assumptions and estimations applied. Explain any decisions not to apply the GRI Indicator Protocols.			P. 137-138. The company has available the files containing the data collected for the preparation of this report where the method of the basis of calculation used is specified. Verification by ISAE 3000 checked the information and calculation systems that support the data introduced. The GRI G3 indicator protocols have been applied. The logistics and transportation sector supplement was not applied because it is focused on the transport of freight and not passengers or logistic warehousing.
3.10. Explanation of the effect of any re-statements of information provided in earlier reports.			When information and data from the reporting period for 2005 has been used, it has been duly noted in the report.
3.11. Significant changes in the scope, boundary, or measurement methods.			No significant changes have been recorded. Any change, however small, has been duly noted in the report.

GRI content index

3.12. Table identifying the location of the Standard Disclosures in the report.			P. 267-273.
3.13. Policy and current practice with regard to seeking external assurance for the report.			P. 135; 138; 264-265.

GOVERNANCE, COMMITMENTS, AND STAKEHOLDER ENGAGEMENT

Governance

4.1. Governance structure of the organisation.			P. 149-150.
4.2. Indicate whether the chairman of the highest governance body is also an executive officer.			2006 Corporate Governance Report, P.11 (At www.fcc.es)

G3	Global Compact	Omissions	Page
GOVERNANCE, COMMITMENTS AND STAKEHOLDER ENGAGEMENT (continued)			
4.3. Number of members of the highest governance body that are independent or non-executive members in organisations with a direct unit structure.			P. 149-150.
4.4. Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.			P. 150. Also, 2006 Corporate Governance Report.
4.5. Linkage between compensation for members of the highest governance body and the organisation's performance.			P. 150. Also, 2006 Corporate Governance Report.
4.6. Processes in place for the highest governance body to ensure conflicts of interest are avoided.			P. 149. Also, 2006 Corporate Governance Report.
4.7. Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organisation's strategy on economic, environmental, and social topics.			P. 14-15. Also, 2006 Corporate Governance Report.
4.8. Internally developed statements of mission or values, codes of conduct and principles relevant to economic, environmental, and social performance and the status of their implementation.			P. 120-126; 141-148.
4.9. Procedures of the highest governance body for overseeing the organisation's identification and management of economic, environmental and social performance and adherence or compliance with internationally agreed standards, codes of conduct and principles.			P. 129; 141-148. 2006 Corporate Governance Report (At www.fcc.es).
4.10. Processes for evaluating the highest governance body's own performance with respect to economic, environmental, and social performance.			2006 Corporate Governance Report. P. 14-16 (At www.fcc.es).
Commitments to external initiatives			
4.11. Explanation of how the precautionary principle is addressed by the organisation.			P. 145-146.
4.12. Developed economic, environmental and social charters or principles to which the organisation subscribes or endorses.			P. 124-126; 178-181; 220-228.
4.13. Memberships of associations and/or national/international advocacy organisations in which the organisation: - Has positions in governance bodies. - Participates in projects or committees. - Provides substantive funding beyond routine membership dues; or - views membership as strategic.			P. 233-236.
Stakeholder Engagement			
4.14. List of stakeholder groups included by the organisation.			P. 121-122.
4.15. Basis for identification and selection of stakeholders with whom to engage.			P. 121-122.
4.16. Stakeholder engagement (frequency).			P. 121-122; 274.
4.17. Key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns through its reporting.			P. 136-137; 229-230.

ECONOMIC

Disclosure on Management Approach

The Corporate Responsibility Master Plan.			P. 127-132.
Creation of value through corporate responsibility.			P. 151-153.
Economic value generated and distributed.			P. 154-159.
Combating climate change.			P. 160-161.
FCC manages risks impacting climate change.			P. 177.

Economic performance indicators

Economic performance

EC1 Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.			P. 155.
EC2 Financial implications and other risks and opportunities for the organisation's activities due to climate change.			P. 160-161 y 177.
EC3 Coverage of the organisation's defined benefit plan obligations.			P. 155; 206-207.
EC4 Significant financial assistance received from government.			2006 Annual Report. P. 338.

Market Presence

EC6 Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.			P. 230.
EC7 Procedures for local hiring and proportion of senior management hired from the local community at significant locations of operation.			P. 202; 214; 230.

Indirect economic impacts

EC8 Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.			P. 143; 151-152 y 158.
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ENVIRONMENTAL

Disclosure on Management Approach

The Corporate Responsibility Master Plan.			P. 127-132.
Combating climate change.			P. 160.
Evidence of FCC's commitment.			P. 161-162.
FCC makes progress in the reduction of CO ₂ emissions.			P. 162-176.
FCC manages the risk of climate change.			P. 177.
Eco-efficiency and reducing environmental impacts.			P. 240.
Protecting the air.			P. 241-247.
Protecting the water.			P. 248-254.
Protecting the land.			P. 255-260.

Environmental performance indicators

Materials

EN1 Materials used by weight or volume.	GC8		P. 240-260.
EN2 Percentage of materials used that are recycled input materials.	GC8		P. 240-260.

G3		Global Compact	Omissions	Page
Energy				
EN3	Direct energy consumption by primary energy source.	GC8		P. 240-260 y 160-176.
EN4	Indirect energy consumption by primary source.	GC8		P. 240-260 y 160-176.
Water				
EN8	Total water withdrawal by source.	GC8		P. 248-254.
Biodiversity				
EN11	Description of land adjacent to or located within natural protected areas or areas of high biodiversity value outside protected areas. Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	GC8		No changes have been recorded with respect to 2005. 2005 CSR Report. P.67.
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	GC8		No changes have been recorded with respect to 2005. 2005 CSR Report. P.67.
Emissions, Effluents, and Waste				
EN16	Total direct and indirect greenhouse gas emissions by weight.	GC8		P. 160-175.
EN17	Other relevant indirect greenhouse gas emissions by weight.	GC8		P. 160-175.
EN19	Emissions of ozone-depleting substances by weight.	GC8		P. 160-175.
EN20	NO, SO and other significant air emissions by type and weight.	GC8		P. 241-247.
EN21	Total water discharge by quality and destination.	GC8		P. 248-254.
EN22	Total weight of waste by type and disposal method.	GC8		P. 255-261.
EN23	Total number and volume of significant spills.	GC8		P. 248-254.
Products and Services				
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	GC8		P. 160-177; 240-261.
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	GC8		FCC does not create products. However, it promotes the re-use of materials in all sectors-see P. 160-177 and p.240-261.
Compliance				
EN28	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.	GC8		P. 261.

SOCIAL

Disclosure on management approach				
Labour Practices				
	The Corporate Responsibility Master Plan.			P. 127-132.
	Health and Safety.			P. 178.
	Managing healthy and safe workplaces.			P. 179-183.
	Monitoring health and safety in the workplace.			P. 184-190.
	Health and safety culture.			P. 191-195.
	Attracting and retaining talent.			P. 196.
	FCC corporate responsibility in talent management.			P. 197.
	Talent in FCC.			P. 198-217.
Society				
	The Corporate Responsibility Master Plan.			P. 127-132.
	Dialogue and cooperation with the community.			P. 218.
	Approach to relations with the community.			P. 219.

G3		Global Compact	Omissions	Page
FCC Group dialogue and cooperation initiatives.				P. 220-230.
Cooperation in the community.				P. 230-238.
The vision and values of our corporate responsibility.				P. 120-123.
FCC's corporate responsibility principles and commitments.				P. 124-126.
FCC Corporate responsibility culture.				P. 145-148.
Human Rights				
The Corporate Responsibility Master Plan.				P. 127-132.
FCC's corporate responsibility principles and commitments.				P. 124-126.
Product Responsibility				
The Corporate Responsibility Master Plan.				P. 127-132.
Health and Safety.				P. 178.
Managing healthy and safe workplaces.				P. 179-183.
Monitoring health and safety in the workplace.				P. 184-190.
Health and safety culture.				P. 191-195.
Social Performance Indicators				
1. Labour practices and Decent Work				
• Employment				
LA1	Total workforce by employment type, employment contract, and region.			P. 198-205.
LA2	Total number and rate of employee turnover by age group, gender, and region.			P. 205.
• Labour/Management Relations				
LA4	Percentage of employees covered by collective bargaining agreements.	GC3		P. 213-214.
LA5	Minimum notice period(s) regarding significant organisational changes, including whether it is specified in collective agreements.	GC3		P. 213.
• Occupational Health and Safety				
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.			P. 184-188.
LA8	Education, training, counselling, prevention, and risk-control programmes in place to assist workforce members, their families, or community members regarding serious diseases.			P. 191-193.
• Training and Education				
LA10	Average hours of training per year per employee by employee category.			P. 207-211.
• Diversity and equal opportunities				
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	GC6		P. 149; 203; 201.
LA14	Ratio of basic salary of men to women by employee category.			Basic salary by collective bargaining which duly follow the principles and legislation on equal remuneration. P.125 and 203.
2. Human Rights				
• Investment and Procurement Practices				
HR1	Percentage and total number of significant investment agreements that include human rights clauses or that have undergone human rights screening.	GC1-GC2		P. 125.
HR2	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	GC1-GC2		P. 125.

G3		Global Compact	Omissions	Page
• Non-discrimination				
HR4	HR4 Total number of incidents of discrimination and actions taken.	GC1-GC6		No incidents of discrimination have been recorded. P. 125 y 213.
• Freedom of Association and Collective Bargaining				
HR5	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.	GC3		P. 125 y 213-214.
• Child Labour				
HR6	Operations identified as having significant risk for incidents of child labour, and measures taken to contribute to the elimination of child labour.	GC5		P. 126.
• Forced and Compulsory Labour				
HR7	Operations identified as having significant risk for incidents of forced or compulsory labour, and measures to contribute to the elimination of forced or compulsory labour.	GC4		P. 125.
3. Society				
• Community				
SO1	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.			P. 218; 178-181.
• Corruption				
SO2	Percentage and total number of business units analyzed for risks related to corruption.	GC10		P. 126; 145-146.
SO3	Percentage of employees trained in organisation's anti-corruption policies and procedures.	GC10		P. 126; 145-146.
SO4	Actions taken in response to incidents of corruption.	GC10		P. 126; 145-146.
• Public Policy				
SO5	Public policy positions and participation in public policy development and lobbying.			P. 194-195; 220-221.
• Compliance				
SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.			P. 195; 261.
4. Product responsibility				
• Customer Health and Safety				
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.			P. 178-195.
• Products and Service Labelling				
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.			P. 195.
• Marketing communications				
PR6	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.			P. 233-239.
• Compliance				
PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.			P. 195.



GRI Certification

On 24 May 2007 this 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.globalreporting.org>>www.globalreporting.org

Your opinion is important: Dialogue with stakeholders

This report aims to show our stakeholders in a balanced and reasonable fashion how the company tackles the most significant challenges regarding its activities.

Any suggestions or comments regarding this report may be sent by letter to:

FCC Group
Corporate Responsibility Direction

Federico Salmón, 13
28016 Madrid

Tel.: +34 91 343 71 81

Or via email to:

rcorporativa@fcc.es

The current progress of FCC's Corporate Responsibility Plan can be viewed on our web page at www.fcc.es in the section entitled Corporate Responsibility. Any comments and requests can be sent via the link Diálogos Gdl.

Questionnaire on this report for stakeholders

The Corporate Responsibility Direction trusts that the information contained in the second edition of the Corporate Social Responsibility report has proved useful to our stakeholders.

We would be grateful if you could give us your opinion on this report including your criticisms and suggestions.

Please indicate your mark for each of the aspects of the 2006 Corporate Social Responsibility report, bearing in mind that 1 represents "uninteresting or inadequate" and 5 represents

"very interesting or very adequate". There is also a section for you to include any other comments or suggestions that can help us to improve the report.

Please send us the completed questionnaire via post or email.

Thank you for your participation

1. Please identify yourself with one of the following groups

Shareholders	☐	Media	☐
Employees	☐	Suppliers/Contractors	☐
Companies	☐	Public administration	☐
NGOs	☐	General public	☐
Customers	☐		

2. Quality of content

General	1 ☐	2 ☐	3 ☐	4 ☐	5 ☐
Economic	1 ☐	2 ☐	3 ☐	4 ☐	5 ☐
Social	1 ☐	2 ☐	3 ☐	4 ☐	5 ☐
Environmental	1 ☐	2 ☐	3 ☐	4 ☐	5 ☐
Comments/suggestions:					

3. Length of content

General	1 ☐	2 ☐	3 ☐	4 ☐	5 ☐
Economic	1 ☐	2 ☐	3 ☐	4 ☐	5 ☐
Social	1 ☐	2 ☐	3 ☐	4 ☐	5 ☐
Environmental	1 ☐	2 ☐	3 ☐	4 ☐	5 ☐
Comments/suggestions:					

4. Clarity of expression

Language easy to understand	1 ☐	2 ☐	3 ☐	4 ☐	5 ☐
Comentarios/Sugerencias:					

5. Usefulness of information

Usefulness	1 ☐	2 ☐	3 ☐	4 ☐	5 ☐
Comments/suggestions:					

6. Presentation

Design and format	1 ☐	2 ☐	3 ☐	4 ☐	5 ☐
Comments/suggestions:					

7. Credibility of information provided

Credibility	1 ☐	2 ☐	3 ☐	4 ☐	5 ☐
Comments/suggestions:					

8. Global evaluation of the Corporate Social Responsibility 2006 Report

Global evaluation	1 ☐	2 ☐	3 ☐	4 ☐	5 ☐
Comments/suggestions:					

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