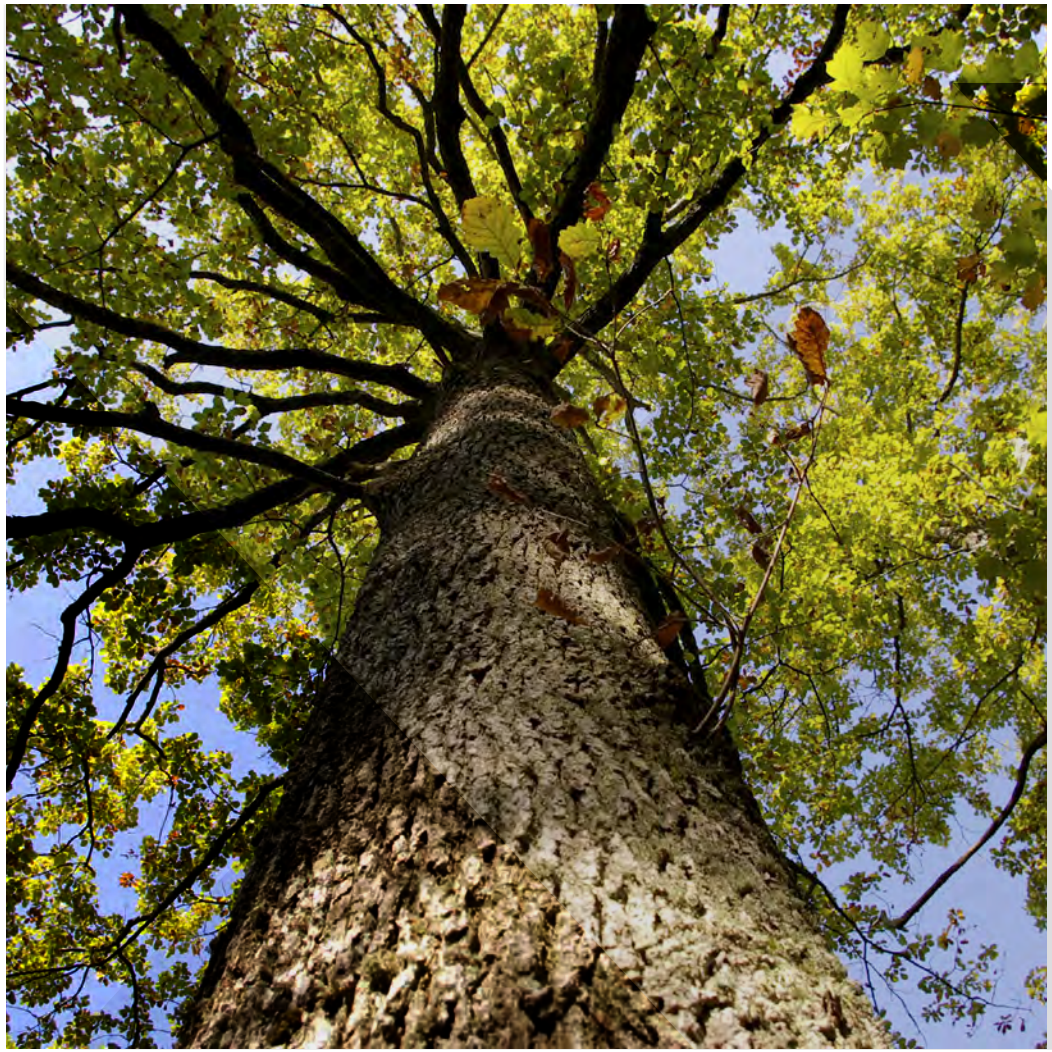


13

CORPORATE SOCIAL RESPONSIBILITY REPORT

I. FCC GROUP PROFILE
- Main figures
- FCC Group Presence
- Ready for growth
- The keys for returning to the path of growth
- Maximum transparency in economic activity

II. LINES OF BUSINESS
- Environmental services
- Water management
- Infrastructure

III. STRUCTURE OF THE REPORT AND THE CLASSIFICATION OF PRIORITY ISSUES

IV. EXEMPLARY BEHAVIOUR
- Commitment to Good Governance
- FCC's framework of integrity, a guarantor of compliance
- FCC's team of professionals
- Extending FCC's principles along the supply chain

V. SMART SERVICES
- Sustainable Citizen Services
- Promoting innovation at FCC
- FCC against Climate Change
- Environmental management at FCC

VI. CONNECTING CITIZENS
- Social commitment as a distinguishing feature for FCC
- Corporate volunteering
- Interaction with stakeholders

VII. HOW THE REPORT WAS PREPARED

VIII. FCC GROUP 2014 PERFORMANCE INDICATORS

IX. INDEPENDENT REVIEW REPORT

I. FCC GROUP PROFILE

FCC Group is one of the leading European Citizen Services companies, present in the sectors of environmental services, water and infrastructure. FCC focuses its activity on the design and delivery of smart services to citizens. To do so, it has developed an extensive range of services whose common denominator is the pursuit of eco-efficiency.

Each day around 60,000 employees around the world interact with citizens looking for greater daily sustainability.

1. MAIN FIGURES

FCC MAIN FINANCIAL FIGURES 2014

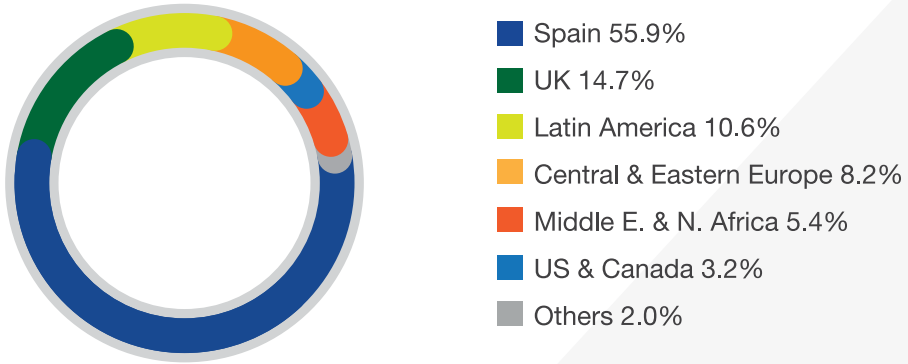
	2014	2013[1]	Var. (%)	2012
Turnover (million EUR)	**6,334.1**	6,750.0	**-6.2%**	7,429.3
EBITDA (million EUR)	**804.0**	717.3	**12.1%**	820.3
Margin (%)	**12.7%**	10.6%	**2.1 p.p**	11.0%
EBIT (million EUR)	**(345.6)**	(307.7)	**12.3%**	147.4
Margin (%)	**-5.5%**	-4.6%	**-0.3 p.p**	-4.5%
Business order book (million EUR)	**32,996.5**	33,359.5	**-1.1%**	32,865.1
Net debt (million EUR)	**5,016.0**	5,964.5	**(948.5)**	5,975.5

(1) Data restated to reflect the impact of the application of IFRS 11 "Joint Arrangements".

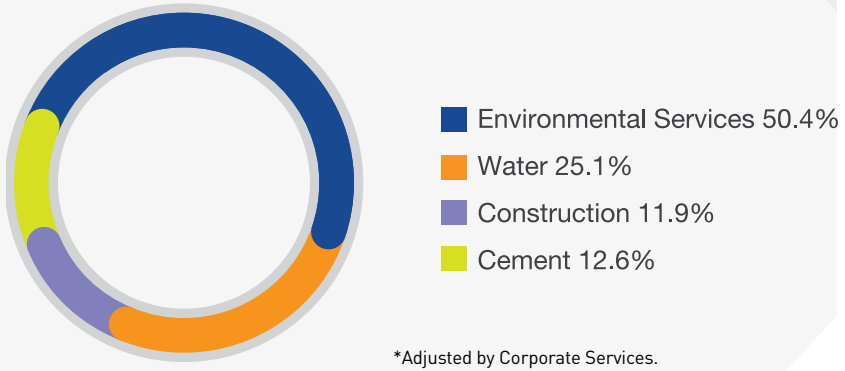
REVENUE AND EBITDA BY BUSINESS

	Revenue in 2014 (million EUR)	Var./2013 (%)	EBITDA 2014 (million EUR)	Var./2013 (%)
Environmental services	2,805.0	**+1.2%**	418.3	**-1.5%**
Water	954.0	**+0.9%**	208.4	**+7.6%**
Construction	2,076.1	**-20.1%**	98.2	**+4.1%**
Cement	542.9	**+0.4%**	50.4	**+107.9%**
Corporation and adjustments	(43.9)	**-57.9%**	(25.7)	**+43.8%**
Total	**6,334.1**	**-6.2%**	**804.0**	**+12.1%**

% INCOME BY GEOGRAPHICAL AREA

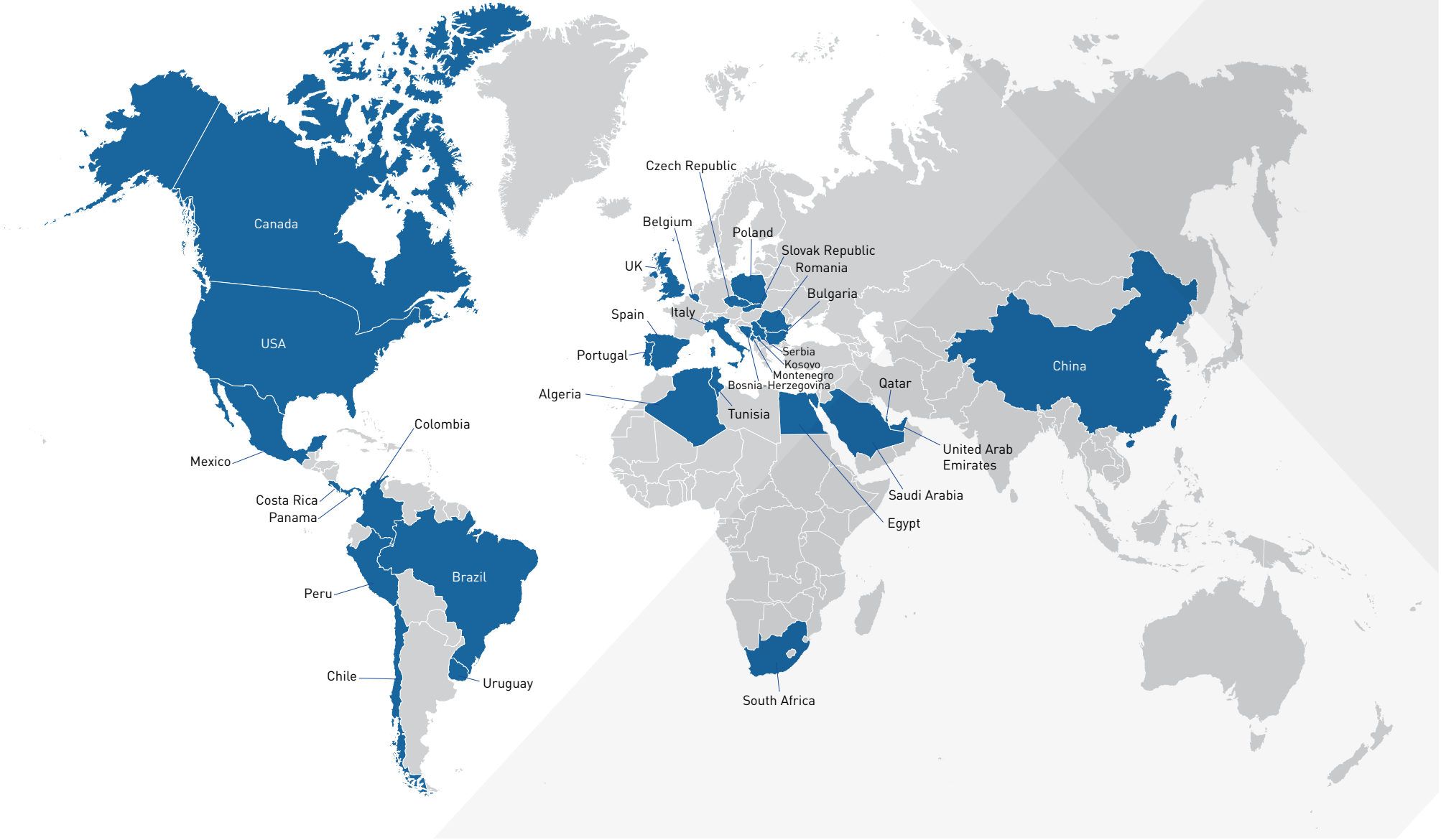


% EBITDA BY BUSINESS AREA*



*Adjusted by Corporate Services.

2. FCC GROUP'S FOOTPRINT



3. READY FOR GROWTH

3.1. 2014 results and outlook for 2015

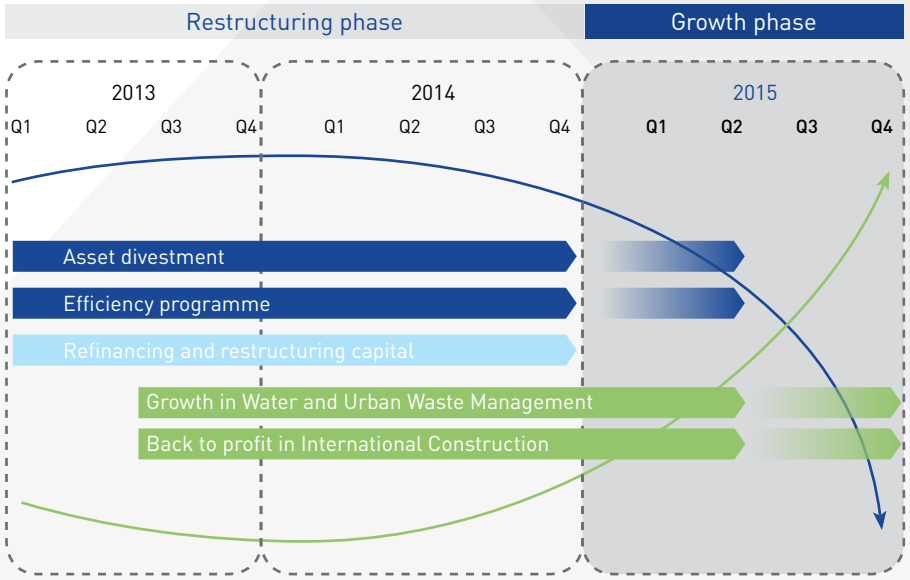
In 2014 FCC Group successfully completed the restructuring phase undertaken over recent years. The strategy of FCC Group is now to focus on strengthening its position as a global leader in Environmental Services and Water, maintaining a selective presence in the most profitable projects in the construction area.

FCC Group addresses 2015 with prospects of standardisation and growth after successfully carrying out the debt restructuring and a reorganisation process of 3,576 million euros. During 2014, FCC Group has renegotiated its entire financial debt, by extending the maturity to 2018, in addition to reducing its losses by more than half compared with 2013. On the other hand, it has managed to reduce the debt by almost 1,000 million euros and achieved an EBITDA of 804 million.

In 2015 FCC Group aims to reduce its debt by 1,500 million euros, achieving an operating profit exceeding 750 million euros with a debt ratio on gross operating profit (EBITDA) four times lower than the current one. Cash generation remains a clear objective, together with the divestment of some non-strategic assets.

3.2. Next steps

- Maintain a leadership position in environmental "Utilities" in mature markets in which FCC Group operates.
- Growth in waste management supported by regulatory demands (recycling and treatment) in mature and growing markets. Seize opportunities in waste recovery (EfW) in pre-selected markets across all geographic regions.
- Expansion in the water sector through new opportunities in the management of the integrated cycle with related maintenance services and "turnkey" projects. Main focus on Latin America, Middle East and North Africa.
- Selective presence in specialized projects in the area of construction by prioritising returns and cash generation over size.
- Continue to reduce financial leverage and improve operational efficiency, as well as review the divestment programme in order to maximize its value and cash generation.



4. THE KEYS FOR RETURNING TO THE PATH OF GROWTH

4.1. Strengthening equity and financial and operational stability

The Extraordinary General Meeting held on November 20, 2014, approved a capital increase with preferential subscription rights amounting to 1,000 million euros, which was launched by the Board of Directors on 27 of the same month, equivalent to 133,269,083 new shares at a subscription price of 7.5 euros per share. On December 19, 2014 it was completed with the full subscription of the new shares with a demand exceeding 9.2 times the share offer.

This capital increase represents the completion of the Group's financial and operational stability process and the beginning of a new phase of concentration on the profitability of operations and return to growth. The funds raised will enable FCC to strengthen its equity, reduce debt and improve the bottom line through a substantial reduction of the financial burden.

Of the 1,000 million euros from the capital increase, 765 million euros was earmarked to repay and amortize 900 million euros of tranche B of the corporate banking debt, with a reduction of 15%, and another 200 million euros were used to reduce the debt of the subsidiaries Cementos Portland Valderrivas and FCC Environment UK, and the remaining 35 million euros will be used to cover the cost of the whole transaction.

Thus, the Group has managed to considerably reduce its debt during the year, significantly increasing its maturities and strengthening its capital structure.

4.1.1. Debt reduction and refinancing

The net financial debt was reduced in 2014 by 15.9 %, after the capital increase carried out in December last year, standing at 5,016 million euros at the end of 2014. In addition, the Group has achieved the refinancing of all the financial debt with the creditor banks and it has taken a large step in improving the financial structure of the Company, reducing financial costs and incorporating relevant and prestigious national and international investors into its shareholders, which will allow the opening of new contracts for the Group.

Prior to summer FCC closed a refinancing initiative through a syndicated loan of 4,512 million euros. National and international banking entities participated in the syndicate. Among the large national banks, are Banco Santander, BBVA, Bankia and La Caixa.

4.2. Confidence of international investors in the business project represented by FCC

In November 2014 negotiations between the controlling shareholder (B-1998) and Control Empresarial de Capitales S.A. de C.V. (CEC), controlled by the Slim family, were successfully concluded. Subsequently, during the period of preferential subscription of the capital increase carried out by FCC Group, CEC subscribed a total of 66,794,810 newly issued FCC shares, which represent 25.6% of the share capital of FCC after the capital increase. After the transaction and the recent capital reduction in B-1998 the relevant shareholder structure of FCC is now 25.6% CEC, 22.4% B-1998 and 5.7% in the hands of BGI (funds linked to Bill Gates).

4.3. Presence in strategic projects in all geographic regions

4.3.1. Construction project for the Riyadh Metro (Saudi Arabia)

During the month of April 2014 FCC began works on the Riyadh metro, to date the world's largest global metro project, with a total length of 176 kilometres and a total budget of 16,300 million euros, of which around 6,000 million euros correspond to works on lines 4, 5 and 6, which were awarded to the FAST consortium led by FCC.

In particular, the construction of these three lines will consist of 25 stations, for which a total of 65 kilometres of metro track, 24 viaducts, 28 underground lines and 13 over-ground routes will be needed. 69 automatic driverless trains will also be manufactured to serve the three lines.



Since the project was awarded in July 2013 around 250 people have already been incorporated into the consortium team in Riyadh. In addition, another 300 people have been distributed between Madrid, Paris, London, New Delhi and Dubai to support the project. In total FAST will employ more than 15,000 people, of over 15 different nationalities. The contract establishes a five-year period for the completion of the project.

4.3.2. Construction project for the Lima Metro (Peru)

EIn April 2014, FCC Group signed an agreement for the construction of the Metro in the Peruvian capital under a consortium led by ACS and FCC, which also comprises the Peruvian construction company Cosapi. The contract includes the design, construction, financing, operation and maintenance of line 2 and a branch line of line 4, which will run as far as the airport.

The awarded project consists of the construction of 35 underground metro stations connected by 35 kilometres of tunnels. More than 3,000 professionals will participate in the works.

The scheduled period for the construction phase is five years, after which it will start operating, planned for 30 years.

4.3.3. Management of the sanitation system of the city of Al Dhakira (Qatar)

The subsidiary FCC Aqualia will manage the sanitation system of the city of Al Dhakira over the next 10 years, amounting to 300 million euros.

Through its subsidiary Aqualia MACE, in consortium with Hyundai Group, the Company will be responsible for the design, construction, operation and maintenance of wastewater treatment facilities, wastewater pumping stations, a transfer pumping station and collectors associated with the city of Al Dhakira.

The new treatment plant will handle an average flow of 56,200 cubic metres and will serve a population of over 200,000. The network will have more than 35 kilometres of pipes, a peak flow of 168,000 cubic metres, and a wastewater holding tank of 84,000 cubic metres.

4.3.4. Waste management in Edinburgh and Midlothian (United Kingdom)

Through its subsidiary in the UK and FCC Medio Ambiente, the Company will manage up to 135,000 tonnes of waste per year, as part of a 25-year contract.

The contract includes the construction, financing, operation and maintenance of a waste plant, which is the sixth such facility owned by the Company in the UK. The approximate cost of the project amounts to 600 million euros.

This contract is expected to help local authorities in Scotland to reach a recycling rate of 70% and reduce the amount of waste sent to landfills to less than 5% before 2025.

THE TEN LARGEST CONTRACTS BEING EXECUTED BY FCC GROUP

Project	Country	Value of the project *Million euros*
Riyadh Metro	Saudi Arabia	6,070
Lima Metro	Peru	3,800
Line 1 of the Panama Metro	Panama	1,112
Relizane - Tissemsilt railway line	Algeria	934
Three Transylvanian railway line projects	Romania	830
Mersey Bridge	United Kingdom	700
Waste Management in Edinburgh and Midlothian	United Kingdom	600
Gerald Desmond Bridge	USA	540
Doha Metro	Qatar	500
Panama Hospital Complex	Panama	440

PFI AWARD "EUROPEAN INFRASTRUCTURE 2014" FOR THE MERSEY BRIDGE

FCC Group received the award from the Project Finance International publication in London, which recognises the best international financial projects. The award is in recognition of the overall work carried out by the Company.

The Mersey Bridge in Liverpool (UK) represents a total investment of 700 million euros. It is estimated that the project will bring huge economic, transport and social benefits to the area. Among the most noteworthy is the creation of 4,640 direct and indirect jobs.

Through a consortium, in June 2013, FCC was awarded both the concession and the construction. FCC's proposal involves the construction of a new crossing over the river of a total length of around two kilometres, located east of the Silver Jubilee Bridge. The bridge will provide service to approximately 80,000 vehicles per day. Furthermore, significant urban re-development will be carried out, including dual carriage ways for accessing the bridge, with seven kilometres of roads. Of these, about one kilometre corresponds to newly built viaducts.



5. MAXIMUM TRANSPARENCY IN ECONOMIC ACTIVITY

5.1. Market capitalization

FCC Group ended the year with a significant increase in its capitalization, amounting to 3,062 million euros, because of the strengthening of its capital generated by the capital increase at the end of 2014.

5.2. Trading and shareholding

The volume traded this year exceeded 338 million shares, with a daily average of 1,331,501 shares, 66.8% more than the daily average of 2013. Over the whole year, a volume of 130% of the total share capital has switched hands.

No impact is estimated on performance obtained for the shareholder of the liquidity contract in treasury stock, since their nature and purpose is contrary to the existence of same, nor equally in earnings per share of FCC Group.

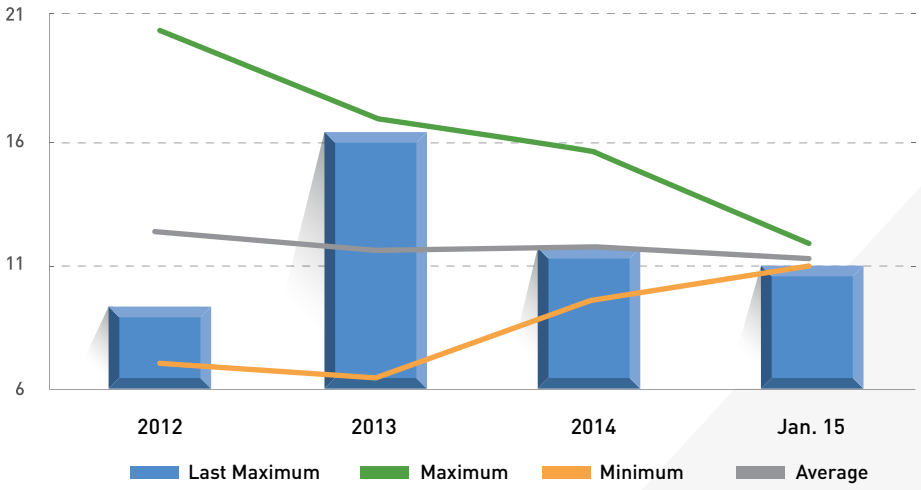
The share capital of FCC Group is composed of 260,572,379 ordinary shares with a nominal value of 1 Euro each. All shares in FCC have full political and economic rights. The shares belong to the same class and series, there are no preferential shares, and they are free of encumbrances and charges.

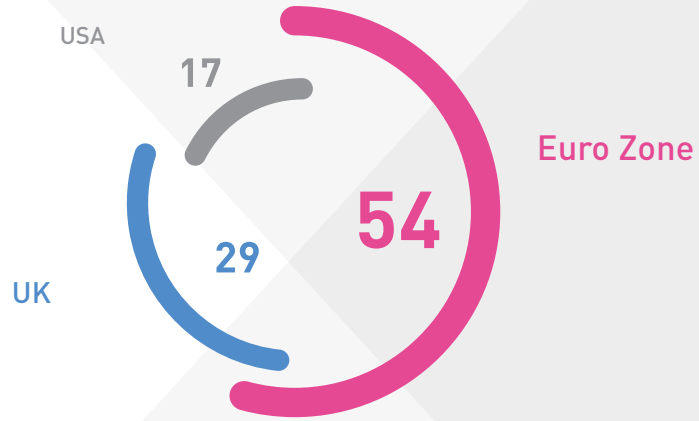
The shares of the Company are listed on the four Spanish stock exchanges (Madrid, Barcelona, Valencia and Bilbao).

SHAREHOLDER STRUCTURE AFTER CAPITAL INCREASE		
Slim Group	66,788,648	25.63%
B-1998	55,224,260	21.23%
Azate, S.A.U. (1)	8,353,815	3.21%
William H. Gates III	14,852,625	5.73%

(1) 100% subsidiary of B-1998 S.A.

Historical information on the share price of FCC Group, shows a rise in price in late 2013.





Source: prepared by FCC.

The free float capital of FCC Group is 44%. Its estimated distribution is as follows: 8.9% Spanish minority shareholders, 3.5% Spanish institutional investors, and the remaining 31.6% overseas institutional investors. The composition of the free float capital, according to the origin of the shareholders, is 17% from the United States, 29% from United Kingdom and 54% from the Euro zone.

The FCC Board of Directors decided on December 2012, according to prudent management principles and in the best interest of all shareholders of the Company, not to pay dividends. This agreement remained unchanged in the year 2014.

This decision, within the framework of the restructuring process which has been on-going for two years, and which aims to increase operational efficiency and strengthen of the balance sheet, will have to be ratified by the General Meeting of Shareholders which is to be held in the first half 2015.

THE CAPITAL STRUCTURE OF FCC GROUP				
	2011	2012	2013	2014*
Total Volume (millions of shares)	150.88	113.90	203.56	338.46
Total Cash (M€)	2,997	1,395	2,378	5,197
Capital turnover (%)	119	89	160	130
Capitalization (M€)	2,551	1,193	2,059	3,062
Share capital (millions of shares)	127.30	127.30	127.30	260.57

(*) Data adjusted for the capital increase carried out in 2014 amounting to 133.26 million shares.

II. MAIN LINES OF BUSINESS

1. ENVIRONMENTAL SERVICES

Providing eco-efficient services to communities, backed by solid experience

Necessary services with a rising demand
Cities have become centres of consumption, representing 67% of world demand for primary energy and their transition to low carbon economies having enormous cost implications.

The International Energy Agency estimates that to limit the emission of greenhouse gases (GHGs) investment in renewable energy and energy efficiency will run into billions over time.

1.1. Environmental services' solutions for society

The Environmental Services division maintains a strong commitment to the society it serves, minimising its environmental impact and applying the latest collection and treatment technologies. The FCC Environmental Services division provides various services through its different subsidiaries: FCC Medio Ambiente, FCC Environment (UK), .A.S.A. and FCC Ámbito. Among the activities offered are the following:

- Waste collection.
- Street cleaning.
- Urban waste treatment.
- Conservation of green areas.
- Sewer maintenance.
- Integrated management of industrial waste.

The strategy focuses on maintaining market share in Spain and growth in international markets. The Company is seeking expansion in mature markets and growth in the waste management sector, supported by the new regulatory requirements that are derived from the European Union Directive on waste recycling and treatment, as well as the imminent State Waste Framework Directive, which increases the objectives of the Autonomous Regions in the collection and preparation of waste for reuse. It also aims to take advantage of global opportunities in the recovery of waste in pre-selected markets.

1.2. Certificates held within the activity of Environmental Services.

ENVIRONMENTAL SERVICES CERTIFICATES			
Company	Management areas	Certification	Scope*
FCC Medio Ambiente Spain	Quality	ISO 9001	85.54%
	The environment	ISO 14001	85.55%
	PRL	OHSAS 18001	100%
FCC Ámbito	Quality	ISO 9001	85.05%
	The environment	ISO 14001	85.05%
	PRL	OHSAS 18001	55%
.A.S.A.	Quality	ISO 9001	99%
	The environment	ISO 14001	91%
	PRL	OHSAS 18001	
FCC Environment (UK)	Quality	ISO 9001	40%
	The environment	Carbon Trust Standard	100%
		ISO 14001	89%
	PRL	OHSAS 18001	

* Scope: % of turnover, except PRL whose scope corresponds to the percentage of coverage of workers.



Milestones in 2014

- Initiation of the contract for the management of municipal solid waste in Barcelona.
- Start of the waste management contract in the English town of Wigan for 25 years.
- Award of the project for the management and treatment of waste in the city of Edinburgh and the Council of Midlothian, Scotland.
- Start of the project for the management of municipal solid waste -street cleaning and gardens- Ponferrada, Spain.
- Award of the project for the management of waste in the city of Houston, USA.

Challenges in 2015

- Continue with the climate change strategy and the reduction of GHG emissions.
- Optimize the recovery and recycling of waste.
- Improve energy efficiency.
- Protect the hybrid resources.
- Enhance biodiversity.
- Connect with local communities.
- Reduce CO_2 emissions produced by trucks and other FCC .A.S.A. machinery.
- Maximize the generation of energy from landfill gas by FCC .A.S.A.

Prizes and awards 2014

- Award for the electric truck for rubbish collection in the II Awards for Best Practice in Sustainable Mobility organised by Renault Spain, through its Renault Foundation for Sustainable Mobility, and the Club of Excellence in Sustainability.
- Award to FCC MA for the implementation of eco-management measures in Cartagena at the VII Sustainable Development Awards.
- Recognition from the Integra Foundation for commitment to its involvement with people at risk of social exclusion.
- "We Build Healthy Business" Award to the Catalonia II Regional Office.
- Award in the Atlante Prizes for the Catalonia II Regional Office.
- Recognition from the Equality Commission of the Spanish Red Cross for FCC's commitment to the implementation of measures for equal opportunities between men and women.
- 'Incorpora La Rioja' Prize, organised by la Caixa bank's social programme.

2. WATER MANAGEMENT

Efficient management for a resource that belongs to everyone

It is estimated that by 2030, if no progress is made in terms of efficiency, water requirements worldwide will require a 40% increase in the current supply capacity.

Waste management, for its part, is an underlying problem as a result of increasing urban growth and development. The use of digital technology, the use of waste as a source of energy or the increase in the efficiency of the elimination of waste will help to take on this challenge.

2.1. Comprehensive response throughout the water cycle

The corporate purpose of the FCC Aqualia division is to obtain water, make it suitable for human consumption according to strict quality controls, distribution and subsequent treatment, in order to return it to nature in terms of the right quantity

and quality, making efficient and sustainable use of resources and materials used in the process. FCC Aqualia's activities fall into two main types of services:

- Management of the integrated water cycle:

  - Public water services.
  - Control of water quality.
  - Municipal water-sports facilities.
  - Maintenance and operation of irrigation infrastructure.
  - Hydraulic infrastructure concessions.

- Design and construction of treatment, transport and storage systems of both urban and industrial water:

  - Wastewater treatment plants.
  - Purification plants.
  - Desalination plants.
  - Solutions for process water.
  - Hydraulic works.
  - Operation and maintenance services.

The strategy of FCC Aqualia seeks expansion through new opportunities for maintenance services and related turnkey projects. The Company is looking to expand internationally, with a clear focus on Latin America, North Africa and the Middle East.

Certifications held within the activity of integrated water management

INTEGRATED WATER MANAGEMENT CERTIFICATES		
Management areas	**Certification**	**Scope***
Quality	ISO 9001	98%
The environment	ISO 14001	98.30%
PRL	OSHAS 18001	87%
R&D&i management	ISO 27001	Aqualia GIA and Aqualia Infraestructuras
Information security	ISO 27001	Aqualia Contact and the virtual office
Energy Management	ISO 50001	2.8 %
Management of testing laboratories	ISO 17025	Elite laboratories in Zone 5

* Scope: % of turnover, except PRL whose scope corresponds to the percentage of coverage of workers.



Milestones in 2014

- FCC Aqualia's entry into the US market.
- Consolidation of presence in North Africa, with projects such as the construction of the desalination plant in Djerba, Tunisia.
- Award of four projects in Latin America: two in Mexico and two in Chile.
- Initiation of the master plan and construction of the underwater drainage outlet in Punta Yeguas, Montevideo, Uruguay. This is the second phase of the IV Urban Sanitation Plan of the city.
- Award of the contract for the construction of the wastewater treatment plant in Pljevlja, Montenegro.
- Calculating of the carbon footprint of Aqualia Infraestructuras and entry into the register of the Climate Change Office at the Ministry of Agriculture, Food and Environment.
- Certification under ISO 9001 and ISO 14001 for contracts in Chile and Portugal.
- Development of the FP 7 Urban Water project with implementation of smart management in Almería and Czech Republic.
- Award of the project to build a Liquefied Natural Gas (LNG) storage tank in the port of Tahkoluoto, Pori, Finland.
- Award of the contract for the construction of an electrolytic zinc plant in Gazahouet, Algeria.
- Award of the conditioning contract for the central control station of the Medellin Metro in Valle de Aburrá, Colombia.
- Contract for the construction of the Marina Lugo gas pipeline, Lugo.

Challenges in 2015

- Full certification of the Company's energy consumption, together with AENOR, in several phases, certifying 15 contracts in 2015.
- Certification under ISO 9001 and ISO 14001 standards for all overseas contracts.
- Calculating of the carbon footprint of FCC Aqualia and entry in the register of the Spanish Climate Change Office.
- Participation in a R&D project supported by the European Union's Horizon 2020 program.

Prizes and awards 2014

- Third leading water management company in Europe according to the prestigious publication Global Water Intelligence.
- The Large Sustainable Enterprise Prize, for the Elan Project (autotrophic nitrogen removal), a new model of water purification with lower energy costs, developed in collaboration with the University of Santiago de Compostela as part of the Innovation + Sustainability + Network Award organized by Expansión, Bankinter and EON with the collaboration of IE Business School.
- Prize for the best scientific poster at the International Water Association (IWA) conference in Essen, Germany.
- Recognition for best scientific poster at the IWA congress in Lisbon, Portugal.
- iAgua award for the best reporting on IISIS.
- Award for the prevention of occupational risks in the second edition of the Health and Safety Awards.
- Company committed to Occupational Health and Safety Award granted by the Ministry of Education, Universities and Employment of Murcia.
- Second prize for Best Practice for Risk Control at the Asepeyo awards for Best Preventive Practices.
- Realito Aqueduct (Mexico): Global Water Intelligence publication prize for innovative financing structure of the macro project and the best project in Latin America for its innovative financing model given by the financial publication Euromoney.

3. INFRASTRUCTURE

Solutions focused on social progress and sustainable development

Cities are the centre of the challenges created by sustainability, as they are where innovative solutions with significant and rapid impacts should be developed.

Aspects such as the ecological footprint when it comes to decision-making, smart buildings and refurbishment, risk management with respect to climate change, or urban accessibility, are becoming increasingly important issues.

3.1. Working towards stakeholders' satisfaction

FCC Construcción division develops its business model in a profitable and sustainable way, investing in local development and helping to improve citizens' quality of life.

FCC Construcción activities cover all areas of engineering and construction.

Meanwhile, Cementos Portland Valderrivas Group is an industrial group with a strong mining component present throughout the entire cement business cycle, of which Cementos Portland Valderrivas, S.A. is the Group's controlling company. The Group is present in Spain, the United States, and Tunisia.

The strategy for infrastructure is to prioritize projects in which the Construction Division has competitive advantages such as its expertise in underground works, motorways, high-speed train lines, ports and airports. It is focusing on international business, and is expected to intensify activity in Latin America and gain greater prominence on the international scene. All this without forgetting the cement market in which the Group intends to maintain its presence.

Certificates held within the activity of Infrastructure

INFRASTRUCTURE CERTIFICATION		
Management areas	**Certification**	**Scope* (% of certified activity)**
Construction		
Quality	ISO 9001	97.4 (100% in Spain)
The environment	ISO 14001	77.4 (99% in Spain)
R&D&i management	UNE 166002	36.1
Information security	ISO 27001	36.1
GHG emissions	ISO 14064	36.1
Occupational health and safety	OHSAS 18001	81.5
Cements		
Quality	ISO 9001	79
The environment	ISO 14001	43 (100% in Spain)
Occupational health and safety	OHSAS 18001	73.9

* Scope: % of turnover, except PRL whose scope corresponds to the percentage of coverage of workers.

Commitment to Information Security of our customers

The construction division of FCC has developed and implemented an information security system for works with special security requirements, certified by AENOR according to standard UNE-ISO/IEC 27001, and is one of the first Spanish construction companies to achieve this for its Information Security Management System.

The Company uses indicators to measure the adequacy of countermeasures established from the security standpoint in order to keep the possible threats to our information assets under control and protect our customers.



Milestones in 2014

- Contract for the construction of the Mersey bridge in Liverpool, United Kingdom
- Signing of the contract for the construction of the Lima Metro, Peru.
- Contract for the construction of the Doha metro.
- Contract for the construction of the Chucas (Costa Rica) hydroelectric plant/dam.
- Awarded the construction of irrigation and drainage infrastructure in Beja, Portugal.
- Awarded the refurbishment of the Water Museum in Lisbon, Portugal contract.
- Awarded the contract for the urban development of the docks at the Marina in the La Coruña port.
- Grouping of the industrial activities of the Company into one single group: FCC Industrial.
- Increase of the civil works and industrial projects in FCC Construcción's order book.
- Development of management processes of the contract within the management and sustainability system.

Challenges in 2015

- Extend environmental certifications in all operations that are already certified.
- Systematization of the due diligence process.

- Completion of a basic guide which focuses on how to act during works regarding interaction with local communities, which include a special section on relationships with indigenous communities.
- Adapting the systems to the new standards ISO 9001, ISO 14001 and ISO 27001: 2015
- Enlarge the calculation of GHG emissions internationally.
- Maintain OHSAS 14001 certification in cement factories in Spain.
- Further reduce incidence frequency indices (FI) in Spain, Tunisia and the United States.
- Continue to use alternative raw materials as replacements in the manufacture of clinker in cement and use alternative fuel from biomass as replacements.
- Promote innovation through participation in the technological society for marketing new products and technology in international markets where Cementos Portland Valderrivas Group is not present.

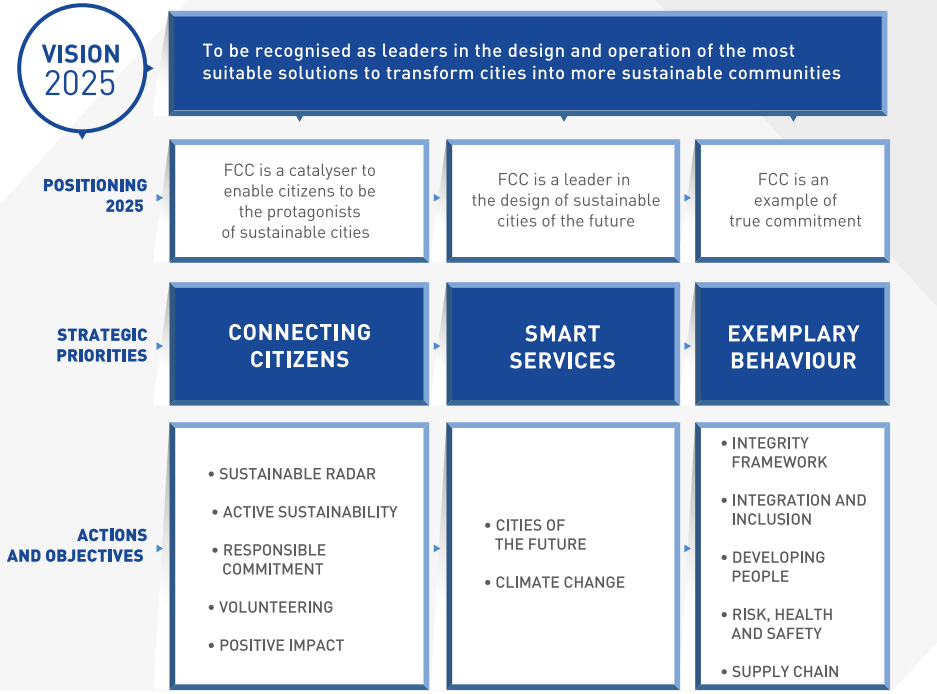
Prizes and awards 2014

- Green Apple Award, in the category of improving the environment and architectural heritage at Enniskillen Hospital.
- "Segovia Aqueduct" Prize from the Civil Engineering Association, for the best work, on the A-4 southern dual carriage way, on the section between Venta de Cárdenas and Santa Elena, better known as the Variante Despeñaperros.
- Nomination of FCC Construcción as "Environmental Ambassador" for 2014, in recognition of the environmental project developed for the construction of the Hospital of Enniskillen.
- Special Prize for Excellence in Infrastructure for the New Europe Bridge (Vidin Bridge) in the European Rail Awards 2014.
- Merit Award for Best Global Project awarded by The Engineering News Record (ENR) for the construction of the New Europe Bridge (Vidin Bridge) between Bulgaria and Romania.
- Prize from the Madrid region for the best international work (Civil Engineering Association, Madrid region), the New Europe Bridge over the Danube.
- IJ Global Europe & Africa Awards 2014 from the Project Finance International (PFI) publication for "European Infrastructure 2014" for the Mersey Bridge.
- Prize awarded to FCC Centroamérica by the National Environmental Authority of Panama (ANAM in Spanish) at the 12th edition of the contest for the Environmental Awards in the area of Cleaner Production.
- Award from the Spanish Network of the United Nations Global Compact to FCC Construcción, for promoting its mission as a partner for the last ten years.
- Health and Safety Award for different clients for the best accident rate statistics in the Construction sector.

III. STRUCTURE OF THE REPORT AND CLASSIFICATION OF PRIORITY ISSUES

The structure of the FCC Group 2014 Corporate Responsibility Report Group follows the Corporate Responsibility Master Plan 2012-2014 which ended in 2014. The information corresponding to the different areas of activity of the Group is organized under the following headings: Exemplary Behaviour, Smart Services and Connecting Citizens.

Corporate Social Responsibility Master Plan 2012-2014



On another level, the materiality process starts with the results of the study during the period 2013-2014. This study was developed based on the impacts of the various group activities and geographical areas of operation, resulting in a materiality matrix for each business area and a list of material issues for corporate business. The final matrices are shown in the following table.

The materiality study conducted for this report included a validation phase through external interviews that have been performed with five external prescribers in the field of investment and extra-financial analysis of companies. It also includes an internal validation, developed through interviews with representatives of different areas of the Company.

	Environmental services	Water	Infrastructure
Exemplary behaviour	1. Training and education 2. Diversity and equality of opportunities 3. Occupational health and safety 4. Employment	1. Training and education 2. Health and safety of customers 3. Fight against corruption 4. Diversity and equal opportunities	1. Fight against corruption 2. Training and education 3. Occupational health and safety 4. Employment
Smart 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



IV. EXEMPLARY BEHAVIOUR

Integrity and business ethics as hallmarks of our business model

FCC Group's framework of integrity is supported by benchmark ethical principles, such as the International Corporate Governance Network (ICGN), the new Code of Good Governance for Listed Companies, approved in February 2015 by the CNMV (Spanish Securities and Exchange Commission), or the requirements of institutional investors or related sustainable investment such as FTSE4Good, the Dow Jones Sustainability Index and the Equator Principles, and is the basis of the company's exemplary behaviour. FCC is aligned with these provisions and is committed to the development, and health and safety of the people who make up FCC. Finally, the principles of responsible recruitment are a reflection of the sustainable approach of the Company to the value chain.

Content

1. Commitment to Good Governance
2. Integrity and ethics framework
3. FCC's team of professionals
4. Extending FCC's principles along the supply chain

1. COMMITMENT TO GOOD GOVERNANCE

The hallmarks of FCC Group's corporate governance are aligned with the recommendations and principles of both the International Corporate Governance Network (ICGN) and the Code of Good Governance for Listed Companies prepared by the CNMV, with the purpose of ensuring its functions in the monitoring of the Company's strategy under transparent and responsible management.

Commitment to Good Governance FCC Group	
Quality and complementarity of the managers of FCC	• Separation of the figures of the President and CEO. • Three independent directors (21% of the Board). • Five women on the Board of Directors (36% of the Board). • The Audit and Control Committee chaired by an independent director.
Monitoring of risks and the Group's strategy as main responsibilities	• Integrated risk management model. • Manual for the prevention and response to crimes. • Code of ethics.

Milestones in 2014

- Adoption 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.
- Signing, with the Ministry of Health, Social Services and Equality, of the agreement for the promotion of the equal participation of women and men on its Board.
- Participation in the development programme, aimed at women with high potential, of the Ministry of Health, Social Affairs and Equality.

Challenges in 2015

- Analysis and adaptation to the recommendations made in the new Code of Good Governance of the CNMV.

1.1. Balance and diversity in the governing body

1.1.1. A renewed Board

The FCC Group's Board of Directors has what it considers being the best structure and composition to perform its strategic mission effectively. Until December 2014 it was made up of 14 directors, and the Board offers the talents of a highly qualified team of people to its shareholders.

As a reflection of the Company's commitment to the interests of their shareholders the separation of the figures of the Chairman and CEO can be highlighted. Thus FCC Group is capable of ensuring the proper functioning of the Board of Directors while overseeing the interests and expectations of the shareholders of the Group at the same time.

The Board also has three independent directors, who work to ensure adequate protection of the interests of the free float capital. Meanwhile, following the recommendations of the CNMV's new Code of Good Governance, directors representing controlling shareholders, along with independent directors, represent a large majority of the Board.

The CNMV's new Code of Good Governance names the Board as the supervisor of the Corporate Responsibility strategy.

In February 2015 the Spanish Securities and Exchange Commission (CNMV in Spanish) published a new Code of Good Governance for Listed Companies, with 64 recommendations, which replaces the previous Unified Code of May 2006.

One very important aspect is the incorporation of three specific recommendations regarding the supervision of corporate social responsibility by the Board of Directors.

Recommendation 53

The job of supervising compliance with the rules of corporate governance, internal codes of conduct and the policy of corporate social responsibility should be entrusted to one committee or shared between several committees of the Board of Directors, this may be the Audit Committee, the Appointments' Committee, the Committee of Corporate Social Responsibility, if applicable, or a specialised committee that, in exercising its powers of self-organisation, decides to create for that purpose, a committee which is specifically attributed with the following minimum functions:

a) The supervision of compliance with internal codes of conduct and corporate governance rules of the Company.
b) The supervision of the communication strategy and relations with shareholders and investors, including small and medium shareholders.
c) The periodic evaluation of the adequacy of the Company's corporate governance system, in order to fulfil its mission of promoting social interest and consider, as appropriate, the legitimate interests of other stakeholders.
d) The review of the corporate responsibility policy of the Company, ensuring that it is aimed at value creation.
e) The monitoring of the strategy and corporate social responsibility practices, as well as the evaluation of their compliance.
f) The supervision and evaluation of the processes associated with different stakeholders.
g) The assessment of all matters relating to non-financial risks of the Company, including operational, technological, legal, social, environmental, political and reputational matters.
h) The coordination of the process of reporting of non-financial information and information on diversity, in accordance with the applicable regulations and international standards of reference.

Recommendation 54

The policy of corporate social responsibility includes the principles and commitments voluntarily assumed by the Company in its relationship with the different stakeholders and the identification of at least:

a) The objectives of the policy of corporate social responsibility and the development of support tools.
b) The corporate strategy related to sustainability, the environment and social issues.
c) Specific practices on issues related to shareholders, employees, customers, suppliers, social issues, the environment, diversity, fiscal responsibility, respect for human rights and prevention of illegal conduct.
d) The methods or systems for monitoring the results of the implementation of the specific practices identified in the previous paragraph, the associated risks, and their management.
e) The mechanisms for monitoring the non-financial risk, ethics and business conduct.

Recommendation 55

The Company should report in a separate document, or in the management report, on matters related to corporate social responsibility, using any of the accepted international methodologies.

In its commitment to diversity, FCC Group stands out as one of the IBEX35 companies with the highest number of women on its Board. Article 42.3.h of the Board Regulations establishes the following within the functions of the Appointments and Remuneration Committee: "Ensure that when new vacancies on the board arise, the selection procedures are not implicitly biased against the selection of female directors, so that the Company deliberately seeks and includes among potential candidates, women who meet the professional profile sought, and the Board shall explain, where appropriate, through the Annual Corporate Governance Report, the

reason for having few or no female directors, and the initiatives adopted to correct this situation".

Commitment to increase the presence of women on the Board of Directors and management positions within the Company

The promotion of diversity on management bodies represents a real commitment of FCC Group. During 2014, FCC Group signed two agreements to fulfil this commitment.

• Development programme aimed at pre-management women with high potential

FCC and the main companies in the Group: FCC Construcción and FCC Aqualia and FCC, S.A. signed an agreement with the Ministry of Health, Social Affairs and Equality whereby they undertook to increase the presence of women in management positions and on boards of directors.

For its part, FCC as head of the Group, in the coming years undertakes to promote the balanced participation of men and women on its Board of Directors. This agreement, signed by Esther Alcocer Koplowitz, Chairman of the Company, has the backing of the Board of Directors and Management Committee.

With these agreements, FCC goes one step further by implementing its Equality and Diversity Policy approved by the Board of Directors; in promoting the development of measures contained in the different equality plans in companies and in creating a culture of equality and non-discrimination, which is essential to highlighting women's leadership in order to encourage their participation in positions of responsibility.

• Agreement with the Ministry of Health, Social Services and Equality

In November 2014 FCC signed an agreement with the Ministry of Health, Social Services and Equality for the promotion of balanced participation of women and men on their Board of Directors (the Partnership Agreement between the Ministry of Health, Social Services and Equality and FCC Citizen Services to promote the balanced participation of women and men on boards of directors). Under the agreement, the Board of Directors of FCC is committed, among other issues, to progress in the implementation of the recommendation of article 75 of Organic Law 3/2007, of March 22, for the effective equality of women and men; to make data on the directors publicly known and keep it appropriately updated pursuant to recommendation 28 of the Unified Code of Good Governance; including in the internal regulations explicit references to the promotion of the balanced participation of women and men on the board, as well as incorporating the underrepresented sex onto the board of directors.



FCC believes that diversity on governing bodies is a strategic issue and as such represents one of the most important qualities to ensure effective decision making. In this sense, FCC agrees with the view of the International Corporate Governance Network, which states that diversity is important for the proper functioning of any Board.

The International Corporate Governance Network (ICGN) is a global association of institutional investors whose mission is to inspire and promote standards related to Good Governance for the development of efficient markets and economies around the world through three lines of activity: influencing policy, promoting networking and communication and performance of informative work for professionals and experts in matters of corporate governance.

1.1.2. Evaluation and efficiency of the Board of Directors

Regulations of the Board of Directors ensure minimum attendance levels and establish that the Board members may participate by telephone or videoconference.

On May 19, 2014, the Board of Directors of FCC issued the report which evaluates the quality and efficiency of its operation, as well as that of its Committees, with respect to the year 2013, in order to comply with the duty imposed by Article 38.6 of the Regulations of the Board of Directors.

In 2014, the evaluation process was conducted assessing the various aspects that affect performance, efficiency and quality in the proceedings and decision-making of the Board of Directors, and the contribution of its members to undertaking the functions and achieving the goals that the Board has assigned.



In 2014, the Board of Directors held 13 plenary meetings, in which the following topics on matters of Good Governance and social responsibility were addressed:

- approval of FCC's Social Responsibility report,
- approval of FCC's Corporate Governance report,
- review of the operation of the manual for prevention and response to crime and complaints' channels.

1.2. Risk management and responsibilities of the Board of Directors

1.2.1. Integrated Risk Management Model

The Integrated Model for Risk Management of FCC Group is currently in the process of improvement and development. The new model will allow the Company to foresee the materialization of possible risks to which its activities are subject, as it operates in geographical areas, activities and numerous legal environments, which in turn involve different levels of risk.

A high-level Risk Map

FCC Group has a new risks' model, which is currently partially implemented, using the Enterprise Risk Management (COSO II) methodology, which provides senior management with information and, upon full implementation, will contribute to defining the strategy of FCC Group.

FCC Group's risk management is consistent with the business strategy, always seeking maximum efficiency and solvency. For this reason, strict criteria are laid down for the control and management of the risks, which consist in the identification, measurement, analysis and control of the risks incurred in the Group's operation, with the ultimate goal of correctly integrating the risk policy into its organization.

Risk management is carried out on each of the Group's business lines, developing a risk map for each of them, which is used to produce a consolidated

risk map of FCC Group. Risk Management is carried out using this model in each line of business through the following:de negocio a través de:

• The identification of key risks for FCC Group based on their potential threat to achieving the organisation's objectives, at the level of each line of business.
• The evaluation of the risks. The risk assessment scales are defined in terms of their potential impact should they materialise, and the probability of their occurrence.
• The identification of the controls and procedures that mitigate both the economic impact and the probability of their occurrence.
• The identification of an owner for each of the identified risks, as the primary person responsible for maintaining the appropriate level of internal control.



One of the main risks of FCC Group in recent years has been the risk inherent in construction activity both domestically and internationally. In this sense response plans are established by the Group during the year as part of a global restructuring process of the construction business and are as follows:

- Domestic Construction: Adjustments of means of production to the reality of the market by preventing deterioration of profitability:
- Adjusting the workforce to the current market situation.
- Reduction of the commercial structure, adapting it to the current market situation.
- International construction: boosting profitability focused on specific geographic regions and carrying out a selection of works and in more profitable markets, as well as growth of the industrial business in selected geographic regions. Additionally, in the same way as in domestic construction, the commercial structure is being reduced, adapting it to the current market situation.

1.2.2. The role of the Board of Directors' committees and commissions

For the proper operation of the business, the Board of Directors has four committees:



1 ▸ This committee makes decisions on investments, divestments, credits, loans, guarantees and bonds, or any other financial facility.

2 ▸ This committee supports the Board of Directors in its supervisory tasks by periodically reviewing the processes employed to prepare economic-financial reports, internal controls and ensuring the independence of the external auditor.

3 ▸ Its functions are focused on advising and proposing the appointment of senior executives with profiles that are best suited to the job and functions. In addition it is responsible for ensuring the remuneration policy established by the Company is observed; in particular it proposes the remuneration policy for Board members and senior executives to the Board of Directors.

4 ▸ This committee keeps the Board updated on all investments, divestments, partnership agreements with third parties, development of new activities and financial operations that could affect the Group's strategies. It is also responsible for informing the Board on all other matters that are not within the remit of the other Committees, and that may be submitted to it.

2. INTEGRITY AND ETHICS FRAMEWORK

Commitment to integrity, honesty and transparency

Following the recommendations of the Federal Sentencing Guidelines, FCC Group reinforces its commitment to ethics and due diligence in the prevention, detection and eradication of irregularities. Following the requirements of said reference, FCC has implemented all elements that ensure the implementation of the integrity framework, that is, the code should be known, understood and complied with by all employees of the organization.

Milestones in 2014

- 21 complaints received, mostly related to professional development, equal opportunities and non-discrimination.
- A letter was sent by the CEO to employees in Spain and expatriates to get their support by means of signing the Code of Ethics.
- Approval of the Fiscal Code of Conduct.
- Approval and partial development of the plan for dissemination and training in the FCC Compliance System.

Challenges in 2015

- Full implementation of the plan for dissemination and training in the FCC Compliance System.
- Adaptation of the Code of Ethics to the requirements of the new Criminal Code.

2.1. The FCC compliance model: due diligence in the field of ethics and integrity

2.1.1. Regulations and procedures for compliance in FCC

FCC has a Code of Ethics that sets out the principles that guide the conduct within the Group and outline the relations between Group employees and between them and other stakeholders. The ethical principles included in the Code affect all administrators, managers and employees of the companies in the FCC Group, and they are compulsory.

The Code provides that all employees can make complaints via the Group's Intranet, confidentially and without fear of reprisal, with respect to actions or inappropriate behaviour in light of its principles.

Similarly, FCC Group has an Internal Code of Conduct in the securities market and an internal communications channel for ethical matters, irregularities or workplace or sexual harassment issues.

FCC Group also features a manual of crime prevention and response. Through this manual a structured internal control system is established aimed at mitigating the chances of Group personnel committing a crime of any nature that can lead to the criminal liability of legal persons.



The manual covers two distinct sections based on the logic and the experience of risk management on the part of the Company:

- A first phase based on prevention and related to the identification and updating of behaviours that pose a risk of offences being committed that may occur within the Group, as well as in the planning and implementation of mitigating controls.
- A second phase corresponds to the bodies and procedures that will provide a response to those indications that may involve committing any irregularities within FCC Group.

Furthermore, it should be pointed out that the procedures established in this manual are compulsory and have the highest ranking in FCC Group's regulations.

2.1.2. Supervision, monitoring and response regarding the provisions of the Code of Ethics

The responsibility of promoting the dissemination, knowledge and compliance with the Code of Ethics belongs to the Response Committee, the responsible body approved by the Group's Board of Directors. Said committee 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 Corporate Responsibility Manager, who serves as Committee Secretary and Coordinator. Monitoring of the communication procedure in matters relating to criminal offences and in general with FCC Group's Code of Ethics, rests with the Response Committee.

The following diagram defines the communications management process of the Code of Ethics:



2.1.3. Irregularities and disciplinary measures

FCC offers all employees an internal communication channel. Through this channel, employees can report, confidentially, any irregularities discovered and consult queries or propose improvements to existing systems in the Company within the areas covered by the Code. All FCC Group personnel are required to report any breaches they discover related to the Code of Ethics.

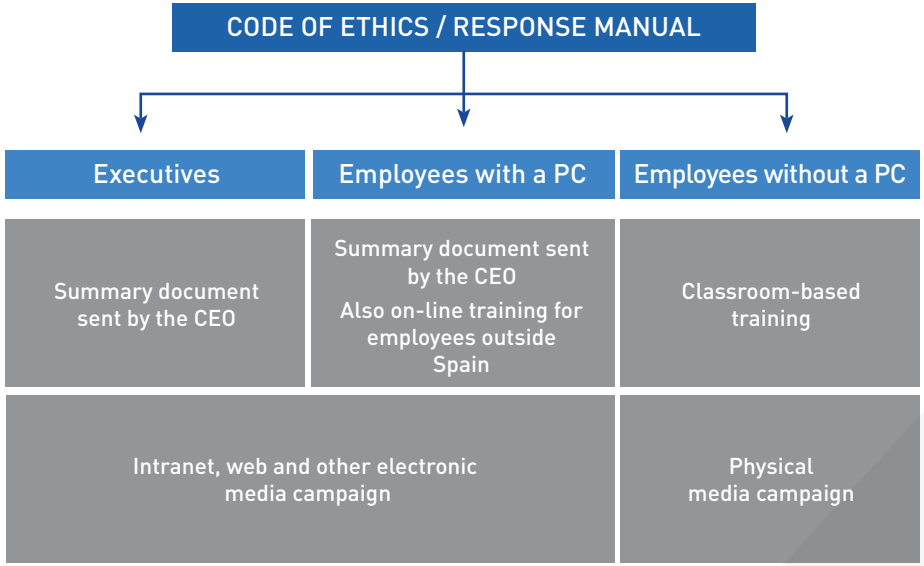
To report any kind of irregularity, FCC offers its employees an e-mail address (comitederespuesta@fcc.es), and postal address, to the attention of the Chairman of the Response Committee.

During 2014 a campaign has been carried out to publicise FCC's Ethics Compliance System so that all employees understand the importance of reporting any possible irregularity or possible malpractice.

2.1.4. Communication and training on the Code of Ethics

FCC Group has carried out the design of a new training course to be launched in 2015, which includes developments and changes made to the Code of Ethics. This aim of the course is to ensure that all Group employees know, understand and identify with the principles and conduct set out in the process of defining FCC's Code of Ethics. As an ultimate goal, the course aims to support the strategic objective of the Company to develop a global company culture within FCC.

Elements of the dissemination and training plan for the Code of Ethics



The main channels for training are, therefore, the following:

- Website: specific module on the Code of Ethics, the Manual and the Response Channel.
- Intranet: Module in the Welcome Manual; CEO's blog; Informative tips; Specific module on the Code of Ethics, the Manual and the Response Channel.
- Physical media: Informative tips according to subjects at work centres.

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 understanding the conduct commitments contained in the Code of Ethics and the procedures and protocols associated with it.

FCC Group's New Fiscal Code of Conduct

In 2014 FCC Group adopted the new Fiscal Code of Conduct, a document that establishes the policies, principles and values that should guide the behaviour regarding tax matters within the Group.

The new Code is aligned with the mission, vision and corporate principles of the Group, in addition to the policy of corporate social responsibility and, in particular, the Code of Ethics.

Obligations in tax matters

The Code provides a set of principles for action that all FCC Group employees must follow. In this regard, they must comply with, where applicable, the duties that correspond to their activities and functions within the Group, the procedures for managing the tax matters defined in the "Fiscal Regulation Control Framework of FCC Group".

On the other hand, employees with responsibilities in the fiscal matters of the Group must comply with the following obligations:

a. Observe the applicable tax regulations in each jurisdiction based on sufficiently reasoned and reasonable interpretations, as well as on a sufficient factual basis.
b. Respect the "Fiscal Regulation Control Framework" and the specific procedures for communication, performance and reviews concerning tax matters.

c. Ensure that relevant decisions on tax matters are overseen by senior management of the Group and are properly supported, based on a global and inclusive approach, which takes into account the different business variables as possible assumed risk.
d. Develop and foster a relationship of transparency and mutual trust with the tax authorities of each country.
e. Actively participate in tax forums of those business associations and international organisations of which FCC Group forms part, in order to propose specific tax measures aimed at achieving a fairer and more harmonized tax system for both the interests of the Group and those of society as a whole.

3. FCC'S TEAM OF PROFESSIONALS

3.1. A work environment based on communication and know-how

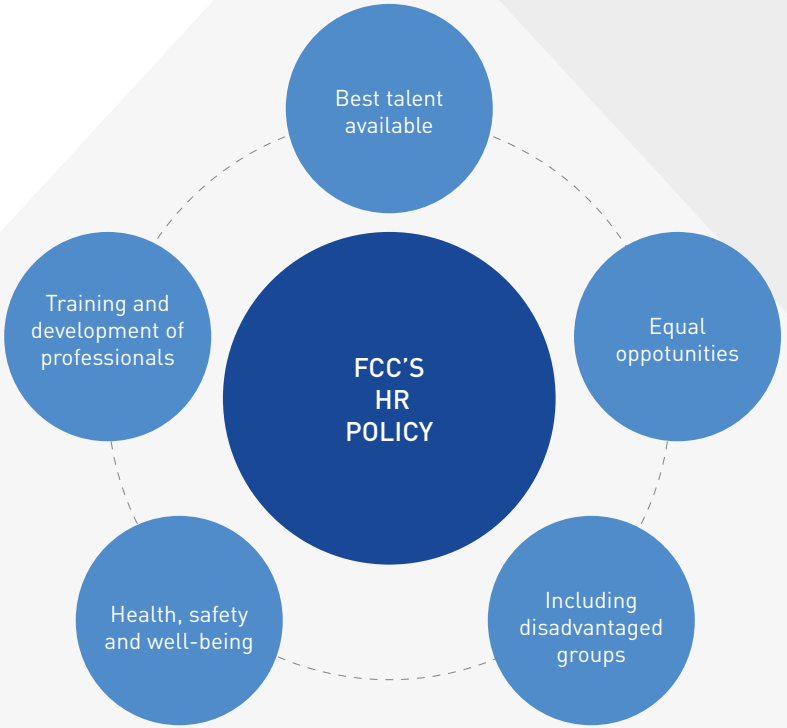
The FCC Group human resources team contributes in the organisational change that the Company needs for a successful adjustment to the new economic environment, which is increasingly dynamic, global and competitive.

The different business areas of FCC Group have been provided with their own Human Resources department, which reports to the Human Resources corporate management, which sets out the guidelines to follow. The aim is to ensure closer and more effective management to guarantee adequate and satisfactory solutions.

At FCC Group we base our behaviour on efficiency and integrity. The human resources' policies and values of FCC Group promote equal opportunities for everyone, offering each person the same opportunities for employment and promotion. Through our policies, we also favour retaining our organisation's talent as well as the integration of people at risk of exclusion; we are also involved in the causes of concern to the communities in which we operate. We maintain a real commitment to the health and safety of our people, through communication and their training and development.

The objectives of human resources directly related to the satisfaction of the people that make up FCC, are as follows:

1. Reinforce the motivation of key people within the Group.
2. Encourage the sense of belonging to the Group at international level.
3. Live the culture and corporate values.
4. Encourage the participation of FCC people in Group projects.
5. Support the process of integrating people and encourage their development.
6. Improve the skills of the Senior Managers.
7. Develop a comprehensive and holistic perspective with workers and healthyworkers, who are involved and trained as an investment in the future, both collectively and individually.



Milestones in 2014

- Signing new agreements with universities and business schools worldwide.
- Participation in the multi-company Talent Development Programme, together with the Transforma España Foundation.
- Publication of 190 internal processes to promote internal mobility of the Group's professionals.
- Extension of certification under OHSAS 18001 of a large amount of international business.
- FCC's launch of the Healthy Company Project and Social Network for Sport, and the celebration of FCC's first Health and Safety at Work week.
- Luxembourg Accession Declaration (health promotion).
- Partners of the European Agency's campaign for Health and Safety at Work 2014-2015 "Healthy Workplaces, we manage stress".
- Development of the Strategic Plan for Road Safety in different areas and organising child road safety education days.
- Organising the new International Programme for recently graduated engineers.
- Organising technical seminars for the Construction division, for executives and managers for the Company.
- Signing the diversity Charter to support the management of diversity in business, social and legal areas.
- Signing of the collaboration agreements between the Ministry of Health, Social Services and Equality (MSSSI in Spanish) and FCC Citizen Services to promote the balanced participation of women and men on boards of directors, as well as with FCC SA, FCC CO and FCC Aqualia, for the adoption of measures to increase the presence of women in managerial positions and steering committees.
- Renewal of the FCC-ONCE Foundation Agreement (FSC Inserta) reinforcing the full commitment of the Company to diversity and disabilities.
- Unprecedented campaign against gender-based violence, "Marguerite does not like me" in FCC and "I'm with you" in FCC Aqualia.
- Promote women's leadership through participation in the training programme organised by the General Directorate for Women at the Ministry of Social Affairs in the Autonomous Region of Madrid: "Lead your future" and "For talent."
- Agreement with the legal representation of workers in the main offices to increase flexibility for arrival and leaving times and to facilitate the reconciliation of personal and family life.

Challenges in 2015

- Launch of the sharepoint Health Community portal.
- Consolidation of the Healthy Company project in different business areas.
- Renewal of the Road Safety Strategic Plan.
- Reduction in the accident and absenteeism rates.
- Implementation of plans for the management of absenteeism in different business areas.
- Developing a plan for the social integration of people with disabilities.
- Internationalization of the new internal communication channel for FCC Construcción.
- Signing of the first Equality Plan with Servicios especiales de Limpieza, S.A. and the second Equality Plan for FCC Construcción S.A. and FCC Aqualia.
- Renewal of agreements for the integration of socially excluded groups.
- Provide training, selection and development functions that have a global and international vision.
- Redesign and standardization of the role of training throughout the Company.
- Design and implementation of the development function through a competency model: performance assessment, career plans and succession plans.
- Strengthening international internal mobility.
- Strengthening of competencies to focus on results and internationalization.
- Consolidation of international training programmes for young graduates in all areas.

3.2. Best talent available

3.2.1. Attracting talent

In 2014 FCC began a process of strengthening the profiles of the Group, in order to prepare the Company for the important internationalisation process and cultural change, by investing in talent.

Through the FCC Talent Management Department we strive to create the right environment to attract, manage, motivate, develop and retain the best professionals. To this end, tools that facilitate global internal mobility are developed, a culture of focusing on results is consolidated, and compensation policies and benefits are implemented. Additionally, the training processes are enhanced in all areas of management, performance evaluation systems are promoted, the analysis of employees' potential has been implemented, and finally, we have designed an organisational structure model based on responsibilities and competences.

Within the framework of the policy for the internationalisation of the Company and within the Plan for the internationalisation of talent, FCC has several projects for attracting young professionals.

The Company has signed educational cooperation agreements with universities and major business schools in Spain and other countries where it operates, such as the agreement signed with ICADE and the IE Business School. Furthermore, FCC has participated in employment forums at prestigious universities and international business schools. All this favours the recruitment of the best talent, accompanying our employer branding strategy with an increase in social networks of our employment offers, improving the Company's recruitment and selection capacity.

International Programme for Young Engineers

Through the Construction division, the Group has implemented a new International Programme for Young Engineers, which aims to attract and develop high-potential recent graduates to ensure the succession of key positions in the Company.

In the first edition of the programme 19 engineers were selected, who received in-class corporate training on different areas of the organisation. Once the theoretical training was complete, the engineers were assigned to different national and international projects, where they received practical training under the supervision and support of a tutor, who also helped them and assessed their performance.

The training programme has lasts between six and nine months, after which the international position that each engineer will occupy is decided.

In this way, we continue with the training and development of a professional team in line with the corporate strategy in any country or international environment, thus contributing to the achievement of the Company's strategic goals.

Multi-company Talent Development Programme

FCC has been collaborating since 2014 in the implementation of the Multi-company Talent Development Programme. The aim is to accelerate the development of young people with high potential from participating companies so that young talent is increased in the steering committees of the companies in Spain. It is therefore a commitment to recruit, manage and retain talent in our country.



3.2.2. Retaining talent

The different human resources policies favour the retention of talent within the organisation. Thanks to these policies FCC retains the best professionals year after year, and encourages the mobility of people in the Company. Moreover, the internationalisation policy allows the Company to offer opportunities on very competitive terms.

In this way FCC develops tools that facilitate global internal mobility, consolidates a culture that focuses on results, and implements payment policies and benefits. FCC has an internal mobility programme, which offers professional development opportunities, facilitates internal rotation and increases motivation, while the Company nurtures the most versatile and multi-skilled professionals. For this, the Group has an online application that is accessed via the Intranet, where all available vacancies are published. To ensure the confidentiality and transparency of the process and to guarantee the transfer of professionals between business lines, the internal mobility policy was changed during 2014.

The Company is also improving an organisational structure model based on responsibilities and competences. To this end the Company is working on redefining career paths for technical careers and career management by enhancing the training processes in different areas of management, improving performance management systems, and implementing potential analysis and succession-planning management.

FCC also has programmes for identifying talent, which allows the selection of the best professionals for the most complex projects and which pose a greater challenge for the organisation. As a novelty, and as stated earlier, in 2014 the Company launched a pilot programme aimed at mentoring pre-management women, which has allowed it to make progress in developing the talent of a prominent number of workers in relevant positions so as to increase the intellectual capital of the organization with respect to gender diversity.



Reputation evaluation. Corporate Reputation Business Monitor (Merco)

In 2014 the Company reached 48th place in the Merco People index, two places above that obtained in the previous year. This ranking aims to identify the 100 best companies to work for, and uses a methodology that incorporates both an internal analysis and a benchmark. The evaluation process incorporates the results of surveys carried out at universities, alumni of business schools, HR managers, employees of the most reputable companies, and the general public.

Also within this monitor are partial indicators that assess the quality of work, the employer brand and internal reputation to reflect different aspects of the occupational reputation of organisations.

With regard to the MERCO Manager indices, an indicator of the corporate social responsibility policies, and MERCO Companies, a reputation index, FCC has reached, in 2014, 46th and 66th positions respectively.

3.2.3. Training

The training of the people that make up the FCC professional team represents a priority for the organisation. That is why FCC has training schools and plans for both multi-disciplinary and business training, through which professionals receive

comprehensive training in both managerial skills and technical expertise that enables them to be the best professionals in the market.

The main objectives of the training at FCC are the following:

- Achieve higher performance and efficiency of the personnel in the development of their functions and the operation of the Company.
- Achieve the goals of professional development of personnel, enhancing their employability.
- Adapt the profile of the employees to the new challenges of the organisation.

Taking into account the geographical dispersion, both domestic and international, training can be classroom-based or online. The aim is to facilitate the training of all professionals in the Group.

During 2014, in response to the strategic needs of the Company, but also as a response to the demand for professionals in FCC, the focus of the multi-disciplinary training has been on languages and finance, though it has maintained the structure of FCC's multi-disciplinary training courses with its five classic schools.

Multi-disciplinary training schools	
Management school	Administration and finance, quality and management tools, legal, information security, project management, communication and CSR, Human Resources, secretarial, Prevention of Occupational Risks.
School of principles	FCC principles, standards of expected behaviour of employees, internal rules on the matter.
Skills' School	Analysis and decision-making, effective communication, management by objectives, change management, leadership, negotiation, focus on results, planning and organisation, team work, training trainers, international business relations.
Office Suite School	User and professional level knowledge of office software.
Language School	English, German, French, Spanish, Portuguese and Arabic.



In 2014 a total of 375,826 hours of training was given at FCC with a total cost of 1.95 million euros. The largest percentage, in terms of time, of this training, 49% was directed to the Environment division's personnel in Spain. With regard to the gender approach and in correlation with the percentage of male and female staff, 81% of the training was for men and 19% for women.

With respect to the subjects taught, the technical expertise for the production and operation of the facilities, the Prevention of Occupational Risks, and languages, have been the subjects to which the greatest number of hours of training have been dedicated, reaching 74% compared to the overall amount.

HOURS OF TRAINING PER CATEGORY AND GENDER

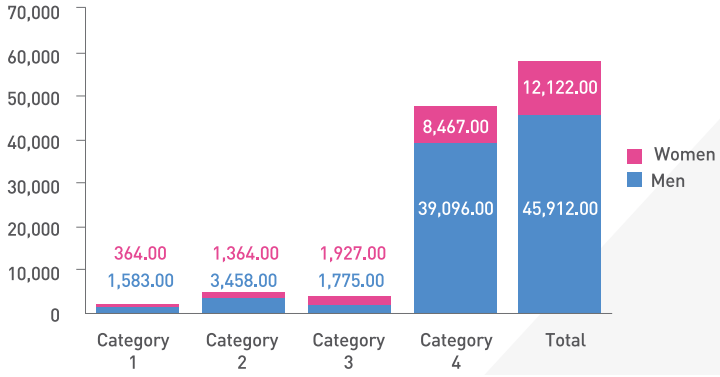
	Men					Women					
AREA	CATEGORY I	CATEGORY II	CATEGORY III	CATEGORY IV	TOTAL MEN	CATEGORY I	CATEGORY II	CATEGORY III	CATEGORY IV	TOTAL WOMEN	TOTAL TRAINING HOURS
INDUSTRIAL WASTE	211	2,545	1,956	1,290	**6,002**	170	2,174	37	356	**2,737**	8,739
WATER MANAGEMENT	4,574	16,342	23,732	17,270	**61,918**	331	7,604	11,218	5,850	**25,003**	86,921
CONSTRUCTION	225	42,251	603	6,493	**49,573**	82	14,806	178	44	**15,110**	64,684
URBAN WASTE UK	2,060	2,611	3,461	11,212	**19,344**	326	1,434	1,188	858	**3,806**	23,150
URBAN WASTE SPAIN	4,889	5,632	52,636	100,388	**163,544**	1,349	1,754	3,014	14,726	**20,843**	184,388
CENTRAL SERVICES	3,586	614	69	0	**4,269**	2,470	259	913	36	**3,677**	7,946
OVERALL TOTAL	**15,546**	**69,995**	**82,457**	**136,653**	**304,650**	**4,727**	**28,031**	**16,548**	**21,870**	**71,176**	**375,826**

* Cat. I: managers, department heads, heads of services and construction managers; Cat II: section chiefs, heads of negotiation, heads of workshops, higher level and mid-level graduates, and similar; Cat. III: administrative personnel, assistants and technical assistants and similar; Cat. IV: operators, junior and associates.

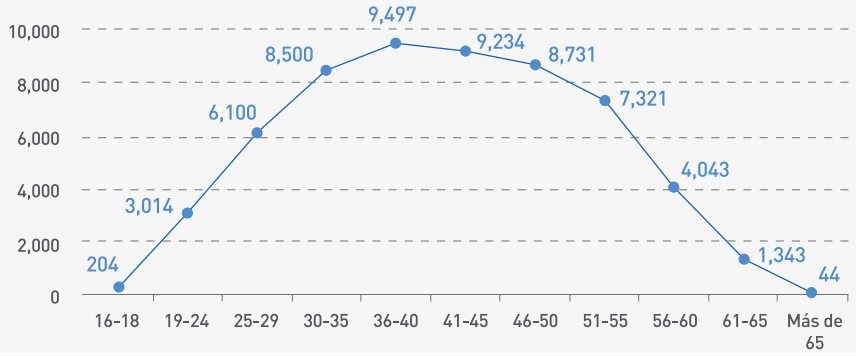
3.2.4. The team of professionals

FCC Group has a workforce of 58,034 professionals, 20.87% of whom are women. Of the total, more than 63% of the people who work for FCC are under the age of 45 and only 13.5% have a temporary contract (16.2% on permanent contracts and 70.2 % are seconded staff, mostly permanent contracts). In addition, the drop in the turnover rate should be noted, which in 2014 has been 3.10%, 0.78% less than the previous year.

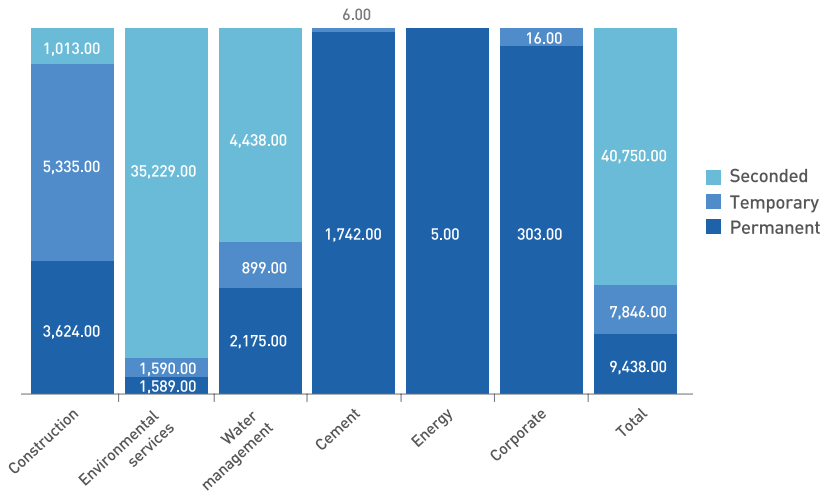
WORKFORCE BY GENDER AND PROFESSIONAL CATEGORY



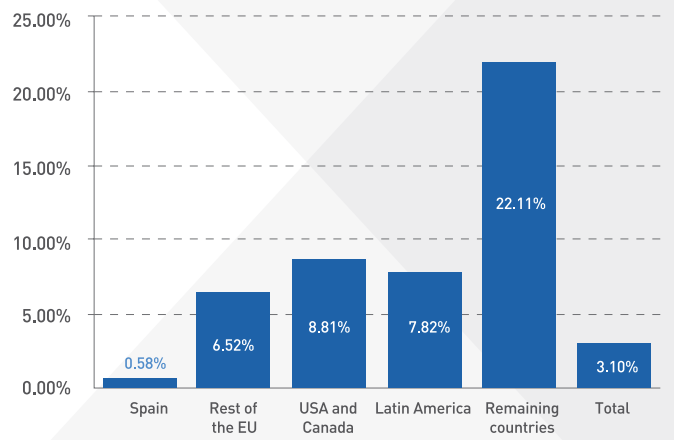
WORKFORCE BY AGE RANGE



WORKFORCE BY CONTRACT TYPE AND BUSINESS AREA



AVERAGE TURNOVER BY GEOGRAPHICAL AREA (%)



3.3. Equal opportunities and integration at FCC

3.3.1. We offer the same opportunities for employment and promotion

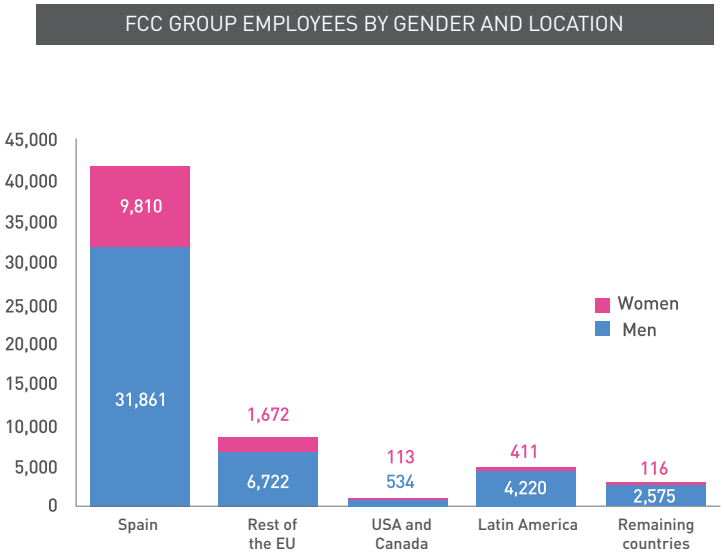
FCC Group's commitment to society is reflected in our activities. We do not allow any type of discrimination when making an employment offer or with regard to promoting people.

FCC's Equality and Diversity Policy, approved by the Steering Committee, establishes the integration of equality and diversity as central pieces in all the activities developed by the Company. The policy, like the Code of Ethics, reflects FCC's commitment to equal opportunities, promotion, respect for diversity and the eradication of all forms of discrimination or harassment.

FCC fosters an environment in which all people can do their work without fear of humiliation, harassment, intimidation, or physical or verbal aggression. The procedures are monitored and subject to review to ensure that no discrimination, whether direct or indirect, goes unpunished. The Company has a Protocol for the Prevention of Workplace Bullying and Sexual Harassment, which includes guidelines of conduct to ensure the dignity, integrity and equal treatment and opportunities for all workers, and it is compulsory. In addition it urges FCC personnel to report any situation of workplace bullying or sexual harassment through the mailbox provided for this purpose and described in the Group's Code of Ethics. The complaints received are handled in a confidential manner, and without any fear of reprisals.

FCC has designed, conducted and has available to employees, online courses on Equality, the Code of Ethics and Harassment Prevention.

The following chart shows the distribution of FCC Group employees by gender and location:



Signing of the Diversity Charter

In 2014 FCC Group signed its adhesion to the Spanish Diversity Charter, an initiative that reinforces the Company's commitment to the fundamental principles of equality, non-discrimination in the workplace, support of diversity and respect for the heterogeneity of people.

The Diversity Charter is an initiative of the Department of Justice of the European Commission to develop policies to combat discrimination. The Diversity Foundation, sponsored by the Alares Foundation, is responsible for exclusively providing this hallmark in Spain, responding to a voluntary code of commitment to support and promote the principles of inclusion of diversity and non-discrimination in the work place.

The "Proyecto Promociona" for promoting the empowerment of women

FCC has with two places in the prestigious "Proyecto Promociona" programme, for the promotion of women to positions of senior management and boards of directors, as well as two members of the Company's management in the Individual Mentoring programme, for participation as mentors to other participants. "Proyecto Promociona" is a programme run with Norwegian funds within the framework of the European Economic Area, coordinated and co-financed by CEOE, with the participation of the Ministry of Health, Social Services and Equality (MSSSI in Spanish) and the collaboration of the ESADE Business School.

Support for the empowerment of women in developing countries

In its commitment to helping the disadvantaged and in striving for greater equality, FCC has launched a course in dressmaking for the women of the communities surrounding the town of La Cantera Valdeza in Panama, in collaboration with the National Institute of Vocational Training for Human Development (INADEH in Spanish).

Furthermore, it has participated in programmes run by the "Women for Africa Foundation" in Liberia and in Monrovia, finalizing the architectural project and the construction of a hospital care centre to meet the needs of mothers with problems arising from giving birth.

Internal communication, a key element in raising equality awareness

During 2014, and in line with other years, the different campaigns for equality and the fight against gender-based violence can be highlighted. In particular the campaign carried out for International Women's Day held on 25th of November 2014. The first consists of a global campaign, translated into 14 languages, which has had significant publicity consisting of photographic exhibitions, articles in the internal magazine, posters and information on totems, and even a health campaign for women. The second, entitled "Daisy doesn't like me", consisted of posters and a video distributed via the Intranet, the internal bulletin, and the website, in which the petals are pulled off a flower with the most painful messages associated with gender-based violence, inviting the personnel of the Company to send positive messages to rebuild the daisy in a more positive light. The campaign was a success, receiving more positive messages. The campaign was awarded by the XXXIII edition of the awards for the best 100 Ideas, offered by the magazine Actualidad Económica.

This year the Chairman of FCC addressed a letter to employees, through the corporate Intranet, reminding them of the need to continue to be involved in the task of achieving gender equality.

Recognition of equality management

In 2014 FCC Aqualia renewed the Equality in the Workplace seal (DIE in Spanish) that is awarded by the Ministry of Health, Social Affairs and Equality and that recognizes the application of policies of equal treatment and equal opportunities in the workplace, in organisational models as well as in other areas such as services, products and Company advertising.

CHARTER DIVERSIDAD 2014 2016

3.3.2. Promoting women's rights, freedom and leadership

The equality plans, as an ordered set of measures for achieving equal treatment and opportunities between women and men and the elimination of gender discrimination within the Company, promote the implementation of measures that allow objectives to be achieved that are established in matters such as access to employment, promotion and training, employee benefits, commitment to preventing gender violence, work, personal and family conciliation, and shared responsibility between men and women, occupational health and communication, as well as the prevention of sexual and gender harassment. As of 31 December 2014, the Group has equality plans associated with Fomento de Construcciones y Contratas, S.A.; FCC Construcción; FCC Aqualia; Cementos Portland Valderrivas and FCC Infraestructuras Industriales y Energéticas. In addition it is important to highlight the fact that the companies in the Group that have fewer than 250 workers (and therefore have no legal obligation to subscribe to equality plans) are also covered by an equality plan (the parent Company or head of the area to which they belong).

FCC women represent 20.87% of the total workforce of the Company, and women's leadership is very much present in the running of the Company, with a significant commitment to further increase the number of women in positions of responsibility. In 2014 five women were members of the Board of Directors,

representing 31%, and the percentage of women members of various steering committees has reached 34%.

As mentioned in the Section on Commitment to Good Governance, in November 2014 a collaboration agreement was signed between the Ministry of Health, Social Services and Equality and FCC, to promote the balanced participation of women and men on boards of directors, a commitment signed by the chairman, Ms Esther Alcocer Koplowitz, with the support of the Steering Committee. Also entered into by the Human Resources department was the collaboration agreement between the Ministry and FCC S.A., FCC Construcción and FCC Aqualia, for the adoption of measures to increase the presence of women in managerial positions and on steering committees.



With the signing of these agreements, FCC commits, among other measures, to the following:

- Promote equality, merit and the ability of women in the processes of internal training, staff selection and promotion, encouraging a more balanced presence of women and men.
- Establish organisation measures and flexibility of work time, promoting its use by both men and women.

During the year a number of courses aimed at the female leadership have been carried out in FCC Aqualia and FCC S.A., these courses relate to HR management as well as the proper talent management of women in positions of responsibility.

FCC's commitment is also very present in the fight against gender-based violence. FCC is part of the network entitled "Businesses for a society free of gender-based violence", it has been a signatory of the collaboration agreement to promote awareness against gender-based violence and the employability of the victims, since 2010, with the Ministry of Health, Social Services and Equality, and in 2014 it renewed its commitment by signing the Companies' Statement promoted by the Ministry.

FCC's commitment to the fight against gender-based violence can be summarized in two principles:

- Zero tolerance to this kind of practice.
- Favouring social and professional integration of these women in our society.

In this commitment to integration in the workplace, the Group collaborates with the Integra Foundation, a third sector organisation for the labour insertion of groups with difficulties, with FCC specifically focusing its efforts on the insertion of female victims of gender-based violence. Since 2011 86 people have been hired by FCC through the Integra Foundation, of which 69, 80 %, were women that have been victims of gender-based violence.

Another example of the Company's commitment in this area, is the collaboration of FCC with the Spanish Red Cross, in its C.R.E. Employment Plan, aimed at improving employment opportunities, encouraging autonomy and equipping them with the necessary resources to achieve full social integration and employment.

International Day for the Irradiation of Violence against Women

On the occasion of the commemoration of the International Day for the Irradiation of Violence against Women, during 2014, FCC Group carried out the campaign entitled 'Daisy doesn't like me', in which the people of FCC created a giant daisy with hundreds of messages written on its petals.

In addition, 500 natural daisies were distributed in the headquarters where the campaign was developed, as well as 1,000 badges supporting the campaign of the Ministry of Health, Social Services and Equality, and 500 leaflets were distributed, as part of the advertising campaign, at several of the Company's centres.



For the campaign, banners were produced for the Intranet (FCCnet and FCCone), in Spanish and in English, and a photocall was placed depicting the daisy with its petals being removed and posters and banners were placed in the main area where the campaign was on show and three videos were produced, in which messages were collected against gender-based violence, a memorandum was prepared of all campaigns against internal and external gender-based violence of the past years which contained positive messages from all the people who make up FCC in countries where the Group has a presence.

To raise awareness about the campaign, those responsible for it conducted a series of actions. Among the actions carried out was the sending of emails to the entire workforce, the development of news on FCC's website and Intranet, the publication of an article in FCC's magazine "Red de Comunicación", published on the Intranet and on the website, the sending of press releases to digital newspapers linked to Corporate Social Responsibility, the placing of totem poles in the Company's headquarters at Las Tablas (Madrid), and finally the publication of content on social-media networks in which the Group has a presence.

FCC Aqualia "con ell@s" (supporting these women)

During the week prior to the International Day Against Gender Violence, the Aqualia Division carried out the "I'm with you" campaign, which closed with the participation of 120 employees and whose objective was to raise awareness about the massive impact of gender-based violence.

The initiative was developed for the first time on Twitter, with the hashtag #FCCAqualiadiceNOalaViolenciadeGenero, and was widely covered by various media and websites in the Human Resources, CSR sectors as well the water sector itself.

Thanks to this dissemination, the hashtag #FCCAqualiadiceNOalaViolenciadeGénero recorded nearly one hundred messages during the days in which it was in force.

3.3.3. Committed to the integration of persons with disabilities

FCC has been developing the integration of persons with disabilities, addressing mainly the sphere of work, understanding the need of every person and providing channels of professional and human development, as well as understanding that employment is one of the main ways to achieve proper integration of all people, it being the ideal environment for the promotion of diversity and cohesion.

For years we have been working with specialized and professional entities that help us in the management of recruitment, hiring and monitoring of persons with disabilities that are incorporated into the organisation, adapting the work posts to the professional profile of the workers and facilitating a standardised integration programme within the Company.

In 2014 we renewed our commitment with the reference entity, the Once Foundation, in the Inserta Agreement, within the framework of the talent programme for the training and employment of persons with disabilities, which is co-financed by the

European Social Fund. Based on this agreement, FCC has made a commitment to incorporate 125 persons with disabilities into the Citizen Services Company over the next three years.

With the Once Foundation, on the 3rd December 2014 we celebrated the International Day of Persons with Disabilities, with an information campaign and an event at FCC headquarters in Madrid, Las Tablas, with representatives of the general management of the Company and representatives from the Inserta Programme, where the progress being made with regard to workplace integration of persons with disabilities in society and in the Company were presented.

This real commitment from the Company to integration and inclusion in the field of employment has meant that in 2014 FCC Equal CEE was created, dedicated entirely to the management and implementation of Special Employment Centres and to the presentation of auxiliary services for people with disabilities. It currently has 11 employees and it is a project that has been promoted by the environment division, with the chairman, the general manager, the area management and Human Resources all getting involved on a personal level.

The value that FCC can provide, in addition to recruitment, has been in subsidising projects that help and promote social and employment integration (training courses, workshops, assistance, etc.) with the aid of the Adecco Foundation, the Integra Foundation and the Prevent Foundation, participating specifically with the latter in the project entitled "Entrepreneurs classroom", aimed at entrepreneurs with disabilities for the start-up or acceleration of a recently conceived business initiative.

At FCC we believe that beyond the management of legislation, ethics and social commitment, there are employment and economic reasons for the effective handling of diversity and disabled persons. Its good management directly affects the efficiency and competitiveness of the Company and the individuals who belong to it, and there are huge business and personal benefits that make the investment worthwhile.

3.4. We care for people, and their health and safety

Occupational health and safety for FCC constitutes a priority objective in addition to being an important commitment. The constant interest and the provision of human and technical resources that have been provided, with strong support from the General Management and the Board of Directors, a signatory to the policy for the Prevention of Occupational Hazards, guarantees the strength and positive evolution of the results, and makes safety, health, well-being, protection and confidence, primary values for the people and the Company itself. In addition, the work that we have been developing in the areas of safety, health and welfare has helped distinguish FCC Group companies, both in terms of results, in comparison with other companies in the same sectors, as well as noteworthy participation, and achieving external recognition.



3.4.1. Preparing a "safe" path

FCC has a multidisciplinary and versatile team, specialising in the management of occupational health and safety, which covers matters regarding all people working in the organisation, and that are in direct contact with those that undertake the work and their needs, as well as providing them with the necessary protection for the performance of their duties.

The risk prevention strategy extends to all activities of FCC Group and in all countries where it operates, and is governed by the criteria and International OHSAS standard 18001, the certification covers almost 90% of the workforce. The adaptation of the Policy,

Strategy, and the Health and Safety Manual, to the management systems of each of the Divisions of the Group allows the necessary homogeneity and an adjustment to the peculiarities of the various activities and organisations, which have been progressively expanding the certification.

In 2014, the Group boosted its commitment to continuous improvement, monitoring and control, with the auditing entity SGS, which is responsible for regulatory audits for the prevention of occupational risks and certification, and will mark a milestone on FCC's path towards excellence in management: in 2014, the FCC Construcción division consolidated much of its international business in Latin America and the Middle East, and was certified according to OHSAS 18001 in countries such Mexico, Panama, Colombia, Chile and Abu Dhabi, with scope for the development of construction projects, civil works, and energy and industrial activities.

This year it also launched, together with IT (Information Technology), the second version of the transaction to obtain data on absenteeism (occupational accidents and common illness) using the Incorpora tool (HR information system), by providing higher accuracy and reliability to the data on accidents and absenteeism in the different organisational divisions of the Company, therefore facilitating control, monitoring and decision-making.

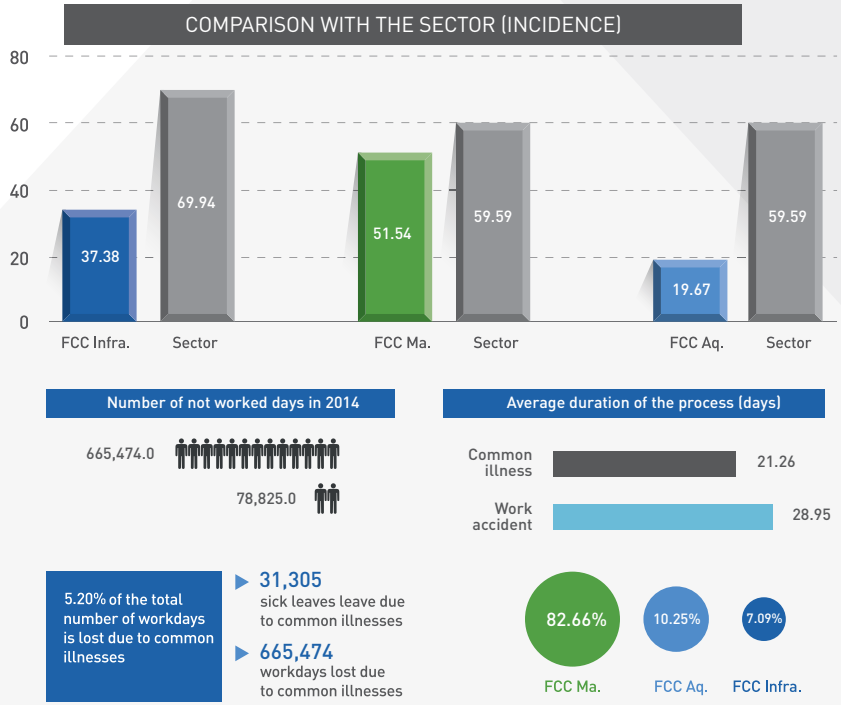
"0 Accidents": objective and horizon of the preventive management of FCC

Although the goal of zero accidents was fulfilled in some of the work centres and companies, FCC Group continues to work to achieve this in all the work centres where it operates. The types of accidents in general terms are mainly caused by falls, tripping, sprains and slips (32%), followed by overexertion (25%) and knocks (18%), and a 16% reduction of road accidents from 2013 to 2014 of should be noted. This reduction is in accordance with the lines of action of the Road Safety Strategic Plan and the commitment of the business divisions to reduce road accidents and road accident victims, as a result of all the work being carried out in the field of education and driver training; with awareness campaigns, including inspection plans, route management and vehicle fleets, as well as mobility, safety and sustainable itself.

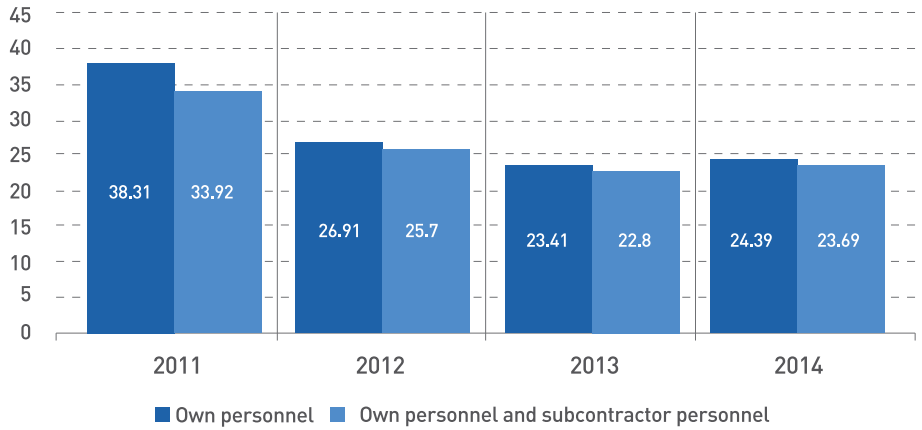
Our teams are highly trained, skilled and educated, and know the value of education, information, instruction and training in occupational safety, in risk perception, prevention, and road safety, as well as the specific risks inherent to a particular post. In 2014 the training needs were covered with an investment of around one and a half million euros (€1,434,393) for a total of 110,343 hours of training in the prevention of occupational risks, to almost 15,000 participants.

Main accident rate indicators in 20144

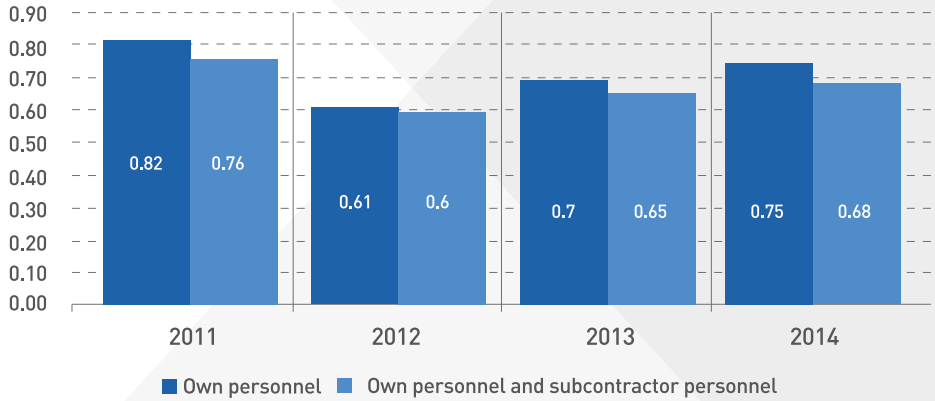
With respect to the previous year, the frequency rates and incidence rates have increased by 4% and 1% respectively. For the latter, however, the main divisions of FCC are in an advantageous position compared to the other companies in its sector. Also the severity rate and the rate of absenteeism have increased by 5% and 2% respectively. Some of the main indicators relating to FCC Group's accident rates are presented below:



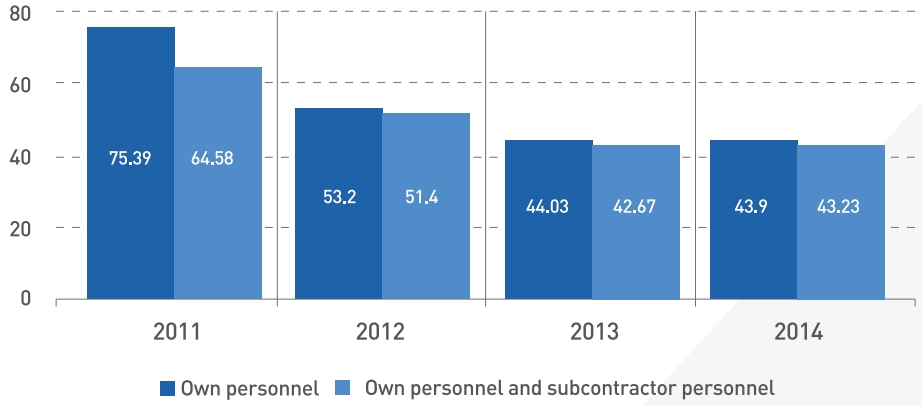
FREQUENCY INDEX



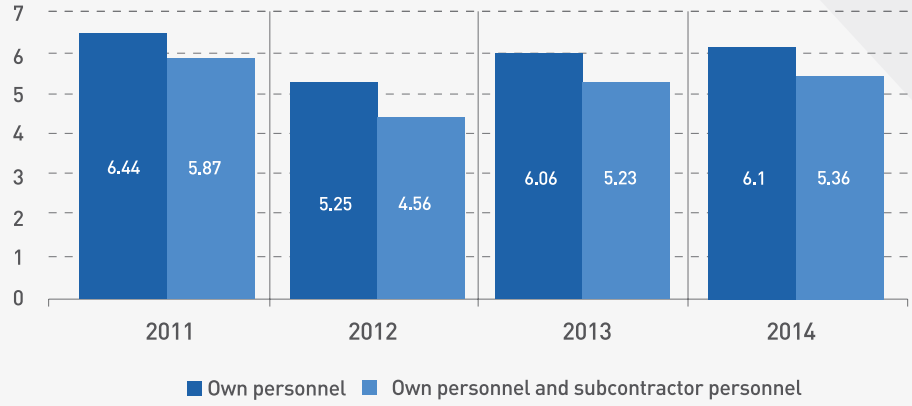
SEVERITY RATE



INCIDENCE RATE



RATE OF ABSENTEEISM





3.4.2. Health and welfare, value for employees and their families

After several years working in the promotion of healthy environments and prevention of illness, in the Occupational Health and Safety week held at FCC in April 2014, the global strategy was launched, FCC a Healthy Company, with a holistic approach and an approach that gives a business, legal and ethical response to the needs of the Company and its employees. Based on this strategy, all the activities to stimulate and promote occupational welfare are included, promoting the participation and development of all the people of interest to the Company.

Achieving a healthy Company from a comprehensive, holistic perspective with healthy, motivated, involved and prepared employees is our investment in the future, individually and collectively, an investment in addition to performance, productivity and a good working environment.

Following the line to continue contributing value to employees, their families and the communities where we work, we are going beyond our responsibility to maintain safety in the working environment, by generating and promoting spaces, knowledge and habits that encourage a healthy life in terms of physical, mental, emotional and social well-being, and therefore we are encouraging physical exercise, healthy nutrition, proper rest, health care, and the promotion of culture.

Initiatives aimed at promoting health

Throughout 2014 countless activities and campaigns were launched in the different business areas, activities and countries where FCC operates, and various tools and programmes were generated that include the development of these actions and the promotion of participation and awareness of all members of the Company.

In 2014, the Sports' Social Network was launched, a space to encourage sport and physical activity, with events, challenges and the exchange of information, a platform where FCC employees can share, create and participate in a more healthy and active life. Football and paddle tennis leagues have been set up, as well as races and running groups, and information has been shared to support events and sporting activities such as skiing, or handball.

Parameters were also set up for promoting a healthier diet, incorporating healthier products in vending machines as well as using criteria based on the NAOS Strategy (Strategy for Nutrition, Physical Activity and Obesity prevention) in the procurement of hotel and catering services.

Our own Medical Services have led numerous campaigns and initiatives for prevention of, and information on, illness and health promotion, giving personalized attention in addition to detection, monitoring and treatment of different illnesses, with its work playing a key role in variables such as absenteeism and disabilities, linked to health and the personal and working environment.

Some of the most significant and extended programmes were the fight against the abuse of and addiction to harmful substances such as tobacco (treatment has been provided in more than 40 cases), drugs or alcohol (with specific prevention and detoxification programmes); health care with specific campaigns on cardiovascular disease, blood pressure, cancer and obesity; different vaccination programmes (for example, around 1,800 flu vaccines were given in Spain) and medical examinations have been promoted as well as the publication of more information on their work and conviction to ensure a working and personal environment that prevents illness and promotes health.

Given that the circumstances are not the same in all countries, the campaigns will vary depending on the headquarters, and in different geographical areas the vaccination against hepatitis, tetanus or typhus has been promoted; specific information programmes have been generated for AH1N1 influenza, malaria, AIDS and Ebola; campaigns have been created to foster habits of personal and postural hygiene and programmes of how to act in the case of emergencies or severe weather and extreme temperatures.

Unwavering commitment to being a Healthy Company

Since 2014 FCC, a Healthy Company, is a reality inspired to improve the safety, health and welfare of the people who work at FCC, and that have an impact on companies and communities where we offer our services, with sustainable, responsible and effective management. In addition we have formalized our unwavering commitment to adherence to the Luxembourg Declaration; our participation as a partner of the campaign of the European Agency for Health and Safety at Work 2014-2015, "healthy jobs, managing stress", and some of the branch offices in Spain have now been certified or are preparing to be certified (in the area of environment, the Catalonia II MA branch office was the first to obtain the certification by AENOR as a Healthy Company).



3.4.3. We improve by sharing and leading health and safety projects

FCC's approach is one of continuous improvement through learning and experience. The rationale is to share knowledge, learn from accidents, measures, and results that are being achieved, and participate in groups and teams that are involved in reaching new proposals to improve the protection, safety, health, welfare and integrity of people.

Communication is a very important element of internal management and in making people aware of achievements. For this, different media for the dissemination of information and knowledge are used. One of them is the FCC Bulletin (Red de Comunicación), in which in addition to having a special section called "welfare", where we publish the news related to occupational health and safety, we talk about topics related to the management of the Company.

The Group also has an Intranet and a few specific portals on safety, health, occupational risk prevention, and road safety, which in addition to providing information, offer specialised documentation and a programme of activities. In addition, the Group offers its employees the email address direccionprl@fcc.es and the communication channel for serious accidents.

Promotion, collaboration and health and safety awards

FCC continues to be actively engaged in the promotion and dissemination of a health and safety culture, in addition to encouraging good practices, and it continues to implement various initiatives that promote good habits among its professionals:

- Presentation of awards, prizes and promotional events: in 2014 the awards were presented at the second edition of FCC's Health and Safety awards and FCC Environment's ABCD Awards. Furthermore, in 2014 both Cementos Portland Valderrivas and Aqualia were awarded by Asepeyo for their excellence in preventive work and for the best preventive practice for risk control, respectively.
- Participation in conferences, fairs, seminars or relevant working groups: it is important to highlight the dissemination of experience regarding a healthy Company, as well as road safety, on panels and events organised by prestigious external entities such as the Mapfre Foundation, FESVIAL, the

National Institute for Occupational Health and Safety, and the Panama Canal Authority.

- Publication of articles on health, job safety and road safety, in addition to the launch of awareness campaigns and information about back care, eye care, fatigue, health care and illness prevention. The campaigns highlighted are the "Five Minutes of Safety", the "Million Steps" or the "Healthy Tapas Competition".
- Conducting interviews with distinguished staff for their work in the area of peoples' health and safety.
- Sporting events, meetings and healthy practices.
- Actions directed towards the families of the professionals of the Company to promote health and safety. The second Conference on Road Safety for families in the Road Safety Park in Alcobendas.

Celebration of the Second Road Safety Day for Children

2014 saw the celebration of the second road safety day for children, which falls within the collaboration agreement to promote actions that encourage safety and road user education, inside and outside the Company that FCC maintains with the Municipality of Alcobendas. The meeting brought together family members of the professionals of FCC Group in Madrid.



The aim of this day was to transmit and raise awareness for both young and old on the importance of maintaining a safe attitude and behaviour when driving on the road.

The day consisted of initial training for the boys and girls in attendance, in the classroom of the facilities, instilling them with basic knowledge of signs, fundamental rules for riding bicycles, and safe conduct as travellers. The theory class gave way to karting on the track, led by the local police of Alcobendas, who are responsible for the management of the Park.

Also the adults received a training session on theoretical and practical elements of vehicle safety and safe driving.

This day, which once again was a success in terms of participation, covered the activities that FCC is implementing in its commitment to road safety: to reduce road accidents and promote road safety as a basic principle for the fulfilment of this objective.

Furthermore, FCC continues to be actively engaged in the promotion and dissemination of the culture of health and safety of good practices, sharing knowledge in this field in various forums, organisations and associations:

- AESPLA (Spanish Association of Occupational Risk Prevention Services).
- CEOE commission for the Prevention of Occupational Risks and Social Security.
- SEOPAN commission for the Prevention of Occupational Risks and Social Security.
- R&D&i Project for PRECOIL risk prevention (Intelligent Collective Protection in Dynamic Environments of Lineal Infrastructures).
- DISEV, a working group on safety promoted by the State Traffic Department (DGT) and organized by FESVIAL and PESI.
- FCC Aqualia's participation in the health and safety group of the Association of Water Management Companies (A.G.A) which occupies the presidency.
- FCC Construcción's participation in the Health and Safety Commission of FIEC (Federation of European Construction Industries), also occupying the presidency.

Health and Safety at Work Week 2014

Within the framework of the "Healthy Company" project, and coinciding with the Health and Safety at Work Day, and the European Week for Occupational Health and Safety, FCC organised its first Health and Safety at Work Week on the 28, 29 and 30 of April. The objective of this initiative was to promote the prevention of work-related accidents and occupational illnesses, as well as to encourage safe and healthy habits among FCC staff and the dissemination of the preventive corporate culture within the Company.

During these days, and in collaboration with various institutions, companies and professional bodies specialising in the field of health and safety, different events in different corporate centres were held, including:

- Conferences with experts on healthy lifestyles, health and sport.
- Training and informative sessions on topics related to road safety and health promotion, such as visual or postural health and wellbeing.
- Activities with suppliers for the promotion of benefits that employees can take advantage of. Among these activities were eye examinations and activities relating to physical and sports' advice.

The programme of activities was conducted in the centres at Las Tablas, Federico Salmón, Servicios Médicos Madrid, in Acanto and Hormigueras, and in various Medical Services departments of the Group.

More than 400 people participated in the schedule of activities and more than 2,000 people received information from the various campaigns and from FCC's healthy Company project.

Outstanding initiatives of the week

During the week the "step-by-step" programme was launched, the goal of which is to promote physical activity, in particular the use of the stairs instead of lifts. This initiative is part of the Strategy for the Promotion of Health and Illness Prevention of the Ministry of Health, Social Services and Equality. In this sense, FCC stands out as the first Spanish company to promote this campaign organised by the Ministry, supported by the WHO.

Various business areas presented good health and safety practices already implemented in different work centres and an opening lecture on the importance of physical activity for ageing workers, with the participation of the Sports Council. As a complement to all of the above, there were also training and informative lectures, practical sessions and the DIS-FRUIT Initiative: a piece of fruit in exchange for a healthy idea. FCC distributed more than 100 kilos of different fruit at their corporate buildings in exchange for 128 healthy ideas that were collected from among the participants.

One prominent initiative of the week was the launch of the "Healthy Menu" activity, carried out in the dining room at the Federico Salmón centre, where information and advice is given on the benefits of a balanced diet and guides were distributed by the MAPFRE Foundation on healthy eating.



4. EXTENDING FCC'S PRINCIPLES ALONG THE SUPPLY CHAIN

A management model that ensures transparency, competitiveness and objectivity

The centralization of the procurement system in the FCC group enables the application of the basic guidelines contained in the Group procurement policy, as well as its uniform management across the Group, guaranteeing FCC's basic principles in procurement, which are that of transparency, competitiveness and objectivity.

This model has three headings for business purchases, in order to take advantage of, in the most efficient way, synergies by economies of scale, generating healthy competition among suppliers, and facilitating the implementation and follow-up of the agreements made in the relationship with suppliers.

Reliability of the procurement model

In 2014 FCC revalidated its procurement management model with UNE - CWA 15869 certification in Added Value Purchasing Management, which promotes and certifies excellence in procurement management.

The fundamentals of the procurement model are set out in the Procurement Policy and in the internal procedures to ensure that the processes are carried out with due diligence and to guarantee the most optimal implementation of the regulation from the point of view of the resources and requirements of the business:

- The segregation of duties, and the definition of responsibilities, with supplementary and independent figures to oversee the implementation of the principles of the policy and procedures, encouraging team work at all times.
- Decision-making is carried out jointly and in consensus through the Procurement Committee, which analyses all offers and helps to make the decision regarding the best offer, according to the economic criteria of quality and reliability.
- Those responsible for decision-making should be objective, and the incentives of the decision makers shall be in line with the results.
- It is a traceable, transparent and auditable process from start to finish. The procurement processes are performed in a documented and justified manner, making use of the electronic tools available at Central Services and in the process of being implemented in all shopping centres throughout the world.
- The centralized model does not allow restrictions, promoting competition and competitiveness of suppliers.
- Compliance with principles and applicable regulations, ensuring the conditions of the contracts awarded are adhered to at all times.
- The handling of data and information is carried out so as to ensure confidentiality.
- All orders arising from awards are issued or validated by the central purchasing department, which favours compliance with the agreements reached with suppliers.
- Purchasing activity elaborates a periodic report which is sent to Management.

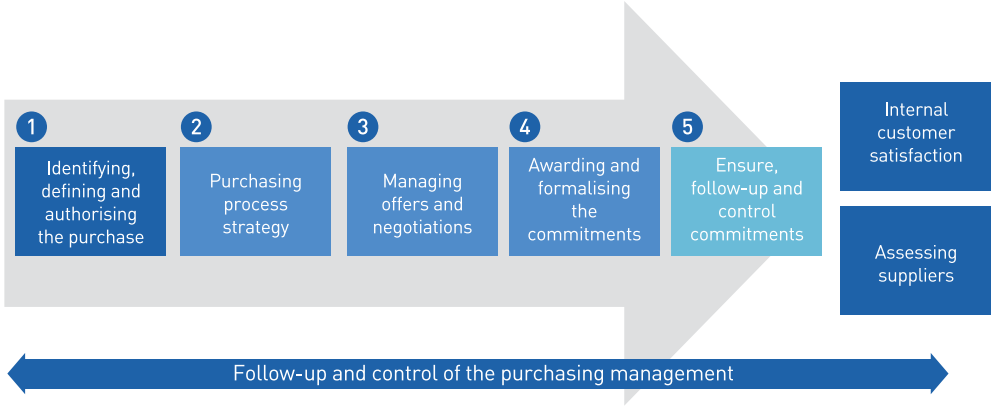
Responsibilities and objectives in supply chain management

The different departments that make up the procurement function at FCC share a number of quality objectives in the management of the purchasing process:

- Total cost. Centralized management allows the bringing together of needs and negotiations to be carried out from a strategic and privileged position, making it possible for the Company to generate savings in the procurement process, while avoiding a number of risks that could result from the wrong choice of supplier.
- Internal customer satisfaction. The end result of choice of supplier and purchase must meet the needs of the end user department of that purchase, and must adequately solve the need. In this sense, understanding end-user satisfaction helps to provide guidance to those responsible for purchases with respect to issues to which more attention should be given in future purchases.
- Supplier quality. Centralized management and compliance with the foundations of the model ensure the quality of the contracted suppliers is maintained and kept to the highest standards, helping to improve the service received and the satisfaction of the internal customer.

A solid process with well-defined responsibilities

The procurement process is structured into five different steps in which each of the areas of the Purchasing Department participate (sourcing, provisioning, and processes).



The Purchasing Department is present throughout the purchasing process, carrying out monitoring and management control of same. Coordination with the Procurement Committee is the responsibility of the department, having the purpose of ensuring compliance with the principles of the model and of the regulations, ensuring unanimity in decision-making.

For its part, the department of Sourcing leads and coordinates the negotiation processes of the purchases once it has been authorised. It is the responsibility of the department to review the purchase order and request further details if deemed necessary, in order to request offers that are better focused to the needs of the user units. The sourcing team analyses the offers received, by reviewing all aspects (economic, commercial and technical) and proposes a negotiation and award strategy to members of the Procurement Committee.

In the case of the department of Provisioning and Procurement Control, among its functions is the coordination, management and planning of the requests for issuance of purchase orders; the periodic monitoring of budgetary control, providing information to the manager of the purchase or the unit managing the cost; and monitoring and controlling compliance with commitments made to suppliers.

The evaluation of suppliers is performed by the Purchasing Department, categorizing the suppliers according to the product portfolio of the three heads of the Group. This department is also responsible for the evaluation and monitoring of internal customer satisfaction with the management of the purchases.

International purchasing and responsible commitment

FCC Group aims to implement the current electronic management tool for purchases in all operations and geographical areas so that the coverage of the system spans across all operations of the Group.

In advance, FCC has already made purchases for projects in Latin America following the centralized purchasing model, and policy guidelines. An example of this is the development of the purchasing Hub for the work in the Hospital Complex, Panama, during 2014.

For the identification of risks associated with the supply chain, FCC Group is conducting an analysis of expenditure and criticality, which will allow it to identify on the one hand, the risk in issues beyond purely economic risks (social or environmental), and on the other hand, it will be the basis for a diagnosis of the degree of compliance of the suppliers with FCC's principles. The Company has a clause that obliges suppliers of the Group to declare their knowledge and commitment to the ethical code. All contracts have this clause attached, among other documents.

In addition, the Group will provide training to suppliers in the use of the electronic procurement management tool, as an objective for 2015.



V. SMART SERVICES

Key players in the development of urban communities of the future

FCC Group has developed its entire business career along the lines of providing essential services to urban communities, from the construction of infrastructure, to the cleaning and waste management of cities, and integrated water cycle management. The diversity of activities has in common the vocation to build and participate in the urban communities of the future, it is therefore considered important to know and be ahead of the trends that will shape them. The drive for innovation is what makes it possible to improve the supply of services by adapting to the new needs of cities. The fight against climate change from double alignment (mitigation and adaptation) is an opportunity for efficiency and new activities for the Group's business. On the other hand, the development of an environmentally responsible activity is present in the day-to-day business, from project design to implementation and management.

Content

1. Sustainable Citizen Services
2. Promoting innovation at FCC
3. FCC against Climate Change
4. Environmental management at FCC

1. SUSTAINABLE CITIZEN SERVICES

Given the growing increase in the population of urban centres, the municipal authorities are increasingly more involved in the well-being of their communities, improving the efficiency of their infrastructure and services and making their cities more habitable. For FCC Group, people form an essential element of the area, which comprises policy-makers and private companies contracted by local governments. As a Citizen Services company, the major focus of the entire activity of the Group is on the citizens.

Milestones in 2014

- Development by FCC Aqualia of projects such as IISIS, Remembrane, Alegría, Elan Trainasa, from the perspective of developing innovative and efficient systems in the treatment, desalination and purification of water.
- FCC Construcción's participation in the IISIS project, from the perspective of the development of elements, materials, technologies and systems required for achieving sustainable construction.
- Sponsorship of the study entitled "Perspectives on urban infrastructures 2015", performed by The Economist.
- Participation in numerous forums and conferences to promote the design of the cities of the future.

Challenges in 2015

- Promoting dialogues with cities with the aim of understanding the priorities of municipalities and giving a better response through FCC services in collaboration with other organisations (universities, research centres, etc.).
- Continuation of the "Eco-City trends" sustainability Observatory, in collaboration with the Rey Juan Carlos University in Madrid, and the London School of Economics and Political Science.

1.1. A changing urban environment

To be habitable, all the cities of the world will have to contend with a series of challenges posed by demographic, economic, environmental and social changes. FCC Group offers its quality citizen services and establishes channels of communication with the urban communities in order to promote good practices that help the cities meet these challenges.

For 2050 it is expected that cities will represent 80% of the world population. Their political weight will be enormous, as well as the management of their public resources. The transparency and efficiency in the management of these resources, as well as the public-private partnership will be crucial in order to be able to provide quality public services.

CHALLENGES FOR FUTURE CITIES

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 Group's response to citizen demands

The FCC's services activities include the treatment of municipal solid waste, the management of parks and gardens, urban sanitation, industrial waste management, integrated water and infrastructure management.

FCC understands that the complementarity of its services, and its specialization in the areas of work, provides the solutions to the complex challenges that the cities of the present and the future pose. A supply of reliable and comprehensive services, for a healthy environment and for the quality of life of citizens.

Citizen Services means putting the focus on the end-user of the services developed by the Company, and sharing the willingness to contribute to the creation of social, economic and environmentally sustainable communities.

The commitment to citizen services also entails the Group's commitment to integrate sustainable development and corporate responsibility in their way of doing business. The Company understands that their responsibility also includes helping to raise awareness among citizens about the importance of sustainable development, a key factor in the prosperity and development of societies in the decades ahead.

1.2.1. Trends and social expectations observatory: Eco-Cities Project

During 2014 work was carried out in conjunction with the Rey Juan Carlos University in the creation of an observatory on eco-efficient services in cities.

The objective of the project is to identify the big challenges that will confront the cities of the future in areas such as infrastructure, waste management, power consumption and energy efficiency, water use and sustainability, among others.

The agreement has a planned duration of two years, after which a report will be produced with a view to the year 2020. The project has benefited from the collaboration of the London School of Economics.

The study seeks a dual purpose:

a) Allowing the possibility of targeting FCC's business strategies a citizen services group in the design of products and services tailored to the needs of future cities, as well as the trends and public perception of the critical aspects of FCC's priority lines of business, which will be studied: Infrastructure, Environmental Services and Water.
b) To be a national and European academic benchmark, regarding the study of the Smart Cities from their sociological perspective.

In short, the findings of the report will make it possible to make decisions and adopt strategies on the basis of previously contrasted data and evidence, so that services can be designed and goals establish that are tailored to the needs of the cities of the future.

1.2.2. Smart Water Project

Every city interferes with the water cycle in very different ways. The Smart Cities, exploit and develop technology for efficiency and for improving the well-being and quality of life of their citizens. In Santander the initiative entitled "Smart Water: the Intelligent Management of Water Services through New Technologies" was launched, with the purpose of creating a smart service for water management in urban environments where the citizen can participate in management via their tablet, PC or smart phone.

The Smart Water Project, promoted by Santander City Council, FCC Aqualia and the University of Cantabria, allows improving data collection from meters and other sensors within the water network with the view to using them for efficient water management and for providing information to citizens, and improving the service offered

The Smart Water Project allows citizens to access a mobile application through which they are able to see their consumption in real time, be alerted or informed of any incident in the service, detect fraud, optimize energy management, access news on the subject of sanitation and, in addition to monitor sanitation networks to detect possible overflows.

The Smart Water application is already operational in the Nueva Montaña region of Santander, and it is planned to be working in other areas of the city soon.

In a further step toward the smart management of public services, FCC's Water Management division, FCC Aqualia, is implementing revolutionary solutions in Santander for water management through the pioneering project in Europe "Smart Water, Smart Citizens", focusing on the "no-ditch" technology for the rehabilitation of large-diameter supply pipelines, since this represents an environmental and people friendly solution.



Perspectives on urban infrastructure 2015. The Economist

FCC has sponsored the study entitled "Perspectives on urban infrastructure 2015" that the Economist Intelligence Unit (EIU) has developed in 2014 on trends in infrastructure and citizen services. The prestigious weekly magazine The Economist investigated the management of 400 responsible politicians and businessmen, and interviewed leaders of the industrial sector in order to obtain information about the current situation of the urban infrastructure. The report studies the relationship between city leaders, urban service providers, and citizens in the short and medium term.

Highlighted among the conclusions of the report is the need for greater investment in urban services and infrastructure over the next five years, for the maintenance of satisfactory levels of service; the necessary relationship and collaboration between the public and private sectors, and the lack of funds that the municipal leaders face as one of the major difficulties.

1.2.3. Leadership and presence in forums

The objective of this line of work is to share knowledge, and disseminate and publicise information and lessons learned from the daily work of the Group's business, as well as from the research activities carried out. The Group's commitment to participation in these events and forums is to promote the progress in the design of cities of the future and to give a response from the infrastructure, water management and waste management industries. Among many others, the following should be noted:

Environmental Services	
Association of Public Cleaning Companies	FCC Medio Ambiente has participated in work meetings held with companies involved in the organisation ASELIP to deal with the new regulations on waste and climate change.
Spanish Association of Park and Garden Companies	FCC Medio Ambiente is part of ASEJA, an Employers' Association which ensures the conservation and implementation of green areas in Spain.
Spanish Association of Cleaning Companies	FCC Medio Ambiente is part of this Association and participates in its meetings.
Association of Comprehensive Maintenance and Energy Services Companies	FCC Medio Ambiente participated in the activities of the Association.
I Forum of the Green Growth Group	The objectives of the Group for Green Growth are to increase the participation of companies, share information, identify opportunities and support the Spanish presence in international forums. FCC Medio Ambiente has participated in the I Forum, promoted by the Ministry of Agriculture, Food and Environment.
Association of Recovery Plants and Selection of Municipal Packaging	FCC Medio Ambiente participated in the meetings of the Association, whose main purpose is to share experiences and knowledge in order to improve the functioning of plants, their economic balance and the rates of recycling and recovery.
Forum for Waste Energy Generators	FCC Medio Ambiente was present at the Waste Energy Generators' Forum, FGER (in Spanish), an independent organisation whose goal is the promotion of the energy production from waste and the defence of professionals and businesses interests that generate such energy.
San Sebastian Renewable Energy and Energy Efficiency Cluster	FCC Medio Ambiente joined the cluster of the City Council of San Sebastian, where all the agents and companies in the area dedicated to energy were present.
Technical Association for Waste Management and the Environment	FCC Medio Ambiente collaborated with the Association, whose purpose is to serve as a meeting point and reference for a wide range of institutions, companies and technicians from Spain and Latin America in order to facilitate the sustainable development of technologies and cleaning processes, as well as the treatment of urban waste through the optimum management of knowledge of the sector, thus giving the best response to the needs of today's society with the utmost respect for the environment.
Environmental Forum Foundation	FCC Medio Ambiente collaborated with the Foundation and participated in dialogue and collaboration with other companies, administrations and the rest of society that the foundation fosters to achieve a more sustainable model of development.
EBROPOLIS	FCC Medio Ambiente was present at the forum sponsored by EBROPOLIS to implement the strategic plan of Zaragoza and its environment.
Club meetings with the local Agenda 21 in Zaragoza	FCC Medio Ambiente participated along with other companies in the Club, focusing on working with the City Council to achieve sustainable development of the city.
Aragon Strategy on Climate Change and Clean Energy	Proposal of the Government of Aragon as a reference document for all the society of Aragon in the field of climate change and clean energy.

Integrated Water Management	
XXVVIII annual Convention and Expo ANEAS (Mérida, Mexico)	Key event and one of the main references of the water sector in Mexico. FCC Aqualia demonstrated its ability to deal with any type of hydraulic project.

4th edition of the Latin American Congress on desalination and water reuse (Santiago, Chile)	FCC actively participated in the event through its subsidiary Aqualia Infraestructuras, gold sponsor of the event.
IWA Congress 2014	FCC Aqualia was one of the companies involved in the latest edition of the International Congress of the IWA (International Water Association). The Company was actively involved in the entire technical programme. One of the 14 posters presented was awarded as the best of the 600 submitted.
II Teaching and Open Doors' day of World Water Day in Cantabria	FCC Aqualia collaborated with Santander City Council on World Water Day with a guided visit to the ETAP in Santander.
FCC Aqualia's IISIS Project, iAgua Award 2014 for Best Report	These awards are based on the scores obtained by each entity in the iAgua Ranking, prepared on the basis of a complex algorithm that measures the influence of each of the 700 entities that publish their content on the iAgua.es website.
Smart Cities & Communities, Vigo	FCC Aqualia participated in the Third Technical Conference entitled "Smart Cities & Communities". The event brought together leading companies to present their technological solutions in the field of Smart Cities.
Small and Medium Smart Cities Congress, Alcoy	FCC Aqualia participated in the "SMSC" day, Small and Medium Smart Cities, whose purpose is to be a meeting point between companies, citizens, spaces of knowledge and administrations to create opportunities for developing joint projects.
Smart City World Congress, Barcelona	The Water Division was present at the fourth edition of the Smart City World Congress, a key event in the field of smart cities and a meeting point for the public and private sectors.
ARA Day "Consolidating Sustainability in Water Companies" (Bucharest, Romania)	Aqualia New Europe, a Company owned by FCC Aqualia and the European Bank of Reconstruction and Development (EBRD), participated at the Conference, organised by the Romanian Water Association (RWA), sharing its experience with 33 regional operators in Romania and with representatives of the Spanish Embassy's Economic Office.
First European Workshop on Regulation organised by Brattle Group (Rome, Italy)	A European debating event on regulatory bodies in the water sector.
Eighth edition of the International Benchmarking Workshop (Antwerp, Belgium)	Aquajerez participated in the eighth edition of the European Benchmarking Cooperation (EBC) day, along with 48 companies from 17 countries, mainly European, along with Japan, the United States, Singapore and Russia.
2014 edition of the National Environment Congress, CONAMA, (Madrid)	This edition of CONAMA was held under the general theme "low carbon economy". Within the ambitious programme developed, the technicians of FCC Aqualia participated in two meetings that analysed the relationship between water and energy and, on the other hand, the management of water in times of crisis.

Infrastructures

IX Meeting of the infrastructure sector of Deloitte, Madrid	Meeting organised by Deloitte, OHL, Alstom and ABC to analyse the opportunities and challenges in the domestic and international markets for infrastructure, new financing trends and prospects within the concessions sector, railways, water and ports.
"International Rail Projects" day, organised by Executive Forum, Madrid	FCC Construcción participated in the "International Rail Projects" day, in which various projects were presented from the prism of different companies and agencies linked to the railway sector.
Brazil Business Summit, organised by The Economist Conferences, Paris	The conference discussed the opportunities for investment that Brazil offers, their need to develop transport infrastructure, public-private sector partnerships, and the need for the country to eliminate entry barriers to foreign companies.
ENR Global Construction Summit, New York	FCC Construcción participated in the conference entitled "Leading in a more Turbulent World", which discussed topics on the difficulties faced by companies in times of crisis, and how to overcome them, as well as future challenges for companies in the sector with a view to international projects.

ALAMYS days, 2014, Panama	FCC Construcción participated in the 19th meeting of technical committees of ALAMYS (Latin American Association of Metros and Undergrounds), which gave an explanation and presentation on operation of Line One of the Panama Metro. The projects of the lines two, three and four were also presented.
XXIV National Congress and XIII International Congress of Civil Engineering Students and professionals, held at the Pontificia Javeriana University in Colombia	FCC Construcción was present in both conferences, making a presentation on the state of the mega-project that is being developed in Colombia and a corporate video that explains the hydraulic modification of the Bogota river.
IABSE International Congress	FCC Construcción participated in the international congress of the prestigious association IABSE (International Association for Bridge and Structural Engineering). During the congress there were two presentations, in which the work on the bridge over the Danube in Vidin Calafat was presented as well as the construction work of the San Marcos viaduct in Mexico.
Occupational Health and Safety Congress organised by the Panama Canal Authority (ACP in Spanish)	In the Congress a presentation was made with the slogan "The promotion of health in the workplace", to emphasize the importance for FCC Construcción to employ healthy people and the importance of having a safe and healthy working environment.
Mexican Congress of Engineering in tunnels and on underground works 2014 (AMITOS)	The aim of the conference is to provide an opportunity to professionals, authorities, students, academics and suppliers related to the tunnels and underground works to share experiences, presenting new ideas and achievements, as well as to promote the use and interest in the development of underground space.
Ninth Convention on Liquefied Natural Gas, Barcelona	FCC Industrial demonstrated its lines of business as well as its major national and international references.
Fourth Edition of the Smart City Expo World Congress, Barcelona Institute	Key event for preparing the cities of the twenty-first century to be planned with a smarter, more efficient and sustainable vision, in order to consolidate their growth. FCC had a stand and organised various presentations.
80th anniversary of the Eduardo Torroja Construction Sciences Institute	On the occasion of the anniversary of the IETCC, several seminars and scientific meetings were organised. FCC Construcción presented the R&D&i project entitled "SETH, comprehensive system of structural monitoring of buildings based on holistic technologies".
Annual Congress of Civil Engineering Students of the University of Santa Maria la Antigua (USMA), Panama	FCC participated in this activity, whose objective is to promote the integration of students in their future field of work. The Company revealed the projects that it is developing in Panama and on a global level.
Organisation of workshops for the construction of metal and concrete bridges for Codelco, Santiago, Chile	The workshops were taught to civil engineers of the company Codelco.
1st Hispano-Korean Infrastructure Forum	Event organised by the Governments of Spain and the Republic of Korea, with the participation of the major Spanish construction companies grouped around SEOPAN, among them FCC. The Korean and Spanish builders agreed to work together in pursuit of synergies that allow the Korean companies to work together with the Spanish companies in Latin America, Europe and North America, and the Spanish companies to expand their operations in Asia and the Middle East.
Colombia Business Summit, Paris	The event brought together international executives and government officials to discuss the opportunities and challenges in this country with great potential for development. The event was attended by Miguel Jurado, chairman of FCC Construcción.

FCC Aqualia plays a leading role in the dialogue for transparent rates

FCC participated, through its FCC Aqualia division, in the first workshop on Regulation organized by the consulting firm Brattle, which marks the beginning of a European debate on regulatory bodies in the water sector with the participation of key regulators, operators and investment banks.

At the event recent regulatory experiences such as those in Portugal, Italy, Romania and Ireland were discussed and analysed. In addition, the need to know in the first place the costs of the service was stressed in order to define targets on quality and subsequently regulate prices from this time. The basic premise is that the tariff covers all operating costs and capital expenditure, as well as the necessary economic profitability.

The experience of operators was presented by representatives of ACEA, FCC Aqualia, Suez and Veolia, as well as by national associations from Romania (ARA), Italy (Federutility) and the International Water Association (IWA). FCC Aqulia demonstrated the value of management in the different territories where it operates, with special emphasis on the Spanish and Czech experiences. It also outlined the need to provide clear and transparent tariffs to include all costs.

On the part of the financial institutions there was participation from Goldman Sachs, Macquarie, Morgan Stanley, the European Investment Bank, Uncredt and the F2i fund. Despite displaying a high degree of interest in the sector, the representatives of the banks focused on the need to increase the legal guarantee in their operations.

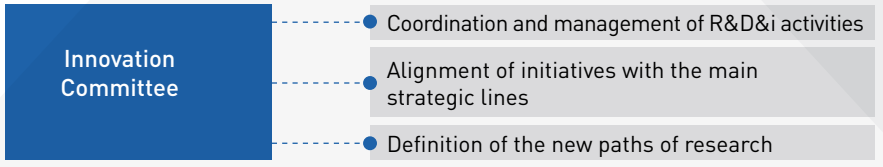
2. PROMOTING INNOVATION AT FCC

Innovative projects to resolve global socio-environmental needs

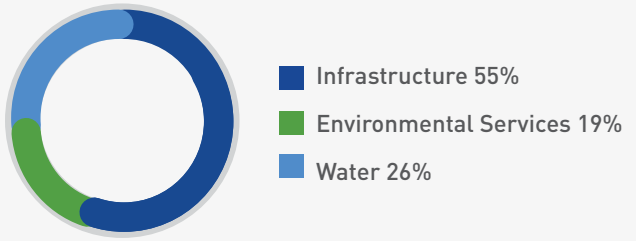
Innovation represents one of the pillars of the Company's sustainability strategy. FCC invests considerable economic and human resources in R&D&i projects geared to sustainable urban development.

In 2014 FCC Group invested more than 14 million euros in R&D&i projects

FCC's Innovation Committee coordinates the R&D activities of the Group and directs the research lines of the business to the common goal of transition to a low-carbon economy, and the measurement of impacts on energy consumption and the water footprint, which allows them to be reduced and to offer a more efficient and differential product. However, each business area has its own line of R&D&i.



INVESTMENT IN R&D&i



Milestones in 2014

- Progress toward the optimization of the efficiency of collection vehicles and biological treatment plants.
- Renewal of the R&D stamp by FCC Aqualia.
- FCC Aqualia develops projects for the production of biogas in the water sector, the development of the city of the future (FP 7 UrbanWater) and the reuse of materials and efficiency in the purification processes.
- Winning several international awards (Global Water Intelligence) and national awards (Award to the Large Sustainable Company by Expansión and the iAgua prize).
- Award of outstanding projects: Impacto Cero in consortium with ADIF; R&D&i projects in the Prevention of Occupational Risks (Projects: SEIRCO, BOVETRANS, SORTI, etc.) and in the field of maritime works.
- Lines of research into the development of the best local infrastructure rehabilitation (Merlin Project).
- Design of the methodology of the calculation model of the indicators that will allows the efficient management to be expressed in the use of resources, and the reduction of GHG, in environmental services.
- Accreditation of ten R&D&i projects in the area of cement and the approval of two new patents relating to the manufacture of nanomicrocements and high-resistance cement.
- Design and construction of a pilot plant to investigate the development of new cement products and the development and implementation of new high-resistance porous concretes (MAVIT project).
- Award of the European project IN2RAIL, part of the H2020 programme corresponding to the social challenge of smart, sustainable and integrated transport.
- Participation of FCC Construcción in the IISIS project, from the perspective of the development of elements, materials, technologies and systems required to achieve sustainable construction.
- Completion of the R&D&i projects, "sustainable rehabilitation of buildings".

Challenges in 2015

- Research into the role of environmental services of cities as carbon sinks and the benefits of landscaping.
- Calculation of the intensity indicators in the fields of energy, GHG emissions, and water, in urban services contracts.
- Progress toward measuring the water footprint in the integrated water management systems.
- Operation of the first cars that use biofuel from algae.
- Start of operations in the first industrial facility of sustainable water purification energy technology ANR (autotrophic nitrogen removal).
- Demonstration of the SmartWater applications in Almería and the Czech Republic.
- Establishment of new lines of research into the management of waste for the energy or materials recovery, in the area of cement.
- Progress towards the goal of mitigating CO_2 emissions.
- Development of certification activities for R&D&i projects.
- Achieve greater participation on the part of customers and public administrations in the development of R&D&i projects.
- Implementation of the new UNE 166002:2014 Standard of the construction division's new management system.

- Integration of the R&D&i processes in the countries where FCC Construcción is present.

2.1. Promoting innovation in Environmental Services

The reduction of GHG emissions and the responsible consumption of water are the two areas on which the environmental services division focuses its innovation work. Therefore work is being carried out on methodologies to define the monitoring and handling of information; as well as to configure, adapt and enter more efficient information and communication technologies in their processes and services.

In particular, the advances in the following lines can be highlighted:

- Automotive: work in collaboration with the technology suppliers for the reduction of emissions and noise in the fleet of vehicles.
- Recovery of waste in treatment plants: the innovation resources are also intended for the monitoring of variables and indicators together with processes of biological treatment of municipal solid waste, with a view to modelling these processes for improving the productive performance and energy of these facilities.
- Definition of the methodology for calculating strength indicators to establish the environmental traceability of services provided in scientific collaboration with universities and technological centres.

Some of the major projects developed in 2014 are:

CAMIÓN ULTRACAPS Project

The main objective of this line of research is the development and validation of new vehicles for the collection of municipal solid waste. These vehicles incorporate an electric-hybrid technology, and employ an ultra-capacitor system as an element for the accumulation of energy in place of batteries. To be more energy efficient, these vehicles will provide the benefit of a considerable saving in operating costs, as well as decreasing noise and pollutant gas emissions into the atmosphere.

During 2014 the benefits that each unit will have were defined, as well as the electrical operation of the body, and work began on the development of the prototype on which the subsequent testing and validation will be performed. The development of this prototype was based on a natural gas side loading pick-up truck, which will be transformed into an electric traction truck, into which the ultra-capacitor system will be implemented.

EHRS Project: "plug-in" electric-traction hybrid vehicles

The objective of this line of research is the development of electric-hybrid "plug-in" pick-up vehicles with batteries, working in 100% electric mode and that take advantage of trips to landfills in order to charge the batteries in hybrid operation. During 2014 work continued on the technical adjustment and commissioning of the hybrid-electric vehicles developed in previous years. For this reason work was performed with the trucks in various FCC contracts in Spain. This has allowed data to be obtained on the response of the vehicle and its energy consumption by varying environmental conditions such as terrain, temperature, types of track, etc. These highly valued data will be used for the development of future equipment in new research and development projects.

FCC received the award for Best Practice in Sustainable Mobility, organised by Renault España and the Club of Excellence in Sustainability, for the design of its electrical waste collection trucks.

ENERCIUDAD 2020

The objective of the project is the development of a system of "energy harvesting" for urban environments through flexible latest-generation organic photovoltaics technology (OPV).

The first phase of the project involves identifying the components and urban furniture where this capture application has a potential use. The next phase of the project consists in the development of "roll-to-toll" solar photovoltaic modules for the subsequent manufacture of demonstrators with integrated photovoltaic modules based on the initially detected applications identified.

2.2. Promoting innovation in Integrated Water Management.

FCC Aqualia maintains permanent contact with the different agents in its environment in order to enhance and improve its activity in R&D&i, developed by the Department of Innovation and Technology. The innovation projects are undertaken thanks to the participation of the entire organisation's staff in the processes, from the identification of opportunities to the implementation of same, and are aimed at improving the performance of three specific aspects: quality, sustainability and smart management.

The Company works in collaboration with national and international associations, research centres and universities; and aligns its projects around three major areas of research:

QUALITY
- Standard drinking water indicators.
- Reuse of water.
- Desalination.
- Measurement and analysis.

SUSTAINABILITY
- Reducing the energy consumption and emissions.
- Use of waste water and residuals as resources.
- Alternative technologies.

SMART MANAGEMENT
- Management systems.
- Optimising water resources ICT (Information and communication technologies).

FCC Aqualia has a system certified by AENOR in accordance with the requirements of UNE Standard 166002: 2006 that allows the control of the resources and the continuous monitoring of the results obtained. During 2014 FCC Aqualia worked on 19 R&D&i projects, with eight patent applications that require the dedication and commitment of highly specialized personnel. Of these projects three have been completed, while the rest will continue to be studied in 2015. Some of the major projects developed in 2014 are as follows:

Remembrane project

With funding from European Life, the aim of the project is the prolongation of the life of membranes used in the reverse osmosis process, recovering what is now waste, through its reuse in other applications; such as the processes of osmosis for treated water. The practical value of the project lies in eliminating waste, reducing costs and improving the overall efficiency of desalination and water reuse.

The project, which began development in September 2012, will be completed in the year 2015.

Filene Project

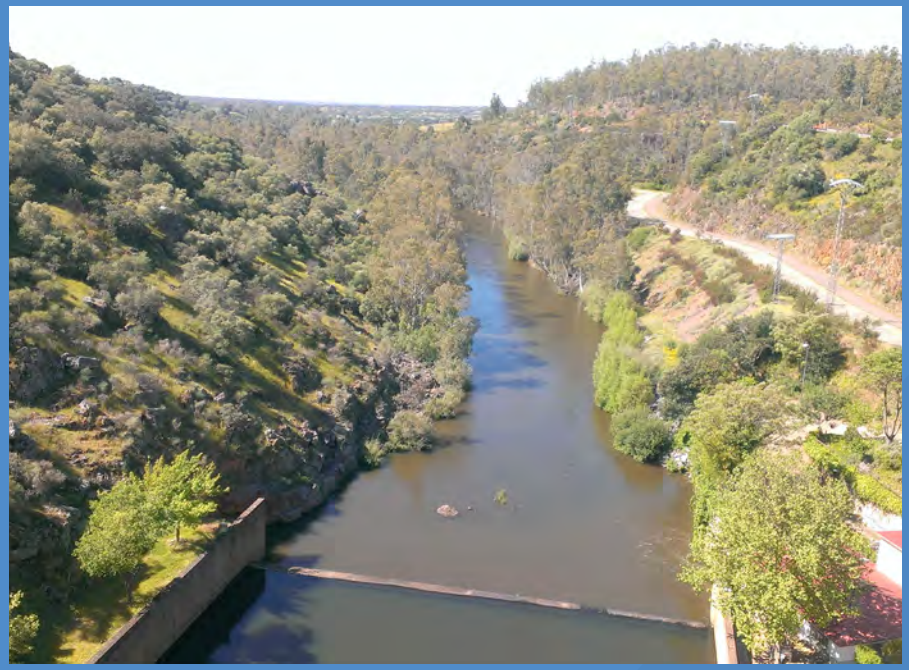
The Filene project, supported by the Innpacto Programme of the Ministry of Science and Innovation, studies the application of compact and high-efficiency anaerobic treatments for most industrial sectors. In the development of the project, which also involved the Complutense University of Madrid and Likuid, a pioneer technology based on ceramic membranes is applied.

These membranes represent a solution for reducing the high energy consumption of the facilities, since they are more durable, easy to clean, and have much lower energy consumption than the organic membranes currently used.

Water monitoring system in real time using smart technology (Smartic)

In the CDTI Innterconecta programme, FCC Aqualia leads the Smartic project, which monitors the raw water in the reservoirs and controls the quality of drinking water in real time. The main objective of the project is the development of advanced indicators that allow for a continuous evaluation of the quality of the waters, from capture to end of treatments, and from the point of view of their suitability for human consumption.

The project will involve a technological and industrial progress that is relevant to the Autonomous Region of Extremadura in an area with economic and commercial projection on an international level. The project is being carried out in the Villar del Rey reservoir and in the Santa Engracia ETAP.



Innovation Award + Sustainability + network as a Great Sustainable Business



The FCC Aqualia Division has been recognized as a 'Great Sustainable Business' by the ELAN® project (autotrophic nitrogen removal). This initiative developed by the R&D team of the Company, together with the Santiago de Compostela University (USC), the Ministry of Economy and Competitiveness, the Regional Government of Galicia, and the canning company Friscos, studies sustainable purification by applying the anammox process, which involves significant energy savings and a reduction in the sludge generated in the process.

Innovation towards personalized billing

FCC Aqualia has progressively implemented improvements in the design of its invoices. Among them are the inclusion of analytical results along with other information and the incorporation of notifications to raise awareness about responsible consumption. In addition, to facilitate their understanding, the designs are customised for each type of customer, structuring the information to facilitate their comprehension.

Transparent bill

The bills issued by FCC Aqualia are customized to its customers, in the official language of each territory, and geared to their easy comprehension. The set of processes and resources such as water catchments belonging to the natural environment, its transformation into drinking water, the

distribution to homes and its return to nature include a wide range of factors that are reflected in the invoice through its various concepts (water, sanitation, purification, etc.).

FCC Aqualia bills are accompanied by their explanation and contain the following data: name of the holder of the contract (1), data of interest (2), a publication of rates (3), billing details (4), description of the blocks of consumption and prices (5), detail of the concepts and the amount billed (6), histogram of consumption (7), data for payment collection control (8), payment date (9) and total amount due (10).

In 2014 there were 650,000 electronic bills for more than 132,600 customers

FCC Aqualia issues three types of bills, according to the preferences of each customer:

- Normal detailed bill, with all the detailed information of interest.
- Bill summary, summarizing the concepts and highlighting the total amount.
- Summarized bill according to items, summarizing the amount for each item, which started to be issued in 2014, in order to suit the specific needs of certain municipalities.

Payment of on-line invoices in Italy
FCC Aqualia, through its Italian enterprise Caltaqua, since 2014 offers the possibility of receiving electronic bills under the new Italian legislation.

This is a very innovative project, called H2ONLINE, which enables bills to be paid online.

Smart meters
Aqualia FCC makes use of the most advanced technology to optimize the processes for integrated water management.

The Company is incorporating smart systems in homes through the installation of home water networks which are differentiated according to the type of use, systems of reuse, or the installation of smart meters for automated readings. This smart equipment has a state-of-the-art electronic system that stores the data needed to know, at any time, the patterns of daily consumption, tariffs and services of the network, which allows suggestions to be generated for the improvement of consumption habits through customized advice.

2.3. Promoting innovation in Construction

The commitment of the FCC Construcción division to innovation is based on the promotion of an active policy of technological development, permanently applying innovation to its works. The Company participates in a relevant way in the promotion of various European and national industry initiatives related to R&D&i.

The activity of FCC Construcción in R&D&i is aimed at continuing to be a key agent in the most important advances in the construction industry regarding technological innovation in materials, equipment and processes. In 2014 the Company revalidated the R&D&i management system Certificate: Requirements of the R&D&i management system according to UNE Standard 166002.2006 issued by AENOR.

Investment by FCC Construcción in R&D&i projects in 2014 was 7,927,739 euro



Some of the projects carried out related to sustainability are:

ASPHALTGEN: New self-regenerating asphalt agglomerate for greater durability and lower maintenance

The main objectives of the project are:

1. The study of different approaches and self-regenerating mechanisms such as hollow fibre, ionomers, molecular inter-diffusion, ionic liquids, etc.
2. Development of new laboratory tests to check the durability of the mixtures and their new self-regenerating capacity.
3. Design of the production facilities (to a certain degree) of the self-regenerating material according to its high dependence on the chosen technology.
4. Study of the expansion methods of the self-regenerating material in the hot bituminous mixtures, with the aim of making them easy to use in the manufacturing process.

SEIRCO: Smart expert system for risk assessment and training in different environments of the construction sector

FCC Construcción leads the project, focused on the research and development of new technologies for the field of risk prevention in the construction industry.

The research and development focuses mainly on:

1. Techniques based on artificial intelligence, learning and statistical modelling, which allow risk patterns to be discovered in large volumes of data, and which provide greater safety in construction.
2. New technologies that facilitate the building of training courses based on virtual reality from an automatic generation framework of virtual environments, which in turn raise awareness and provide personnel with knowledge of the risks inherent to the work and the costs associated with certain activities.

BOVETRANS: Development of a light transition vault system in road tunnels that uses sunlight

FCC Construcción executes the project for the development of a structure that represents a solution of advanced and efficient light transition for tunnels, which improves the system of electrical projectors currently used.

The main objectives are:

1. Reducing the black hole effect.
2. Being sustainable, environmentally speaking, so that it does not pose an environmental impact or an impact on its operation or its location.
3. Investigate the behaviour of static and dynamic visual perception at the entrance and exit of the tunnel according to speed, type of road, and road safety criteria.
4. Optimization of the CIE curve.
5. Offers an economic savings at the level of road construction and maintenance.



Active presence in multiple European and national R&D&i organisations

In 2014, through its construction division, FCC continued and intensified its active presence in multiple European and national R&D&i organisations. Among the most important are:

- European Construction Technology Platform (ECTP).
- Association E2BA (Energy Efficient Buildings Association, in the process of integration of the ECTP).
- Refine Initiative (Research for Future Infrastructure Networks).
- ENCORD Network (European Network of Construction Companies for Research and Development).

Additionally, nationwide FCC Construcción participates in the Spanish Construction Technology Platform, being actively present in the Spanish Construction Technology Platform Foundation, its Standing Committee, its working groups and Seopan's R&D&i Committees, whose presidency has been held by FCC Construcción since 2012, as well as in the CEOE.

All of these organisations have as their objective the undertaking of the role of the Company as driving force for R&D&i within the area of construction, in accordance with the ideas of the European programme H2020 and the Spanish Strategy of Science and Technology and Innovation 2013-2020. It also has an active presence in ADIF's Rail Technology Centre in Malaga.

2.4. Promoting innovation in Cement

The cement division of FCC Group focuses on research in the development of cements and new concretes of ultra-high strength and durability, which are more environmentally friendly, allowing the service life of buildings and other infrastructures to be extended.

The R&D&i projects developed are strategically aligned with the industrial activity of the Company, many of them in consortium with other divisions of FCC Group. To achieve success in these projects, the division has a multidisciplinary team of over 100 people and has made an investment of more than 15 million euros for the development of a total of 17 projects, approved in different programmes of public innovation, up to 2014.

The results of the projects developed so far have been very successful for the Group. Progress in new products allows for the reduction of greenhouse gas emissions, improving energy efficiency and saving natural resources. Some of the products developed in the field of R&D&i in the last two years are described below:

1 CEMESPHERES

New cement additives with a lower carbon footprint, promoting sustainable production by saving on natural resources and less GHG emissions in the process.

2 POROUS HIGH RESISTANT CONCRETE

High mechanical resistant concrete, higher resistance to superficial wear, higher durability, self-maintenance of its level of porosity and higher acoustic and thermal insulation.

3 SLAG TIPS

Eco-efficient cements by recovering ashes from thermal slag tips.

4 MICROCEMENTS

New range of micro-cements, positioning us globally for this type of special products used to restore micro-cracks in dams and stabilizing floors.

During 2014 the Nanomicro project was completed which involved research into technology for the manufacture of new cementitious materials on a nanomicro scale, used primarily as an additive to clinker.

As fruit of the research developed, the Cement division can market a series of special cements, among which are: UltraVal, super cement which allows high initial resistance regardless of the weather; RapidVal, natural cement for urgent repairs and heritage restoration, whose manufacture emits 20% less CO_2 than a type I Portland cement; MicroVal, micro-cements that offer a high penetration for specific applications such as tunnels and dams, in addition to solutions for the waterproofing of floors.

Cementos Portland Valderrivas used these special products in more than a dozen important works with high technical requirements:

Improvement of productivity and ultra-high resistance concretes: LAV Viaduct, Madrid-Extremadura

The project for the construction of the Garrovillas viaduct for railway use, led by FCC Construcción together with ADIF, represents one of the most important engineering works developed in Spain. It is a cantilever viaduct with a 384 metre arch and is 1,488 metres long, representing a world distance record.

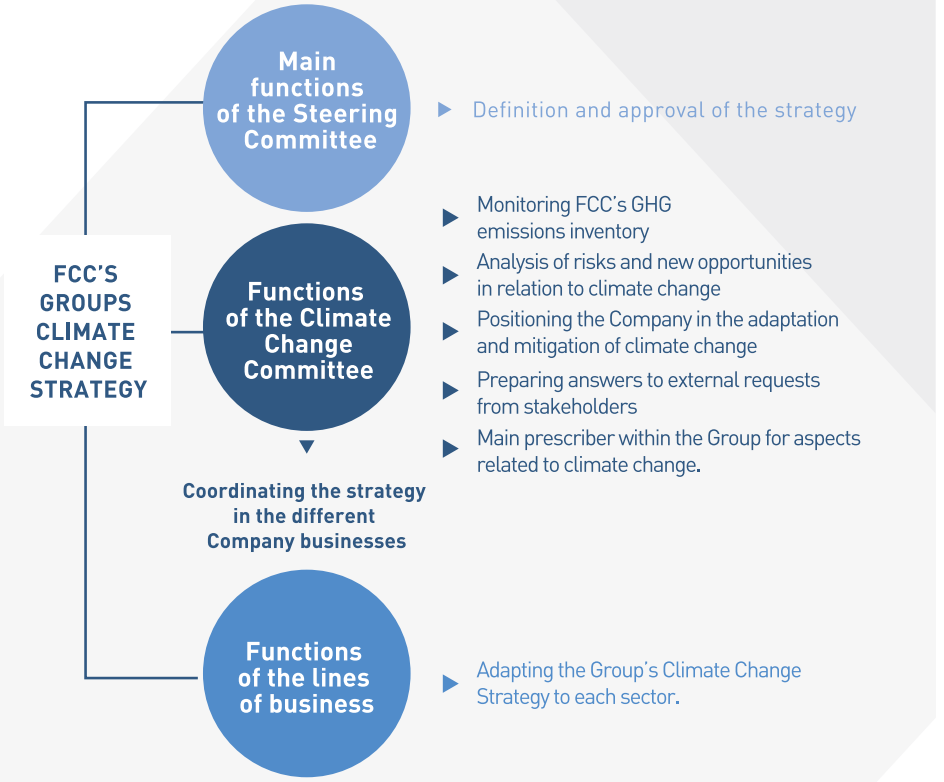
Cementos Portland Valderrivas, through UltraVal cement, provides a solution to resolving the lack of resistance necessary to move the roller unit with the required speed, an objective that was not achieved with the tested cement used initially. The replacement of this tested cement with UltraVal has made it possible to achieve, with a lower dosage, better resistance at all ages, reaching more than 90 MPa at 28 days, exceeding the initial established requirement.



3. FCC AGAINST CLIMATE CHANGE

Joint climate change support strategy towards innovation and efficiency

The climate change strategy of FCC Group has been developed jointly by all of the Group's business areas and approved by the highest level of the Company's management. 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 wellbeing 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.



Milestones in 2014

- Second verification of the carbon footprint calculation of FCC Medio Ambiente.
- Verification of the methodology, and validation of the models for the calculation efficient management indicators for urban services activity in Spain.
- Verification with AENOR of the carbon footprint for the integrated water cycle of FCC Aqualia in Lerida.
- Calculation of the carbon footprint of Aqualia Infraestructuras.
- Implementation of new "good environmental practices" in Construction for the reduction of scope 3[1] emissions.
- Development of files for business opportunities in Construction associated with climate change, by target countries.
- Elaboration of a three-fold leaflet aimed at informing personnel working in Construction of the existence of the organisation's emissions' inventory, making them aware of the importance of the annual GHG emissions' report.
- First construction company to enter its carbon footprint in the Register of carbon footprints, compensation, and sequestration projects of MAGRAMA.

[1]Scope 1: direct emissions that come from sources that belong to the Company or from sources that are under its management.
Scope 2: emissions from the generation of electricity consumed by the Company.
Scope 3: indirect emissions as a consequence of Company activity from sources that are not its own or that are not under its management.

Challenges in 2015

- Degassing of the landfills (43% of scope 1[1]) to reduce scope 1[1] emissions by 40,000 teq CO_2.
- Introduction by FCC Medio Ambiente of a technological solution for energy recovery for the plastic rejects that come from the Company's waste treatment plants through an agreement with a company that specializes in these technologies.
- FCC Medio Ambiente to implement a computerised system to monitor the intensity indicators and energy, water and GHG emissions performance for an integrated services pilot contract for the collection of MSW and street cleaning, and for a maintenance and upkeep contract for parks and gardens.
- Broaden the scope for measuring the carbon footprint in FCC Aqualia.
- Registration of FCC Aqualia in the Spanish Climate Change Office register.
- Extension of the inventory of greenhouse gas emissions in international construction projects.

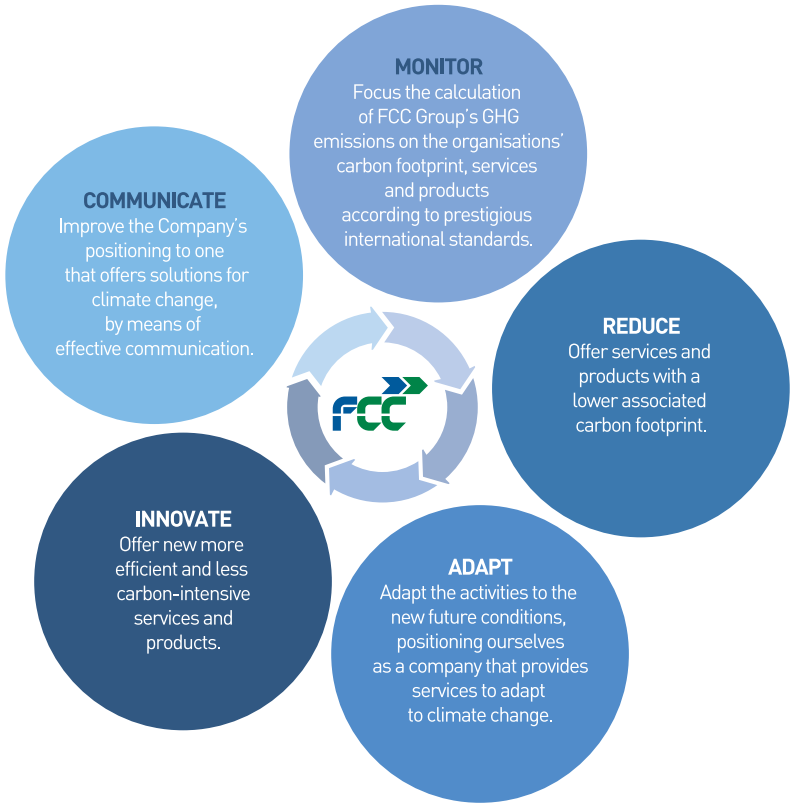
3.1. The corporate approach to Climate Change

The strategic nature that FCC Group confers to climate change is reflected in the appointment of the Steering Committee as responsible for positioning the Company's stance in this matter, as well as defining and approving the 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. Pillars of the climate change strategy of FCC Group

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.

FCC Group's 2020 Climate Change Strategy is structured around five pillars whose general objectives are the following:



FCC Medio Ambiente, the leading company in the sector to register with the Spanish Climate Change Office

The Spanish Climate Change Office (OEEC in Spanish) is a collegiate body under the General Directorate of Environmental Quality and Evaluation of the Ministry of Environment for the development of policies related to climate change.

The registration of the Company in this register represents the recognition of the efforts and the willingness of the Company to calculate its greenhouse gas emissions, with the goal of reducing and offsetting them, and thus supporting the Spanish strategy to reduce this type of emission.

On the other hand, this fact will enable the Company to design and deliver a new advisory service in the development of more efficient management and in guiding its clients on sustainable urban development.



As part of its Climate Change Strategy the Company developed an analysis of impacts that this phenomenon can pose on different lines of the Company's business, identifying the risks and turning them into opportunities as part of its business strategy for setting itself apart from its competitors. The most prominent are presented below.

ADAPTATION TO CLIMATE CHANGE

Scope	Infrastructure Sector	Water Sector	Environmental Service Sector
Impacts on the activity	• Increase in the costs of production, operation and maintenance processes, as a result of extreme climatic phenomena. • Restriction in the availability of resources. • Incorporation of climate criteria in the regulation of the sector. • Risk to the integrity of Company products or projects as a result of climatic impacts.	• Restriction in the availability of resources. • Risks to the integrity of Company assets. • Increases in the costs of operation and maintenance of the facilities.	• Failures and interruptions in the operational and maintenance processes of the equipment as a result of climate variation. • Risk in the integrity of the infrastructure or faults/interruptions in the processes. • Stricter regulation in relation to the use of resources.
Associated challenges	• Increase reputational or legal damage situations. • Adjusting to a new regulatory framework that has greater environmental pressure. • Ensuring economic viability in light of increased costs as a result of climatic impacts.	• Response to the increases in demand. • Adaptation to a more restrictive future regulatory framework.	• Management of faults in the operation processes. • Ensure the integrity of the infrastructure and equipment. • Reduce health risks to personnel.
Potential opportunities	• Opening new markets in adaptation to climate change. • Improvement as a Company committed to environmental aspects. • Collaboration with the administration in the integration of climate change in the development of the sector.	• Development of new products and services. • Development opportunities for water management infrastructure projects in developing countries. • Collaboration with the administration in order to integrate climate change in the development of the sector.	• Expansion of the Company's activities toward developing countries. • Renovation of infrastructure as a means of managing extreme post-event situations. • Evaluation of alternative sources for the harnessing of same (particularly water).

3.2. Emission reductions: a common objective for the companies

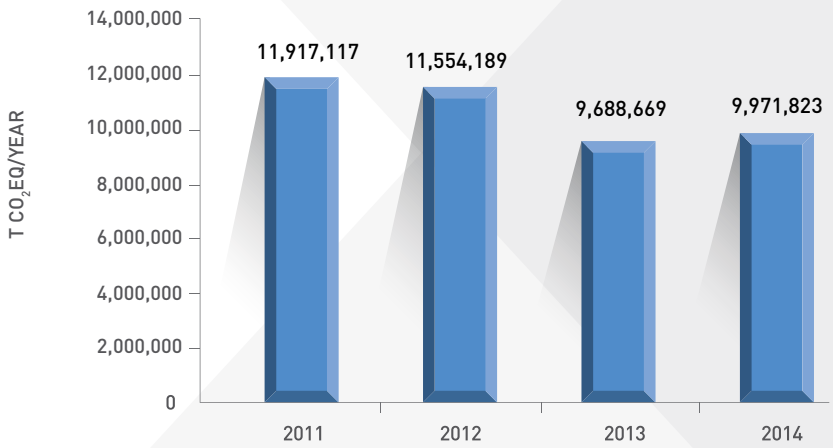
FCC Group maintains control over the GHG emissions of all the different areas of the Company. The 2020 Climate Change Strategy establishes some quantitative targets for emission reductions for all of the Group's lines of business. Based on energy efficiency criteria, sustainable mobility, recovery and recycling and waste management, the Company intends to reduce 360,000 t CO_2 eq, so that in 2020 a ratio of Mt CO_2eq/ M € of turnover is achieved, that is 3% less than the current rate.

The calculation of the scope 3 emissions represents a priority for FCC Group, which includes the following: emissions associated with the production and transportation of materials consumed, emissions associated with the execution of outsourced work units, emissions associated with transport and management of waste and surplus materials, emissions associated with company personnel's business trips and emissions resulting from losses during transport and distribution of electricity.

As an additional measure, FCC Group has a technical guide to energy efficiency. The goal of this guide is to improve savings in corporate spaces and to reduce CO_2 emissions into the atmosphere.

In 2014, the GHG emissions of FCC Group amounted to a total of 9,971,823 t of CO_2 eq, representing an increase from 2013 (9,688,669 t of CO_2 eq) and 2012 (11,554,189.00 t of CO_2 eq). In 2014 direct emissions reached 9,273,269 t of CO_2 eq, a figure that signifies an increase of 1% with respect to 2013.

RECT AND INDIRECT GHG EMISSIONS OF FCC GROUP (SCOPES 1 AND 2*)



*Emissions have been corrected with respect to the values published in 2013.

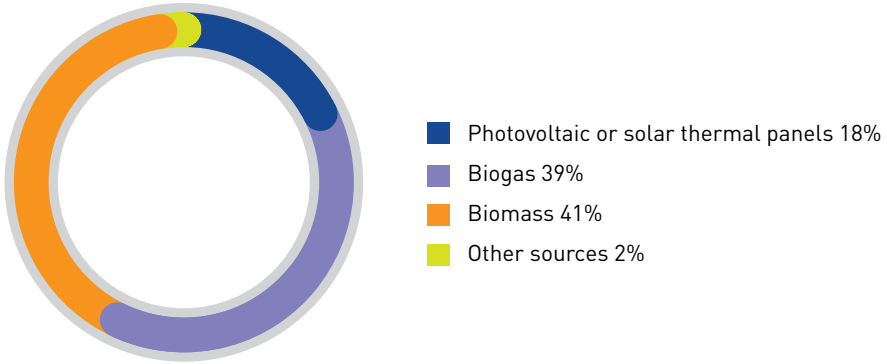
3.2.1. Commitment to renewable energy and the self-generation of energy

In its targets for reducing emissions, FCC Group is committed to the use of alternative energy sources and energy self-generation.

The introduction of innovative solutions in the municipal waste treatment and recovery plants demonstrates FCC's commitment to self-generation of energy and allows the organisation to reduce GHG emissions and improve the performance of electrical co-generation, taking advantage of the energy potential of biogas generated in the treatment of urban waste.

Likewise, as part of its climate change strategy, the FCC offsets part of its emissions by participating in different Clean Development Mechanisms (CDM). During 2014, Cementos Portland Valderrivas made a contribution of €227,000 to the Spanish Carbon Fund, thus completing its financial contribution, in order to promote renewable energy projects in countries such as Mexico, Brazil, India or China.

CONSUMPTION OF AUTO-PRODUCED



Carbon Disclosure Project

In 2014 FCC participated in the Carbon Disclosure Project (CDP) for the fifth consecutive year, and is scheduled to participate in the 2015 edition.

The CDP brings together more than 800 investors and maintains the largest database of risks and opportunities related to climate change, the plans to reduce emissions and the transparency of the activities of corporations to mitigate climate change.

The consumption of renewable fuels in 2014 shows an increase compared to 2013, except with respect to the consumption of biomass, which has been reduced by 31%. For its part, the consumption of non-renewable fuels such as natural gas and diesel have seen a reduction with respect to 2013, by 27% and 5.3% respectively, while the consumption of gasoline, heating oil and propane and butane have increased.

Consumption of renewable fuels of the FCC Group according to company divisions (GJ)

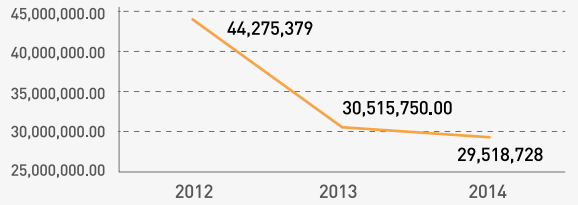
Fuels	Environmental services	Water	Infrastructure	Total
Bioethanol	1,446	-	-	**1,445.7**
Biodiesel	136,987	-	-	**136,987**
Biogas	134,707	84,618.0	-	**219,325**
Biomass	47,646	-	800,700.3	**848,346**

Consumption of non-renewable fuels of the FCC Group according to company divisions (GJ)

Fuels	Environmental services	Water	Infrastructure	Total
Natural gas	695,733	18,408.0	1,136	**715,277**
Petrol	36,256	2,710	18,555	**57,521**
Diesel	2,283,930	140,399	480,560	**2,904,888**
Fuel oil	8,612	1,793.2	335,913	**346,318**
Propane & butane	3,634	-	18,243	**21,878**

Total energy consumption has declined in 2014 compared to the previous year. This is despite the start of the Riyadh works and the commissioning of the two new industrial waste plants, as well as the increase in the scope of the information gathered by Construcción Centroamérica and FCC Aqualia. The end of active projects in Poland and Romania may have contributed to this slight decrease in consumption.

TOTAL CONSUMPTION OF ENERGY (GJ)



(*) Emissions of electrical energy have been corrected with respect to the values published in 2013.

3.2.2. Climate change in Environmental Services

The Environmental Services division of FCC has worked since 2011 on the definition and validation of management tools that are more specifically focused on the fight against climate change, such as the carbon footprint, and monitoring the intensity indicators, or managing the use of resources, both energy and water, as well as GHG emissions.

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

Carbon footprint of FCC Medio Ambiente

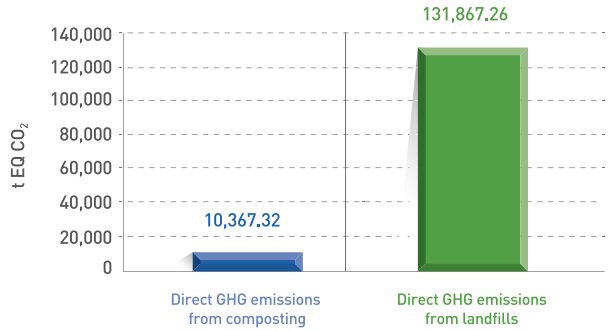
The calculation of the carbon footprint provides an overall picture of the impact that an organisation has on climate change, as a result of the development of its activities, by quantifying its GHG emissions and by the identification of its sources. Furthermore, it is intended to be a quick and efficient 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 combating climate change. The study is verified by Det Norske Veritas Business Assurance Spain, S.L. (DNV-GL)

Since 2011 FCC Medio Ambiente has calculated the carbon footprint of the organisation, using the standard of the GHG Protocol as a reference. The evolution of this indicator translates what the tangible benefits were and the return effect of the low-carbon policy undertaken in the management of its services and facilities.

In 2014 the second verification of the carbon footprint calculation of FCC Medio Ambiente was carried out, corresponding to 2013 and with respect to the base year (2011).

Within the limits of its operational perimeter, FCC will focus on the degassing of the landfills (55% of Scope 1) to reduce its GHG emissions to medium-term, thus being able to achieve a reduction of Scope 1 of 40,000 TEQ CO_2.

2014 ENVIRONMENTAL DIVISION'S CARBON FOOTPRINT



Monitoring of the intensity indicators: helps the environmental efficiency of the services provided
With the objective of designing and proposing solutions based on an increasingly efficient technological services offer, FCC, through its FCC Medio Ambiente division, has been working for years in the definition and monitoring of tangible indicators that demonstrate the technical solvency of the organisation with respect to the responsible use of means and resources (water and energy), and in the transformation of waste into new resources, materials and energy. All this allows FCC to continue minimizing GHG emissions.

FCC Medio Ambiente works on the definition and quantification of a series of indicators to measure and translate the environmental performance of the services provided. Using these data the environmental balance of negative and positive externalities in terms of impacts on the environment is calculated. With this we are making progress in the improvement of the economic and environmental efficiency

of the services offered, and we are committing to the technology and the good practices that best conform to the requirements of the customers in the medium and long-term.

In order to measure the overall balance of the externalities of the services provided, FCC Medio Ambiente uses the ec2d®[2] methodology, based on the GRI indicators. Based on this methodology the environmental impacts of the actions carried out by the Company are identified and the degree of fulfilment of the commitments made is assessed. This promotes improved energy efficiency of the services provided, reducing GHG emissions, recovery of material and energy potential from waste, and the preservation of water resources.



[2]In the environmental footprint or environmental metabolism of the organisation (based on the following principles of capture, delivery, avoidance and return of the endogenous eco-cycle of the set of our activities) all the environmental indicators of the GRI adapted to each activity are reflected. This methodology has been validated and verified by various external entities. Registered trademark in the Patent and Trademark Office: ® "CE2D", FCC Medio Ambiente, S.A./ M2931259/ Spain/2010.

Participation in the Climate Project, of the Ministry of Agriculture, Food and Environment (MAGRAMA)

All work carried out concerning the calculation and monitoring of GHG emissions, in direct collaboration with the managers of plants for the treatment, recovery and disposal of urban solid waste, have led FCC to commit to the Climate Project initiative.

In July 2014 the project proposal to reduce GHG emissions was submitted, "Degassing of the controlled solid urban waste tank in Gomecello, in the province of Salamanca".

The project was selected by the Spanish Climate Change Office (OEEC in Spanish) of MAGRAMA which will buy, over the next four years, the reduction in emissions achieved for a total amount of 400,000 euros.

The objective of the project is the catchment of biogas emitted from the rejects' landfill of the waste treatment centre (CTR) in Gomecello. To achieve this, the spill zone will be completely degassed from 2007 to 2013, and the rest of the landfill will continue to be degassed so that it can be exploited in the coming years. The landfill contains 598,516 tonnes discharged from 2007 to 2013, estimating a figure of 1,038,760 for 2018. These residues contain a percentage of biodegradable matter capable of producing methane under anaerobic conditions.

First urban sanitation company to register the calculation of the carbon footprint

All the work performed in this line has allowed FCC Medio Ambiente to become the first company in the sector to achieve registration in the register of carbon footprints, compensation, and sequestration projects for CO_2 of the Ministry of

Agriculture, Food and Environment, in section (a) carbon footprint and commitments to reducing greenhouse gas emissions.

Tool for measuring environmental impacts

FCC's urban 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 interested parties.

3.2.3. Climate change in Integral Water Management

In 2014 several actions were initiated to improve efficiency in the use of resources in FCC's Water Management division, FCC Aqualia, which have represented a qualitative leap with regard to environmental management.

Carbon Footprint

The Company's willingness to combat climate change is a real fact that acquires greater dimensions year after year, and that is evident through the actions aimed at controlling emissions as a result of its activity.

Proof of this is that already in 2013, through Aigües de Lleida, FCC Aqualia became the first Spanish company in the water sector to calculate and verify its carbon footprint.

Calculating the carbon footprint of Aqualia Infraestructuras

In 2014 a further step was taken and Aqualia Infraestructuras successfully calculated its carbon footprint in a comprehensive water management service, verified by AENOR based on the Standard UNE-EN ISO 14064-1:2012, identifying and quantifying the direct and indirect emissions released into the atmosphere. The results of the survey are to be included in the Ministry of Agriculture, Food and Environment (MAGRAMA) in 2015 and will serve to identify new environmental improvements and develop new initiatives aimed at the eco-efficient management of the resources.

For the year 2015 the calculation of the carbon footprint of all the activities of FCC Aqualia has been established as an objective, thus creating a very ambitious challenge, something that demonstrates environmental commitment.

Water Footprint

Through FCC Aqualia, FCC has conducted the first collaborative study to calculate its water footprint in Spain, which is a reference for the sector.

Study of the water footprint of Cantabria

The study for calculating the water footprint, carried out in 2014, to learn about the impact of water consumption in Cantabria, was considered emblematic. The study was carried out with the joint collaboration of a private company expert in the management of the integrated urban water cycle, FCC Aqualia, the largest family foundation in Spain, the Botín Foundation, and public universities such as the Complutense, the Polytechnic of Madrid, and the University of Cantabria.

FCC Aqualia considers it important to highlight the convenience of using these types of methodologies and calculations as a tool that is becoming increasingly vital and effective in the hydraulic planning of regions and territories, so that the managers can have a greater and more comprehensive knowledge of the water balance sheet, including its current balance.

The work carried out has revealed that the water does not only represent important natural capital for the region, but that it also helps to give it value as a social and economic resource of crucial importance.

Energy Management Systems

FCC Aqualia is committed to energy efficiency as one of the pillars to achieving sustainability. Reducing energy consumption directly affects environmental improvement, but also reduces costs for end users. Electrical consumption represents 8% of the cost of the service provided.

In 2011 FCC Aqualia started the implementation and certification of an Energy Management System in accordance with Standard UNE-EN ISO 50,001:2011, aimed at reducing emissions and improving the efficiency of resources. Subsequently, and given the good results obtained, the implementation continued across new centres. Finally, in 2014, two new localities were added, Lleida and Aranda del Duero.

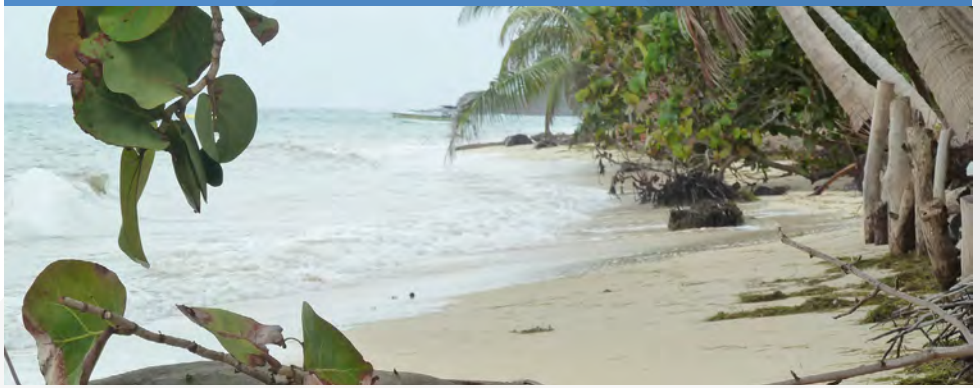
In 2015 the Company wants to make a definitive step forward and achieve the implantation of an energy management system in the entire Integrated Water Management division in FCC, which will allow a greater reduction in fuel consumption and emissions, as well as greater control of same.

FCC Aqualia part of the Green Growth Group

In 2014 FCC joined the Spanish Group for Green Growth, an initiative launched in 2013 within the framework of the European Union, which brings together companies involved in the fight against climate change. FCC is part of this group through FCC Aqualia.

One of the challenges of the Green Growth Group is to promote the participation of companies with a view to move forward together toward sustainable growth, recognising the important role of renewable energy, energy efficiency and other sustainable technologies. It is also committed to a swift and robust implementation of a Market Stability Reserve to provide the thrust needed to invest in an efficient low-carbon economy.

One of the major interests of the Green Growth Group is that the European Commission should speed up compliance with the economic and environmental agenda and the horizon 2030 climate change objectives. Among these objectives are the reduction of at least 40% of greenhouse gas emissions by 2030 compared with 1990 levels; achieving a market share of renewable energy production of 27%; and the improvement of energy efficiency by 27% in 2030 compared to the usual trend scenario. Likewise, it also takes into consideration the review of energy efficiency objectives of the Europe 2020 strategy.



3.2.4. Climate change in Construction

Carbon Footprint

The Construction division of FCC has verified its GHG emissions since 2011. In addition, since 2012, FCC has had its carbon footprint certificate approved by AENOR, "CO_2 Environment Verified". Additionally, in 2014, it has re-obtained verification of the GHG emissions by an accredited auditing body, using the latest version of ENCORD's CO_2 quantification referential, an industry document that has received the "GHG Protocol" logo, which accredits it as the methodology to be considered for the calculation of the carbon footprint in the construction sector.

It should be noted that FCC Construcción has become the first construction company to register its carbon footprint in 2013 to achieve registration in the register of carbon footprints, compensation, and sequestration projects, created in 2014 by the Ministry of Agriculture, Livestock and Environment. In this way, through its construction subsidiary, FCC Group has been the first company of the IBEX-35 to receive the certifying stamp from the Government, which recognises companies that voluntarily subscribe to this initiative.

In order to measure the carbon footprint, FCC Construcción identifies the main sources of greenhouse gas emissions of its works or fixed centres, defines the boundaries of the organisation and operational limits, and collects and transmits activity data from the work site to the corporate level. FCC Construcción quantifies scope 1, 2 and 3 emissions.

For the calculation of the inventory of greenhouse gases, a centralised approach is used, integrating activity data received from each of the work sites and fixed centres, and quantifying the emissions at the corporate level.

3.2.5. Climate change in Cements

The Group's activity that generates the most CO_2 emissions is the manufacture of cement. The CO_2 emitted to the atmosphere in the cement manufacturing process has two sources of origin. Approximately 60% of the amount emitted originates from the process of decarbonisation caused from converting the calcium carbonate ($CaCO_3$) of the limestone, which is used as the main material, into calcium oxide (CaO) and carbon dioxide (CO_2).

The remaining 40% is produced in the combustion required to reach the high temperatures in furnaces necessary to cause the chemical reaction which enables the formation of the clinker. These emissions, therefore, are directly proportional to fuel consumption and its characteristics.

The CO_2 emissions mitigation strategy is based on the following:

1.	Promote the substitution of fossil fuels using biomass alternative fuels.
2.	Encourage the substitution of natural raw materials for total or partially decarbonated raw materials to reduce emissions in the firing of clinker.
3.	Improve energy efficiency, optimising clinker manufacture installation.
4.	Increase the volume of additives in cement manufacture to reduce the clinker factor per tonne manufactured.

For the first two points Cementos Portland Valderrivas, of the FCC Cement Group, maintains the goal of continuous growth, substitution by alternative fuels has been a factor of 11.4% in all Spanish factories, and the use of alternative raw materials has been 3.7%.

The combined application of the above measures in different factories of Cementos Portland Valderrivas provides a gradual approach to the value of the European benchmark of CO_2 emissions per tonne of clinker (766 kg CO_2/t clinker).

4. ENVIRONMENTAL MANAGEMENT AT FCC

Protection and conservation of the environment as part of our commitment to stakeholders

As an organisation present in the sectors of environmental services, water and infrastructure, FCC Group is committed to the protection and conservation of the environment and the responsible use of resources, in addition is aware of the importance of these aspects to its stakeholders.

This commitment is reflected in the Group's environmental policy, approved by the Board of Directors. In said policy the objective of the Group is established to achieve environmental excellence, which minimizes the negative impacts from any activity that FCC carries out.

To this end the Group carries out operational monitoring of all its processes, which allows it to identify, characterize and assess the environmental aspects that relate to its facilities, as well as to subsequently determine the necessary steps to minimize the negative impacts on the environment.

Milestones in 2014

- Preparation and publication of the Sustainability Report 2013-2014 (G4) of the Construction division.
- Publication of FCC Construcción's annual Progress Report 2014, achieving the "advanced level" for the third consecutive year.
- Incorporating new environmental criteria into the policy, procedures, guides and software applications of the environmental management system.
- Development of basic guidelines to provide instruction on how to act with respect to the conservation and management of biodiversity and the management of cultural heritage.
- Implementation and certification of the Energy Management system at the FCC headquarters in Las Tablas (Madrid) in accordance with ISO 50001.
- Development and deployment of the DISCON-CACUMEN IT application for environmental management: on-line, multilingual and adapted to the reality of international projects.

Challenges in 2015

- Extension of the certification of the environmental management system ISO 14001.
- Creation of an outline to synthesize the due diligence of FCC Construcción in the field of human rights, ethics and integrity, procurement practices, environment and health and safety.
- Adaptation of the good environmental practices in construction system, to incorporate best practices with regard to social issues.
- Development of its own methodology for assessing sustainability in civil works.
- Dissemination of "15 years of good environmental practices" of FCC Construcción.
- Creation of a library based on the experiences and best practices implemented into projects, such as support for all FCC's construction work, mainly in the international arena.

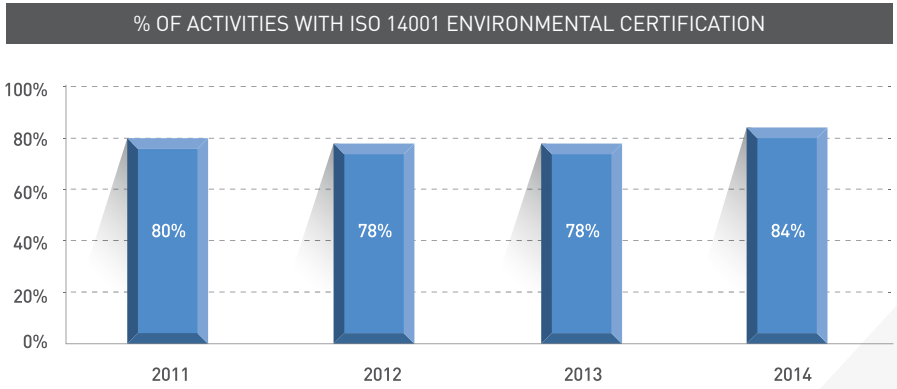


4.1. Environmental management system

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 all its activities and installations.

A large majority of the areas of FCC Group have an environmental management system certified according to Standard UNE-EN ISO 14001:2004. Each of the divisions has the objective of certifying 100% of its operations under this standard. Specifically in construction, after each acquisition a period of six months is established, with the purpose of aligning the project with the environmental policy of the Company.

The following graph shows the evolution of the environmental certification under ISO 14001 for the organisation.



In order to understand the effectiveness and degree of development of the initiatives and projects that it develops, FCC makes use of an internal information collection and management system called "**Horizonte**". With a total of 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.

The commitment and effort that the Group dedicates to protecting the environments where it operates and works, means that the investment that FCC allocates to prevention, remediation and environmental management during 2014 has amounted to almost 100 million euros.

FCC's Construcción division has consolidated the implementation of the Environmental Management System in Mexico and FCC Central America, so that this covers virtually all activities of the Company throughout the world, which has allowed a more accurate and thorough collection of information on environmental indicators. The objective of FCC Construcción is to achieve the certification of these countries in 2015, so that the percentage of certified activity would be 100%.

To ensure better environmental results beyond that established by law, FCC Construcción uses a system of good practices, through which each project implements a series of actions that the Company has classified on the basis of an analysis of previous environmental impacts and their classification.

These good practices are weighted based on several factors, so as to gain a better appreciation of the following:

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

An IT application manages the Environmental Plan of the work sites and centres and ensures the reliability and availability of the data. Thus, the environmental information generated in each work site becomes part of a database that allows the environmental pulse of the Company to be taken, and measures for improving and informing the Group are undertaken.

A rigorous internal auditing system, and its own controls, that the data undergo in the different integration processes, validate their accuracy. During 2014, the Construction division conducted a total of 150 audits.

In addition, all the works of the Group are subject to a risk assessment, which yields findings with respect to the degree of risk they entail. The Organisation has identified at all times, in the risk matrix, those works that represent a greater risk.

Furthermore, FCC uses a more exhaustive audit process, applied to certain works with a higher level of risk, called PETRA (Special Plan for the Treatment of Risks). This process, that analyses issues of technical risks in contract management, technical planning (deadlines and resources), and the effective submission of claims and tracking of penalties. The expansion of the PETRA programme to the international arena in 2013, and its consolidation in the financial year 2014, has assumed important support for the large international contracts.

SAMCEW, Sustainability Assessment Method for Civil Engineering Works

In mid-2014 FCC Construcción began work on the development of SAMCEW, Sustainability Assessment Method for Civil Engineering Works. This methodology is based on the experience of implementing the management and sustainability system of FCC Construcción, on the work carried out by international civil engineers in the working groups of "Sustainability in civil engineering works", ISO and CEN, of which FCC Construcción holds the presidency, and on methods of assessing the sustainability of existing and internationally recognised infrastructures.

SAMCEW is conceived as a self-evaluation and rating system, which may be used in construction projects as an internal management programme to plan construction work, and identify required improvements and share advances in sustainable practices. This methodology will allow managers of the civil engineering works to demonstrate the sustainability of their projects to their customers, planners, and other interested parties.

The methodology includes the three pillars of the sustainability, environmental, social and economic models, during all stages of the life cycle of the civil engineering work.

It is planned to publish the methodology in 2015, as well as disseminate it internally and externally, and perform internal validations in several of the Company's significant projects, including the Riyadh Metro.



Sustainable project management

For the financing of construction projects that FCC may be awarded in Latin America, FCC Construcción has been subjected to an activity review throughout the continent. As a result of this review some recommendations were established, which include the need to reinforce respect for the indigenous peoples and the protection of biodiversity.

It should be noted that FCC does not perform works in any area of conflict. However, the construction of the Zapotillo dam (Mexico) is the only one of the Company's projects that is currently stopped due to social conflicts with indigenous communities.

Participation and leadership of FCC Construcción in technical committees in the construction sector

FCC Construcción believes that it is partly responsible for the task of achieving a form of construction that is more environmentally-friendly and

more sustainable. For this reason, the Company is actively involved in various working groups specific to Sustainable Construction in the international, European and state arenas, suggesting possibilities, getting involved in the process, and providing solutions and perspectives from its own scope of action. The following topics are addressed within these working groups:

- Definition of terminology and general principles.
- Description of the life cycle of the building or infrastructure.
- Definition and use of sustainability indicators in building and civil engineering works.
- Environmental Products Declaration.
- Determination of a method for assessing environmental, economic and social performance in building and civil engineering.

Some of the specific working groups in which FCC Construcción works are:

- "WG5 - Sustainability in Civil Engineering Works," in the international technical committee ISO/TC-59/SC17 of "Sustainable Construction".
- AEN/CTN 198/SC2 "Sustainability in infrastructure", of which it holds the presidency.
- Committee CEN/TC-350 on "Sustainability in construction work".
- AEN/CTN 198 Committee on "Sustainable Construction" and AEN/CTN 198/SC2 "Sustainability in Civil Engineering Works".

Furthermore, in the field of standardisation, the presence of FCC Construcción is noted in the following organisations related to sustainable construction, which are, among others, as follows:

- International Initiative for a Sustainable Built Environment (iiSBE).
- Green Building Council España (GBCe), which is the Spanish Council of the International Association "World Green Building Council", set up as a channel to provide, in Spain, all the information about the certified building's tool, LEED.

BREEAM España's Advisory Council, responsible for charting its development strategy, representing the stakeholders in the area of building.

4.2. The management of water consumption in all activities

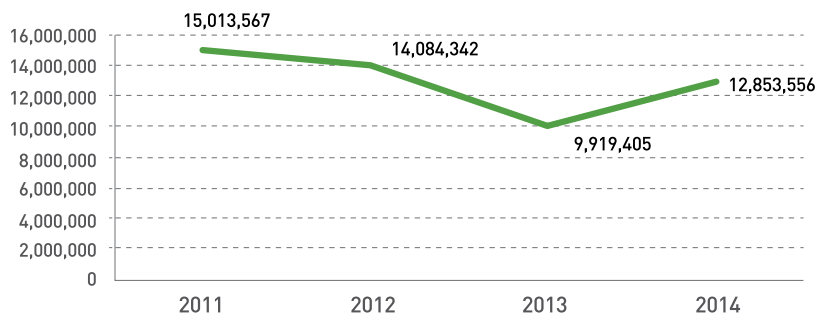
Water is a resource as valuable as it is scarce and necessary, and whose demand is increasing. Population growth and the global economy, improving living standards and climate change are some of the main causes. The degradation of water resources makes it critical to seek solutions that promote efficient management to make it possible to meet this growing demand and need.

FCC Group is aware of the need to manage water properly and promotes its rational consumption, since many of the activities of FCC Group directly depend on this resource. In 2014, FCC Group's water consumption amounted to 12,853,556 m^3, of which 52% is from municipal supplies.

Although water consumption has increased 23% with regard to the previous year, the amount is maintained below 2012 levels. In this respect, water consumption for that year is approximately 9% lower.

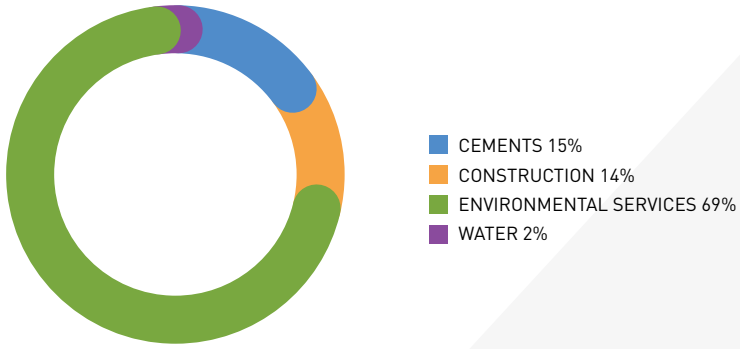


WATER CONSUMPTION (m^3)

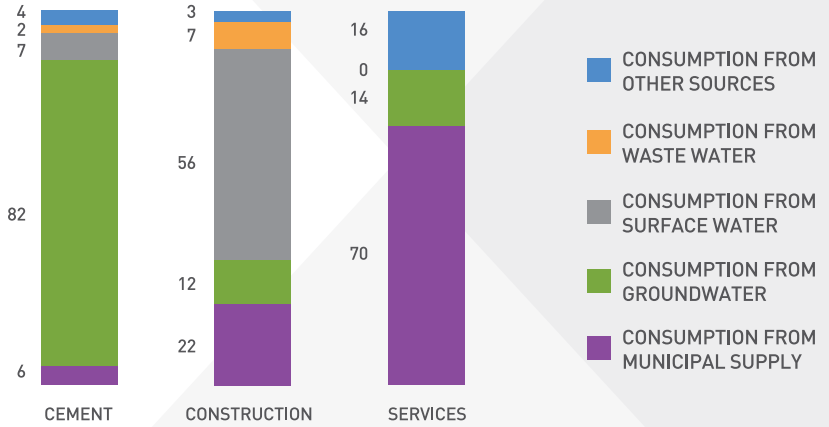


The following graph shows water consumption by business area. With respect to the previous year, consumption of the Construction and Cement divisions register 7% and 5% declines respectively for total water consumed. On the other hand, the Environmental Services division's consumption has increased from 59% to 69% in 2014. The remaining 2% corresponds to FCC's Water Management division.

CONSUMPTION OF WATER BY BUSINESS AREA



WATER CONSUMPTION BY BUSINESS AREA ACCORDING TO SOURCE (%)



4.3. Present in the integrated water cycle

FCC Aqualia is the FCC Group company that develops its activity around the management of the integrated water cycle. The Company focuses its activity on public service concessions and on water collection, processing, distribution and purification, in addition to other design and construction of water infrastructure activities. Aqualia FCC provides supply and/or sanitation services to more than 28 million inhabitants. The geographical diversification makes FCC Aqualia one of the few companies in the world able to deliver any service that is linked to different uses of water.

The Company guarantees the quality of the water for any need and ensures its return to the environment in optimal conditions, while minimizing the environmental impact.

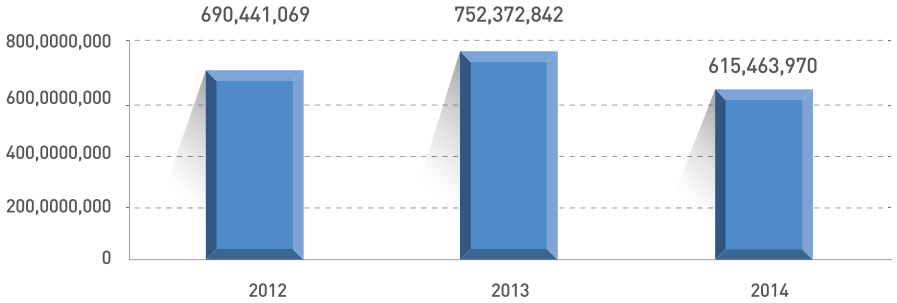
FCC Aqualia is actively committed to the sustainable use of natural resources and the fight against climate change. The Company focuses its efforts on the development

of initiatives and activities geared to improve their energy performance and to reduce/compensate for its environmental footprint.

FCC Aqualia has environmental management systems certificates in accordance with Standard UNE-EN ISO 9001 and 14001 in all of 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 2014 was 615,463,970 m^3.This figure represents a decrease of 18% approximately with regard to 2013, and 11% with regard to 2012.

VOLUME OF CAPTURED WATER TO BE MANAGED (m^3)

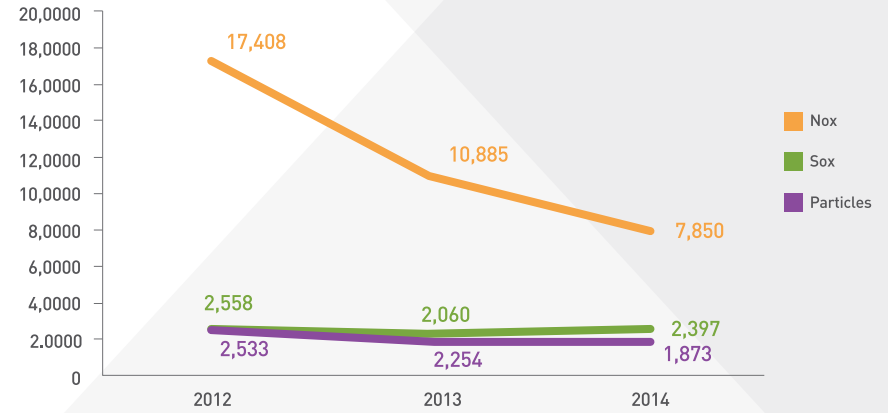


4.4. Atmospheric emissions

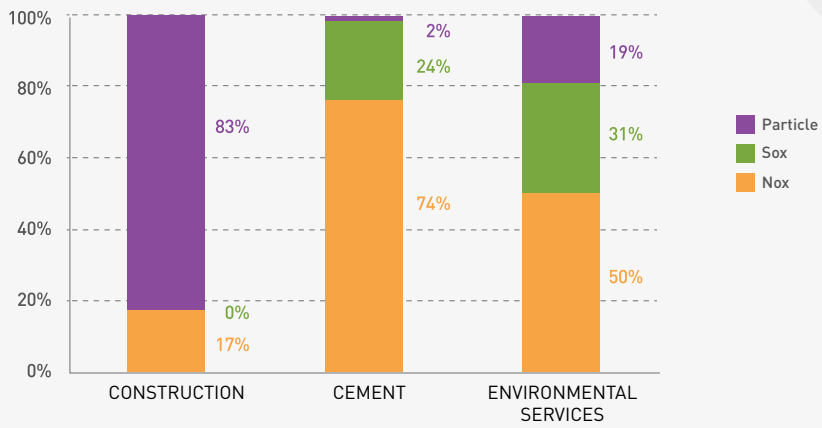
Group's main emissions, in addition to carbon dioxide emissions (CO_2), are nitrogen oxides (NOx), sulphur dioxide (SO_2), chlorofluorocarbons (CFC) and solid particles. NOx emissions are produced primarily in the Cement Division; SO_2 emissions are mainly produced in the Environmental Services Division, and the particles in the Infrastructure Division.

The following graph shows the evolution of SOx, NOx and particles emissions. For the latter two, the decrease compared to the previous year is 28% and 17% respectively. On the other hand, SOx emissions have increased by around 11%. These reductions are related to the decline in cement production in the USA and to the change in fuels used at the Ecodeal industrial waste plant in Portugal.

SOx , NOx AND PARTICLE EMISSIONS (t)



% OF EMISSIONS BY BUSINESS AREA



Each business area of the Group has initiatives to reduce emissions associated with combustion, which directly lead to the reduction in particle emissions, NOx and SO_2. In addition, the construction division has considered, within its scope of other emissions, those associated with its supply chain in the following percentages:

- Particles: 18.65% own and 81.35% supply chain.
- NOx: 4.77% own, 95.23% supply chain.
- SOx: 99.07% own, 0.93% supply chain.

The reduction in emissions of NOx is mainly a priority for the cement division. The Company controls emissions through systems of continual measurement for the main pollutants. Therefore all factories are equipped with the following:

- Analysers for the measurement of particles in the emission sources channelled from furnaces, clinker coolers, cement mills and coal mills.
- Multi-parametric gas analysers for the measurement of NOx, SO_2, CO, HCl, HF, COT and O_2 in the furnaces.

For its part, the Construction Division prevents its emissions by means of an exhaustive control of its machinery and the use of the best technology available. To minimize the air pollution, the Company carries out a series of good practices, among which are:

- Reduction of dust by watering roads and stockpiles.
- Use of additives in the irrigation water to create surface crusting, paving of the tracks, or other lasting dust-control practices.
- Use of screens against dust dispersal in localized activities.
- Use of molecular action sprayers in dust generating facilities.
- Use of drilling machinery with dust humidifier systems.
- Good preventive maintenance of the machinery used on the site.
- Employment of tubes for the disposal of debris from a height, and covering the containers with tarpaulins.
- Control of vehicle speed on the site.
- Proper location of machinery and dust emitting activities.
- Paving of the roads at the site.
- Reduction in the emission of exhaust gases from vehicles and machinery.

Furthermore, all of 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.

4.5. 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 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.

For its part, FCC Construcción takes into account all the possible effects on the hydrological environment produced by discharges resulting from its activities. The goal is to maintain the quality levels of water from the works area in the receiving environments, as well as the quality and distribution of water, both surface and underground water, from the area of influence of each centre.

When carrying out direct or indirect discharges, all FCC Construction centres request the corresponding administrative authorizations for such discharges, that reflect the water quality parameters that should be controlled and the frequency of the controls. For this reason, according to the flows of the discharges, the characteristics of the effluents and those of the receiving environment, certain quality parameters are controlled more than others. At all FCC works, an initial characterisation analysis is performed by a recognised laboratory before discharges

are carried out, to check that the effluent is within established limits. Subsequently, the necessary analyses are carried out according to the established frequency.

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 developed by FCC Aqualia.

DISCHARGES TREATED BY FCC AQUALIA	
Volume treated in waste water treatment stations and returned to the environment (m^3)	
2013	2014
502,061,050.9	526,723,447

4.6. Waste generation

4.6.1. Waste generation in Infrastructure

Environmental management systems require and ensure the proper management of the waste arising from the activities. The waste is collected separately in all the Group's facilities in accordance with current legislation in force. The prevention and the segregation of waste for storage until its final management, by authorised managers, giving priority to the best option when possible: recycling, reuse and/or assessment of the elimination or disposal in landfill.

Within FCC Construcción's Environmental Management System, special emphasis is placed on the management of waste from the work sites, of both the earth or surplus rocks, such as clean debris and other waste.

The reduction of the volume of material sent to landfill, and the exploitation through reuse, or transformation, is an indicator of good management of this aspect.

4.6.2. Waste Generation in Environmental Services and Integrated Water Management

The Environment division, by means of its activities directly related to the management of urban solid waste and equivalent wastes, from its collection to treatment and disposal, promotes selection at source, introducing better technologies at its facilities and developing good practices in order to increase the proportion of waste that can be reused, recycled and recovered.

At FCC Aqualia tireless work is carried out in innovation with the purpose of discovering new methods of reducing waste from the integrated management of the water cycle. Thus, the Company devotes a great deal of effort in the implementation of new technologies through investment in R&D&i in two ways in particular:

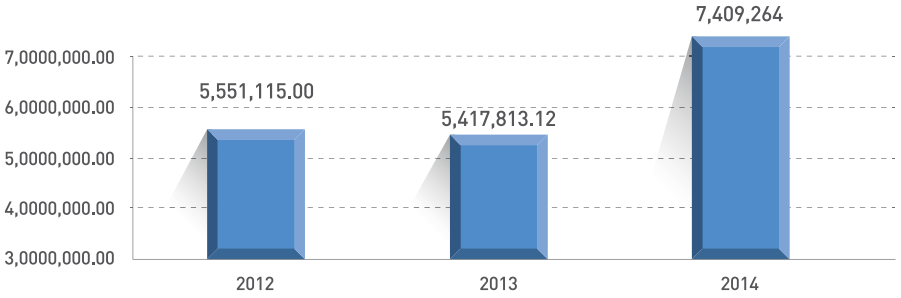
- The production of biogas for its use as a fuel for boilers and for electrical energy from organic waste from bacteria in the digesters.
- Reuse and recovery of sludge derived from water purification processes at the Wastewater Treatment Plants for its subsequent use as compost in agricultural applications.

4.7. Waste management

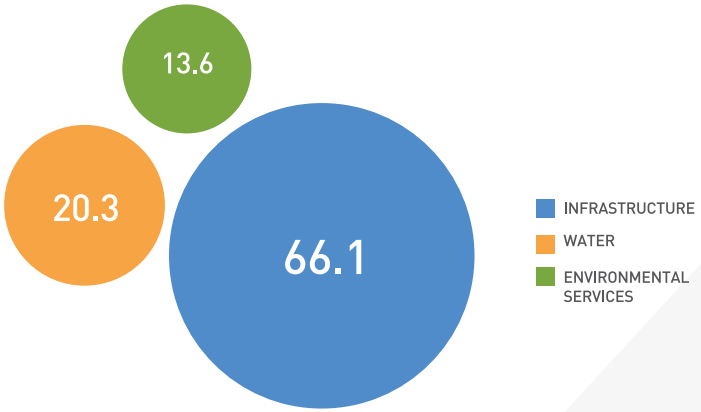
Waste management is an underlying problem resulting from increasing urban growth and development. The use of digital technology, the use of waste as a source of energy or the increase in the efficiency of the elimination of waste will help to take on this challenge. FCC's strategy is committed to recycling, reuse and recovery of waste in order to face up to this problem.

In the following graph, the evolution of total waste generation can be observed. In 2014, the amount registers an increase of 37% compared to 2013. The reasons behind this increase are due to the increase of lixiviate wastes generated in the industrial waste division, to an increase in soil decontamination services, as well as due to a fire that occurred in one of the Valladolid waste treatment plants.

EVOLUTION OF TOTAL WASTE GENERATION (t)

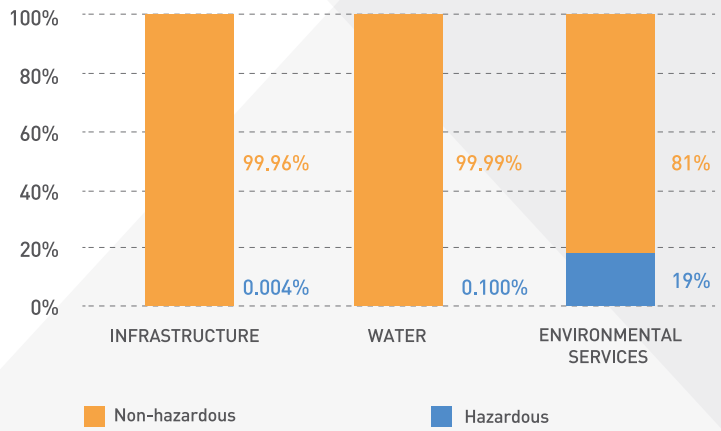


ORIGEN OF WASTE GENERATED (%)



Following the "three Rs" rule (Reduce, Reuse, Recycle), as a strategy applied to waste management, FCC Group gives priority to reducing the volume of generated waste, from the implementation of the best practices available and the efficiency of processes in the various business divisions.

WASTE GENERATION BY BUSINESS AREA (%)



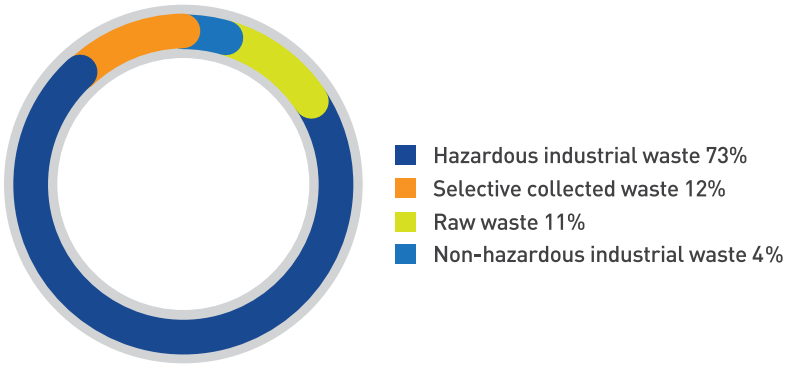
The Group has a line of business that specialises in integrated waste management; the volume of waste collected is over six million tonnes of different kinds of waste (industrial and urban waste, hazardous or non-hazardous). The volume of waste admitted at the Group's facilities to be managed increased in 2014 to over 9.5 million tonnes. The waste management specialised companies include FCC Medio Ambiente, FCC Environment (UK), .A.S.A. and FCC Ámbito.

The divisions of FCC Medio Ambiente, FCC Environment (UK) and .A.S.A. are subsidiaries of the Group that provide urban sanitation services, such as waste collection, street cleaning, the transport and treatment of urban wastes and the maintenance and upkeep of parks and gardens. The FCC Group is a leader in this sector in Spain and is one of the largest operators in Latin America, United Kingdom, Austria, Portugal, Egypt and the following eastern European countries: Slovakia, Hungary, Poland, Romania, Bulgaria and Serbia.

On the other hand, 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, regarding 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 2014, the Group collected more than 6,276,488.07 tonnes of different types of waste, the majority being urban waste, both raw and from selected collection. The following graph shows the percentages of waste collected by type.

COLLECTED WASTE



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 slag tips and stabilization.

In 2014 the Company treated 11,811,693.22 tonnes of waste at its facilities.

TREATMENT GIVEN TO THE WASTE ADMITTED TO FCC FACILITIES

Waste treatment	% of the total admitted at FCC facilities
Recovery in selection and classification plants	9.9
Recovery by biological treatment	7.4
Recovery by heat treatment	6.6
Recovery in construction and demolition-waste plants	0.0
Elimination in controlled landfill	53.0
Deposits in slag tips	0.0
Recovery by recycling	1.2
Energy recovery	0.1
Recovery by physical-chemical treatment	4.5
Stabilisation	1.5
Transfer to an end manager	15.8

Each area of business has its own waste management plans, with the common approach being that of responsible consumption of raw material in order to minimize their generation.

4.8. Protection of biodiversity

The activities of the Group have an associated impact on the ground, and therefore on biodiversity. The most relevant impacts on the environment take place in the Cement and Construction divisions. To mitigate the average effect on these impacts, the Group is developing comprehensive management approaches for the restoration of affected spaces and protection of biodiversity. Therefore, the physical condition of the environment in which they work to host its 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 supported 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 activities of the business areas is 271,450.63 hectares.

It is important to point out that from 2013 FCC joined the Spanish Corporate Biodiversity Initiative (IEEB, Spanish acronym), driven by the Biodiversity Foundation of the Ministry of Agriculture, Food and the Environment. The initiative aims to integrate biodiversity as another factor to consider in the strategic decisions of companies. FCC was one of the first companies to join the initiative.

In the Cement division the main impact on biodiversity is the alteration of habitats and ecosystems as a result of the operation of quarries and gravel pits to obtain the raw material.

The Company has restoration plans with the aim of rehabilitating or recovering, to the extent possible, the original state of the exploited areas, thereby helping to reduce the impact on biodiversity.

The restoration methods most commonly used are transfer mining, which takes advantage of the earth movement generated in the same extraction activity to restore, at the same time, the areas already exploited, as well as the method of benching down, which allows the restoration work to begin on the upper banks already exploited.

The total area affected by the quarrying of Cementos Portland Valderrivas in Spain, from the beginning of the activity until 2014, is 965 hectares for the cement quarries, and 1367 hectares for the aggregate quarries. Of the total open surface, 494 and 1029 hectares have been restored, of which 51 and 75 hectares were restored in the last year.

Through the Construction division, FCC has taken measures for the protection and restoration of degraded areas, or areas that are particularly sensitive to degradation, since it is aware that the execution of the works has an inevitable effect on plant and animal species and their habitats. In 2014, 612,600 m^2 of protected area were restored and measures were introduced for the protection of 743,052 m^2 of sensitive areas.

In addition, FCC Construcción has introduced new approaches to environmental assessment in its works. Basic guidelines have been developed to provide instruction on how to act with respect to the conservation and management of biodiversity and the management of cultural heritage, disseminating the guide on the Intranet. The Company has set itself the objective of creating and reporting on these matters to promote their successful implementation.

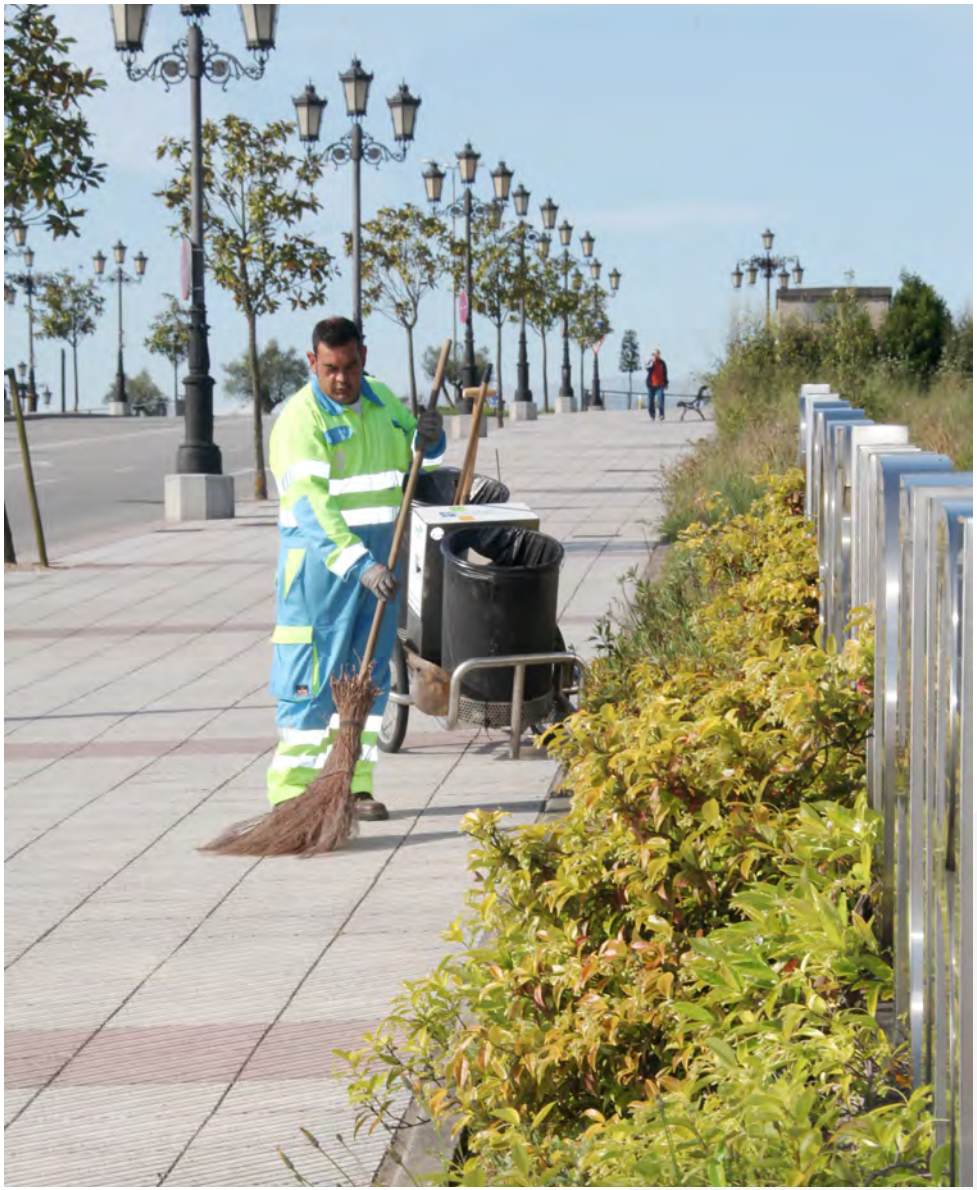
All measures carried out by the Group for the protection of biodiversity vary in their definition and grade of application, according to the type of project and the environment in which it is located, but they are always designed to condition the surface of the ground, avoid its possible erosion and protect the landscape, allowing the natural development of its ecosystems.

Participation in the EU ZERO IMPACT LIFE project

As a demonstration of its commitment to the protection of biodiversity, the Construction division of FCC has launched the ZERO IMPACT LIFE project, through which it aims to develop and demonstrate the effectiveness of an anti-collision screen for birds on high-speed rail lines. The project is defined and funded by the European Union within the LIFE+ financial instrument.

The implementation period of the project is estimated at four years and among its main objectives are:

- The development of a methodology for the determination of the appropriate measures to protect the bird life on new high-speed rail lines.
- The demonstration of the effectiveness of a new design of anti-collision screens against bird collisions, based on the concept of equally spaced tubular screens (PTE in Spanish), designed to divert the flight of birds over the area of risk.
- The increase of knowledge on the interaction between the railway infrastructure and bird life, with the aim of introducing design enhancements to guarantee biodiversity.
- The reduction of the impact of the existing and future high-speed lines, both in the project area and in populations of bird life established in protected areas.



VI. CONNECTING CITIZENS

Generating the maximum social value through sustainable solutions.

FCC Group intends to link the development 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 activities of added value. The main lines of action are:

- *To define a sustainable radar, by means of dialogue platforms with the objective of connecting the management of FCC with the trends and needs of future communities.*
- *Promote active sustainability that connects with citizens. This means involving communities in the development and start-up of sustainable solutions.*
- *Promoting the participation of workers, by designing programmes for the development of the "responsible local commitment" concept.*
- *Consolidate the corporate volunteer programme with the collaboration in residential homes in Madrid, Barcelona and Valencia, for elderly, poor and mentally handicapped people.*
- *Maximisation of sustainable value by means of positive impact action that strengthens the public notion of the service that the Company provides.*

Content

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

1. SOCIAL COMMITMENT AS A DISTINGUISHING FEATURE OF FCC GROUP

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

Within these actions are those relating to the signing of conventions and agreements with universities and other technical centres, the donations and support to institutions and industry associations, as well as sponsorships of a different nature for public-private institutions.

In 2014, FCC Group's activity, aimed at social projects, was centred on education, support for people with special needs, heritage conservation, and the dissemination of art and culture.

The figure for corporate citizenship projects amounted to total of **2,865,585.13 euros.**

Milestones in 2014

- Celebration of the II Week of disability and social occupational integration.
- Support in the United Kingdom to social and environmental campaigns through the WREN foundation.
- Collaboration in vocational training initiatives by the Industrial Waste division such as the 2013 Youth Project in collaboration with INDESPRE and REPACAR.
- FCC Aqualia's prize as runner up at 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 complete success regarding number of participants.
- Development and implementation of a metric to evaluate the social and environmental sustainability in the new construction bids.
- Creation of a "time bank" to devote to the local community, in the work performed by FCC Construcción on the River Mersey bridge, in the United Kingdom.

Challenges in 2015

- Support for new NGO social projects and associations in response to the stakeholders of the water management division.
- Enhancement of support and collaboration with universities.
- Development and promotion of sports activities.
- Preparation of metrics for assessing the impact of the corporate citizenship projects.
- Drafting the volunteer programme "Teachers for a day".
- Producing a basic guide to instruct on how to behave on the FCC work sites with respect to interaction with local communities, taking into account indigenous populations.

1.1. Encouraging the development of local communities

1.1.1. Interrelationship with local communities

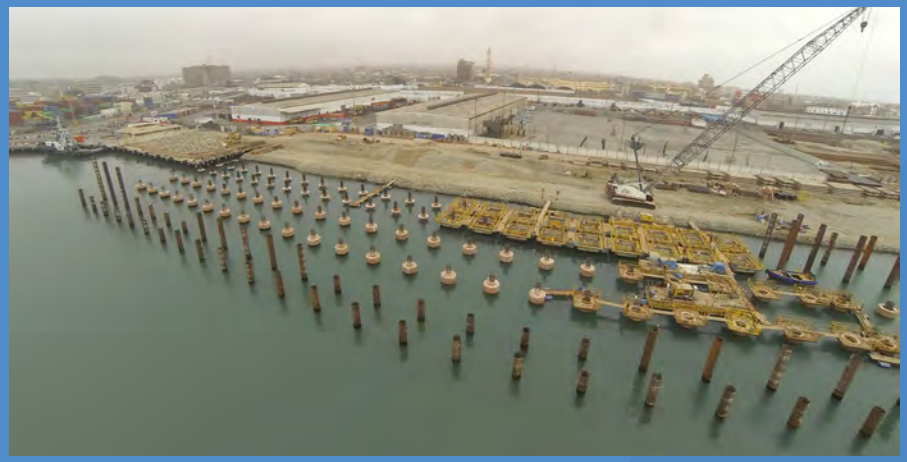
In its commitment to local communities, FCC establishes a direct and on-going relationship with all its stakeholders. It is particularly notable in Latin America, where social action programmes are defined, which include issues related to community relations, indigenous populations, the acceptance of the project and the creation of wealth through the employment of local labour.

Citizen Participation Plan in the Port of Callao (Peru)

A notable example of FCC's commitment to the communities in which it operates is the Citizen Participation Plan in the Callao Port construction project in Peru, conducted by the Construction division of FCC, and whose general objectives are described below:

- Comply with current Peruvian legislation on the right of access to information and public consultation.
- Inform the public and stakeholders of the project about the results obtained in the environmental baseline and socio-economic and cultural environment, presenting the analysis and identification of impacts and the Environmental Management Partner strategy.
- Understand, analyse and systematize the main concerns of the population with regard to the possible social, economic, environmental and cultural impact that could be generated from the construction and operation of the project.

Promote harmonious relations between the Company, the State, and the population settlements involved.



1.1.2. Commitment to local employment

In the search for wealth creation for the local community, FCC Construcción has the strategic goal of hiring local professionals in the country where the Company carries out its activity. To meet this commitment, the Company is involved in the culture of the countries in which it is present, creating new local jobs. Respect for, and integration with, the cultures of the communities in which it operates is a maxim of FCC's HR management; some examples are set out below.

Promotion of local employment in Guanacaste, Costa Rica

The Route 1 Expansion project, Section between Canas and Liberia, is located in the Costa Rican province with the second lowest quality of life, where some people even live below the poverty line. In this sense, for FCC Construcción the generation of local employment has been a priority in the development of the project.

The construction division in Costa Rica has generated, in values of monthly averages, employment for 340 people as its own staff, and 380 people employed via direct outsourcing, thus contributing to the generation of income and wealth throughout the province.

Among the direct and indirect jobs generated, work in services related to food and lodging in the area can be highlighted, the work generated by services that cover the needs of personnel that perform tasks directly related to the project or activities that the work itself requires, such as the sources of materials or the sale of supplies, among other things.

Support to local communities in Mexico

FCC supports, through FCC Construcción, different neighbouring communities of the construction project for the new highway between Necaxa and Tihuatlan, which crosses the states of Puebla and Veracruz, forming part of the 283 kilometers Tuxpan Mexico corridor, the main road linking Mexico DF and the Gulf of Mexico.

In addition to helping improve the infrastructure and donating various material goods to improve the quality of life of many communities, FCC Construcción hired a significant number of local workers. During the development of the work, the Company detected an educational gap among the local workforce, for which reason a rapprochement was made with the State Institute for Adult Education (IEEA in Spanish) and with the National Council of Education for Life and Work (CONEVyT in Spanish), to establish a collaboration agreement to assess the productivity and competitiveness of its workers by providing them with basic education, to support the completion of secondary education and to encourage and facilitate enrolment in classes or technical diploma courses.

In order to monitor literacy activities, a recruitment campaign was launched with the workers in order to understand their level of education. This work of adult education carried out by the Company has been recognised by the Governor of the State of Puebla, Mr. Mario Marín Torres, who granted recognition to FCC Construcción for being as a company committed to the education of its employees, issued by CONEVyT.

"Building communities, changing lives" WREN Foundation

Through the independent non-profit making foundation WREN, FCC Environment, 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 2014 WREN funded a total of 431 projects worth £20,819,075 (28,940,678.09 euros).

Priorities for 2014

As part of the commemoration of the beginning of the First World War in August 2014, WREN participated, with £150,000 (208,427.76 euros), in the remodelling of London's Imperial War Museum. In addition, it also collaborated with £200,000 (277,924.08 euros) in the construction of facilities to accommodate the thousands of visitors every year that come to the National Memorial Arboretum in Staffordshire.

On the other hand, in 2014 the Foundation collaborated in the protection of ecosystems of high natural value. In total, £2,200,000 (3,059,149.98 euros) were invested in six projects, which have been used to buy 360 hectares of land and to protect biodiversity in the United Kingdom.

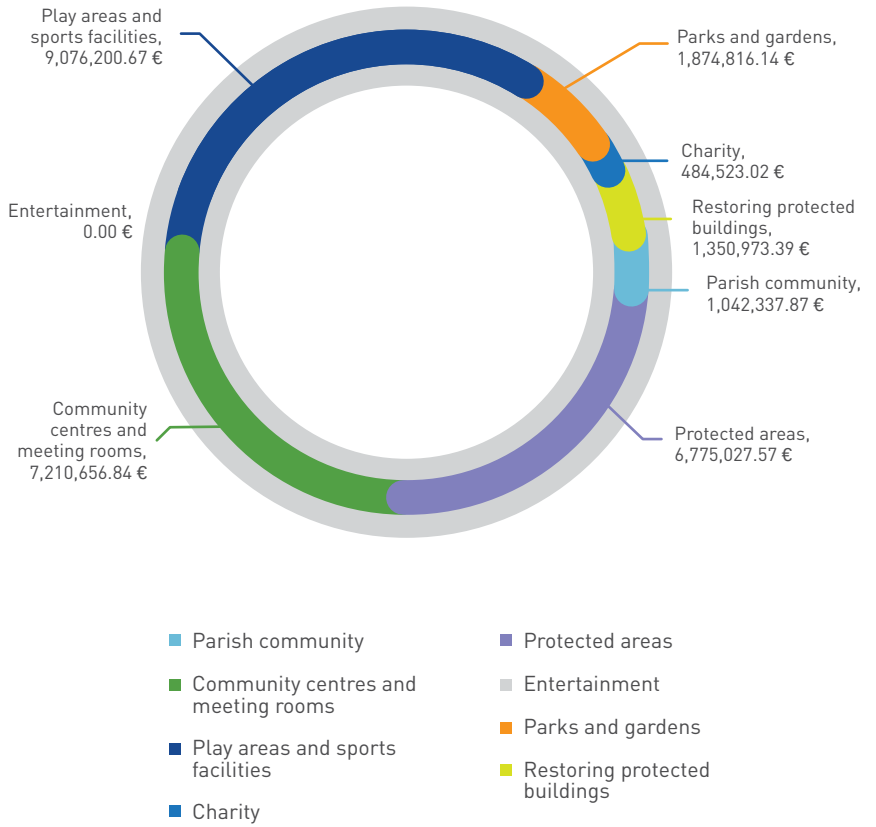
Through the Biodiversity Action Plan – which helps achieve important government improvement objectives and nature conservation – the Foundation supported 12 large projects totalling £2.6 million (3,613,147.94 euros).

Through the Heritage Fund - whose objective is to preserve some of the most important buildings in the United Kingdom - the Foundation supported a further 17 projects totalling £975,958 (1,356,204.16 euros). Assistance with the aerodrome in Stow Maries in Essex can be highlighted, the largest airport in the First World War, which still exists today.

The Foundation maintains a commitment to improving the lives of communities, which has resulted in an investment of more than £14.6 million (20,302,697.75 euros) for a total of 394 projects for the benefit of the community adjacent to the FCC Environment landfill. These projects include the restoration of the Springfield Centre, Milton Keynes. Also noteworthy is the construction of a centre for practising Parkour in Ellesmere Port, to enable citizens to practice this sport safely. With this project, WREN surpassed the £200 million mark (278 million euros) for financing since 1997.



WREN FUNDING BY PROJECT TYPE IN 2014



1.1.3. Commitment to local recruitment

When hiring suppliers, preference is normally given to local companies. In this sense, in addition to assessing economic factors, proximity to the work in question is taken into account. In this way, the execution of the construction work ensures direct and indirect job creation and has a positive impact on the development of the community and the local economy.

In addition, the Company organises and participates in various events with local suppliers to report on the specific needs of each project. An example of this is the event "Meet the buyer", organised by the Merseylink joint venture, in which FCC Construcción has a 33% participation. The meeting between construction companies and potential suppliers in the area was used for them to become acquainted with the project to be performed and its conditions.

1.2. Platform for dialogue with cities

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

Almería 2020

FCC collaborated directly on the launch of the discussion panel with stakeholders in Almería 2020, a platform for dialogue focused on the future of the city.

The work session was attended by prominent figures in the civil and business sectors of Almería, with their views contributing to shaping a citizen perspective to that of the local reality of the city. On the basis of the issues raised and the findings obtained during the meeting, a document was prepared whose lines of guidance are:

- The prioritization of the most relevant issues for clean, smart and inclusive development for Almería 2020.
- Current status of each of the issues dealt with, carrying out documentation and development work on these matters.
- Main lines of action identified by the prescribers as necessary to achieve smart, clean and inclusive development for the Almería 2020.

The main topics addressed by the attendees were: Tourism, Agriculture, the role of the port, the innovative management of water, the concentration of the food and agriculture sector, waste management, the regeneration of the urban centre, Almería as a film set, the arrival of the AVE high-speed train, the airport and urban mobility in Almería.

Based on these themes an analysis and prioritization was carried out of those that proved to be of greater interest, for which a series of principal lines of action was established. In particular, these were: Tourism, food and agriculture sector, port and innovative management of water.

With regard to the last item mentioned, FCC has defended, through its water division, the importance of ensuring the water supply for the future and the need to provide a better use of this asset by reusing it.

To ensure innovative water management, FCC has analysed the following issues with several of the city's stakeholders:

- Management of aquifers.
- Diversification of water sources.
- Waste-water recovery technologies.
- Minimizing system losses.
- Measures of awareness and involvement of the population.

In addition, FCC and the Municipality of Almería are already working on the preliminary plan for the reuse of water that goes to the water treatment plant El Bobar for use in agriculture. The goal is to achieve maximum efficiency of use of the resource that will allow economic and social development in the present time without compromising the ability of future generations to enjoy this resource.



1.3. Sharing knowledge with universities, colleges and business schools

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

Each one of FCC Group's lines of business carries out its own educational activities.

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

MAIN AGREEMENTS AND INITIATIVES IN 2014

Environmental Services

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

- The IISIS project, specifically 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 work experience with:

- 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 the performance of non-labour work experience at work centres.
- The Integrated Centre for Vocational Training in Aguas Nuevas for the performance of non-labour work experience at work centres in the parks and gardens of Albacete.
- The Olot Technical Professional School, the Centre of Financial Studies in Barcelona and the Agustí Serra Institute so that their students can perform work experience in companies.
- 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 job centre concession at the Barbanza Environmental Complex.
- Innovation and Occupational Training Centres (FIFO) of the Government of Catalonia in Sta. Coloma de Gramenet.

Integrated Water Management

Collaboration in training courses with the following universalities:

- **Rey Juan Carlos University.** First Human Rights Meeting (2014). II Business and Human Rights Meeting.
- **International University of Menéndez Pelayo.** (UIMP). (Santander): IV meeting of "Smart Cities and Innovation in Services" (2014). Meeting entitled "Business and sustainable development, an industrial view within the "Development Agenda Post 2015 and the Private Sector" course.
- **University of Alcalá.** International Congress on Bioelectric Technologies, EU-ISMET 2014.

FCC Aqualia forms part of the board of trustees and the scientific council of IMDEA Water, an institute for the investigation of scientific and social aspects of water for its efficient management in the twenty-first century.

Infrastructures

The Company has collaboration agreements with the following universities in Spain:

- University of Cantabria
- Polytechnic University of Madrid
- Alcalá de Henares University
- Polytechnic University of Valencia
- Alfonso X el Sabio University
- Salamanca University
- Carlos III University
- Madrid European University
- Comillas Pontifical University
- UNED
- University of Castilla la Mancha
- Oviedo University
- Burgos University
- Granada University
- Complutense University of Madrid
- Autonomous University of Madrid

Other collaborations:

- Nebrija University. Preparation of the book "Colombia: a country undergoing accelerated transformation".
- University of Cantabria. IDEAS program (Integration of Companies in the Construction Sector in Teaching at the Santander School of Civil Engineering).
- Ibn Khaldoun of Tiaret University, from the Algerian construction office.

1.4. Supporting groups at risk of social exclusion and with inclusion difficulties

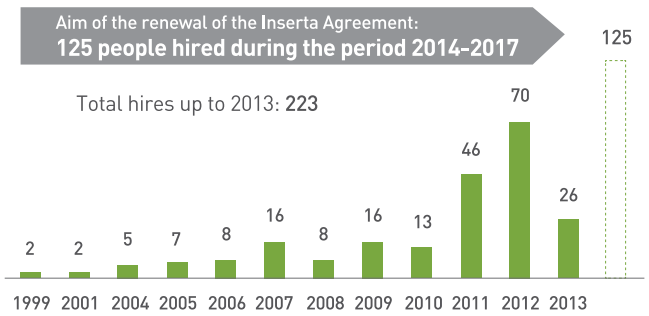
The work of FCC Group in the integration of persons with disabilities is aimed primarily at the area of employment. At FCC we understand the need for human and professional development of every person, understanding that employment is one of the main ways to achieve proper integration of all people.

FCC Group has worked for years with various specialized institutions and professionals to carry out the job of recruiting, hiring and monitoring of persons with disabilities that are incorporated into the organisation, adapting the work posts to the professional profile of the workers and facilitating a standardised integration programme within the Company. The initiatives developed by the Organisation in this area have already been dealt with in the section on "FCC's team of professionals".



Incorporating people with disabilities. Inserta Agreement

In 2014 FCC renewed its commitment to the entity of reference, the ONCE Foundation, with the Inserta Agreement, part of its Programme for Talent. The Agreement covers the incorporation of 125 people with disabilities in the Citizens Services Company over the next three years, thus leading to an overall figure of 350 workers with disabilities in its workforce.



FCC's Special Employment Centre. FCC EQUAL

The real commitment of FCC Group to the integration and inclusion of people with disabilities in the field of employment is demonstrated by the creation of FCC Equal CEE, an organisation dedicated entirely to the management and implementation of Special Employment Centres and to the presentation of auxiliary services for people with disabilities.

This currently accounts for 11 workers. The project has been driven by FCC Medio Ambiente, with the direct involvement of its Chairman, General Manager and the Human Resources management department.

FCC supports third-sector associations in insertion into the labour market

FCC subsidises projects that help and promote social integration, employment and value through recruitment. The Group collaborates with the **Adecco Foundation**, the **Integra Foundation** and the Prevent Foundation, among others. With regard to the latter, the participation in the project "Classroom of entrepreneurs" should be highlighted, which is aimed at entrepreneurs with disabilities. The objective of the project is to help launch or accelerate the development of a recently created business initiative.

Other outstanding initiatives in which FCC Group has been involved in 2014 are the **"Pink Rose Week"** for breast cancer; in which FCC Aqualia joined in the events organised by the Spanish Association Against Cancer (AECC in Spanish) and the Oviedo City Council, as well as seminars on vulnerable people and minimum resources organised by the Ombudsman of Andalusia; in which FCC Aqualia also participated.

At FCC we believe that beyond the management of legislation, ethics and social commitment, there are employment and economic reasons for the effective handling of diversity and disabled persons. Its good management directly affects the efficiency and competitiveness of the Company and the individuals who belong to it, and there are huge business and personal benefits that make the effort worthwhile.

1.5. Evaluating social and environmental sustainability in operations

The 1.5 action programme of FCC's third Corporate Responsibility Master Plan, in its "Citizen Connection" line, establishes the goal that in all public tenders submitted by FCC there will be social and environmental impact metrics with respect to its hiring operations.

In order to comply with this objective, during 2013 FCC Construcción defined a metric to evaluate the social and environmental sustainability of projects in the bidding phase, involving stakeholders in its implementation. Moreover, the systems and technologies department of the infrastructure division developed its own IT

tool with which to be able to apply the methodology designed to the new tenders from January 2014 and, in this way, categorise the projects undertaken by FCC Construcción.

In particular, the metric assesses whether the project to be submitted for tender involves the relocation of people or communities, whether it negatively affects any singular element of heritage, whether there is an environmental impact study, or any other figure for predicting and mitigating environmental impacts, whether the work involves increased access to basic utilities (water, communications, electricity, etc.) for the population, whether citizen participation has been included at any point in the process or whether the project has a specific and evident social response.

The classification of the project, defining whether its environmental and social risk is high, average, or minimal, allows the early identification of relevant requirements when submitting, evaluating and auditing the project. Of the 1,045 projects tendered and studied in 2014, 51% presented minimal or zero environmental and social risks, 48% have been associated with an average risk and 1% have a high risk.

This new metric is added to the "Initial Risks' Report", through which it examines the contractual risks, financial risks, insurance and tax risks, technical risks and financial risks of the work. With the result of both analyses, complete information is available on all areas of sustainability, which helps the Company in its decision-making process regarding whether or not to submit the bid.

1.6. Educational action for sustainable development

The Group's Corporate Responsibility Master Plan covers, in its "Citizen Connection" section, a programme of action that enables the participation of FCC employees in the creation of a more sustainable city, from its know-how, and through child-education initiatives.

There are numerous initiatives in this field of environmental education that FCC develops through its various subsidiaries, but due to its tradition and scope we highlight the children's drawing competition that FCC Aqualia has developed for years in different countries.

FCC Aqualia and child awareness for the rational consumption of water

On the occasion of the celebration of World Water Day, and to promote knowledge about the water process and to increase awareness of the need for rational consumption, FCC Aqualia, through its professionals, organised and took part in different activities, competitions and workshops in which representatives of a large number of children participated.

FCC Aqualia carries out relevant dissemination work, especially among the young, on the current importance of innovation projects, for which it organised the drawing competition **"The future of water looks good because you paint it"**, where children convey, in their work, the importance of smart water use through innovation.



Additionally, **the 5th "young-artists" internal drawing competition** was held in 2014, in which the children and grandchildren of employees of FCC Aqualia in Spain and Czech Republic participated. In total 75 children between five and eleven years old conveyed their ideas on the smart use of water.

Furthermore, in 2014, the children's international competition **"Water needs heroes like you"**, whose

purpose is to reflect on the importance of making responsible and effective use of water, held its twelfth edition. The contest, the first to be carried out on digital format, and convened on the occasion of World Water Day, invites children to tell an adventure to save the planet. The event, which is a point of reference in the municipalities in which FCC Aqualia provides services, enjoyed the participation of 197 schools and 3,500 children from all over Spain, generating over 30,000 visits and a million hits on the microsite. The content, available in Spanish, Portuguese, Catalan and Galician, was disseminated over 3,000 times through social networks, and generated more than 3,000,000 positive impacts, due to the educational and playful character of the tool.

In parallel the 12th edition of the traditional drawing contest took place, which organised developed by Caltaqua, which manages the integrated water cycle in the Sicilian Province of Caltanissetta. This edition was a great success in terms of participation, with more than 300,000 drawings being received, and with water as a common theme for nearly 2,000 children from 33 schools.

2. CORPORATE VOLUNTEERING

FCC Group and its different business areas encourage the participation of its employees in achieving corporate objectives. The programme is aligned with social projects of the **Esther Koplowitz Foundation**, an organisation 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 humanitarian emergencies aid.

Milestones in 2014

- Participation of 29 new volunteers in the programme entitled "Friday's at the Old Peoples Home".
- Organisation of 30 conferences and eight musical events.
- Implementation of the "Summer at the Residence" programme.
- Dissemination in the corporate volunteering good-practice forums in Spain.

Challenges in 2015

- Maintain a frequency of at least bimonthly for FCC volunteers' activities.
- Achieving better results from the volunteering portal through the launching of other solidarity initiatives carried out by FCC employees.
- Enhancement of national dissemination of the FCC Volunteers' programme as a good practice.
- Enhancement of the volunteering portal for the dissemination and coordination of all the volunteer initiatives of the company.
- Implementation of FCC's Solidarity Intervention Unit (SIU) for the voluntary support of Group professionals in disaster situations.

2.1. Corporate volunteer project on cognitive stimulation of people at risk of exclusion "FCC Volunteers, with you we are more"

In 2014, FCC Group continued the volunteer programme, promoting mainly the **"Friday's at the Old Peoples Home"**, an activity whose main objective is to contribute to improving the welfare and quality of life of older people with few resources, through the stimulation of their cognitive state, which is the main cause of their fragility and dependence. To achieve this, different talks and

cultural initiatives took place, designed in close collaboration with professionals from the centres responsible for the care of these people.

Through this project FCC managed to increase closeness with its employees, at the same time employees can channelling their social will, and embrace the affective bond between the residents in the centres and the company itself.

The programme has now been running for five editions. The activities are fundamentally of two types: talks on cultural, medical or recreational issues, in which there is a transmission of knowledge from the volunteer to the residents, but which are also conducive to the active participation or debate on the part of residents; and music and dance performances that physically and psychologically stimulate elderly people.

The programme is addressed primarily to residents of old peoples' homes with few resources and the Nuestra Casa day centre in Collado Villalba (Madrid) and the Nostra Casa Residence in FortPienc (Barcelona), both residences built and subsequently donated to the local government by the Esther Koplowitz Foundation. The project therefore reached a total of 347 people.

As a novelty in 2014, the "Summer at the Residence" was launched, to provide continuity to the programme during the summer period, thus responding to the demand of the residents.



FRIDAYS AT THE OLD PEOPLE'S HOME. 2014 PROGRAMME

SPEAKER	POSITION	TITLE OF TALK
Cristina Bergoglio	Architect, painter and writer	"Inner City"
José María Paz Gago	Professor of Literature at the University of La Coruña	Poetic Reading
Julio Pastor Bayón	Director of Informative Relations of the FCC Group	"Director of Informative Relations of the FCC Group"
Julio Senador-Gómez Odériz	Civil Engineer	"Mus and the virtue of eutropelia"
Lola Alcaraz	Head of Protocol of the French Embassy	"Rituals, culture and traditions in different countries for when you host people"
Nuria García Herguedas	English philologist and nurse	"Men's and women's constitutions"
Amaya and Alejandro Seco	FCC Group	"Almost everything in life is a question of attitude"
Charo Serrano	FCC Group	"Olive oil: applications in cosmetics" "St. James' Path: from Roncesvalles to Logroño"
Juana Crespo	Head of internal communications for FCC	"Major popular festivals in Spain".
Pilar Ferrer	Journalist for the newspaper La Razon	"The figure of the King"
Carlos Neville	Professional photographer. Expert in sound and image.	"Keys to building a boat"
Manuel Oreja Arburúa	Consultant	"Current view of the economic crisis"
Esther Pérez and her son Antonio	Executive secretary of the FCC Group	"The Mountain area of Madrid"

SPEAKER	POSITION	TITLE OF TALK
Ramón Tamames	Jean Monnet Chair of the EU, member of the Rome Club and Royal Academy of Moral and Political Sciences.	"The Green Planet: Challenges and Responses"
José María Merino	Deputy HR Director at FCC	"Sayings in Spain"
Cristina García	Head of prevention in FCC Construcción	"Review of the best portraits of the Virgin in the Prado Museum collections and concert along with her fellow parishioners"
Antonio Pérez	Central Area Director of FCC Construcción	"The Harley Davidson World"
Miguel Jurado and his brother Enrique Jurado	General Manager Director of FCC Construcción and renowned coach in the business world	"Making the impossible possible". Recipes for not losing happiness or emotional stability and to overcome fear
Jazz Concert with Javier Elorrieta and his Silver Jazz Quartet	Creator and artist, film maker, musician, and theatrical producer	Jazz Concert
Javier López-Galiacho	Corporate responsibility director of FCC and president of the Friends of the Historic Theatres in Spain (AMIThE in Spanish)	History of the genre of the Spanish Music Magazine. "I'll wait for you in The Parallel"
Celso Arango	Professor of Psychiatry	"The challenges of severe mental illness in current Spanish society"
Hermana Mariela Gómez	Hermana de la Fundación Sister of the PRODEIN missionary foundation, founded by missionaries of Lumen Dei	"Work of the missionaries at the PRODEIN Foundation"

SPEAKER	POSITION	TITLE OF TALK
Los Mariachis de Chihuahua		Mexican folk music concert
Alicia Casasolas	Health Inspector for the Aragon Autonomous Region	"Healthy eating in the third age"
Miguel Ferrer Ferrer	Tenor	Recital of Zarzuela Romanzas and a Song review
Asociación castiza "Rompe y Rasga"		Madrid, Madrid, Madrid
Amador Cano and Ricardo Sánchez Moya	Singer and guitarist	Flamenco lives on
Ruben Lobato and Miguel	Guitarist and singer	Guitar and folk music
Aragon Centre of Barcelona	Dance space	Aragon Lives on
Marta Almajano and Ernesto Mayhuire	Soprano and professor of Historic Folk Music of the Higher College of Music in Catalunya and guitarist and teacher at the Conservatory of Biel/Bienne, Switzerland	"Songs, waltzes and minuets"
Vicente Sánchez	General Secretary of the Construction and Services' Trade Union	"The mountain as a way of life"
José Luis López García	Professor and Chair of the Faculty of Agricultural Engineers at the Polytechnic University of Madrid.	"The benefits of oil, wine and honey"
Estrella Pérez Segovia	Guide at the National Museum of Romanticism	"Queen Isabel II of Spain (the one with sad destinations)"

SPEAKER	POSITION	TITLE OF TALK
Luis Miguel Esteban	Pharmacist	"Medication in the elderly and its benefits"
Commemorative event of the thirteenth anniversary of the inauguration of the Nuestra Casa Residence		
Tomás González Villoslada		"The beginning of the currency in Spain" and "The Fernán Núñez Palace in Madrid"

3. INTERACTION WITH STAKEHOLDERS

The **dialogue strategy** with the stakeholders of FCC Group 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 identify their main concerns.

The Company's solid strategy of dialogue and cooperation, allows a very close relationship to be kept 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 to post information to its different stakeholders. Likewise, the divisions of the Group post key information through **consultation sessions, e-mails, bulletins** and **magazines, sectorial publications** and **end-of-work surveys**, among other things.

Milestones in 2014

- Definition of the FCC Aqualia dialogue strategy with its stakeholders.
- Continuation of the social project for the responsible management of the La Valdeza communities, 19 April, in Panama by FCC Construcción.
- Modification of the evaluation of suppliers, including criteria for social and human rights.
- Internationalise the communication channels of FCC Construcción and review and improve same.

Challenges in 2015

- Definition of the activity of the Company and an increase in the information reported in relation to the social performance of FCC Aqualia.
- Continue with the development of initiatives by FCC Aqualia to improve water quality.
- Implementation of actions to facilitate professional development and enhance the customer experience at FCC Aqualia.
- Commissioning of new measures to ensure the equality and diversity of FCC Aqualia, as well as implementing improvement actions in relation to occupational health.
- Work with local administrations to understand the needs of the cities of the future, and promote dialogues and projects regarding same.
- Develop a guide that indicates what should be contributed and how the administrators of the new Intranet should undertake their role.
- Introduce a mechanism for collecting information about the negative impacts of the supply chain (supplier audits).

3.1. Shareholders and investors

The Company website has a section for shareholders and investors, which in 2014 received a monthly average of 45,844 hits, with information about the economic performance of the Company, stock market and financial information, as well as an investor's agenda for providing notifications of relevant events. FCC Group has a Shareholder Services Office.

In 2014, the Stock Market and Investor Relations department held 522 meetings with investors. 46% of them have taken place with investors in the United Kingdom, 23% in the United States and the remaining 31%, in the main European markets.

3.2. Employees

3.2.1. Internal Communication

The establishment of effective internal communications is a priority objective of the Human Resources team. The Department of Communications and Corporate Responsibility work to establish new and powerful internal channels and to achieve a corporate culture based on common and robust behaviours and values as a sign of identity, able to mobilize, motivate and engage people who make up the team of FCC professionals.

Moreover, the main purpose of the Internal Communications team is in driving communication actions and specific services that are deployed internally, and, in turn, the First Communication Plan of the Human Resources Department. From the team of internal communication the effective approach to information of interest to workers is also promoted, with special emphasis on information, messages, policies and strategies that are directly related to the management of the Company and the professional environment of the people. The Human Resources Strategic Plan aims to promote communication that will help to encourage productivity and professional development of professionals in the Company.

Celebration of the first Technical Construction Conference 2014

During 2014, FCC Construcción held its first technical conferences, an event which was attended by over 125 managers, as representatives of all areas of business at the international level and FCC Construcción support services.

At the conferences the past, present and future situations of the Company were analysed, and different experiences were shared. The event was a transparency communicative event based on the need to share information about the current situation of the Company, the necessary change process, and FCC Construcción's strategy. The event enjoyed the presence and participation of the vice president and CEO of FCC.



3.2.2. Tools for dialogue with the people who make up FCC

The main communication tool with employees that brings together FCC professionals is the FCC ONE corporate Intranet. Therefore, in order to meet the needs of the Company's human capital in a more personalised way, the employees can use the **Employee Website**, with specific content on **the internal communication** channels as additional tools to facilitate 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.

FCC Group also keeps its employees informed via the publication of the bi-monthly on-line magazine **"Communication Network"**, which received an average of 20,143 visits in 2014 and is available in twelve languages. For FCC it is essential that all relevant information related to recent events that have occurred in the Group reaches all employees, both at national and international level. For this reason, the online channel is supported by the poster version that, after its necessary logistics' task, is accessible to the thousands of employees of the Group.

Furthermore, FCC Group carried out intense work with regard to internal communication campaigns. Among the major campaigns carried out in 2014 are the following:

Campaigns	Description
International Women's Day	The campaign was translated into 14 languages and its dissemination is carried out through all kinds of media such as the internal magazine, photographic exhibits, posters, etc.
Campaign against gender-based violence	Made to coincide with the International Day for the Irradiation of Violence against Women. For this campaign messages were disseminated via electronic media and on the corporate Intranet, through an informative video. It is important to highlight the high involvement of employees who showed their support through a multitude of messages of rejection of, and being alert to, gender-based violence. The campaign was awarded the "The 100 best ideas of the year" prize from the Actualidad Económica magazine.
Solidarity Campaign "Nobody without shoes"	Aimed at collecting footwear for people experiencing social exclusion.
International Day of Persons with Disabilities	Held on December 3 and translated into 14 languages.
"Operation Kilo"	Held on December 3 and translated into 14 languages. Organised for the donation of basic needs food to the Food Bank.
"Do you like sport"	Campaign focused on the dissemination and knowledge among employees of the FCC Social Network of sport, framed within the healthy Company project.
Internal Mobility Campaign	Campaign to promote the new policy of internal mobility and dissemination of the internal mobility portal "FCC in the World".
Campaign on the Code of Ethics	Awareness campaign on the Compliance System for FCC's Code of Ethics.
"War on paper" Campaign	Organised to increase environmental awareness and cost optimization for sustainability. With this campaign, FCC encourages its employees to save paper.

3.2.3. Respect and support for labour rights

The complexity in the management and protection of labour rights for the Group has different implications according to how they are considered in Spain and the rest of the world.

It should be noted that in Spain the total workforce of FCC Group is covered by a collective bargaining agreement. This type of labour regulation is the predominant form in the organisation as a whole at international level, without prejudice to other forms of regulation.

At international level, for the sake of protecting the rights of its workforce, FCC Group is a signatory to the most important standards in the field of human rights.

- The Company adheres to the United Nations Global Compact, and includes the main guiding principles of the OECD Guidelines for Multinational Enterprises.
- In countries which have not ratified the conventions of the ILO, FCC Group has proceeded with the negotiation of agreements with the International Federation of Construction and Wood Workers (BWINT in Spanish).
- The Company has made commitments within the framework of the Universal Declaration of Human Rights, the Declaration of the Rights of the Child and various ILO conventions.

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.

Suppliers' commitment to the FCC Code of Ethics and the Global Compact

FCC establishes the requirement that all the suppliers and subcontractors understand and respect the content of FCC's Code of Ethics in their relationship with the companies of the Group. The suppliers should also make the commitment to fulfil the 10 principles of the United Nations Global Compact, which FCC joined in 2007.

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 performed means that FCC frequently undertakes self-regulation initiatives and participates in the drafting of legislation relating to its sphere of operation. All the Group's business areas have implemented voluntary measures with the objective of maintaining production and service standards in the different areas of activity, as well as in the sphere of sustainability.

A highlight of 2014 was the organisation and participation in the discussion panel organised by FCC to talk about the challenges facing Almería until the year 2020, which is mentioned in the first paragraph of this section on Connecting Citizens ("social commitment as a symbol of identity in FCC Group").

3.5. Clients

FCC Group's direct clients are government, private institutions and individuals. The objective of the Organisation is none other than to satisfy the needs and demands established by the end users of the products and services that it carries out.

The quality management systems implemented in all FCC Group's lines of business, based on prestigious international standards such as the UNE EN ISO 9001, are incorporated as an aspect with which to evaluate client 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 different communication channels for clients by business area (telephone, email, fax, internet, letters, invoices, or face-to-face meetings or visits with the commercial departments).

Environmental Services

FCC's Environment Division has drafted a series of 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 environmental and social performance of the sustainability policy of the organisation that it communicates to its clients. All of which contributes to strengthening the monitoring and control plan for the reliability and quality of published information.

Integrated Water Management

Customer care is an essential part of the service provided by FCC Aqualia. The Company's policy is to offer personalized and close attention according to the needs of each customer. For this reason, it makes available the tools and resources needed to provide a flexible, quick, simple and effective service to each customer. The main channels of communication of FCC Aqualia are:

Aqualia contact. Phone channel that is born with the aim of applying the most advanced technology in communications for customer services, allowing their needs to be attended to at any time and place. It is identified as a modern service, created to respond to a constantly evolving society.

Aqualia online. A channel that allows FCC Aqualia customers to perform all their processes in a simple, flexible and confidential manner 24 hours a day, 365 days a year. Through the FCC Aqualia website, it is possible to perform procedures, modify personal data, consult the tariffs applied, request electronic invoices, facilitate meter readings, pay bills, submit claims or request the cancellation of supply, among other processes.

Both channels have a management system that ensures the security of customer information endorsed by an AENOR certificate in accordance with UNE-ISO 270001: 2007. In addition, with the purpose of ensuring the protection of users' data, FCC Aqualia uses the "e-privacy" tool.

FCC Construcción

FCC Construcción has a client interlocutor 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.

FCC live is an on-line publication that has three sections: video news, video report and a newsletter. Its design has a friendly format, which allows you to update the content generated according to the needs of the business for a rapid dissemination of information. This channel brings the Company closer to its stakeholders and generates a positive attitude toward FCC Construcción, its activities and its professionals.

FCC City is an on-line channel that allows two forms of browsing: a virtual city, and a map of the world in which more than 120 unique building works organised by continent and country are located.

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 FCC Group's diversity of activities and types of customer 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 materiality for the Group's business, FCC Aqualia, as a consumers and users manager, is the Group's business that most directly manages dialogue and the measuring of satisfaction of stakeholders.

Through the Water Division, FCC conducts biannual end customer and institutional customer satisfaction surveys. The latest ones took place in 2014.

The survey on end customers has been carried out by phone and online, with a questionnaire with open and closed questions. In total there have been 3,945 surveys (1,925 by phone and 2,020 on line).

In the analysis of the results we get a unique value that measures the overall satisfaction of the customers using a multivariate analysis. This value is calculated on the basis of:

- Valuations that clients give to the various aspects measured in the survey
- The impact or weight that these aspects have on the composition of the overall assessment given by the user

The overall assessment of institutional clients is 22.2 points, representing a decline of 2.9 points compared with 2012. However, the satisfaction that the interviewees have shown with regard to the quality of service in the year 2014 recorded a 69.8 % of positive ratings of the respondents.

The satisfaction study of institutional clients has involved 22 individual interviews with different managers of various customers of the Group.

The end customer satisfaction survey yields results similar to those of 2012. The valuation has reached 3.91 points from a total of 5, compared to 3.90 obtained in 2012.

Customer satisfaction as a priority for FCC Aqualia

Through **Aqualia Online** and **Aqualia Contact**, 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 client 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 strategy of excellence with regard to its customer services.

Aquarating assesses the quality of the Integrated Water Management

Aquarating is a scoring system to comprehensively evaluate the performance of water and sanitation service providers. The programme is in its developments 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, Efficiency in Planning and Execution of Investments, Efficiency in Business Management, Financial Sustainability, Environmental Sustainability and Corporate Governance.
- An evaluation of the reliability of requested information.
- Guidelines for improving management practices.

Aquarating provides important benefits for both direct clients 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.



VII. HOW THE REPORT WAS PREPARED

(G4-18 b)

This FCC Group Corporate Social Responsibility Report (CSR) provides information regarding the management of key aspects of the Company and its business during 2014, as well as progress, activities and indicators framed in the strategic concepts defined in the 2012-2014 Corporate Responsibility 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 Responsibility management in the Group and its subsidiaries.

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

Materiality Study

The first step in the preparation of the report was the materiality, the undertaking of which consisted of a review of the study carried out in the previous year on the basis of the impacts of the various activities of the group as well as the geographical areas of operation. In particular the issues incorporated in matrices of materiality by business have been reviewed. In parallel a process of validation has been performed through external interviews with five prescribers in the field of investment and business analysis.

Process of determining material matters for FCC Group

(G4-18 a) (G4-24)

The materiality study carried out for the preparation of the Corporate Social Responsibility Report 2013 was based on the 46 specific aspects defined by the Global Reporting Initiative in its "Guide for the preparation of Sustainability Reports G4", applied to the sectors of infrastructure, water and Environmental Services in which the Company works. These aspects were classified in the three axes of the Master Plan: Connecting citizens, Exemplary behaviour and Smart services, and by line of business, with the aim of identifying the relevant aspects of the business aligned with the strategic lines of the group in the field of sustainability.

In order to determine the relevance, 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 Guideline of the Global Reporting Initiative in the public information of the prescribers relevant to FCC, and which cover key agents of the sector in which the Company is involved, as well as key international organisations and institutions in the field of sustainability.

- On matters of sustainability: G4 Global Reporting Initiative Guideline, 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)

The maturity was determined through the analysis of annual and sustainability reports of the main competitors of FCC, which allows the sustainability issues relevant to the competitors to be identified and determines their importance and level of development on the basis of the degree of care that they receive in these reports.

As a result of the previous phases, some matrices were obtained that determined 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.

For the continuation of the materiality study a review has been carried out of industry trends in the medium and long term for each of the businesses, infrastructure, water and environmental services, all in accordance with the sources of reference for the industry. The review of the matters contained in the matrices has been made on the basis of the following reports: Global Risk 2015 (World Economic Forum) and

World Markets Report, Emerging Trends in 2014 (KPMG), Water Outlook to 2050 (OCDE) and ISS 2020 Vision.

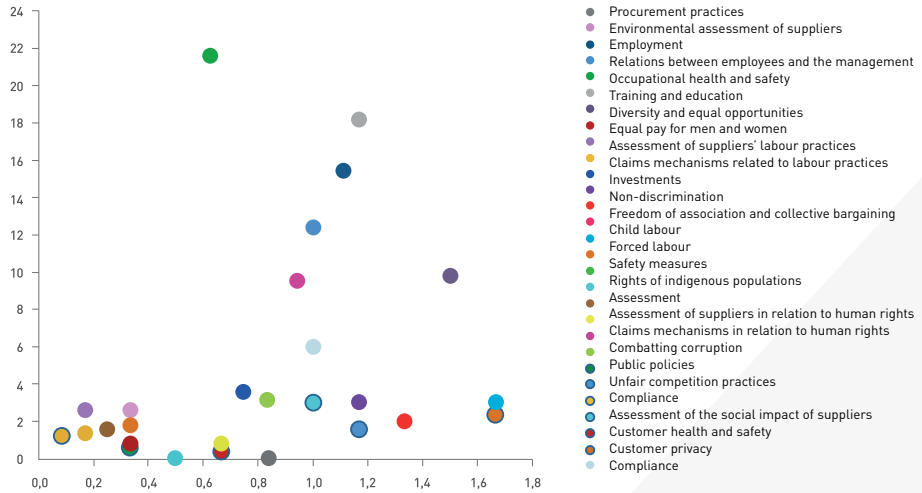
In addition it has undertaken a process of external validation, carried out through interviews. For this purpose, prescribers from the field of investment have been selected as well as financial and extra-financial analyses.

Both processes have allowed to increase the number of material issues and the updating of the prioritization of the material issues of FCC Group by business line and by dimension of the Master Plan.

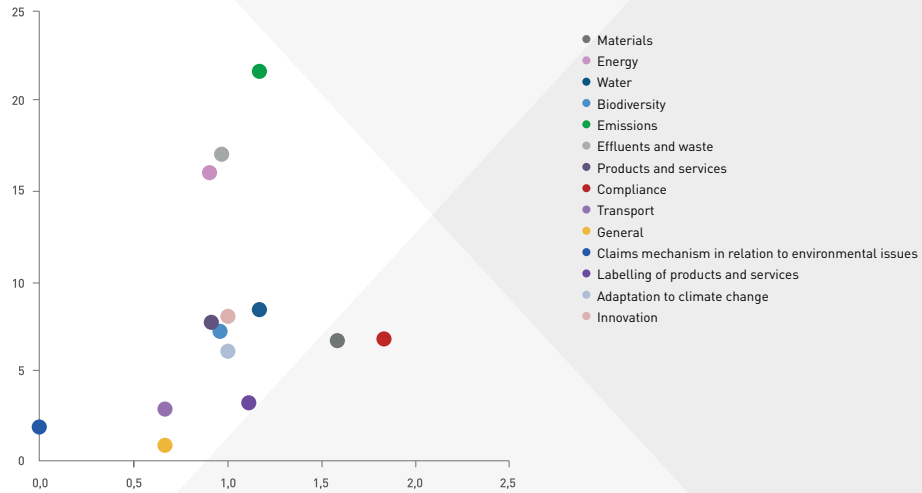
Matrices by business line

ENVIRONMENTAL SERVICES

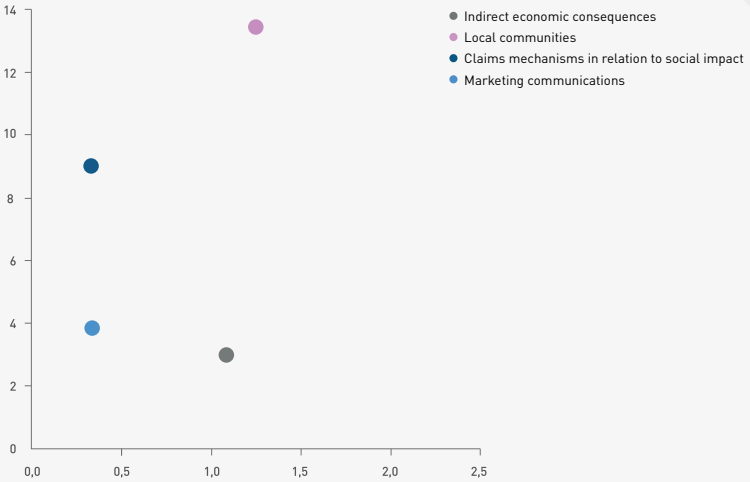
Exemplary behaviour



Smart Services

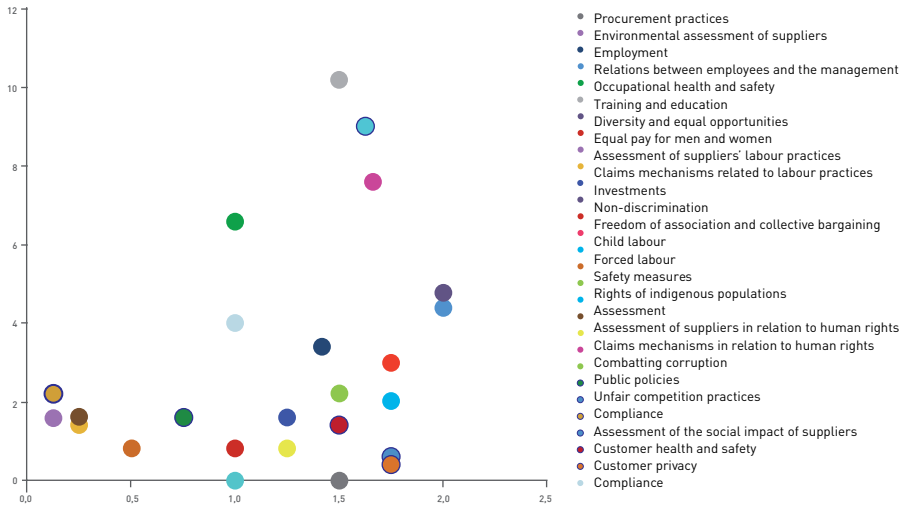


Connecting citizens

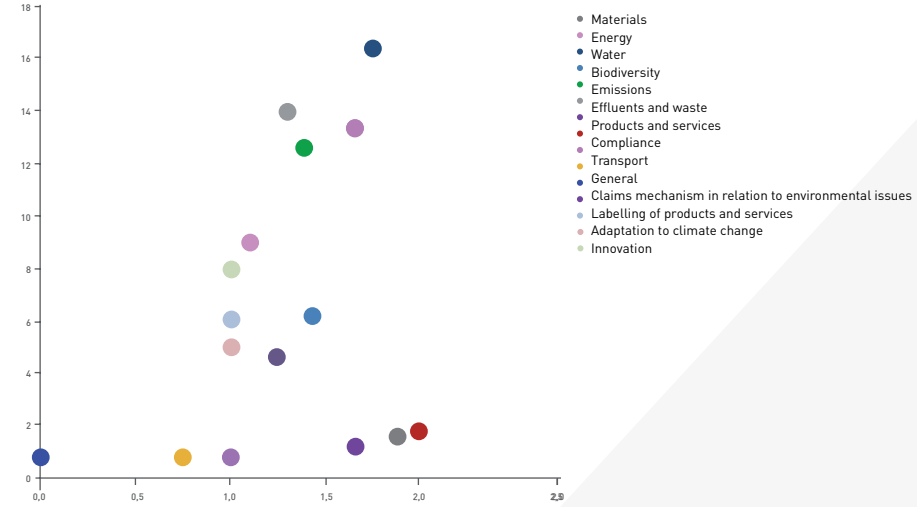


WATER MANAGEMENT

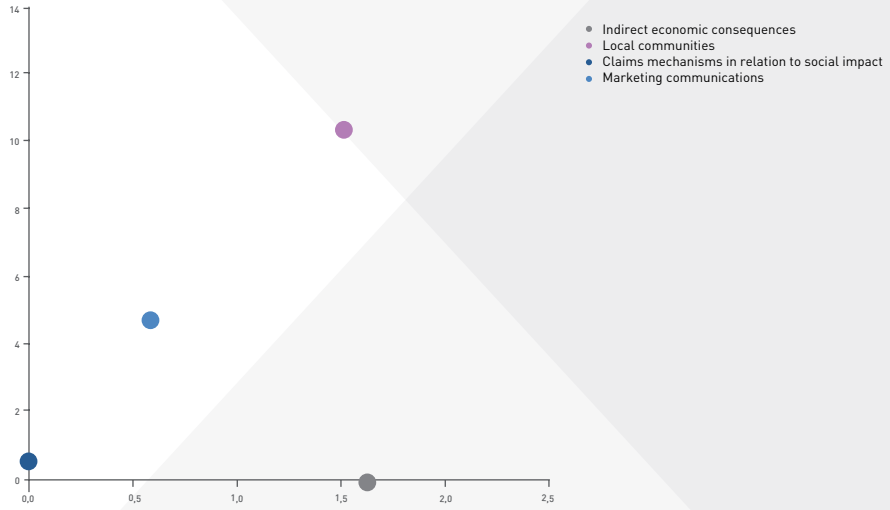
Exemplary behaviour



Smart Services

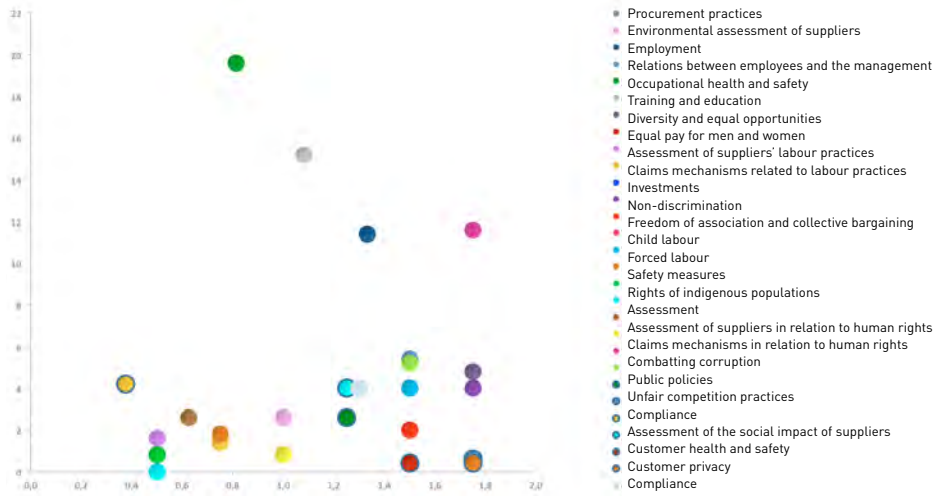


Connecting citizens

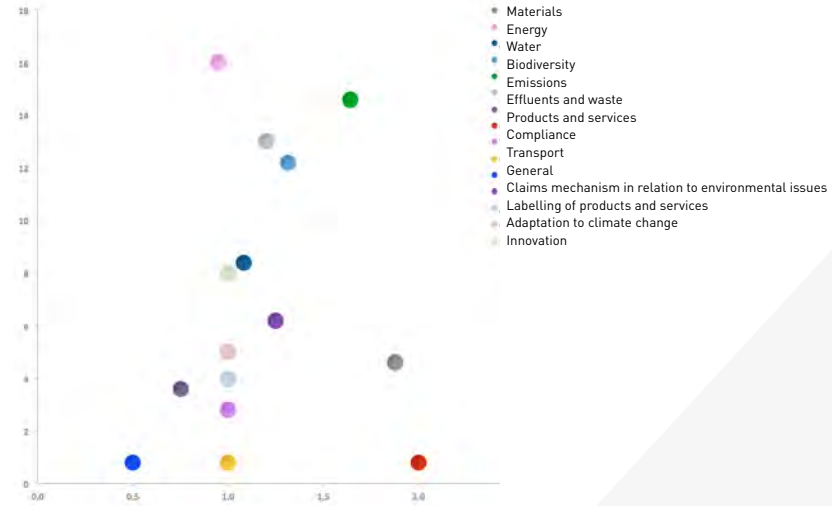


INFRASTRUCTURES

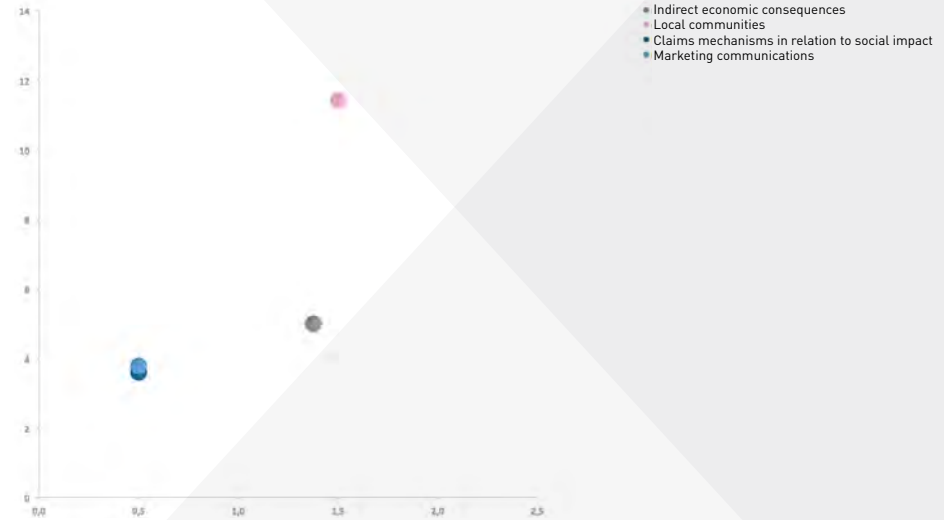
Exemplary behaviour



Smart Services



Connecting citizens



LIST OF NEW ISSUES

GRI category	Subject	Priority level
EN	Innovation	8%
EN	Adaptation to climate change	6%
EC	Supply chains	6%
EN	Collapse of essential infrastructure	5%

*GRI category: The Global Reporting Initiative (GRI) nomenclature for each category. EN (environment) y EC (economic).

Results of the materiality analysis 2014					
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 equality of opportunities	•	•	•	Employees
	Employment	•	-	•	Employees
	Fight against corruption	-	•	•	Employees, suppliers and contractors, and shareholders and investors
	Relationship between workers and directors	•	•	-	Employees
	Customer health and safety	-	•	-	Clients
	Health and safety at work	•	-	•	Employees
	Supply Chains	•	•	•	-
Smart Services	Water	-	•	•	-
	Biodiversity	-	•	•	-
	Compliance	•	-	-	-
	Effluents and waste	•	•	•	-
	Emissions	•	•	•	-
	Energy	•	•	•	-
	Materials	•		-	-
	Adaptation to Climate Change	•	•	•	-
	Collapse of critical infrastructure	-	•	•	-
	Innovation	-	•	•	-
Connecting citizens	Marketing communications	-	•	-	-
	Local communities	•	•	•	-
	Indirect economic consequences	•	-	•	-

Scope of the 2014 Corporate Social Responsibility Report (G4-18 b); (G4-22)

The information parameter of this report coincides with the financial consolidation of the Group, and reflects the activities of the Company in 2014. 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 participating companies over which FCC has management control, regardless of their holding.

In the case of joint ventures, the value of those in which it controls the operations is included, applying its percentage of ownership as appropriate.

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 2014, 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 stakeholders of the Group 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 guide to those reports that follow its recommendations. This Corporate Responsibility Report for the year 2014 offers a balanced, comparable, accurate, reliable, regular (annual) and clear perspective on the economic, social and environmental performance of the Group.

The Corporate Responsibility Report 2014 of FCC Group has been checked by KPMG in accordance with the ISAE 3000 international standard. The scope, description of the work and conclusions of said audit can be found in the section entitled Letter of Verification.

United Nations Global Compact

In 2014, 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.



Compliance with the reference standards

This report has been prepared, for the second consecutive year, 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.

Application of the AA1000 APS 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. It is therefore particularly relevant that the information contained in this report is in accordance with this principle.

- Relevance: the present report is structured according to the three axes of the Master Plan. The design of said Master Plan was carried out by means of an analysis of sustainable trends that should be met by FCC Group as a citizen services company. This trend analysis was based on reports from sources of reference such as World Economic Forum, Slim cities: sustainable buildings; Smart Energy; Water Resources Group; and the special 2011 report of the IPCC 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 its activity.

- Response capability: FCC Group has designed a series of initiatives to respond to the challenges that had been identified as key issues for the Company. 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.

Supplementary Information

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 read the corresponding sustainability reports, which address each activity in specific detail.

In addition, FCC Group publishes an Annual Report, an annual Corporate Governance Report and an annual report on Directors remuneration, for the financial year 2014, available on the corporate website.

VIII. PERFORMANCE INDICATORS OF FCC GROUP 2014

Economic indicators	Units	2014	2013	2012	Externally verified
Net business turnover	Millions of euros	6,334,066	6,750.0	7,429.3	
Gross operating profit EBITDA	Millions of euros	804.0	717.3	820.3	
Net operating profit. EBIT	Millions of euros	345.6	307.7	147.4	
Cash flow operations	Millions of euros	608.9	774.8	1,159.0	
Cash flow investments	Millions of euros	(167.2)	(411.5)	(227.2)	
Project portfolio	Millions of euros	32,996.5	32,865.1	30,896.4	
Generated economic value	Thousands of euros	6,729,942	7,024,118	7,845,554	
Economic value distributed by the FCC Group	Thousands of euros	6,281,674	6,909,491	7,288,996	
Procurements (suppliers of materials and services)	Thousands of euros	2,220,917	2,604,551	2,782,029	
Salary expenses	Thousands of euros	1,916,696	2,005,001	2,154,928	
Corporate income tax	Thousands of euros	(64,171)	(135,376)	(37,956)	
Interest and exchange rates	Thousands of euros	549,156	498,613	512,921	
Dividends paid to shareholders	Thousands of euros	0	0	0	
Economic contribution to corporate citizenship.	Thousands of euros	2,866	4,017	4,500	
Significant financial assistance received from governments (subsidies)	Thousands of euros	239,271	228,728	220,239	
Activity certified by ISO 9001	%	85.42	83.8	81.1	
Purchases to suppliers	Thousands of euros	1,394,923	1,610,135	916,550	

Ethics and integrity	Units	2014	2013	2012	Externally verified
Communications received through the Code of Ethics channel	Nº	21	22	23	

Efficiency and technology	Units	2014	2013	2012	Externally verified
Investment in R&D&i	Thousands of euros	14,444	18,437	28,474	✓
Activities with environmental certification (e.g.: ISO 14001)	%	81.90	77.5	78	
SO_2 emissions	kg	2,396,675	2,060,00	2,532,655	✓
NOx emissions	kg	7,850,165	10,885,000	17,407,693	✓
Particulate emissions	kg	1,873,430	2,254,000	2,557,722	✓
Materials of renewable origin	tonnes	1,426,634	1,206,724	8,815,606	
Materials of recycling origin	tonnes	9,383,468.04	14,098,240	9,679,289	
Certified materials	tonnes	4,002,548	4,097,668	701,601	

Efficiency and technology	Units	2014	2013	2012	Externally verified
Consumption of water	m^3	12,853,556	9,919,405	14,084,342	✓
Consumption of recycled water	m^3	168,992	610,012	610,372.94	✓
Consumption pertaining to surface water	m^3	1,128,899	1,294,226	2,987,563	✓
Consumption pertaining to sub-surface water	m^3	3,049,297.1	1,627,473	3,828,606	✓
Consumption pertaining to municipal supply	m^3	6,708,162	3,563,204	5,081,542	✓
Consumption pertaining to other sources	m^3	1,850,858	1,462,230	1,576,258	✓
Discharged waste water	m^3	ND(*)	560,136,681	504,952,528	
Purified waste water	%	ND(*)	95.0	92.6	
Capture of water to be managed	m^3	843,979,880	763,751,430	690,441,069	
Percentage of sub-surface water captured	%	17	29	35.8%	
Percentage of surface water captured	%	55	72	60.8%	
Percentage of desalinated water captured	%	27	1.5	1.4%	
Percentage of other captured elements	%	1	1.9	1.9%	
Total waste generated	tonnes	7,409,264	5,417,813	5,551,115	✓
Hazardous waste generated	tonnes	198,545	85,559	139,800	✓
Non-hazardous waste managed	tonnes	7,210,719	5,332,369	5,411,315	✓
Waste managed	tonnes	16,053,302	17,091,361	ND	
Waste collected	tonnes	6,276,488	6,692,654	10,384,776	
Urban waste	tonnes	5,257,941	5,382,369	8,105,721	
Hazardous industrial waste	tonnes	279,546	432,931	694,569	
Non-hazardous industrial waste	tonnes	739,000	877,354	1,584,486	
Waste admitted in FCC centres	tonnes	9,776,814	10,398,707	16,710,490	
Urban waste	tonnes	4,571,114	5,051,636	10,983,933	
Hazardous industrial waste	tonnes	284,634	357,531	172,637	
Non-hazardous industrial waste	tonnes	4,921,066	4,989,540	5,553,920	
Treatment given to hazardous wastes					
Recovery	%	28	26	27	
Stabilisation	%	55	41	28	
Transferred to an end manager/other destinations	%	17	20	45	
Treatment given to non-hazardous wastes	tonnes				
Recovery	%	30	13	26	
Elimination in controlled landfill	%	54	81	66	
Transferred to an end manager	%	16	6	7	

Energy and climate change[3]	Units	2014	2013	2012	Externally verified
Total GHG emissions	t CO_2eq	9,971,823	9,688,669	11,554,189	✓
Direct GHG emissions[3]	t CO_2eq	9,273,269	9,150,142	10,808,177	✓
Indirect GHG emissions[3]	t CO_2eq	698,553	538,527	746,012	✓
Direct consumption of energy	GJ	21,840,417	25,202,566	36,464,378	✓
Renewable energy consumed	GJ	699,114	1,239,930	2,990,430	✓
Non-renewable energy consumed	GJ	21,141,303	23,962,635	33,473,948	✓
Indirect consumption of energy	GJ	7,678,311	5,313,184	7,811,002	✓
Electrical energy consumed	GJ	7,676,876	5,310,338	7,792,273	✓
Energy in the form of steam consumed	GJ	1,435	2,846	18,729	✓
Total consumption of energy	GJ	29,518,728	30,515,750	44,275,379	✓

Community	Units	2014	2013	2012	Externally verified
Investment in corporate citizenship	Millions of euros	2.8[4]	4.0	4.5	

People	Units	2014	2013	2012	Externally verified
Total staff	Nº	58,034.00	63,254.97	80,549	
Total women	Nº	12,122.00	13,677.09	15,931	
Total men	Nº	45,912.00	49,577.88	64,618	
Percentage of women executives with respect to total executives	%	19	17	16.6	
Number of employees with permanent contract	Nº	9,438	12,989	29,565	
Number of employees with a temporary contract	Nº	7,846	8,759.10	9,732	
Number of seconded employees	Nº	40,750	41,507	41,252	
Total voluntary rotation	%	3.10	3.88	6.46	✓
Total voluntary rotation of men	%	3.32	4.10	5.40	✓
Total voluntary rotation of women	%	2.27	3.11	1.06	✓
Number of disabled employees	Nº	849	930.69	963	
People hired within the geographical proximity	Nº	ND(*)	7,407.38	14,655	
Number of training hours per employee	Nº	6.48	9.37	12.11	
No. workers covered by collective agreements (Spain)	%	100%	100%	100%	
Amount of time off due to work related accidents, employees+subcontractors (except while travelling of for cardiovascular reasons)	Nº	2,723	2,821	5,045	

[3] Energy consumption and associated emissions were corrected on the figures published in 2013.
[4] Investment in corporate citizenship in 2014 has gone down compared to earlier years, mainly due to less investment in Construction and Environmental Services areas, specifically in Eastern European countries, as well as at corporation level.

People	Units	2014	2013	2012	Externally verified
Accident rates FCC Group (own personnel, national and international)					
Frequency rate		24.39	23.14	26.91	✓
Severity rate		0.75	0.7	0.61	✓
Incidence rate of workplace accidents		43.9	44.03	53.2	✓
Absenteeism rate		6.1	6.06	5.25	✓
Accident rates FCC Group (own personnel + subcontracted personnel)					
Frequency rate		23.69	22.8	25.7	✓
Severity rate		0.68	0.65	0.6	✓
Incidence rate of workplace accidents		43.23	42.67	51.4	✓
Absenteeism rate		5.36	5.23	4.56	✓
Deaths caused by accidents in the workplace					
FCC Group total (own personnel + subcontracted personnel)	nº	7	9	10	✓
Subcontracted personnel	nº	3	6	6	✓
	nº	4	3	4	✓

(*) ND Not available.

IX. INDEPENDENT REVIEW REPORT

KPMG Asesores S.L.
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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 2014 (hereinafter "the Report"). The information reviewed corresponds to the contents marked as external assurance with the symbol ✓, as referred to in the section of the Report entitled "FCC Group 2014 Performance Indicators".

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". Management is also responsible for the information and assertions contained within the Report; 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.

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:

- 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.
- 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.

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N.I.F. B-78510153

- 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.
- Corroborating 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 2014 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".

Under separate cover, we will provide FCC management with an internal report outlining our complete findings and areas for improvement.

KPMG Asesores, S.L.

(Signed)

José Luis Blasco Vázquez

3 June 2015