CORPORATE SOCIAL RESPONSIBILITY REPORT



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FCC Group is one of the leading European citizen service companies; it is present in the areas of environmental services, water and infrastructure. FCC focuses its activity on the design and delivery of smart services to citizens. To this end, it has developed an extensive range of services whose common denominator is the pursuit of eco-efficiency.

Every day, over 63,000 employees world-wide interact with citizens in search of increased day-to-day sustainability.

COMPANY PROFILE

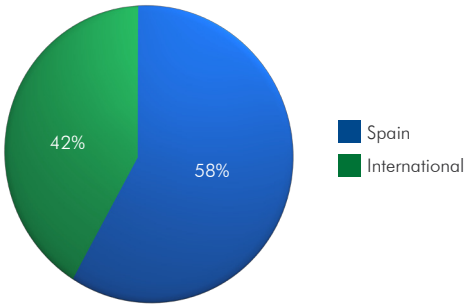
MAIN FINANCIAL INDICATORS

	2011	2012*	2013*
Turnover	11,897	7,429.3	6,726.5
EBITDA	1,256	820.3	719.9
Margin (%)	10,6	11.0	10.7
EBIT	393	-303.1	147.4
Margin (%)	6,5	-2.0	-4.5
Backlog	35,309	30,896.4	32,865.1
Net debt	6,593.3	7,087.7	5,975.5

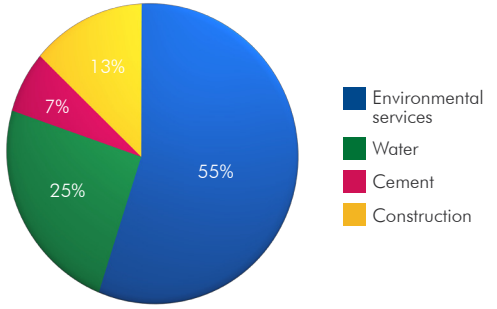
*Alpine deconsolidation

	Revenue in 2013 (M€)	Var./2012 (%)	EBITDA 2013 (M€)	Var./2012 (%)
Environmental services	2,770.4	-2.0%	425.4	-14.5%
Water	930.0	+3.2%	191.7	+1.5
Construction	2,589.2	- 11.8%	98.8	+ 10.5%
Cement	540.9	- 17.3%	50.4	- 27.9%
Corporation and adjustments	(104.0)	- 193.7%	(46.4)	+ 84.9%
Total	6,726.5	- 95%	719.9	- 12.2%

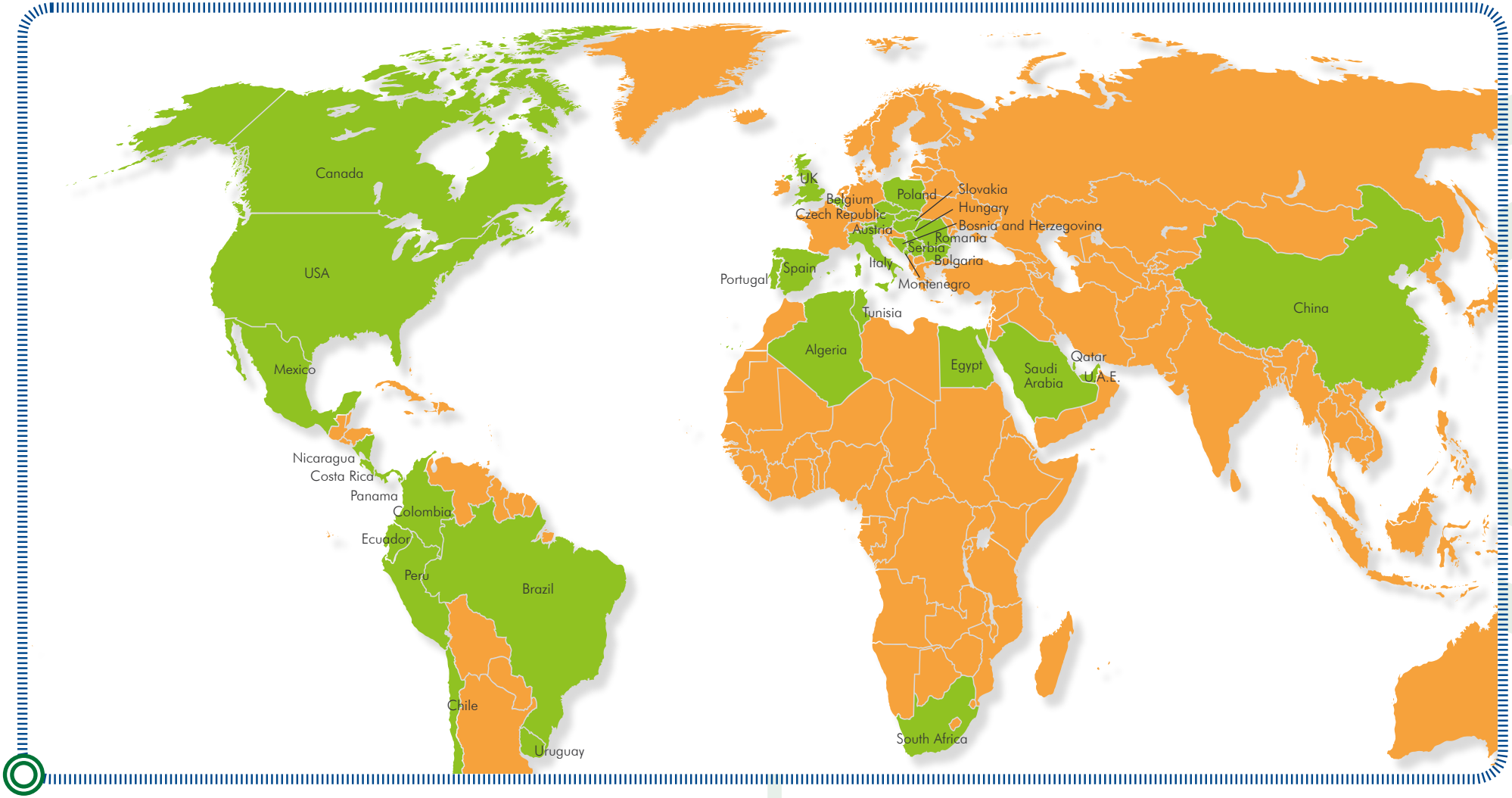
Income by geographical area



EBITDA by business area



PRESENCE OF FCC GROUP



THE WAY FORWARD

2013-2015 Strategic Plan

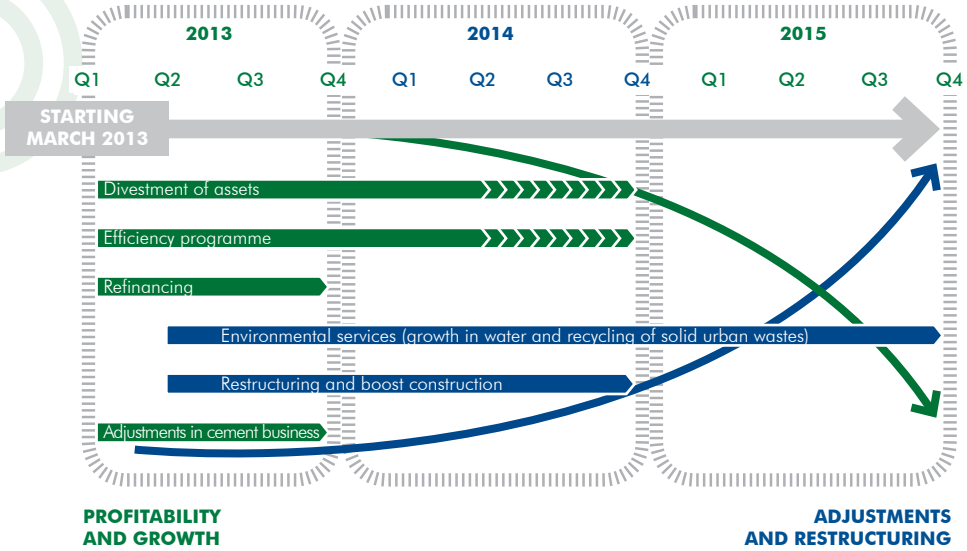
In an adverse economic environment, and given the current downturn in the financial market, FCC Group has designed a strategy that will focus on its core businesses to increase cash flow and reduce debt levels to those appropriate for the cash flow generated.

Concentrating on strategic businesses enables the company to make the most of the activities where there is a strong track record and to restore investor and market confidence. In the construction business, where FCC Group has more than a hundred years' experience, the company is promoting strategic projects in countries with large growth opportunities and infrastructure needs. In the integrated water cycle management business, customer management is what sets apart FCC Aqualia, the third largest company in the world in its sector, apart. The environmental services business has close ties to the cities it serves, and is seeking to improve its service offerings.

At economic and financial level, FCC Group's goal is to reduce debt by 1.9 billion euros, return to an EBITDA of 1.2 billion euros and generate an annual cash flow from the activities of 850 million euros. Following the implementation of the Strategic Plan, FCC Group will be in the position to address the recovery of some of the markets in which it operates, continue to work in a leading position in markets with more favourable economic conditions and capitalise on new opportunities for profitable growth.

Lines of action

- **Divestment of non-core assets** worth 2.2 billion euros.
- **Implementation of the efficiency programme** through structural cost reduction in all areas, both in central services and business units.
- **Long-term refinancing plan** in line with the strategic objectives.
- **Strengthening the leadership in Environmental Services in Spain** and in waste management in Central Europe through ASA. Repositioning in UK towards waste-management-related activities. Strengthening the leadership international expansion in Water.
- **Restructuring of Infrastructure** by adjusting production resources in FCC Construcción and Cementos Portland Valderrivas. Promoting International Construction profitability towards more profitable geographies. Optimisation of Cementos Portland Valderrivas operations in the United States.



A FORWARD-LOOKING COMPANY

An attractive business project for investors…

Meetings and presentations to institutional investors and analysts carried out by FCC Group in 2013 in cities such as London, Paris, Geneva and New York have resulted in obtaining capital for the company. The Group carried out a first round of road shows after the March 2013 presentation of the new Strategic Plan. Its objectives focused on reducing debt and returning to profit have successfully captured the interest of new funds to invest in the company, attracted by projects in the backlog, divestments and planned refinancing.

During the second half of the year, several FCC Group treasury stock placement processes amounting to over 9% of the share capital took place. These placements include the October purchase of 5.7% of FCC's treasury stock by entities related to Microsoft cofounder Bill Gates, who thus becomes the second largest shareholder in the company, behind Esther Koplowitz, who controls 50.1% through B-1998.

The transaction was carried out at a share price of €14.865, resulting in a gross amount of 113.5 million euros which increases FCC Group's capital and reserves with no effect on the income statement for the year.

After this transaction, the U.S. investor George Soros bought 3% of FCC Group in a transaction valued at around 60 million euros, thus becoming the third largest individual shareholder in FCC Group.

The appearance of these two entrepreneurs has been interpreted by the markets as a sign of confidence in FCC Group's project and highlights the company's attractiveness to the international investment community due to its growth potential, solvency and attractive prices.

ENTRY OF A THIRD INTERNATIONAL FUND INTO GLOBALVIA

Globalvia has successfully completed the fund-raising process to facilitate the development of its existing concession portfolio as well as to undertake future investments with a commitment by the Universities Superannuation Scheme (USS) to provide 150 million euros, continuing with the agreement signed two years ago with the PGGM (Netherlands) and OPTrust (Canada) pension funds, and as a result Globalvia achieves its goal of obtaining the 750 million euros envisaged.

These new financial resources allow Globalvia to continue to strengthen its role as a major player in the infrastructure sector by taking a qualitative and strategic leap forward in its management policy and its commitment to a sector with great opportunities.

USS, PGGM and OPTrust are three pension funds of internationally recognised standing, leaders in their sector and committed to a long-term presence.

…supported by financial markets…

On the 31 March, FCC signed the Group's largest and most important credit facility, a syndicated loan totalling 4,512 million euros, which was accepted by 99.98% of the credit institutions involved, with a 4 year maturity. Several agreements were added to the facility to significantly prolong the maturity of the Group's debt and to strengthen the capital structure.

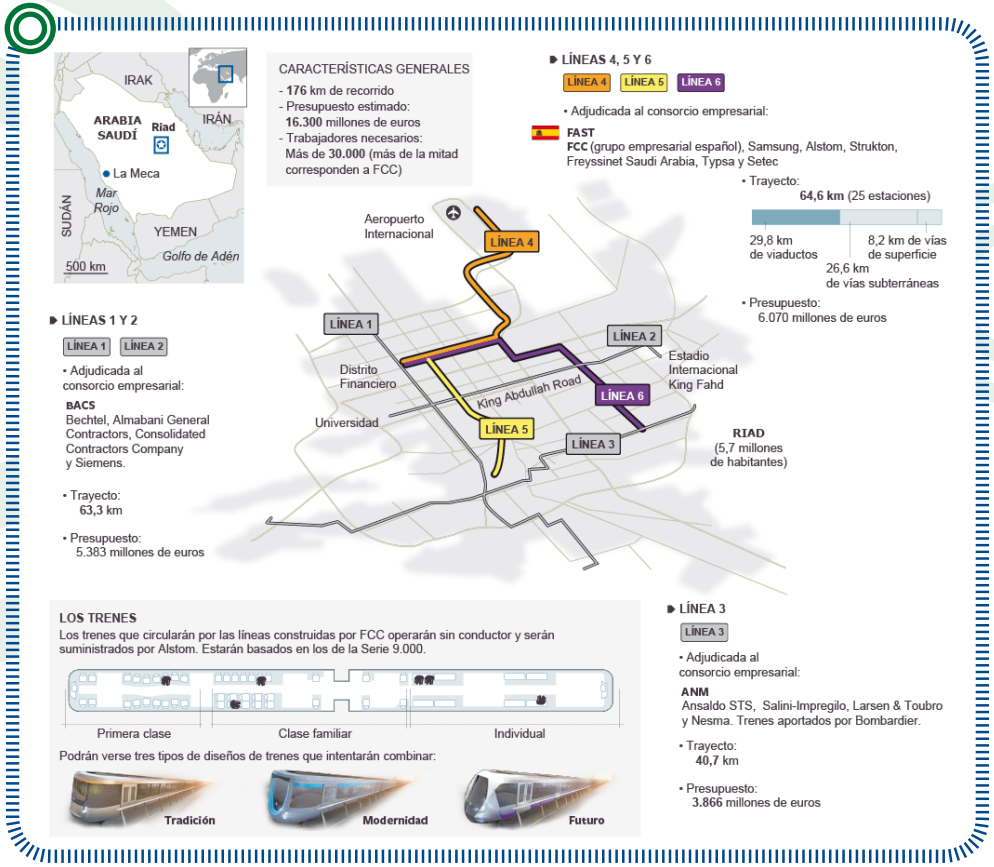
The fact that almost all the credit institutions signed the refinancing agreement represents a vote of confidence from the financial markets in favour of the management principles that the Company has been applying. The reduction of the Group's debt and the increase of profitability and the generation of cash flow in all the business activities, as a result of this refinancing process, has cleared the financial horizon and put FCC Group back on the growth path.

This refinancing was one of the key pillars for the consolidation necessary to implement and achieve the objectives established in the Strategic Plan, however its coming into effect is subject to the fulfilment of certain conditions precedent.

...that generates confidence for the implementation of key projects worldwide.

Riyadh metro construction project in Saudi Arabia

In July 2013, FCC Group achieved a milestone in the history of international construction. The Authority for the Development of Riyadh (ADA) awarded the consortium led by the company, a package for the construction of the Saudi capital's underground train system.



FCC Group leads the consortium, which also includes Samsung, Alstom, Strukton, Freyssinet Saudi Arabia, Typsa and Setec, to build Lines 4, 5 and 6 of the city's underground train system worth 6,070 million euros. The completion period for the works will be five years and more than 15,000 people will be employed in its construction.

With these figures, this contract also became the second largest for the Spanish sector operating abroad. It also demonstrates the potential of Spanish engineering and the confidence that FCC Group generates in the international public infrastructure market.

The project includes tunnelling, building and equipping three lines of the infrastructure, one of which connects the city centre to the airport, totalling 72.5 kilometres in length. Twenty-five stations, some of which are elevated, will also be built.

The association between FCC Group and Alstom had recently already won another large infrastructure contract, this time for Line 1 of the Panama Metro, valued at 1.1 billion euros, and which is now operational.

Construction project for the bridge over the River Mersey in the United Kingdom

FCC Group was awarded the contract for the design, construction, financing, maintenance and operation of the bridge over the River Mersey in Liverpool (UK), worth around 700 million euros. This is the largest contract won to date by the company in the British Isles.

The project involves the construction of a six-lane cable-stayed bridge of up to 125 metres high and 2.23 kilometres long which will serve about 80,000 vehicles per day. It is expected to open to traffic towards the end of the first half of 2017.

The contract also includes the remodelling of seven kilometres of access roads, 2.5 miles of new motorway and the renovation of another 4.5 kilometres of motorway as well as various link roads.

The Group anticipates that 4,600 jobs, both direct and indirect, will be generated throughout the construction, operation and maintenance processes. This project strengthens FCC's internationalisation and experience with bridges, following the recent opening of the bridge it built over the River Danube between Bulgaria and Romania.

By winning this project, FCC takes a step forward in the UK market, where it has a presence in the construction and services businesses (through FCC Environment (UK) and, through Globalvia, in the concessions business. It also strengthens its internationalisation, one of the pillars of the company's strategic plan, especially for the construction business.

Public-private, multi-country collaboration for the New Cairo wastewater treatment plant

The New Cairo (Egypt) wastewater treatment plant funded, designed, built and operated by FCC Aqualia has been selected by the International Finance Corporation (IFC) (part of the World Bank), and the Infrastructure Journal publication, as the third best public-private participation project in the region encompassing Europe, Central Asia, the Middle East and North Africa.

Features such as the design of innovative financing structures, technological innovation, the impact on regional development, or the real possibility to replicate each model in other projects, have been key to the selection of the New Cairo treatment plant. This recognition is in addition to the prizes awarded by Global Water Intelligence and Project Finance by Euromoney.

THE CEAL AWARD FOR THE EXPANSION OF FCC GROUP IN LATIN AMERICA

In Panama, FCC Group's Chairwoman Esther Alcocer Koplowitz, received the Grand Award for Business Expansion from the Business Council of Latin America (CEAL).

The Business Council appreciated the expansion carried out by the company in major Latin American countries, where it has been operating for fifteen years through companies of local origin and resources, such as the subsidiaries in Panama and Costa Rica. This region accounts for 11.5% of the Group's turnover according to figures from the first half of 2013, most of which comes from infrastructure development.

The ceremony was attended by HRH the Prince of Asturias, Felipe de Borbón, the Panamanian Minister for Canal Affairs, Roberto Roy, and the Spanish Minister of Foreign Affairs and Cooperation, José Manuel García Margallo, who described FCC Group as "an example of doing things well".



The ten largest FCC Group contracts in progress		
Project	**Country**	**Project value**
Riyadh Metro	Saudi Arabia	6,070 million euros
Line 1 of the Panama Metro	Panama	1,112 million euros
Relizane-Tissemsilt railway line	Algeria	934 million euros
Three railway line projects in Transylvania	Romania	830 million euros
Mersey Bridge	United Kingdom	700 million euros
Gerald Desmond Bridge	USA	540 million euros
Hospital Complex in Panama	Panama	440 million euros
Port of Açu	Brazil	402 million euros
Tizi-Ouzou Stadium	Algeria	359 million euros
Toronto Metro	Canada	304 million euros

TRANSPARENCY IN FINANCIAL MANAGEMENT

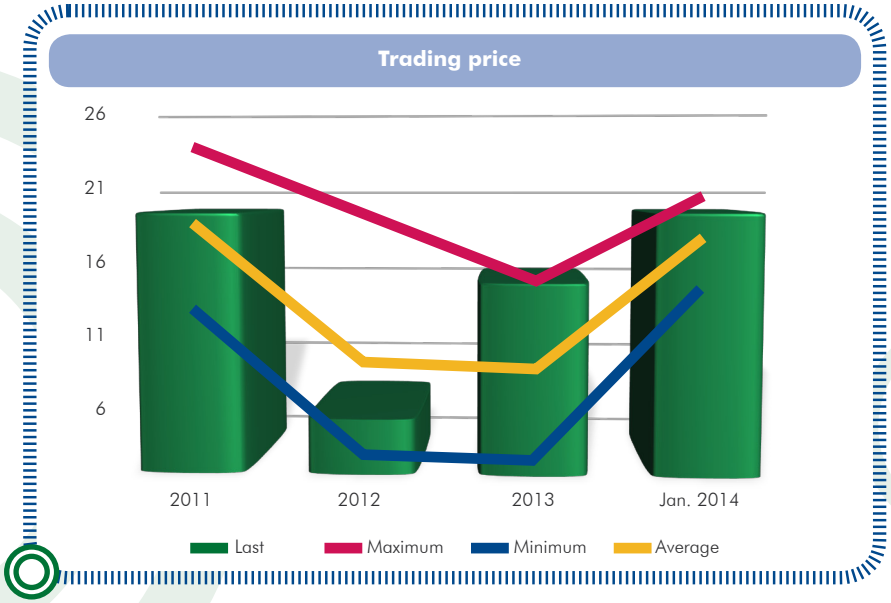
Share price performance

FCC Group's share capital consists of 127,303,296 ordinary shares with a nominal value of one euro each. All FCC shares have full voting and dividend rights. They belong to the same class and series without any preference shares and are free of liens and encumbrances.

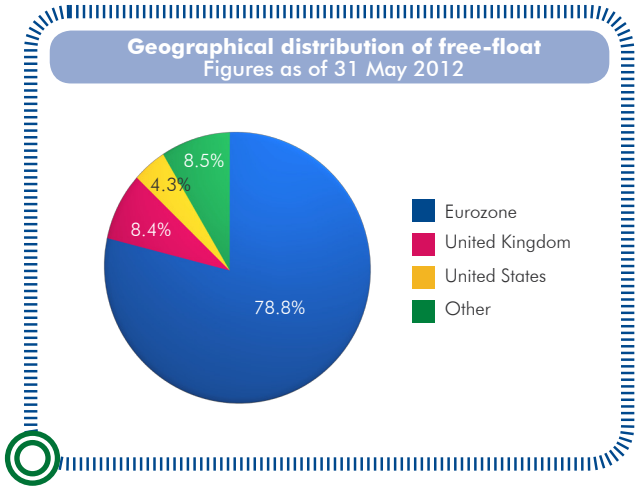
The company's shares are listed on the four Spanish stock exchanges (Madrid, Barcelona, Valencia and Bilbao).

Main shareholders	Shares	% Share capital
B-1998, S.L.	55,334,260	43.46%
Azate, S.L.	8,353,815	6.56%
William H. Gates III	7,301,838	5.73%

Historical information on FCC Group share prices shows a rise in the price towards the end of 2013.



The FCC Group's floating capital is 44%. Its estimated distribution is 16.7% Spanish minority shareholders, 5.8% Spanish institutional investors and the remaining 21.5% foreign institutional investors.



	2010	2011	2012	2013
Total volume (millions of shares)	158.23	150.88	113.90	203.56
Total Cash (M€)	3,464	2,997	1,395	2,378
Capital turnover (%)	124	119	89	160
Capitalisation (M€)	2,503	2,551	1,193	2,059
Share capital (millions of shares)	127.30	127.30	127.30	127.30

Distribution of dividends

In 2013, several factors have caused a contraction of the resources generated by FCC Group and the need to assume losses in the year as the result of the write-down of certain company assets. The two exceptional circumstances that took place in the first half of the year are the Alpine liquidation process, an FCC Construcción subsidiary for Central and Eastern Europe, and the value adjustment made at FCC Energía as a result of regulatory changes made by the Spanish government.

To prevent the deconsolidation of the Austrian subsidiary affecting the Strategic Plan and the objectives to 2015, the Group launched a plan for additional cost savings.

In this sense, in December 2012 the FCC Board of Directors, in accordance with a principle of prudent management and in the best interest of all company shareholders, decided not to distribute an interim dividend in 2013, as was customary in previous years.

This decision, which aims to strengthen the Group's balance sheet by retaining the resources generated, in order to support the future creation of shareholder value, and to sustain the profitable growth of operations, will have to be ratified by the General Meeting of Shareholders to be held in June 2014.

Managing social and environmental risks for finance providers: FCC complies with the Equator Principles

For FCC Group, managing social and environmental risks begins simultaneously with the planning, design and search for financing. Entities that are signatories to the Equator Principles take part in financing the company's major projects.

The Equator Principles are a voluntary framework adopted by financial institutions to identify, assess and manage the social and environmental risks of projects. Launched in 2003 by ten financial institutions, today the initiative has 79 institutions in 35 countries worldwide which apply a framework with the following features:

- It provides a standard for due diligence in decision-making on social and environmental risk management.
- Based on the IFC's Performance Standards on Environmental and Social Sustainability, and on the Environmental, Health and Safety Guidelines of the World Bank.
- The Principles apply to all new project financing at a global level, with a total capital cost for the project of at least 10 million dollars, and in all industrial sectors.

The application of the Equator Principles at FCC Construcción

For technical advice from the social and environmental perspectives of the large Riyadh Metro project, FCC Construcción has hired the services of an expert company that has supported FCC in the four different phases that can be derived from the analysis of a project's conformity with the framework of the Equator Principles:

- PHASE I: review and classification of the project
- PHASE I: socio-environmental assessment and Action Plan
- PHASE III: enquiries and complaints
- PHASE IV: independent monitoring and periodic reporting

In 2013, the Riyadh Metro project was subject, firstly, to PHASE I, consisting of a classification according to the social and environmental assessment criteria of the International Financial Corporation (IFC), an entity attached to the World Bank, responsible for promoting the economic development of countries through the private sector.

As a result of this classification, the project was classified Category B, which corresponds to projects with limited possible adverse social or environmental impacts, which are few in number, and in general, located in specific sites, mainly reversible and easy to tackle using mitigation measures.

Then the project was subjected to PHASE II, and its Socio-Environmental Management Plan (Principle 4) was assessed, and at the same time phases 3 and 4 were started and will be subject to a planned follow-up while the project is being executed.

THE APPLICATION OF THE EQUATOR PRINCIPLES AT FCC CONSTRUCCIÓN

PHASE I
REVIEW AND CLASSIFICATION OF PROJECT

The EPFI (Equator Principles Financial Institutions) must classify the project based on the magnitude of its impacts and potential risks in accordance with the IFC's environmental and social assessment principles. The following three categories are established:

- A. Projects with possible significant adverse social or environmental impacts that are diverse, irreversible or without precedent.
- B. Projects with possible limited adverse social or environmental impacts that are few in number and, in general, located at specific sites, mostly reversible and easily addressed through mitigation measures.
- C. Projects with minimum or non-existent social or environmental impacts.

Based on the **AECOM** review, **a report shall be prepared** that will establish the classification of the project (A, B or C) and a justification for the category chosen will be given.

PHASE II
SOCIO-ENVIRONMENTAL ASSESSMENT AND ACTION PLAN

Based on Principle 2, for projects classified as A or B, the borrower will carry out an assessment process to address the relevant social and environmental risks and impacts. This assessment must provide mitigation and management measures that are pertinent and appropriate for the nature and scale of the project.

In addition, for non-OCDE countries, the assessment to be performed must take into account the Environmental, Health and Safety (EHS) Guidelines established by the IFC.

In any event, whatever assessment is conducted, it must check that the project complies with the laws, rules and authorisations relative to social and environmental matters in Saudi Arabia.

In line with what is set out in Principle 4, in the event that the project is classified as A or B, an **Action Plan** that varies depending on the measures and actions identified in the Assessment.

PHASE III
CONSULTATIONS AND COMPLAINTS

In accordance with Principle 5, in the event the project is classified as A or B, a consultation period must be provided for the communities involved without exclusions and in a culturally appropriate manner. In projects with adverse impacts that are significant for the communities, the consultation process will ensure a free, early and informed consultation and facilitate their participation as a means for establishing whether the project has appropriately included their concerns.

The documentation for the Assessment and the Action Plan will be made available to the public by the borrower for a reasonable period of time in the languages of the communities and in a culturally appropriate manner. The borrower must document the process and the outcome, including the actions agreed. For projects with adverse impacts, disclosure should take place early in the assessment process and before the beginning of the construction of the project. A mechanism for resolving complaints must be established.

PHASE IV
INDEPENDENT MONITORING AND PRESENTATION OF REGULAR REPORTS

Lastly, Principles 9 and 10 establish that, in the event the project is classified as Category A or Category B, the appointment of an independent environmental and/or social expert is required in order to verify the monitoring information, which may be shared with the EPFIs.

Every EPFI that adopts the Equator Principles undertakes to provide public notification at least yearly of its processes and experience in applying the Equator Principles, taking into account the appropriate confidentiality issues.

FCC Construcción's compliance with the International Finance Corporation's Performance Standards on Social and Environmental Sustainability

From the risk management, auditing and internal control functions carried out by central services, to the activities taking place in the different countries, FCC Group has a compliance system that enables the Company to state to interested third parties (providers of capital, customers, etc.) that they comply with legislation and with international rules and standards.

FCC Construcción's due diligence in financing processes

The evaluation process of the social and environmental risks related to the Riyadh Metro project, according to IFC's criteria, has been performed by the finance entity, based on the main elements of the due diligence to ensure the Company's compliance.



Elements of the due diligence in the evaluation process of the social and environmental risks

1. Policies and procedures / management systems

Policies

Quality, environment, occupational health and safety, customers, employees, suppliers, R+D+I, information security.

Management and sustainability system

Best Practices® system: this adds actions to the legislative and contractual requirements, or those of any other origin that ensure truly better environmental results.

Certifications

- Quality: UNE-EN ISO 9001
- Environment: UNE-EN ISO 14001
- Energy efficiency: UNE-EN ISO 50001
- EMAS (EU Eco-Management Regulation and Audit Scheme) Registries: Regulation 121/2009
- Occupational health and safety: OSHAS 18001
- Healthy Company: AENOR FREMAP model
- GHG emissions: ISO 14064
- Information security: ISO 27001
- R+D Management: UNE 166002

2. Risk management

- **Pre-bidding process**
  Quantitative assessment of a project's risks prior to presenting the tender. The decision to tender is assessed by rating a number of issues divided into six sections: Customers, Partners and Third Parties, Tender Documents, Location, Contract and Strategy. Risk of the tender.
- **Tender process**
  Risk management tool for identifying and assessing the risks in the tender phase. A Risk Register allowing the execution to be monitored from the perspective of risks. A Final Report on Risks with the main data from the analysis performed. The decision of whether to submit the tender is based on this.
- **Execution process**
  - Final Reports on Risks and on the Dynamic Risk Matrix; a comprehensive approach of the construction work in terms of anticipated problems and basic methodologies,

economic objectives and technical planning. In addition, the identification of risks for each activity associated with the construction work and for possible developments.

- The Quality and Environmental Auditing Department plans the construction work audits based on the level of risk.

- **Special Accident Risk Treatment Programme "PETRA"**

  A set of measures that are applied to certain construction works that may cause serious accidents with great social impact, as well as those which may cause high financial losses to the company.

- **Other actions related to FCC's risk management**
  - Strategic Risks Monitoring Committee
  - Dynamic Risk Map: A tool used to identify, assess and prioritise risk treatment. Relationships among risks can be seen, their scope measured and plans to be made when monitoring is needed to mitigate them.
  - Action and Risk Mitigation Plans: For risks resulting in a high rating when the product of Impact*Probability is obtained. Procedures in the Management and Sustainability System to mitigate social, environmental and health and safety risks.



3. Organisation and definition of responsibilities

Organisational charts

Organisational charts showing the allocation of responsibilities at different levels of the company. Included in a general organisation chart with senior management and the CEO.

Procedure No. 120

Definition of hierarchical and functional relationships. It determines: the updating of organisational charts, the division of FCC Construcción into Central Services and Production Areas, and the responsibilities for legal and technical consultants, area managers, administrators, construction managers, quality and environment technicians, training technicians, CSR technicians and health and safety technicians.

Skills development

FCC Construcción's Training Plan includes courses designed to increase knowledge and skills in the areas most relevant to each employee's job. There are courses on the following topics, among others: sustainability, quality, labour relations, environmental management, general environmental concepts, environmental assessment schemes for buildings, bioclimatic architecture, energy-efficient and renewable energy systems for buildings, sustainable building refurbishment, waste management, occupational health and safety, safety on scaffolding and metal structures, safety in high-rise work and first aid.

4. Supplier management

Procedure No. 310

This ensures that the materials, equipment and services purchased meet the compulsory requirements. The company has a software application that includes historical information on ratings of different suppliers and subcontractors. These are classified into: suitable providers, problematic suppliers, restricted suppliers and suppliers with financial anomalies.

Once potential licensees have been selected, they are included in a catalogue and rated in the relevant sectors for the drafting of contracts with the preparation of the Report on the Preliminary Assessment of the Supplier based on criteria of quality, health and safety, environment and financial capacity. Once they have been assessed, a Report on the Final Assessment of the Supplier is prepared.

5. Monitoring and reporting

Procedure No. 315
This provides guidelines for verifying compliance with the established legal and contractual requirements imposed on the project units under construction.

System Support Visits (SSVs)
Visits conducted by quality and environment technicians for the purpose of providing the training needed for the construction works to correctly implement the Management and Sustainability System.

Internal System audits
Conducted by the Quality and Environmental Auditing Department and the Occupational Health and Safety Department, it ensures compliance with the requirements outlined in ISO 9001, ISO 14001, ISO 27001, ISO 14064, OSHAS 18001 and UNE 166002.



Procedure No. 306
A planning review will be carried out every four months to update the relevant sections of the various documents and, in addition, when a major change occurs with respect to the current planning approaches. FCC Construcción's central services integrate the information and prepare the System Status Report published in June and October and with the information from job sites active in the first four to eight months of the year, respectively. At year end, the System Review Report is prepared.

Procedure No. 720
As a result of the internal audits, the auditor prepares a draft audit report that includes any relevant aspects detected and sends it to the person responsible for the audited organisation to make any necessary comments.

Procedure No. 130 and the Sustainability and Environmental Management Report
The Sustainability Management System defines the list of indicators to follow-up all construction areas and their integration into central services. In addition, these indicators are also defined and published in the Sustainability and Environmental Management Report.

Procedure No. 317
The Management and Sustainability System defines how incidents related to social and environmental matters are detected, stored, assessed and managed.

6. Commitment to stakeholders

Notification of environment-related matters
Notifications to stakeholders regarding environment-related matters takes places as follows:

- The Group's Environmental Policy is provided
- The Environment Department will answer written requests for other information required.
- The project management will resolve potential impacts and environmental changes by communicating with the relevant environmental institutions and local authorities.

- A record is made of the different institutional relations that have taken place and the reports on the environmental measures implemented.
- Any suggestions, complaints and penalties received are recorded.

FCC volunteers

This programme was launched to address specific social needs.

Procedure No. 400

This lays out the guidelines to follow with customers regarding information, notification, verification and resolution of complaints and claims and the degree of satisfaction after the projects are completed.

The system for managing relationships with customers after project completion is based on: assessments of customer satisfaction through end-of-project surveys, the processing of complaints and claims and the appointment of interlocutors.

7. Violations, notifications and disputes

There is currently no information about this stage of the process.



FCC GROUP'S CORE BUSINESSES

ENVIRONMENTAL SERVICES

Focused on citizen satisfaction

A wide range of citizen services aimed at well-being

With over 100 years' experience, FCC Group's Environmental Services Area provides urban sanitation services across Spain and in other countries in Europe, Africa and America. Applying the latest collection and treatment technologies, the company has a strong commitment to the environment and to the society it serves.

GLOBAL TRENDS

- The environmental services market is significant and growing, driven in part by increased environmental regulations and the change in consumer preferences. Source: Trade and Environment Briefings: Environmental Services: UNEP
- Today, the market for environmental services is a major market and demand is expected to increase considerably over the coming years. In 2006, the market was estimated at 690 billion dollars and is expected to increase to 1,900 billion by 2020. Source: Trade and Environment Briefings: Environmental Services: UNEP

Business strategy

FCC's Environmental Services division is one of the largest businesses in the world in its industry and it renders its services through subsidiaries: FCC Medio Ambiente, FCC Environment (UK), .A.S.A. and FCC Ámbito. The FCC Group is a leader in urban waste management in Spain and is one of the largest operators in the United Kingdom, Austria, Portugal, Egypt and the following eastern European countries: the Czech Republic, Slovakia, Hungary, Poland, Romania, Bulgaria and Serbia. It provides services to more than 72 million citizens. In addition, as part of the environmental services offered by the Group, FCC Ámbito provides services in the field of integrated management of industrial waste, industrial cleaning, decontamination of soil and external intervention in case of accidents, spillages, discharges, etc.

As part of its strategy, the company is seeking to strengthen its leadership in the domestic market for environmental services, enhance its waste management and treatment business in the UK, reduce structural costs (eliminating duplication and improving efficiency) and divest non-core assets.

FCC MEDIO AMBIENTE, S.A.

FCC Environment

·A·S·A·

FCC ambito

The Environmental Services Division has the following certifications

Company	Management area	Certification	Scope*
FCC Medio Ambiente	Quality	ISO 9001	87.2%
	Environment	ISO 14001	87%
	ORP	OHSAS 18001	100 %
FCC Ámbito	Quality	ISO 9001	61.4%
	Environment	ISO 14001	61.4%
	ORP	OHSAS 18001	55%
ASA	Quality	ISO 9001	99%
	Environment	ISO 14001	91%
	ORP	OHSAS 18001	—
FCC Environment (UK)	Quality	ISO 9001	13%
	Environment	Carbon Trust Standard	100%
		ISO 14001	84%
	ORP	OHSAS 18001	—

* Scope: % turnover, except ORP, where the scope of coverage is the percentage of workers covered

2013 milestones

- The first company in the environmental services sector to receive the AENOR Healthy Workplace certification for contracts managed by the Catalonia II office of FCC's Medio Ambiente division.
- Design of the methodology and of the calculation model for intensity indicators that will enable the expression of efficient management in the use of resources, both energy and water, and in the reduction of GHG in the services provided by the Medio Ambiente division in urban services activities[1].
- Adjustment of the workforce to the environmental services business's turnover in Spain.

2014 Challenges

- To obtain the second certification of the carbon footprint of FCC's Medio Ambiente division and verify the methodology to calculate the intensity indicators for urban services.

Awards and recognitions in 2013

- Finalists in the third edition of the international awards for eco-efficiency for the initiative consisting of the production of steel aggregates from the recycling and recovery of steel slag. This project has been awarded by KPMG and the influential El Confidential digital daily in 2014, the prize for best business practices.
- The SEDRUS® (Sharing Data to Reflect Urban Environmental Sustainability) platform was a finalist in the third edition of the FCC International Eco-Efficiency Awards and received a diploma of merit.
- FCC received a prize at the Innovation + Sustainability + Network Awards held by the EXPANSION business daily newspaper in the category of Large Sustainable Business for its electric refuse collection lorry.
- FCC Ámbito is the first Spanish company to be audited in compliance with Regulation 1179/2012 which sets out the criteria to determine when recovered glass ceases to be waste under Directive 2008/98/EC of the European Parliament and Council.

[1] Waste collection, street cleaning and parks and gardens maintenance activities.

WATER MANAGEMENT

Transparency, quality of service and proximity

Solutions for all phases of the integrated water cycle

FCC Aqualia is the main FCC company and one of the largest European public services groups that provides integrated water management. Aqualia offers solutions to the market to cover all the needs of public and private institutions and organisations for all stages of the integrated water cycle and for all uses, including human as well as agricultural and industrial uses. Its main business activity is the management of municipal water services. The company has quickly become a benchmark in the industry.

GLOBAL TRENDS

- Achieving the Millennium Development Goals for the water sector in developing countries (to reduce by half the proportion of people lacking access to drinking water and sanitation by 2015) will involve investments of $72 billion per year. Source: OECD
- Water stress is one of the major problems for the sector. It is predicted that there will be an increase of up to twice the number of people living in water-stressed river basins between 2000 and 2050, reaching 3.9 billion people (about half of the world population). Source: OECD, Water: The Environmental Outlook to 2050.
- According to the United Nations in 2011, 768 million people still lacked access to an improved drinking water source. Source: United Nations

Business strategy

Aqualia FCC's commitment to social responsibility and excellence has enabled it to consolidate a leading position in the domestic market. This commitment is also materialised in foreign markets with a defined strategy to consolidate an ambitious but prudent internationalisation. FCC Aqualia has a stable presence in various countries around the world, where it acts directly or through its local companies, subsidiaries and holdings.

The company is committed to diversification and is able to offer every possible solution to manage the integrated water cycle, whatever its use: domestic, agricultural and industrial, serving a population of over 28 million people. FCC Aqualia has become a cutting-edge, benchmark brand in the industry, thanks to a highly specialised and committed team whose ongoing goal is to improve efficiency in the production process and to optimise resources.

FCC Aqualia's corporate purpose is to obtain water, adapt it for human consumption in accordance with strict quality control measures, distribute and subsequently treat it, with the aim of returning it back to nature in the right quantity and quality, using the resources and materials employed in the process in an efficient and sustainable manner.

FCC Aqualia

The Water Management Division has the following certifications

Management area	Certification	Scope*
Quality	ISO 9001	96.8%
Environment	ISO 14001	96.8%
ORP	OSHAS 18001	71%
R+D+i management	UNE 166002	—
Information security	ISO 27001	—
Energy management	ISO 50001	2.8%
Management of testing laboratories	ISO 17025	—

* Scope: % turnover, except ORP, where the scope of coverage is the percentage of workers covered



2013 milestones

- AENOR verified the carbon footprint for the integrated cycle in Lerida.

2014 Challenges

- Measuring the water footprint of the integrated water cycle as one of the top priorities for the sector, in collaboration with the Complutense University and the Botín Foundation.
- To consolidate initiatives to improve service provider companies services, strengthening FCC's collaboration on projects such as AquaRating and Benchmarking.

Awards and recognitions in 2013

- Awarded the third "Aragon, Committed to Prevention" Award for its exemplary record of five occupational accident-free years in Depurteruel. In addition, FCC Aqualia received other recognitions for preventive management in the services it manages in the Valencian Community and the Region of Murcia.
- The 'Territorio y Marketing' Channel granted an award as finalist of the 'Territorio y Marketing' Awards to the educational activities that FCC Aqualia is carrying out in Oviedo. The activities organised were aimed at making a contribution to water management education in order to showcase this activity and help the sustainable development of water resources.
- The Global Water Intelligence (GWI) magazine awarded the financial closure of the New Cairo Waste Water Treatment Plant the prize for the Water Deal of the Year, which recognises the greatest contribution to the development of public-private partnership projects in the industry worldwide.
- The Department of Education, Training and Employment of Murcia has publicly acknowledged FCC Aqualia's concern and good management with regard to health and the prevention of occupational risks at work, granting it the 'Safe Company' distinctive mark of the Region of Murcia, the purpose of which is to recognise the merit of the industries that show a greater concern for safety at work.

INFRASTRUCTURE

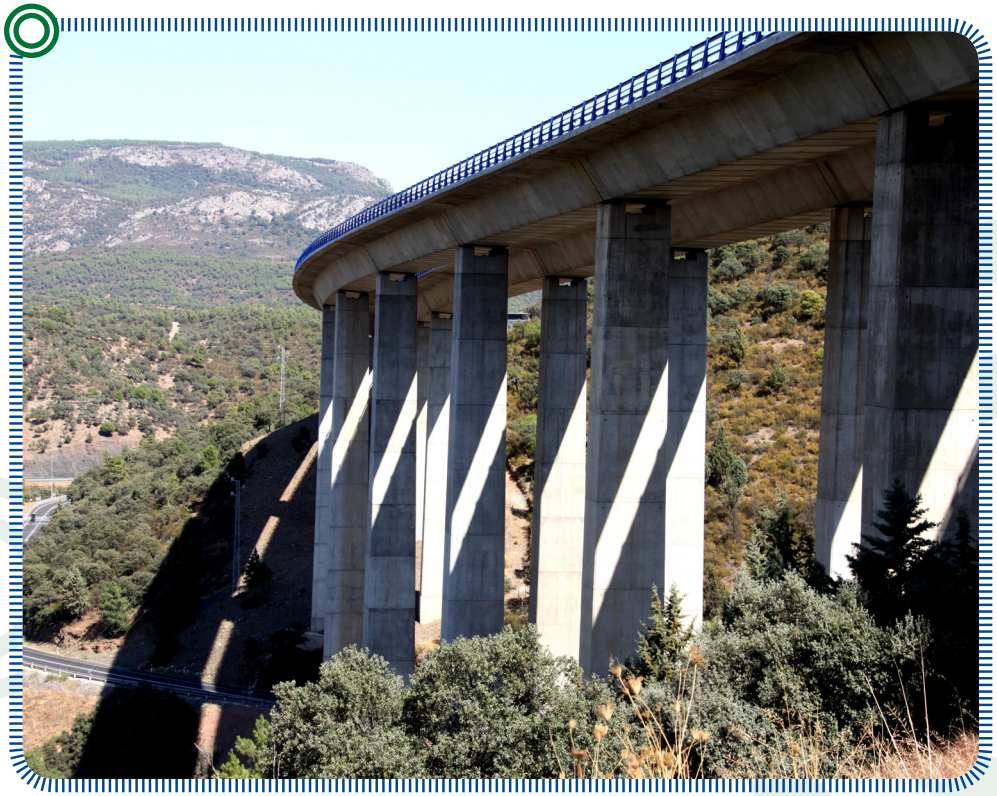
Building bridges to improve the lives of citizens

A benchmark company in infrastructure construction and cement production

FCC Construcción engages in the development of infrastructure, both in Spain and in the global market. Its activities cover all areas of the construction industry, and FCC Construcción is a world reference in the execution of civil engineering works (roads, railways, airports, hydraulic and maritime works) and building projects (both residential and non-residential). It also has a proven track record in developing projects under concession regimes. In addition, it has a number of subsidiaries that are engaged in the construction industry. Cementos Portland Valderrivas is also a multinational company and is present in Spain, the U.S. and Tunisia. The company works to use the most advanced technologies in all its production processes with the objective of achieving economic optimisation and being environmentally-friendly

GLOBAL TRENDS

- It is expected that 4,900 billion people will be living in cities in 2030, along with a growth of 44% in urban markets in cities by 2035. Source: "Expect the unexpected: Building business value in a changing world". KPMG
- Worldwide, over one billion people lack access to roads, and over four million are lacking modern communication services. Population growth remains the main driver of demand for infrastructure. It is estimated that the global population will reach 8.4 billion by 2030. Source: OECD, World Bank
- According to OECD recommendations, in 2020 infrastructure projects will have to be carried out taking into account the scarcity of natural resources and the design life of the project (the use of recyclable materials and recycled materials, the measurement of the impact over the expected useful life and the recovery of ecosystems). Source: OECD



Business strategy

With over 100 years' experience, FCC Construcción is a national and international leader in the civil infrastructure market.

The return to **profitability**, the **generation of cash flow** in its domestic markets and the concentration of international business on more **profitable geographies** will enable FCC Construcción to regain its leadership in the sector.

The company will rely on the following five strategic initiatives to improve profitability and to generate cash flow:

1. Restructuring of domestic construction
2. Drive towards profitability in international construction
3. Reduction of overheads
4. Divestment of concessions and real estate assets

Meanwhile, Cementos Portland Valderrivas will adjust its capacity and production resources, along with developing levers to increase efficiency in both Spain and the United States.

Construcción

CEMENTOS PORTLAND VALDERRIVAS

The Infrastructure Division has the following certifications

Company	Management area	Certification	Scope*
FCC Construcción	Quality	ISO 9001	97.2%
	Environment	ISO 14001	66.2%
	R+D+i management	UNE 166002	42.4% (75.1% in Spain)
	Information security	ISO 27001	42.4% (75.1% in Spain)
	Greenhouse gases	ISO 14064	42.4% (75.1% in Spain)
	ORP	OHSAS 18001	65%
Cementos Portland Valderrivas	Quality	ISO 9001	72.7%
	Environment	ISO 14001	64%
	ORP	OHSAS 18001	61%

* Scope: % turnover, except ORP, where the scope of coverage is the percentage of workers covered

2013 milestones

- Major projects awarded, such as the Riyadh Metro and Mersey Bridge in the UK
- The workforce has been adapted to the company's turnover in Spain.

2014 Challenges

- Consolidation of international mobility policies in order to adapt them to the international nature of the company's business activities. Hiring local staff in each country for a long-term stay as a general challenge for the company.

Awards and recognitions in 2013

- FCC Industrial, the subsidiary that builds FCC Infraestructuras' industrial constructions, was awarded CLH Group's "Zero Occupational Accidents" prize.
- FCC Construcción was named Global Environmental Ambassador for 2014. The company received this title in a ceremony held in the House of Commons in London in recognition of the environmental project carried out by FCC at Enniskillen Hospital (Northern Ireland).

FOCUSING ON THE PRIORITIES OF THE DIFFERENT BUSINESSES

Based on the requirements of the new G4 Global Reporting Initiative guidelines, it should be mentioned that the information collected for the preparation of this report meets the criterion of materiality, focusing therefore on the aspects identified by the different business as the most relevant in 2013. The milestones and challenges mentioned in the document are divided according to each company business and according to each strategic line in the company's 2012-2014 Corporate Responsibility Master Plan: Exemplary behaviour, smart services and connecting citizens.

This new approach to materiality means that the 2013 Corporate Social Responsibility Report focuses on certain issues. It is important to point out that FCC manages a wide range of additional sustainability-related aspects which are key to the operational management of its activities and which are collected by the Company's scorecards using the Horizonte tool.

	Environmental services	Water	Infrastructure
Exemplary behaviour	1. Training and education 2. Diversity and equality of opportunities 3. Occupational Health and safety 4. Employment 5. Fight corruption	1. Training and education 2. Health and safety of customers 3. Fight against corruption 4. Diversity and equal opportunities 5. Relationship between employees and managers	1. Fight against corruption 2. Training and education 3. Occupational Health and safety 4. Employment 5. Diversity and equal opportunities
Intelligent services	1. Emissions 2. Wastes 3. Energy 4. Compliance 5. Water	1. Water 2. Wastes 3. Emissions 4. Energy 5. Biodiversity	1. Emissions 2. Biodiversity 3. Wastes 4. Energy 5. Water
Connecting citizens	1. Local communities 2. Mechanisms to make claims related to social impacts	1. Local communities 2. Marketing communication	1. Local communities 2. Indirect economic consequences

Figure: FCC's material issues by business area



EXEMPLARY BEHAVIOUR

FCC's framework for action in integrity and business ethics.

FCC Group's integrity framework is supported by benchmark ethical principles (the Global Compact, FTSE4Good ethical criteria, Dow Jones Sustainability Index, Federal Sentencing Guidelines (USA) and the Equator Principles) and is the basis for the Company's exemplary behaviour. It is also committed to the development and health and safety of the people that make up FCC. Lastly, the principles of responsible procurement are a reflection of the company's sustainable approach to the value chain.

Contents

1. Commitment to good governance
2. FCC's framework of integrity, a guarantor of compliance
3. FCC's team of professionals
4. Extending FCC's principles along the supply chain

1. Commitment to Good Governance

FCC Group's governance team bases its work on the highest international corporate governance standards and complies with the recommendations of the Unified Good Governance Code, with the exception of three which are partially fulfilled and three others, for which an explanation is given. The professionalism, the focus on efficiency and the commitment of FCC's Board of Directors to shareholders is reflected by the following characteristics: a coherent size and composition, sound principles of diversity and clearly defined responsibilities.

FCC Group's commitment to good governance	
1. Quality and complementarity of FCC's managers	◉ Separation of the figures of Chairman and CEO. ◉ Six independent directors (33% of the Board) ◉ Five women on the Board of Directors (28% of the Board). ◉ The Audit and Control Committee presided by an independent director.
2. Monitoring risks and the Group's strategies as main responsibilities	◉ Integrated risks model. ◉ Crime Prevention and Response Manual. ◉ Code of Ethics

Good Governance. 2013 milestones

- ◉ Increase in the number of independent directors on the Board of Directors. From five directors to six.
- ◉ Approval of the Board's self-evaluation process.
- ◉ Chair of the Sustainability Excellence Club's Corporate Governance Committee.
- ◉ Management of the study of the social, environmental and ethical requirements requested by institutional investors through Sustainability Excellence Club and Georgeson.
- ◉ Presence in various working groups of the Emisores Españoles association: collaboration on the publication of the Study of the Committee of Experts' work on Improving Corporate Governance in Spain and on the Criminal Liability of Legal Persons.

Good Governance. 2014 challenges

- ◉ Adapting to the new environment of good governance planned by the Spanish government before the end of 2014.

1.1 Quality and complementarity of FCC managers

1.1.1. Complementarity and balance of the governance team

FCC Group has a Board of Directors capable of working as a team making use of the complementarity of their skills, experience and personal characteristics.

To this end, FCC Group's Board of Directors currently has what it considers the best structure and composition to carry out its strategic mission effectively. Currently comprising 18 directors, the company's Board offers the talents of a highly qualified team to its shareholders.

Reflecting the company's commitment to the interests of its shareholders, this includes the separation of the figure of the President and that of the CEO. FCC Group is thus able to ensure both the proper functioning of the Board and the attention to the interests and expectations of Group shareholders.

Moreover, the Board also includes six independent directors, one third of all Board members, who work to ensure that the interests of the free float capital are appropriately protected.



In addition, it should be noted that FCC Group is one of the IBEX 35 companies with the greatest number of women on its Board. Article 42.3.h of the Board Regulations includes within the functions of the Appointments and Remuneration Committee that of: "Ensuring that the procedures for filling vacancies on the Board are not subject to implicit bias against the selection of female directors".

1.1.2. Ensuring the proper functioning of the Board

The Regulations of the Board of Directors ensures minimum attendance levels and states that Board members may participate via telephone or video conference.

In order to comply with the obligation imposed by Article 38.6 of the Regulations of the Board of Directors, on 31 January 2013 FCC Group's Board of Directors issued the report assessing the quality and efficiency of its operation and that of its committees for 2012.

All Board members are involved and participate actively in preparing the report, taking into account the comments, assessments, opinions and suggestions that they all contribute to the process.

In 2013, the evaluation process was conducted by assessing the various aspects that affect the performance, efficiency and quality of the Board's actions and decision-making, and the contribution of its members to exercising the functions and achievement of the goals that the Board has assigned to it.

FCC's Board of Directors spends the first plenary session of the year assessing the quality and efficiency of its own performance during the previous year.

1.2 Monitoring the Group's risks and strategy as its main responsibilities

1.2.1. Integrated risk model

To appropriately address the risks to which the company's activities are subject, FCC Group has an integrated risk model that is extended progressively. The model enables a high-level risk map to be developed using the Enterprise Risk Management (Coso II) method which provides Management with information and contributes to the definition of the Group's strategy.

Supported by the people responsible for risk management in the different business areas, the General Internal Auditing Management coordinates their activities. The model is currently in the process of updating and improving both the definition and assignment of risk management responsibilities at operational level and the following risk management procedures and methodologies, including:

- The identification of the key risks for FCC Group.
- Risk evaluation. Risk evaluation scales are defined in terms of the potential impact they could have if they were to materialise and the likelihood that they will occur.
- Risk categorising.

- Optimising risks and control by establishing and implementing action plans for the most relevant risks.
- Mechanisms for periodically reporting the results of the risk evaluation and monitoring and the materialisation of risks.
- Implementation of specific procedures to document risk management in the decision-making process.
- Periodically and systematically updating the risk evaluation process and the controls described above.

As a consequence of the economic and financial crisis, one of the main risks materialised in 2013, has been the decrease in the activities and profitability of the construction business, both in Spain and abroad. The response plans established by the Group have been part of an overall restructuring process of the construction business and were as follows:



- Domestic construction: Adjustments of the production resources to the reality of the market, avoiding a reduction in profitability:
- Adaptations of the workforce to the current market situation.
- Reduction of the commercial structure, adapting it to the current market situation.
- International construction: drive towards profitability focused on specific geographies by selecting the most profitable construction works and markets, along with growth in industrial business in selected geographies. In addition, a reduction in the commercial structure is being carried out in the same manner as in domestic construction, adapting it to the current market situation.

1.2.2. Oversight of the strategy as the main responsibility

Furthermore, with a view to the proper management of its shareholders' interests over the long term, the main function of FCC Group's governance team is to oversee and strategically guide corporate decisions.

In order to conduct the comprehensive monitoring and control of the most relevant issues for the good functioning of the company, and to achieve greater efficiency and transparency in the exercise of its powers and in the performance of its duties, the Board of Directors has four committees: the Strategy Committee, Appointments and Retributions Committee, Executive Committee and Audit and Control Committee.

2. FCC's integrity framework, a guarantor of compliance

A culture based on integrity

In line with the Federal Sentencing Guidelines, (the US rules establishing a uniform policy for the conviction of companies and individuals in federal courts) FCC Group reinforces its commitment to ethics and due diligence in preventing, detecting and eradicating irregularities. In accordance with the requirements of these guidelines, FCC has developed a series of elements that ensure the proper implementation of its compliance system and, specifically, to ensure its Code of Ethics is known, understood and complied with by all the organisation's employees.

THE SEVEN ELEMENTS OF DUE DILIGENCE RELATED TO FCC'S ETHICS AND INTEGRITY

Rules and standards	◉ FCC has a defined Code of Ethics with a global geographic scope and for all operating environments. The Code includes guidance on all relevant or risk-related elements with regard to ethics and compliance, including matters which are relevant from the standpoint of criminal acts.
Responsibilities and integrity	◉ FCC has assigned the responsibilities of managing the impetus of the ethics and compliance programme. The Response Committee fulfils the pertinent related functions at FCC Group. In accordance with the principle of integrity, the company has made a commitment to not assign responsibilities related to ethics and compliance to people with a history of non-compliance in this area.
Communication	◉ FCC communicates the existence of the Code on a regular basis in order to ensure that both employees and third parties know and understand what is expected of them.
Monitoring, assessment and resolution	◉ FCC has made a commitment to periodically review the elements implemented regarding ethics and compliance, and to assess the effectiveness of the overall programme for the prevention, detection and eradication of irregularities. An ethics channel has also been set up to report ethical malpractice. The company adopts disciplinary measures in the event of non-compliance; it assesses risks and aligns the ethics and compliance programme with the risks identified. FCC has a procedure implemented to resolve reported or detected irregularities.

Integrity framework. 2013 milestones

- ◉ There were 22 complaints received via the Ethics Channel regarding: respect among people, corruption and bribery, professional development, equal opportunities and non-discrimination and the principle of integrity.
- ◉ The Response Committee met five times.

Integrity framework. 2014 Challenges

- ◉ The launch of the plan for dissemination and training on FCC's compliance management system:
  - ⊙ Communications from the CEO.
  - ⊙ Training on the Code of Ethics and on the Crime Prevention and Response Manual.
  - ⊙ Communication campaign on the web, intranet and physical mediums.



2.1 FCC Group strives to be a leader in ethical behaviour

2.1.1. FCC's Code of Ethics

The **Code of Ethics** is the tool that sets out the principles that guide behaviour at FCC Group. It consolidates a culture of ethics and integrity among all employees and in the company's business relationships with third parties.

Moreover, FCC Group has complementary mechanisms, such as the Internal Code of Conduct in the Stock Market and the communications channel for incidents related to ethical matters, financial irregularities or workplace or sexual harassment.

With this **Crime Prevention and Response Manual**, FCC Group is establishing a system to prevent crime through actions and controls implemented in FCC Group in order to mitigate the risk of the crime being committed. The preparation of this manual is in response to the 2010 reform of the Spanish Criminal Code that includes the criminal responsibility of the legal persons in relation to crimes committed by employees.

The manual includes two sections that are differentiated based on logic and experience in the Company's management of risks:

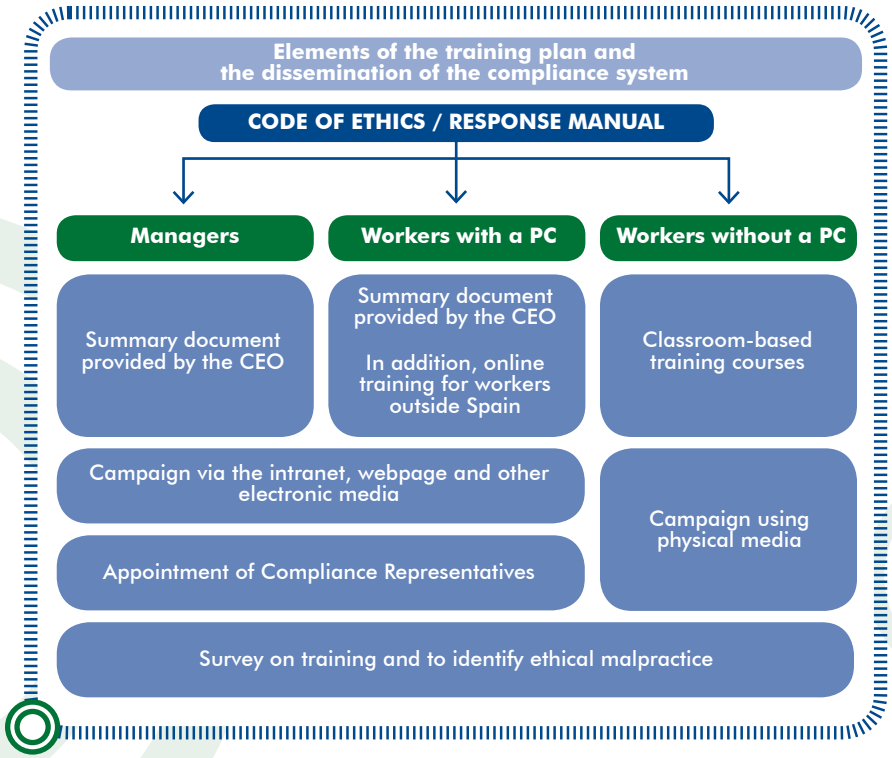
- The first part deals with prevention and consists of identifying and updating any conduct within the Group that may involve the risk of committing a crime as well as the planning and implementation of monitoring mechanisms to mitigate these risks.
- The second part corresponds to the bodies and procedures that provide a response to any indications that might lead to irregularities taking place within FCC Group.

It is also important to point out that the procedures established in this manual are binding and are ranked the highest priority within FCC Group's regulations.

2.1.2. Responsibility for the Code of Ethics

Through its **Audit and Control Committee**, FCC Group ensures the adoption of disciplinary measures should the Code of Ethics be breached and assesses risks in relation to issues related to ethics, integrity and compliance with the risk management and control systems.

Approved by the FCC Group's Board of Directors, the **Response Committee** is the body whose general role is to promote the dissemination, awareness of, and compliance with the Code of Ethics in the Company. It consists of the General Manager of Internal Auditing, who chairs the Committee, the General Manager of Legal Counsel, the General Manager of Human Resources and the Manager of Corporate Responsibility, who serves as Committee Secretary and Coordinator. Monitoring the communication procedure in matters relating to criminal offences and in general with FCC Group's Code of Ethics, rests with the Response Committee.



2.1.3. Communication of the Code

FCC Group designed a new training course to be launched in 2014. It includes the latest features and changes made to the Code of Ethics.

This purpose of this course is for all Group employees to know, understand and identify with the benchmark principles and conduct laid out in the process that defines FCC's Code of Ethics. The ultimate goal of the course is to support the company's strategic objective to develop a global company culture at FCC based on corporate principles and desired attitudes.

The online training modules are structured around the importance of compliance with the legal, regulatory and professional requirements assumed by FCC Group and the obligation to report any breaches, as well as around understanding the conduct commitments included in the Code of Ethics and the procedures and protocols associated thereto.

The main channels identified for the dissemination and training on FCC's compliance system, will therefore be the following:

- Web page: specific module on the Code of Ethics, the Crime Prevention and Response Manual and the Response Channel.
- Intranet: Welcome Manual; CEO's blog; informative tips; specific module on the Code of Ethics, the Manual and the Response Channel
- Physical materials: Informative tips by topic at workplaces.

2.1.4. Monitoring irregularities and disciplinary measures

To report irregularities in a confidential manner, or for enquiries or suggestions to improve the company's existing systems in relation to the matters covered by the Code, FCC provides its employees with an **Ethics Channel**. All FCC Group personnel are required to report any breaches they discover related to the Code of Ethics.

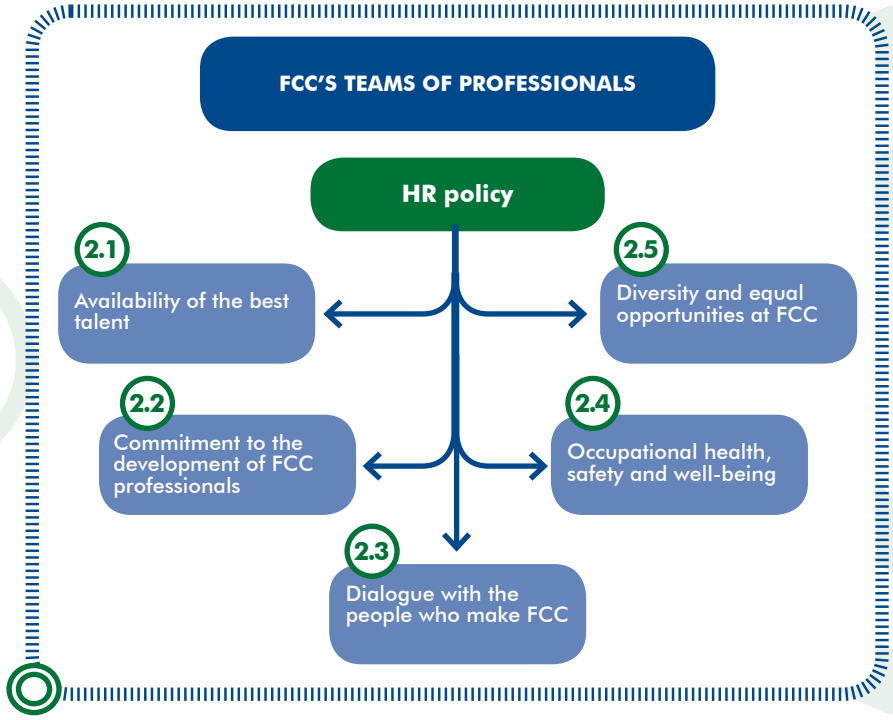
3. FCC's team of professionals

A working environment based on communication and "doing things well"

Each of the Group's businesses has a team of professionals with the best training to perform the specific activities of each area. Infrastructure activities are increasingly requiring the integration of complex equipment for large projects; equipment that can provide solutions to challenges such as the Riyadh Metro or the Vidin Bridge. These are professionals with specific technical skills that are highly valued in the market. The people at FCC Medio Ambiente have significant local roots wherever they operate, a real necessity when building good neighbourly relations and taking care of the cities. In diversifying its services, FCC Aqualia's activities require multidisciplinary teams that are specialists in customer management. Based on the characteristics of the teams that each business requires, FCC Group strives to identify needs related to training, talent management and career development plans for groups, job categories and, where appropriate, personalised plans.

FCC Group's Human Resources Policy aims to promote and encourage the development of people, communication and a good working environment in line with the Group's strategic objectives and policies through the efficient management of specialised human resources services in the context of diversity and internationalisation. This policy aims to promote an internal environment of productivity, safety, training, personal satisfaction and integration within the company. The Human Resources objectives that are directly linked to the satisfaction of the people in FCC are:

1. Reinforce the motivation of key people within the Group
2. Strengthen the sense of belonging to the Group on an international level
3. Make the corporate values and culture part of life
4. Promote employee participation in projects at Group level
5. Support the integration of new employees
6. Improve the managers' skills
7. Develop a broad, comprehensive perspective with healthy workers who are dedicated and prepared as group and individual investments in the future



FCC's professional team. 2013 milestones

- Motivation of the Riyadh team: the relocation of large numbers of people that took place, enabled the measurement of the team's ability to integrate and the definition of new policies for FCC Construcción staff.
- Panama and Mexico established as major centres for human resources activity, which ensures safety and security for FCC Construction employees.
- The Equality Seal was obtained by FCC Aqualia and FCC and FCC Construcción's Equality Plan was renewed, with new proposals on equality, diversity and combatting gender-based violence.
- The signing of the agreement on "Companies supporting a violence-free society" and FCC's accession to the "Principles for the empowerment of women" of the United Nations Global Compact.
- Enhancement of training that supports FCC's internationalisation process.
- Creation of a new management development environment with the participation of over 400 executives and managers.
- Preparation of the catalogue of experiences within the capabilities model.
- Within the new intranet, publication on how to manage knowledge communities and the launch of the first two communities.
- Joint project with the Red Cross to carry out job internships for women who are victims of gender violence at FCC Aqualia's call centre.
- Launch of management skills development programmes at FCC Aqualia with the School for Industrial Organisation (EOI).
- FCC, an official partner of the 2012-2013 European Healthy Workplaces Campaign "Working Together for Risk Prevention"
- Second edition of FCC's Health and Safety s with an international scope.
- Implementation of FCC's Healthy Community with activities promoting health, nutrition and physical activity.
- The first Healthy Workplace certification was obtained from AENOR by FCC Medio Ambiente's Catalonia II office (Tarragona) (OHSAS 18001 and applicable audits).
- The signing of the cooperation agreement on road safety with the Alcobendas (Madrid) City Council and the First Children's Road Safety Day for the children of FCC workers at the Road Education Park in Alcobendas.

FCC's professional team. 2014 Challenges

- Finish reviewing the requirements (skills, knowledge and languages, and experience) for the different jobs, ensuring that these meet needs in accordance with the business strategy.
- Define career paths for technical and management careers, i.e., the criteria for mobility and career progression, inside and outside the job type and/or functional family.
- Launch the new performance management process which concludes with the development of individual development plans.
- Prepare a new welcome manual
- Give new impetus to the policy on language training, to make it even more streamlined and flexible.
- Launch new human resources training programmes for managers.
- Launch an executive development program for 25 high-potential individuals.
- Extend the use of webinar technology so that part or all of the expat or employees at off-site locations can follow the face-to-face training sessions in real time.
- Increase resources to support the professional development of women in the Development Programme for Pre-Management Women at the School for Industrial Organisation (EOI).
- Renewal of agreements for the employment of socially excluded groups.
- Obtain certification in health and safety in the South American countries where FCC Construcción works.
- Consolidate FCC Construcción's international mobility policies. Training teams with local staff in each country where FCC has long-term plans.
- Develop and update the internal tools for managing on-line knowledge, loading information and feedback for FCC Construcción's sustainability system.
- Extend the Training and Development Plan for managers, developed by the Group to FCC Aqualia's middle management.
- Internationalise FCC Aqualia's training to Italy and Portugal.
- Launch a mentoring plan for women and ex-pats at FCC Aqualia.
- Implementation of FCC's healthy company model and the launch of the Sport Social Network and the Healthy Portal. Celebrate Occupational Health and Safety Week.
- Renew the 2014 European Road Safety Charter
- Participate in the 2014-2015 European Campaign on Occupational Health and Safety dedicated to stress management

OUR MANAGEMENT IN A RATHER DIFFICULT YEAR FOR EMPLOYMENT

2013 has been a difficult year for FCC Group and its employees. The difficult economic situation in which the company found itself in a year of losses and divestments has led to significant restructuring of the Group's workforce. However, it is important to note that the situation was preceded by a strict employment protection policy. In fact, in the early years of the recession, it was one of the most important that the company has ever worked with.

FCC Group has gone through a restructuring process this year in order to adapt the company to the context of each business. The restructuring of the workforce thus falls within a general process of adaptation to different geographies and clients, together with a new growth model based on the consolidation of businesses in economies that will be profitable in the long term. Worthy of mention is the effort made to try to reach agreements and ensure that the restructuring processes were as least traumatic as possible. Thus, the total number of redundancies has been lower than initially proposed and an attempt has been made to favour measures other than redundancies. In addition, fewer workers have been terminated in collective redundancies than were initially agreed at the end of the consultation period. The criterion of responsibility applied by FCC Group during all the phases of consultation and negotiation with unions, employees and their legal representatives, that fully respecting the workers' rights, is worthy of mention.

The willingness and ability to reach agreements has been fully accredited. Of the workers affected by the collective redundancy procedures, 98.39% have been within the framework of procedures that ended in an agreement with the representative committee. The restructuring processes were carried out in a transparent fashion, Monitoring Committees were set up, and employees were provided with the information available, which was accessible to the workers' representatives, trade unions and employees via the Intranet. In addition, this capacity for dialogue has also been reflected a reduction in the number of strikes over the previous year. Thus, in 2012 the total number of days lost to strikes was 29,317 while in 2013 the number of total days lost to strikes was 11,125.

Concurrent measures

All the restructuring processes were carried out by company personnel, experts in Human Resources and Labour Relations, who were provided with continual support and backing by external consultancy firms.

In addition, the company included a number of improvements or concurrent measures in the negotiations, including:

- Considering cases in which workers have special circumstances (people with disabilities, only income-earner in the household, etc.).
- Alternative arrangements, less traumatic than dismissals:
  - Contract suspensions
  - Facilitate access to partial retirement
  - Modifications intended to make hours, shifts or wages more flexible
  - Internal mobility programmes and the possibility of working abroad
- A job bank with two different levels:
  - 1. Linked to the company making the collective dismissal. People who have left the company and can return.
  - 2. The possibility of some preferences for job offers from other companies
- Wage adjustment measures
- Worthy of note is how the Company was ahead of other companies in signing partial retirement agreements. This meant that some collective dismissal processes could be carried out with an accompanying measure that suspended contracts of people aged 59-60, enabling them access to partial retirement when they were 61. Apart from this, the partial retirement plans agreed enable them to be legally entitled to accept partial retirement until 31 December 2018, with the same legal conditions and requirements at the time the aforementioned agreements were signed. This results in rejuvenation, as well as the gradual access to retirement without drastic cuts (phasing out).

3.1. Allocation of the best talent

While it is true that the company is undergoing a process of staff restructuring, FCC Group believes that a priority, as part of its responsibilities as an employer, is to continue programmes to develop the talent of employees at FCC group. In 2013, the policies for attracting and retaining talent were decentralised as a reflection of the Group's commitment to this staff management aspect.

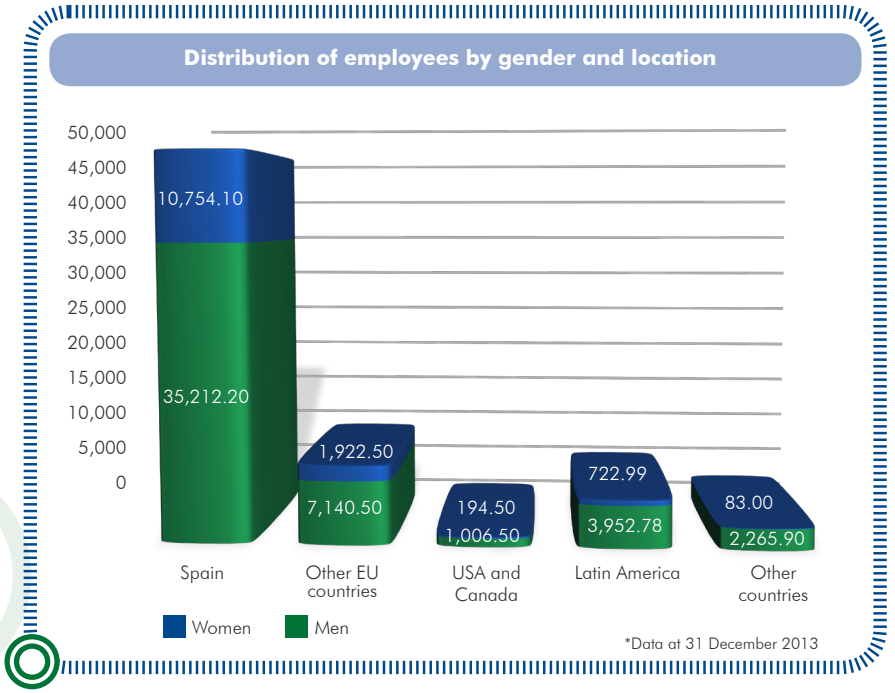
FCC carried on with the internal mobility programme, both nationally and internationally, in 2013 and this led to more than 40 transfers made through this procedure. The company has improved its recruitment sources, as the usual channels (receipt of CV on the web page, searches in databases, job portals, etc.) have been added to searches for candidates through social networks.

Through FCC's Recruitment and Employment Department, efforts are made to create an environment that successfully attracts, manages, motivates, develops and retains the best professionals. FCC has launched several projects to attract new talented professionals as part of its framework for the company's internationalising policy and the plan to internationalise its talent.

With regard to employer branding, special interest was given to company presentations and to participating in employment forums throughout the year.

The interest in improving FCC's brand image as an employer was rewarded when it received the 2013 Randstad Award.

In terms of professional practices, FCC has made an effort to recruit students from different universities and academic institutions, so that they could do their internships in the company through agreements with their educational centres.



To this end, the company has signed educational cooperation agreements with the best universities and business schools in Spain and in other countries where it is present.

3.1.1. Talent retention policies

Different human resources policies have favoured retaining talent within the organisation. Thanks to these policies, FCC continues to operate with the best professionals year after year and promotes the mobility of people within the Group. The internationalisation policy also allows the company to offer opportunities for development with very competitive conditions.

FCC develops tools that facilitate global internal mobility, to consolidate a results-orientated culture and implement compensation and benefits policies. In addition, the company is improving an organisational structure model based on responsibilities and

competencies. It is working on re-defining career paths for technical and management careers, promoting training processes in different areas of management, adding impetus to unemployment management systems and implementing the analyses of potential and executive succession plans.

PROGRAMME CONTINUITY FOR FCC EMPLOYEES

Master's degree in Construction Sciences

In 2013, FCC developed a Master's degree in Construction Sciences. This programme is a course aimed at completing and updating the training for FCC Construcción's civil engineers and construction site managers by increasing and upgrading their technical and managerial knowledge. This training initiative is the outcome of the cooperation between the University of Cantabria and FCC Construcción, who deem it appropriate to work together on the development of this programme, by combining the University of Cantabria's teaching capacity in this field with FCC Construcción's broad experience in the sector.

The programme is for university graduates with degrees in Civil Engineering and, provisionally, those with degrees specialising in Roads, Canals and Ports, Technical Engineering for Public Works, Architecture or Construction Engineering. All students enrolled can do the first part of the program (specialisation courses and the "Expert" qualification). In order to study for the Master's degree, students must be selected by FCC Construcción to be able to join the course. Those selected will be able to do a four-month internship with the company. The start of the remunerated internship can be done simultaneously with the teaching plan.



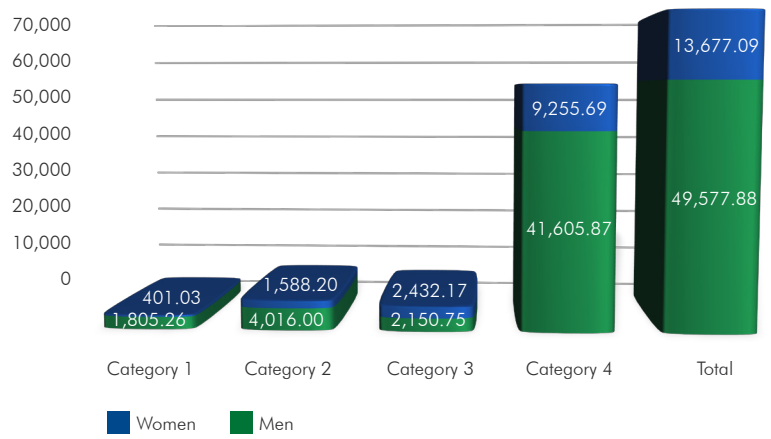
REPUTATIONAL ASSESSMENT. MERCO MONITOR

Merco

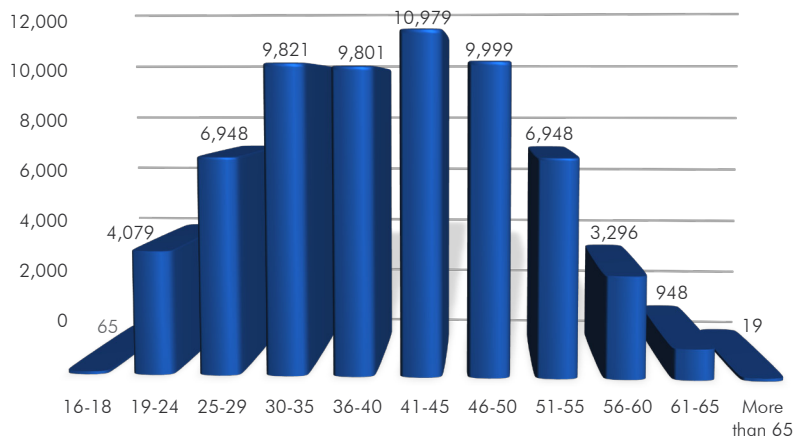
In 2013, the company obtained a score of 50 on the Merco Personas Index (Spanish Corporate Reputation Monitor). This ranking aims to identify the 100 best companies to work for and uses an analytical methodology that integrates information from different sources. The ranking also produces partial indices to assess the quality of the work, the employer brand and internal reputation in order to reflect different aspects of the organisation's work-related reputation. FCC was ranked 42nd in the Merco Responsables Ranking in Spain in 2013.

In addition, the FCC Group occupies 63rd position in the Merco Empresas Ranking prepared by the Corporate Reputation Institute. This ranking provides an external measurement regarding the perception of companies as an employer of choice.

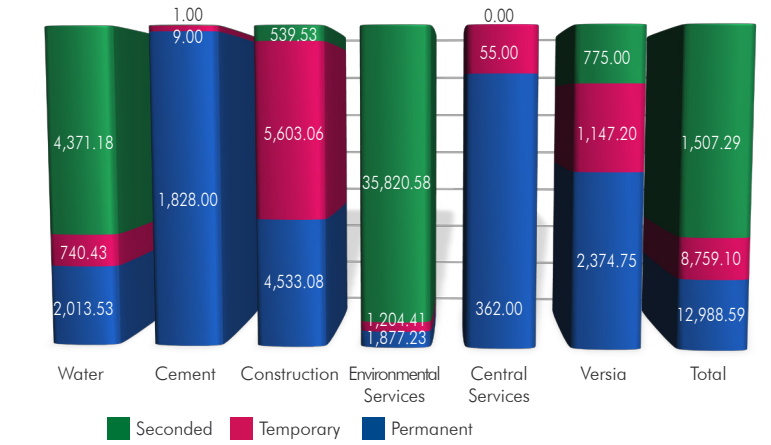
Workforce by gender and professional category



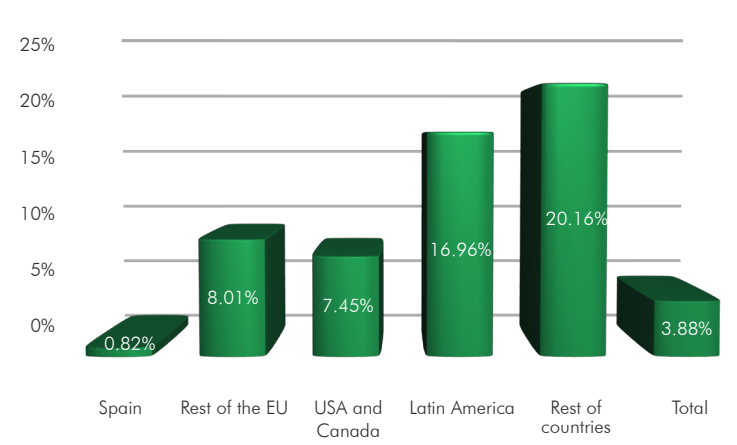
Workforce by age range



Workforce by contract type and business area



Average rotation by geographical area (%)



3.2. Commitment to the development of FCC professionals

People are the main protagonists of their own development within a regulated framework of opportunities. Each professional, along with their superiors and the management team, must create the ideal conditions for development and provide resources that will allow the appropriate professional progress.

FCC wants to be the best company to work for. This is why it offers a professional environment full of challenges every day, one in which they will have access to different career opportunities based on their abilities, performance and the needs of the business.

- As a company, FCC wants to have the best resources available in the market, attracting, motivating, developing, and retaining/engaging the best talent.
- Employees want to work for a company that offers opportunities for professional and personal progress and that recognises their contribution in a climate of trust and transparency.

It is widely accepted that improving people's abilities follows the 70/20/10 model: 70% is acquired through experience (learning by doing), 20% is through others (learning from others) and only 10% comes from structured training programmes (formal learning). This is what is known as the "70-20-10 Model". Below are the tools used for developing capabilities:

Development through experiences - 70%	Development through others - 20%	Development through training - 10%
Job rotation	Feedback	Classroom-based courses, e-learning, etc.
Functional/geographic mobility	Mentoring	Self-education courses
Substitutions	Coaching	Lectures
Branch offices	Networking	Conferences
Broadening of duties	Professional associations	
Problem solving	Social networks and groups	
Starting new businesses	Communities	
Participation in projects with multidisciplinary teams		

3.2.1. Training at FCC

At FCC, training is not a social benefit; rather it is a tool to help the company grow, along with its employees. Training at FCC has the following main objectives:

- To obtain increased employee performance and efficiency in the performance of duties and in Company operations
- To fulfil the goals of employee development (improve their employability)

FCC Group organises training in the style of a Corporate University based on the businesses and our strategic plan, with different schools.

- Technical Schools for infrastructure, environmental services, and water are focused on all the technical knowledge that is specific to our business activities.







"FCC is committed to in-house training in the areas in which we specialise and in which we work professionally with a high level of quality and efficiency"

- At the Schools of Values, Skills, Languages and Administrative process, FCC provides uniform management of the knowledge of everything it shares.



School of Values



School of Skills

SCHOOL OF ADMINISTRATIVE PROCESSES



Administration
Finances
Legal
Project Management
Concessions
Information security
Innovation in Human Resources
Secretariat
Etc.

LANGUAGE SCHOOL



OFFICE COMPUTER PROGRAMME SCHOOL



"FCC relies on top-level providers for those areas that are not their core business"

- Lastly, through its Schools of Management, the Company develops the knowledge and competences of the people in managerial positions and those who will hold these positions in the future.

3.2.2. Knowledge management communities

FCC believes in knowledge as the only unlimited resource, the only asset which increases with use. FCC's competitiveness is based on the specialised knowledge it has of the activities it carries out, its know-how. At FCC, sharing knowledge and experiences is part of each employee's job.

FCC defines knowledge as "the capacity to solve a certain set of problems with a certain effectiveness". Knowledge is not only found in experts, but in all those who work with it every day.

On its new intranet, the Company is promoting the creation of knowledge-management communities with the following objectives:

- To help resolve questions and/or problems
- To share experiences and good practices
- To provide access to experts in the area of knowledge and to those who work in this area
- To provide diverse material about the area of knowledge

3.2.3. Professional development

The professional development of people working at FCC is one of the keys to the smooth functioning of the Company. This development depends on the performance of employees in their jobs, their capabilities and the profiles required.

To achieve this, FCC tries to ensure:

- That the requirements of the jobs are those needed, in accordance with the business strategy, and that there are defined career paths for technical and management careers.
- That the performance management process allows for the development of employees' aligned with the company's needs, optimising their contribution to the Company's results and evolution.
- That there are people who have been identified and prepared to occupy key positions in the company (executive succession plans).



The company defines the capabilities required for the optimum performance of each position as a set of knowledge, skills, languages and professional experiences.

FCC sees the performance management process as a three-step process: Understand where we are → Decide where we want to go → Identify how we can get there and decide the best way to do so.

- Employees' capabilities (skills, knowledge and languages, and experiences) are assessed as a starting point to initiate employees' development processes and in order to be able to assess how they perform in their current position, what strengths they have developed over their career, what areas should be improved or developed and what motivates them professionally.
- The second step is to define in what direction employees' professional progress should be directed, according to their preferences, career paths defined, their merits and possibilities, and to the needs of the company; i.e., where the employee could be in the coming years, and their willingness to move within the company geographically or functionally.
- Lastly, FCC tries to define how to reach employees career goals. To do this, it is important to identify the capabilities that need to be improved that represent a development opportunity, either to improve the performance in their current position, or to gradually prepare them for a new position, and the specific action steps that they should carry out in the following year as an individual development plan.

Performance evaluation processes allow for the identification of high-potential individuals from among those with high level performance in their current position and an abilities profile suited for what is required in top positions. This allows FCC to ensure that there are people who have been identified and are prepared to occupy key positions in the company and prepare executive succession plans.

CROSS-DISCIPLINARY TRAINING PLAN

In 2013 FCC continued its commitment to the training and development of its employees, providing a total of 592,790 hours to 57,055 participants, with a total investment of €9,973,128. The main novelties in the 2013 Cross-Disciplinary Training Plan were as follows:

- An increase in the finance and legal training on offer with the addition of new courses.
- Reinforcing training aimed at supporting FCC's internationalisation process, including new courses on "Preparing for International Certification in Project Management (PMP Project Management Professional) and "Valuation, monitoring and control of finances for investment projects" for those lacking training in finances who are executing investment projects (especially expats or those who will be posted abroad).
- Development of employees based on the defined-ability model.
- Support for FCC's Strategic Road Safety Plan and for the Policy on Equality and Diversity, with the inclusion of training activities.
- Implementation of a new management development environment, participated by 400 executives and managers. This is a website with videos on business management, leadership and personal development that brings together the advice, key messages and experience of more than 200 world experts from the best business schools, and more than 150 CEOs.

In addition, fact sheets have been developed to better publicise training at FCC and these have been widely disseminated.

Within the skills model, in 2013 the company developed the catalogue of experiences, and began the process of reviewing job requirements so they can be used in the upcoming campaign to assess employees' skills.

Knowledge management communities

In 2013, FCC group launched its new intranet, it defined the governance model for communities, published how to administer knowledge management communities and launched the first two communities.

TRAINING HOURS BY BUSINESS ACTIVITY (CATEGORY AND GENDER)

Organisation	MEN					WOMEN					TOTAL
	Category I	Category II	Category III	Category IV	Total	Category I	Category II	Category III	Category IV	Total	
CENTRAL SERVICES	2,677	2,699	104	-	5,480	1,031	2,888	1,553	-	5,472	10,952
AGUA	4,602	17,834	21,745	26,128	70,309	524	8,369	9,870	8,423	27,186	97,495
CEMENTS	476	3,006	3,764	9,206	16,452	159	576	2,017	760	3,512	19,964
CONSTRUCTION	927	77,610	901	1,380	80,818	317	23,086	147	-	23,550	104,368
ENVIRONMENTAL SERVICES	13,391	43,131	32,483	208,528	297,533	3,721	10,999	12,235	25,416	52,371	349,904
ENERGÍA AND SUSTAINABILITY	11	40	-	-	51	2	48	-	-	50	101
FCC VERSIA	79	1,180	304	2,784	4,347	2	88	576	4	670	5,017
TRANSPORT*	1,228	1,385	-	313	2,926	180	1,469	360	54	2,063	4,989
TOTAL	23,391	146,885	59,301	248,339	477,916	5,936	47,523	26,758	34,657	114,874	592,790

*Includes the Transport subsidiary, which is not included in the scope of the other financial statements

3.3. Dialogue with the people who are part of FCC

One of the most painful and important processes in recent times took place in 2013: the beginning of the largest labour force adjustment plan in the history of the Group. The plan's characteristics are detailed in the information in the chapter, while it should be noted that it was accompanied by dialogue and communication processes that were transparent to the workers, who were provided with relevant information in spaces set up for this purpose.

3.3.1. Internal communication

To achieve effective internal communication is one of the objectives of Human Resources. Worthy of note are the company's efforts in terms of communication aimed at making the workforce restructuring processes carried out during 2013 transparent.

FCC Group works closely with the Group's Communication and Corporate Responsibility Department to establish new and more powerful internal channels and a corporate culture, based on behaviours and common and robust values as its own sign of identity, able to mobilize, to motivate and to commit the people who constitute the main value of the company.

FCC has an Internal Communication Team whose main objective is to promote activities related to communication and specific internal services which, in turn, are set out in the Human Resources Department's First Communication Plan. Internal Communication also promotes the efficient provision of interesting information to workers, with special emphasis on information, messages, policies and strategies directly related to the management of the company and its employees' work environment.

In addition, the goal of the Human Resources Strategic Plan is to promote communication which contributes to workers' productivity and personal development.

3.3.2. Occupational Management

The complexity of the management and protection of labour rights for FCC Group has different implications depending on whether Spain is being considered, or the rest of the world.

The section on "the employment situation in 2013" describes in detail the management and agreements reached in the Group's different businesses in Spain.

It should be noted that the entire FCC Group's workforce in Spain is covered by collective bargaining agreements. This form of labour regulation is predominant across the organisation internationally, notwithstanding other forms of regulation.

In order to protect the rights of its workforce, FCC Group is signatory to the most important international human rights standards.

- The company adheres to the United Nations Global Compact and the OECD Guidelines for Multinational Enterprises are among the guiding principles of its policy.
- In countries that have not ratified the ILO conventions, FCC Group has been negotiating agreements with the International Federation of Building and Wood Workers (IFBWW).
- The company has acquired commitments within the framework of the Universal Declaration of Human Rights, the Declaration of the Rights of the Child and various ILO conventions.

3.4. Occupational health and safety

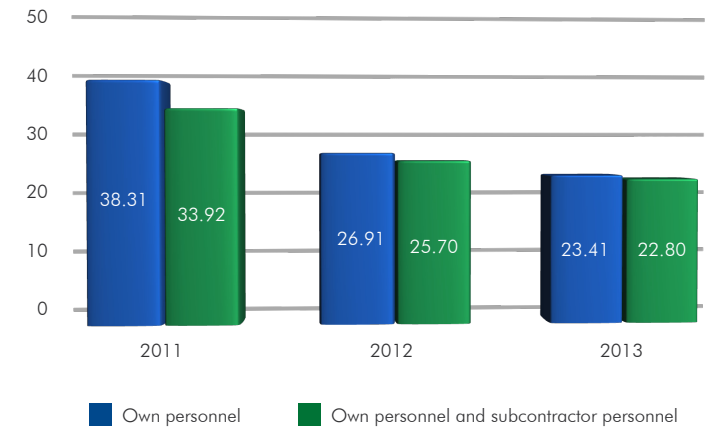
FCC's corporate policy on risk prevention represents the Company's commitment to and concern for ensuring a safe and healthy working environment. In order to unify and structure both the provision of resources and the procedures for identifying, assessing and monitoring risks and, with a view to an ongoing improvement in working conditions, the Company uses its Corporate Occupational Health and Safety Manual, which goes beyond regulatory compliance, fully conforming to the requirements for OHSAS 18001 certification.

To establish the actions and objectives common to all lines of business in the area of health and safety, in 2013 FCC Group's Prevention Committee drew up the 2014-2016 Strategic Plan for Occupational health, safety and well-being.

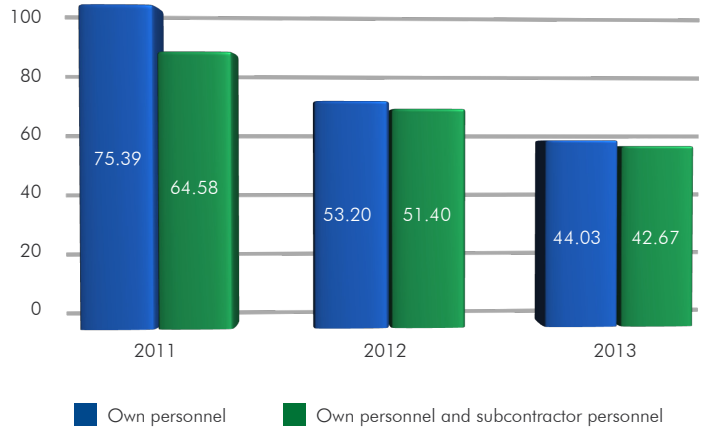
With regard to the accident rate, it should be noted that the downward trend of previous years in the frequency rate has continued, reducing the 2013 rate for employees by 13% and that of employees and subcontractors by 11%. The severity index, however, increased in 2013 by 15% for company employees. It should be mentioned that several management units achieved the goal of "Zero Accidents" during several months last year.

Nevertheless, in 2013 FCC has had to regret the deaths of six employees as well as those of three subcontractors.

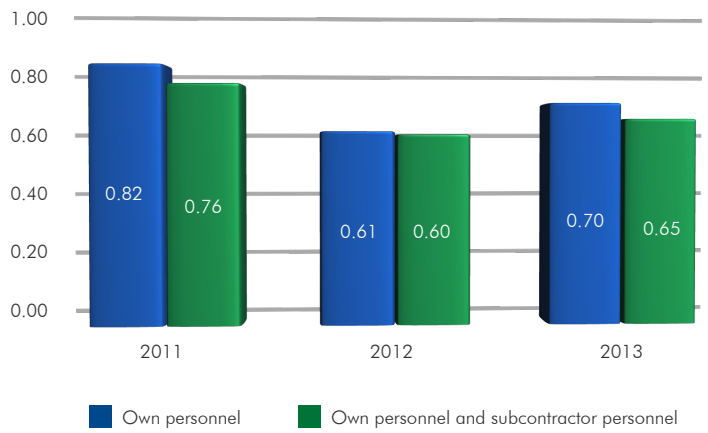
Frequency index



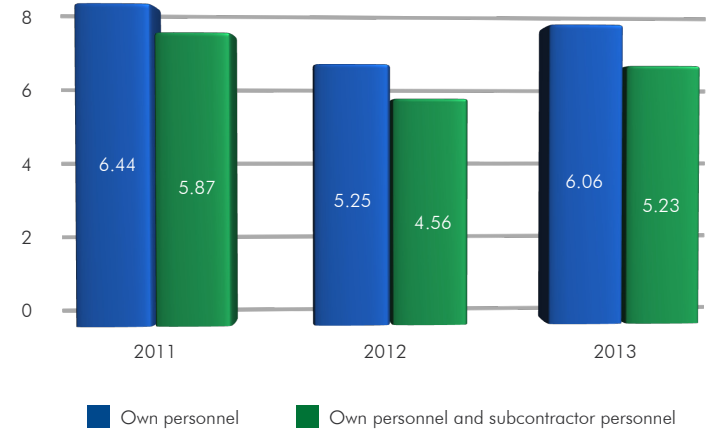
Incidence rate



Severity index



Absenteeism rate

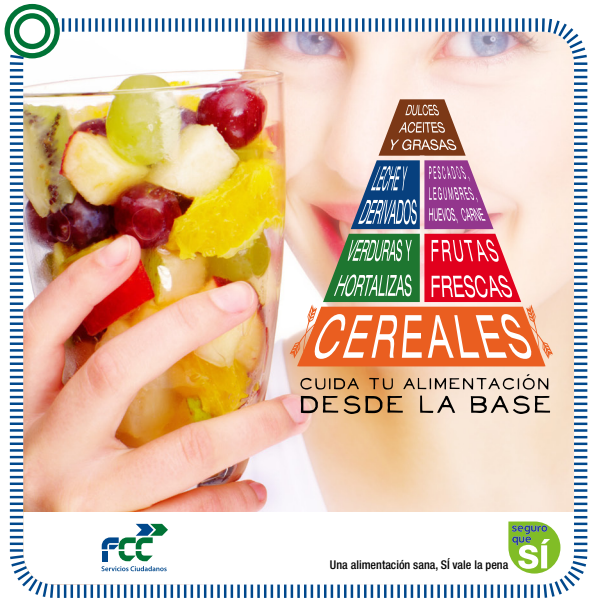


3.4.1. Management of occupational well-being

In 2013, FCC expanded its commitment to employees' well-being by developing and designing a new Healthy Workplace model whose mission addresses three key actions:

- To encourage and promote occupational well-being in order to improve the organization and working conditions of the persons involved, promoting their participation and anticipating the needs of both employer and employee in order to make a contribution to personal development and to fulfilling the business strategy.
- To achieve a health company from a broad, comprehensive perspective with healthy workers who are motivated, committed and prepared as group and individual investments for the future.
- To provide value to employees, their families and the communities in which we participate and to position FCC Group as an exemplary model.

This "Healthy Company" project focuses primarily on the promotion and implementation of activities in the context of health, healthy eating habits and sport.



In addition, in 2013 FCC Group conducted 8,450 studies including risk analyses, health and safety plans, technical reports on working conditions, analyses of physical, chemical and biological contamination, ergonomic studies and studies of psychosocial factors.

Furthermore, the effective management of health and safety is ensured through meetings on prevention organised by professional level, and regular monitoring meetings are conducted at all the company's structural levels with the involvement of managers from different departments. The purpose of these meetings is to monitor the health and safety objectives proposed, the accident rate, etc. In 2013, FCC Group held a total of 4,015 meetings organised by level.

Another key process to promote ongoing improvement in these areas is the management and implementation of internal audits. In 2013, internal audits on health and safety matters were conducted at a total of 149 centres.

FCC Group also intends to further increase the number of areas certified by OHSAS 18001. In 2013, 164 companies were covered by this certification, which corresponds to 74% of employees.

In addition, FCC continues to take an active role in promoting and disseminating the culture of health and safety and best practices. This is why it shares its knowledge in this field in various forums, organisations and associations:

- Active participant as members of AESPLA (Spanish Association of Occupational Risk Prevention Services) in campaigns, seminars, forums, organisations and informative events.
- Participation in the Prevention of Occupational Risks and Social Security Committee of the CEOE (Spanish Confederation of Employers' Organisations).
- Collaboration with the National Construction Confederation, the Madrid Association of Construction Companies and the Regional Institute of Occupational Health and Safety.
- FCC Construcción collaborates with the European Federation of Building and Woodworkers, where it represents the Spanish Federation of Construction Companies.
- Participation in the Occupational Risks Prevention and Social Security Committee of SEOPAN (National Association of Construction Companies) and in the Chairmanship of the Safety Commission of the European Construction Federation.



FCC has also actively collaborated in various specialised forums by taking part in global initiatives at both national and European levels. Following is a list of some of the most significant examples:

- FCC was recognised as an official European partner of the campaign coordinated by the European Agency for Occupational Health and Safety (EU-OSHA), Healthy Jobs 2012-2013 and the European campaign "Working together for risk prevention"
- Dissemination of best practices: round table organised by the National Institute for Occupational Health and Safety (INSHT) and the Castile and Leon Centre for Occupational Health and Safety.
- Worldwide campaign for participation in and raising awareness about health and safety organised by INSHT and the World Day for Occupational Health and Safety.
- Representatives of the Madrid Regional Government Ministry of Employment, Tourism and Culture visited PREFABRICADOS DELTA.
- Collaboration between the Regional Institute for Occupational Health and Safety (IRSST) and their specialists, and Conservación y Sistemas.
- The III Business Meeting on the Prevention of Occupational Risks in northern Madrid; V Congress on the Prevention of Occupational Risks in the Public Administration.

The most significant participation and recognition initiatives implemented internally were:

- The II Edition of the Health and Safety Awards aimed at recognising the work, dedication and value given to occupational risk prevention in all areas of activity by the organisation and the people in it.
- The PREVELAND contest for children of FCC employees, an activity that consists of an educational game on accident prevention, healthy living and conserving the environment as part of the Collaboration Agreement between Mapfre Foundation and FCC Group, with the "Educate your world" programme

3.4.2. Training in health and safety

Training and information about the risks entailed by the different professional activities and the measures to take in order to prevent them, remains a constant priority in preventive management.

FCC employees receive up-to-date training information (based on the systems for identifying and assessing risks) about the risks and the preventive and emergency measures related to their jobs, and about the resources and means available to them to prevent these risks.

The general programme for health and safety training is included in the Group's Training Plan that underlies the definition of specific training plans for each area of activity. The Plan ensures:

- Updated technical training in health and safety
- Specific training in occupational risk prevention for each job and activity.
- Training in specific risks for special tasks such as working at heights, electrical risks, etc.
- Training in emergencies and evacuations

Throughout the year, 169,123 hours of training were given to a total of 26,199 employees on issues of safety, industrial hygiene, ergonomics and social psychology for certain occupational risks, preventive measures, emergencies and first aid. The investment amounted to €3,059,189.

HEALTH INSIDE AND OUTSIDE THE WORKPLACE

FCC Medio Ambiente: the first environmental services company certified as a "Healthy Company".

In 2013, FCC Medio Ambiente became one of the first organisations to obtain the Healthy Workplace Certificate granted by the Spanish Association for Standardisation and Certification (AENOR) in its Catalonia II (Tarragona) branch.

This certification, in accordance with the entity's Healthy Company model, certifies that organisations have implemented a management system that promotes and protects the health, safety and well-being of employees and the sustainability of the workplace environment. This model, the first of its kind worldwide, is based on the criteria of the World Health Organization (WHO) and on the methodology of ongoing improvement that views health as a state of complete physical, mental and social well-being and whose primary goal is to promote healthy work environments.

Regardless of the professional sector and the size of the organisation, this model aims to reduce accident and absenteeism rates and improve others, such as the productivity, competitiveness and sustainability of companies and promote society's quality of life in general by improving the health and well-being of employees.

Companies must comply with the requirements of the Healthy Company model and take part in an audit process in order to obtain this certification. To do this, they must identify the specific risk factors that affect their working environment, with aiming at subsequently eliminating, reducing or controlling them. Some typical examples addressed in this model range from promoting healthy eating to promoting sport at work, to healthy lifestyle habits, even after working hours. This system, which has been published in Spanish and in English, was created by AENOR in collaboration with the European Institute of Health and Social Welfare (the Spanish body that collaborates with the WHO) and the FREMAP Prevention Society, to meet the demand of a number of large companies that are working on this issue, among which FCC is a pioneer.



Within the framework of the Healthy Company project, FCC carried out campaigns such as:

- The "Look after your back" health campaign (poster, leaflets and talks about how to take care of your back).
- The "Look after your heart ", campaign against cardiovascular risks, using the same means as the "Look after your back" health campaign.
- The "You can stop smoking; you can" campaign: a specific, individualised help programme for all FCC employees who want to face the complex process of giving up smoking.
- Healthy eating: information, dissemination and promotion campaigns on healthy eating. For instance, an agreement with vending machine suppliers for labelling and promoting healthy (green label) products with a promotion for their consumption: The "5 a day" and "Watch your basic diet" posters.
- Encouraging physical activity: pre-work warm-up and stretching plans; sports teams and taking part in events.
- Healthy Christmas: A contest for ideas on healthy habits and recommendations during the Christmas holidays to start the New Year and the "2014 Healthy Community" project.

Commitment to road safety

FCC has continued to develop the Strategic Road Safety Plan and the Company's commitment to the social, working and economic phenomena of mobility and the fight against road accidents.

Participation:

- Participation in European Mobility Week: under the slogan "Get moving for cleaner air".
- Participation in the Occupational Risks Prevention Committee meeting of the Spanish Association for Quality (AEC).
- Participation in the First Latin American Congress on Occupational Risk Prevention and on Occupational Road Safety. Presevilab 2013, promoted by the Spanish and Peruvian governments.
- International seminars on road safety in the company, in Panama, Ecuador and Peru.
- "Road Safety in the Company. IV Meeting on Best Practices ", organised by the Spanish Foundation for Road Safety (FESVIAL) and promoted by the Directorate General of Traffic (DGT), the Institute for Occupational Health and Safety (INSHT) and the Regional Government of Aragon's Directorate General for Employment.
- International congress on road safety in Santander, at the Best Practices for Occupational Road Safety symposium.
- Working Group of the Higher Council for Road Safety in Companies, GT 68, of the Spanish Ministry of the Interior and the Directorate General of Traffic.



III Award "Aragon, Committed to Prevention"

In 2013, the government of Aragon recognised FCC Aqualia's management in the area of occupational risks. The Company was awarded the III "Aragon, Committed to Prevention" Award for its exemplary record of five accident-free years in Depurteruel. In addition, FCC Aqualia received other recognitions for preventive management in the services it manages in the Valencian Community and the Murcia Region.

In 2013, Aqualia FCC also joined the celebration of "World Day for Occupational Health and Safety". The 2013 commemoration focused on the prevention of occupational diseases and was celebrated as the day chosen by the global trade union movement to pay tribute to victims of occupational accidents and diseases.

3.5. Diversity and equal opportunities at FCC

3.5.1. Diversity is an asset at FCC

Diversity among its employees is a priority for FCC Group. The company recognises its human capital as its most important asset and respects their right to exercise freedom of expression, political thought and, in general, participation in public life.

With a workforce of over 63,000 employees in over 35 countries, one of the Company's clear objectives in terms of human resources is to increase local hiring. To this end, FCC is immersed in the culture of the different countries in where it operates. This allows for the promotion of diversity both within the workforce itself, in customers and in the different processes aimed at the growth and positioning of FCC as a global company serving society.

Diversity in FCC Group is also marked by the great variety of profiles needed to materialise the company's various businesses in the different sectors in which it operates.

3.5.2. Equal opportunities and work-life balance measures

The FCC framework of activities aimed at developing measures on gender equality and diversity are based, managed and framed within:

- FCC's Policy on quality and diversity approved by the Management Committee
- Equality Plans of the different areas and companies in FCC
- The Code of Ethics and Protocol to prevent situations of bullying and sexual harassment in the workplace
- The Plans Monitoring Committees and the Equality Management Team
- The Equality Management website
- FCC counts on the support of specialist organisations and institutions with which it has signed various conventions and agreements to develop and implement measures

Equality plans promote the implementation of measures that allow employees to maintain work-life balance between their work and personal lives. The most important work-life balance measures applied at FCC are aimed at organising time and space, managing leaves and absences, improving social benefits and the personal and professional development of FCC workers. FCC is committed to the fight against gender violence and therefore the Company reports on the importance of being alert to any signs of violence against women, whatever the scope of action. The Human Resources Department, through the work of the Equality and Diversity Management Team, continues promoting and encouraging actions aimed at improving equality and fighting against gender violence.

Today, women represent 21.6% of the company's global workforce. Female leadership is very present in FCC operations, with five women in senior management positions, one of which is the Group's largest shareholder.

SPECIAL ATTENTION ON WOMEN

In favour of equality and against gender violence
FCC Group has joined initiatives such as the "Women's Empowerment Principles" developed under the framework of the United Nations Global Compact, "Companies for a Gender-Violence-Free Society" and "There Is a Way Out of Gender Violence" of the Ministry of Health, Social Services and Equality.

In 2013, FCC's commitment to equality was reflected in the company's collaboration with International Women's Day. By supporting this initiative, the Company continues to make progress in equality issues.

This year, FCC joined the new campaign against gender violence launched by the Ministry of Health, Social Services and Equality. Under the slogan "There is a Way Out", the campaign aims to eradicate this social scourge through awareness and by encouraging society to report such situations.



In the same vein, in 2013 FCC Group commemorated the International Day for the Elimination of Violence against Women. With high levels of participation, company employees created a collage with 234 photographs that form the telephone number of the Victim Care Line, 016. The final image was published on the website spreading the message of support from company professionals to victims of gender violence.

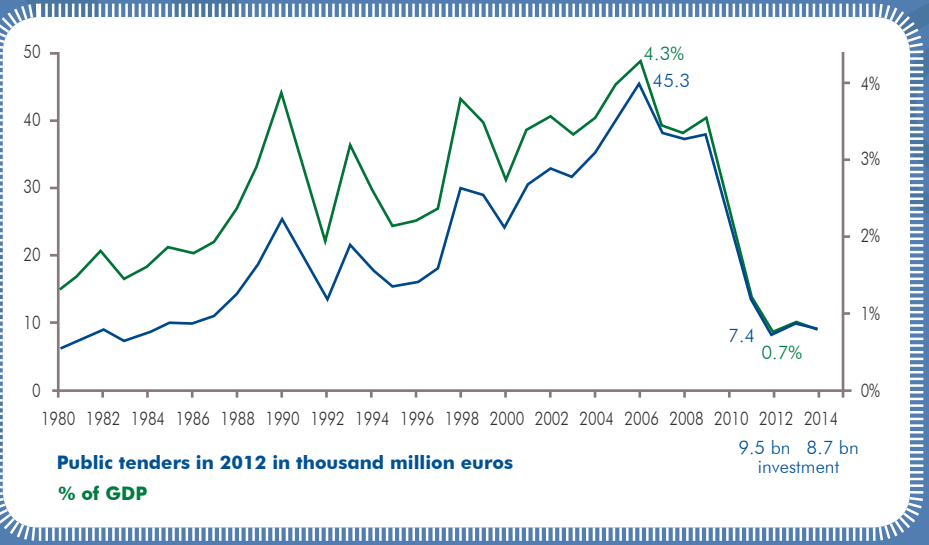
Development of Pre-Executive Women
With the aim of promoting the professional development of women, in 2013 FCC also took part in a development programme for pre-executive women in collaboration with the School for Industrial Organisation (EOI). This action is intended to help women access management positions in the Company by facilitating the acquisition and development of practical management skills and competences as well as enriching their personal and professional development.

FCC Construcción: committed to international employment despite the difficulties in the domestic market

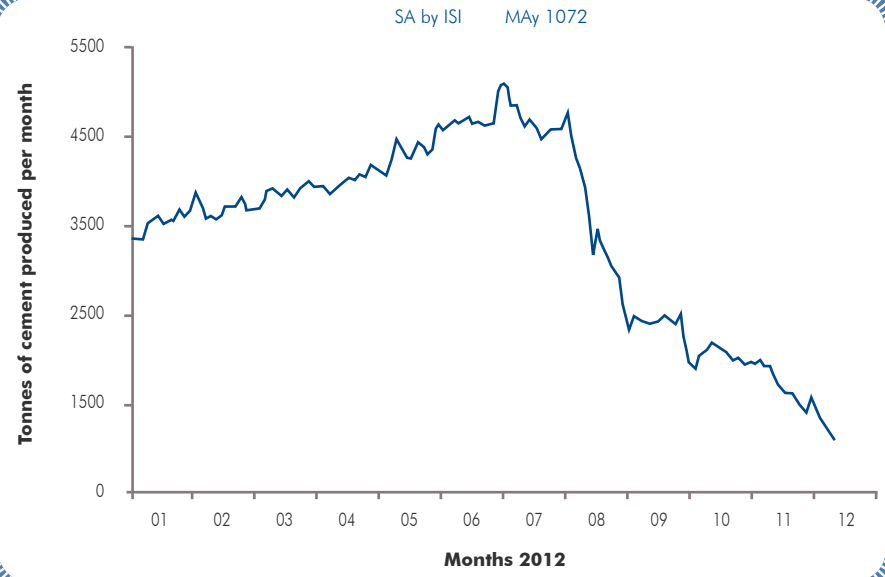
The company considers it an obligation to manage its employees in a responsible manner. The decline of business activity in Spain has led to the need to restructure the company's production capacities which has had a considerable effect on the size of the workforce. However, the tenders awarded for emblematic projects in other countries have posed the possibility of a more internationalised people management model. Below is an analysis of the investment in public works and the production of cement based on the presentation at the International Construction Economic Forum, showing a drop in sector activity in Spain and the impact of this drop on the restructuring of the Group in accordance with the situation.

REDUCTION IN CONSTRUCTION ACTIVITY AND EMPLOYMENT IN SPAIN.

In 2012, public tenders in terms of the economic weight relative to GDP fell to an all-time low in Spain (46% less than in 1980).



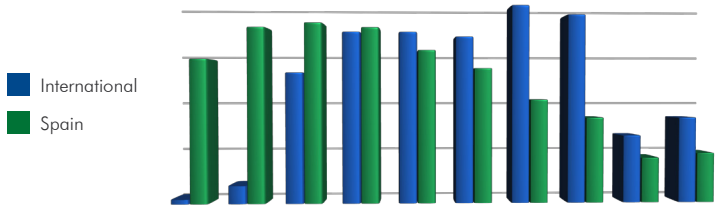
Moreover, the production of cement in Spain fell drastically over the past six years.



According to the Association of Cement Manufacturers (Oficemen), the consumption of cement in Spain fell from 1.3 million tonnes in June 2012 to 972,421 tonnes in June 2013, a decrease of 23.2%.

REDUCTION IN CONSTRUCTION ACTIVITY AND EMPLOYMENT IN SPAIN.

The difficulties in the construction and infrastructure sector in Spain during 2013 have resulted in the need to adapt FCC Construcción's workforce to the Company's turnover. Nevertheless, it is important to highlight the effort made by the Company in Spain in terms of cost revision, promoting policies on internal mobility and flexibility in outplacement conditions.
The obvious crisis in the sector in Spain has meant significant changes in the evolution of FCC Construcción's international revenues.



	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
International (%)	3.8	11.1	41.4	49.5	53.0	54.8	65.3	68.3	58.2	63.4
Total (bn)	3.3	4.4	6.9	7.7	7.2	6.7	6.7	6.1	2.5	3

In contrast with the situation of declining employment in Spain, 2013 was a year of job creation for the company in countries such as Panama, Saudi Arabia, Brazil and Peru.

The company's ability to export value is based on a number of competitive advantages that have allowed FCC Construcción to position itself in a total of 35 countries. The Company's more than 100 years' experience, its investment of 9.1 million euros in R+D in 2013, its intrinsic concern for the environment, its team of over 11,000 professionals and its clear commitment to quality, safety and local development (80-90% of workers come from the local area) are factors that have enabled the company to establish itself internationally



4. Extending FCC's principles along the supply chain

The excellence FCC offers to its customers depends largely on the excellence of its suppliers and subcontractors.

FCC Group's main objective in relation to responsible procurement managed by the Procurement Department is to consolidate and extend the standards of integrity and sustainability throughout the Company's supply chain in order to establish stable business relationships with all necessary guarantees. Worthy of note are the criteria of transparency and objectivity applied by Company directors to the procurement process. The commitment to accountability in procurement processes is reflected in the insertion of a clause in Company contracts managed by the Procurement Department which requires suppliers, contractors and other trading partners to be familiar with and adhere to FCC's Code of Ethics.

In 2013, purchasing was decentralised in FCC Group with the aim of returning the responsibility for activity-related purchases to the businesses. With a view to efficiency, the procurement of central services where synergies might occur still lies in the corporate Procurement Department, which estimates that it will manage around 500 million euros a year under the new organisation. This procurement model, centralised in the Procurement Department, is represented as follows:



The FCC Procurement Management Model handled through the Procurement Department is certified by UNE – CWA 15869, Management of Added-Value Purchases. This standard was developed in Brussels through a joint effort among most of the European procurement associations. It is based on the best business practices, and its main objective is to promote excellence in the practice of procurement functions. The standard includes several environmental, ethical and sustainability aspects that are compulsory for procurement departments wishing to be certified. FCC was one of the first Spanish companies to obtain this certification.

Procurement chain. 2013 milestones

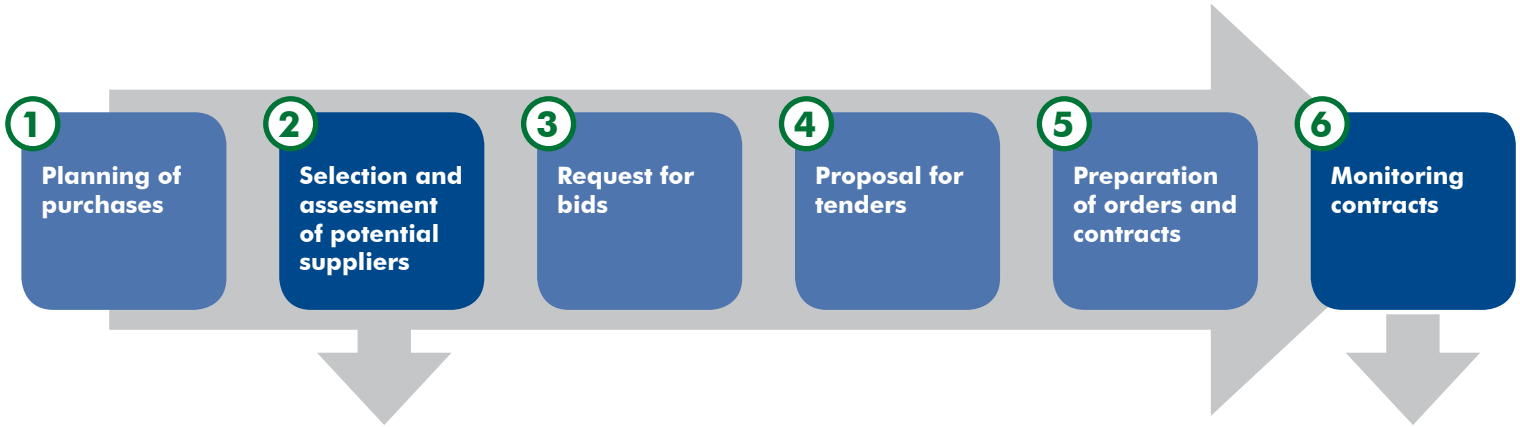
- Decentralisation of FCC Group's procurement model
- Establishment of compulsory procedures to ensure transparency in relationships with suppliers
- Measurement of overall satisfaction with the procurement process

Procurement chain. 2014 Challenges

- Consolidate the new decentralised procurement system addressed in 2013

4.1. Responsible procurement in FCC Group

In purchases managed by the Procurement Department (amounting to around 500 million euros per year), the suppliers of materials and services have different characteristics with regard to the activities they carry out for the company. For the procurement process, it is important to control accountability in suppliers' activities, the safety and quality of the product, the possible sustainable characteristics of the product, etc.



- Classification of providers as suitable, problematic, restricted and with financial anomalies.
- Report on the preliminary assessment of the supplier based on criteria of quality, health and safety, environment and technical capacity.
- Request for clauses
  - Compliance with Code of Ethics.
  - Compliance with the 10 principles of the United Nations Global Compact.

- Oversight and auditing of the list of purchases through the Support Visits System and through internal audit processes.
- Report on the final assessment of the supplier.
- Assessment of occupational health and safety, environment, meeting of deadlines, Social Security and compulsory payroll, availability of material, technical and human resources.

4.2. Responsibility and transparency in the procurement process

Despite the disappearance of the electronic system used to manage procurements, in 2013 FCC Group's Procurement Department specified compulsory procedures to ensure transparency, traceability and equal opportunities among suppliers in the procurement processes.

It is important to point out the segregation of duties that takes place as part of the new procedures regarding the reception of tenders and the procurement boards convened to make decisions on purchases.

In addition, as a reflection of the responsible measures included in the new procedures, there are stringent rules on procurement and a number of compulsory requirements in relation to certificates for health and safety, quality, environment, the Global Compact and the commitment to being familiar with FCC's Code of Ethics.

With regard to the measurement of overall satisfaction with the procurement process, the following procedures are carried out at FCC:

- Measurement of internal client satisfaction: the level of satisfaction of employees in FCC's Procurement Department with the overall operation of the process.
- Measurement of internal client satisfaction with the supplier: the level of satisfaction of employees in FCC's Procurement Department with suppliers.

Improvement in the total cost of ownership (TCO): level of improvement obtained in the measurement of the TCO (total cost of a product throughout its entire life cycle)



INTELLIGENT SERVICES

FCC, a global leader in designing the sustainable urban communities of the future.

Since FCC Group was founded, it has provided essential services to urban communities, from the construction of infrastructure and the cleaning and management of city waste to the management of the integrated water cycle. The commonality linking the diversity of its activities is the desire to design and take part in the urban communities of the future. To do this, we believe that it is important to become familiar with and anticipate the trends that will shape them. Encouraging innovation enables an improvement of the services offering adapted to cities' needs. The two-pronged fight against climate change (mitigation and adaptation) is an opportunity for efficiency and new activities for the Group's business. Furthermore, implementing environmentally-friendly activities is part and parcel of its day-to-day activities, from the project design phase to their implementation and management.

Contents

- 1. Sustainable citizen services
- 2. Promoting innovation at FCC
- 3. FCC against climate change
- 4. Environmental management at FCC

1. Sustainable citizen services

Cities have become centres of consumption with 67% of the world's primary energy demand, so transitioning them to a low-carbon economy will involve significant costs. The Stern Report from the World Business Council for Sustainable Development estimates the overall annual costs of the actions relating to reducing emissions in order to avoid the negative effects of climate change, to be 1% of GDP. The International Energy Agency estimates that billions of dollars will have to be invested in renewable energy and energy efficiency over the long term in order to limit the emission of greenhouse gases.

Citizen services. 2013 milestones

- FCC Medio Ambiente participated in the IISIS project from the perspective of optimising waste management systems.
- FCC's Medio Ambiente division's commitment to taking part in European projects on ecosystem services.
- Development by FCC Aqualia of project such as IISIS, Remembrane, Alegría and Elan Trainasa to develop innovative and efficient systems for the treatment, desalination and purification of water.
- FCC Construcción's participation in the IISIS project to develop the elements, materials, technologies and systems necessary to accomplish sustainable construction.

Citizen services. 2014 Challenges

- Design and implementation of solutions for Smart Cities through the IISIS project
- Promoting dialogue with cities will be an objective in order to find out about the priorities of their city councils and provide a better response through FCC services in collaboration with other organisations (public and private research centres, etc.).
- ECOCITIES Project in collaboration with the King Juan Carlos University in Madrid.

1.1. The sustainability challenge in cities

In the coming years, the number of inhabitants on the planet will increase significantly, reaching nearly nine billion by 2032. This growth will be especially concentrated in the urban areas of emerging and developing countries. Coupled with the transition to a low-carbon economy, the progress of these phenomena entails the related levels of pressure on infrastructure and basic city services.

As a company that provides citizen services, FCC Group sees adapting to these events as an opportunity to reduce the ecological footprint and to adapt to climate change. The company is aware that the measure of success attained in this adaptation will determine the quality of life in the urban centres of the future.

"3.5 billion people currently live in cities around the world and a further 2 billion are expected to move to urban areas in the next 20 years. Cities also cover just 2% of the Earth's land surface, but account for over 70% of carbon emissions and energy consumption." [Source: Sustainable cities. Building cities for the future. Climate Action]

Challenges for the cities of the future

Waste management, a problem of progressive development and the increase of the middle class.

The legislation actively promotes efficiency in the elimination of wastes and promotes the recycling and recovery of wastes as responses to the growing amount of waste produced in cities.

The scarcity of water and the increase in demand.

Forecasts for upcoming years point to an increase in the pressure on the water resources in most of the world. This phenomenon offers opportunities to companies able to offer the market innovative approaches related to the management of the integrated water cycle and that are committed to innovation in water efficiency matters.

More efficient buildings, communities and services.

The concept of eco-efficiency in the development of new products, services, technologies, systems and models is becoming increasingly important. It is necessary to increase the productivity of natural resources, as well as to reduce the environmental impact (reduction of energy and water consumption) throughout the entire life of the products.

1.2. FCC's response to these challenges: collaboration of Group services

Currently, FCC Group's business activities are carried out mainly in the areas of water, environmental services and construction and the management of infrastructure. In the area of water, the company manages the integrated cycle and offers related services; in the area of environmental services, it focuses its main activities on the management of urban and industrial waste; and in the area of infrastructure, it focuses on carrying out large civil engineering projects.

FCC believes that the complementary nature of its services and its expertise in the areas it works in, provide solutions to the complex challenges that cities, both present and future, will demand. An offer of reliable and comprehensive services for a healthy environment and quality of life for citizens.

"Citizens services" means putting the focus of the services provided by the company on the end user, and sharing with these users the desire to help create communities that are socially, economically and environmentally sustainable.

"Citizens services" also entails the Group's commitment to integrating sustainable development and corporate responsibility into its way of doing business. The company believes that its responsibility also encompasses helping to raise public awareness about the importance of sustainable development, a key factor in the prosperity and development of societies in the coming decades.

1.2.1 Collaboration and integration of citizen services: Integrated Research on Sustainable Islands (IISIS)

The Integrated Research on Sustainable Islands (IISIS) Project, included in the INNPRONTA 2011 Programme of CDTI (Ministry of the Economy and Competitiveness) aims to design a smart, self-sufficient and sustainable city. This project is led by FCC and other companies participating include Acerinox, Obeki, Vinci, Berenguer Ingenieros and various research organisations.

The project demonstrates the **integration of FCC Group's activities in different business areas**. IISIS works on "sustainable development", including factors such as self-sufficiency and sustainability, in order to provide responses to the changes that take place throughout the lifetime of a city, providing a holistic vision of smart cities.

The main areas in which IISIS is developing innovative technologies are **construction materials, energy production, drinking water supply, waste water treatment, the optimization of the water-energy binomial and waste treatment**.



The project aims to carry out advanced and ambitious research on the elements, materials, technologies and systems required to develop a sustainable city that is fully integrated into the environment (energy, water, and the treatment and recycling of wastes).

To meet this goal, IISIS is made up of a group of entities that work in collaboration on four areas of research:

AREA 1: ENERGY, led by FCC S.A.'s Energy Division: Partners: Ingevinci and Obeki. Public Research Bodies: Tecnalia, UPV, Tekniker, Aido, Cedex-Ciemat.

It is aimed at the development, enhancement and optimisation of procurement and storage systems for renewable energy with the ultimate goal of achieving a self-sufficient island. These systems are based on concepts of sustainability and self-sufficiency, focusing on maximising the optimisation of primary energy resources and minimising the

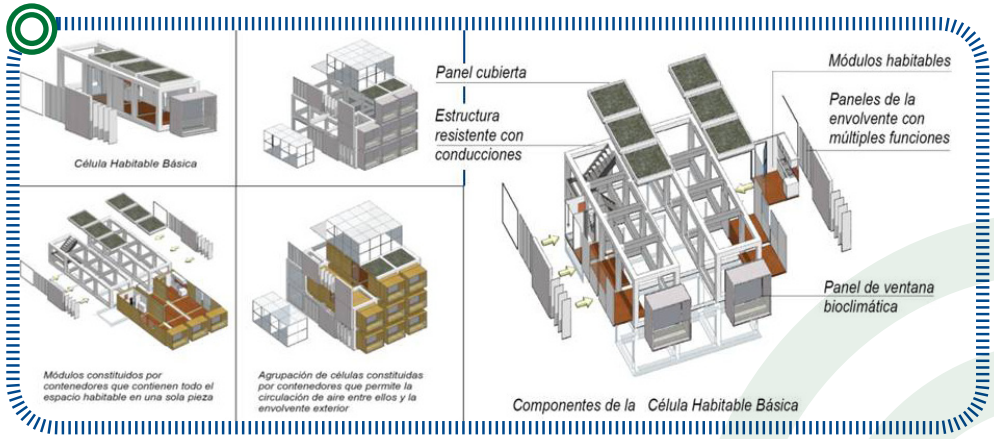
environmental impact. Under study is a new system of solar-thermal power generation, technologies using tides and wave power, a wind generator and a hybrid storage system with reverse hydraulic pumping and electrochemical batteries. All these systems are going to be managed by software to manage energy resources that will match energy production with demand.

AREA 2: WATER AND ENVIRONMENT, led by FCC Aqualia, S.A. Participants: FCC S.A.'s Medio Ambiente division, Public Research Bodies: the University of Valencia, the Polytechnic University of Valencia, IMDEA-Agua, CENTA, the Complutense Madrid University and the University of Huelva.

Its main objective is to research innovative and sustainable systems for the treatment and management of water and waste, not to mention the optimisation of energy and the water/waste binomial. The following technological advances are being achieved: the development of a low-energy consumption desalination system based on bioelectrochemicals for the supply of drinking water; the optimization of waste water management systems by separating these effluents by use and pollution level and managing to recover substances of interest and the reuse of water; in relation to waste management an integrated waste management and continuous treatment system is being developed that works automatically and is adapted to isolated environments.

AREA 3: CONSTRUCTION, led by FCC Construction. Participants: Cementos Portland Valderrivas, Berenguer and Acerinox. Public Research Bodies: Tecnalia, Instituto Eduardo Torroja, IHA

It aims to carry out research into a new open architecture model called "Open Building", which is characterised by the use of replaceable, flexible and versatile structures that can be modified over time together with components that are compatible with the demands of the marine environment, all of which will take into account sustainable design. The area is divided into two main activities: Architecture and Marine Engineering and Materials. The former is aimed at researching a new construction system based on prefabricated elements made from new materials adapted to marine environments (cement, concretes and duplex stainless steels), while the latter's objective is to define new geometric configurations of concrete caissons that are optimally adapted to the specific requirements of the marine environment, and which are structural and functional yet do not lose their essential qualities of sustainability and do not have an impact on the seabed.



AREA 4: INTEGRATION, led by FCC Aqualia.

Integration is a cross-cutting activity that involves all IISIS Project activities. Its objective is to develop a system of sustainability indicators that also enable the performance of a study of its elasticity as well as determining its reliability. Obviously, any technical solution proposed will not be viable in just any environment or circumstance, so these factors will have to be taken into account when defining the sustainability and self-sufficiency of the proposed solution.

This activity includes defining the scope of application of whatever solutions are implemented as well as analysing the applicability of these solutions by determining the reliability of the system as a whole and of its component elements. This area includes the study of the water-energy binomial (energy efficiency in supply, energy consumption in wastewater treatment, etc.)

1.2.2. FCC-URJC-London Metropolitan University social trends and expectations observatory: the Eco-Cities Project

The study of social perceptions in order to implement appropriate policies and activities is as a priority for companies that provide citizen services. Gathering information on a regular basis and its subsequent analysis will lead to the development of guidelines to define a framework with the priorities that society demands for the cities of the future.

This collaboration with King Juan Carlos University, the Cities Institute and the London Metropolitan University (United Kingdom), FCC Group aims to establish a research model based on a range of issues and indicators that enable the analysis of present and future needs of inhabitants of and visitors to sustainable cities which will be presented in a twice-yearly report. The intention of the Ecocities Report is twofold:

a) To guide the strategies of FCC Group's business to design products and services tailored to the needs of future cities services.
b) To be an academic leader at national and European levels in the study of sustainable cities from a sociological perspective.

1.2.3 Our sustainable leadership: knowledge sharing

The objective of this line of work is to share knowledge and to disseminate the information and experiences acquired in the day-to-day work of the Group's businesses and the research activities undertaken. The Group's commitment to participate in these events and forums is to promote progress in the design of the cities of the future, doing so from the perspective of service, infrastructure and water and waste management industries. Other aspects worth mentioning include:

ENVIRONMENTAL SERVICES

ExpoRecicla´13	◉ FCC Ámbito took part in the roundtable technical seminars - Expo Recicla'13; seminar specifically on "Recycling and Recovery of Plastics"
Smart City Expo World Congress	◉ Participation of the Medio Ambiente division at the International Congress of Smart Cities held in Barcelona with the presentation of "Systems to Encourage Waste Separation and Improve the Efficiency of the Collection Process in the City of Oviedo" by the Director of Systems and Information Technology in the session on "Improving the Management of Urban Waste"

WATER MANAGEMENT

XXXII Seminars of the Spanish Association of Sanitation and Water Supply (AEAS)	◉ FCC Aqualia was present with a stand and took part in presentations. Various water management companies, suppliers and institutional clients went to the seminar, making this event one of the most significant meeting forums for the sector.
FCC Aqualia, host of EUREAU's EU3 Commission	◉ In March, one of the three commissions of the European Federation of National Associations of Water and Sanitation Services took place in Salamanca which, together, serves over 400 million Europeans (EUREAU). Mariano Blanco, FCC Aqualia's International Director of Customer Management, along with the Salamanca City Council's member in charge of environmental matters and Almut Bonhage, Secretary-General of EUREAU, were responsible for welcoming all the attendees at the conference.
WEX technical seminars (Madrid)	◉ FCC Aqualia had widespread participation in these seminars, which were opened by the Directorate-General of Water. The Water and Energy Exchange (WEX) conferences which took place this year in Madrid addressed water and energy management issues, along with aspects related to financing and business opportunities in different regions.
International Water Summit in Abu Dhabi: part of the World Future Energy Summit Congress	◉ FCC Aqualia took part in the International Water Summit conference with a stand and a presentation. This is the main point of reference in global sustainability and it was attended by numerous heads of state. FCC Aqualia presented its experiences in the Middle East in the Company's stand.

Saudi Water & Forum (SWPF) and National Company Focus Day (Jeddah, Saudi Arabia)	◉ FCC Aqualia was present at the major industry meetings in the Middle East. SWPF is the water and energy sectors' main meeting point for discussion and debate in Saudi Arabia. In this ninth edition, FCC Aqualia was present with an information point.
Smart City Expo World Congress	◉ The key event for the smart city industry held in Barcelona in November 2013. FCC Aqualia's presence was relevant with its participation in different events. Highlights include the presentation of the book entitled La ingeniería y la gestión del agua a través de los tiempos (Engineering and Water Management through the Ages) with the presence of FCC Aqualia's CEO Felix Parra, and Jordi Agustí i Verges, Director of the Catalan Water Agency (ACA).
IDA World Congress in China	◉ FCC Aqualia Infraestructuras had a corporate stand. This is the global desalination conference. Held every two years, it brings together the industry's leading companies. FCC Aqualia showed its experience as designers and builders of desalination and tertiary treatment plants, both in Spain and in other countries such as Algeria and Chile.
Global Water Summit (Seville)	◉ Event where representatives from all areas of the water sector share their views on the outlooks and trends for upcoming years. FCC Aqualia organised a post-programme tour of the treatment plant built and operated by FCC Aqualia in La Ranilla. It was attended by delegates from countries such as Singapore, Tunisia and the GWI journal itself.

INFRASTRUCTURE

Forum on Spain/ Brazil Investment and Business Cooperation organised by ICEX España Exportación	◉ FCC Construcción took part in the Forum on Spain/ Brazil Investment and Business Cooperation organised by ICEX España Exportación held on 26 and 27 November in Sao Paulo. Vicente Mohedano, FCC's Deputy Managing Director for Latin America, offered a presentation on FCC and the company's vast experience in marine works.
International Economic Forum on Construction in Amsterdam	◉ On 21 November 2013, Miguel Jurado, Managing Director of FCC Construcción took part in the ICEF congress at the International Construction Economic Forum in Amsterdam, where he presented FCC's process of internationalisation and its goal to focus on strategic construction markets and on projects to which the company adds value.

IISIS Project: a joint path to the city of the future

THE IISIS PROJECT AT FCC MEDIO AMBIENTE

FCC Medio Ambiente works in areas 2 (Water and the Environment) and 4 (Integration); specifically, it works on waste management in island environments and as well as on the design of a waste management "kit" that is "modular, transportable and autonomous in terms of energy".

The research works carried out with scientific collaboration are:

- Designing a smart selective solid urban waste collection system.
- Optimisation of the co-digestion of solid urban waste, sewage and /or others, such as algae.
- Designing micro reactors for the co-digestion of waste.
- Designing a system to dehydrate the digested product to optimal levels for composting.
- Designing mini-tunnels for composting.
- Designing an integrated waste treatment "kit"

Smart sorting is seen as especially relevant. There is a new mentality towards the consideration of waste as future raw materials (as a "resource"). The project involves a new way of thinking in many industries and aspects. The following two patents are in the process of being registered as a result of the research:

- The CARUSO ("Automatic Solid Urban Waste Sorter") System
- Diana System: "Anaerobic digestion by micro-digesters"

THE IISIS PROJECT AT FCC AQUALIA

With an investment of 3.3 million euros, FCC Aqualia has contributed 22% of the overall project budget. FCC Aqualia's work, leading two of the four project areas: "Water and Environment" and "Integration", is carried out in various regions across Spain:

- Wastewater treatment (anaerobic membrane bioreactors, Valencia)
- Innovative desalination systems with zero energy cost (microbial desalination cells, Madrid Region)
- Systems for optimising the energy/water binomial in the drinking water supply (Valencia)
- Energy optimisation in wastewater treatment and advanced control of water treatment plants (Castile and León, Asturias, Castile La Mancha and Cataluña).
- Membrane filtration systems for the treatment of drinking water (Castile-La Mancha)
- Removal of trihalomethanes in drinking water (Extremadura)
- Supply management (national level)

IISIS generates direct employment through the recruitment of researchers by Aqualia FCC and they carry out their work in collaboration with technology centres (encouraging direct interaction between the university/research centre and the Company), and indirect employment by creating new lines of business.

THE IISIS PROJECT AT FCC CONSTRUCCIÓN

The project includes research into the elements, materials, technologies and systems required to develop a construction for potential residential and tertiary use in the surroundings, like islands. These are reusable prefabricated buildings adapted for industrial use that do not harm the environment, are self-sufficient in all aspects (energy, water and waste treatment and recycling) and are equipped with all kinds of integrated facilities, advanced transport logistics and a smart management and monitoring system.



2. Promoting innovation at FCC

Innovative solutions adapted to the needs of society

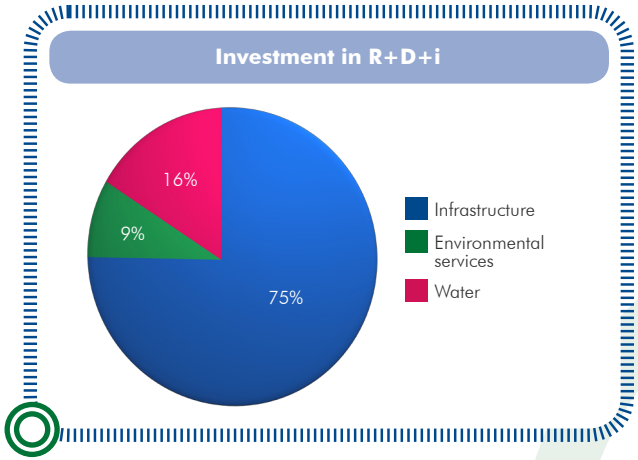
Cities are the centre of the challenges created by sustainability, so they are places where innovative solutions with significant and rapid impacts should be implemented. Aspects such as the ecological footprint in the development of projects, smart buildings and refurbishment, the management of risks in the context of climate change and urban accessibility, are becoming increasingly relevant.

The Group's R+D+i strives to use financial and human resources effectively. The main lines on which the Group's innovation-related activities are based are: sustainable urban development, the design of new, sustainable and high-performance products, process optimisation and improvements in information technology, process monitoring and data management. FCC Group invested 18,437,462 euros in 2013.

FCC's Innovation Committee coordinates the Group's R+D activities and directs the businesses' lines of research towards the common goal of transitioning to a low-carbon economy and towards measuring impacts on energy consumption and the water footprint that will allow it to be reduced and offer a more efficient product with a greater point of difference.

Innovation committee

- **Coordination and management of R+D+i activities**
- **Alignment of initiatives with the main strategic lines**
- **Definition of the new routes of research**



Innovation. 2013 milestones

- Progress towards optimising the efficiency of FCC Medio Ambiente's collection vehicles and biological treatment plants.
- Renewal of the R+D+I Management System seal in accordance with UNE 166002 Standard
- Development of projects at FCC Aqualia aimed at biogas production in the water sector, along with development of the city of the future, and efficiency and the reuse of materials in water treatment processes.
- Award of relevant projects: Zero impact in a consortium with ADIF; R+D+i projects in the occupational health and safety (the SEIRCO Project, BOVETRANS, etc)
- Research lines for the development of better local infrastructure rehabilitation works (the Merlin Project).
- Design of the methodology and of the computational model for indicators that will enable the expression of efficient management in the use of resources, both energy and water, and in the reduction of GHG in the services provided by FCC Medio Ambiente.

Innovation. 2014 Challenges

- Research by FCC Medio Ambiente into environmental services in cities, such as carbon sinks and the benefits of landscaping by FCC Medio Ambiente.
- Calculation of energy indicators in the areas of energy, GHG emissions and water in some urban services contracts managed by the Medio Ambiente division.

- FCC Aqualia's progress towards measuring the water footprint in the integrated water cycle system.
- Winning important projects in the H2020 Framework Programme in order to access a higher volume of state aid at FCC Construcción.
- Integrate R+D+i processes and make the best use of tax advantages in countries where FCC Construcción is present.

2.1. Promoting innovation at FCC: FCC Medio Ambiente

In the Medio Ambiente division, R+D projects are implemented in line with the specific objectives for the business it engages in.

Innovation in the Medio Ambiente division is aimed at responsible water consumption and the reduction of GHG emissions. To this end, work is being done on defining methodologies for monitoring and processing information, as well as on configuring, adapting and introducing more efficient information and communication technologies into its services.

Specifically, this includes progress in the following areas:

- Automobile: collaboration with technology suppliers in work aimed at the reduction of emissions and noises in the fleet of vehicles.
- Recovery of waste in treatment plants. Work is being done on monitoring variables and indicators in joint biological processes for treating solid urban waste, with a view to the modelling of these processes to improve the production and energy efficiency of these facilities.
- Definition of the methodology to calculate intensity indicators in order to establish the environmental traceability of services, in scientific collaboration with universities and technology centres.

PRIZE AWARDED TO FCC'S ELECTRIC LORRY

FCC received an Innovation + Sustainability + Network Award organised by the EXPANSION business daily newspaper in the category of Large Sustainable Business for its electric refuse collection lorry.

These awards recognise innovation in the design of products and services in organisations as part their process of integration into a more sustainable society.

Today, there are more than 300 vehicles in circulation in Spanish cities such as Madrid and Barcelona, in addition to a "Zero Emissions" vehicle (resulting in less stress for workers and fewer occupational accidents). Their development has resulted in a benefit for FCC and has given it a competitive edge over its competitors.

OPTIMISATION OF WASTE RECOVERY

FCC manages ten biomethanisation plants that mainly treat the remaining fraction of urban solid waste (residual organic material) using different technologies (wet mesophilic process / dry mesophilic process / dry thermophilic process) whose total nominal capacity amounts to 517,500 tonnes/year and capacities ranging from 15,000 to 160,500 tonnes/year. In the last five years, FCC has progressively increased its biogas production and power generation from 35.2 million kWh in 2010 to 42.2 million KWh in 2013



AUTOMOBILE

Research by the Machinery Department of FCC Medio Ambiente focuses on the different ways of handling the energy inside the collection lorries.

Through a grant from the Centre for Industrial Technological Development (CDTI) FCC Medio Ambiente is working on vehicles capable of storing the maximum amount possible of energy in braking.

FCC Medio Ambiente is a pioneer in patenting utility models, i.e., in the operation of the vehicle as a whole.

For medium tonnage lorries, the so-called KB hybrids, FCC Medio Ambiente has a patent shared with AVIA, with 32 collectors and 2 tanker lorries manufactured and in operation. For heavy lorries, FCC Medio Ambiente has the exclusive patent for the utility model, with two units manufactured and in operation

2.2 Promoting innovation at FCC: FCC Aqualia

FCC Aqualia's line of innovation is aimed at providing solutions to the end user, based on the company's knowledge and expertise in the management of customers.

Focused on three major areas of research (quality, smart management and bioenergy) innovation at FCC Aqualia takes place in four phases: technology watch, idea generation, project implementation and patent protection.

Major projects implemented in 2013 were:

ELAN TRAINASA PROJECT

After three years of pilot testing, this project, which is aimed at demonstrating a new technology that removes nitrogen from the return water of the sludge line of a waste water treatment plant, was applied at full scale for the first time in 2013.

The process is capable of removing between 15 and 20% of the total nitrogen load by combining the biological processes for partial nitrification and for anaerobic ammonium oxidation in a single reactor.

BIOGAS PRODUCTION IN THE WATER SECTOR

In June 2013 the 13th World Congress on Anaerobic Treatment was held in Santiago de Compostela. Promoted by the University of Santiago de Compostela (USC) and supported by the International Water Association (IWA), FCC Aqualia was the main sponsor of the event. The congress is the most important international event in relation to the production of biogas and was attended by nearly 1,000 professionals.

In addition to FCC Aqualia's sponsorship, many professionals from the Company's research team also attended.

The opening session, "About Beauty and Consolation" was chaired by Frank Rogalla, Director of Innovation and Technology at Aqualia FCC. The three subsequent days featured presentations by company researchers in six different sessions.

REMEMBRANE PROJECT

Developed from funds from the LIFE+ Programme (the European framework for funding projects that contribute to environmental conservation and the development of environmental policy and legislation), the project aims to prolong the life of the membranes used in the reverse osmosis purification process, recovering what is now waste by reusing it in other applications such as osmosis processes for treated water.

Its practical use is in the elimination of waste, the reduction of costs and the overall improvement in the efficiency of the desalination and water reuse process. It is hoped that the results of the Remembrane project will lead to a major advance in the operation of large desalination plants and drinking water plants and will reduce the investment and operating costs of tertiary water reuse systems.

2.3 Promoting innovation at FCC: FCC Construcción

Innovation represents the company's ability to remain in the vanguard in a highly competitive and internationalised market. FCC Construcción participates in a significant way in the promotion of various industry-based European and national initiatives related to R+D+i, as well as in the development of projects both nationwide and internationally.

FCC Construcción has a R+D+i system that is certified in accordance with the UNE 166002 standard. In 2013, FCC invested over nine million euros in innovation and development projects in its construction division.

GRANDIQUE: DETECTION OF BREAKS IN VERTICAL BREAKWATERS BASED ON AUSCULTATION FROM THE SUPPORT BASE.

The research carried out in this project has led to the development of the methodology to plan auscultation campaigns that allow the monitoring of the ground behaviour during the construction process and commissioning of vertical dykes. This results in achieving a perfect chronological definition of the condition of the dyke, thereby enabling the appropriate changes to be made during the construction process by adapting to the results produced by the instrumentation installed. The project is structured around three milestones:

1. Analysis of the problem and identification of variables
2. Development of the proposal for auscultation and instrumentation
3. Adaptation of the caissons to differential movements

DREGREEN: ECOLOGICAL DREDGING TO EXTRACT HIGHLY CONTAMINATED SLUDGE IN RESERVOIRS

FCC Construcción has developed an eco-dredging prototype for the treatment of both marine and river sludge that ensures a minimal dispersion of contaminants during the sludge extraction process. More specifically, it has had to develop a new methodology for each type of dredging equipment, differentiating the various kinds of dredging used for emerged, submerged and quaternary materials.

The company also introduced extensive improvements to prevent the overflow of water from the pit during the extraction process by developing a pit storage module with a fill scheme specifically for water.

In addition, these new developments make it possible to significantly decrease the water added from the enclosure to the material pumping system, which no longer depends on the treatment capacity of the water treatment plant built. This last activity can be considered the project's most far-reaching success.

ALMONTE: DESIGN AND DEVELOPMENT OF A NEW AND ORIGINAL ARCH THAT WILL SET THE WORLD RECORD FOR SPANS

The project's main objective is to design the building process for an arch with a 384-metre span within a short implementation period. To do this, there must be a new approach to the project in terms of the dimensions of the keystone, the travelling cranes and the staying system, which will be completed with a new design for the materials loading and moving system and to study the formulation of the concrete.

This project is part of FCC Construcción's policy of being at the forefront of the most important developments that occur in the construction industry, in regard to technological and process innovation related to its core business, and taking an active part in initiatives that are orientated towards the action lines defined.

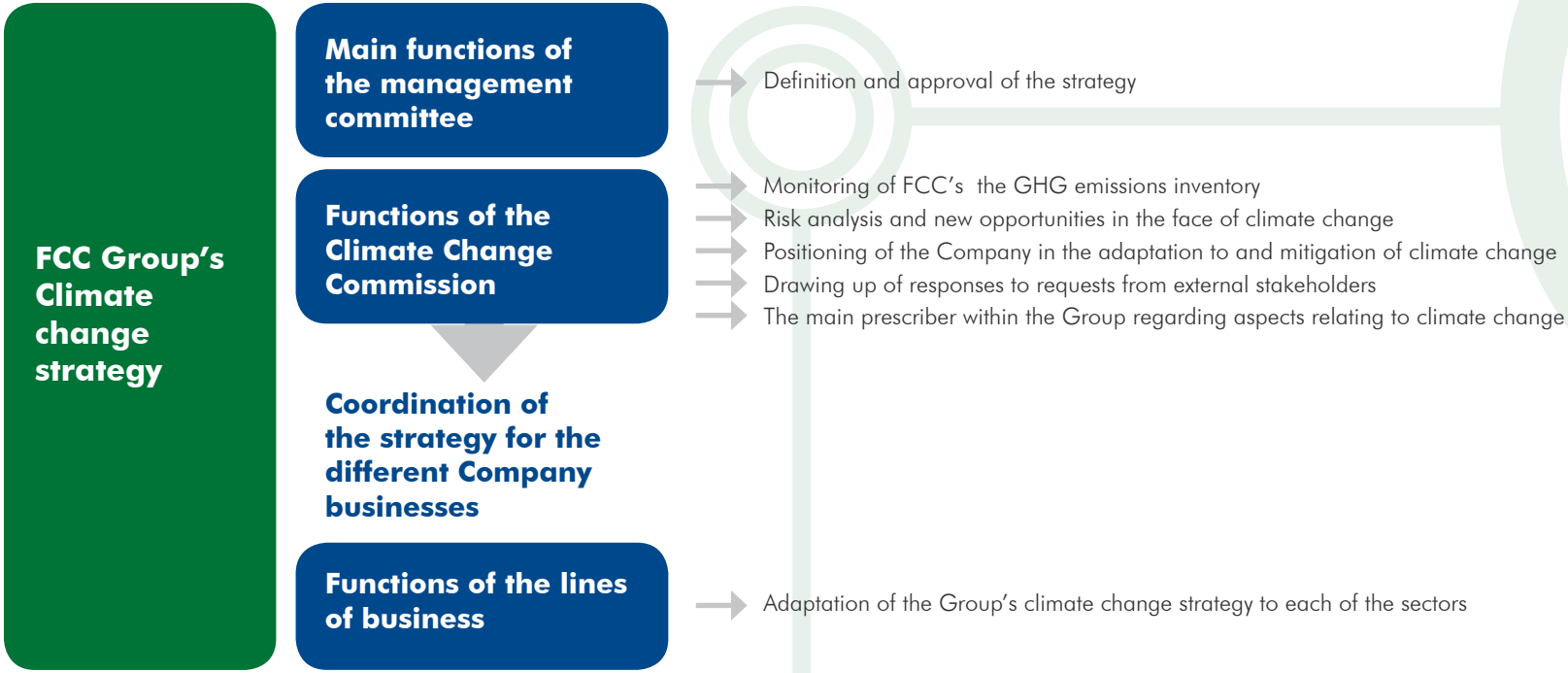
3. FCC against Climate Change

Mitigation and adaptation to climate change as a FCC Group strategy

FCC Group has developed a climate change strategy, approved at the most senior management level of the Company, and the elaboration of which has benefited from their business knowledge, thus contributing experience in these activities into the common corporate policy. The new products, services, technologies, systems and models developed by the company have been supported by innovation and efficiency as better tools for offering greater levels of well-being with lower levels of consumption.

Urban centres, as the main emitters of greenhouse gases that will be produced over the next decade, will require low-carbon efficient solutions.

*With respect to environmental data, during 2013 some of the Company's data has been reduced, for two reasons: on the one hand the overall activity of the different business areas was reduced (although this was more specifically the case of infrastructure), and on the other hand changes have been made to the scope of the reported data. For example, for the 2013 environmental indicators report, the Medio Ambiente division this year has used the operational control criterion like it does with the other Group activities, so that only the facilities with the capacity to act, and when there is a possibility of committing to improvement objectives, are considered within said scope.



Climate change. Milestones in 2013

- Design of the methodology and tools to calculate the indicators that will allow efficient management to be expressed in the use of resources, both energy and water, and the reduction of GHG, in the services provided by FCC Medio Ambiente.
- Verification by AENOR of the carbon footprint for the integrated water cycle in Lerida.
- Development of initiatives to reduce Scope 3 emissions (indirect emissions as a consequence of company activity from sources that are not its own) in the Construction division.
- Broader scope of verification in the measuring of the carbon footprint in FCC Construcción, expanded from Scope 3.

Climate change. Challenges in 2014

- Verification of the carbon footprint of the FCC Medio Ambiente organisation in 2013.
- Verification of the methodology to calculate the carbon footprint and key intensity indicators specific to FCC's urban services activities in Spain.
- Progress in energy management with a view to the certification of 100% of FCC Medio Ambiente's activities.
- Broadening the scope for measuring the carbon footprint in the Water Management division.
- Driving the Group's Climate Change strategy, in terms of "adaptation" from the Construction division.

3.1. The corporate approach to Climate Change

The strategic nature that FCC Group confers to climate change is reflected in the designation of the Board of Directors as being responsible for positioning the Company's stance in this matter, as well as defining and approving FCC Group's Climate Change Strategy. Furthermore, by means of its Climate Change Commission set up in 2011, FCC coordinates these aspects in different areas of the Company's business.

3.1.1. FCC Group's Climate Change strategy

Under the objectives established in the Corporate Responsibility Master Plan, the Company has developed its "2020 Climate Change Strategy". This strategy was born as a basic pillar of the smart services that FCC is committed to offering as a response to the opportunities in the environmental, social, and economic spheres posed by climate change.

In December 2012 FCC Group presented its 2020 Climate Change Strategy, with five pillars, whose general objectives are as follows:

- Pillar 1. MONITOR: calculate the carbon footprint of the Organisation, services and products under prestigious international standards.
- Pillar 2. REDUCE: offering services and products that have a lower carbon footprint.
- Pillar 3. ADAPT: adapting the activities to new future conditions, positioning ourselves as a company that provides services for adaptation to climate change.
- Pillar 4. INNOVATE: offering new services and products that are more efficient and less carbon intensive.
- Pillar 5. COMMUNICATE: improving the positioning of the company as one that offers solutions against climate change, by means of effective communication.

As part of its Climate Change Strategy the Company has developed an analysis of positive and negative impacts that this phenomenon can pose on different lines of the Company's business, it has identified the risks and opportunities that are part of its business strategy to set itself apart from its competitors.

CLIMATE CHANGE ADAPTATION

SCOPE	INFRASTRUCTURE	WATER MANAGEMENT	ENVIRONMENTAL SERVICES
Impacts on the activity	◉ Increase in the costs of production, operation and maintenance processes, as a result of extreme climatic phenomena. ◉ Legal or reputational risks associated with the development of activities in "sensitive" areas or on "sensitive" resources. ◉ Restriction in the availability of resources ◉ Incorporation of climate criteria in the regulation of the sector. ◉ Loss of competitiveness due to the effects of climatic impacts. ◉ Risk to the integrity and physical characteristics of Company assets, products or projects as a result of climatic impacts.	◉ Restriction to the availability of resources necessary for the Company's activity (water). ◉ Risks to the integrity of Company assets due to the effect of extreme climatic events. ◉ Increases in operational and maintenance costs at the facilities due to changes in the characteristics of the resource (water), or changes to the operational conditions as a result of climatic effects.	◉ Failures and interruptions in the operational and maintenance processes of the equipment as a result of climate variation (particularly changes in temperature and intense precipitation phenomena). Restrictions in the availability of water for the processes. ◉ Risks to the integrity of the infrastructure or failures/ interruptions in the operational processes caused by extreme climatic events. ◉ Stricter regulation regarding the use of resources necessary for companies activities (particularly water).
Associated challenges	◉ Stagnation in the activity of the sector in historic markets. ◉ Increase in situations of reputational or legal damage. ◉ Incorporation of climate criteria into companies activities. ◉ Adjusting to a new regulatory framework that has greater environmental pressure. ◉ Safeguarding the economic viability in light of increased costs as a result of climatic impacts.	◉ Response to increases in demand in a scenario of greater shortages in resources. ◉ Adjustment to a more restrictive future regulatory framework for the use of water. ◉ Increase in the risk of conflict as a result of water usage. ◉ Safeguarding maximum efficiency in the processes of water distribution, supply and consumption.	◉ Management of failures in the operational processes, along with downtime and interruptions caused by extreme climatic events. ◉ Ensure the integrity of the infrastructure and equipment against the effects of climatic variation and as a result of extreme events. ◉ Reduction of the health risks facing personnel by variable climatic conditions.

SCOPE	INFRASTRUCTURE	WATER MANAGEMENT	ENVIRONMENTAL SERVICES
Potential opportunities	◉ Opening new markets, the need for constructive solutions as short-term adaptation mechanisms. ◉ Development of new products/services framed around "more environmentally-friendly" solutions. ◉ Improvement as a company committed to environmental aspects. ◉ Collaboration with the government in the integration of climate change in the development of the sector. ◉ Financing international projects in vulnerable countries within the framework of multilateral banking initiatives.	◉ Development of new products and services; development of monitoring and water management systems, consumer-level training. ◉ Development opportunities for water management infrastructure projects in developing countries. ◉ R+D+i projects in the sphere of water management and saving. ◉ Collaboration with the government to integrate climate change into the development of the sector, and cooperation with other water consumer sectors in order to harmonize the activity of the sector with sustainable water use. ◉ Financing international projects in vulnerable countries within the framework of multilateral banking initiatives.	◉ Expansion of Company activities towards developing countries (vulnerable to climate change) in waste management infrastructure improvement projects. ◉ Renovation of infrastructure as a means of managing extreme post-event situations. ◉ Evaluation of alternatives sources for the harnessing of same (particularly water). ◉ Financing international projects in vulnerable countries within the framework of multilateral banking initiatives.

3.2. Reducing emissions, the common business objective

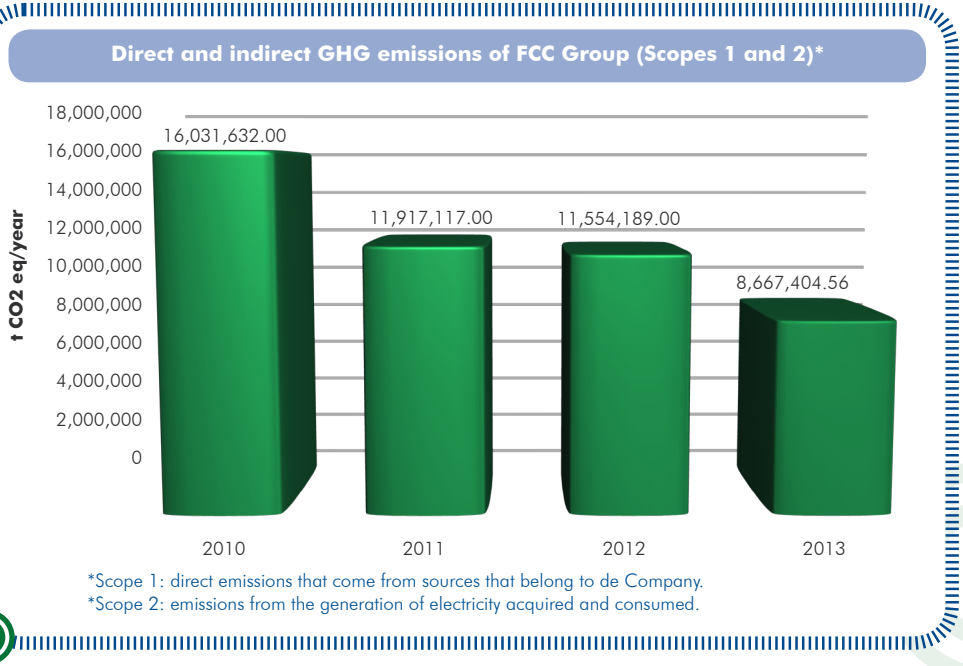
FCC Group shows its commitment to fight against climate change by maintaining control over the GHG emissions of all the Company's businesses. Under its "2020 Climate Change Strategy", FCC has established a quantitative objective to reduce emissions. Based on energy efficiency criteria, sustainable mobility, recovery and recycling, as well as management of waste, the Company intends to reduce 360,000 t CO_2eq, so that in 2020 a rate of Mt CO_2eq / M € of turnover is achieved, 3% less than the current rate.

FCC takes into account and measures its Scope 3 emissions. Among other things, the Company considers the following: products and services acquired, upstream distribution and transportation, waste generated as a result of operations and business trips. These emissions have been calculated by following the Greenhouse Gas Protocol methodology.

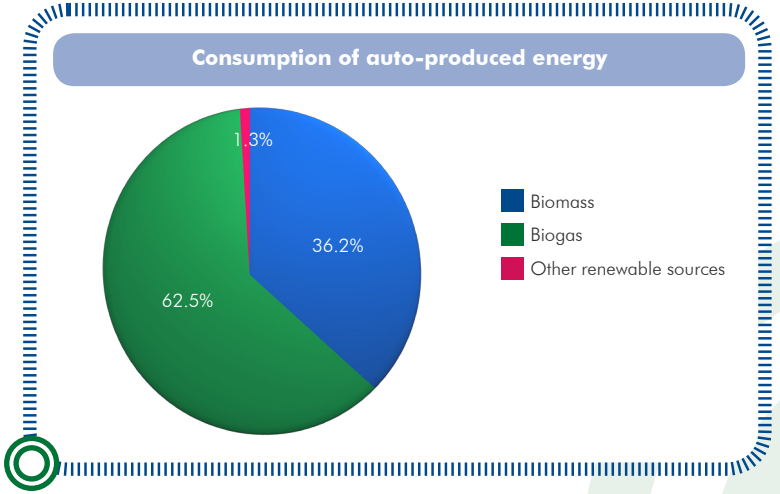
Additionally, the Group has developed a technical energy efficiency guide, implemented into the corporate spaces and focused chiefly on lighting. A potential saving of 30% has been identified, which would reduce CO_2 emissions into the atmosphere by thousands of tonnes.

In 2013, FCC Group's GHG emissions totalled 8,667,404.56 t of CO_2 eq, representing a reduction from 2012 (11,554,189.00 t of CO_2 eq) and 2011 (11,917,117.00 t of CO_2 eq). In 2013 direct emissions reached 8,479,830 t of CO_2 eq, a figure that signifies a reduction of 22% with respect to 2012.

In its commitment to the operational efficiency of the business, FCC Aqualia has implemented new radiometers into the houses. Thanks to this new system, FCC Aqualia can read the water meters without requiring employees to move around. This measure will necessarily reduce the emissions caused by said travelling.



*Scope 1: direct emissions that come from sources that belong to de Company.
*Scope 2: emissions from the generation of electricity acquired and consumed.



3.2.1 Alternative energies and energy efficiency: allies against climate change.

Increasing the use of alternative energy sources and the increase of auto-production of energy have been key to reducing emissions on the part of FCC Group.

A clear illustration of the Company's commitment to the auto-production of energy are the innovative solutions introduced into the treatment plants and the assessment of the Medio Ambiente division. These follow the twofold objectives of reducing greenhouse gas emissions and optimising the performance of co-generation, by means of harnessing the energy potential of biogas generated in the treatment of urban waste.

In 2013, the Company avoided the emission of 2,886,784.44 million tonnes of CO2 equivalent, through the implementation of initiatives related to fighting against climate change in the different companies.

Consumption of FCC Group's renewable fuels according to company business areas (GJ)

Fuels	Environmental services	Water Management	Infrastructure	Total
Bioethanol	1,373.38	0	0	1,373.38
Biodiesel	91,630.86	0	0	91,630.86
Biogas	113,295.15	83,361	0	196,656.15
Biomass	71,130.40	0	1,168,800	1,239,930.40

*This does not include the breakdown of the Cement division's consumption.

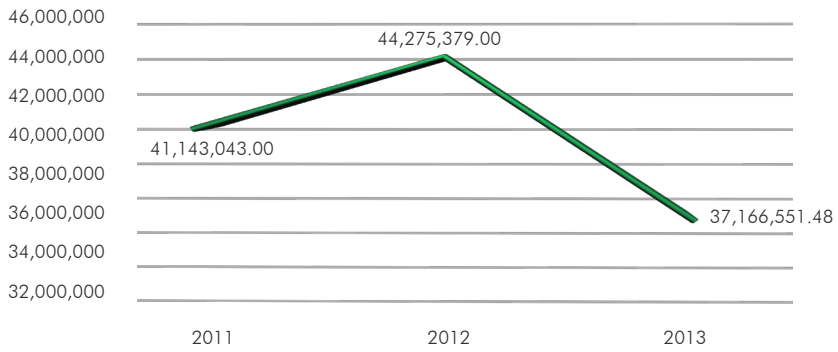
Consumption of FCC Group's non-renewable fuels according to company business areas (GJ)

Fuels	Environmental services	Water Management	Infrastructure	Total
Natural gas	956,672.46	23,361	824.91	980,858.37
Petrol	23,354.56	204	22,736,2	46,294.76
Diesel	2,527,967.39	125,849.76	412,942.35	3,066,759.5
Fuel oil	1,008.80	214,511.29	123,838.31	339,358.4
Propane and butane	179.11	0	31.96	211.07

*This does not include the breakdown of the Cement division's consumption.

The total consumption of energy was reduced in 2013 compared to the previous year. Likewise, greenhouse gas emissions associated with this consumption has also decreased.

Total consumption of energy (GJ)



CARBON DISCLOSURE PROJECT

In 2013 FCC participated in the Carbon Disclosure Project for the fourth consecutive year, obtaining a score of 75 C. The Company will also participate in the 2014 edition.

3.3 Carbon footprint measurement in the FCC Group

3.3.1 Carbon footprint measurement in FCC Medio Ambiente

FCC Medio Ambiente develops its products and services with a view to developing smart solutions as a competitive advantage in the city of the future; a city based on low-carbon economies and mitigation measures, and adaptation to climate change.

FCC MEDIO AMBIENTE'S CARBON FOOTPRINT

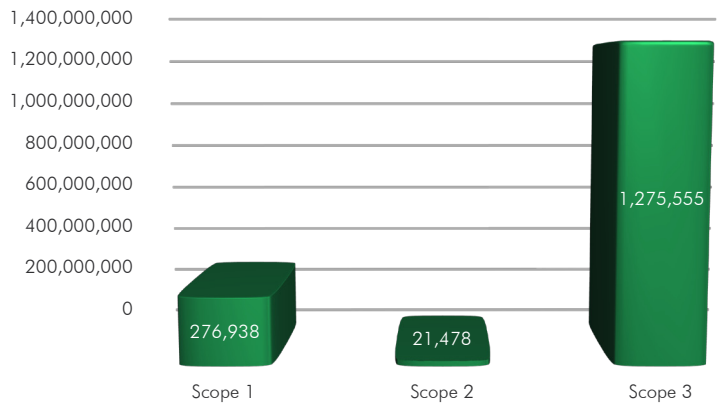
The calculation of the carbon footprint provides an overall picture of the impact that an organisation has on climate change, as a result of carrying out its activities, by quantifying its GHG emissions and by the identification of its sources. Furthermore, it is intended to be a quick and efficient indicator that provides an overall picture of the improvements in energy efficiency with respect to the processes developed by the organisation in order to contribute to fighting against climate change.

Since 2011 (first audited year) FCC Medio Ambiente's emissions were recorded as an organisation in Spain and the GHG Protocol was used as the standard, since it is the most recognised international standard for the calculation of carbon footprints at organisational level.

In May 2014 the verification of the organisation's carbon footprint was provided for 2013 in accordance with the established biennial frequency.

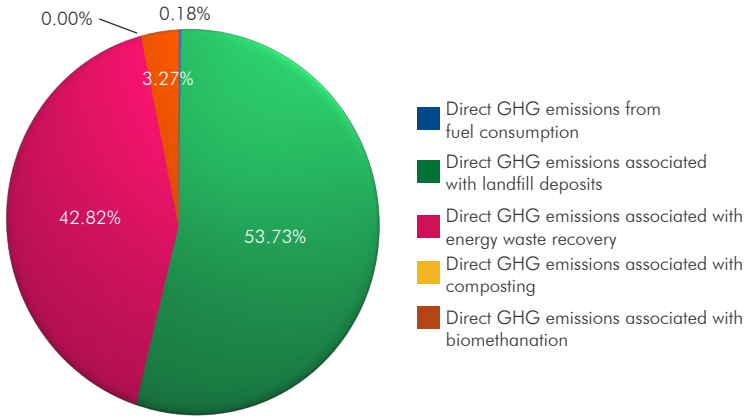
Moreover, FCC Medio Ambiente, has established a methodology and designed tools that will enable the calculation of the carbon footprint specific to urban services activities and their key intensity indicators. This more specific level of consolidation will be used to perform more extensive monitoring of energy management as well as the management of GHG throughout the term of the contracts.

2013 FCC Medio Ambiente Carbon Footprint

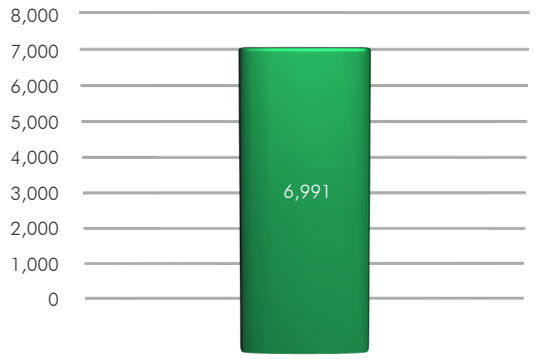


Distribution of sources of greenhouse gas emissions where FCC Medio Ambiente has the operational control

100% of scope 1



32% of scope 2



Indirect emissions associated with the consumption of electricity

OBTAINING THE ENERGY MANAGEMENT CERTIFICATE IN FCC MEDIO AMBIENTE

In 2013, FCC Medio Ambiente obtained the Energy Management Certificate, GE -0022/2013, from AENOR, which it has implemented into its activities at its offices in Barcelona and the Balearic islands. It is a distinction that recognises the energy efficiency of the activity and that accredits the implementation of continual improvement of the Energy Management System in accordance with UNE-EN ISO 50001:2011.

The energy consumption is linked to the generation of greenhouse gases, therefore improvement in energy efficiency also means a reduction in greenhouse gas emissions.

The nine facilities included in the scope of the AENOR certification which comply with the requirements of the standard and that have planned and implemented defined improvement opportunities correspond to the activities of: Municipal Solid Waste (MSW) collection, selective collection of waste, cleaning of containers, street cleaning, maintenance of street furniture and children's play areas, cleaning and maintenance of buildings, cleaning and conservation of the sewerage system, and the cleaning and maintenance of fountains.

3.3.2 Carbon footprint measurement in FCC Aqualia

One of the main concerns of FCC Aqualia in its commitment to fighting against climate change, is the focus on improving energy efficiency in its activities. Through seeking new lines of investigation, the Company pursues a twofold objective: the improvement of environmental management and a reduction in the amount of services provided to clients, since electrical consumption represents 8% of the cost paid by the end user for the services provided.

FCC Aqualia has implemented an **Energy Management System** in accordance with the requirements of ISO 50001:2011.

MEASUREMENT AND CERTIFICATION OF THE CARBON FOOTPRINT OF THE INTEGRATED WATER CYCLE IN LERIDA

In 2012, following the guidelines established in the corporate climate change strategy, FCC Aqualia became the first company of the water sector in Spain to perform an analysis of the carbon footprint of greenhouse gas emissions (GHG) in the integrated water cycle in Lerida. In 2013 FCC Aqualia also became the only company in the sector in Spain to have its carbon footprint verified by AENOR.

The study, certified by AENOR based on the UNE-EN ISO 14064-1:2012 Standard, has a full scope since it takes into account both direct and indirect GHG emissions. AENOR certified that the water management services of Aigües de Lleida, of FCC Aqualia, generates emissions of 3,045 tonnes of CO2. The certification of the carbon footprint for the integrated cycle in Lerida allows the Company to be aware of, and control, the emissions of the management and products, improve its competitiveness and increase transparency of the activity with respect to stakeholders. Furthermore, the work has identified and quantified the amount of fixed carbon (carbon retained in the biomass for more than 100 years), the emissions avoided, and the actual emissions that come from the burning of biomass.

It is important to point out that 90% of all GHG emissions come from the water treatment plant, due to the physical-chemical processes that are involved in waste water treatment. Therefore, the study has revealed that the noteworthy environmental management of the WWTP allows the emissions caused by electrical energy consumption to be offset by avoiding other emissions.

This initiative means a further step in the Company's eco-efficient management strategy, since it allows for the identification of new environmental improvements and the reduction in both emissions and energy consumption. The initiative to calculate and verify GHG emissions will be implemented into more towns where FCC Aqualia provides services.

OBTAINING THE ENERGY EFFICIENCY CERTIFICATE IN ALCOY

In 2012 the drinking water supply facilities in Alcoy, managed by FCC Aqualia, received the GE -0038/2010 certificate from AENOR for its energy management system, which was in accordance with Standard UNE-EN ISO 50001:2011. This distinction, renewed in 2013, recognises the drinking water supply activities managed by the Company. The certification under this Standard helps the companies in the sector to reduce their energy consumption and Greenhouse Gas emissions.

In order to obtain the certification, FCC Aqualia carried out a series of measure to improve the efficiency of the system. The replacement of groups of pumps and the installation of frequency converters for ones that are more efficient; the installation of remote stations connected to a remote control station; sector meters with data recorders that allow for the detection of leaks and therefore reduce their occurrence as much as possible; the replacement of bulbs for energy-saving bulbs and the installation of switches whose timing can be programmed, has meant that the integrated cycle managed by the Company has been modernised.

AENOR has audited that the requirements of the standard have been met and that the established consumption base line has been checked, the opportunities for improvement have been detected, action taken with regard to same, and that there is continual improvement in energy performance.

3.3.3 Measurement of Scope 3 Emissions in FCC Construcción

FCC is committed to sustainable construction with the focus on energy saving, emissions reduction and being environmentally-friendly.

FCC Construcción has implemented a system of best practices (Sistema de Buenas Prácticas®) which ensures an improvement in the activities environmental results and that goes beyond legal requirements.

The main measures consist of the following: the reuse of excess clean rubble and earth from the site itself, proper maintenance of machinery, speed control of vehicles on site, and the use of less contaminating fuels, etc.



THE CONTROL OF SCOPE 3 EMISSIONS AT FCC CONSTRUCCIÓN

As part of the Company's commitment to reducing emissions in combating climate change, it is worth pointing out the effort made by FCC Construcción to reduce Scope 3 emissions; emissions produced as the result of the Company's activity but that are generated from sources beyond its control: transportation of employees, transportation of purchased fuels, emissions in the supply chain, etc. Among the main initiatives carried out are the following:

- Redesign of processes, such as the optimisation of routes, promoting the consumption of local resources closer to the construction site, use of less contaminating fuels, better lighting and control of energy consumption.
- Replacement, modification or renovation of the equipment, with the suitable maintenance of machinery and construction site vehicles and adjusting the intensities and types of lighting installed.
- Awareness campaigns aimed at employees and subcontractors, with initiatives such as speed reduction on construction sites.
- Emissions inventory, certified by AENOR, in which the following Scope 3 emissions are included:
  - Emissions associated with production and transportation of consumption materials. It takes into account emissions from the production and transportation of concrete, asphalt and steel, and the emissions from the transportation and movement of earth and aggregates.
  - Emissions associated with the incorporation of subcontracted business units into the scope of the Group.
  - Emissions associated with the transportation and management of surplus materials and waste.
  - Emissions associated with the transportation of personnel for Company business trips.
  - Emissions due to the loss in transmission or distribution of electricity.

4. Environmental management at FCC

Commitment to the protection and conservation of the environment

The environmental policy of FCC Group reflects the Company's commitment to the protection and conservation of the environment. Environmental management is an integral part of the Group's business strategy and therefore all business divisions take it into account during their daily activities.

The company actively promotes the environmental optimisation of production processes as a means of reducing its environmental impact.

In order to reduce the effect of the impact of its activity, FCC performs a series of studies in order to identify, classify and evaluate the impacts that are made from by facilities, and subsequently establish the measures necessary to minimise negative environmental impacts.

*As stated previously, with regard to the data included in this subsection it is necessary to take into account the reduction in activity during 2013 (fundamentally in Infrastructure business), and that changes have been made in the scope of the reported data.

Environmental management. Milestones in 2013

- Certification of energy management in the city of Barcelona in FCC Medio Ambiente: ISO 50001
- Servicios del Levante SA environmental certification in FCC Medio Ambiente: ISO 14001.
- Certification of the Reus contract within the EMAS regulatory framework.
- Implementation of operational efficiency systems in FCC Aqualia
- Nomination of FCC Construcción as Global Environmental Ambassador for 2014 for the environmental project developed by FCC in Enniskillen Hospital.
- On-line provision of FCC Construcción's CACUMEN tool, for the collection and consolidation of operational environmental data related to the division.
- Evaluation regarding sustainability of FCC Construcción tenders: categorisation of projects according to economic, social and environmental risks.

- Obtaining the environmental management system certificate in 21 countries in which FCC Construcción is present.

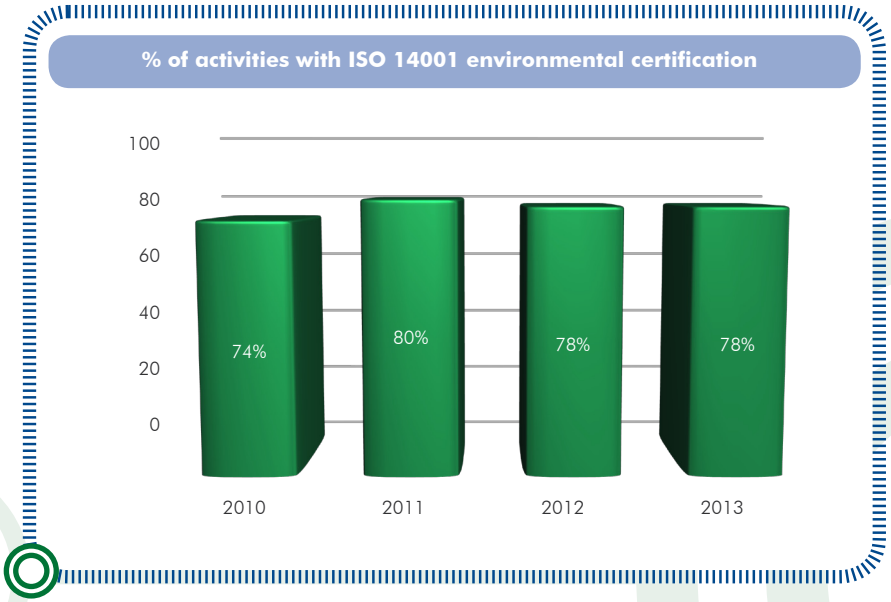
Environmental management. Challenges in 2014

- Maintenance of environmental certificates obtained for FCC Medio Ambiente centres.
- Measurement of FCC Aqualia's water footprint. Project in Cantabria in collaboration with the Complutense University of Madrid, the University of Cantabria and the Botín Foundation.
- Certification of FCC Contrucción's environmental management system in Mexico, Panama and Nicaragua.

4.1. Environmental management system

FCC's **environmental management system** is a basic instrument for the eco-efficiency of the production processes. The Company continually promotes the environmental certification of activities and installations.

Practically all FCC Group's business areas have an environmental management certificate in accordance with Standard UNE-EN ISO 14001:2004 in Spain, as well as projects that are developed in other countries. The objective of each division is to certify 100% of its operations under this standard. After each acquisition a period of 6 months is established, with the purpose of aligning the project with the Company's environmental policy.



The Spanish Technical Building Code (CTE) in the environmental quality management systems of the Company is important. The application of this code improves the efficiency in 100% of the buildings constructed by the Company.

In order to understand the effectiveness and degree of development of the initiatives and projects carried out, FCC makes use of an internal information collection and management system called "**Horizonte**". In total it has 25 environmental indicators, broken down into groups, lines of business and countries, the tool also serves as a starting point for the design of improvement plans and corrective actions.

In 2013 **FCC Medio Ambiente** recorded the Reus contract under the EMAS certification. Furthermore, it achieved certification in energy management in the city of Barcelona under ISO Standard 50001. It was certified by Servicios del Levante SA in 2013 under ISO Standard 14001.

FCC Construcción has implemented a **System of Best Practices** with actions that ensure better environmental results that go beyond legal requirements. Based on the analysis of previous environmental impacts and their classification, the Company has categorised a series of actions that the sites select and implement in so far as they are applicable.

These best practices are weighted according to several factors. Thus the following achieve a better assessment:

- Actions that result in a greater benefit to the environment.
- Actions that are intrinsically better.
- Actions that are more innovative and result in a greater effort with respect to the sites (either due to the investment, research or ingenuity involved).

For the assessment of best practices, their scope must also be taken into account. Those that show a higher level of implementation, greater generalisation and a higher number of interventions will achieve a better assessment.

An IT application manages the Environmental Plan of the Company's sites and centres and ensures the reliability and availability of the data.

The information that is generated at each construction site, and that the site uses for proper environmental management, is entered into a database that allows the environmental pulse of the company to be gauged, that enables improvement actions to be undertaken and information is provided to society. A rigorous internal auditing system, and its own controls, that the data are subject to in the different integration processes, validates their accuracy.

4.1.1 Environmental management in the corporate culture

FCC aims to instil an environmentally-friendly corporate culture in all its processes and systems. Company considers training in environmental management systems to be a crucial investment in the promotion of proper environmental practices. At both the headquarters, and at different business units, procedures have been developed for these spaces to be considered Green Working Points.

The Group's 2012-2014 Corporate Responsibility Master Plan, ensures forward-looking targets are maintained with respect to the environmental policy and establishes as a target for 2014, among others, the evaluation of suppliers according to environmental, social and ethical criteria.

4.1.2 The Company's risk map includes environmental risks

As part of the process of drawing up the Corporate Risk Map, aspects relating to the analysis and management of environmental risks are included. The basic tool for the management of this type of risk is the environmental plan drawn up by each of the business units and which covers the following phases:

- Identification of environmental aspects
- Definition of environmental impact evaluation criteria.
- Measures required in order to minimise these impacts.
- System for measuring and monitoring targets.
- Subsidiary management systems with procedures for the management of environmental emergencies.



4.2 Efficient water management

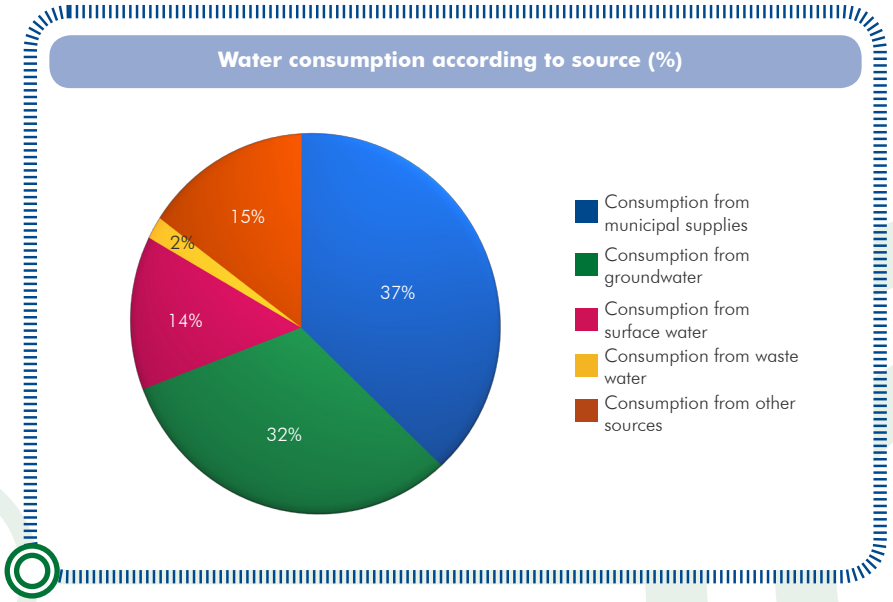
Water is a differentiating factor as far as the social and economic development in various regions of the world is concerned. Different global trends such as climate change, growing populations, urbanisation processes and growing middle classes pose a serious risk to the availability of this resource. Water scarcity combined with the growing need to build and manage hydraulic infrastructure are the major challenges for all those involved in this sector.

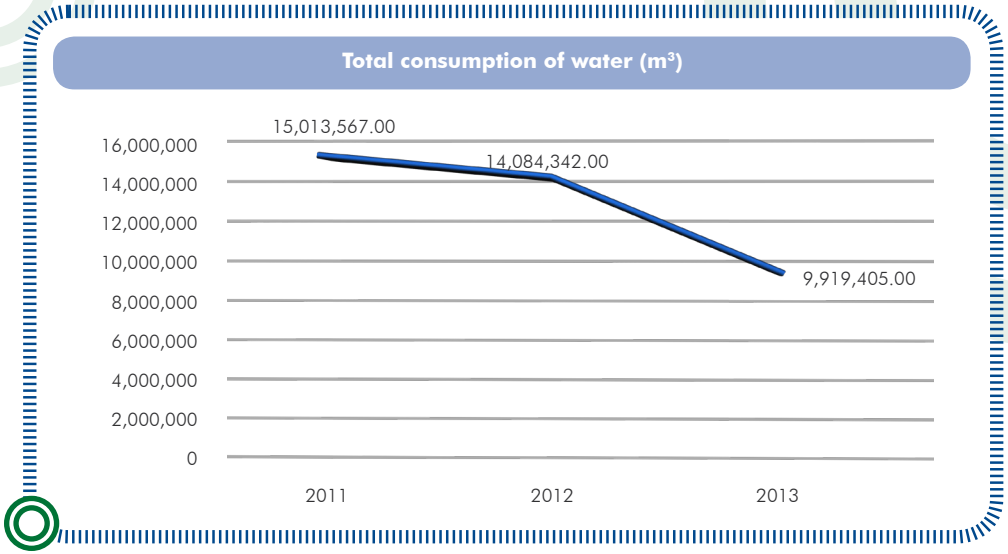
Since water is a key factor for the performance of many of the Group's activities, such as the environmental services activities (street cleaning and garden maintenance), or the manufacturing process of cement and concrete, FCC encourages the rational and efficient use of this resource and promotes the use of water from alternative sources.

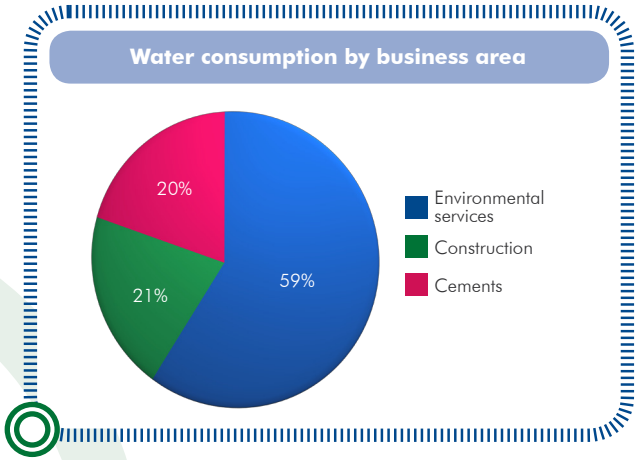
The efficient management of this resource in FCC Aqualia is especially relevant. As a subsidiary of FCC specialising in integrated water cycle management, it serves a population of around 28 million people all over the world. Its experience and efficiency in the management of water resources is an extra pillar in our commitment to the sustainable development of FCC.

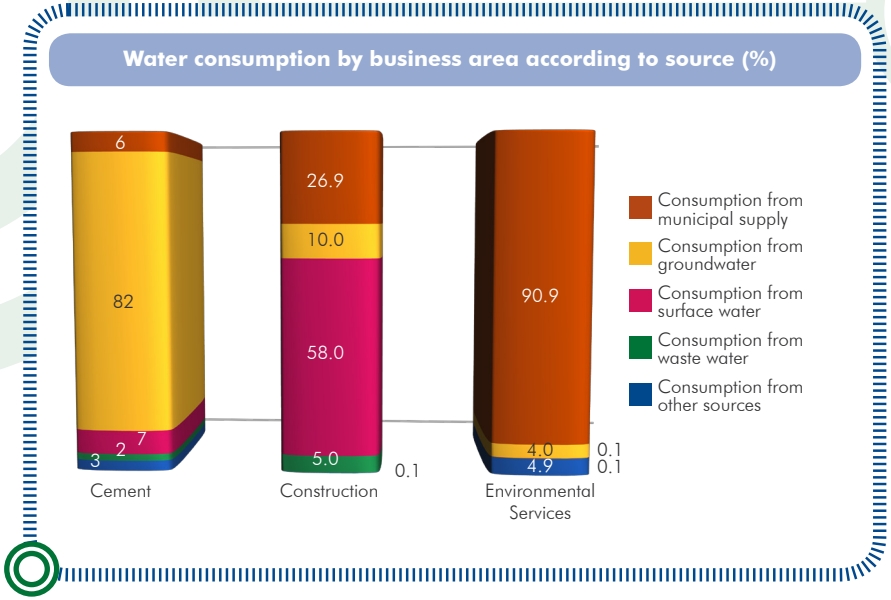
In 2013, FCC Group's water consumption amounted to 9,919,405 m^3, of which 37% is from municipal supplies.

The decrease in water consumption is directly related to the reduction in the volume of the Infrastructure activity (construction and cement), these activities have consumed approximately 3.5 million cubic meters less. The data does not include self-consumption of the integral water cycle management activity.









4.2.1 Water management at FCC Aqualia: present in the integrated water cycle

FCC Aqualia offers solutions for the integrated water cycle regardless of its use: domestic, agricultural or industrial. Its experience in this area helps improve efficiency in the management of water resources in the other Group companies and controls all the phases in the integrated water cycle, pursuing the optimization of resources that promote sustainable development.

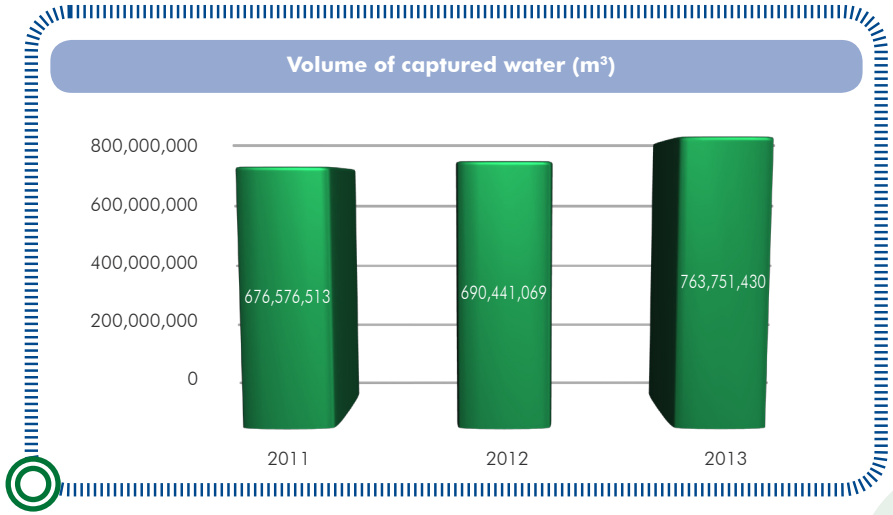
The integrated water cycle starts from the capturing, purification and treatment of the water collected from the natural environment, to its distribution and collection of used water for its subsequent purification and return to the environment where it was obtained.

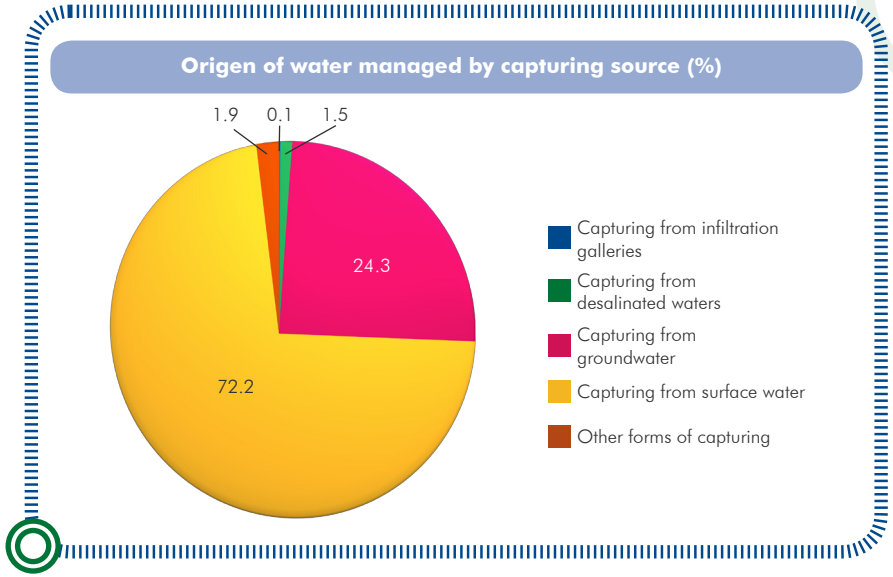
Currently the company is present in over 1,100 municipalities throughout the world, and has the capacity to serve around 28 million people. FCC Aqualia is considered an expert in the field of integrated management due to its extensive and proven experience in all phases of the water cycle.

FCC Aqualia's main asset to protect the environment is investment into research and development through work on sustainability, which involves working on reducing the environmental impact, reducing energy costs, and using sludge treatment equipment as resources, as well as creative alternative treatments.

FCC Aqualia has management systems certified in accordance with Standard UNE-EN ISO 14001 in all its activities, which allows the correct implementation of the environmental plans. As the Company expands the scope of said certification it facilitates the homogenisation of plans as well as the maintenance of quality levels.

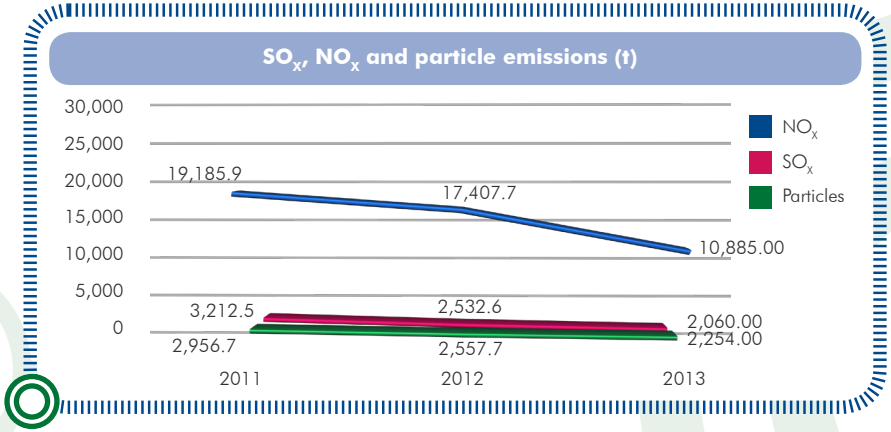
The total volume of captured water for management carried out by FCC Aqualia in 2013 was **763,751,430 m³**.

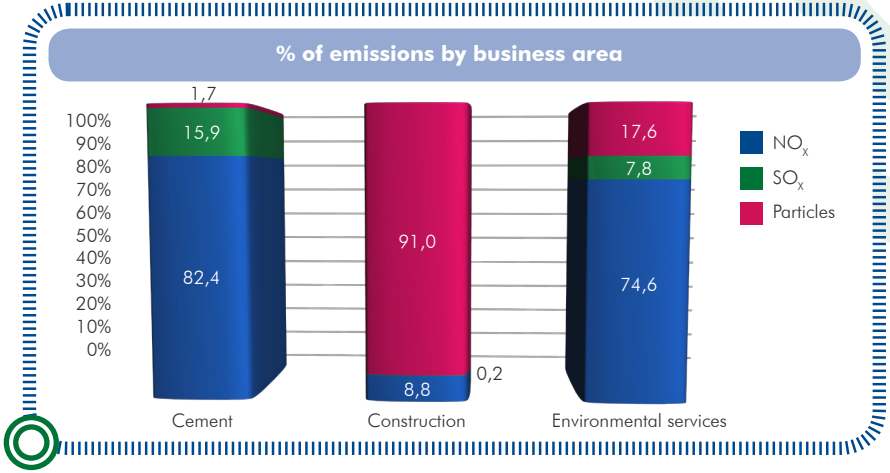




4.3. Atmospheric emissions

The Group's main emissions, in addition to carbon dioxide emissions (CO_2), are nitrogen oxides (NO_x), sulphur dioxide (SO_2), CFC and solid particles. NO_x emissions are produced primarily in the cement business; SO_2 emissions are mainly produced in the Environmental Services business, and the particles in the infrastructure business.





All the Group's centres subject to Integrated Environmental Authorisations (in accordance with Law IPPC 16/2002) have established atmospheric emissions' limitations for all their sources of emissions. In general, they all have gas cleaning and filtering systems that use different techniques depending on the characteristics of the process generating the emissions.

4.4. Control of discharges and spillages

FCC Group establishes very demanding and specific procedures for the prevention and proper management of spillages by means of its environmental management systems and integrated environmental permits. In order to avoid negative environmental impacts, each centre has defined action protocols that establish responsibilities and what to do in the event of an accidental discharge or spillage.

The Company's own waste water receives different treatment, according to its nature and contaminant load, before being returned to the environment, with the purpose of complying with the established discharge limits set out in the regulation, or in the permits.

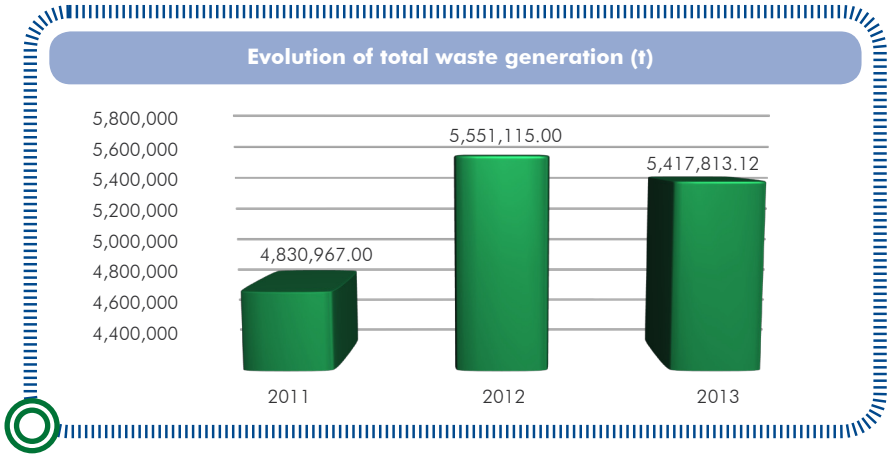
Total volume of discharged water (m³)	
2012	2013
5,950,039.84	3,063,125.22

Furthermore, it is important to point out that FCC Group manages and treats other discharges that do not come from its own activities, as part of its integrated water cycle activities performed by FCC Aqualia.

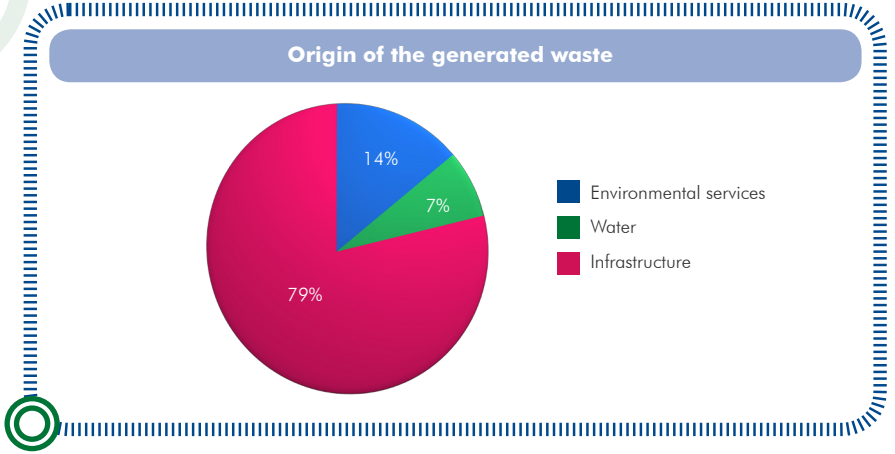
Volume treated in waste water treatment stations and returned to the environment (m³)	
2012	2013
499,002,489	557,073,556

4.5. Waste management

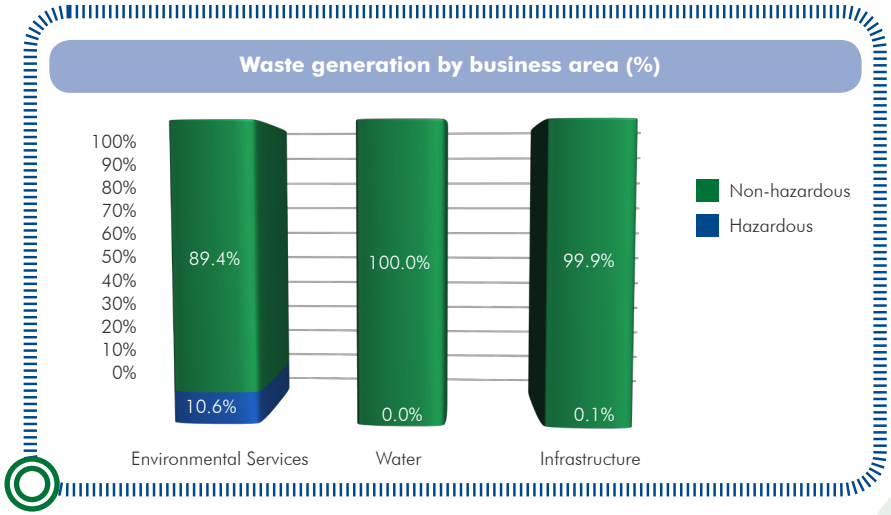
The growing need to manage waste is the result of the growth of the population in urban centres linked to economic development. FCC's strategy is committed to recycling, reuse and recovery of waste in order to face up to this problem.



Each of FCC Group's business areas has its own waste management plans, in line with the responsible consumption of raw material criteria in order to minimize their generation.



Following the "three Rs" rule (Reduce, Reuse, Recycle), as the strategy applied to waste management, FCC Group gives priority to reducing at origin.

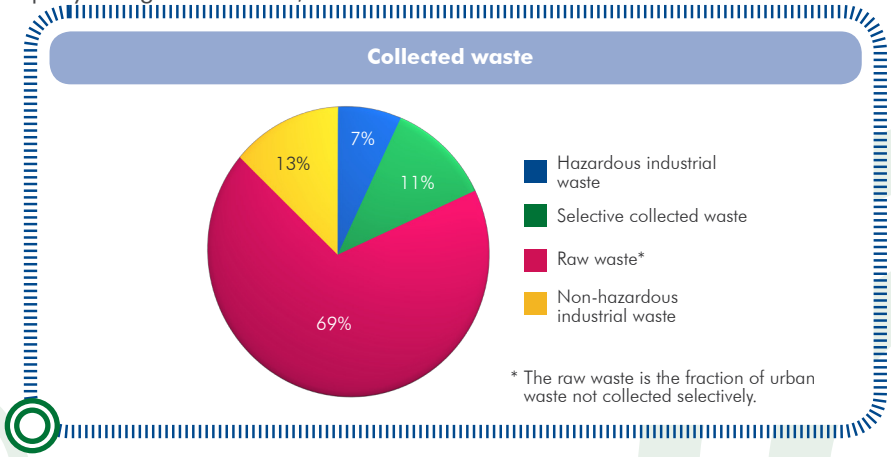


The Group has a business division that specialises in integral waste management, and the waste volume collected is more than 6.69 million tonnes of different types of waste (industrial and urban, hazardous and non-hazardous waste). Among the FCC companies that specialise in waste management are FCC Medio Ambiente, FCC Environment (UK), ASA and FCC Ámbito.

FCC Medio Ambiente, FCC Environment (UK) and ASA. are subsidiaries of the Group that provide urban sanitation services, such as municipal waste collection, street cleaning, treatment of urban wastes and the maintenance and upkeep of parks and gardens. FCC Group is a leader in this sector in Spain and is one of the largest operators in the United Kingdom, Austria, Portugal, Egypt, Czech Republic and the following eastern European countries: Slovakia, Hungary, Poland, Romania, Bulgaria and Serbia. It provides services to more than 72 million citizens.

Furthermore, FCC Ámbito provides services in the field of integrated management of industrial waste, industrial cleaning, decontamination of soil and external intervention in case of accidents, spillages, discharges, etc.

This diversity, taking into account the broad range of waste that it manages, and the breadth of countries across which it offers solutions, makes FCC Group one of the world's leading companies in integral waste management. So much so, that throughout the whole of 2013, the Group collected more than 6,692,653.44 tonnes of different types of waste, the majority being urban waste, both raw and from selected collection.



With regard to waste treatment, FCC Group has facilities for the treatment of all types of waste. The company carries out recovery processes, elimination in controlled landfill, deposits in rubbish tips and stabilization.

In 2013 the company treated 17,091,361 tonnes of waste at its facilities.

Waste treatment: % of the total admitted at FCC facilities	
Recovery in selection and classification plants	4.0
Recovery by biological treatment	3.1
Recovery by heat treatment	2.3
Recovery in construction and demolition-waste plants	0.0
Elimination in controlled landfill	80.7
Deposits in rubbish tips	0.0
Recovery by recycling	0.2
Energy recovery	0.0
Recovery by physical-chemical treatment	3.1
Stabilisation	0.6
Transfer to an end manager	6.0

4.6. Biodiversity protection

The activities of the Group have an associated impact on the territory, and therefore on biodiversity. The material impacts on the environment mainly take place within the infrastructure division. To mitigate the effect that these impacts have on the environment as a result of construction and development of quarries, the Group is developing comprehensive management approaches for the restoration of affected spaces and protecting biodiversity. Therefore, the physical condition of the environment in which they work to receive indigenous biodiversity, the management of the natural environment to improve the conditions of biotopes and eradication of invasive species of high ecological impact, are the guidelines on which the activities of the Group are based in its concern for the conservation of biodiversity.

The estimated surface area of protected zones or areas of high value for biodiversity, contained within, or adjacent to, the areas where FCC operates is 217,485.83 hectares.

It is important to point out that in 2013 FCC joined the Spanish Corporate Biodiversity Initiative (IEEB), promoted by the Biodiversity Foundation of the Ministry of Agriculture, Food and the Environment.

The initiative aims to integrate biodiversity protection as another factor to consider in the strategic decisions of companies. FCC was one of the first companies to join the initiative.

4.7. Communicating and disseminating environmental issues

It is important to point out the effort made by FCC in the sharing of their knowledge and experience in matters of best environmental practices by participating in events and initiatives relating to the environment. This way the Group contributes to reflecting and learning about the professional practice of environmental excellence and about responsibility with regard to the environmental behaviour of citizens.

ECOSYSTEM SERVICES

Given the growing importance of **protecting biodiversity** in the urban environment development model, in 2013 the Company opened up lines of investigation with the purpose of improving the quality of life of the citizens in those municipalities where it manages green zones.

The green spaces, as with ecosystems, provide the community with a range of benefits, known as **ecosystem goods and services**. Experts have defined four types of services:

- **Supply services** of the goods themselves, such as food, water, wood and fibres, etc.
- **Regulation services** of the climate and rainfall, of water (for example flooding), of waste and the spread of disease.
- **Cultural services** that provide beauty, inspiration and recreational values, etc.
- **Essential services**, such as soil formation, photosynthesis and the cycle of nutrients, which are the mainstay of growth and production.

New importance is gaining ground regarding a focus on ecosystem services for **quantifying the benefits produced** from green services in the cities (CO_2 sinks, generating business as a result of a change in attitude, air purification, recreational activities, etc.).

Therefore, as a Company with extensive experience in the conservation and upkeep of parks and gardens, lines of research on matters of regulation and cultural services are especially relevant, which when quantified economically, can be included in the services offered by FCC.

4.8. A differentiating environmental service: tools and indicators for efficient management

In recent years FCC has been developing different initiatives for the measuring, coordination and spreading awareness of its environmental performance. Among these initiatives the following have been implemented by the Medio Ambiente division:

- ce2d® methodology: for establishing and monitoring environmental performance
- SEDRUS® knowledge platform (Sharing Environmental Data to Reflect Urban Sustainability): for the dissemination of environmental data on matters of park and garden management, sustainable management of treatment facilities, and the elimination of, and fighting against climate change.
- Methodology and Verification of the Organisation's carbon footprint (base year 2011)

With the ultimate aim of presenting a differential service based on economic and environmental efficiency, and on reliability, it is important to use the information and experience acquired in the above-mentioned initiatives in order to move on to the next level of production services. To this end, currently FCC is trying to establish and calculate the indicators that will allow the efficient and sustainable management of the environmental services provided, during the awarded management services contracts, to be expressed, seeking and demonstrating efficiency in the use of resources, both energy and water, and minimising Greenhouse Gas emissions (GHG).

EFFICIENT MANAGEMENT INDICATORS REGARDING RELEVANT ISSUES

The strategic guidelines established by the EU aimed at the responsible use of resources, recovery of waste and the reduction of GHG signifies significant risks and opportunities for those organisations that FCC is developing.

Based on this context, the company is working towards the identification of relevant matters for different stakeholders in order to demonstrate their technical solvency with regard to these aspects.

Since 2013 FCC's Medio Ambiente division has been working on the definition and validation of efficient management tools regarding relevant issues, such as the management of resources, energy and water, and the reduction of GHG emissions. The management of said matters will be limited to contracts in which the company has operational control, meaning, where it has the capacity to act and can commit itself to establishing improvement objectives.

The efficient management indicators of relevant matters, that the company has been addressing consecutively, can be classified at different levels.

Organisation	In May 2014 FCC Medio Ambiente's carbon footprint for 2013 will be verified, and it will be compared with that of the base year (2011).
Activities regarding the collection of waste, street cleaning, and the upkeep of parks and gardens	In May 2014 an audit will be performed on the methodology and tools designed for the calculation of the indicators that will allow the sustainable management of the services provided to be expressed, for activities regarding the collection of waste, street cleaning, and the maintenance of parks and gardens.

[2] This methodology and the calculation tools have been designed, adjusted and validated by a scientific entity and their adaptation to recognised standards has been validated by an entity of recognised prestige that specialises in Climate Change.

Activities regarding treatment and the elimination of waste

At the beginning of 2014 the Company created a steering group for treatment and elimination activities, in which a series of case studies were raised which, over the next two years, will involve the monitoring and evaluation of relevant matters detected. This work will enable the demonstration of the Organisation's technical capacity with regard to efficient management in the use of resources, as well as in the reduction of greenhouse gases at landfill sites, and in the recovery of materials.

With the establishment of these methodologies and indicators for efficient environmental management, in 2016 they will then be extended to FCC Medio Ambiente division's activities and service contracts when requested by customers. These tools will allow FCC Medio Ambiente's management ability to adapt to environmental demands to be demonstrated to stakeholders.

TOOLS FOR EFFICIENT MANAGEMENT

The environmental services subsidiary in the United Kingdom, **FCC Environment** has implemented a software tool called **WRATE** (Waste and Resources Assessment Tool for the Environment), which allows environmental impacts of different municipal waste management systems to be compared. The program uses life cycle evaluations to include resources used, the transportation of waste and the operation of a wide range of waste management processes with their environmental benefits and costs. WRATE is designed so that managers can easily apply complex techniques for the management of the life cycle of urban waste. The results are easy to understand and interpret for financial managers, politicians, and other stakeholders.





CONNECTING CITIZENS

Maximising the positive impact of activities in the community.

FCC Group intends to link the performance of its activity with the current demands of society. The Company is committed to maintaining an open attitude to dialogue with different stakeholders in order to consolidate the sustainability of its business. The Company involves citizens and its own employees in the development of sustainable solutions.

The ultimate objective is to generate maximum social value by means of interaction with FCC stakeholders and creating added value activities. The main lines of action are:

- Establish a sustainability observatory (sustainable radar), by means of dialogue platforms at town and city councils with the objective of connecting FCC management with the trends and needs of future communities.
- Promote sustainable behaviour among citizens (active sustainability). This means involving communities in the development and start-up of sustainable solutions.
- Promoting the participation of workers, by means of designing programmes for the development of the "responsible local commitment" concept.
- Consolidate the corporate volunteer programme in collaboration with the Esther Koplowitz Foundation and its residential homes in Madrid, Barcelona and Valencia, for the elderly that do not have any resources or young people with physical disabilities.
- Maximisation of sustainable value by means of positive impact action that strengthens the public appreciation of the service that the Company provides.

Content

- 1. Social commitment as a distinguishing feature in FCC Group
- 2. Corporate volunteering
- 3. Interaction with stakeholders

1. Social commitment as a distinguish feature in FCC Group

The Corporate Responsibility Master Plan defines the framework of action regarding FCC Group's social matters. The main social commitment actions carried out by the Company are supervised and approved by Senior Management.

Included in these actions are those relating to the signing of conventions and agreements with universities, business schools and technical centres and colleges, donations, corporate volunteering and the provision of support to public and private institutions and associations.

In 2013, FCC Group's activity, aimed at social projects, was centred on education, support for people with special needs, heritage conservation, dissemination of art and culture, promotion of sport, and environmental awareness, among other things. The amount allocated to corporate citizenship projects reached a total of 4.017 million euros.

Social commitment. Milestones in 2013

- Start-up of the First disability and social and occupational integration week.
- Support by FCC Environment to social and environmental campaigns through the WREN foundation.
- Collaboration in professional training initiatives by FCC Ámbito such as the 2013 Youth Project in collaboration with INDESPRE and REPACAR.
- FCC Aqualia was a finalist in the Territorio y Marketing awards for the educational initiatives developed by the Company in Oviedo.
- Celebration of World Environment Day with the 11th Edition of FCC Aqualia's drawing competition which was a great success with regard to participation.

Social commitment. Challenges in 2014

- Develop metrics to assess the impact of its corporate citizenship projects.
- Development by FCC of the environmental volunteer programme "Teachers for a day"

1.1 Education: collaboration with universities, colleges and business schools

Cooperation within the sphere of education represents a traditional line of action with respect to the social commitment activities of FCC Group. Knowledge and experience of the employees are the main assets of the project developed by the Company. FCC makes use of this expertise and carries out educational activities aimed at economic, environmental, social and cultural development of the local communities where it operates.

Each one of FCC Group's lines of business promotes its own educational activities. In 2013 specifically the Medio Ambiente division invested a total of 2.7 million euros in initiatives for the protection of the natural environment and the promotion of the efficient use of resources through educational activities.

FCC's objective is to share knowledge in the areas in which the Company specialises, fundamentally in the areas of waste management, combating climate change, improving air quality, maintenance of parks and gardens, and social corporate responsibility, among others.



Main agreements and initiatives on education in 2013:

FCC MEDIO AMBIENTE

Collaboration with the Design and Processes Engineering Department of the **University of Huelva (UHU)** in:

- The IISIS "Integrated Research on Sustainable Islands" project, for the management of waste in island environments.
- Measurement of the carbon footprint of the services.
- Technical advisory agreement signed by the **Polytechnic University of Valencia (PUV)** for the control of pests and diseases in urban trees.

Agreements signed for the performance of work experience:

- The **Confederation of Aragon Entrepreneurs (CREA)** for the performance of non-labour work experience at its centres in Zaragoza.
- The **University of Zaragoza** for the performance of work experience.
- **Dynamic Zaragoza (Zaragoza Municipal Institute for Employment and Business Development)** for performance of non-labour work experience at work centres.
- The **Integrated Centre for Professional Training in Aguas Nuevas** for performance of non-labour work experience at work centres in the parks and gardens in Albacete.
- The **Olot Professional Technical School, the Centre of Financial Studies in Barcelona** and the **Agustí Serra Institute** so that their students can gain work experience in the Company.
- The **University of Tarragona (Rovira Virgili University)** promoting end-of-course projects and collaboration agreements.
- Agreements with the **University of Vigo** for the training of students and a job bank concession in the Barbanza Environmental Complex.

FCC AQUALIA

Collaboration with the **Industrial Organisation School (EOI):**

- Presence in the **Advisory Council on Quality and Excellence**.
- **Programme for the Development of Management Skills**, where the participants received training for the development of management skills and competences, key to developing their professional positions.
- Courses with the **Technological Institute of Water (TIW)** at the Polytechnic University of Valencia to train its workers in technical matters.

Collaboration in courses with the following universalities:

- Course "Smart Cities and Innovation in Services" (July 2013). International University of Menéndez Pelayo. (UIMP). (Santander).
- Course "Management of Urban Services. Smart Cities" (July 2013) University Laguna in Adeje (Santa Cruz, Tenerife) 21st Edition.



FCC CONSTRUCCIÓN

Matinsa- FCC Construcción's conservation and maintenance company:

- Agreements to establish grants for the practical training of students in the final year of their degree.
- Agreements have been signed with the Polytechnic University of Madrid (PUM), the Polytechnic University of Valencia (PUV) and with the University of Castilla la Mancha.

Brazil delegation:

- Collaboration agreements with the University of Rio de Janeiro: provision of data for the mathematical prediction model developed by the University of Cantabria.

Panama delegation:

- Agreements with four universities, USMA, UMA, University of Panama and the Technological University.

Algeria delegation:

- Agreement with the Polytechnic University of Tiaret for running seminars on Technical Planning, Concretes and Quality Management

1.2 Support for groups at risk of social exclusion and inclusion difficulties

The FCC Group includes, within its Corporate Social Responsibility, support for associations that work towards integrating people with disabilities and promote equal opportunities in access to employment as part of its human resources policy. The Company sees integration as work integration, which involves the full development of some workers.

In 2013 FCC Group continued its affiliation with the **INSERTA Programme** of the ONCE Foundation (Spanish Blind Association), which aims to promote the labour integration of persons with disabilities into its workforce. Both parties have combined forces to develop joint projects and to promote and facilitate the full integration of people with disabilities into society.

Likewise, FCC Group has continued to develop activities around the **Family Plan** signed with the Adecco Foundation, to promote labour integration for people with disabilities, with a special focus on employees that may have family members with disabilities of some kind.

1.3 Evaluation of the social impact of FCC projects, a driving force for progress for society

The principles that guide FCC Group in its commercial activities are also applied in the Company's activities within the sphere of "Connecting Citizens". These principles are defined in the Code of Ethics, which establishes that as part of its social commitment, FCC Group will evaluate the **non-financial aspects** of the business projects in which it may participate as well as the material investments made".

FCC Group generates a positive social impact and therefore, in the performance of its business, it becomes a source of wealth and employment, and an important driving force for local development.

Likewise, FCC Group's commitment to society takes the form of **sponsorships and collaborations**, which are channelled, by means of agreements and the allocation of resources, to the community organisations in line with the company's strategy.

However FCC is aware that its activity, on occasions, causes a negative social impact. The actions that have the greatest potential for negative impact are those related to the extraction of materials, carried out by the Cement Division, and the activities of the divisions involved in waste management. It is for this reason that, before beginning each project, FCC Group carries out proper **environmental impact studies**. Moreover, some

I[ST] DISABILITIES AND SOCIAL AND OCCUPATIONAL INTEGRATION WEEK

In 2013, FCC Group launched the **I[st] Disabilities and social and occupational integration week**, in collaboration with the Adecco Foundation and the ONCE Foundation. During this week, the Servicios Ciudadanos Group held a programme of events in which employees participated.

The aim of this week was to help extend a vision of enriching people with disabilities, actively promoting integration and normalisation in society, especially in the professional field. By means of these events FCC Group also intends to contribute, where possible, to the day-to-day improvement of both social participation and family conditions.

2013 Youth Project: Collaboration with **INDESPRE and REPACAR**

In 2013, **FCC Ámbito** collaborated with **INDESPRE** (a company that specialises in providing training activities for companies of particular industrial sectors) and **REPACAR** (Spanish Association of Paper and Cardboard Recycling) in the **2013 Youth Project**. The programme consists of providing training on work at paper and cardboard waste plants to young unemployed people, for the subsequent work experience in companies of the sector. **Marepa**, a subsidiary of FCC Ámbito, is a company that takes on work experience students from the Plant Operator course in paper and cardboard waste companies.



of the Group divisions implement **dialogue processes** with local communities with the objective of understanding their opinions and expectations, and adapting to their needs.

With regard to social projects, FCC Group ensures its commitment to transparency and participation. The Company does not only play the role of donor. FCC uses **control measures and periodical reviews of its social activities** with the purpose of measuring the scope or value generated based on projects that contribute to the social development of the communities in which it operates.

In order to comply with the objective of the Corporate Responsibility Master Plan relating to the **maximisation of value**, FCC Group considers the development of new performance indicators to be key to measuring the outcome of corporate philanthropic activities and corporate citizenship.

With this objective, FCC intends to implement **new procedures to measure the social impact** of the Company's activities in order to strengthen the concept of Citizen Services. In order to demonstrate to citizens and public administrators the added value generated by the activities of FCC Group, the **established objectives in this regard** are the following:

- The creation of an observatory for the monitoring and analysis of trends related to sustainability, including in the specifications of tender contracts in the main markets in which the Company operates.
- The identification of activities carried out by FCC Group that will allow the improvement of environmental and social performance of same, in accordance with the Law on Economic Sustainability.
- The development of a methodology for developing and demonstrating the added social and environmental value generated by the Company's activities for their inclusion in FCC Group's service offering.
- Publication of a sustainable practices catalogue for internal distribution

PRIORITIES OF THE WREN FOUNDATION IN 2013

A significant development in 2013 was the launch of a pilot scheme for the creation of a new fund. WREN's investment showed that it is often the most underprivileged communities where it is the most difficult to obtain positive results from significant investment, due to a lack of necessary experience for identifying and or developing projects. FCC Environment's Building Communities Fund will help address this matter. The first pilot scheme will take place in the community of Gainsborough, in Lincolnshire and will be extended to other areas of the United Kingdom if the scheme is successful.

Furthermore, in 2013, the Foundation supported two projects in collaboration with the Scottish Government's Cashback for Pitches Fund totalling £100,000 (121,625,00 euros). By means of a fund created from money recovered from procedures on crime legislation, the WREN foundation will support the installation of a network of AstroTurf fields for playing football and rugby in different communities throughout Scotland. The initiative is mainly centred around those areas in which anti-social behaviour and delinquency have a particular effect on people living in these communities, and has a clear emphasis on young people.

On the other hand, through the Biodiversity Action Plan – which helps achieve important government improvement objectives and nature conservation – the Foundation supported 12 large projects totalling £2.7 million (3.283.875 euros).

Through the Heritage Fund - whose objective is to preserve some of the most important buildings in the United Kingdom - the Foundation supported a further 19 projects totalling £835,000 (1,015,568.75 euros).

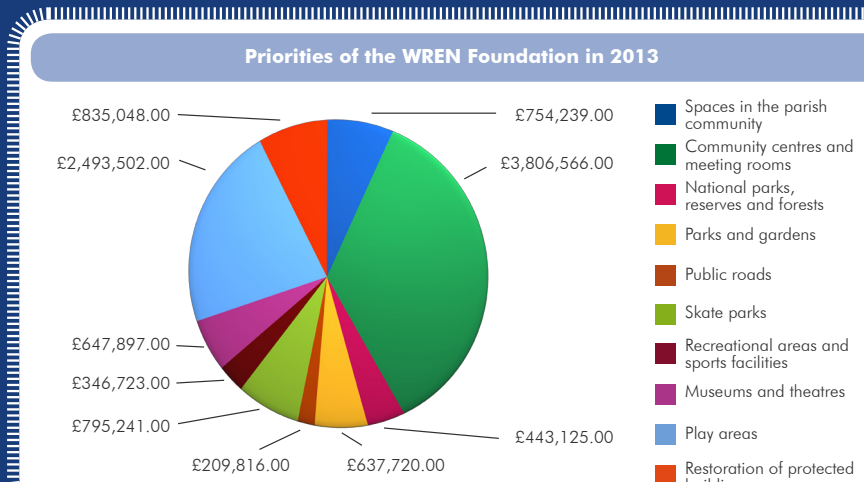
Building communities and changing lives: WREN FCC Building Communities

Through the independent non-profit-making foundation WREN, FCC Environment, as part of the FCC Building Communities programme, provides enormous benefits to communities and the environment in the United Kingdom as a result of land fill operations. As part of the Landfill Communities Fund, FCC Environment can set aside part of the tax levied on each tonne of waste deposited in landfills for the WREN Foundation, which in turn uses the money for financing important social and environmental projects within a radius of 16 kilometres around the landfill site.

WREN's strategic approach to funding is based on three pillars of activity: community, biodiversity, and heritage. In 2013 WREN financed a total of 335 projects at a value of £14,790,200 (17,923,208.07 euros), close to a total milestone of £200 million (242.4 million euros) of financing since it was set up in 1997.

More information on the community work of WREN in the United Kingdom can be seen at http://www.wren.org.uk/schemes/fcc-building-communities

See graph on the following page ➤



EDUCATIONAL ACTION FOR SUSTAINABLE DEVELOPMENT

36,578 reasons for a smart use of water

For yet another year FCC Aqualia celebrated the World Environment Day with the 11th edition of its drawing competition with a successful level of participation. In the event held on 22nd March, World Water Day, 36,578 3rd and 4th grade primary school students participated from 1,000 schools.

In this edition, held under the slogan "The future for water is bright, because you're creating it", the children created drawings of how the future in their municipalities will be, creating a thousand and one smart ideas for a responsible use of water.

FCC Aqualia raises awareness in all the municipalities where it provides services, giving value to the work that it carries out, such as the effort it has made in creating techniques and innovations that contribute to making the life of citizens easier by means of more efficient use of water and respect for the environment.

The International Children's Drawing Competition is already a reference point for the municipalities in which FCC Aqualia is present in Spain, Portugal, Italy and the Czech Republic. From the first edition it received more than 325,000 drawings. The event, a pioneering initiative in the sector, enjoys collaboration from schools, local councils and the press, for public awareness.

World Environment Day, celebrated under the slogan "Think. Feed Yourself. Save", is one of the main vehicles that the United Nations uses to promote global awareness about the environment. The objectives are focused on humanizing environmental issues, empowering people to become active agents of sustainable development, promoting the fundamental role of communities in changing attitudes towards environmental issues and encouraging cooperation, which will ensure that all nations and people enjoy a safer and more prosperous future.



Territorio y Marketing Awards

The Territorio y Marketing channel granted the finalist award of the Territorio y Marketing prizes for the educational action developed by FCC Aqualia in Oviedo. The objective of the organised activities was to contribute to education on matters of water management in order to give value to the activity and help sustainable development of water as a resource.

Every year the Territorio y Marketing Awards recognise the work of the institutions that have developed efficient and effective marketing strategies over the year regarding the environment. Within the "Sustainability" category, FCC Aqualia and the City Council of Oviedo presented all educational and solidarity actions organised around the 10th edition of the International Children's Drawing Competition, whose slogan was "A distinction for you, a distinction for the planet". Some of the highlights included collaboration with the Theodora Foundation and Action Against Hunger, as well as open days, educational talks, and the presentation of the comics Hidrokid and Gluglú, among others.

2. Corporate volunteering

FCC Group and its different business areas encourage the participation of its employees in achieving corporate objectives. The programme helps the social projects of the Esther Koplowitz Foundation, a point of reference in Spain for providing assistance to society's most needy.

The volunteer programme is an opportunity to promote, among employees, the benefits of participating in corporate citizen projects, supporting the company's mission to create value for society and to contribute to the welfare of people. The volunteer projects are developed in the field of cooperation, environmental education and aid to humanitarian emergencies.

In 2013, 447 people benefited from "FCC Volunteers", which involved the participation of 68 Company employees. In 2013 FCC Group invested €40,665.72 in in corporate volunteering activities.

Volunteering. Milestones in 2013

- 39 conferences organised within the programme "Fridays at the Old People's Home", by volunteers and personalities of Spanish life.
- A volunteers' day with the Adecco Foundation in the home for people with disabilities, "La Nostra Casa de Valencia".
- The redesign of the volunteers website

Volunteering. Challenges in 2014

- Organisation of laughter therapy workshops with the Theodora Foundation.
- Increase the number of volunteers.
- Launch the new volunteer website.

2.1 Providing community-focused volunteering

In 2013 FCC Group continued its commitment to the community by means of its programme entitled "Fridays at the Old People's Home", with an original series of conferences that followed the objective of sharing professional and cultural experiences with the residents of the Esther Koplowitz Foundation centres. Some of the highlights of the activities included musical, professional, religious, historical and gastronomical themed conferences, conducted by leading experts in various fields. In 2013 the series of conferences comprised 39 activities, including cultural and music events and conferences.

In May FCC Group and the Adecco Foundation organised a joint corporate volunteer activity for people with disabilities at the "La Nostra Casa de Valencia" home, part of the Esther Koplowitz Foundation. More than 20 volunteers swapped their usual work attire to become a pirate for the day, with a gymkhana theme, in order to give people with disabilities a boost, and to encourage and support the social integration of people with disabilities through these leisure activities.

NEW FEATURES OF THE VOLUNTEERS' WEBSITE

In 2013 the accessibility to the FCC Volunteers website was enhanced. As a tool for facilitating such activities, the new website highlights a more dynamic look, making it easier for FCC employees to join and participate in the activities, as well as access to information about upcoming events. This site is intended to be a platform for the participation of employees in the Group's corporate citizenship, promoting the concept of "Connecting Citizens" of FCC's Corporate Responsibility Master Plan. For more information visit: http://portaldelvoluntariado.fcc.es/voluntariado/voluntarios/index.html



Fridays at the Old People's Home. 2013 programme

CONFERENCE	VOLUNTEERS
Style and personal image consultancy	Dariem Pozo Lorenzo Style and personal image consultant
Antonio Machín, a whole lifetime (Musical Review of the life of the Cuban artist)	Javier López- Galiacho FCC Group's Director of Corporate Responsibility
Personal Training in the Company	Juan Luis Regaliza Training Director at El Corte Inglés
The role of the Virgin Mary in the year of faith	R.P. Daniel Zavala L.D.
Letter from John Paul II to the elderly	Eulogio López Escribano Founder and Director of the newspaper "Hispanidad.com"

CONFERENCE	VOLUNTEERS
The jewels in the Thyssen Museum's collections	Amalia Gallego Art Historian at the Thyssen-Bornemisza Museum Iñi López de Sa Marquis of San Eduardo
Trossos d'una via	Mila del Castillo FCC Group
To heaven and back	Cristina Álvarez de Mon Writer
The Copla: popular poetry	Olga Torres Barrado FCC Group
Tarraco Scipionum Opus: Scipio, the commitment with Rome	Juan Luis Castillo Castilla Director zone II, Aqualia (FCC group).
The marvellous world of flowers	Maribel Castelló Villegas FCC Group
Presentation of the book "The revelation of a narrator: Osvaldo Soriano"	Deissem Ghanem Writer
The marvellous world of tea	Concha Rubio de Miguel FCC Group
The truth in bulls and in life	Juan Carlos Montejano Purchasing Management Director of FCC
Breeding fighting bull	Silvia Camacho The "Mari Carmen Camacho" livestock breeder, and member of the National Board of the Spanish Cancer Association.
Valencia	Álvaro Alepuz Cements Portland Valderrivas Board Member
Planet Water	Félix Parra General Manager of Aqualia
Presentation of the book "Almas Brujas"	Helena Cosano Diplomat and author
The brand, the logo of the soul	José Manuel Velasco Guardado General Manager of Communications and CR
Come and see.	Alcibíades López Cerón Director of Development-Europe FCC Construcción
Plastic surgery: history, development, concepts and fields of action	Dr. Antonio de la Fuente Head of the Plastic Surgery unit of the Ruber International Hospital
How to find happiness	Lourdes Pérez Pérez Lawyer and photographer

ACTION	VOLUNTEER
Flamenco recital	Matías de Paula (Flamenco Singer-songwriter) and Antonio Reyes (Guitarist)
Yoga Workshop: The inner smile	Renuka.
Yoga Workshop: Keep calm… breathe	Clotilde Amouruox.
Comic Workshop	Jesús Miguel Alonso Pérez Mining Engineer and Head of R+D+i at PROSER (FCC).
Dance group "Castilian Roots"	Dance group "Castilian Roots" from the Castile and Leon Regional Community Centre in Alcobendas (Madrid)
Intercursos Choir	San Patricio School, Madrid
Theatre production "Short works by Antón Chejov"	La Luciérnaga Theatre Company (ONCE Foundation)
Recital	Pipo Prendes Singer-songwriter
Spectacle "The Singing Poets"	Luis Farnox Poet, musician and composer
Spectacle of cuplés, chotis, pasacalles music and other rhythms	Mari Pepa de Chamberí Singer
Zumba and Salsa Show "Bolero" Recital	Teresa Fuentes Winner of TVE's "Young People" programme
Regional dances	The Extremadura Regional Community Centre in Pozuelo
Celebration of Christmas with Christmas carols	Orvalle School
Christmas Festival with dances	Aurora Labella Dancer
Recital	Irune Núñez Violinist



3. Interaction with stakeholders

The **strategy of dialogue** with the FCC Group stakeholders is promoted from all lines of business within the Company. In a citizen services company such as FCC Group, communication with stakeholders should be on-going, in order to detect and meet the needs of the societies in which we operate and to identify their main concerns.

The Company's solid strategy of dialogue and cooperation, allows a very close relationship to be maintained with its stakeholders by means of different communication platforms. FCC Group considers participation in initiatives that enable better visibility and knowledge of different activities and corporate results to be a priority.

The Company has various channels of communication that allow it to propose, listen and carry out initiatives that respond to requests made by third parties. In recent years the

corporate website has been consolidated as the most used channel through which it can offer information to its different stakeholders. Likewise, the different divisions of the Group post key information through **consultation sessions, e-mails, bulletins** and **magazines, sectorial publications** and **end-of-construction work surveys,** among other things.

Stakeholders. Milestones in 2013

- Performance of pilot schemes, in the Water Management division, with a view to implementing the Aquarating programme in 2014, for the performance evaluation of water and sanitation service providers.
- Implementation of measures for the responsible management of the La Valdeza communities, 19 April, in Panama in the Construction division. .

Stakeholders. Challenges in 2014

- To work with local administrations to understand the needs of future cities, and promote dialogues and projects regarding same.
- To review contracts with suppliers in order to introduce clauses that include sustainability requirements.

3.1. Shareholders and investors

The company website has a **section for shareholders and investors, which received a monthly average** of 26 visits, with information about the economic performance of the Company, trading and financial information, as well as an investor's diary to communicate relevant events. FCC Group has a Shareholder Services Office.

In 2013, the Stock Market and Investor Relations department held 288 meetings with investors.

3.2. Employees

The main communication tool with employees that brings together all FCC professionals is the **FCC ONE corporate Intranet**. Therefore, in order to meet the needs of the Company's core capital in a more personalised way, the employees can use the **Employee Website**, with specific content on commercial offers, flexible payment plans and opportunities for internal relocation, as well as various internal communication channels with additional tools for facilitating dialogue and aligning positions between employees and the Company.

Furthermore, FCC Group holds **periodic meetings** aimed at informing employees face to face about different matters relating to the Organisation.

FCC Group also keeps its employees informed via the publication of the bi-monthly on-line magazine **"Communication Network"**, available in twelve languages, which in 2013 received 22,251 visits from 18,086 different people. In the same vain, and so as not to leave without information those employees that do not have access to the information on-line, the Company has strengthened its means of communication by placing **information stands** around its work centres. These information stands include a global distribution of more than 2,000 posters, which include the most noteworthy headlines that appear in the magazine.

It can be highlighted that in 2013 the Intranet registered 6,389,186 visits 81% more than in 2012. Given the complexity of 2013 due to staff restructuring, it has been an especially relevant year with regard to the effort made in communicating to employees.

A multitude of information and awareness campaigns were launched via the corporate Intranet, as well as on electronic media at work centres and on bulletin boards. It is important to highlight the campaigns to support disadvantaged groups such as victims of domestic violence or people with disabilities, International Women's Day, World Day against Child Labour, Volunteers Day, the campaign for the prevention of occupational risks, internal awards for eco-efficiency, internal awards for Health and Safety, the joint drafting of the Citizens' Conduct Manual, as well as different commercial promotions with advantageous conditions for employees.

It is also worth highlighting the setting up of the CEO Blog and the "FCC around the world" site, an internal website with Company information on projects, which is also an opportunity for all Group personnel interested in personal development in the international sphere.

3.3. Suppliers and contractors

Looking after the relationship with suppliers and contractors is crucial in order to ensure the ethical commitments made by FCC Group to this regard. Using training sessions and awareness campaigns FCC tries to align the behaviour of its suppliers and subcontractors with the policies and standards of the Company. To this end, the Group's objective in 2014 is to review contracts with suppliers in order to introduce clauses that include sustainability demands (ethical, environmental and social).

3.4. Public administrations and regulators

FCC Group is always available to public administrations and legislators in order to collaborate and make use of its extensive experience in the sectors in which it operates. The nature of the Company's activities and the impact that they have on the areas in which they are developed means that FCC frequently undertakes self-regulation initiatives and participates in the development of legislation relating to its sphere of operation. All the Group's business areas have implemented voluntary measures with the objective of maintaining standards of production and service in the different areas of activity, as well as in the sphere of sustainability.

3.5. Customers

FCC Group's direct customers are public administrations, private institutions and individuals. The objective of the Company is none other than to satisfy the needs and demands established by the end users of the products and services that it provides.

The quality management systems implemented in all lines of FCC Group's business, based on prestigious international standards such as the UNE EN ISO 9001, are incorporated as an aspect with which to evaluate customer management.

With the objective of identifying possible areas of improvement and achieving the highest levels of quality and reliability in the provision of its products and services, FCC Group implements communication channels for customers (telephone, email, fax, internet, letters, invoices, or face-to-face meetings or visits with the commercial departments).

3.5.1. Customer satisfaction

FCC Group carries out customer satisfaction surveys in different business areas with the objective of becoming aware of the opinion and degree of satisfaction of customers with regard to projects carried out, as well as to identify the most important areas of improvement for future projects.

The diversity of activity and types of customer of FCC Group means that measuring satisfaction is carried out in a decentralised way so that each line of business has its own measuring methodology and periodicity. Based on the defined aspects for the Group's business, FCC Aqualia, as a manager of end consumers and users, is the Group's business that manages more directly dialogue and the measuring of satisfaction of these stakeholders.

The Division carries out biannual satisfaction surveys, the next one will take place in 2014.

3.6. Platform for dialogue with cities

Within the Corporate Responsibility Master Plan, FCC Group has planned cooperation with cities and communities in order to establish **platforms of dialogue** regarding the eco-efficiency challenges of the municipalities.

In this vein, the Company has worked with representatives from the cities of Almería, Mahón (Menorca) and El Campello (Alicante), in order to design these platforms or tables of dialogue that allow both the identification of sustainability challenges and the selection of prescribers that allow them to get started.

In the case of El Campello, where FCC manages a waste transfer plant, an environmental education project is being studied with the Salesiano School.

FCC MEDIO AMBIENTE INCREASES PUBLIC INFORMATION

FCC's Medio Ambiente division has drafted a series of specific procedures for reporting information. The objective is to ensure the reliability of the systems used in order to express, qualitatively and quantitatively, the significant values of the organisation's environmental and social performance of the sustainability policy, which it communicates to its clients. All of which contributes to strengthening the monitoring and control plan for the reliability and quality of published information.

FCC AQUALIA BUILDS UP CUSTOMERS' TRUST

FCC Aqualia works with its clients, in order to consolidate trust and ensure access to water without any shortcomings, while promoting its prudent and responsible use. FCC Aqualia is aware of the role it plays in the management of a basic and extremely valuable resource such as water, which is why it strives every day to deliver on commitments made with its customers. In order to achieve this connection, FCC Aqualia has two basic tools:

- **Aqualia online:** Available to any user through FCC Aqualia's 20 local web applications, this on-line service allows access to a virtual office 24 hours a day, 365 days a year.
- **Aqualia contact:** A call centre which employs specialist managers who have an extensive knowledge of the water sector, which means they are able to respond to both matters relating to customer services and breakdowns/interruptions in services and provide support to self-reading consumption meters. On this point it is worth noting that the reading and meter systems for the self-management of consumption have been highlighted in recent years as they have been subject to important innovations, since they allow consumption meters to easily and accurately be read, without the need to access the property.
- **INFOAQUALIA:** Communication channel with clients that contains information of interest for citizens, specific to their own services, on the reverse side of the Company bills.

Finally it should be mentioned that the FCC Aqualia's "Aqualia contact" and "Aqualia online" services, are certified in information security by AENOR, as reflected in its strategy to seek customer management excellence.

FCC CONSTRUCCIÓN'S CUSTOMER LIAISON

FCC Construcción has a customer liaison officer responsible for raising points of collaboration and addressing any suggestions received, as well as discussing the information gathered in meetings with customers, and will subsequently provide information on the actions taken as a result of their suggestions.

Communication tools for stakeholders	Trading and Investor Relations Department	Shareholder Services Office	Corporate Website	Corporate Intranet FCC net	Employee Website	Internal Communications Channel	Bi-monthly on-line magazine	Information Posts	Customer Liaison officer (FCC Construcción)	FCC Aqualia online, FCC Aqualia contact, info FCC Aqualia
Shareholders and investors	✔	✔	✔							
Employees			✔	✔	✔	✔	✔	✔		
Suppliers and contractors			✔							
Public administrations and regulators			✔							
Clients			✔						✔	✔

Coummuncation tools for speak holders

CUSTOMER SATISFACTION AS A PRIORITY FOR FCC AQUALIA

Through aqualiaOnline and aqualiacontact, FCC Aqualia is able to respond to its customers based on strict quality standards. Both channels have a management system that ensures the security of customer information from three perspectives: availability, integrity and confidentiality. The system has been audited by AENOR in accordance with UNE-ISO 27001:2007 which strengthens the Company's excellency strategy with regard to its customer services.

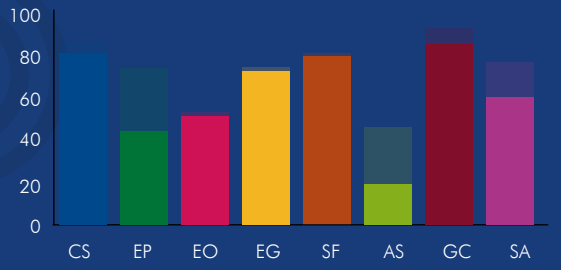
Furthermore, the Company works to improve processes such as the control of consumption and billing, electronic billing and meter reading.

AQUARATING

Aquarating is a scoring system to comprehensively evaluate the performance of water and sanitation service providers. The programme is in its development phase and is being developed by the Inter-American Development Bank, (IDB), in collaboration with the International Water Association (IWA). The system offers the following results:

- An overall score of the provider.
- Detailed scores with respect to the following aspects: Access to the Service, Service Quality, Operational Efficiency, Planning and Execution of Investments, Efficiency in Business Management, Financial Sustainability, Environmental Sustainability and Corporate Governance.
- An evaluation of the reliability of information provided.
- Guidelines to improve management practices.

Aquarating provides important benefits for both direct customers of companies and for the end consumer. For the former, the system assumes important stimuli for providers to maintain or improve their performance and direct incentives, technical assistance and financing of same, in accordance with their level of performance. For the end user it is an opportunity to obtain better services in access to quality, efficiency, sustainability and transparency.
In 2013, with a view to implementation in 2014, the programme performed pilot schemes for different companies in the sector, among which included FCC Aqualia. With an overall score of 60.89 out of 100, FCC Aqualia's score in more specific areas is broken down as follows:





SC / Service Quality: 80.95
EP / Efficiency in Planning and Execution of Investments: 43.99
EO / Operational Efficiency: 51.22
EG / Efficiency in Business Management: 71.86
SF / Sustainable Financing: 79.57
AS / Access to the Service: 19.64
GC / Corporate Governance: 84.79
SA / Environmental Sustainability: 59.92

PROMOTING SOCIAL DEVELOPMENT BY MEANS OF RESPONSIBLE MANAGEMENT

FCC Construcción provides a common framework for action on ethical behaviour for all divisions of the company that strengthens its business culture and commitment to society.
FCC's Construction division always carries out its activity with the perspective of providing social and economic development where it is present through the promotion of the production system, encouraging the creation of direct and indirect jobs, collaborating with the community, and giving priority to purchases from local suppliers.

RESPONSIBLE MANAGEMENT OF COMMUNITIES: LA VALDEZA AND THE "COMUNIDAD 19 DE ABRIL"

La Valdeza and the "Comunidad 19 de Abril" are two sectors located in the Corregimiento de Guadalupe, a district of La Chorrera, in the western region of the city of Panama. In this ecological corner of Panama, characterised by its clay soil with different degrees of hardness, the La Valdeza quarry is located, which is owned by FCC, and whose operation employs hundreds of workers.

The quarry operates as an open pit and covers the following activities: stripping or removing of sterile material, preparation of work platforms, drilling, blasting, loading, and finally, the transfer of the material to the crushing area where the rock is processed in order to reduce its size to turn it into aggregates for the construction industry.

The facilities, located in the neighbourhood of the two communities, are the setting for the fundamental production process which provides progress and development to the country. The region, the company and the community have become knitted together over time and within the framework of dialogue, a mutually beneficial relationship has developed. The high levels of social acceptance of the project are a reflection of FCC Groups conviction to carry out responsible management from a social and environmental point of view.

The spokesperson for the community of La Valdeza affirmed that “the company FCC is aware that its work can generate health problems as a result of dust and noise from trucks, as well as safety issues regarding blasting, which is why it has made every effort to control any type of situation that may affect the community and mitigate possible impacts”.

FCC Group has implemented several reforestation awareness programmes and has undertaken work for the mitigation of dust, overseeing the trucks passing through the community, and controlling noise, so that the community's inhabitants can enjoy their rest time. The majority of these programmes have been at the initiative of the Company, but they have always been approved by the community, which has enabled us to have better communication with them, while at the same time being able to better understand what their needs and concerns are.

The spokesperson for the "Comunidad 19 de Abril" maintains that in recent years the relationship between the community and the company has improved, and the Corporate Social Responsibility activities carried out in order to improve the situation of the residents has achieved a harmonious environment of coexistence.

In all these activities that were started as a result of FCC's Corporate Responsibility Plan, the Company promotes inclusive participation of the community, developing communication and socialising activities such as periodic meetings with the communities, as well as the informative newsletter which is always issued to members of the community informing them of all activities and stimulating local involvement. On the other hand every effort is put in to make workers and community members environmentally aware in order to be able to ensure sustainable development.

HOW THE REPORT WAS PREPARED

(G4-18 b)

This FCC Group Corporate Social Responsibility Report (CSRR) provides information regarding the management of key aspects of the Company and its business during 2013, as well as developments, activities and indicators framed in the strategic concepts defined in the 2012-2014 Sustainability Master Plan. In order to understand the evolution of corporate responsibility at FCC over the years, we recommend that the reader visits the FCC website, which contains information on Corporate Social Responsibility management in the Group and its subsidiaries.

The report contains an introduction to the profile and FCC's key figures, as well as information regarding milestones and objectives in each of the Group's three lines of business: Infrastructure, Services and Water; and the information about the corporate responsibility strategy, and action programmes, in accordance with the three strategic lines of the Master Corporate Responsibility Plan (exemplary behaviour, smart services and connecting citizens). Each of the three chapters contains a summary of the main policies and initiatives in force.

Based on a materiality criterion, the report places great emphasis on the most relevant aspects for each of the three business lines, including prominent cases in each section. Thus, issues related to the management of customers have been treated in a special way by FCC Aqualia, aspects relating to the social and environmental impact of its activities have become important for the infrastructure business and for the measuring of the carbon footprint that has been reported for the environmental services sector.

In order to increase the information relating to sustainability of the three business of the Group, and if further information should be required, the reader is invited to visit its corporate website, or to read the corresponding sustainability reports, which address each activity in specific detail.

This report has been prepared in accordance with the Global Reporting Initiative's (GRI) sustainable reporting guidelines, as amended on March 2013 (entitled G4), as well as in accordance with the AA1000 APS Accountability Standard (version 2008). It has also taken into account the sectorial supplement of the GRI for the construction sector.

The IT tool for collecting information on economic, social and environmental matters is called Horizonte, created to facilitate the collection and consolidation of qualitative and quantitative information, it is enhanced each year with improvements in the organisation of information collecting by those who compile the CSRR, with the development of protocols to support those who prepare the reports in business areas and divisions (2012), thus ensuring reliability, quality, consistency and the origin of the information. Moreover a materiality matrix has been carried out which ensures that each business reports its performance based on the material indicators in accordance with the impact of its activities and the expectations of its stakeholders.

The Communications and Corporate Responsibility Department is responsible for coordinating accountability regarding the economic, social and environmental performance of the company, as well as the promotion of the Corporate Responsibility Master Plan.

Application of the AA1000 Standard in the preparation of this report: (G4-18 b)

Inclusiveness. FCC Group and each one of its businesses regularly conduct consultations with its stakeholders. In producing this report the 2012-2014 Master Plan has been taken into consideration, for the development of which internal consultations were conducted, through interviews with managers responsible for areas and businesses, as well as external meetings with energy experts, cities, the media and representatives of NGOs and public administrations. To this regard the information contained in this corporate social responsibility report intends to respond to the expectations of identified stakeholders. For the drafting of this report, internal interviews were held with key reporters of the Company's three businesses.

Relevance. During the design of the Master Plan, an analysis was carried out of sustainable trends that should be met by FCC Group as a citizen service company. This trend analysis was based on reports from sources of reference such as the World Economic Forum, Slim cities: sustainable buildings; Smart Energy; Water Resources Group; and the special 2011 report of the IPCC and the Special Report on Renewable Energy Sources and Climate Change Mitigation. Subsequently, in a round of internal interviews and with a panel of experts, the relevance of these trends was consulted as well as the material aspects that the company should take into account according to

IDENTIFICATION
The materiality study carried out based on 46 specific aspects defined in the G4 Guidelines applies to the infrastructure, water and services sectors, in which the company operates.

PRIORITISATION
By means of a relevance analysis (quantitative assessment of the subjects identified according to the weight established by the sources consulted) and a maturity analysis (benchmark with the principal companies from the different sectors in which the company carries out its activity) the prioritisation of subjects was established.

VALIDATION
For the internal validation of subjects identified and prioritised, a series of interviews with managers of different lines of business was carried out.

REVIEW
The different people responsible for the information contained in this report have reviewed and completed each section as the document was drafted.

its activity. The three concepts of this Plan constitute the structure that organises the sustainable information of this CSRR.

Response capability. In the Master Plan, FCC Group designed a series of initiatives to respond to the challenges that have been identified as key issues for the company. That is why the Group's response to the challenge of combining its activities with developing sustainable cities of the future aims to better serve its citizens, putting people of the Group at the heart of the strategy and putting greater emphasis on the sustainability of the supply chain.

New G4 approach to the matter (G4-18 b); (G4-23)

FCC's commitment to sustainability is reflected in the constant effort made by the Group to meet the most advanced international standards in the provision of information on sustainability. For this reason, and as the main novelty of this 2013 Corporate Social Responsibility Report, the content set out in this document is based on the new G4 framework of the Global Reporting Initiative.

This version of the GRI guidelines (G4) requires companies to perform a prior materiality study with the objective of identify matters of governance and social and environmental matters, which, due to their relevance to the business and to stakeholders, significantly influence the strategy and decision making of companies.

This approach to matters that are relevant to the 2013 Corporate Social Responsibility Report allows FCC Group to attain more in-depth content with respect to the most critical issues for the company regarding, economic, social and environmental matters, with which the company can promote further progress towards the sustainability of its sectors. It is however important to mention some of the aspects of the report that were not highlighted in the materiality study, which are part of the management of certain environmental and social aspects that the company has been compiling and verifying in recent years.

Process to determine material matters for FCC Group (G4-18 a)

Identification

The materiality study was performed based on 46 specific aspects defined for the G4 guidelines applied to the sectors of infrastructure, water and services, into which the Company is integrated.

Prioritisation

The aspects were classified according to sections of the 2012-2014 Corporate Responsibility Master Plan and line of business. Thus, the materiality analysis allows FCC to turn aspects raised in the G4 guidelines into reality for the Company with respect to each of the strategic concepts of the Plan.

A relevance analysis was carried out, for which a quantitative evaluation was performed (number and extent of references made) of the different aspects defined in the G4 Guidelines of the Global Reporting Initiative in the public information of the prescribers relevant to FCC, and which cover key agents of the sectors in which the Company is involved, as well as key international organisations and institutions in the field of sustainability.

- On matters of sustainability: the G4 Global Reporting Initiative Guidelines, construction sector questionnaire of the Dow Jones Sustainability Index.
- International organisations: OECD and the United Nations Global Compact
- On matters concerning the sector: International Project Finance, Fundación Laboral de la Construcción, TECNIBERIA, International Water Association, AQUAESPAÑA, Water UK, ASEGRE, International Solid Waste Association, Ecoembes, Aselip, ASEJA, ASPEL and Repacar.

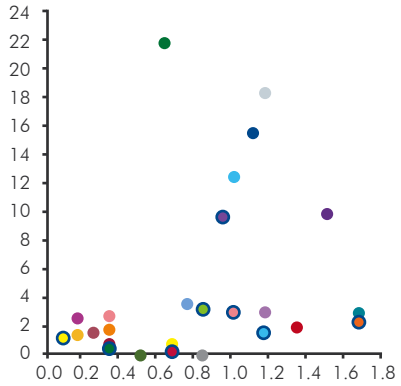
(G4-24)

Maturity was determined through analysis of the annual and sustainability reports of FCC's main competitors. This allowed the identification of relevant matters of sustainability for competitors and the establishment of their importance and level of development according to the degree of care given to them in these reports. Reports analysed were those published by Ferrovial, Hyundai E&C, ACS, American Water, Suez Environment, AGBAR, Veolia, Suez, Waste Management Inc., Cespa and Lipor.

The result is a series of matrices that determine the prioritisation of subjects based on the results obtained in the relevance and maturity analysis, and broken down according to the business and strategic line of the Corporate Responsibility Master Plan.

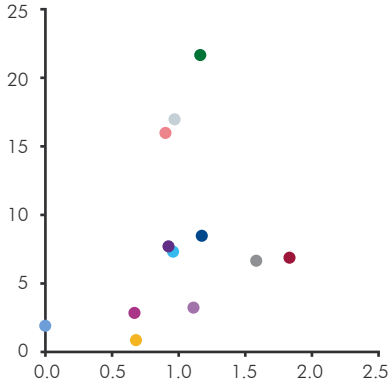
FCC Medio Ambiente

Exemplary behaviour



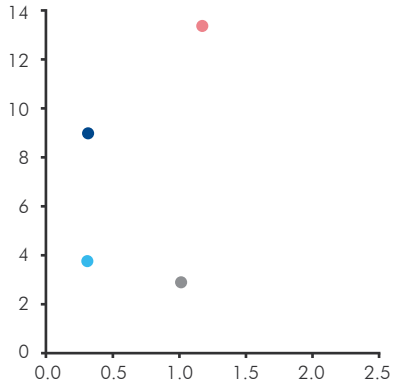
- Procurement practices
- Environmental assessment of suppliers
- Employment
- Relations between employees and the management
- Occupational health and safety
- Training and education
- Diversity and equal opportunities
- Equal pay for men and women
- Assessment of suppliers' labour practices
- Claims mechanisms related to labour practices
- Investments
- Non-discrimination
- Freedom of association and collective bargaining
- Child labour
- Forced labour
- Safety measures
- Rights of indigenous populations
- Assessment
- Assessment of suppliers in relation to human rights
- Claims mechanisms in relation to human rights
- Combatting corruption
- Public policies
- Unfair competition practices
- Compliance
- Assessment of the social impact of suppliers
- Customer health and safety
- Customer privacy
- Compliance

Smart Services



- Materials
- Energy
- Water
- Biodiversity
- Emissions
- Effluents and waste
- Products and services
- Compliance
- Transport
- General
- Claims mechanism in relation to environmental issues
- Labelling of products and services

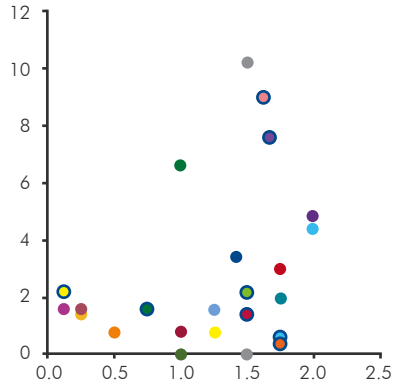
Connecting citizens



- Indirect economic consequences
- Local communities
- Claims mechanisms in relation to social impact
- Marketing communications

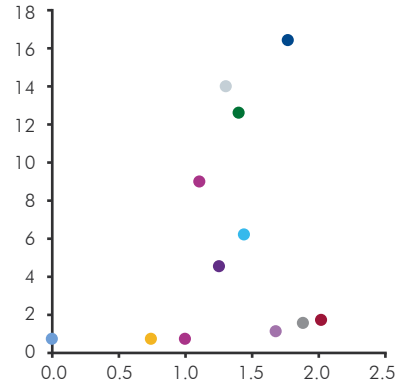
FCC Aqualia

Exemplary behaviour



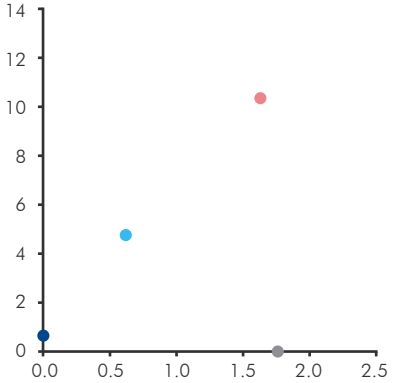
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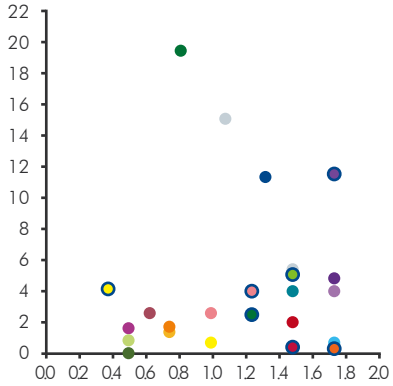
Connecting citizens



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- Local communities
- Claims mechanisms in relation to social impact
- Marketing communications

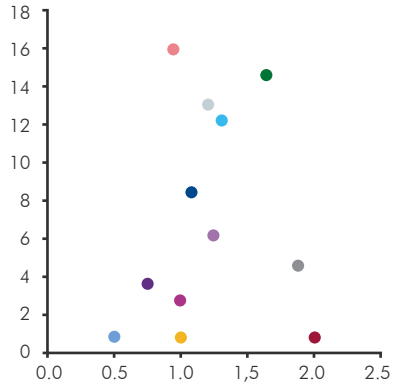
FCC Construcción

Exemplary behaviour



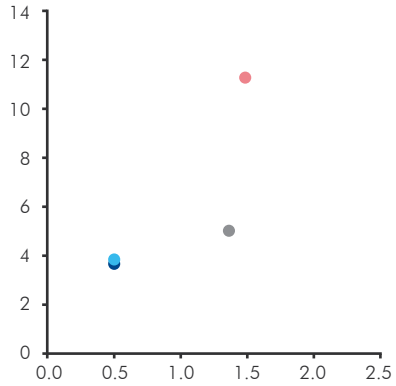
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- Indirect economic consequences
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Validation

For the internal validation of the material matters identified, a series of meetings were held with different people responsible for the information from each of FCC Group's lines of business. This, together with the external analysis, allows the completion and validation of prioritisation matrices of material matters in accordance with the G4 criterion.

Review

The different areas involved in the process of drafting FCC's 2013 Corporate Social Responsibility Report have had the chance to review the information reported as well as to complete the document with information that they consider relevant.

Results of the 2013 materiality analysis (G4-19); (G4-20); (G4-21); (G4-23)

Master Plan	G4 Aspects	FCC Medio Ambiente	FCC Aqualia	FCC Construcción	Scope of the impact of the aspect
Exemplary behaviour	Training and education	✔	✔	✔	Employees
	Diversity and equal opportunities	✔	✔	✔	Employees
	Employment	✔		•	Employees
	Combating corruption		✔	✔	Employees, Suppliers and Contractors, and Shareholders and Investors
	Relationship between workers and the management	✔	✔		Employees
	Customer health and safety		✔		Clients
	Occupational health and safety	✔		✔	Employees
Smart Services	Water		✔	✔	Society and Employees
	Biodiversity		✔	✔	Society
	Compliance	✔			FCC Group
	Effluents and waste	✔	✔	✔	Society
	Emissions	✔	✔	✔	Financers, Society and Regulator
	Energy	✔	✔	✔	Financers, Society and Regulator
	Materials	✔			Financers, Society and Regulator
Connecting citizens	Marketing communications		✔		Clients and Regulator
	Local communities	✔	✔	✔	Society
	Indirect economic consequences	✔		✔	Society

Scope of the 2013 Corporate Responsibility Report (G4-18 b); (G4-22)

The scope of information in this report coincides with the financial consolidation of the Group, and reflects the activities of the company in 2013. Specifically, the extent of the information provided in this report, both regarding the sections on Connecting Citizens and Exemplary Behaviour, corresponds to the scope of integration which is used for financial consolidation, according to which, data is considered from 100% of the subsidiaries over which FCC has management control, regardless of the holding percentage.

In the case of joint ventures, the value of those where FCC controls the operations is included, applying its holding percentage. In both the Smart Services and the Exemplary Behaviour sections, following the principle of materiality and the availability of information by business area, the scope of the quantitative data excludes the Proactiva subsidiary, which left the Group in 2013 and the Smart Services chapter does not include Versia. Likewise, Alpine, the Austrian subsidiary of FCC Group was deconsolidated from the Group's accounts after it declared insolvency in June 2013 and went into liquidation. The economic, social and environmental information contained in this Corporate Social Responsibility Report does not include information on Alpine for the year 2013. All those differences regarding this scope are specified in the tables of the corresponding data.

FCC Group, characterised for its diverse geography and activities, is working to extend the scope of information to all companies making up the group. The relationship of FCC Group companies as of 31 December 2013, and a description of each, appears in the annexes of the annual accounts.

Quality and reliability of the information disclosed (G4-18 b)

This report intends to provide public awareness regarding issues and indicators that have been identified as tangible, enabling the expectations of Group stakeholders to be met, with information being duly provided on decision making.

The drafting process has been guided by the principles established by the Global Reporting Initiative (GRI) in its G4 Guidelines in order to reflect quality information, and it includes the additional information required by the supplement "Construction and Real Estate", which contains specific indicators for companies in the construction and real estate sector, which must be followed by all companies that want to produce a report in accordance with G4 at its comprehensive level, granted by the new GRI guidelines to those reports that follow its recommendations. This Corporate Social Responsibility Report for the year 2013 offers a balanced, comparable, accurate, reliable, regular (annual) and clear perspective on the economic, social and environmental performance of the Group.

The FCC Group Corporate Social Responsibility Report 2013 has been verified by KPMG in accordance with the ISAE 3000 international standard. The scope, description of the work and conclusions of said Verification can be found in the section entitled Independent review report.

United Nations Global Compact

In 2013, FCC Group continued to strongly support the Ten Principles of the Global Compact, principles relating to human rights, labour rights, environmental protection and corruption. The Group has been associated with the Spanish Global Compact Association (ASEPAM) since 2007, whose main objective is to support, promote and disseminate the incorporation of the Ten Principles in the strategic vision of companies.

To show its strong support for the Ten Principles of the Global Compact, FCC Group includes a clause in all contracts with suppliers, approved by the Management Committee, which requires all suppliers and contractors to meet the FCC Group's Code of Ethics and comply with the Ten Principles of the Global Compact. This clause is a guarantee for the Group that its suppliers are adhering to these principles in their own activities.

FCC GROUP PERFORMANCE INDICATORS 2013

Economic indicators	Units	2013	2012	2011
Revenue	Millions of Euros	6,726.5	7,429.3	11,896.7
Gross operating profit EBITDA	Millions of Euros	719.9	820.3	1,256.4
Net operating profit EBIT	Millions of Euros	303.1	147.4	393.2
Cash flow from operating activities	Millions of Euros	765.1	1,159.0	995.1
Cash flow from investing activities	Millions of Euros	(159.7)	(227.2)	7.7
Backlog	Millions of Euros	32,865.1	30,896.4	35,238.0
Economic value generated	Thousands of Euros	7,024,118	7,845,554	12,128,878
Economic value distributed by FCC Group	Thousands of Euros	6,909,491	7,288,996	11,703,268
Procurements (suppliers of materials and services)	Thousands of Euros	2,660,726	2,782,029	5,483,597
Staff costs	Thousands of Euros	1,995,593	2,154,928	3,331,103
Income tax	Thousands of Euros	(135,502)	(37,956)	20,210
Interest and exchange rates differences	Thousands of Euros	498,613	512,921	489,164
Dividends paid to shareholders	Thousands of Euros	0	0	173,191
Economic contribution to corporate citizenship.	Thousands of Euros	4,017	4,500	6,180
Significant financial assistance received from governments (subsidies)	Thousands of Euros	226,254	220,239	159,721
Activity certified by ISO 9001	%	83.8	81.1	84.5
Purchases from suppliers	Thousands of Euros	ND[1]	916,550	881,779
Total purchases from local suppliers managed directly	%	ND[1]	90	93.5
Ethics and integrity	**Units**	**2013**	**2012**	**2011**
Communications received through the Code of Ethics channel	Number	22	23	14
Efficiency and technology	**Units**	**2013**	**2012**	**2011**
Investment in R+D+i	Thousands of Euros	18,437	28,474	16,326
Activities with environmental certification (e.g.: ISO 14001)	%	77.5	78	79
SO2 emissions*	Kg	2,060,000	2,532,655	3,212,498
NOx emissions*	Kg	10,885,000	17,407,693	19,185,920
Particulate emissions	Kg	2,254,000	2,557,722	2,956,737
Materials from renewable sources	Tonnes	1,206,724[2]	8,815,606	10,580,427

[1] Information not available in 2013 due to the change in the structure of the Procurement department

[2] The decrease in 2013 is due to the fact that Alpine (a subsidiary of FCC Construcción) left the FCC Group, their activities consumed large quantities of wood (renewable) for formwork.

Efficiency and technology	Units	2013	2012	2011
Materials from recycled sources	Tonnes	14,098,240	9,679,289	10,615,176
Certified materials	Tonnes	4,097,668	701,601	1,963,658
Water consumption	m^3	9,919,405	14,084,342	15,013,567
Consumption of recycled water	m^3	610,012	610,372.94	3,289,728
Consumption pertaining to surface water	m^3	1,294,226	2,987,563	2,658,021
Consumption pertaining to groundwater	m^3	1,627,473	3,828,606	1,110,799
Consumption pertaining to municipal supply	m^3	3,563,204	5,081,542	5,206,906
Consumption pertaining to other sources	m^3	1,462,230	1,576,258	2,748,112
Discharged waste water	m^3	560,136,681	504,952,528	496,474,025
Purified waste water	%	95.0	92.6	94.2
Water captured to be managed	m^3	763,751,430	690,441,069	676,576,513
Percentage of groundwater captured	%	29	35.8	28.7
Percentage of surface water captured	%	72	60.8	66.7
Percentage of desalinated water captured	%	1.5	1.4	1.8
Percentage of other captured water	%	1.9	1.9	2.8
Total waste generated*	Tonnes	5,417,813	5,551,115	4,830,697
Hazardous waste generated*	Tonnes	85,559	139,800	277,441.08
Non-hazardous waste generated*	Tonnes	5,332,254	5,411,315	4,553,255.92
Waste managed	Tonnes	17,091,361	ND	16,127,144.33
Waste collected	Tonnes	6,692,654[3]	10,384,776	10,771,438
Urban waste	Tonnes	5,382,369	8,105,721	8,445,372
Hazardous industrial waste	Tonnes	432,931	694,569	499,217
Non-hazardous industrial waste	Tonnes	877,354	1,584,486	1,826,850
Waste admitted in FCC centres	Tonnes	10,398,707[3]	16,710,490	15,542,788
Urban waste	Tonnes	5,051,636	10,983,933	13,452,376
Hazardous industrial waste	Tonnes	357,531	172,637	268,475
Non-hazardous industrial waste	Tonnes	4,989,540	5,553,920	1,821,667
Treatment given to hazardous wastes				
Recovery	%	26	27	5
Stabilisation	%	41	28	14

[3] The decrease is due to the fact that Proactiva Medio Ambiente left the scope of the indicator

Transferred to an end manager/other destinations	%	20	45	82
Treatment given to non-hazardous wastes	Tonnes			
Valorization	%	13	26	18
Elimination in controlled landfill	%	81	66	76
Transferred to an end manager	%	6	7	6
Energy and climate change	**Units**	**2013**	**2012**	**2011**
Total GHG emissions	t CO_2eq	8,667,404	11,554,189	11,917,117
Direct GHG emissions	t CO_2eq	8,479,830	10,808,177	11,342,481
Indirect GHG emissions**	t CO_2eq	187,575	746,012	574,636
Direct consumption of energy	GJ	25,280,059	36,464,378	34,798,033
Renewable energy consumed	GJ	1,529,593	2,990,430	2,430,701
Non-renewable energy consumed	GJ	23,750,466	33,473,948	32,367,332
Indirect consumption of energy	GJ	11,886,493	7,811,002	6,190,452
Electrical energy consumed	GJ	11,884,007	7,792,273	6,176,025
Energy in the form of steam consumed	GJ	2,486	18,729	14,427
Total consumption of energy	GJ	37,166,551	44,275,379	40,988,485
Community	**Units**	**2013**	**2012**	**2011**
Investment in corporate citizenship	Millions of Euros	4.0	4.5	6.2
People	**Units**	**2013**	**2012**	**2011**
Total employees	Number	63,254.97	80,549	90,749
Total women	Number	13,677.09	15,931	19,196
Total men	Number	49,577.88	64,618	71,554
Percentage of executive women with respect to total executives	%	17%	16.6	13.6
Number of employees with permanent contracts	Number	12,989	29,565	32,637
Number of employees with a temporary contracts	Number	8,759.10	9,732	11,444
Number of contract employees	Number	41,507	41,252	46,668
Total voluntary rotation	%	3.88	6.46	5.42
Total voluntary rotation of men	%	4.10	5.40	5.69
Total voluntary rotation of women	%	3.11	1.06	4.40
Number of disabled employees	Number	930.69	963	1,019
People hired within the geographical proximity	Number	7,407.38	14,655	ND

People	Units	2013	2012	2011
Number of training hours per employee	Number	9.37	12.11	10.21
No. workers covered by collective agreements (Spain)	Number	100%	100%	100%
Amount of time off due to work related accidents, employees + subcontractors (except while travelling or for cardiovascular reasons)	Number	2,821	5,045	7,589
Accident rates FCC Group (own personnel, national and international)				
Frequency rate		23.41	26.91	36.31
Severity rate		0.7	0.61	0.83
Incidence rate of occupational accidents		44.03	53.2	75.39
Absenteeism rate		6.06	5.25	6.44
Accident rates FCC Group (own personnel + subcontracted personnel)				
Frequency rate		22.8	25.7	33.92
Severity rate		0.65	0.6	0.76
Incidence rate of occupational accidents		42.67	51.4	64.58
Absenteeism rate		5.23	4.56	5.87
Deaths caused by occupational accidents				
FCC Group Total (own personnel + subcontracted personnel)	Number	9	10	13
Own personnel	Number	6	6	9
Subcontracted personnel	Number	3	4	4

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28046 Madrid

Independent Assurance Report to the Management of Fomento de Construcciones y Contratas, S.A.

(Free translation from the original in Spanish.
In case of discrepancy, the Spanish language version prevails.)

We performed a limited assurance review on the non-financial information contained in the Corporate Social Responsibility Report of Fomento de Construcciones y Contratas, S.A. (hereinafter FCC) for the year ended 31 December 2013 (hereinafter "the Report"). The information reviewed is limited to the content referenced in chapter "How the Report was prepared" of the Report, with the symbol ✓.

FCC management is responsible for the preparation and presentation of the Report in accordance with the Sustainability Reporting Guidelines version 4.0 (G4) of the Global Reporting Initiative as described in item G4-32 of the chapter "How the Report was prepared" of the Report, and following the Materiality Matters criteria, obtaining confirmation from the Global Reporting Initiative on the proper application of these. Management is also responsible for the information and assertions contained within the Report; for the implementation of processes and procedures which adhere to the principles set out in the AA1000 AccountAbility Principles Standard 2008 (AA1000APS); for determining its objectives in respect of the selection and presentation of sustainable development performance; and for establishing and maintaining appropriate performance management and internal control systems from which the reported performance information is derived.

Our responsibility is to carry out a limited assurance engagement and, based on the work performed, to issue a report. We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000, "Assurance Engagements other than Audits or Reviews of Historical Financial Information", issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC) and with the Performance Guide on the revision of Corporate Responsibility Reports of the Instituto de Censores Jurados de Cuentas de España (ICJCE). These standards require that we plan and perform the engagement to obtain limited assurance about whether the Report is free from material misstatement. It concerns a review performed according to KPMG assurance engagement independence rules, as well as the requirements from the International Ethics Standards Board for Accountants Code of Ethics on integrity, objectivity, confidentiality, professional behaviours and qualifications. We have also conducted our engagement in accordance with AA1000 Accountability Assurance Standard 2008 (AA1000 AS) (Type 2), which covers not only the nature and extent of the organisation's adherence to the AA1000 APS, but also evaluates the reliability of performance information as indicated in the scope.

The extent of evidence gathering procedures performed in a limited assurance engagement is less than that for a reasonable assurance engagement, and therefore also the level of assurance provided. This report should by no means be considered as an audit report.

Our limited assurance engagement work has consisted of making inquiries to Management, primarily to the persons responsible for the preparation of information presented in the Report, and applying the following analytical and other evidence gathering procedures:

- Risk analysis, including media search to identify material issues during the period covered by the Report.

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- Verifying the consistency of the information that responds to the General Standard Disclosures, with internal systems or documentation.
- Interviews with Management to gain an understanding of FCC's processes for determining material issues, as well as the stakeholders engaged in these processes.
- Interviews with relevant staff concerning FCC's policy and strategy application on sustainability, governance, ethics and integrity.
- Interviews with relevant FCC staff responsible for providing the information contained in the Report.
- Visit to 4 installations selected based on a risk analysis considering quantitative and qualitative criteria and considering the FCC Construcción, aqualia, Ámbito and FCC Medio Ambiente business.
- Analysing the processes of compiling and internal control over quantitative data reflected in the Report, regarding the reliability of the information, by using analytical procedures and review testing based on sampling.
- Reviewing the application of the Global Reporting Initiative's G4 Sustainability Reporting Guidelines requirements for the preparation of reports in accordance with comprehensive option.
- Reading the information presented in the Report to determine whether it is in line with our overall knowledge of, and experience with, the sustainability performance of FCC.
- Verifying that the financial information reflected in the Report was taken from the annual accounts of FCC, which were audited by independent third parties.

Our multidisciplinary team included specialists in social, environmental and economic business performance.

Based on the procedures performed, as described above, nothing has come to our attention that causes us to believe that the data included in the Corporate Social Responsibility Report of Fomento de Construcciones y Contratas, S.A. for the year ended 31 December 2013 have not been reliably obtained, that the information has not been fairly presented, or that significant discrepancies or omissions exist, nor that the Report is not prepared, in all material respects, in accordance with the Sustainability Reporting Guidelines and Oil and Gas Sector Disclosures version 4.0 of the Global Reporting Initiative as described in item G4-32 in chapter "How the Report was prepared" of the Report. Additionally, and also based on the procedures performed, as described above, nothing has come to our attention that causes us to believe that as a result of FCC implementing the procedures described in the section " Application of the AA1000 Standard in the preparation of this report", any material issues have been omitted as applies to the principles of inclusivity, materiality and responsiveness as included in the AA1000 AccountAbility Principles Standard 2008.

Under separate cover, we will provide FCC management with an internal report outlining our complete findings and areas for improvement. Without prejudice to our conclusions presented above, we present some of the key observations and areas for improvement below:

In relation to the INCLUSIVITY principle

As in recent years, FCC has undertaken a process of consultation and communication with internal and external stakeholders. With regard to the external consultation process, it has been specifically developed in the different sectors in which the company has its main activities through sectoral organizations. Moreover, throughout this year and due to the company's circumstances, communication with internal stakeholders has gained special relevance. It has been recommended to FCC to continue advancing in the development and formalization of the stakeholders consulted in order to carry out these consultations in a coordinated and consistent way in all the group's activities and in all geographic areas.

In relation to the MATERIALITY principle

FCC has carried out a materiality study to identify the relevance of the different items to be included in the CSR Report, taking into account the lines of the Master Plan 2012-2014 and the considerations required in different reporting standards (for example, G4). In this prioritization, it has been considered both external and internal reviews, and has been based on the impacts that each of the issues generates inside and outside the organization. It has been recommended to FCC to further progress in this direction and to consider the process in a systematic way, including the impacts for both external and internal stakeholders, inside and outside the organization, taking into account the entire value chain of the company. Another aspect to take into account in this prioritization, and due to fact that the company is in a deep process of internationalization, must be the impacts on the value chain in the different geographies where the company operates.

In relation to the RESPONSIVENESS principle

For FCC, its Corporate Social Responsibility Report represents one of the main ways to meet the stakeholder's needs, supplemented by communication channels established within the company's Master Plan 2012-2014. The company could continue advancing in the formalization and extension of these bidirectional communication channels to all its stakeholders and in all geographic areas in which the company operates. Additionally, the expectations gathered through this communication channel should be gradually integrated into the company's management systems, which, among other forms of communication, provide information for the Corporate Social Responsibility Report.

KPMG Asesores, S.L.

(Signed)

José Luis Blasco Vázquez

AA1000 Licensed Assurance Provider 000-38

5 June 2014

MATERIALITY MATTERS

Global Reporting Initiative™

AT THE TIME OF PUBLICATION THE G4-17 TO G4-27 DISCLOSURES WERE CORRECTLY LOCATED IN THIS G4 CONTENT INDEX AND FINAL REPORT.

2014