

13 Corporate Social Responsibility Report

Alfilorios Reservoir in Asturias (Spain).



Corporate Social Responsibility Report

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I. FCC Group Profile

FCC Group is one of Europe's largest Citizen Services companies. Its activity focuses on three lines of business: environmental services, integrated management of the water cycle and infrastructure.

More than 55,000 employees worldwide accompany FCC each day on a road with a clear vision into the future. To this end, the company adapts to different global forces like the growth of the urban population and limited resources, seeking to offer smart services for increased efficiency and sustainability.



Mersey Bridge (UK).

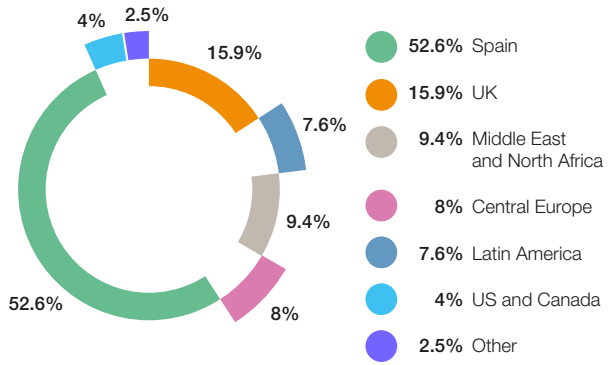
1. Main Figures

	2015	2014	Var. (%)	2013(1)
Turnover (million euro)	6,476	6,334.1	2.2%	6,750
EBITDA (million euro)	814.6	804	1.3%	717.3
Margin (%)	12.6%	12.7%	-0.1 p.p.	10.6%
EBIT (million euro)	323.8	(345.6)	-193.7%	(307.7)
Margin (%)	5%	-5.5%	10.5 p.p.	-4.6%
Business order book (million euro)	32,499.7	32,996.5	-1.5%	33,359.5
Net debt (million euro)	5,473.6	5,016	9.1%	5,964.5

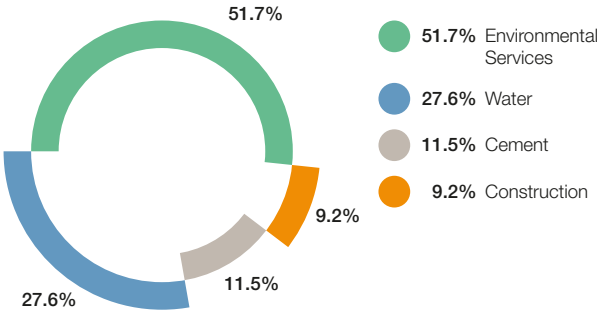
	Revenue in 2015 (million euro)	Var./2014 (%)	EBITDA 2015 (million euro)	Var./2014 (%)
Environmental Services	2,855.6	1.8%	425.3	1.7%
Water	1,033.5	8.3%	227.5	9.2%
Construction	1,992.9	-4%	75.8	-22.8%
Cement	580.4	6.9%	94.3	-10%
Corporate services and adjustments	13.6	-131%	(8.3)	-67.7%
Total	6,476	2.2%	814.6	1.3%

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

% Income by Geographical Areas

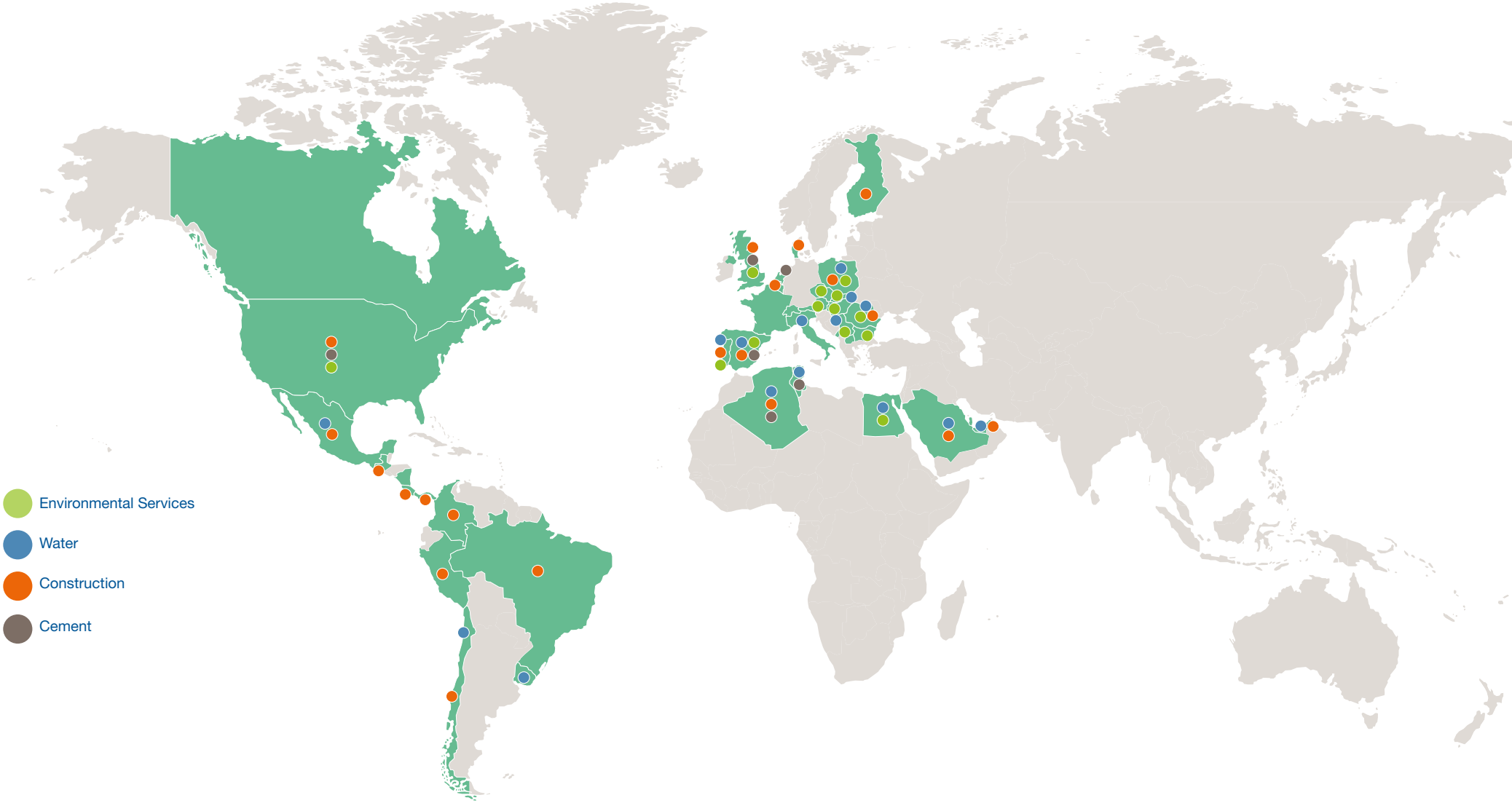


% EBITDA by Business Area*



* Adjusted by Corporate Services.

2. FCC Group Presence



3. More Stability, more Growth

2015 results and new outlooks

2015 was characterised by the recovery of FCC Group economically. The company continued its restructuring processes and strengthened its global position in the market for water and environmental services, thanks to which total revenue increased by 2.2%.

One of the main goals for 2016 is to continue to reduce the debt. In addition, it aims to maintain the growth trend in the international arena and in the business lines of environmental *utilities* (services and water), which account for 80% of the Company's gross operating profit.

It thus seeks to recover upward growth, and Company objectives include generating cash, once the process of the most significant divestments is finalised.

Strategic guidelines

- Continue reducing financial debt and boost operational efficiency to improve the Company's results after the finalisation of the divestment programme.
- Prioritise the selection of specific projects in the Construction area to ensure that those chosen are ones in which it has a competitive advantage and that will provide high profit levels.
- Consolidate the Group's leadership in the environmental services and integrated water management markets where the company operates.
- Take advantage of expansion opportunities offered by maintenance services in integrated water cycle management and "turnkey" projects required in the sector. The geographical areas with the most attention continue to be the Middle East, North Africa and Latin America, which experienced growth of over 120% last year.
- Make use of the regulatory requirements on recycling and waste treatment to boost the growth of this business in mature markets. In addition, given the upward trend globally, leverage opportunities offered by waste recovery in different geographical areas.
- Create a feeling of pride in belonging, a collective spirit and a shared sense of participating in the same project, aligning all FCC employees around an identical mission.
- Generate a culture of working as a group; not acting in silos.
- Unite efforts, create synergies and workflows.
- Necessary connection of talent and the way of doing business among between the various business areas.
- The brand and reputation are built up by the people working for FCC.
- Assign responsibility in order to demand results.

4. The Keys to Recovery

Sound and stable financial structure

In December 2015, the Board of Directors agreed to carry out a new capital increase with a total value of 709.5 million euros to strengthen the company's capital structure by reducing its level of financial indebtedness. After the repayment of the so-called tranche B of the debt, the remaining outstanding balance is around 130 million.

Thus the restructuring and financial stabilisation process begun years ago in the Company continues so that FCC Group will be able to continue to make progress on its way to growth. The balance sheet strength and soundness provided by the funds obtained have resulted in an increase in results thanks to the reduced financial burden and improved reputation.

Growth of environmental utilities: services and water

Following the strategic guidelines and expectations set by FCC Group, the Environmental Services and Water businesses are the company's largest source of growth, with an increase of 1.7% and 9.2% respectively. The contribution of the so-called environmental utilities already accounts for almost 80% of the company's gross operating profit.

Also important is the Group's international footprint, which now accounts for 47.4% of FCC's total revenues after an increase of 9.8% during the past year. In this area, special attention should be given to the water services, which have experienced an increase of 39.5% in the international market thanks to some of their largest projects to date.

International projection

During 2015 FCC Group was awarded several international projects including:

Design, construction and operation of the treatment plant in Abu Rawash (Egypt)

The consortium led by FCC Aqualia division works on the design, construction and operation of the Abu Rawash wastewater treatment plant in Cairo (Egypt). This project, with a business portfolio valued at 2,400 million euros, is the largest in Aqualia's history and FCC Group's third largest project currently being executed. After commissioning, the plant will have the capacity to treat 1.6 million cubic metres of water daily and will serve 5.5 million people.

FCC Aqualia was already present in Egypt with the operation of the New Cairo wastewater treatment plant for a period of twenty years. Thus FCC's presence in North Africa is consolidated and demonstrates an awareness of the importance of sewerage and water purification, one of the Millennium Development Goals (MDGs).

Construction project for the Riyadh Metro (Saudi Arabia)

One of FCC Group's biggest projects is the Riyadh Metro (Saudi Arabia), whose works began in April 2014. This project is the world's overall largest metro project to date, with a total length of 176 kilometres and a total budget of 6,000 million euros for Lines 4, 5 and 6.

FCC is aware of the importance of the project in the Kingdom of Saudi Arabia's capital, which has a total population of 5.7 million people that is estimated to rise to 8.3 million over the next fifteen years, with around 7.4 million daily trips.

Thus the Riyadh Metro puts FCC on the global vanguard of cutting-edge citizen infrastructure and greatly increases the impact of its activity.

Waste collection in Orange County and waste recycling in Dallas (USA)

The award of the tenders for waste collection in Orange County (Florida) and for the management of recyclable waste in Dallas, as well as the management of biosolids in Houston in late 2014 shows the consolidation of the company's activities in North America, which provide the experience of over a hundred years in the field of environmental services.

The award of the tender for the municipal solid waste collection service in Orange County is the first of its kind to be won by a Spanish company in the United States. The contract is for a total of 85 million euros and will have a direct impact on 400,000 county residents, who generate on average 100,000 tonnes of waste annually in 83,000 homes in the area.

Meanwhile, the FCC's Urban Services Division will design and operate a plant to handle recyclable waste from the city of Dallas for 15 years (which can be extended to 25) for a total volume that would reach up to 270 million euros. This plant will recycle for sale tonnes of paper, cardboard, glass, plastic, metal and all kinds of recyclable material generated by the citizens of Dallas. The Group now has more than fifty available facilities currently spread across various countries that provide it with experience for a proposal of this value that will be attractive in the United States.

Toyo tunnel project in Colombia

FCC leads the consortium that was awarded the contract for the design, construction, operation and maintenance of the Toyo tunnel in the Port of Uraba. The project has a budget of 392 million euros and an execution period of ten years.

The project involves the construction of a 40.84 kilometre section of a new route that is planned to facilitate the connection between Medellin and the Uraba region, reducing the travel time from six hours to three and a half. Of the 12.3 kilometres of tunnel included in the technical drawings, 9.8 are for the Toyo tunnel. When complete, this infrastructure will be the largest of its kind in Colombia.

The ten largest contracts being executed by FCC Group

Project	Country	Value of the project
Riyadh Metro	Saudi Arabia	6,070 million euros
Lima Metro	Peru	3,800 million euros
Abu Rawash wastewater treatment plant	Egypt	2,400 million euros
Line 1 of the Panama Metro	Panama	1,112 million euros
Relizane - Tissemsilt railway line	Algeria	934 million euros
Three railway projects - Transylvania line	Romania	830 million euros
Mersey Bridge	United Kingdom	700 million euros
Waste management in Edinburgh and Midlothian	United Kingdom	600 million euros
Gerald Desmond Bridge	USA	540 million euros
Doha Metro	Qatar	500 million euros

This award replaces the newly opened control tower in El Dorado (Colombia) and maintains the close relations between FCC Group and Colombia. This relationship is embodied in the constitution of the Spain-Colombia Council Foundation headed by Esther Alcocer Koplowitz, chairwoman of FCC Group.

Line 2 of the Panama Metro

FCC Group, in partnership with the Brazilian company Odebrecht, has been awarded the contract for the construction of Panama City's Metro Line 2, with a total value of 1,857 million euro. Consequently, this project is the fourth-largest currently underway for FCC Group, just behind the recent award of the Abu Rawash wastewater treatment plant (Egypt).

The project's significance is reflected in visits by various political representatives. FCC executives explained to both the Minister of Civil Works Ana Pastor and to the president of the Panama Metro Roberto Roy the characteristics of the new Line 2 and other noteworthy works the Company is executing in the country, including the construction of Metro Line 1.

Thus the Company continues to expand its activities in this Central American country, increasing the impact of its activity on the 500 thousand inhabitants of the East Sector of Panama City.

II. Main Lines of Business

1. Environmental Services

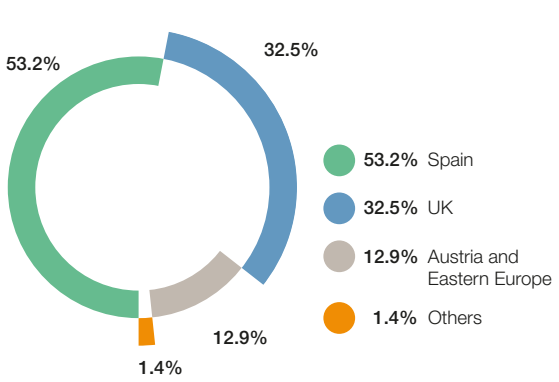
An offer of responsible and sustainable services

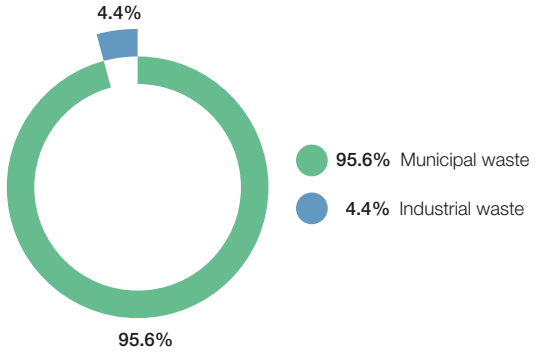
FCC Group's Environmental Services division minimises the Company's environmental impact by applying the latest technologies across its range of services for the collection, treatment and disposal of urban solid waste, street cleaning, maintenance of sewerage networks and conservation of green spaces.

- Service to more than **50 million people** in **13 countries**
- **Twelve million** tonnes of municipal waste collected

- **Turnover:** 2,856 million euros
- **EBITDA:** 425 million euros
- **Business order book as of 31 December 2015:** 11,826 million euros

Revenue by geographical area and business segment





Impact indicators:

- **Over 120** treatment and waste disposal facilities
- **20 million** tonnes of urban waste processed
- **10,000 kilometres** of sewers managed
- **4,369 hectares** of parks maintained in Spain

Featured project

Contract for street cleaning in San Sebastian



FCC Environment works with the San Sebastian City Council offering a newly designed service focused on the latest technologies, productivity and quality which is socially and environmentally responsible.

A trained workforce

FCC has established a comprehensive training plan to ensure responsible environmental management. Through the plan, FCC aims to make its workers ambassadors of good social and environmental practices.

Environmental commitment: supporting the green growth of the city

In response to the expectations of its stakeholders, FCC has designed a range of technologically interconnected services that are increasingly efficient in terms of productivity and offer better ergonomics for its workers.

The company has implemented a number of measures to save energy and reduce GHG emissions, to reduce consumption of water from the network, encourage selective collection and sorting waste at its source and enhance urban biodiversity.

Interconnectivity between services provided: quantify, optimise, communicate

FCC has implemented computerised control systems and communication services. This will make it possible to generate databases and to establish indicators for good management of the services in order to optimise useful information for the Company's stakeholders.

Connecting with citizens

The objective of FCC Environment is to achieve integrated and integrating environmental management that involves citizens and transforms a service of general interest into a matter involving everyone with shared responsibilities:

1. To integrate environmental considerations into operational management: integrated sustainable environmental management.
2. To have indicators that convey environmental information that is relevant and understandable (*Smart&Human Service*).
3. Share information to raise awareness: get citizens involved.
4. Encourage the emergence of best practices. Make responsible, train: an eco-efficient workforce.
5. To anticipate risks and opportunities: urban resilience, adaptation to climate change, low-carbon economy, role of biodiversity in the city of the future (ecosystem services).
6. Intensify public-private collaboration: sustainability, a matter for all with shared responsibilities (customer satisfaction, consolidate the results).



2. Water Management

A range of solutions that add value

FCC Aqualia offers the market all solutions to fulfil the needs of institutions and public and private organisations in all stages of the integrated water cycle, optimising resources for sustainable development and for all uses: human, agricultural or industrial.

Providing services to over
23.6 million people
in **22 countries**

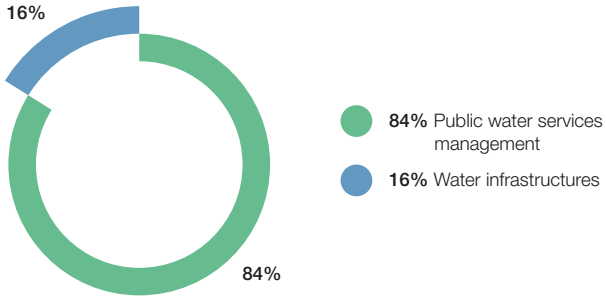
618,463,970 cubic meters
of drinking water generated

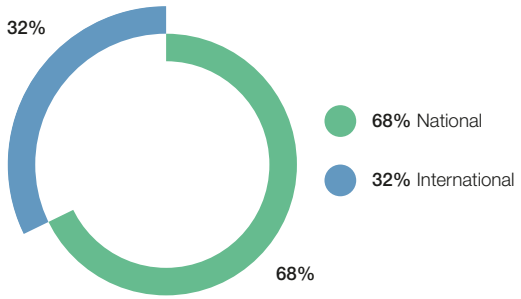
Turnover:
1,033 million euros

EBITDA:
227 million euros

Business order book as of 31 December 2015:
14,444 million euros

Revenue by geographical area and business segment





Impact indicators:

70,577 kilometers
of managed network

23.1 million euros
in infrastructure investment

Over 200
wastewater treatment stations for drinking water

Over 300
treatment plants operated

1,085,781
quality determinations

Featured project

Hadda and Arana wastewater treatment plants (Saudi Arabia)

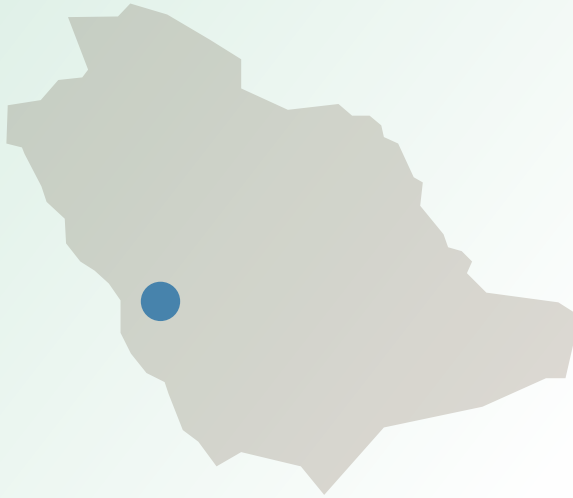
FCC Aqualia has been awarded, in consortium with another local company, the contract for the operation and maintenance of the two largest wastewater treatment plants in Mecca (Saudi Arabia).

The Hadda and Arana treatment plants process an average flow of 250,000 cubic metres and a maximum flow of 375,000 cubic metres. The contract lasts for three years and the project's business portfolio is 20 million euros.

Mecca has a stable population of 1.5 million, which is increased significantly by the visits of pilgrims. An estimated thirteen million annual visits occur, and the maximum point of influx during the month of Ramadan (in the Hajj festival) is four or five million people. This situation causes the flows to present very significant variations when they arrive at the treatment plants.

This project is part of the programme being implemented by the Saudi Arabian authorities that aims to transform and modernise the management of the water cycle in the country.

The consortium between the two companies will be responsible for the operation and maintenance of the facilities and treatment units, including workshops, laboratories, electrical installations, the condition of the service roads, security systems, water supply, sanitation and drainage within facilities, the environmental maintenance of the facilities, the laboratory equipment and the analyses.



3. Infrastructure

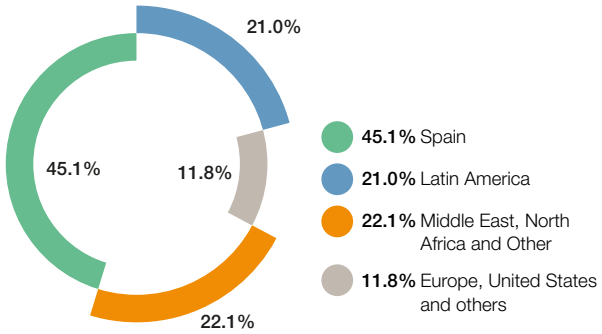
Solutions focused on social progress and sustainable development

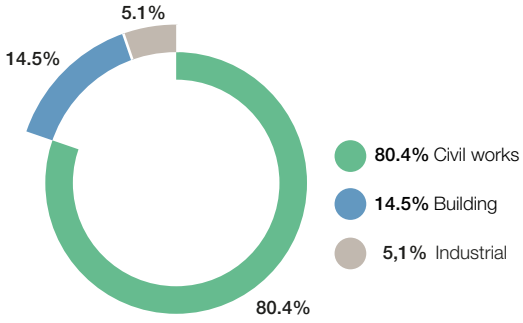
FCC Construcción is a reference in the execution of engineering and construction of civil works and in building. The Company also has proven experience in implementing projects under concession and, in addition, it also has a group of companies dedicated to the industrial and energy sectors and to related activities in the construction sector.

- Civil engineering, building and industrial construction services in **18 countries**
- **50** new contracts

- **Turnover:** **1,993 million euros**
- **EBITDA:** **76 million euros**
- **Business order book as of 31 December 2015:** **6,230 million euros**

Revenue by geographical area and business segment





Impact indicators:

- **7.85 million** euros investment in R+D+i
- **1,175 million** euros in purchasing and subcontracting costs

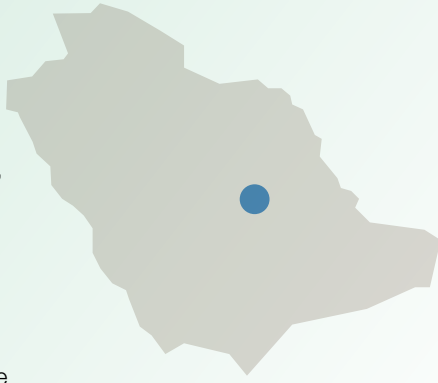
Featured project

Riyadh Metro (Saudi Arabia)

This project is the world's overall largest metro project to date, with a total length of 176 kilometres and a total budget of 16,300 million euros.



Riyadh Metro (Saudi Arabia).



FCC leads the contract awarded to the FAST consortium, which won the design and construction of Lines 4 (Orange), 5 (Yellow) and 6 (Purple), which comprise 25 stations, for which a total of 65 kilometres of track will be required: 24 km of viaducts, 28 km of underground lines and 13 km of over-ground lines. In addition, 69 automatic driverless trains will also be manufactured to serve the three lines.

The project began in April 2014 and has a five-year deadline for completion.

The world's largest metro project

The six lines that make up the overall project of the Saudi capital's metro will have a total length of 176 kilometres, which makes it the largest suburban project in the world today. For its construction, 600,000 tonnes of steel, 4.3 million cubic metres of concrete and over 60,000 workers will be required.

The project represents an opportunity to transform Riyadh. The new transport infrastructure will reduce traffic congestion, strengthen and boost the economy of the Kingdom of Saudi Arabia and improve the quality of life of its citizens.

III. CSR at FCC Group

A decade of corporate social responsibility management in FCC (2005-2015)

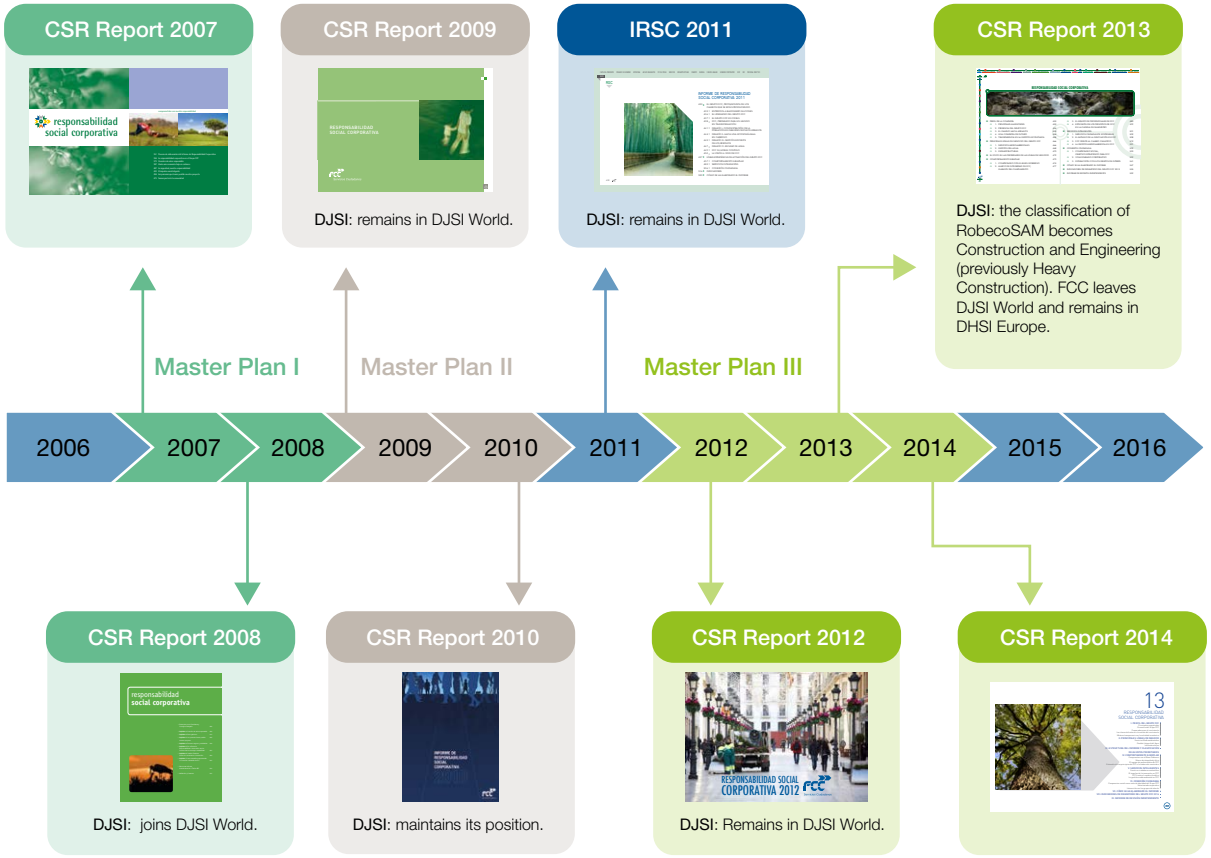
Although FCC has been, since its creation over a century ago, a socially responsible company, committed to society and the communities in which it operates, in 2005 it decided to create a Corporate Responsibility Department to channel and manage all socially responsible initiatives within the Group.

During this time, and since its inception, FCC's Corporate Responsibility Department has worked to align the businesses' CSR strategy and the Group and thus multiply their impact.

Achievements of FCC Group's Corporate Responsibility Management in a decade (2005-2015)

- Creation the Corporate Responsibility Office (2005) under the General Secretariat.
- Formation of FCC Group's Corporate Responsibility Committee (2006), chaired by the Secretary General, the CEO of FCC at that time.
- Presence in the most important international sustainability indices:
  - Dow Jones Sustainability Index
  - FTSE4Good
- Preparation of ten annual FCC Group Corporate Responsibility Reports (2005-2015) in accordance with the *Global Reporting Initiative* guidelines approved by the Board of Directors with nine of them verified by an independent third party.
- The main business areas create their own committees in this area and start to publish their own CSR or sustainability reports.
- Approval of FCC's Code of Ethics by the Board of Directors (2008).
- Creation of FCC's Response Committee (secretariat and coordination by Corporate Responsibility management).
- FCC Group signs the United Nations Global Compact.
- FCC requires its suppliers to respect the Ten Principles of the Global Compact.
- FCC adapts to the CNMV's Good Governance Code for listed companies and entrusts Corporate Responsibility management with corporate governance matters.
- FCC joins the large CSR *clusters* in Spain, like the Sustainability Excellence Club or Forética.
- The Communication and Corporate Responsibility Management Department is created, with the latter answering to the former.
- FCC launches a corporate volunteer programme aligned with the Esther Koplowitz Foundation which has already completed seven editions.
- FCC signs agreements for the integration of people with disabilities or at risk of exclusion with ONCE, the Adecco Foundation, Integra Foundation and the Exit Foundation.
- FCC approves its environmental policy.
- FCC receives several awards for its CSR policies from the Comisiones Obreras Trade union, Integra Foundation, CODESPA Fundación and the Madrid Chamber of Commerce.
- Preparation of three master corporate responsibility plans that include the commitment to sustainability in all activities performed by the Group. Approved by the Board of Directors:
  - First Master Plan 2007-2008
  - Second Master Plan 2009-2010
  - Third Master Plan 2012-2014

CSR policy and management at FCC, recognised by global socially responsible investment indices



Third FCC Group CSR Master Plan (2012-2014)

* Extended to 2015

In 2012 FCC Group designed a master plan for CSR management within the Company which was approved by its Board of Directors. The Plan included three strategic lines based on goals defined for individual lines of business, which guided the Company's Corporate Social Responsibility-related activities until the end of 2015, the completion date for the Plan's activities.

During this period of validity, FCC underwent a transformation of the Group with respect to its shareholder structure. It suffered the largest adjustment of its workforce in its history, and made the choice to design a business strategy based on internationalisation, strategic divestments and debt restructuring that put the Group back on the path of stability and growth.

This scenario of profound change has not prevented it from implementing a significant part of the activities included in the Plan which are reported in this Corporate Responsibility Report.

The outline and structure of this FCC Group Corporate Responsibility Report 2015 is therefore organised around three strategic key elements of the Corporate Responsibility Plan 2012-2015 under the following headings: exemplary behaviour, smart services and connecting citizens.

Proximity

Eco-efficiency

Integrity

Doing things well

Axis 1 **Connecting Citizens**	Axis 2 **Smart Services**	Axis 3 **Exemplary behaviour**
5 action programmes	2 action programmes	5 action programmes
• Support city councils to help them solve future cities' needs. • Citizens are co-participants in solving their unsustainable habits. • Our employees' knowledge at the service of schools. • Corporate volunteers. • Measurement of the positive impact of our service in communities.	• References in the observation of trends in cities. • Strategy for mitigation and adaptation to climate change.	• FCC's system of ethical compliance. • Social criteria for providers. • Insertion of disadvantaged groups. • Prevention of occupational risks. • Professional development at FCC.

Objectives of the key elements of the Third Master Plan

1 Connecting Citizens
Transform citizens into the protagonists of a sustainable city

Encourage initiatives for promoting a sustainable citizens' awareness and integrate the indications coming from citizens into decision-making

2 Smart Services
Place FCC as the leader in the design of future sustainable cities

Develop new solutions to key issues that allow us to be leaders in the design of future cities through an innovative and efficient management model

3 Exemplary Commitment
Position FCC as an example of substance in its commitment

Have a reference framework of activity for integrity and business ethics

Following is a description of the main developments and milestones for 2015 in each key element of the Master Plan.

Connecting citizens

Action program	Fundamentals
Sustainable radar Establish platforms for dialogue with local prescribers focused on the needs and trends of the city.	• Launch of the Almeria 2020 project. • Launch of the Elvas-Badajoz Eurocity project. • Active presence in business associations related to the recovery, recycling and treatment of waste; professional associations related to environmental services, professional associations related to the water management sector, and participation in international events.
Active sustainability Implement sustainable solutions or actions in municipalities involving citizens themselves.	• Raise public awareness through informative and interactive activities to promote sustainable and respectful behaviour with respect to the environment: open days, children's competitions, educational tools, citizen service offices, workshops, specific campaigns on good practices, etc.
Local responsible commitment Initiatives based on outreach and training by FCC staff for citizens on good practices in services.	• External training and participation in conferences for sharing knowledge: training in universities and local communities, participation in conferences, forums and technical seminars. • Launch of the "Teacher for a Day" project; provision of environmental workshops and workshops on the Millennium Development Goals in state schools. • Street cleaning contract for San Sebastian; workers as ambassadors of good social and environmental.



Street cleaning services in San Sebastian (Spain).

Action program	Fundamentals
Corporate volunteering Consolidation of the FCC Volunteers programme and an increase in the number of volunteers was achieved.	• Promotion of corporate volunteering in all business lines during all the years covered by the Plan. Company based campaigns have been carried out as well as participation in others in third sector organisations.
Maximisation of sustainable value/positive impact action Design of social and environmental indicators associated with FCC's services and contracts to show their added value.	• Implementation of a metric assessment of the social and environmental sustainability of operations. • Certification of operations assessment criteria. • Definition of intensity indicators for services provided, as well as the design of a calculation methodology appropriate for the management of public services. • Street cleaning contract in San Sebastian: design of a range of interconnected technological services, with efficient productivity that are ergonomic for its workers.

Smart services

Action program	Fundamentals
Design of future cities Become familiar with and anticipate trends in urban communities of the future.	• Launch of the "Eco-city Trends" Sustainability Observatory with Rey Juan Carlos University in Madrid. • Launch of Smart Water Santander: monitoring of the city's supply networks to find leaks, improve energy efficiency, review the quality of the water supplied and oversee consumption. • Launch of the MEC Predictive Maintenance project in Medina del Campo. • Launch of the Innpronta IISIS project in Medina del Campo, Toledo and Talavera de la Reina. • Launch of the EKOSTONE project. • Launch of the S.E.E.E.U.S.® (*Evaluation System for Environmental Efficiency of Urban Services*) integrated software development and implementation project. • Launch of automotive innovation projects. • Submission of a European patent application for the collection and treatment of urban waste as part of the IISIS project: Diana system patent and Caruso patent. • Active participation in international events related to the cities of the future: "ISO TC 268 / SC1 – *Smart Cities*" International Committee for the development of future standards for smart cities.

Action program	Fundamentals
Combating climate change Aim FCC's strategies towards integrating the carbon variable as part of its activities.	• Defining FCC Group's Climate Change Strategy. • Increase in greenhouse gas (GHG) emissions inventories: all divisions of the Group verified their emission reports in accordance with the ISO 14064-1 standard or the GHG Protocol (Environment Division) and registered their carbon footprints at the Ministry of Agriculture, Food and Environment's carbon footprint, compensation and absorption register. • Finalisation of the project to calculate the water footprint in Cantabria carried out in collaboration with the Botín Foundation and the Madrid Complutense University. • Development of verified systems to calculate intensity indicators for the activities carried out: indicators that relate the consumptions of energy and water resources and GHG emissions with the reference units for the services provided. • Launch of the "Degasification of the controlled municipal solid waste facility in Gomecello (Salamanca) deposit" project. • Certification in energy assessment and development of processes in Cementos Portland Valderrivas Group's factories.

Exemplary behaviour

Action program	Fundamentals
Framework of integrity To strengthen the Company's ethical framework in order to address the main challenges facing FCC with the aim of promoting exemplary behaviour.	• Implementation of a risk management system and opportunities to assess new projects economically, socially and environmentally. • Implementation of initiatives in support of diversity and equality within the organisation: signing of equality plans, signing and renewal of the Diversity Charter, signing of the cooperation agreement with the Ministry of Health, Social Services and Equality to encourage the participation of women on the Board of Directors, etc. • Updating and strengthening the code of ethics: in-house publicity about the Company's code of ethics communication channel was intensified, a response committee has created and on-line training on the Code of Ethics for all employees set up. • Combating gender-based violence through awareness campaigns, renewal of the agreement with the Ministry of Health and Equality, participation in the Businesses for a Society Free of Gender-Based Violence network and signing of the Joint Communiqué against gender violence.
Responsible recruitment To consolidate and extend the concepts of integrity and social and environmental sustainability throughout FCC's value chain.	• Modification of supplier assessment, including social and human rights criteria. • Inclusion of requirements to ensure a network of customers committed to sustainability. • Certification of FCC's value chain according to the criteria of reliability, quality and transparency: ISO 9001, ISO 14001.

Action program	Fundamentals
To promote social integration of groups with special needs To create the conditions for the integration of groups with special needs into the Group. To support their social integration.	• Creation of the FCC Equal - Special Employment Centre. • Signing or updating of agreements with associations for the integration of disadvantaged groups: Fundación ONCE, Fundación Prevent, Fundación Integra, Cruz Roja. • In-house and external awareness-raising campaigns: celebration of the International Day of People with Disabilities, celebration of Disability and Sociocultural Integration Week, holding the Seminars on the Homeless, celebration of the International Day for the Elimination of Gender Violence.



Promotion of EOI's 2015 Development Program designed for female high-potential pre-executives.

Action program	Fundamentals
To contribute to the development of people To strengthen measures for developing people and to lead the cultural change in FCC in line with the social context of diversity, pluralism and equality of the communities we serve.	• The implementation of development and support programmes for working women: mentoring programmes for women, on-line programmes on awareness-raising about equal opportunities, workshops on women's leadership, programmes for developing executive abilities for women and development of strategic competencies and abilities for women in middle management. • Signing or updating of agreements with associations for the integration of women and awareness-raising of employees: signing of the Agreement for Awareness-Raising and Professional Integration of Women Who Are Victims of Domestic Violence. • Signing of an agreement with the Ministry of Health, Social Services and Equality to increase the presence of women in managerial positions. • Raising sensitivity and awareness about in-house and external training on environmental issues: creation of an environmental agent; implementation of training programmes aimed at responsible environmental management for different profiles of Company employees; use of shared working platforms in the web environment integrated into the S.E.D.R.U.S.® Platform. • Training and information for employees on equality and diversity: cross-cutting training plans have been created, a course has already been given and *on-line* training has been provided on equal opportunities for women and men, made available by the Women's Institute, through their Virtual Equality School. • Participation in training programmes for the promotion and development of women: development programme aimed at female pre-executives with high potential at the EOI, Promociona project, "Lidera Tu Futuro" (Lead your future) training workshop organised by the Autonomous Region of Madrid's Department of Social Affairs, Directorate General for Women.

Action program	Fundamentals
To improve public attention to risk, safety and health To develop and promote a culture of welfare health and safety.	• Training and awareness on the prevention of occupational risks: there has been an international communication campaign on the prevention of occupational risks, a project for consolidating preventive cultures and a programme of activities on health and welfare. • Implementation of specific measures in facilities with a greater risk of accidents. • Campaigns to encourage participating in sport and caring for one's health, and the implementation of a communication plan for the dissemination of information and the participation in activities that improve people's health and quality of life. • Certification of operations under international standards: OHSAS 18001, AENOR Healthy Company. • Reduction in accident rates and the carrying out campaigns on health and safety. • Preparation of the Occupational Welfare, Health and Safety Plan 2012-2016, implementation of the Healthy Company Plan and development of the Strategic Plan for Road Safety. • Active collaboration in associations involved with health and safety: Fundación Mapfre, FESVIAL, Cruz Roja, INSHT-IRSST-INVASSAT.

2015 materiality study

In this Corporate Responsibility Report 2015, FCC Group continues the criteria, principles and contents defined in the G4 framework for the elaboration of sustainability reports in the *Global Reporting Initiative* (GRI) for the third consecutive year. The Company believes that the report has been prepared in accordance with G4, in its comprehensive option.

The Sustainability Master Plan, which ends in 2015, determines the structure of this report, and the specific contents are also a response to the materiality study that was conducted in 2015.

For FCC, the materiality study is an ongoing process that focuses on the issues of social, environmental and/or economic nature relevant to the Company's business that influence the decision making of its stakeholders. In the period 2013-2014, external sources were analysed and, in conjunction with those responsible for information at FCC, relevant sustainability issues were identified.

The materiality study conducted for this report included a validation phase done through external interviews focused on institutional investors.

The materiality of FCC Group is presented in nine matrices, three for each line of business and the three key elements of the Master Plan. Given the unique characteristics of each business, the priorities of the material issues are ordered differently, depending on the impacts of the infrastructure, water and environmental services activities.

For FCC Group, the overall set of material issues can be grouped around the three key elements of the Master Plan as follows:

1 Exemplary behaviour

- Occupational health and safety of clients, employees and suppliers.
- Promotion of diversity in the labour force and equal opportunities.
- Corporate policies and systems to prevent corruption.
- Regulatory and social pressure for sustainable development.
- Retention and attraction of talent and employee training.
- Information security and best practices in matters of cybersecurity.
- Detection of illegal practices associated with employment, like forced or child labour.
- Ensure an effective relationship between workers and government bodies and guarantee workers' rights.
- Responsible management in the supply chain (purchasing relationship and practices).
- Public commitment to the highest standards in matters of sustainability.
- Responsible management of information privacy.

2 Smart services

- Application of criteria relative to sustainability in areas of research, development and technology
- Reduction of atmospheric emissions and emissions from energy consumption
- Management of natural resources and reduction of effluent and waste
- Biodiversity and impact on natural ecosystems
- Policies that prioritise purchasing materials with the least environmental impact
- Public/private collaboration in the management and protection of critical infrastructure.
- Efficient water management in water-stressed regions.

3 Connecting citizens

- Training initiatives for local development.
- Promotion of external communication relative to the Company's activity.
- Philanthropy and social action.

Materiality tells us what stakeholders expect from a company like FCC in terms of sustainability.

The most important issues targeted by external stakeholders are accountability focused on the occupational health and safety of the Company's own employees and, especially, those of contractors, in terms of retaining talent, the measurement and assessment of the impact on human rights, corporate social responsibility and environmental responsibility policies, management of risks related to climate change, the response on water management and the risk of water stress and biodiversity, and the work done by FCC on local development and relations with the community.

For further details on the methodology and the results of the materiality study, see Section VII on "How this report has been prepared".

Next, in this year when FCC Group's Third CSR Master Plan comes to an end, the Company wants to use this report to provide accountability of its policies and activities in this area of CSR, organised along the three key elements of the aforementioned Third Master Plan, with special focus on the issues that stakeholders have identified materially as the most relevant.

IV. Exemplary Behaviour

The pillars of FCC Group's framework of integrity comprise ethical and compliance-related principles from benchmark organisations such as the new Code of Good Governance for Listed Companies of the CNMV (Spanish Securities and Exchange Commission), the International Corporate Governance Network (ICGN) and the requirements of institutional investors or references in sustainable investment such as FTSE4Good, the Dow Jones Sustainability Index and the Equator Principles.

1. Corporate Governance

FCC Group's Corporate Governance seeks to comply with the principles and recommendations in the Code of Good Governance for Listed Companies of the CNMV (Spanish Securities and Exchange Commission, the *International Corporate Governance Network* (ICGN) and other organisations involved.

The aim is to ensure that the performance of supervisory functions is carried out based on a foundation of accountability, transparency and equality.

Among other things, FCC's good governance model includes:

- Non-executive chairman.
- Presence of three independent directors (25% of the Board).
- The Audit and Control Committee and the Appointments and Remuneration Committee are chaired by independent directors.
- Diversity of gender and origin in the Board's composition: four women on the Board of Directors (36%) and three nationalities represented: Spanish, Mexican and French.
- Compliance with Recommendations 53, 54 and 55 of the CNMV's Code of Good Governance on corporate social responsibility.

Board of Directors

Diversity of gender, nationality and knowledge

FCC's Board of Directors has the structure and composition considered most appropriate to fulfil the Company's strategic management and its commitment to the CNMV's new Code of Good Governance for Listed Companies.

During 2015, a restructuring process was carried out with respect to several aspects of the Board of Directors.

The restructuring starts with the reduction in number of the composition of the Board, which now has eleven members.

To ensure that shareholders' interests are properly protected, three of the eleven members that make up the Board are independent directors and eight represent proprietary directors, complying with the recommendations of the Code of Good Governance, which encourages a large majority of proprietary directors and independent directors.

The responsibility to ensure diversity in the Board of Directors is vested in the Appointments and Remuneration Committee. Its functions, set out in the Board Regulations, include preventing bias in the assessment of candidates and ensuring that an appropriate number of women are included among the applicants, stating the reasons should the total number be limited.

As evidence of this commitment, FCC has one of the IBEX 35's highest percentages of women on the Board of Directors, with four out of a total of eleven directors: 36.36%, as opposed to the average 18% of the IBEX 35.

Measures for the balanced presence of women and men



Board Regulations establish as part of the functions of the Appointment and Remuneration Committee that the Committee must assist the Board in its function of ensuring that the selection procedures promote diversity of gender, experiences and knowledge and do not suffer from implicit biases that could involve any discrimination whatsoever and, in particular, that they facilitate the selection of female directors in such a way that the Company deliberately seeks and includes among potential candidates women who meet the professional profile sought.

In 2014 FCC signed an agreement with the Ministry of Health, Social Services and Equality to promote the balanced participation of women and men on boards of directors.

Under the agreement, the Board of Directors of FCC is committed 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 to keep it appropriately updated pursuant to recommendation 28 of the Unified Code of Good Governance.

In addition, FCC has signed the Diversity Charter, a voluntary code of commitment to promote the fundamental principles of equality.

The initiative, which has been promoted by the Department of Justice of the European Commission for the implementation of its policies against discrimination, includes the implementation of inclusion policies and non-discrimination programmes by the signatory companies.

Evaluation of the Board of Directors

As stated in Article 34.9 of the Regulations of the Board of Directors, FCC devotes the Board's first plenary session of the year to evaluating the quality and efficiency of its own performance during the previous year, to assess the quality of its work, to evaluate the effectiveness of its rules and, where appropriate, to correct dysfunctional aspects.

Therefore, at its meeting held on 19 January 2016, the Board issued a report subsequent to the internal evaluation of the Appointments and Remuneration Committee in which the quality and efficiency of its operation and of its committees during 2015 were evaluated.

The evaluation process included the assessment of the various aspects that influence the efficiency and quality of the Board's operation as well as the contribution of individual members to carrying out their duties. To do this, all members took an active part and their comments, assessments and suggestions were taken into account.

The conclusions and assessments drawn from this process have been positive in all areas of the assessment, from the composition and internal organisation to the performance of the powers attributed to the Board itself.

Responsibilities in risk management

Integrated risk management model

According to Article 37 of the Board's Regulations, and as stated in the new Code of Good Governance for Listed Companies' recommendation 53 and recommendations 39 to 46, the Audit and Control Committee's main function is to serve as support to the Board of Directors in its general content of oversight and supervision, in particular with regard to the Risk Control and Management Policy, risk monitoring and mitigation, and supervision of the Company's internal audit services.

Currently, the Risk Committees are incorporated within the committees in each of the business areas. There are plans to the relaunch the Risk Committees in the business areas in 2016.

During 2015, the Risk Management Department drew up the Risk Management Policy and System, which is expected to be approved by the Group's Board of Directors in 2016, promoting the implementation of the risk control and management model.

The Risk Management Regulations are aimed at implementing, developing and continuously improving a work framework, the object of which is to integrate the risk management process into corporate governance with regard to organisation, planning and strategy, management, reporting processes, policies, values and culture. These include the definition of risk appetite and strategy, functional segregation of areas managing or taking risks and "zero tolerance" toward the commission of unlawful acts.

The role of the Board of Directors' committees

For the correct operation of the Company, the Board of Directors has three committees:

1 Executive Committee

Decides on issues related to investments, divestments, debts, loans, guarantees or bonds or any other financial facility.

2 Audit and Control Committee

Its functions are focused on consultancy about and naming of executives with the profile most suitable to their functions. In addition, it is in charge of overseeing the observance of the remuneration policy established by the Company, and, more specifically, it proposes the remuneration policy for directors and executives to the Board of Directors.

3 Appointments and Remuneration Committee

This committee serves as support for the Board of Directors in its tasks of surveillance, via the periodical review of the process of drafting economic and financial information, of its internal controls and of the independence of the external auditor.

2. Framework of Integrity and Ethics

Following the recommendations of the *Federal Sentencing Guidelines* and the regulatory implementation of Article 31 bis in the Spanish Criminal Code, FCC Group reinforces its commitment to ethics and due diligence in the prevention, detection and eradication of irregularities.

The elements that FCC has implemented to build the integrity framework are the drafting of a Code of Ethics (adopted in February 2012), the Crime Prevention Manual, fiscal responsibility policies and the communication of all these elements to the employees of the entire FCC Group.

Set of rules and procedures in FCC Group

Codes and policies

FCC Group's Code of Ethics sets the standards of conduct that guide the actions and behaviour of Group employees in ethical, social and environmental matters. It includes, among other things, issues related to human rights, corruption, bribery, human capital, health and safety. The ethical principles contained in the Code affect all employees, suppliers and contractors, and are compulsory.

The Group also has an Internal Code of Conduct in the Securities Market and a Crime Prevention and Response Manual. The latter includes a control system structured into different phases and bodies with the aim of reducing and hindering cases where FCC Group people commit some kind of crime that may affect the Company. The manual identifies behaviours that pose a risk and the response protocol, procedures that are compulsory for all components of the Company.

FCC Group's Fiscal Code of Conduct

Approved in 2014, this document establishes the policies, principles and values that should guide the behaviour in tax matters within the Group.

The new Code is aligned with the mission, vision and corporate principles of the Group, in addition to the Corporate Social Responsibility Policy and, in particular, the Code of Ethics.

All FCC Group employees must comply, with regard to the part applicable to them based on their activities and functions within the Group, with the procedures concerning the management of the tax area defined in the "FCC Group's Framework Standard for Fiscal Control", ensuring that relevant decisions on tax matters are overseen by senior management of the Group and are properly supported, taking into account possible risks assumed.

Responsibility for Ethics in FCC

The Audit and Control Committee ensures that disciplinary action is taken in cases of a breach of the Code of Ethics and assesses the risks related to ethics, integrity and compliance, integrating them into the risk control and management system.

The Response Committee is responsible for promoting the dissemination of and compliance with the Code of Ethics. It is a responsible body approved by the Board of Directors and consists of the General Manger of Internal Auditing, who chairs the committee, the General Manager of Legal Counsel, the General Manager of Human Resources and the Director of Corporate Responsibility. This Committee is responsible for monitoring the communication procedure in matters relating to criminal offences and the Code of Ethics, and investigation or closure thereof as appropriate.

Ethics channel

FCC offers all Company's employees an internal communication channel that they are required to use to report breaches of the Code of Ethics.

However, FCC offers its employees an e-mail address (*comitederespuesta@fcc.es*) as well as a mailing address, to the attention of the Chairman of the Response Committee.

Communication and training on the Code of Ethics

The FCC Group carried out training at the time on the Code of Ethics, however there is a plan for training and dissemination so 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.

The main channels for dissemination are currently the website, the Welcome Manual and subject-based informative tips at work centres for employees who don't have computers.

The Human Resources principles related to the impact on employee satisfaction, which is the pillar of this policy, are:

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 management team.
7) Develop a comprehensive and holistic perspective with healthy workers who are involved and trained as an investment for the future, both collectively and individually.

3. FCC's Team of Professionals

The Human Resources Policy, in line with FCC Group's principles, has a clear mission: "To promote and encourage the development of people, communication and a proper work environment, together with the strategic objectives of the Company, through efficient management of specialised HR services in a context of diversity, equality and internationalisation". This policy seeks to boost productivity, safety, training, integration and satisfaction within the Group, as well as commitment and a sense of belonging.



The talent of FCC's professionals

Attracting talent

FCC Group continues with its plan to reinforce its staff initiated in 2014 to strengthen the Company in preparation for the imminent process of the internationalisation of the business and the cultural change that this entails. Within this, FCC is implementing a global programme to assess potential and identify talent for the development new career plans. Given the Company's internationalisation policy, FCC has undertaken various projects within the framework of the Talent Internationalisation Plan to attract and retain talent profiles adapted to this new strategic vision, such as the International Programme for Young Engineers.

Other talent development programme:

Multi-company Talent Development Programme

Since 2014, FCC Group has been actively collaborating with the Fundación Transforma España in the Multi-company Talent Development Programme. The programme aims to promote the development of staff with high potential with the ultimate goal of increasing the presence of young people on the steering committees of Spanish companies.

FCC Aqualia's joins the Dual Training Alliance

In 2015 the Group's water management company FCC Aqualia joined the Alianza para la Formación Profesional Dual (Alliance for Dual Vocational Training), thereby joining in on the global upward trend in the field of education. The Alliance is made up of a network of companies and other institutions whose common goal is to develop a model of quality dual vocational training adapted to our environment that will improve the skills and employability of students.

Employment and recruitment of professionals

In 2015, FCC received a total of 32,485 curricula vitae and carried out a total of 352 recruitment processes. During the year, a total of 247 new employees joined the Company. In addition, in line with the Company's Internal Mobility Project, 175 jobs for FCC workers were published.

2,014 Trained employees

434,297 Hours of training

352 Selection processes

32,485 CV's received

International Programme for Young Engineers

This program, developed by FCC Construcción and subsequently implemented in other areas like Environmental and Central Services, aims to promote the development of new graduates to ensure a proper succession of key positions in the Company.

The program lasts six to nine months and consists of two phases:

- Corporate theoretical training on different areas of the organisation.
- Practical training in various national and international projects under the supervision and support of a tutor who, besides helping them, assessed their performance.

At the end of the programme each engineer is assigned a position at international level to retain trained personnel who can contribute to the Company's strategic goals.

Retaining talent

Through FCC's Talent Management Department, FCC dedicated efforts to creating an environment that would make it possible to attract, motivate, develop and retain the best professionals. The measures to achieve this encompass:

- Facilitating internal mobility between businesses and countries.
- Consolidating a results-oriented culture.
- Implementing benefits and compensation policies.
- Reinforcing training processes common to the various lines of business.
- Implementing a system to analyse the potential succession plans for key positions.
- Definition of FCC Group's managerial skills.

FCC has an internal mobility programme that offers professional development opportunities. To this end, the Group has an *on-line* application which is accessed through the intranet where all available vacancies are published and on which 175 internal mobility offers were published in 2015. With the implementation of the internal mobility policy, whereby transparency and confidentiality are guaranteed throughout the process, the number of applications has increased during 2015.

The perception of FCC by those outside the company is important for measuring the Company's reputation as a place to work. In 2015 the Company reached the 80th place in the MERCO People index. 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, business school students, HR managers, employees of the most reputable companies, and the general public.

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 2015, 86th and 80th positions respectively.

Competencies evaluation

In addition, the Company continues with the improvement of an organisational structural model based responsibilities and competencies. To do this, work is being carried out on redefining career paths for technical careers and management careers, on strengthening training in different management areas, in boosting performance management systems, as well as on the implementation of potential analysis and management succession plans.

In addition, in its search for the greatest efficiency and performance quality, FCC is implementing talent identification programmes based on the five core skills identified for the Group in order to select the most qualified professionals for each type of project based on the most appropriate qualities and training for each one. This is how the most complex challenges are dealt with by the Company's most capable professionals.

Training

Training is a pillar of FCC Group's business strategy, as it represents the basis for the Company's performance and its ability to meet challenges. This is why it has various training school so it can offer a comprehensive education to the people who make up FCC, among which are managerial skills as well as languages and technical skills.

In addition, technology is included in order to facilitate training and share in a direct and flexible fashion the Group's knowledge and experience, offering both classroom and on-line training to reduce costs and simplify access.

During 2015, in order to meet the Company's strategic needs, but also in response to the demands of FCC's professionals, the multi-disciplinary focus was put on languages and finance, although the structure of FCC's multi-disciplinary courses has been maintained with its five classical schools.

The main figures from language and finance training are as follows:

Training area	No. of employees trained	Number of training hours	% of training
Languages	649	35,113.47	8.09%
Finance	1,365	13,467.50	3.10%

Altogether, they were 48,580.97 hours of training in both disciplines, training a total of 2,014 students: 649 in languages and 1,365 in finance. The percentage of total training for these training areas was 11.19%.

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.
Computer skills School	User and professional level knowledge of office software.
Language School	English, German, French, Spanish, Portuguese and Arabic.

Business area	Training hours	Number of employees trained	Over 45 years	People with disabilities	Men category I	Men category II	Men category III	Men category IV	Women category I	Women category II	Women category III	Women category IV
Aqualia	73,648	7,292	3,115	100	206	1,280	1,496	2,596	75	303	764	572
Construction	80,467	3,658	1,275	21	186	924	545	1,339	199	214	211	40
Environment	238,942	27,568	7,906	148	327	1,422	4,040	16,878	70	488	1,006	3,337
Industrial waste	6,801	474	110	0	23	66	96	140	26	73	41	9
Cementos Portland	20,476	3,275	1,962	20	136	627	585	1,680	20	52	149	26
Central Services	14,201	822	341	2	326	55	22	1	281	40	96	1
Total	434,297	43,035	14,700	291	1,197	4,374	6,772	22,630	664	1,162	2,251	3,985

Cat. I: managers, department heads, heads of services and site managers.
Cat II: section managers, heads of negotiation, heads of workshops, high and mid-level graduates, and similar.
Cat. III: administrative personnel, assistants and technical assistants and similar.
Cat. IV: operators, juniors and associates.

In 2015 a total of 434,297 hours of training was provided at FCC Group. The largest percentage, in terms of time, of this training, 64.04% was directed to the Environment business. With regard to the gender criteria and in correlation with the percentage of male and female staff, 81.27% of the training was for men and 18.73% for women.

With respect to the subjects taught, the technical expertise for the production and operation of the facilities, Occupational Risk Prevention, and languages, have been the subjects to which the greatest number of hours of training have been dedicated, reaching 80.95% compared to the overall amount.

Our professionals

FCC Group has a workforce of 55,145 professionals, 21.68% of whom are women. Of the total, 47.41% of the people who work for FCC are under the age of 45 and only 8.85% have a temporary contract (13.88% on permanent contracts and 77.27 % are seconded staff, mostly permanent contracts). In addition, the low turnover rate should be noted, which in 2015 was 3.5%.

Employment management in a process of internal restructuring

Following the entry of new controlling shareholders in the capital of the FCC Group, over the past two years the Company has been undergoing a process of internal restructuring to adapt to the new strategy and management that the new management team wants to implement. This process directly affects the Group's professional workforce, which is in the process of adapting to the new structure proposed.

Within the restructuring process, the process of internal mobility is encouraged and prioritised. So, during 2015 a total of 14 Central Services employees became part of the lines of business staff.

Seconded staff are consigned to public or private contracts where the Company has won the tender. Although they have a temporary labour contract, normally they have stable employment, as the majority of the applicable Labour Agreements cover the compulsory subrogation of personnel.

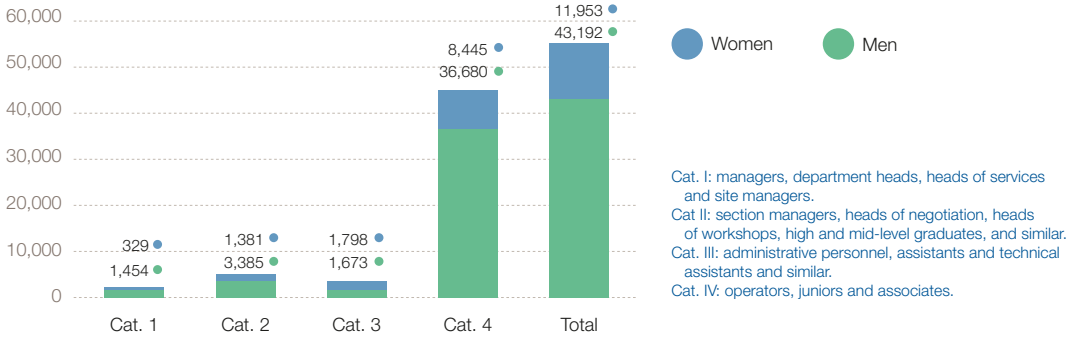
24% Percentage of female managers out of the total number of managers

7,654 Employees with permanent contracts

42,613 Seconded staff

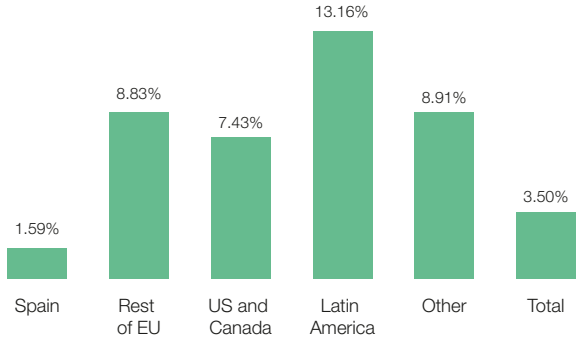
942 Employees with some kind of disability

Employees by gender and professional category

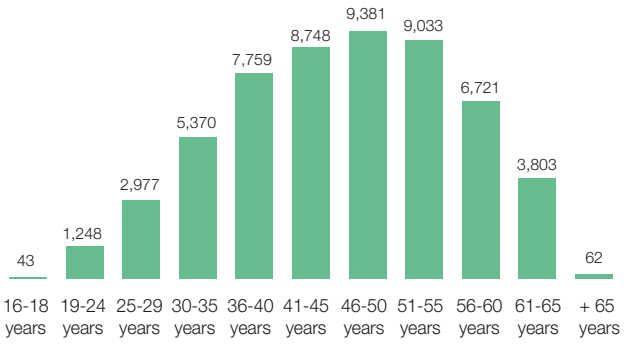


Cat. I: managers, department heads, heads of services and site managers.
Cat II: section managers, heads of negotiation, heads of workshops, high and mid-level graduates, and similar.
Cat. III: administrative personnel, assistants and technical assistants and similar.
Cat. IV: operators, juniors and associates.

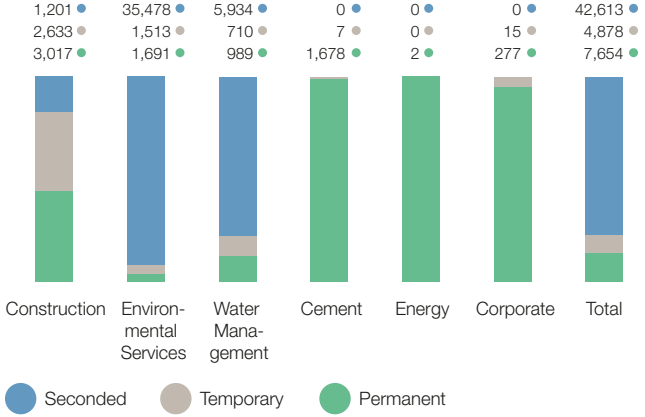
% Average turnover rate by geographical area



Employees by age group



Employees per type of contract and business area



Diversity, integration and equality at FCC

Equity in employment and promotion opportunities

FCC Group operates in the matter of equal opportunities both internally, through the Equality and Diversity Policy and its mechanisms, as well as externally, with active participation and collaboration in events and organisations.

FCC's Equality and Diversity Policy, approved by the Steering Committee, establishes diversity as key to the Company's success and identifies equal opportunities as one of the organisation's absolute principles of conduct. Along with the Code of Ethics, the Policy embodies the principles of conduct regarding equality at FCC:

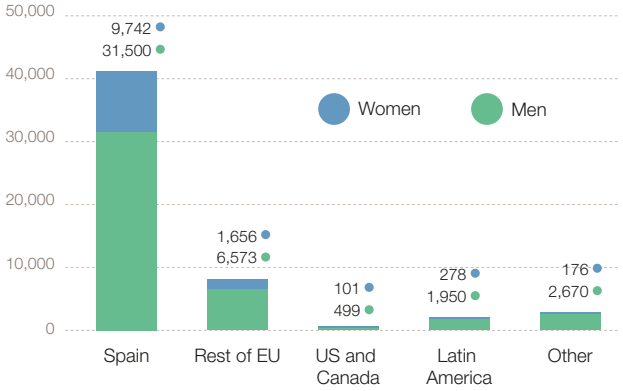
"FCC fosters an environment in which all people can do their work without fear of humiliation, harassment, intimidation, or physical or verbal aggression. The procedures are monitored and subject to review to ensure that no discrimination, whether direct or indirect, goes unpunished".

Worthy of note is the Protocol for the Prevention of Workplace Bullying and Sexual Harassment, a preventive mechanism that includes guidelines of conduct to ensure the dignity, integrity and equal treatment and opportunities for all male and female workers, and is compulsory. In addition, all Company employees are urged to report any situation of workplace and sexual harassment through the mailbox provided for this purpose and described in the Group's Code of Ethics. The complaints received are handled confidentially. To educate employees on equality, FCC has designed and provided on-line courses on Equality, the Code of Ethics and Harassment Prevention.

In addition, the Group's main companies, Fomento de Construcciones y Contratas, FCC Construcción and FCC Aqualia have signed an agreement with the Ministry of Health, Social Services and Equality to increase the presence of women in management positions and steering committees.

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

Distribution of employees by gender and location



Adherence to the "Women's Empowerment Principles"

FCC has subscribed to the principles of the United Nations Global Compact, which help companies when examining the policies and practices they apply in the area of women's empowerment. The principles are as follows:

1) Establish high-level corporate leadership for gender equality.
2) Treat all women and men fairly at work; respect and support human rights and non-discrimination.
3) Ensure the health, safety and well-being of all women and men workers.
4) Promote education, training and professional development for women.
5) Implement business development, supply chain and marketing practices that empower women.
6) Promote equality through community initiatives and advocacy.
7) Measure and publicly report on progress to achieve gender equality.

Equality plans at FCC

To promote the implementation of measures that allow objectives to be achieved that are established in matters such as access to employment, promotion and training, remuneration, 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 2015, the Group has equality plans for Fomento de Construcciones y Contratas, S.A.; FCC Construcción; FCC Aqualia; Cementos Portland Valderrivas and FCC Infraestructuras Industriales y Energéticas, FCC Medio Ambiente and Servicios Especiales de Limpeza, S.A.,. FCC Aqualia and FCC Construcción are outstanding in this regard, having renewed this past year their Equality Plans for 2015-2018, and FCC Medio Ambiente and Servicios Especiales de Limpeza, S.A., which signed their first plans. In addition, it is important to highlight the fact that the companies in the Group that have less than 250 workers (and therefore have no legal obligation to subscribe to equality plans) are also covered by an equality plan (that of the parent Company or head of the area to which they belong).

At FCC, women are 21.68% 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 2015 four women were members of the Board of Directors, representing 36.36%, and the percentage of women members of various steering committees was 24%.

One of the most recent and notable programs has been the first mentoring programme for women at FCC Aqualia aimed at promoting the Company's female talent. This first edition was successfully concluded, reinforcing the Company's dedication, recognised through seals like the "Equality in the Workplace" seal awarded by the Ministry of Health, Social Affairs and Equality.

Apart from the promotion of women's leadership, FCC maintains a constant public fight against gender violence. This commitment is based on two fundamental principles:

1) Zero tolerance.
2) Favour the social and professional integration of victims.

In 2010 the Company signed a collaboration agreement to join the "Businesses for a society free of gender-based violence" network to promote awareness against gender-based violence and the employability of the victims. In addition, as we have seen, in 2015 the Company once again participated in the campaign promoted by the Ministry of Health, Social Services and Equality.

To support professional integration, the Group collaborates with various foundations. Along with the Integra Foundation, an organisation for the labour insertion of disadvantaged groups, it focuses its efforts on female victims of gender-based violence. Since 2011, 93 people have been hired by FCC through this foundation.

In addition, FCC is also working with the Spanish Red Cross, in its Employment Plan, aimed at improving the situation of female victims of gender violence. A total of 40 female victims of gender violence have joined FCC's workforce through this plan.

International Day for the Eradication of Violence against Women



Every year on the 25 November, FCC makes an appeal within the Company to recall its principles and provide information on its commitment and vision: zero tolerance for gender-based violence and the promotion of the social and professional integration of female victims.

This year, FCC joined the UN "Orange the world" worldwide campaign with volunteer-based actions in all countries where FCC is present. The campaign was translated into fourteen languages and carried out various activities including photo exhibitions, video projections, handing out of orange-coloured ribbons, sending mailings to all employees and dissemination of #orangetheworld hashtag on social networks. In addition, the various intranets provided updated information related to this day, including news, videos, photos and other items.



Ministry of Health, Social Services and Equality's campaign against gender violence

As it does every year, FCC has joined the Ministry of Health, Social Services and Equality gender violence awareness campaign: "If there's a way out of gender violence, it's thanks to you. JOIN US". This is a campaign aimed at the general population whose main goal is to get everyone involved in achieving a society free of gender violence and in supporting women who suffer abuse.

Since 2010, FCC has been a signatory of the cooperation agreement with the Ministry to promote awareness of gender violence and the employment of victims, and is part of the Businesses for a Society Free of Gender-Based Violence network. For real and effective implementation of this commitment and principles upheld by FCC, we have entered into several agreements with specialised entities for the employment of women who are victims of gender violence, such as the Red Cross and the Integra Foundation.

Employment as a means of integration for people with disabilities

The FCC Group shows a clear commitment to the integration of people with disabilities in the workplace as a key element for social integration and personal growth. Moreover, at FCC consideration is given to employment and economic reasons for the management of people, beyond those that are ethical and social, for the effective management of diversity and disability. The Group is aware of the direct impact of diversity on competitiveness and corporate and personal benefits.

In line with FCC's Disability Management Plan, training has been provided on different areas of the Group, such as HR, Purchasing and Recruitment. In addition, during 2015, a diagnosis report on FCC's management of disability based on the BEQUAL model was prepared. This report will serve as a starting point for defining the most appropriate measures for the optimal management of disability and inclusion.

To succeed with this commitment, FCC actively collaborates with specialised organizations and various professionals that provide advice on managing recruitment and employment support for people with disabilities for them to join the Company. This advice makes it easier to understand the profiles that are suitable for each position and simplifies the Company’s standard integration process. FCC has about one thousand workers with recognised disabilities of 33% who account for 2.31% of its workforce.

In addition, as a sign of its involvement, with the renewal of the agreement with ONCE Foundation and the Inserta Programme for the training and employment of people with disabilities, FCC has committed to hiring 125 people with disabilities in the Citizens Services Company during the 2014-2017 period. This agreement represents the second-largest commitment to work integration in the Company, together with the newly opened FCC EQUAL CEE promoted by the environment division.

Beyond directly contributing to employment by hiring, FCC supports various projects and promotes social inclusion through workshops, training courses and other activities in collaboration with the following foundations:

- Adecco Foundation and the Family Plan: resumed during 2015 in some of the Company's businesses, this plan is designed to help the disabled family members of workers and is focused on increasing their autonomy, integration and subsequent access to the labour market.
- Integra Foundation: Committed to people at risk of social exclusion and people with disabilities, with a collaboration agreement with FCC that we've renewed tacitly since 2011. FCC is part of the foundation's Board and makes an annual donation of 15,000 euros. Thanks to this collaboration, the hiring of women who are victims of gender violence has been reinforced in the Company.
- Prevent Foundation: worthy of note is the "Entrepreneurs classroom" project, which functions as an incubator for business ideas from entrepreneurs with disabilities. FCC participates with a financial contribution and with Company professions who contribute knowledge and experience in training sessions that they teach and also serve as tutors for participants in their business projects.

The biggest challenge for the coming years in this area is to transfer the various measures and initiatives developed in Spain to the international scene in which FCC Group operates.

Launch of FCC Equal CEE



One of the most outstanding projects in the field of integration of people with disabilities is the creation of FCC EQUAL CEE, promoted by the environment division. FCC EQUAL is a Special Employment Centre in which eighteen people, thirteen of whom have disabilities, are already working. Thus, the goal sought is not only to provide job opportunities but to provide the skills, capacity and appropriate competencies for professional development in the Company.

Health and safety for greater well-being

The Company's strategy, business model and internal policies agree on the importance of the people who make up FCC Group and, therefore, one of the priority objectives is to ensure the welfare of the workforce. The commitment to improving health and safety is unanimous, in accordance with the provisions of the Occupational Health and Safety Policy supported and approved by the general management and the Board of Directors. FCC Group has specialised human and technical resources that have distinguished the company in this area, thanks to the good results and awards received.

The organization is aligned with the proposals of the World Health Organization and the International Labour Organisation on defending the promotion of occupational welfare as a quality factor that integrates people's health and the Company's productivity. It is our responsibility to take care of our employees in order to create a sound, reliable and sustainable organization.

Safety as a hallmark

FCC's strategy and policy in health and safety are adjusted to each of the Group's divisions, which allows for better adapting them to the circumstances of the activities and organisations that have contributed to the Company's experience. This risk prevention strategy encompasses all the activities of FCC Group and all geographic areas and is governed by the criteria and International standards of OHSAS 18001; certification now covers almost 100% of the workforce.



To address the management of health and safety risks, FCC has a specialised multidisciplinary team which covers the needs of all the people in the organisation and provides the necessary protection for the performance of their duties.

The Company continues to use the Incorpora tool, which is a HR information system to obtain data on absenteeism. The second version of this tool was launched by the IT division and provides greater accuracy and reliability of the Company's data on accidents and absenteeism, making it easier to monitor safety issues. One of the challenges set for 2016 is to integrate data from the entire FCC Group into this tool.

Absenteeism Management Plan

FCC Environment is working with FREMAP on the implementation of a pilot project for the control and management of absenteeism. The project provides for continuous real-time management for at least three years with periodic monitoring of the most important indicators.

The ultimate goal is to improve FCC Group's absenteeism rates for work- and non-work-related reasons compared to 2014 as a baseline. The pilot project focuses on the provinces of Madrid, Barcelona and Guipuzcoa; centres with the worst rates are selected, and it lasts for twelve months.

Once the first phase of the project is completed and conclusive data is available, a nationwide plan with specific goals to improve absenteeism for work and non-work reasons will be established.

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 job. In 2015 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 for almost 15,000 participants.

Visitation programme for contracts with a high accident rate and the Preventive Culture Project

Both actions are part of FCC Aqualia's measures to reduce levels of absenteeism for work-related reasons.

The visitation programme starts with a detailed analysis of the accident frequency rates of individual projects. After that, a programme for visits to contractors with high accidents rates was prepared that would make it possible to discover, in detail, the conditions that might be causing these results. A total of nineteen contractors were visited nationwide as part of the programme and a specific plan was launched in Italy.

In addition, the Preventive Culture Project, initiated in 2014 has successfully completed the second phase, including the overall diagnosis of the entire Company and the design of an Action Plan for Improvement with eight specific actions to be implemented over the next three years.

"0 Accidents": objective and horizon of FCC's preventive management

Although the goal of zero accidents was fulfilled in some of the work centres and companies, FCC Group continues to work to reach and maintain it in all the work centres where it operates. The types of accidents in general terms are mainly caused by overexertion (27.8%), followed by falls, tripping over, twists and slips (20.4%) and blows (19%). The 22.2% reduction of road accidents in 2015 should be noted. This reduction is the result of the proper implementation of 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 safety and sustainable mobility itself.

Road Safety Strategic Plan 2010-2015

The Road Safety Strategic Plan arose to provide answers and an organised and unwavering commitment to safety and driver education; sustainable and efficient mobility and the fight against road accidents. FCC has combined strategy, teamwork and technology to compete and lead the race for road safety, which in 2015 closed this first Plan with a very positive balance:

- Policies, regulations and management:
  - FCC Ámbito and FCC Environment have drafted their own division plans.
  - Road safety and mobility in the CR Master Plan, in the Strategic Plan for Health, Safety Occupational Welfare, in the FCC Healthy Company project in FCC's Welcome Manual.
  - Road safety and mobility in the Road Traffic Offences Management Procedure, in the Travel Procedure and in the Vehicle Allocation Regulations.
- Agreements, conventions and working groups:
  - With specialised organisations and institutions, such as MAPFRE FOUNDATION-Road Safety Institute; FESVIAL and the Alcobendas City Council.
  - Commitment and participation in the European Road Safety Charter; in the Road Safety Council and the DISEV (guidelines and indicators on occupational road safety) Commission promoted by the State Traffic Department (DGT).
- Information:
  - Publication of more than fifty traffic regulations and regulatory references; national and international road policies; reports, articles and studies, in addition to communiqués on road safety and mobility, traffic, accident rates, road health, plans, etc.
- Training:
  - Training plan with more than 23 different training activities.
  - Prevention technicians, medical services, construction site personnel who work on the road and professional drivers have received specialised training.
  - Practical training was given in vehicles on safe driving and efficient driving.
- Communication:
  - Road Safety Portal with an events calendar, technical documents and campaign materials.
  - FCC web publications; FCC ONE intranet; FCC Construcción and in the intranet bulletins from Latin America with more than thirty items of information on the signed agreements, best practices and evolution of the Road Safety Strategic Plan.
- Regular specific campaigns as well as participatory campaigns such as, e.g., "Road and work accidents" in FCC Environment's Levante II Regional Office, in which 1,378 workers participated; in 40 centres; 58 hours of lectures given; 8,400 leaflets handed out and 576 posters distributed.

The Road Safety Strategic Plan has helped reduce road accidents and pollution, to raise awareness of the environment, to promote road rules, to respect and comply with them, and teach the values of peaceful coexistence, solidarity and courtesy.

Main accident rate indicators in 2015

Compared to the previous year, the frequency rates and incidence rates have decreased by 5% and 2% respectively. While the Infrastructure and Environmental Services divisions have reduced the incidence rate for 2015 by 18% and 3%, respectively, FCC Aqualia has increased the rate by 10%. In addition, the severity index and the absenteeism rate have increased: 4% for the former and 8.5% for the latter. Some of the main indicators relating to FCC Group's accident rates are presented below:

Working days lost in 2015

Non-work related illnesses
745,503

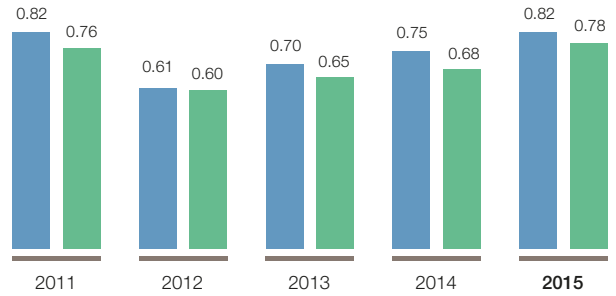
Occupational accidents: 86,585

Total number of sick leaves 2015
31,254

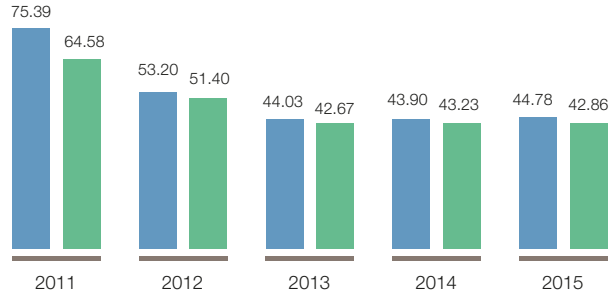
28,504
Total number of non-work related sick leaves

2,755
Total number of occupational accidents sick leaves

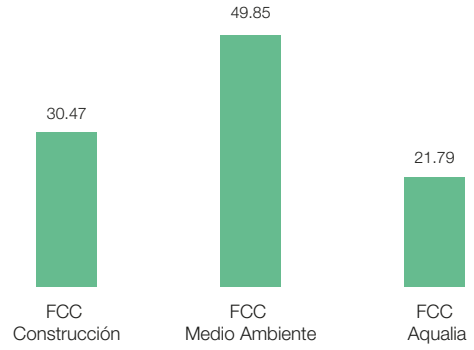
Severity rate



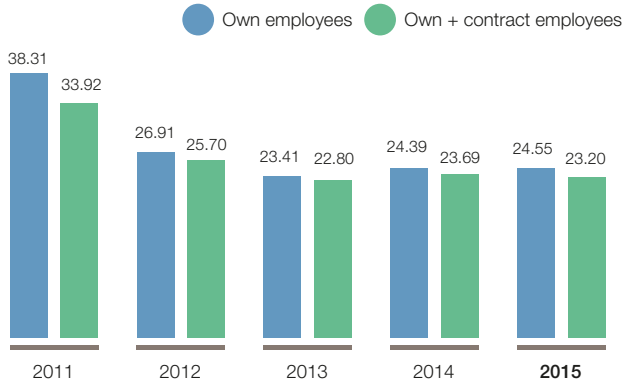
Incident rate



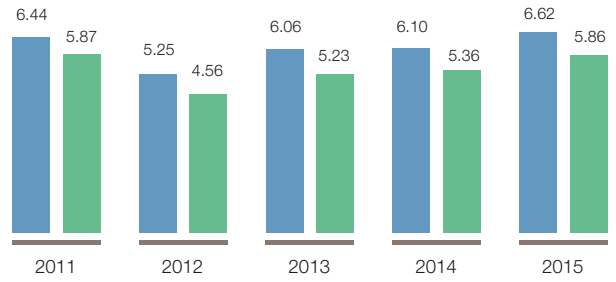
Incidence rates



Frequency rate



Absenteeism rate



Health protection and care

During 2015 the Company has continued its promotion of the Healthy Company project launched in April 2014. After years of working with various initiatives, this project integrates a strategy of continuous improvement of the protection of health, safety and welfare along with the Company's productivity and sustainability. The main objective is to create a culture of healthy living to reduce accident rates and absenteeism, and promote the improvement of people's quality of life.

With the aim of continuing to contribute value to people, we are working to provide spaces and information for a healthy life in terms of physical, mental, emotional and social well-being of the workforce, their families and citizens.

FCC a Healthy Company

Among the initiatives that have been launched to implement the Healthy Company project are, among others, the following:

- Health-related: campaigns like 'Watch your back', 'Take care of your heart' or 'You can stop smoking; you really can'; activities on the treatment and prevention of drug use, the distribution of information on eye health, fatigue and other related risks; vaccination programs and encouraging medical examinations.
- Food-related: agreement with the supplier of the vending machines for the green labelling for healthy products, posters with recommendations in break areas, criteria from the Nutrition, Physical Activity and Obesity Prevention Strategy (NAOS) when hiring the services of hotels and restaurants, as well as other measures to improve employees eating habits. Our own Medical Services have led numerous campaigns and initiatives for the prevention of, and information on, illness and health promotion, such as the Healthy Tapas competition.
- Physical-activity-related: Plans for warming up and stretching before working hours, programmes like 'Step by step for your health' to encourage walking and the creation of sports teams to participate in different leagues. Worthy of mention is the Sports' Social Network, launched in 2014, 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 healthier and more active life.



FCC a Healthy Company is a reality inspired to improve the health, safety and welfare of the people who work at FCC that has an impact on companies and communities where the Company provides services, with sustainable, responsible and effective management. The FCC Group formalises this reality by adherence to the Luxembourg Declaration. During the past two years, various Group regional offices have gradually formalised their certification as a Healthy Company through AENOR, as in the cases of the regional offices in La Rioja, Aragon and Catalonia.

Leadership and contribution to health and safety projects

FCC's objective is to acquire profound knowledge through learning and experience in order to implement the most effective measures. This requires constant monitoring and evaluation of decisions and results, collaboration with other stakeholders and maintaining an ongoing process of studying new information and news related to this matter.

However, the correct implementation of the conclusions and the programmes designed to improve people's safety requires their involvement. The communication of results is a key element, not only for internal management but also to publicise our achievements and efforts and to disseminate good conduct that may be applied by other stakeholders. To this end, various communication media are used, both internally and externally:

- Internal: this includes the Company's intranet portals and those specialising in health, safety, occupational risks and road safety which provide information and documentation in addition to an agenda of related activities. In case of emergencies, employees also have a communication channel for serious accidents and an email address (*direccionprl@fcc.es*) for other needs.
- External: this includes the FCC Bulletin (Red de Comunicación), which has a special section called "Wellness".

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:

- FCC Aqualia has renewed the certification of the Occupational Health and Safety Management System in accordance with the OHSAS 18001 standard at the national level, and has obtained it internationally at almost all of the Company's sites, including the ones located in the following countries: Mexico, Uruguay, Chile, Montenegro, Portugal, Italy, Czech Republic, Algeria and Saudi Arabia.
- 2015 Distinction from the Valencian Institute of Occupational Health and Safety (INVASSAT) for FCC Aqualia for conducting research on the prevention of occupational risks.
- Recognition by Asepeyo of the FCC Aqualia regional offices in Almeria and the Balearic Islands for their work on reducing workplace accidents.
- In the Middle East, FCC Aqualia's work was recognised as a candidate in the Daman Health & Safety Awards.
- Organisation of conferences by FCC Aqualia on health and safety in collaboration with government agencies. Of particular note are those organised on risks in the integrated water cycle sector at the Occupational Risks Prevention Centre in Malaga, or the training seminar on confined spaces given through the Occupational Risks Prevention Centre in Almeria, both operating under the Andalusian Regional Government.

This promotion and dissemination of health and safety by FCC Group extends outside the Company by sharing knowledge in this field in various forums, conferences and other events, among which are:

- Participation of the Environment division at the 4th National Occupational Health and Safety Conference at the University of Zaragoza.
- Participation of the Environment division in technical seminars by INSHT, the Spanish Network of Healthy Companies: a path to workers' holistic health.
- Participation by the Environment division as speakers at the Foment del Treball "Communication and Marketing in Occupational Risk Prevention" conference.
- Participation in the European Week for Health and Safety.
- Participation of the Environment division as a speaker at the INSHT panel session "Good practices in participatory management of psychosocial risks".
- Participation of the Environment division as speakers on models of good practice at the INSHT technical conference "How to focus on psychosocial risk prevention: awareness, participation and models of good practice".

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, guaranteeing FCC's basic principles in procurement: 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 them.

Reliability of the procurement model

FCC's procurement management model is certified under the UNE-CWA 15869 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 involved in decision-making must be objective and the incentives for the decisions must be aligned 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 and are in the process of being implemented in all procurement centres throughout the world.
- The centralised model does not allow for constraints, it promoting competition and competitiveness of suppliers, except when the suitability of the service requires taking a decision based on the business with reasonable justification.
- 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 done in a manner that ensures 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. 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.

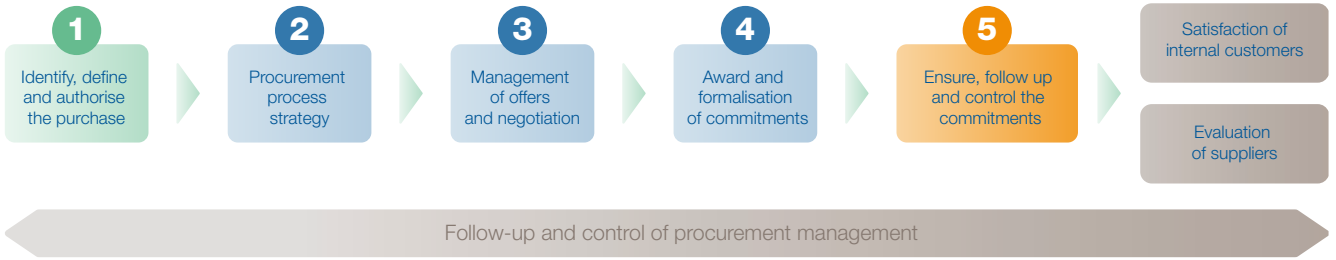
A solid process with well-defined responsibilities

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 Sourcing department 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 on 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 Provisioning and Procurement Control Department, among its functions is the coordination, management and planning of the requests for issuing 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.

In 2015 FCC Group started to implement an electronic tool to manage its purchases, together with a specialist supplier. The tool is already in the testing phase for Spain and the aim is to expand its reach internationally in all operations and geographical areas so that the system's cover spans across all operations of the Group. During 2016, efforts will focus on implementation in the subsidiary FCC Environment (UK).

Efficient purchasing and responsible commitment

Since 2016, the purchasing function of FCC Group is the responsibility of the Administration and Finance Management. This strategic move is a step forward in regards to the efficiency of the purchasing function and strengthens its position in the Company. As a result of the change, the corporate policy of reducing costs and improving budget management of the business areas is materialised.

These functions to adapt to budgets and efficiency in purchases contribute to cost reduction. Two of the most notable examples in 2015 include the management of the fleet of leased vehicles and the implementation and management of an electronic tool for corporate travel.

With regard to the identification of risks associated with the supply chain, FCC Group has a clause that requires all its suppliers to declare their knowledge of and commitment to its Code of Ethics. In addition to the above, analyses are performed on all new suppliers prior to the formalisation of contractual relations. This analysis includes visits to its facilities, personal interviews with management and requesting relevant information, among other actions.

In Spain, FCC Group carries out the management of documentation and legality through Obralia, a platform specialising in the construction sector platform on which all suppliers must register in order to work. The objective in the medium term is to migrate to a global platform that includes all suppliers.

V. Smart Services

We design the future of our communities

The history of FCC Group has been based on the provision of services for the functioning of urban communities, from the design and construction of infrastructure and cleaning and management of waste to the integrated water cycle.

Citizens are the key element in all FCC's activities and their needs shape the Group's corporate strategy. In order to adapt itself to the challenges of the future of cities, the Company must base its innovation efforts on the trends that transform the way in which the population evolves.

The fight against climate change from the double alignment (mitigation and adaptation) and responsible environmental activities are a challenge and an opportunity for efficiency and business, from project planning to implementation and subsequent management.

1. Sustainable Citizen Services

The importance of urban management continues to increase due to rapid population growth in cities around the world, which is expected to reach 6,500 million by 2050. Administrations are responsible for providing their citizens with appropriate infrastructure and services to improve the safety and sustainability of large cities. FCC Group makes the needs of citizens a key element in its strategy and delivering services that promote quality of life is the cornerstone of the Company's business model.

Milestones in 2015

- Success and enlargement of Santander's SmartWater project, expanding the range of implementation to the entire Cantabrian city in 2015.
- Continuation of Eco-Cities Observatory project in collaboration with Rey Juan Carlos University to assess the challenges of the cities of the future.
- Sponsorship of the study entitled “Perspectives on urban infrastructures 2015”, performed by *The Economist*.
- FCC Aqualia enjoyed the cooperation of Mejoras Energéticas, receiving a supply of equipment and other solutions.
- New participation in major forums and conferences to promote an innovative design of the future of cities.

Challenges for 2016

- Finish the Eco-Cities Observatory project and issue the biennial report on the conclusions obtained.
- Continue the Company's information-sharing activities through participation in the forums, conferences and activities of prestigious associations.
- Progress in expanding the SmartWater project throughout the city of Santander.

Forces of change and urban dynamism

As we saw earlier, most of the world's population and economic growth is concentrated in urban areas. More than half of the world's population lives in big cities and it is estimated that this figure could reach up to 80% of the total by 2050. In addition, other forces shaping the future of these agglomerations are climate change, the scarcity of resources such as water or energy, and environmental impact, which encourages these forces.

This development entails the need for adaptive management with principles of efficiency and sustainability. To do this, public-private partnership is positioned as one of the resources with more market presence and citizens are the key element in the projects and services undertaken.

Of the various challenges that cities must face, we are highlighting those where FCC Group operates and the characteristics the services offered must include:

Challenges for the cities of the future

Waste management, a problem of progressive urbanisation and the increase in the middle class

Legislation actively promotes efficiency in the elimination of wastes and encourages the recycling and recovery of wastes as a response to the growing quantity of waste produced in cities.

The scarcity of water versus the increase in demand

Forecasts for upcoming years identify an increase in pressure on water resources in a large part of the world.

This phenomenon offers opportunities to companies able to offer to the market innovative approaches related to the management of the integrated water cycle and that are committed to innovation in matters of water efficiency.

More efficient buildings, communities and services

Of increasing importance is the concept of eco-efficiency in the development of new products, services, technologies, systems and models. It is necessary to increase the productivity of natural resources, as well as to reduce the impact on the environment (reduction of water and energy consumption) throughout the entire design life of products.

FCC Group's adaptation to the new environment

The Citizens Services implemented by FCC Group make the end user of these services, i.e., the population, the key element in its strategic vision, based on a strong desire to create communities that are sustainable in social, economic and environmental terms. To this end, it is essential to promote a dual path of action, such as corporate responsibility in the Company's business model, and raising the awareness of citizens so that they will be participants in the sustainable development of our society over the next few years.

FCC considers the technology, experience and expertise in the areas where it operates to be key to the quality of their services and the basis for finding solutions to the new needs of the future. As we have seen, this specialisation is channelled through three business lines which attempt to resolve challenges separately in order to get an overall result for all:

- Environmental Services: for managing waste and its environmental impact.
- Integrated Water Management: for solutions to the challenges posed by the future of this resource.
- Infrastructure: for the design and implementation of infrastructure adapted to the new reality.

Observatory of social expectations and trends: Eco-Cities Project

In 2014 FCC signed an agreement with King Juan Carlos University for the creation of an observatory on eco-efficient services in the 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 prestigious London School of Economics.

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.

SmartWater project

In Santander the initiative entitled “Smart Water: the Intelligent Management of Water Services through New Technologies” was launched in 2013, 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 for the improvement of data collection from meters and other sensors within the water network with the view to using them for efficient management and for providing real-time information to citizens, and improving the service offered thanks to the implementation of advanced technology.

Some of the benefits of this project are the immediate detection of incidents, frauds, optimisation of energy, information on consumption, monitoring of sanitation networks, detection of overflows and advanced pressure management that reduces repair costs. In addition, the project applies the *Primus Line* technique, which enables rapid installation, minimising the environmental impact and inconvenience to citizens.

During 2015 the initiative integrated smart water management underwent a period of expansion in the city, given its initial success in the Nueva Montaña district. January saw the commencement of a second phase with a budget of 260,000 euros and a four-month execution period for Santander's city centre area. A few months later, in April, an agreement was signed to extend the project to the entire city with a budget of 200,000 euros and an execution period of twenty-four months. Furthermore, within the pilot project, there will also be experimentation with the use of drainage techniques to mitigate the effects of climate change.



Also, throughout the year Mejoras Energéticas collaborated, by supplying a range of equipment and solutions to support FCC Aqualia in achieving its objectives.

Participation in events for the dissemination and promotion of knowledge

FCC Group is committed to the dissemination of knowledge gained by the Company's extensive experience in the various areas in which it operates, with the aim of promoting the progress of the design of future cities. Therefore, it actively participates in forums and other outreach events that make it a reference in the sector, including the following:

Participation in forums and events

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.
Association of Comprehensive Maintenance and Energy Services Companies (AMI)	FCC participates in the Association of Comprehensive Maintenance and Energy Services Companies, which is a member of the Board of the Spanish Confederation of Employers' Organisation (CEOE) and founding member of the European EFIEES Employer's Association *(European Federation of Intelligent Energy Efficiency Services)*.
Forum for Waste Energy Generators (FGER)	The Company participates in the Waste Energy Generators' Forum, FGER (in Spanish), whose goal is the promotion of the energy production from waste and the defence of professionals and businesses interests that generate such energy.
Environmental Forum Foundation	FCC Medio Ambiente collaborates with the Foundation and participates in dialogue with other companies, administrations and the rest of society to achieve a more sustainable model.
Conference on Innovation and Sustainability in the City of Avila	Actions related to the transmission of knowledge in areas such as waste management, the fight against climate change, improving air quality, smart cities, road safety, corporate social responsibility and maintenance of parks and gardens were carried out.
Association of Recovery Plants and Selection of Municipal Packaging (ASPLARSEM)	In 2015, the packaging selection plant in Salamanca, managed by FCC, received first prize in the Ideas Competition organized by this organisation.
Technical Association for Waste Management and the Environment (ATEGRUS)	FCC Environment collaborated with the Association, whose purpose is to serve as a meeting point between institutions, companies and technicians from Spain and Latin America, to facilitate the sustainable development technologies and cleaning processes, urban sanitation and waste treatment.
XXIX Annual Convention and Expo 2015 ANEAS (Chihuahua, Mexico)	ANEAS is a key event and one of the main references of the water sector in Mexico There, FCC Aqualia once again demonstrated its ability to deal with a wide variety of projects.



ASPLARSEM Ideas Contest award.

IDA 2015 World Congress (San Diego, USA)	Organized by the International Desalination Association (IDA), it is the most important event in the world on desalination.
World Water Week (Stockholm, Sweden)	Leading annual event for global water issues and international development, with more than 2,500 participants from 130 countries.
Smart City World Congress, Barcelona	Just as in 2014, the Water Division was present at the fifth edition of the *Smart City World* Congress Barcelona, one of the most important events in the field of smart cities with the participation of more than five hundred cities.

European Benchmarking Cooperation (Jerez, Spain)	Aquajerez participated in the ninth edition of *European Benchmarking* Cooperation (EBC), along with companies from 21 countries, mostly European, and about four hundred event attendees.
Infraportos International Conference, South America, in Brazil	Leading event in Latin America in the port sector. Its goal is to promote a meeting between ports, terminals and port operators and equipment manufacturers and technologies.
2nd Edition Colombia Business Summit	Event held in Paris attended by international executives and government officials to discuss the opportunities and challenges of this country with great development potential.
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.
Third Annual Congress of Central America and the Caribbean	Professional meeting focused on financial and infrastructure projects *(Central American & Caribbean Capital Projects & Infrastructure Summit)*.
Mexican summit on infrastructure investment and development	Round table to exchange ideas and views on the development of major projects carried out by the Company and future development in Mexico of freight and passenger railway infrastructure.
III International Conference on the Management of Odours	The third edition of the conference, organized by the University of the Basque Country was held in Bilbao with a scientific committee of about fifty members and the publication of more than thirty related articles.
42 PARJAP, Oviedo	42nd edition of the National Conference on Public Parks and Gardens organised every year by the Spanish Association of Public Parks and Gardens in collaboration with the host city of each edition, this year Oviedo.
Barcelona's Experience in Resilience	This is an event organised by the UN's City Resilience Profiling Programme in collaboration with the City of Barcelona and the *BCN Urban Resilience Partnership*. This international event aims to share the model of Barcelona's resilience and identify keys to success for its future.
CONAMA Local, Malaga	This conference on climate change addresses the key issues in managing municipalities, such as waste, rehabilitation or mobility from different perspectives; as well as business opportunities, needs for planning or the implementation of concrete measures. It celebrated its ninth edition in 2015 with the desire to continue some of the work done at Conama2014, which was devoted to the low carbon economy.
Sabadell Smart Congress	With approximately five hundred conference attendees and representatives from fifteen municipalities, the Smart Cities Conference was held in Sabadell. It also included the participation of different universities and consulting firms to address the topic of *smart cities*.

2. The Promotion of Innovation at FCC

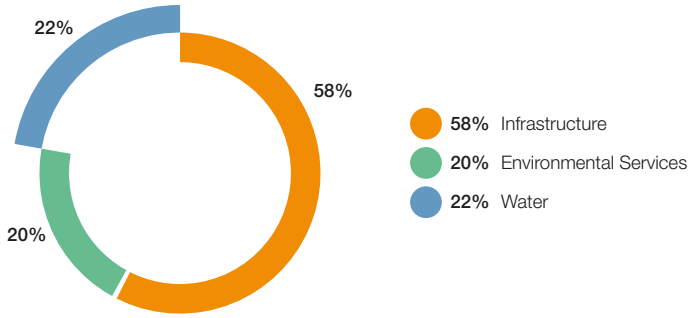
Innovation and experience for future solutions

The dynamism of the needs of the population, technological developments and the increasing competitiveness of the market make innovation the basis for the Company's sustainability. The FCC Group is aware of the importance of developing R&D&i projects to address the problems of citizens in the long term and therefore devotes a considerable amount of financial and human resources to this purpose.

To do this, FCC sets the research guidelines for the various business areas and coordinates activities to correspond with the common goals of the Company's strategy, such as the transition to a low carbon economy or measuring the impacts of energy consumption and the water footprint.

Investment in R&D&i (2015)

Over 13 Million euros



Innovation Committee

- Coordination and management of R&D&I activities
- Aligning initiatives to the main strategic lines
- Definition of the new research paths

Milestones in 2015

- The work on FCC Ámbito's RECO$_2$VAL for the use of waste with high calcium content to capture the CO_2 emissions from facilities finalised.
- Finalisation of five of FCC Aqualia's projects: Regenera, Downstream, Innpactar, Remembrane and UrbanWater.
- FCC Aqualia's two projects in the sustainability area, All-gas and Renovagas, were continued.
- FCC Aqualia's three European projects in the quality area, Life Memory, Life Biosol and CIP Cleanwater were continued.
- FCC Aqualia's Motrem project from its Smart Management division was continued.
- Five new innovation projects were started at FCC Aqualia: CIEN Smart Green Gas, Biowamet BESTF2, Innova E3N, Life Icirbus and Life Methamorphosis, the latter in collaboration with FCC's Medio Ambiente Division.
- FCC Aqualia obtained three new patents (two European and one Spanish) on two key aspects of algae cultivation: the reactor configuration (LEAR: Low Energy Algae Reactor) and the CO_2 enrichment system to reduce energy consumption.
- Presentation of the results of research at various conferences and events.
- Increased number of electronic bills issued (675,000) and a 32% increase in customers for this type of bill.
- Certificate for the R&D&i management system: Requirements for the R&D&i management system was revalidated according to UNE Standard 166002.2006.
- Development of different innovation projects in the infrastructure area, notably: methodology for the design and optimisation of caisson cycles in maritime infrastructure (DOVICAIM); optical systems for managing transitory risks (SORTI); and the tool for the monitoring, management and control of facilities (OPTIPORT15).
- The PR/FCC 730 and the R&D&i Internal Service Procedure have been adapted to the new ISO 166002:2014 standard.
- New technologies for electric-hybrid motorisation with a new system of ultra-capacitors at FCC Medio Ambiente:
  1) The VEMTESU project: the design and development of a prototype for a hybrid electric permanent drive vehicle.
  2) The CAMION ULTRACAPS project: design, development and validation of new vehicles for the collection of MSW.
- Submission of the application for European patents for the collection and treatment of urban waste (Diana System and Caruso) within the framework of the IISIS project at FCC Medio Ambiente.

Challenges in 2016

- Progress in the projects from FCC Aqualia's area of sustainability: All-gas and Renovagas.
- Promote research and registering of patents to place the company at the forefront of the industry technology panorama.
- Participate again in renowned events to disseminate the knowledge gained.
- Progress in innovation projects initiated in the quality area and identify new areas for improvement.
- Continue the development of the MOTREM Smart Management project.
- Promote the innovation projects initiated during 2015 and evaluate possible investments with high added value.

Innovation at FCC Medio Ambiente

Efforts related to innovation at FCC Medio Ambiente focus primarily on two areas for improvement: responsible water management and reducing greenhouse gas (GHGs) emissions.

To do this, work is being carried out on the monitoring and handling of information, as well as integrating new technologies into the various process for more efficient communication.

Some of the projects carried out during 2015 are:

The LIFE METHAmorphosis project

The main objective of this research is the enrichment of biogas and purifying it to biomethane, demonstrating both the technical and economic viability and its use in the automotive sector in light and heavy vehicles. The aim is to reduce GHGs with alternative, renewable and indigenous fuels. It also aims to demonstrate the feasibility of feeding it into the distribution network.

The VEMTESU project

This line of research is mainly aimed at developing a protocol for a "plug-in" hybrid electric permanent drive vehicle without a mechanical transmission with an extension of range that is equipped with a system of batteries and ultra-capacitors that work together, complementing each other and increasing efficiency. The vehicle will also have a novel structural design and composition through the concept of self-powered, modular body and the initial adoption of a low cab, improving the ergonomics of the operator during work.

The following product design specification activities were carried out in 2015:

- Study and definition of energy, structural, environmental and safety regulatory and approval requirements.
- Definition and technical conceptual design of the configuration of the e-hybrid propulsion and the definition and design of the modular architecture and structure.

Progress in the following areas of research includes:

Recovery of waste in treatment plants

Work is being done on monitoring variables and indicators in joint processes of biological treatment of municipal solid wastes with a view to creating a model of these processes to improve the production and energy yield of these facilities.

Automation

Work is being done on a collaborative basis with suppliers of technology to reduce emissions and noises in the vehicle fleet.

Intensity indicators

Definition of the methodology to calculate intensity indicators in order to establish environmental traceability of the services provided, in scientific collaboration with universities and technological centres-

The CAMIÓN ULTRACAPS Project

The main objective is the design, development and validation of new vehicles for the collection of municipal solid waste with an innovative hybrid electric technology using a novel system of ultra-capacitors as the energy storage elements instead of batteries. The project "Study, analysis and development of new technologies in hybrid and electric motorisation for the MSW collection lorry" began in January 2014.

The vehicle involved in the project employs a hybrid technology using ultra-capacitors instead of batteries, devices capable of sustaining a high energy density compared to normal capacitors as their capacitance is a thousand times greater.

Because of their efficient use of energy, these devices are one of the most important in carrying out research on means of transport. The leveraging of energy comes mainly from allowing for a better discharge of energy during acceleration of the vehicle, compared with batteries, in addition to achieving greater recovery of regenerative energy in braking processes.



Electric sweeper

ENERCIUDAD 2020

The objective of the project is the development of a system of "*energy harvesting*" for urban environments through flexible latest-generation organic photovoltaic 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 of developing "*roll-to-toll*" solar photovoltaic modules for the subsequent manufacture of demonstrators with integrated photovoltaic modules based on the initially detected applications identified.

Technological and environmental commitment: supporting the smart green growth of the city of Barcelona

FCC Medio Ambiente has based its sewer maintenance work in Barcelona on a range of cutting edge solutions that incorporate innovative, smart, efficient and interconnected technologies, thereby satisfying the principles of sustainability necessary in the current management of future cities.

Research and development have been the cornerstone of the service provided. The performance of the services has incorporated into the model a series of processes and advanced technological means that are compatible and interconnected, the results of research and development work undertaken by the Medio Ambiente Division in collaboration with various research centres.

The technologies used in the service include ultrasonic sensors to measure the thickness of the sediments, drones for inspecting sewerage pipes and detecting spots on coastal waters; electric utility vehicles that incorporate robotic machinery for arduous work related to construction works; geographic information management systems; advanced dynamic service management: inventory, inspections, outstanding activities, dynamic planning, performances; and the control of the fleet via GPS.

Innovation at FCC Aqualia

The Department of Innovation and Technology is in charge of R&D&i, which takes place through the participation of all Company employees who become involved throughout the process. These employees are part of the innovation in the Company, from identifying opportunities and areas for improvement to the execution of the projects themselves.

Stakeholders are the main source of information from which new ideas originate, and this is why FCC Aqualia remains in ongoing contact with them. In addition, the Company collaborates with different associations, universities and research centres to carry out these innovation activities.

The selected projects are aimed at improving performance and efficiency and revolve around three areas of research:

FCC Aqualia has a system certified by AENOR under the requirements of the UNE 166002: 2006 standard that allows for the control of resources and continuous monitoring of the results obtained.

FCC Aqualia's activities in innovation projects has consolidated during 2015, adding new European projects to each of the three areas of development. In total, FCC Aqualia initiated five new projects in 2015, including:

Quality

- Standard indicators for drinking water.
- Reuse of water.
- Desalinisation.
- Measurement of analyses.

Sustainability

- Reduction of energy consumption and emissions.
- The use of wastewater and waste as resources.
- Alternative technologies.

Smart Management

- Management systems.
- Optimization of water resources.
- ICT (Information and Communication Technologies).

CIEN SMART Green Gas

Within the framework of the CDTI (Centre for the Development of Industrial Technology) of the National Consortia of Business Research (CIEN) FCC Aqualia leads a consortium of six companies whose goal is to obtain high-quality biomethane from urban and agro-industrial waste. To achieve this objective, maximum efficiency systems for biogas production will be developed along with new biomethane treatment, refining and production processes.

The consortium that makes up SMART Green Gas has the support of many public research institutions including universities and research centres in four Spanish autonomous regions.

Biowamet BESTF2 (anaerobic systems for transforming organic matter into methane)

The ERA-Net Bestf2 project, which is complementary to the *Life Memory* project, has collaborated with the Universities of Southampton and Delft to develop anaerobic reactors with membranes that allow bioenergy to be obtained from wastewater.

Life Icirbus

FCC Aqualia participates in the *Innovative Circular Business* (Icirbus) project, whose objective is to implement the concept of circular economy through actions focused on the cascading use of waste from regional industries of biomass energy and water treatment to become new organic products validated for the fertiliser and building materials industries.

The project proposes an innovative inter-industrial structure of collaboration, or "industrial symbiosis", which reduces the amount of local waste and increases the production and competitiveness of the regional economy in a sustainable and long-term manner. It also benefits from the logistical savings from work at the regional level and integrates additional efficiency measures for the optimised use of energy, water and materials.

Overall, the project will address better management of two of the most problematic wastes in the EU: sewage sludge and construction waste by designing and testing low-impact recyclable materials for buildings and the inclusion of WWTP sludge treatment.

During 2015, FCC Aqualia obtained two new European patents and a Spanish patent on two key aspects of cultivating algae: the configuration of the LEAR (Low Energy Algae Reactor) reactor and the enrichment system with CO_2 to reduce operating energy expenditures:

- EP 13382470.6: Open reactor for the cultivation of microalgae.
- EP 13178678.2: Carbonation system for microalgae cultivation.
- P 201231485: Carbonation system for microalgae cultivation.

Participation in conferences and scientific events

The Water Division has presented the results of their research in various national and international conferences of relevance, such as:

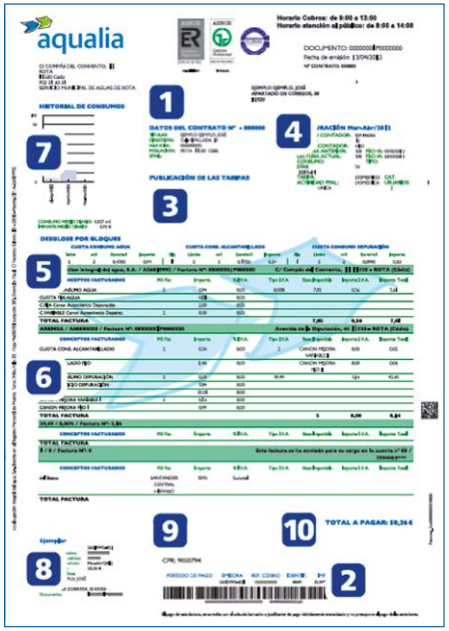
- International Water Association Leading Edge Technology 2015 (Hong Kong).
- Water Environment Federation (Washington DC, USA).
- WATEC Conference (Tel Aviv, Israel).
- World Congress on Anaerobic Digestion (Chile).
- SMARTURBAN Conference (Extremadura, Spain).
- AEAS seminars (Burgos).



International Water Association Leading Edge Technology 2015 (Hong Kong).

Personalised billing

FCC Aqualia has progressively implemented improvements in the design of its bills. Among these 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 explanations and contain the following data:

– name of the contract holder (1),

– data of interest (2),

– a publication of rates (3),

– billing details (4),

– description of the blocks of consumption and prices (5),

– details of the concepts and the amount billed (6),

– histogram of consumption (7),

– data for payment collection control (8),

– payment due date (9) and

– total amount due (10).

In 2015 at total of 675,000 electronic bills were issued for 174,500 customers, which was a 32% increase in customers.

FCC Aqualia issues three types of bills based on each customer's preference: detailed regular bill, bill summary and itemised bill summary.

Since 2014, FCC Aqualia, through its Italian enterprise Caltaqua, has offered the possibility of receiving electronic bills in accordance with the new Italian legislation.

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

Smart meters

In its work to optimize water management processes, FCC Aqualia applies the latest technology for integrating smart systems into homes. The Company installs home water networks differentiated according to use, reuse systems and smart meters for automating readings.

These smart devices have an electronic system capable of storing certain data in order to know consumption patterns, rates and other services at all times, thereby allowing for the creation of personalised suggestions on consumption habits to boost efficiency and save resources. Thus, in 2015 a total of 57,600 remote meter readings were done.

Innovation at FCC Construcción

Innovative activity in the FCC Construcción division follows a policy of active promotion that drives the continuous development of technology and encouraging its application to new infrastructure projects. In addition, the Company participates in various R&D&i initiatives and innovation programmes at national and international levels.

The aim of this commitment is to maintain FCC Construcción as a reference in terms of leadership through its presence in major advances in the sector in areas such as materials, equipment and processes during upcoming decades. The Company considers the following lines of R&D&i to be priority:

- **Railway infrastructure**
- **Rehabilitation, energy efficiency, and smart cities**
- **Marine construction**
- **Consideration of design life**
- **New materials, processes, and safety**
- **Integration of other technologies (IT)**

The Company has had its certificate for the R&D&i management system revalidated: Requirements for the R&D&i management system according to UNE Standard 166002.2006. In addition, the PR/FCC 730 and the R&D&i Internal Service Procedure have been adapted to the new ISO 166002: 2014 standard. Investment in R&D&i in infrastructure in 2015 was 7,847,511 euros.

The projects in sustainable infrastructure implemented include:

DOVICAIM: Methodology for the design and optimisation of caisson life cycles in maritime infrastructure.

FCC Construcción leads the project of developing an integrated methodology and the tools needed to support the entire life cycle of building in maritime infrastructure with caissons prefabricated in a floating caisson plant, including design, optimisation, construction, installation and operation. The IH Cantabria Environmental Hydraulics Institute is also taking part in the project. The new development will integrate the knowledge and experience gained in the field, the most advanced numerical models in the study of the flow/structure interaction, calibrated and validated with a combination of unique laboratory and field data. This will be a competitive improvement of the consortium in the field of port engineering and, specifically, in the field of construction for FCC Construcción. The specific objectives of the project are:

1. Carry out a specific field campaign at FCC Construcción's construction works in the Port of Granadilla (Tenerife) to monitor specific transport, stockpiling and mooring.
2. The adaptation of an advanced three-dimensional model for the numerical modelling of maritime structures to the Company's specifications.
3. The development of a methodology and calibrated and validated simulator of caisson stockpiling and installation.
4. Development of a simulator of special medium and long distance transports.
5. Development of operational systems to aid mooring of vertical caissons.



Mar Aneto floating dock. The DOVICAIM project.

SORTI: Optical systems for managing transient risks

The main objective of this project is the development of tools based on optical systems and new technologies for identifying, monitoring and managing structural risks in buildings and infrastructure in a smart and automatic manner based on telemetry as a means of maximising safety and minimising the risks of physical damage in situations with a high potential for structural collapse.

OPTIPORT15: Tool for monitoring, managing and controlling facilities

The aim of the project is the development of a reliable, robust and flexible tool that, through the integrated simulation of port activity, will support port managers in making decisions related to the management and planning of the port and its resources.

The tool is based on a methodology that models the operation of the necessary elements to simulate water vessel traffic and port facilities. To do this, consideration is given to the ship and its immediate environment, i.e., the access channel, navigation areas, manoeuvring and mooring and ship-port interface, where the loading and unloading of goods is carried out, influenced by the type of terminal and operations in the onshore area.

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

In 2015, through its construction division, FCC continued and intensified its active presence in multiple European and national R&D&i organisations.

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

Moreover, nationally, FCC Construcción participates in the Spanish Construction Technology Platform and is actively present in the Platform's Foundation, its Standing Committee and its working groups; Seopan's R&D&i committees, whose presidency has been held by FCC Construcción since 2012, and in the Spanish Confederation of Employers' Organisation (CEOE).

All these organisations aim to define the role of the Company as a driving force for R&D&I in the construction sector in accordance with the proposals of the European H2020 programme and the 2013-2020 Spanish Strategy for Science and Technology and Innovation. It also has an active presence in ADIF's Railways Technology Centre in Malaga.

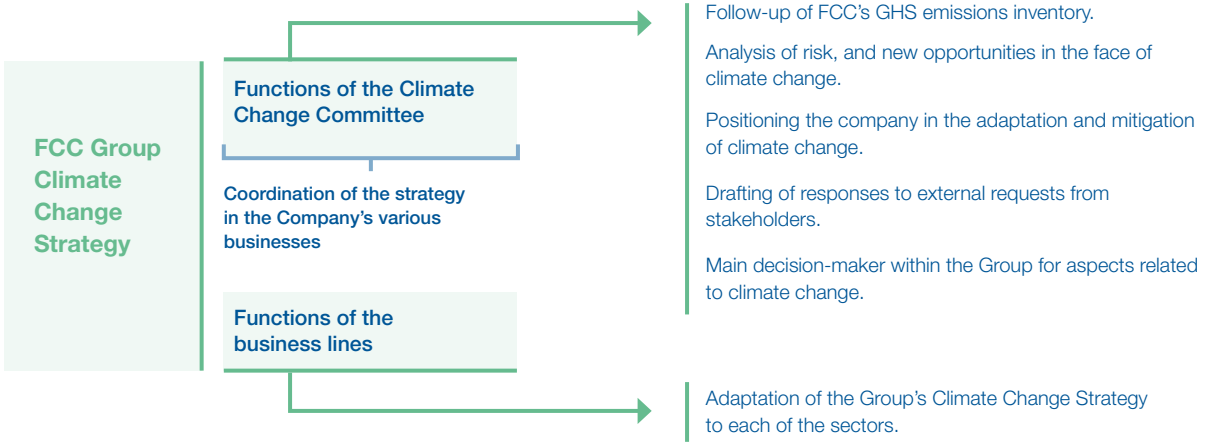
3. FCC against Climate Change

Unity, strategy and innovation against climate change

Climate change is a phenomenon that affects the common element in all areas of the Company's activity, i.e., citizens.

Consequently, the adaptation strategy in this scenario has been developed in collaboration with all the business lines that make up FCC Group.

The promotion of innovation and the search for efficiency are the two guiding principles for achieving the objectives on climate change, with the main target being the city centres worldwide.



Milestones in 2015

- Certification, under ISO 50001, of fifteen FCC Aqualia contracts during 2015 in accordance with the plan agreed with AENOR for adapting in order to comply with the new Directive 2012/27/EU of the European Parliament and Council.
- The carbon footprint of the entire integrated water cycle management activity and the design and construction of water treatment, purification and desalination plants at FCC Aqualia has been calculated and registered.
- Calculation, in collaboration with other organisations, of Cantabria's water footprint.
- Renewal of FCC Medio Ambiente division of the registration of the carbon footprint in the Ministry of Agriculture, Food and Environment's register.

Challenges for 2016

- Certification in 2016 of thirty more contracts under ISO 50001 by FCC Aqualia to continue the plan agreed with AENOR for adapting in order to comply with the new Directive 2012/27/EU of the European Parliament and Council.
- Move towards the goal of reducing emissions in the 2020 Climate Change Strategy.
- Maintain the initiatives undertaken in previous years in the fight against climate change: inventories of emission, calculation of the carbon footprint, carbon emission offsets and absorption and other projects.

Climate Change Strategy

FCC Group is aware of the global impact this phenomenon has on all the Company's activities and it therefore acts in a unified fashion by placing the Board of Directors at the forefront of the fight against it.

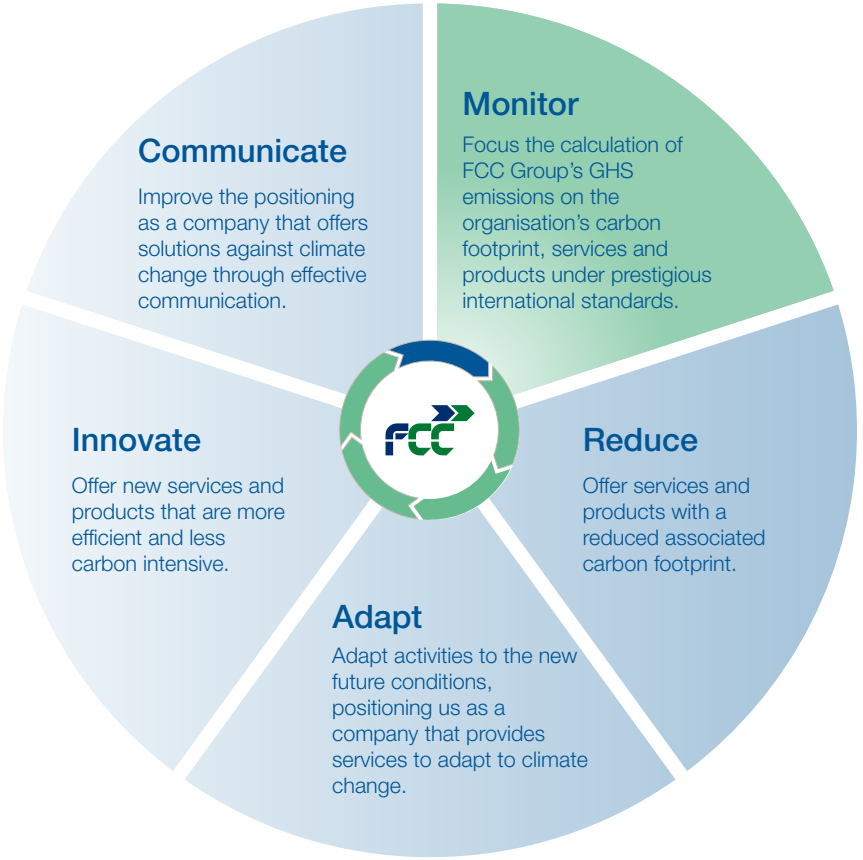
The Board is responsible for the approval of the Climate Change Strategy that will govern the Groups' management in the long term. In addition, through the Committee on Climate Change, which was established in 2011, FCC coordinates the implementation of this strategy in each of its business lines.

The pillars of our strategy

FCC Group developed its "2020 Climate Change Strategy" with the structure described above and the objectives set out in the Corporate Responsibility Master Plan.

The Plan intends to respond to the opportunities presented in the environmental, social and economic sphere through smart services developed accordingly.

This 2020 Climate Change Strategy is structured around five pillars:



Adaptation to Climate Change

Scope	Cement and Construction Sector	Water Sector	Environmental Services Sector
Impacts on activity	• Increase in the costs of production, operation and maintenance processes caused by the action of extreme weather events. • Legal or reputational risks related to carrying out activities in "sensitive" areas" or with "sensitive" resources. • Restriction in the availability of resources. • Incorporation of climate criteria in the regulation of the sector. • Loss of competitiveness as a result of climate impacts. • Risks to the integrity and physical characteristics of the Company's assets, products or projects due the action of climate impacts.	• Restriction in the availability of resources needed for the Company's activity (water). • Risks to the integrity of the Company's assets due to the effects of extreme weather events. • Increase in operating and maintenance costs in facilities due to changes in the characteristics of the resource (water) or changes in operating conditions caused by the action of climate-related effects.	• Faults and interruptions in the teams' operation and maintenance processes due to the action of variations in the weather (particularly changes in temperature and heavy rainfall phenomena). Restrictions on the availability of water for processes. • Risk to the integrity of infrastructure or faults/ interruptions in operating processes generated by the action of extreme weather events. • Stricter regulation regarding the use of resources needed for business activity (particularly water).
Associated challenges	• Stagnation of sector activity in historical markets. • Increase in situations of legal or reputational damage. • Incorporation of climate-based criteria in the activity of the businesses. • Adaptation to a new regulatory framework with greater environmental pressure. • Guarantee of economic viability in the face of increased costs due to the action of climate-related impacts.	• Response to increases in demand in a scenario of increasing scarcity of resources. • Adaptation to a more restrictive future regulatory framework for using water. • Increased risk of the appearance of conflicts over water use. • Guarantee of maximum efficiency in water distribution, supply and consumption processes.	• Management of faults in operating processes, along with shutdowns or interruptions caused by the effect of extreme weather events. • Guarantee of the integrity of the infrastructure and equipment with regard to the effects of weather variability and the action of extreme events. • Reduction of health risks to personnel affected by of variable weather conditions.
Potential opportunities	• Opening of new markets, the need for constructive solutions as short-term adaptation mechanisms. • Development of new products/services framed within solutions that are "more environmentally-friendly". • Improvement as an organisation committed to environmental aspects. • Collaboration with the administration on the integration of climate change into the development of the sector. • Funding of international projects in vulnerable countries within the framework of multilateral banking initiatives.	• Development of new products and services; development of water monitoring and management systems, training at the consumer level. • Development opportunities for water management infrastructure projects in developing countries. • R&D&i projects in areas of water saving and management. • Collaboration with the administration to integrate climate change into the development of the sector and cooperation with other water-consuming sectors to reconcile sector activity with sustainable water use. • Funding of international projects in vulnerable countries within the framework of multilateral banking initiatives.	• Expansion of business activities to developing countries (vulnerable to climate change) in projects to improve waste management infrastructure. • Renovation of infrastructure as a means of managing extreme post-event situations. • Evaluation of alternative sources for the harnessing of same (particularly water). • Funding of international projects in vulnerable countries within the framework of multilateral banking initiatives.

Emission reductions: a common objective for the companies

FCC Group measures and monitors 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 criteria of energy efficiency, sustainable mobility, recovery and recycling and waste management, the Company intends to reduce 360,000 tonnes of CO_2 equivalent, so that in 2020 a ratio of Mt CO_2eq / M euros of turnover is achieved, that is 3% less than the current rate.

Excluding differences among business lines, the calculation of the scope 3 emissions 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, emissions resulting from losses during transport and distribution of electricity, and emissions associated with the consumption of fuels and waste treatment and disposal processes over which the Company does not have operational control.

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.

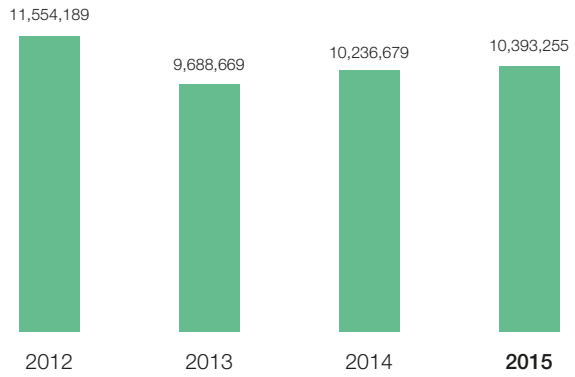
During 2015, there was a slight increase in GHG emissions at FCC Group, reaching a total of 10,393,255 tonnes of CO_2 equivalent, which is an increase of 1.5% over 2014[(2)]. The reasons for these variations are increased process emissions associated with clinker kilns in Cementos Portland Valderrivas in Spain, and landfilling by FCC Environment UK, with increases of 6.4% and 3.5%, respectively.

Commitment to the recovery and self-generation of energy

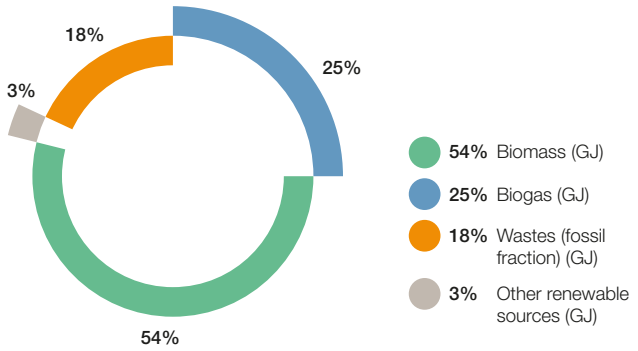
With its goal of reducing emissions, FCC Group is committed to the self-generation of energy.

The introduction of innovative solutions in FCC Medio Ambiente's waste treatment and recovery plants allows the Company 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.

Direct and indirect GHG emissions by FCC Group (Scope 1 and 2)) (t CO_2 eq/year)



Consumption of self-produced energy



(2) The GHG emissions were recalculated for 2014 due to the updating of CPV and .A.S.A. data.

The consumption of renewable fuels in 2015 shows a decrease compared to 2014. For its part, the consumption of non-renewable fuels such as natural gas, fuel oil and propane/butane have fallen in the last year by 6.3%, 62.8% and 20.2%, respectively, while the consumption of petrol and diesel have increased by 57.8% and 21.2%.

Power consumption levels remain largely stable, with a slight decrease over the previous period. Thus, total consumption in 2015 was 35,701,999 GJ, which is a reduction of 1% compared to 2014[3].

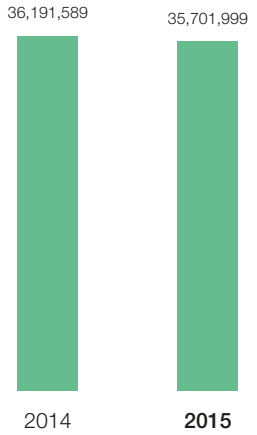
Consumption of renewable fuels by FCC Group according to business areas (GJ)

Fuels	Environmental Services	Water	Infrastructures	Total
Ethanol fuel	1,271.4	–	–	1,271.4
Biodiesel	63,216.4	–	–	63,216.4
Biogas	123,426.7	87,300	–	210,726.7
Biomass	73,966.4	–	664,094	738,060.4

Consumption of non-renewable fuels by FCC Group according to business areas (GJ)

Fuels	Environmental Services	Water	Infrastructures	Total
Natural gas	517,787.1	18,620	283,647	806,170.8
Petrol	31,108.6	11,589.5	37,121.3	79,819.5
Diesel fuel	2,494,940	137,865.6	1,165,424.2	3,798,229.9
Fuel oil	6,429.8	254	116,934.6	123,618.3
Propane and butane	1,570.4	–	3,891.1	5,461.5
Conventional fossil fuels in clinker kilns	–	–	20,370,864	20,370,864
Alternative fossil fuels in clinker kilns	–	–	2,282,640	2,282,640

Total energy consumption (GJ)



[3] The total energy consumption for 2014 was recalculated for 2014 due to the updating of CPV and .A.S.A. data.

FCC Medio Ambiente and environmental efficiency of services

The purpose of FCC Medio Ambiente is to deliver services aimed at reducing the environmental impact of future cities. For years, FCC Medio Ambiente has put its efforts into the definition and validation of management tools aimed at fighting climate change. An example of this is the monitoring of intensity indicators, resource use management, greenhouse gas (GHG) emissions and the carbon footprint.

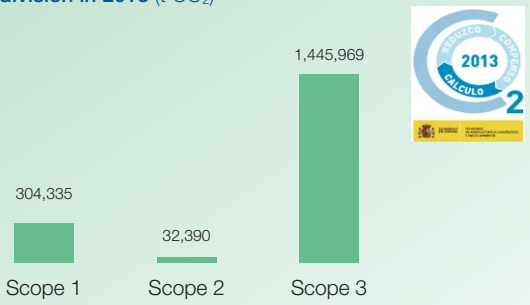
FCC Medio Ambiente carbon footprint reduction strategy

Calculating the carbon footprint results in a greater understanding of the contribution a company makes to climate change as a result of its activities. Thus, it acts as an indicator of the energy efficiency of the various organisations in order to contribute to the fight against climate change.

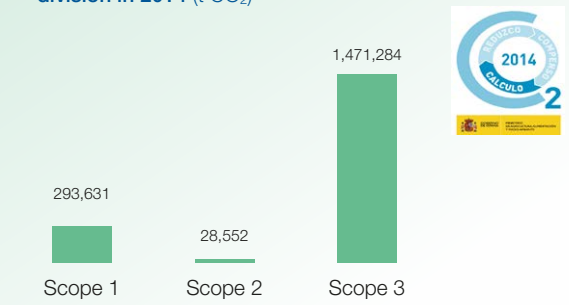
Since 2011, the Environmental Services division has been calculating the organisation's carbon footprint, which has enabled the Company to identify the sources of GHG emissions on which it must act in order to reduce the footprint and, thus, to establish a strategy. In 2014, together with the registration of the organisation's carbon footprint, the Company presented its plan to reduce GHG emissions, which it committed to reduce by 16% the scope 1 in 2015 with respect to 2013, to the Spanish Climate Change Office, (OECC).

The commitment has been fulfilled. The GHG emissions over which the organisation has operational control were reduced by 26% in 2015 compared to 2013 levels, exceeding the target set. All this work has been verified by Det Norske Veritas Business Assurance España, S.L. (DNV-GL) and by BUREAU VERITAS IBERIA S.L.

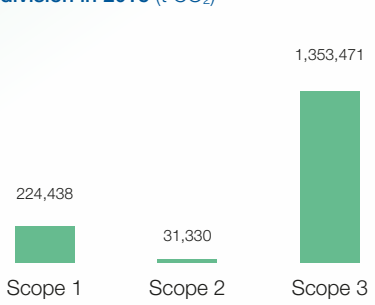
Carbon footprint of the Environmental Services division in 2013 (t CO_2)



Carbon footprint of the Environmental Services division in 2014 (t CO_2)



Carbon footprint of the Environmental Services division in 2015 (t CO_2)



Environmental impact of the implementation of FCC Medio Ambiente's Climate Project

In 2015, the waste treatment plant in Gomecello (Salamanca) began degassing phase 1 of the landfill (within the framework of the climate project awarded in 2014) and launched biomethanisation through a process of "wet anaerobic digestion". These initiatives have allowed for the leveraging of energy from, on the one hand, the biogas produced naturally in phase 1 of the landfill and, on the other, biomethanisation.

The **impact of these measures in improving energy efficiency** was as follows:

1. **1,120,594 kilowatt hours of electricity have been generated from biogas**, of which 59% are from the landfill biogas and the remaining 41% from the biogas produced by biomethanisation.
2. **The electric power generated is self-consumed in the same facility**. This has enabled a 16% reduction in electricity from the grid, even though the energy needs of the plant have increased with the new processes.

The **impact of these measures in reducing GHG emissions** was as follows:

1. **GHG emissions associated with landfill decreased by 74%** in 2015 compared to 2014. In addition, 26,636 tonnes of CO_2 equivalent have been prevented by the capture of biogas from the landfill.
2. The decrease in electrical consumption from the grid made possible the **reduction in indirect GHG emissions from the Gomecello WTC**.

Pre-project situation (2013):



Project situation (2015):



Monitoring the environmental efficiency of the services provided

The current context requires all social and economic players to integrate an efficient and effective use of goods and processes into their management models in order to promote a low carbon economy. To do this, there is a need for the **promotion and strengthening of public/private collaboration** with a view to the future of cities and thus to ensure a healthy environment and well-being for citizens.

FCC Medio Ambiente, faced with this situation and attentive to the expectations and demands of its stakeholders, aims to contribute to the green growth model by designing and proposing solutions based on a range of increasingly efficient technology services, easily managed by users and at competitive prices that are potential generators of new employment profiles. For this reason, the 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 will result in minimising GHG emissions.

To this end, **monitoring systems** for the environmental management of urban services have been developed based on tools designed and developed with scientific collaboration and on internationally recognised standards. The evaluation of the environmental efficiency of the services provided is done by calculating and monitoring intensity indicators that have been determined and verified.

from 0.016 to 0.023 $C0_2$ eq/t collected

* By type of fraction collected (residual, containers, bio wastes, paper/cardboard, glass, others)

from 0.0011 to 0.0016 $C0_2$ eq/km streets cleaned

from 0.0429 to 0.1036 kg CO_2 e/m² eq. green spaces

from 0.000042 to 0.0001036 t CO_2 e/m² eq of green spaces

from 31.41 to 505.46 litres of water /m² equivalent of green spaces

With this initiative, FCC is positioned as the first company in Spain to calculate intensity and efficiency indicators of its urban services activities and is ahead of future European standards for monitoring the efficiency of these services. Thus, the appropriate management tools are obtained to address the risks and opportunities that will affect business performance towards the **2020 Horizon**.

Comprehensive Training Plan for the responsible management of the Environmental Services division

The aim of this Comprehensive Training Plan is to inform and raise the awareness of FCC Medio Ambiente employees in any and all activities that will improve and strengthen the sustainable environmental management of services.

This ambitious training plan also has a twofold objective: to increase the quality of life of twenty-eight million citizens served in more than 3,500 municipalities in Spain, and to improve the balance of the Company's external environmental factors. The training focuses on the following aspects:

- Efficient use of energy and water resources.
- Reduction of greenhouse gas emissions.
- Transformation of waste into a resource.
- Protection of biodiversity.

Through this plan, FCC aims to turn its workers into ambassadors of good social and environmental practices.

The Comprehensive Training Plan includes an invitation to all of its employees to participate freely and in favour of the "One Million Commitments to the Climate" campaign launched by the Ministry of Agriculture, Food and Environment along with the Ecology and Development Foundation (ECODES) in order to raise awareness before the UN Conference on Climate Change held in Paris in December.

Efficient management tools

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 programme uses life cycle evaluations to include resources used, the transportation of waste and the operation of a wide range of waste management processes with their environmental benefits and costs. WRATE is designed so that managers can easily apply complex techniques for the management of the life cycle of urban waste. The results are easy to understand and interpret for financial managers, politicians, and other stakeholders.

FCC Aqualia, carbon footprint and water footprint

FCC Aqualia continues with its goal to perform better and more efficient resource management in order to minimise the environmental impact of its activities. To do this, it has undertaken various measures throughout 2015.

Carbon footprint

Continuing the commitment undertaken by FCC Aqualia the previous year, in 2015 the carbon footprint for the activity related to the design and construction of treatment, purification and desalination plants and their ancillary facilities, developed by its subsidiary Aqualia Infraestructuras was calculated.

The footprint has been registered in the Carbon Footprint Register at the Ministry of Agriculture, Food and Environment. The Greenhouse Gas Report has been prepared according to the requirements of the UNE-EN ISO 14064-1 standard.

In addition, in 2015 the carbon footprint of all activity related to the integrated water cycle management at FCC Aqualia was calculated. The calculation has been verified by AENOR and registered in the register maintained for that purpose by the Ministry of Agriculture, Food and Environment.

By publishing these reports, FCC Aqualia facilitates the verification of the GHG inventory and promotes transparency with its stakeholders.

Water footprint

In line with the above, and as a result of the collaboration of FCC Aqualia with the Botín Foundation, Madrid Complutense University, Madrid Polytechnic University, the University of Cantabria and the Government of Cantabria's Ministry of Environment, Cantabria's water footprint was calculated, the first process of this type done in Spain.

In addition to developing and implementing a specific methodology, the objective of this project was to conduct a study of Cantabria's water footprint and to establish the impact of the use of water resources at the catchment basin, municipal and autonomous region levels. The study addresses a comprehensive view of water and the territory in order to clarify the relationship between blue water and green water and that among internal water, virtual water and the water footprint, determines the values for each kind of water in the region and their flows.

The project has taken into account the differences between green water and blue water. Thus, it was possible to know the impact of the consumption of water used in the goods and services produced and exchanged by Cantabria in order to determine the water footprint generated in the region, based on the calculation of the virtual water consumed for each product, service or activity.

The study results show the important role played by water as the region's natural, as well as economic and social asset of the highest magnitude.

Energy management systems

During 2015 a three-year plan was established in collaboration with AENOR in order to adapt and comply with EU Directive 2012/27/EU. The aim is for the plan to make it possible for the organisation to certify all its activities in accordance with the ISO 50001 standard. In 2015 fifteen contracts were certified, with another thirty expected to be certified in both 2016 and 2017. The contracts to be certified are chosen based on their consumption. In 2015 the contracts with a consumption of over 1,300,000 kilowatt hours per year were chosen which cover more than 80% of total consumption.

Additionally, FCC Aqualia plans to carry out an exhaustive control of its energy expenditure that includes the installed capacity and the evolution of energy consumption in production facilities. The actions proposed are therefore aimed at:

- Improving the measurement of consumption.
- Calculating the energy performance of pumps.
- Optimising and improving production processes, facilities and equipment.
- Purchasing more energy efficient equipment.
- Optimising the purchase of energy.
- Infrastructure maintenance.
- Improving the hydraulic performance of the network.

FCC Construcción and direct and indirect emissions

Carbon impact

The Construction division of FCC has verified its greenhouse gas (GHG) emissions since 2011. In addition, since 2012, FCC has had its carbon footprint certificate approved by AENOR, "CO_2 Environment Verified". The division also has had the GHG emissions report verified 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 a construction company.

In order to measure the carbon footprint, FCC Construcción identifies the main sources of greenhouse gas emissions of its works or permanent work centres, defines the boundaries of the organisation and operational limits, besides collecting and transmitting 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 permanent work centres, and quantifying the emissions at the corporate level.

Control of scope 3 emissions

These emissions are the consequence of the company's activities, but are produced by sources not owned or controlled by FCC Construcción. Scope 3 includes the following emissions:

- Emissions associated with the production and transport of materials consumed. The emissions from the production and transport of concrete, asphalt, steel, non-ferrous metals, bricks and glass, and the emissions from transport to the construction site of soil and aggregates, are taken into consideration.
- Emissions associated with the execution of subcontracted project units. Earthworks are included.
- Emissions associated with the transport and waste management of surplus materials. The emissions associated with the transport of surplus soil and surplus clean debris and the emissions associated with the transport and landfill of municipal solid waste and wood waste are included.
- Emissions associated with the movement of company personnel due to business trips.
- Emissions from losses during the transport and distribution of electricity.

4. Environmental Management at FCC

A business that integrates commitment to environmental protection

In its aim of contributing to the design of sustainable communities, FCC Group integrates commitment to environmental protection and responsible resource management into its own business model. Channelling the right behaviour into the design, implementation and management of services offered is one of the Company's responsibilities.

FCC Group's environmental policy, approved by the Board of Directors, is a statement of intent made by the company in this regard, establishing environmental impact reduction as an objective to be achieved in the performance of its activities.

To carry this out, FCC implements operational monitoring in each of the processes performed. This way it identifies, classifies and evaluates the impacts made by its facilities and acts accordingly through planned measures to minimize them..

Milestones in 2015

- Reduction of waste generation by more than 60%.
- Successfully developed the conditioning and external management plan for waste collected at the CIDRA Daimiel facilities (Ciudad Real).
- Integration of the SAMCEW methodology for assessing sustainability in civil works.
- FCC Construcción's participation in technical committees of the sector.

Challenges in 2016

- Continuation of the implementation of environmental and social criteria in the evaluation of projects and the potential risks they imply.
- Promotion of the dissemination of basic guidance on how to act in relation to the conservation of biodiversity and cultural heritage.
- Progress towards full certification in the activity certified under ISO 14001.
- Continue to conduct internal audits to certify the veracity of the data provided by the control systems.

Environmental management system

The previously stated determination of FCC Group to achieve greater efficiency and ecology in its business model has led the organization to integrate the Environmental Management System in its production processes.

The certification of the Environmental Management System for 100% of the activities of the various divisions of the Group under UNE-EN ISO 14001: 2004 is one of the objectives established by the Company.

FCC makes a continued effort to maintain this environmental certification and therefore after each acquisition a period of six months is established in which to enable compliance with its environmental policy.

Thanks to this, almost all business lines of FCC Group in Spain already have an environmental management system under this standard that covers both national operations and international projects. This facilitates the collection and interpretation of a greater amount of information related to environmental indicators.

In addition, FCC Construction has completed the implementation of this system in Mexico and FCC Central America, thus it covers all the activities of the company.

In addition, FCC Aqualia maintains a strategy based on prevention in the management of environmental impacts caused by the Company. The company has implemented strict controls on a regular basis to determine compliance with the commitments.

The Company has a system for the collection and management of information produced internally called "Horizonte".

Horizonte has a total of 478 environmental indicators broken down by group, line of business and country. This system allows a better understanding of the established improvement plans, monitoring the degree of compliance and corrective actions.

The responsibilities of FCC Construcción in its commitment to the environment go beyond that established by law. Thus, in addition to the Environmental Management System, the Company has a system of good practices that includes a series of actions for each job, which have been established from an analysis and classification of environmental impacts. These practices are weighted by a number of factors, obtaining a higher rating:

- The actions that have the greater environmental benefit.
- Those that are intrinsically better.
- Actions that involve greater effort, either from investment, research or required ingenuity.
- Actions that show a higher level of implementation, greater generalisation and a higher number of interventions.

The management of the Environmental Management Plan of the various construction works and centres of FCC Group uses new technologies for greater accessibility and integrity of the data obtained. For this purpose, a computer application channels the flow of information generated in each project to a database that allows the interpretation, evaluation and control of the environmental performance of the Company.

In addition, a system of controls and internal audits certifies the accuracy of the data. During 2015 the scope of environmental certification has expanded to 100% of the countries where FCC Construcción has a stable presence.

FCC Group performs a risk assessment on all construction work. Each of the operations involving such works is scored from 1 to a maximum level of 6. Thus FCC clearly understands at all times what projects involve a higher level of risk for the Company.

In cases of works with a high level of risk, or by the express decision of the General Manager, the Company has an additional audit process called PETRA (Special Risk Treatment Plan) which is more comprehensive. This process analyses issues of technical risks in contract management, technical planning (deadlines and resources), and the effective submission of claims and tracking of penalties.

On the other hand, FCC Construcción has its own risk matrix used to determine the risks of each project in the different countries in which the Group operates.

The extension of the PETRA programme to the international arena in 2013, and its consolidation in financial year 2014, has meant important support for the large international contracts, and a higher level of control by the Management.

Knowledge Platform for Environmentally Sustainable Construction for Infrastructure in Latin America and the Caribbean (KPESIC)

FCC Construcción is part of this initiative, sponsored by the World Bank, which aims to help promote and advance the construction of environmentally sustainable infrastructure in Latin America and the Caribbean.

The platform aims to help promote better environmental and social management of infrastructure projects in Latin America and the Caribbean. The objective is to provide a source of information to support the transfer of knowledge, the development of skills, innovation, as well as the learning of lessons in the construction of environmentally sustainable infrastructure, which has easy access and is reliable, and which can serve as a forum to provide ideas and solutions.

FCC Construcción participated in the opening day of the platform and supplies its database with technical documentation and case studies of interest.

SAMCEW, Sustainability Assessment Method for Civil Engineering Works

The construction division of FCC has a Sustainability Assessment Method for Civil Engineering Works (SAMCEW). This is a self-evaluation and rating system, which serves as an internal management programme to plan construction work, identify required improvements and share progress in sustainable practices. This methodology allows designers and managers of the civil engineering works to demonstrate the sustainability of their projects to customers, planners, and other interested parties.

Through this methodology, FCC Construcción aims to align itself with the most sustainable trends in the construction sector, whose main objectives are:

- Minimize the use of resources (materials, water and energy) through the proper management of raw materials, recycling and reuse.
- Minimize waste generation using recycled, reused materials and/or energy recovery.
- Minimize direct and indirect discharges into water, air and soil, with particular attention to the emissions of greenhouse gases and their connection to climate change.
- Innovate and use alternative materials and energy.
- Analyse and minimize social impacts, both on the active and passive users of the infrastructure.
- Minimize the impact on biodiversity and ecosystems.
- Select the most beneficial alternative from an environmental and economic standpoint.
- Stimulate the market for sustainable practices and products.
- Save on energy-related investments, due to increased efficiency.

The SAMCEW methodology is fully developed and is organized around fifteen categories, which take into account significant aspects throughout the project within the scope of the three dimensions of sustainability, among which are:

1) Project management. Integration of sustainability in the design, strategies and project management.
2) Participation and acceptance. Integration of stakeholders in decision-making and their satisfaction with the construction work.
3) Ecosystems and biodiversity. Impact on ecosystems and biodiversity, as well as their conservation.
4) Land use planning. Land use and efficiency of its use.
5) Cultural heritage. Impact of the work on elements of cultural heritage and its protection.
6) Use of natural resources. Energy, materials and water required for civil works and their origin.
7) Life cycle costs. Cost of the civil works throughout their life cycle, while fulfilling their mandate.
8) Welfare. Health and safety measures of the workers.
9) Waste Production and management of the waste generated.
10) Externalities. Associated costs not necessarily reflected in the transaction costs of the infrastructure.
11) Effects on society. Negative impacts on society.
12) Environmental emissions. Impact derived from emissions to the atmosphere, water and soil.
13) Effects on the local economy. Changes in the distribution of population centres or in the structure of employment that have economic effects on the local environment.
14) Risk and resilience. Associated risks and their management, including the resilience of the construction work in the event of unforeseen impacts or adaptation and vulnerability to climate change.
15) Noise and vibration. Impact of noise and vibration generated by civil works.

Currently this methodology is applied to the vast majority of civil works on which the Company works. The short-term goal is to extend the use of the methodology to all of FCC Construcción's works.

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

FCC Construcción is actively involved in the drafting of manuals that take into account sustainability within the usual working framework of the construction sector. For this reason, the company is actively involved in various working groups specific to sustainable construction at international, European and state level, suggesting possibilities, getting involved in the process, and providing solutions and perspectives from our own scope of action. In these working groups, work related to the following topics is carried out:

- 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 Product 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 is involved 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”, which it chairs.
- 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:

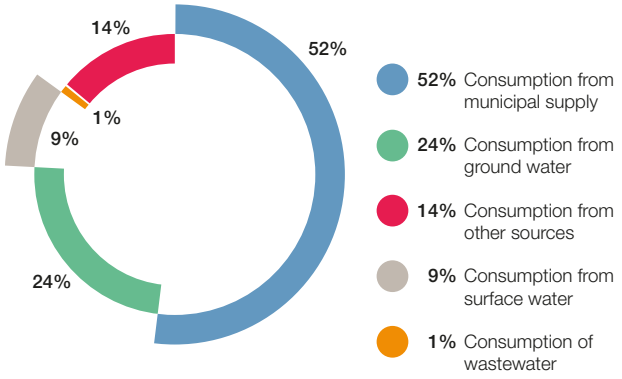
- International Initiative for a Sustainable Built Environment (iiSBE).
- Green Building Council España (GBCe), which is the Spanish Council of the International Association "World Green Building Council", configured as a channel to deliver, in Spain, all the information about the certified building's tool, LEED.
- BREEAM Spanish Advisory Council, responsible for charting its development strategy, representing the stakeholders in the area of building.

The management of water consumption in all activities

Different global forces such as climate change, a growing demographic and environmental erosion threaten the availability of the planet's water resources at the same time as their demand increases. Since many of its business lines depend on it, FCC is aware of the need for the responsible management and efficient use of water, therefore it integrates these principles in the performance of the different activities of the Company.

In 2015, FCC Group’s water consumption amounted to 12,867,791 cubic metres, of which 52% is from municipal supplies. The following chart shows the origin of water consumption, as a percentage.

Water consumption according to source in the Environmental Services division (%)

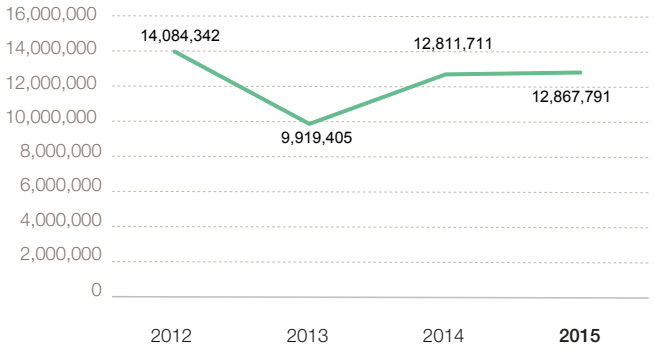


On the other hand, the consumption of water has increased by 0.43% with respect to the previous year. Compared to 2012, water consumption has been reduced by approximately 8.6%.

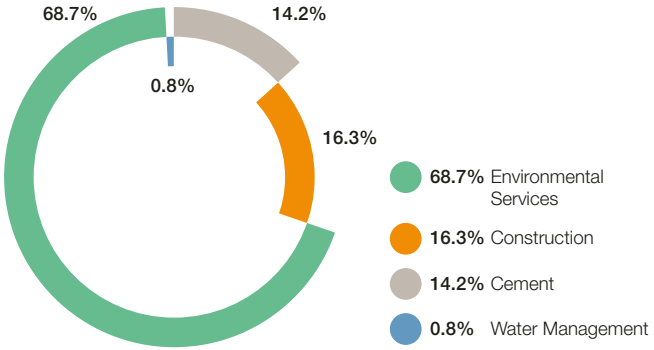
The following chart shows water consumption by business area. With respect to the previous year, the consumption of the cement division shows a decline of 7.6% of the total water consumed. Meanwhile, the percentage of water consumed by the Construction division has increased by 25.2% with respect to the previous year. This increase in water consumption of the Construction division is associated with the start of new projects. The percentage of the total water consumed by the Group, corresponding to the Environmental Services division, has decreased slightly from 69.5% to 68.7%. Furthermore, the FCC's Water Management Division has reduced the proportion of consumption, with respect to the total amount of FCC Group, by 1.2%, the Company's largest fall.

In 2015, the source of water consumption per business area shows hardly any variations with respect to the previous year. These differences can be seen in the chart below. The most notable is a 28% increase in the consumption of water from ground water in the Water Management Division. This increase is due to the work of Peñasquito Aqualia Infraestructuras Mexico, since its geographical position prevents the capture of an alternative source of water other than ground water.

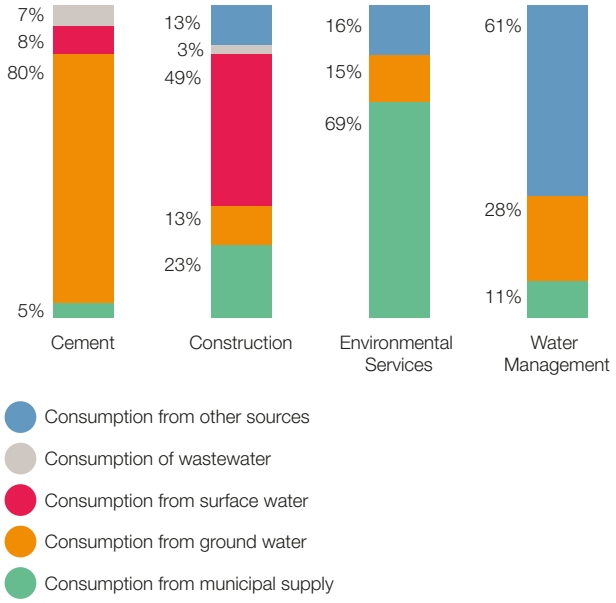
Water consumption (m^3)



Water consumption by bussiness area (%)



Source of water consumption per business area (%)



Present in the integrated water cycle

FCC Group is present in all phases of the integrated management of the water cycle through its FCC Aqualia division. The Company provides service to more than 23.5 million citizens in different countries in activities that vary from collection, treatment and distribution, to purification, design and construction of the necessary infrastructures. In this way, the Company provides quality to the water for all its uses and ensures its return to the environment in optimum conditions.

Apart from this, FCC Aqualia contributes to the fight against climate change by FCC Group, through the responsible use of resources. The energy efficiency and proper management of water resources, which represent the core business of the Company, are the focus of the efforts made.

For the proper implementation of environmental programmes, FCC Aqualia has environmental management systems for all its activities, certified under ISO 9001 and ISO 14001. These certifications provide a homogeneous structure and maintain quality among the different areas of the Company.

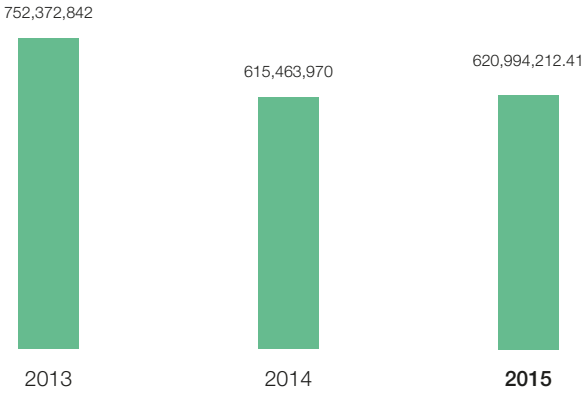
The total volume of captured water for management carried out by FCC Aqualia in 2015 was 620,994,212.41 cubic metres. In this way, the capture levels remain relatively stable with a less than 1% increase compared to the previous period.

Atmospheric emissions

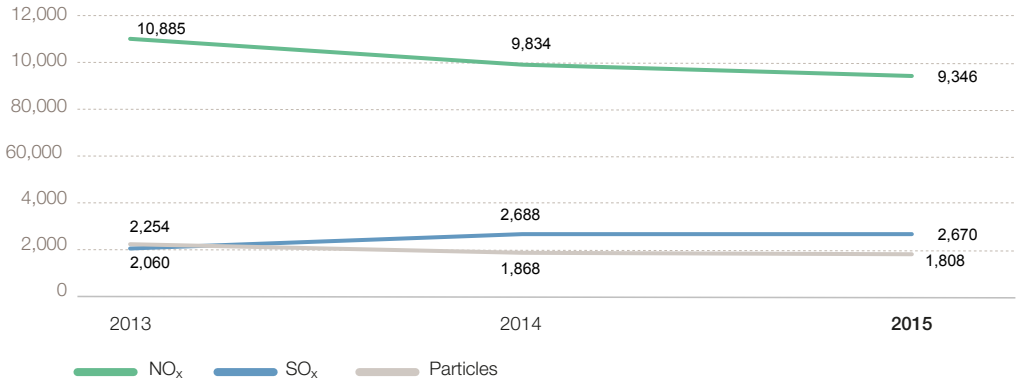
The Group's main emissions, in addition to carbon dioxide emissions (CO_2), are nitrogen oxides (NO_x), sulphur dioxide (SO_2), CFC and solid particles. NO_x emissions are produced primarily in the Cement Division; SO_2 emissions are mainly produced in the Services Division, and those from particles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

The following chart shows the evolution of emissions of SO_x, NO_x and particles. For all of them, there have been falls compared to the previous year, of 1%, 5% and 3%, respectively.

Volume of captured water for management (m^3)

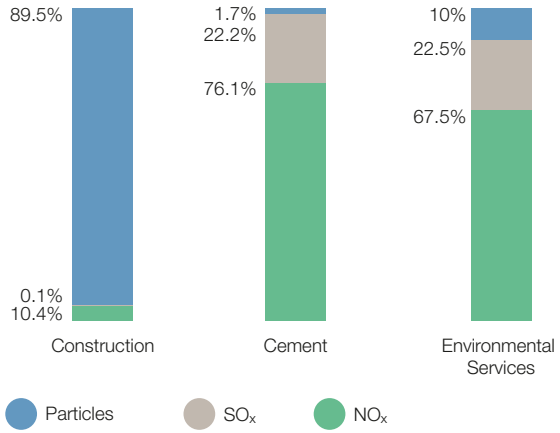


Emissions of SO_x, NO_x and particles (t) CPV



Emissions of SO_x, NO_x and particles can be seen in the following chart by business area. With respect to 2014, the most notable differences are the falls in the emission of NO_x, SO_x and particles in the Construction division. There have also been falls in all emissions from the Cement division and in emissions of SO_x and particles from Environmental Services.

% Emissions per 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, NO_x 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: 12.64% own and 87.36% supply chain.
- NO_x: 4.03% own, 95.97% supply chain.
- SO_x: 98.89% own, 1.11% supply chain.

NO_x emissions represent most of the total for the Cement division and therefore is the focus of priority for this line of business. Accordingly, the Company controls these emissions through measurement systems for the main pollutants. Therefore, all the factories in this division include:

- Analysers for the measurement of particles in the emission sources channelled from furnaces, cement mills, coal mills and clinker chillers.
- Multi-parameter gas analysers in furnaces for measuring NO_x, SO_2, CO, HCl, HF, TOC and O_2.

The efforts of the Construction division to prevent emissions are focused on the control of the machinery and the application of new technologies to help in this regard. In addition, the Company maintains a number of measures to minimize the pollution caused by their activities, mainly through the production of particles. Among them are:

- Reduction of dust by means of irrigation with water from collector roads and stockpiles.
- Use of additives in 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 heights, 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

All of the Group's centres subject to Integrated Environmental Authorisations (in accordance with Law IPPC 16/2002) have established atmospheric emissions' limits 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.

Control of discharges and spillages

At FCC Group great importance is given to the management of discharges due to the environmental impact that they produce. Therefore, the Company establishes demanding prevention and management procedures and protocols with certain conduct to be followed in the case of spillages or leakages in order to reduce the damage caused.

Depending on the nature and extent of the pollution, the wastewater produced by the Company receives different treatments before being returned to the environment. In this way, FCC Group complies with the discharge limits established by the regulations and formalizes its commitment to the environment.

Total volume of water discharged (cubic metres)

2014	2015
164,708,144.1	286,601,882

On the other hand, given the citizen services provided by FCC Aqualia, the activity of the Company itself in the integrated management of the water cycle includes the treatment of other discharges that do not come from Group activities.

Volume treated at waste water treatment stations and returned to the environment (cubic metres)

2014	2015
525,723,447	458,691,656

One of the priorities for FCC Construcción revolves around the toxic discharges that its activity can generate. Therefore, all the Company's construction works require a preliminary analysis by an accredited laboratory in order to check that the discharges generated fall within the established limits, as well as a subsequent analysis to be performed with a particular periodicity. The aim of these measures is to preserve the quality of the environment against the impact of the water from the Group's activity.

In addition to the corresponding analyses, all the Company's places of work apply for the relevant administrative authorisations in order to carry out the discharges, which establish the levels of quality control and the periodicity of these analyses. The intensity of the control depends on the flow and characteristics of the discharges and the environment they go into.

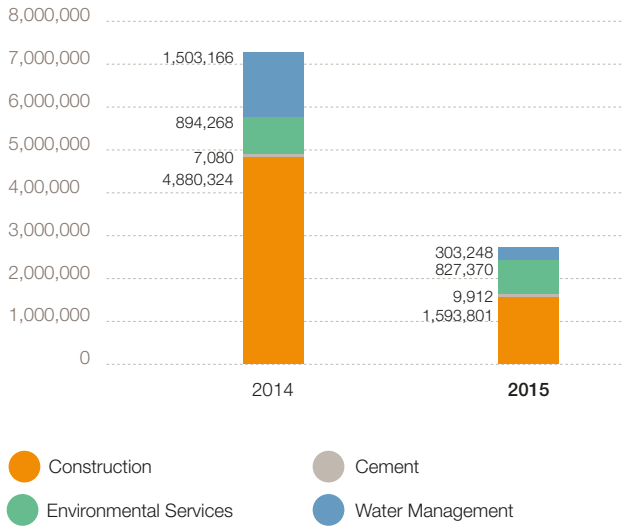
Waste management

As we have seen above, various global trends such as the growing middle class and population concentration in urban areas lead to an equivalent waste generation. Many business lines directly depend on this dynamic, and as such the Company considers these circumstances to be a priority corporate matter.

In this line, FCC Group is committed to using new technologies to increase efficiency and waste recovery as an energy source to combat this situation. To achieve this, each business area has its own waste management plans, with the common goal of developing a responsible use of resources in order to reduce the need to generate them.

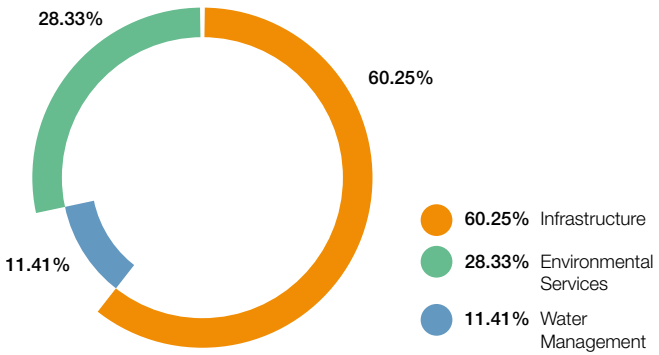
The following graph shows the evolution of total waste generation. In 2015, the figure shows a decrease of 62% compared that of 2014. This high difference is due to several factors. Among them, in 2015 not all FCC Aqualia's information was compiled, which in 2014 constituted 603,477 tons. In addition, the decrease in waste is associated with a lower generation of soil for landfill in the Riyadh Metro (Saudi Arabia) construction works. Together with these two factors, the fall in Infrastructure activity in Spain and Algeria are the main causes of the reduction in waste generation.

Distribution of waste generation (tonnes)

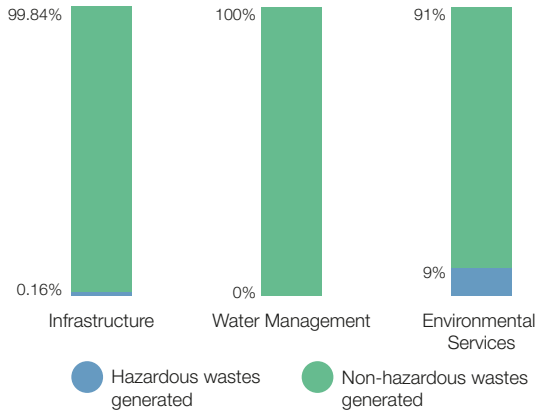


With regard to the origin of the waste generated, the following chart provides the percentage by area of business.

Origen of waste generated (%)



Relationship between non-hazardous from hazardous waste



The following graph shows the relationship between non-hazardous from hazardous waste. Specifically, the percentage of hazardous and non-hazardous waste generated by the Infrastructure, Water Management and Environmental Services divisions. The percentages of all divisions have remained stable over the previous year.

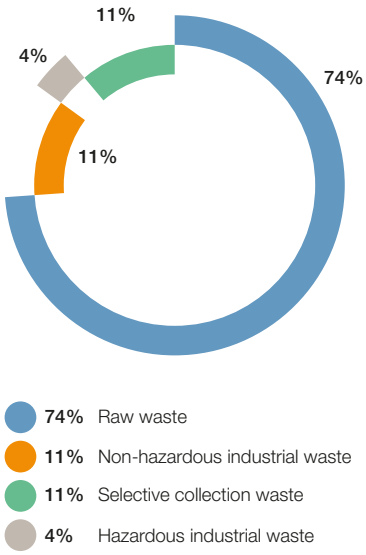
The Group has a business line that specialises in integral waste management, and whose collection volume amounts to over 24 million tonnes of different types of waste (industrial and urban, hazardous and non-hazardous waste). Among the companies specialising in waste management are FCC Medio Ambiente, FCC Environment UK, FCC Environment CEE, FCC Environmental Services, FCC Ámbito and Proactiva Medio Ambiente (50% owned).

FCC Medio Ambiente, FCC Environment UK, FCC Environment CEE and FCC Environmental Services are subsidiaries of the Group that provide urban water treatment 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, the United Kingdom, USA, Austria, Portugal, Egypt, Czech Republic and the following eastern European countries: Slovakia, Hungary, Poland, Romania, Bulgaria and Serbia. It provides services to more than 50 million citizens.

As well as this, 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 countries where 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 2015, the Group collected more than 5,101,407 tonnes of different types of waste, the majority being urban waste, both raw and from selected collection. The following chart shows the percentages of waste collected by type.

Waste collected



Waste generation

After collection, FCC Group has facilities for the treatment of all types of waste. Among the various processes performed are those of recovery, disposal in landfills, deposits in slag tips and stabilization. In 2015 the company treated 11,811,693.22 tonnes of waste at its facilities.

Waste treatment: % of the total admitted at FCC facilities

Recovery in selection and classification plants	2.3%
Recovery by biological treatment	1.5%
Recovery by heat treatment	0%
Recovery in construction and demolition-waste plants	0%
Elimination in controlled landfill	17.5%
Deposits in slag tips	0%
Recovery by recycling	1.2%
Energy recovery	0.9%
Recovery by physical-chemical treatment	12.9%
Stabilisation	49.6%
Transfer to an end manager	14%

Waste generation in Infrastructure and Cement

All the Cementos Portland Valderrivas plants in Spain have an Environmental Management System that is certified under the UNE-EN-ISO 14001: 2004 and under European regulation 1221/2009 (EMAS).

This system seeks to ensure proper and responsible management of the waste generated through the Company's operations. In this way the Company selectively collects waste from each of its work centres. Prevention and segregation of waste for storage and subsequent management with authorized managers, prevail over other options. Faced with the option of elimination or disposal in landfill sites, the most appropriate choice between recycling, reuse and recovery will be prioritized.

Furthermore, in the Environmental Management System that FCC Construcción has implemented, special attention is given to the management of waste generated through works involving earth, rock, clean debris etc. The data collected shows a fall in the amount of material sent to landfill and on a par with the increase in reuse of this waste, reflecting in this regard that its administration has been successful.

Waste Generation in Environmental Services and Integrated Management of the Water Cycle

For FCC Medio Ambiente the collection and treatment of waste is the goal of its strategic mission and therefore the basis of its business model. This close relationship with the Company promotes the selection at source and development of new practices and technologies for more extensive and efficient reuse, recycling and recovery.

Moreover, FCC Aqualia focuses its efforts on innovation to find more advanced methods for reducing the waste produced by its operations in the integrated management of the water cycle. These investments in search of new technologies focus on two courses of action:

- Biogas from organic waste produced by bacteria present in the digester for use as fuel in boilers and in the generation of electricity.
- Reuse and recovery. On the one hand, sludge derived from water treatment processes at WWTPs is channelled for subsequent use as compost in agricultural applications. Furthermore, the Infrastructure division of FCC Aqualia has its own waste management systems for the reduction and reuse of waste derived from plant construction.

Protection of biodiversity

Among the various activities of FCC Group, the Construction and Cement divisions produce a material impact on the territory and, consequently, on the biodiversity of the environment.

To maintain the Company's principles on environmental matters, management criteria for the restoration of affected areas and the protection of biodiversity have been implemented to mitigate the effect. In the same vein, the guidelines set by the Group include: physical conditioning of the environment in which it operates to accommodate indigenous biodiversity, improving the conditions of biotopes and eradication of invasive species with high ecological impact.

One of the most important actions of FCC, in its efforts to protect biodiversity, took place in 2013 with its adhesion to the Spanish Company Biodiversity Initiative (IEEB). This initiative, promoted by the Biodiversity Foundation of the Ministry of Agriculture, Food and Environment, aims to spread a vision of biodiversity as an important factor for strategic business decisions.

The main impact on biodiversity in FCC's Cement division is the result of the operations in quarries and gravel pits for obtaining the raw material. To minimize the footprint left by the Company's operations, plans to restore, as far as possible, the conditions in which were exploited areas were found originally have been established.

For rehabilitation, the most common methods are:

- Mining transfer, based on making use of the earth movement generated in the same extraction activity to restore, at the same time, the areas already exploited.
- The method of benching down, which allows previously exploited top banks to begin to be restored.

Through FCC Construcción, the Group has implemented various measures for the protection and rehabilitation of areas which are either degraded or prone to degradation. This is due to the Company's awareness of the impact that the operations of its works have on the fauna and flora in the environments in which they develop.

All measures carried out by the Group for the protection of biodiversity vary in their definition and degree 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, to avoid its possible erosion and to protect the landscape, allowing the natural development of its ecosystems.

Program for the protection of biodiversity in the Port of Açu (Brazil)

This is an initiative to protect the reproduction of the Cabezuda sea turtle, as the area where the work takes place is also a vital area for this endangered species. Among the actions, the impact has been minimised by artificial lighting by painting the facility dark and dull colours, in addition to keeping it turned off when not in use. The planning of the work has also adapted to reduce the negative impact on the reproduction of the Cabezuda sea turtle. In fact, of the 28,115 eggs of this species, 19,379 hatchlings have reached the sea.

Environmental recovery at the Daimiel Research and Development Centre (Ciudad Real)

Throughout 2015 FCC Ámbito has successfully developed a plan for the conditioning and external management of waste collected at CIDRA's facilities in Daimiel, in the province of Ciudad Real, whose accumulation had gone unchecked by the previous management. This plan has enabled negative impacts on the area to be avoided.

Daimiel is located in the buffer zone of the Mancha Húmeda Biosphere Reserve and is near to the first Manchego wetland, the Tablas de Daimiel National Park.

Impacts avoided thanks to the performance of FCC Ámbito:

1. On surface hydrology: residues accumulated in the esplanades of CIDRA would have polluted storm water near to the plot.
2. The impact on groundwater hydrology: an overflow of existing means of storage (lake) would have contaminated groundwater, (aquifer twenty-three).
3. The impact on the soil: a possible overflow of the lake could have contaminated the surrounding agricultural land, given the impermeability of the ground.
4. The impact on air quality: greenhouse gas emissions: VOC, CO_2, CH_4 and NO_x. The poor state of the IBCs could have allowed the emission of gas due to its high volatility or to reactions that could occur inside.
5. The impact on vegetation: the poor state of the waste containers may have generated indirect negative effects on vegetation through the dumping of wastes, liquid effluents or greenhouse gas emissions.
6. The impact on wildlife: in the area there are a lot of leporidae entering and leaving the facilities, which can be poisoned by the waste and water deposited outside the containers. Furthermore, it is also a bird migration zone.



7. Social impacts: the performance of FCC Ámbito has reduced the social concern about the mass storage of hazardous chemical waste in the open, near the city centre, especially after fires in the plant in 2011 and 2013, which resulted in the cessation of activity in early 2014.

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 FCC management with the trends and needs of future communities.
- Promote active sustainability that connects with citizens. This means involving urban communities in the development and start-up of sustainable solutions.
- Promoting the participation of workers, by means of designing programmes for the development of the "responsible local commitment" concept.
- Consolidate the corporate volunteer programme with the collaboration in residential homes in Madrid, Barcelona and Valencia, for elderly without financial resources and mentally handicapped people.
- Maximisation of sustainable value by means of positive impact actions that reinforce the public notion of the service that the Company provides.

Social Commitment as a Distinguishing Feature in 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 for institutions and industry associations, as well as sponsorships of different types for public-private institutions.

The social activity of the FCC Group is mainly aimed at supporting people with special needs, education, heritage preservation and dissemination of culture and art. The investment in corporate citizenship during 2015 reached 8.35 million euros. This increase was mainly due to:

- An investment of 2.8 million euros by FCC Construcción Panama associated with the programme "My school first" for the remodelling of the Rubiano Secondary School.
- An investment of 525,028 euros from FCC Construcción Peru associated to the Social Management System of the Lima Metro project.
- Changes in the system for the consolidation of social actions in 2015 compared to that of 2014.

Milestones in 2015

- Implementation of the plan for dissemination and transfer of knowledge in the Riyadh Metro construction work.
- Incorporation of twenty-three people with disabilities into the company under the Inserta Convention.
- Establishment of the agreement with Caritas Spain and city councils where FCC Aqualia is present to promote assistance through social tariffs.
- Holding various educational awareness initiatives that promote sustainable development.
- Establishment of a metric to assess the social and environmental sustainability in tenders in which FCC Construcción competes.
- Entry of FCC as a trustee of the SERES Foundation and the Spain Colombia Advisory Foundation.

Challenges in 2016

- Continue to promote initiatives to support local communities.
- Encourage and promote the hiring of local suppliers.
- Consolidate and expand the established cooperation agreements with national and international universities.
- Continue with the inclusion of people with disabilities to meet the goals set out in the Inserta Convention.
- Increase the percentage of projects evaluated using the social and environmental sustainability metrics.

Involvement with the local environment

Direct communication with local communities

FCC Group's relationship with all its stakeholders is direct and constant. Proof of this are the various social action initiatives that have been developed in Latin America, and which are linked to community relations, indigenous populations and local hiring.

FCC Construcción, as a Company directly involved in the interaction with local communities in many countries where it has its operations, is particularly sensitive with regard to their respect, as well as the preservation of biodiversity and cultural heritage. In this sense, FCC Construcción has fundamental guidelines for the conservation and management of biodiversity, interaction with local communities and management of cultural heritage. These guides are available on the FCC Group intranet and are for practical implementation in all infrastructure projects.

Citizen Participation Plan in the Port of Callao (Peru)



The Citizen Participation Plan of the construction work carried out in the port of Callao, in Peru, is an example of FCC's commitment to establishing direct communication with its stakeholders. This initiative, carried out by FCC Construcción, had different objectives, among which are:

- Development of an active and honest relationship with both state public entities and the local communities involved.
- Comply satisfactorily with national laws and regulations regarding public consultation and access to information by stakeholders.
- 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.
- Generate two-way communication by encouraging the involvement of communities to identify, analyse and evaluate the greatest concerns they have about the possible economic, social and environmental impacts that the implementation of the project could result in.

Promoting local employment

Hiring local professionals is a strategic objective of the Company in all countries where it operates. Respect and integration with indigenous cultures represent essential values in human resources management by the entire FCC Group. In this regard, the FCC Group undertakes various initiatives that demonstrate this commitment.

Promoting local employment in Guanacaste, Costa Rica

The province of Guanacaste, in Costa Rica has the second lowest quality of life nationally, a place where most of its inhabitants have an income considered below the poverty line.

As such, FCC has made an additional commitment to improve their situation through the operations carried out in the Expansion Route 1 project, sections Cañas-Liberia. By promoting local employment, the Costa Rican Construction division has generated, on average, jobs for 340 people at the Company and another 380 in direct subcontractors monthly.

In this contribution to the income and wealth of the province, most notable are the indirect impacts on employment in the region, among which are: positions related to the sources of materials and other inputs of the project, food and lodging, and all activities related to the project workers' needs.

Dissemination and knowledge transfer to customers

FCC Construcción has implemented a plan for the dissemination and transfer of knowledge based on the work carried out on the Riyadh Metro (Saudi Arabia).

In order to carry out this work, courses for the unemployed, training programs for college students, university presentations, participation and organization of congresses and conferences, training programs for government employees and others have been scheduled. It is a systematic and documented plan in which materials, content, programme, participants and evaluation among others are specified.

The training programme includes sixteen presentations at five universities, the participation and organization of four conferences and exhibitions, 35 five-day courses in Riyadh, six courses of 45 days abroad (including visits to Spain). The training includes both aspects relating to the design, construction and facilities as well as project management, human resources and planning, among others.

"Building communities, changing lives" WREN Foundation

Through the independent non-profit making WREN Foundation, FCC Environment, provides enormous benefits to communities and the environment in the United Kingdom as a result of its 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 2015 WREN funded a total of 340 projects worth 20 million pounds (24,761,155.68 euros).

Priorities for 2015:

In 2015 the Foundation continued to fund the construction of the National Memorial Arboretum's facilities in Staffordshire. In 2015 a total of 450,000 pounds (556,926.87 euros) were donated.

During 2015 the National Army Museum received help in the renovation of exhibition areas, and similarly the Design Museum to finance access and exhibition space as part of the work to transform the former Commonwealth Institute into its new headquarters.

As part of the support for the indigenous biodiversity, the Foundation has donated 3.6 million pounds (4,454,202.67 euros) to fourteen projects for the protection of HNV ecosystems. Of that amount, a total of 900,000 pounds (1,114,010.74 euros) were used for the purchase of land in East Hesketh Out Marsh (Lancashire) for the Royal Society for the Protection of Birds, which will be devoted to restoring the marshes of the Ribble estuary, which was drained for agricultural use during the nineteen eighties. The marsh is an ecosystem of vital importance for the local wild fauna.

Through the Biodiversity Action Plan – which helps achieve important government improvement objectives and nature conservation – the Foundation supported 16 large projects totalling 2.79 million pounds (3,451,675.11 euros).

Through the Heritage Fund - whose objective is to preserve some of the most important buildings in the United Kingdom - the Foundation provided support with a further 1.35 million pounds (1,669,823.37 euros). Among the important support was the aid worth 73,000 pounds (90,292.65 euros) to restore the ruins of Coventry Cathedral.

The financing of projects in favour of the community has remained in 2015 as the main pillar of the Foundation's strategy. Through the programmes FCC Community Action Fund and the FCC Building Communities Programme, a total of 10.6 million pounds (13,111,670.63 euros) has been donated for nearly three hundred projects for the improvement of the local facilities in communities near the FCC Environment landfills.

Commitment to hiring local suppliers

FCC Group contributes to the creation of direct and indirect employment and, as a consequence, local development through a policy that favours the recruitment of local suppliers. This policy values extra-financial aspects, such as proximity to the construction works.

An example of this is the event "Meet the buyer", organised by the Merseylink joint venture, in which FCC Construcción has a 33% stake.

These meetings are with local suppliers in the area (Meet the Buyer event), in which they can learn first-hand and demonstrate their interest in participating in the potential contracts offered by the construction projects; in addition to being able to make contact through a form on the Merseylink website to see how their services might be hired in the implementation of the project.

In October 2015 some five hundred companies were registered that have shown interest in working on the project and 50% of the suppliers and subcontractors who are working on the project are local companies located within a distance of less than 30 miles.

Platform for dialogue with cities

The Corporate Responsibility Master Plan includes interrelationship with cities, with the objective of establishing a dialogue that will enable its citizens to be protagonists in the search for solutions that will allow municipalities to improve their eco-efficiency.

Almería 2020

A noteworthy example of dialogue with cities is the participation of FCC in the discussion panel with the stakeholders of Almería 2020, a platform focused on the future of that city. This session included the presence and collaboration of various personalities of the civil and business sectors from the region, whose views and perspectives helped to forge a global vision on the city and its future.

On the basis of the different findings during the discussion panel, a report was prepared with the following lines of guidance:

1) Prioritization of the most important issues for the smart, clean and integrating development of the city of Almeria in 2020.

2) Analysis of the current situation of the topics discussed, documenting and developing appropriately each of them.

3) Identification of the main lines of action by prescribers, to achieve such development.

Of the various topics discussed during the meeting, the following are some of the most interesting: tourism, agriculture, the role of the port, innovative water management, concentration of the food and agriculture sector, waste management, regeneration of the city centre, cinema, airport and internal communication within Almeria.

After the completion of an analysis to prioritize the issues that proved to be of greater relevance to the audience, several lines of action were established, in particular, with regard to tourism, the food and agriculture sector, the port and innovative water management.

With regard to innovative water management, through its Water Division, FCC Group has always stressed the importance of ensuring the supply of this resource in the future and the need to improve the reuse of same. With these objectives, the company has analysed, along with other entities of the city, the following aspects:

- Management of aquifers.
- Diversification of sources used to capture water.
- Waste-water recovery technologies.
- Minimizing system losses.
- Awareness-raising methods and involvement of the population.

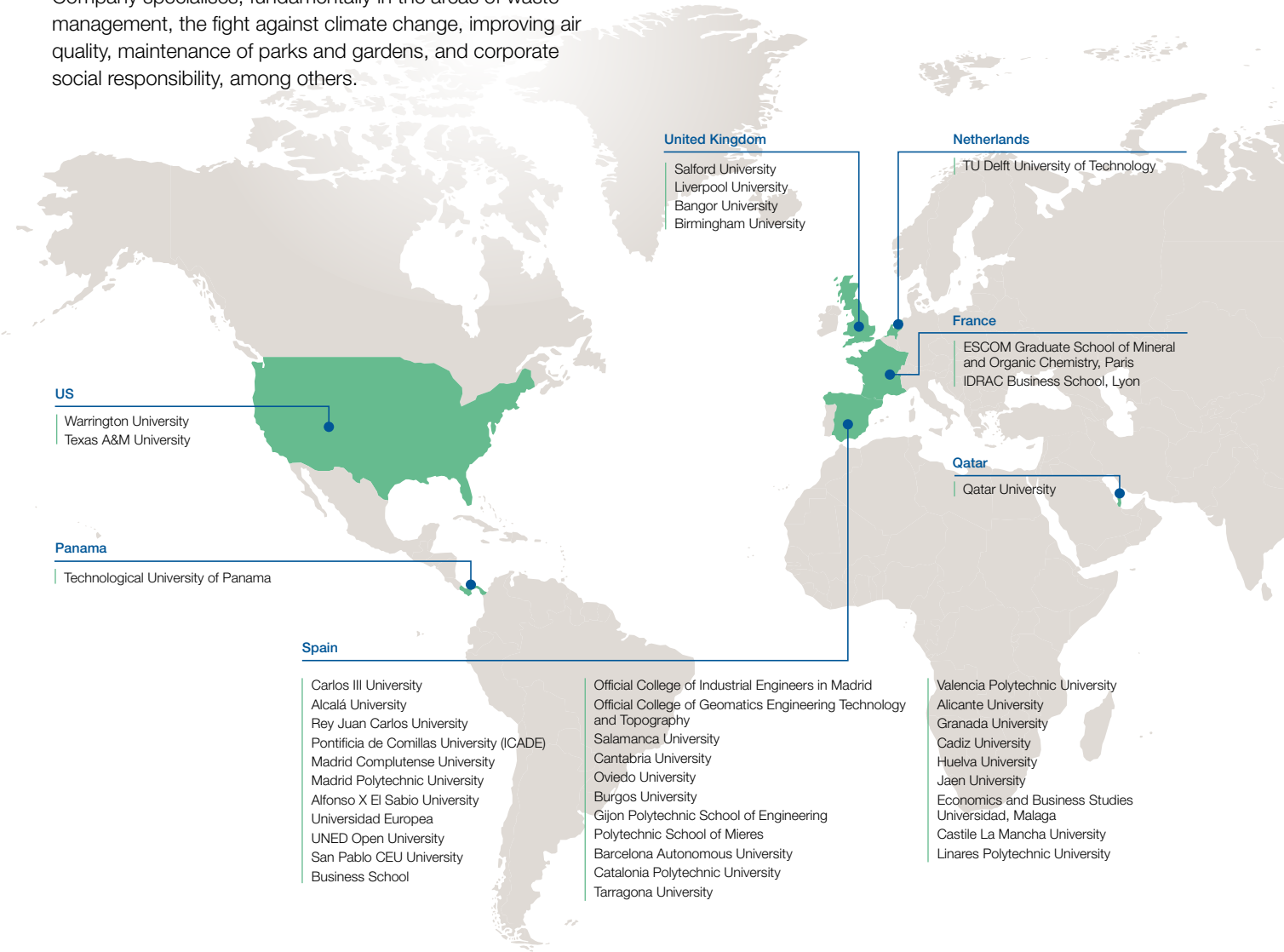
In the same vein, FCC and the city council of Almeria have been working on the preliminary plan for the reuse of water from the treatment plant in El Bobar for its use in agriculture. The goal is to achieve the greatest possible efficiency in the use of the resource to enable present and future economic and social development.

Sharing knowledge with universities, colleges and business schools. A commitment to education and children

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 the 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 corporate social responsibility, among others.





Awareness-raising activities for schools (Austria).

Social Action Projects for Development

My School, First (Panama)

FCC Group has carried out a programme for the improvement of more than 3,000 official schools in Panama, called "My School, First", with which it seeks to offer Panamanian students a better education.

The project is the result of a cooperation agreement signed between FCC and the Secretariat of Economic Affairs and Competitiveness of the Ministry of the Presidency of Panama. The objective of the project is to rescue, renew, upgrade and equip more than 3,000 of the county's official schools with a view to providing students with a better education.

An example of this project is the renovations carried out in the Rubiano Secondary School, a school created in 1970 that promotes secondary school education in Science, Information Technology and Humanities.

The amount of the reform amounts to three million dollars and covers, among other initiatives, the remodelling and adaptation of all its physical facilities, upgrading classrooms and pavilions, plumbing and reform of sanitation networks, checking the electrical wiring and installing more than 70 air-conditioning units, as well as the installation of 295 doors and over 300 windows.



Playground in Widnes (United Kingdom)

As a result of the request submitted by the Time Bank Community Centre of Merseylink, the body that supports projects in local communities, and as an example of the Group's commitment to the communities in which it operates, it has participated in the financing of a playground in Widnes (UK).

The new recreational area located in the West Bank Community Centre cost 27,000 pounds (approximately 33,364 euros at current exchange rates) and was financed through the Merseylink Regeneration Fund and a collection of contributions from employees and various suppliers.

The playground has extensive equipment, consisting of a train-shaped trunk, a pirate ship, climbing frames, wooden poles, benches, a picnic area and disabled access.

The new recreation area for children in Widnes, one of the two communities next to Runcorn that form the town of Halton, is framed within a large infrastructure project for the bridge over the River Mersey, located near Liverpool in the Northwest of the country.

FCC was awarded this work worth 700 million euros in June 2013, constituting its hitherto largest contract in the United Kingdom.

Supporting groups at risk of social exclusion and inclusion difficulties

FCC believes that the best way in which the Company can assist in the integration of all people is through employment, thus contributing to their professional and human development. For this reason, efforts are focused on job placement.

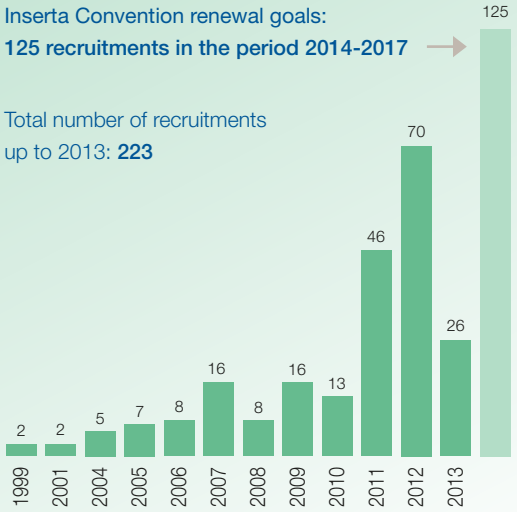
In the task of recruiting, hiring, and monitoring of persons with disabilities that are incorporated into the organization, and to ensure that it performs the best matching of profiles and jobs, and the integration of the individuals hired, FCC Group works hand-in-hand with different professional entities. The initiatives developed by the organisation in this area have already been dealt with in the section on "The team of professionals at FCC".

Incorporation of people with disabilities: Inserta Convention

The agreement with the ONCE Foundation (Inserta Convention) is still in force in 2015, which provides for the recruitment of 125 people with disabilities in the period between 2014 and 2017. 23 people were hired in 2015. With these contracts, the Group has already incorporated a total of 272 people with disabilities within the framework of this agreement.

Inserta Convention renewal goals:
125 recruitments in the period 2014-2017

Total number of recruitments up to 2013: **223**



FCC supports third-sector associations in job placements

FCC recognizes the right to work under equal conditions and opportunities in an open, inclusive and accessible work environment, premises that are backed in the Company's equality and diversity policy and its Code of Ethics.

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 the Prevent Foundation it works with the management, promotion and integration of persons with disabilities; with the Adecco Foundation, it has developed the Family Plan and with the ONCE Foundation and the Inserta Programme, it promotes the training and employment of people with disabilities.

FCC also gives financial support and donations towards the development of programmes to improve the health, social and educational conditions, etc. of the neediest, as well as working on specific projects and encouraging the involvement of staff by getting them to donate through practices such as buying the ONCE lottery ticket.

Integra commitment and recognition of our work



FCC Group joined the "Integra Commitment" initiative in 2015, launched by the Integra Foundation for the integration of people at risk of social exclusion. This campaign has been joined by a network of companies and organizations committed to socially responsible employment.

Furthermore, throughout this year the Integra Foundation recognized FCC Group for the work carried out in this area. The award recognizes FCC Group for its involvement and support in the project of the Foundation, that has resulted in the hiring, by FCC, of more than a hundred people at risk of exclusion or that have some kind of disability.

In 2015 FCC Group participated in other initiatives, among which was the 'Pink Week' against breast cancer, an initiative of the Spanish Association Against Cancer (AECC) and the Oviedo City Council which joined the Water Management Division of FCC Group for another year in order to raise awareness and support for this disease. Also important was the Conference on vulnerable people and minimal supplies, whose organization corresponds to the Andalusian Ombudsman and in which FCC Aqualia also participated.



Breast cancer awareness campaign in Oviedo (Asturias).

Assistance to people through social tariffs

In recent years, especially after the economic crisis, many people are struggling to pay their water bills. FCC Aqualia has signed agreements with the city councils of the towns where it manages the water cycle to find a solution for those who cannot pay their water bills. People simply have to go to their social services and prove their situation. From the city councils the requests are redirected and measures are taken to ensure that these people do not have their water supply cut off.

This agreement has also been signed with Cáritas España. The agreement involves FCC Aqualia paying for all water bills pertaining to Cáritas España in towns where it manages the water cycle. VAT and invoices for any rubbish associated with the water are also paid. In addition, the agreement provides aid to all those who are sent on from Cáritas España to social services at city councils in order to assist them in paying their water bills.

Social development through responsible management in Latam

The Valdeza Quarry (Panama)

Valdeza is the scene of a productive process essential to the progress and development of the country. The high levels of social acceptance of the project are a reflection of FCC Groups conviction to carry out responsible management from a social and environmental point of view.

FCC has made special efforts to mitigate any possible impacts. It has therefore implemented several reforestation programmes, monitoring the passage of trucks and noise control at rest times.

The Social Responsibility Plan of Valdeza has been agreed from the outset with the community and has involved citizens in its execution. This programme has been a key element to achieving the climate of harmony and coexistence that exists between the Company and citizens.

The plan includes projects such as periodic medical examination campaigns, construction of recreational areas that bring joy to hundreds of children, and health and wellness seminars for citizens, among other things.

Restoration and protection of El Camino de Cruces (Panama)

The Camino de Cruces is a historic route, used in the sixteenth and seventeenth centuries to transport gold and silver, with great geopolitical and cultural importance. The City Hospital project occupied part of the route, so FCC proposed to modify it in order to avoid affecting the layout and to safeguard the sections of the pavement (500 meters).

"By planting water we collect life" (Colombia)

The programme seeks to raise awareness in the local population about the importance of conserving the river basins. FCC has improved the river dynamics and thus water quality; it has built marginal embankments for flood control and to mitigate the risk of same, it has also integrated communities living in the vicinity of the river by building ecological parks.

Thanks to this project 35,000 trees have been planted and sixty children have been involved, the population of the area has gone two years without flooding and has almost eliminated the bad odour.



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 a social and environmental impact metric with respect to its hiring operations.

In response to this objective, FCC Construcción has a metric to assess the social and environmental sustainability in tenders in which it competes. In addition, a database has been designed and maintained to analyse the results, for which the company has its own software tool.

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 construction 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 the tender, evaluating and auditing the project. Of the 690 projects tendered and studied in 2015, 61% presented minimal or zero environmental and social risks, 39% have been associated with an average risk and 0% 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 construction work. With the result of both analyses, complete information is available in all areas of sustainability, which helps the Company in its decision-making process regarding whether or not to submit the bid.



Information day on the development of the integrated water cycle management.

Educational action for sustainable development

FCC Aqualia and awareness for the rational consumption of water

In 2015, in order to celebrate World Water Day, FCC Aqualia celebrated the thirteenth edition of the international Children's Drawing Competition. The event was held on digital format, through the website www.llenatumundodevida.es, with the aim of promoting the use of new technologies. In the 2015 edition at total of 8,500 year-3 and year-4 school children participated from municipalities where FCC Aqualia provides services in Spain and Portugal.

This effective educational and informative initiative also has an internal version. Thus, 175 children and grandchildren of employees of FCC Aqualia took part in the sixth edition of Small Artists, an activity that is also developed entirely on-line. Importantly the initiative has spread to six of the countries in which FCC Aqualia operates: Spain, Czech Republic, Mexico, Chile, Uruguay and the United Arab Emirates.

Furthermore, on the occasion of the celebration of World Water Day, and in order to promote the commemoration of this date, FCC Aqualia has been present across various media. For this occasion, various advertising graphics and ad hoc content for about thirty media were created.

The communication strategy in all media has intended to give value to the activity that FCC Aqualia carries out, with messages aimed at the community regarding public and private water and its management, which has to be efficient and sustainable (financially and socially) while enhancing the attributes of closeness, commitment and professionalism. This approach can be reflected in advertising graphics, brochures, banners, the reverse side of bills, on the calendar 2016 (Twelve truths about water management) linked to the drawing contest, and in the Company's new educational tool created in 2015, "The Aqualia notebook".

In addition to this initiative, and to educating and raising awareness on the importance of protecting the environment, in 2015 FCC Aqualia held over one hundred workshops with different groups, such as housewives, the retired or journalists, and its facilities have received more than 15,000 visits from students. These events have served to inform about the development of the management of the integrated water cycle in a company such as FCC Aqualia, and to train the different groups in the proper use of resources: responsible drinking, using the toilet, management of waste oil, etc.

2. Corporate Volunteering

FCC Group and its different business areas encourage the participation of its employees in achieving corporate objectives. The programme helps the social projects of the **Esther Koplowitz Foundation**, a point of reference in Spain for providing of 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 carried out in the field of cooperation, environmental education and aid to humanitarian emergencies.

Milestones in 2015

- It has continued with the initiative "Friday's at the Old Peoples Home" which has now reached 347 people.
- "Summer at the Residence" has also been held for the second consecutive year responding to the demand of the residents.

Challenges in 2016

- Maintain at least a bimonthly frequency of voluntary activities, and to maintain the quality of such activities.
- Achieving better results from the volunteering portal by launching other solidarity initiatives by FCC employees.

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

Throughout 2015 FCC Group has given continuity to the programme "Friday's at the Old Peoples Home", which is already in its six edition. The main objective of the programme 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 conferences 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 as channelling its social will, and embracing the affective bond between the residents in the centres and the company itself.

The activities are fundamentally of two types: lectures on cultural, medical or recreational issues, in which there is a transmission of knowledge from the volunteer to the resident, but which are also conducive to the active participation or debate on the part of the resident; and music and dance performances that physically and psychologically stimulate elderly people.

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

For the second consecutive year the "Summer at the Residence" took place, to provide continuity to the programme during the summer period, thus responding to the demand of the residents.

Commitment to solidarity and the most needy

FCC Group is committed to the neediest people in the communities in which it operates, thus it also encourages the participation and volunteerism of all people in the Group. In this regard, during 2015 various social action campaigns with the direct involvement of FCC employees have taken place, among which are the following:

- **"No one without shoes."** The purpose of this campaign was to collect used shoes, it was a success in terms of participation and more than four hundred pairs were collected. The shoes were delivered to the parish of Santa Teresa and San Jose in the Plaza de España in Madrid. The aim of this initiative is to raise awareness regarding social shortcomings in our environment and to help the needy.
- **Operation Kilo**, a campaign for the collection of food. In line with the strong social responsibility of the Company, FCC, in collaboration with the Charity Food Bank, launched the solidarity campaign for the collection of food, Operation Kilo. From the various delegations in Spain, FCC employees joined this cause in which they donated more than 17 tonnes of non-perishable food and first necessities, in addition to personal hygiene products.



- **"This Christmas will sound like a fairytale."** On the occasion of the Christmas holidays, FCC launched this initiative, which was performed globally for the entire Group for the first time. For each of the many people who offered sing a Christmas carol, FCC donated a children's story that brought together the great number of books donated by employees, amounting to nearly 2,500 copies delivered to the Red Cross throughout the world.
- Solidarity race **"Run for a child."** In 2015 FCC participated in the fifth edition of the solidarity race "Run for a child", organized by the University Children's Hospital Niño Jesús, in order to finance projects for its Biomedical Research Foundation.

3. Interaction with Stakeholders

(G4-24); (G4-25); (G4-26); (G4-27)

The strategy of dialogue 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 it operates and to identify their main concerns.

FCC Group has a robust communication strategy, which allows it to gain visibility and external knowledge of activities and corporate results. This strategy includes different communication platforms through which the Group maintains a constant and close relationship with all its stakeholders.

The Company has various communication channels that allow for initiatives to be proposed, heard and carried out 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 2015

- Holding 273 meetings with investors.
- Formalization of FCC Aqualia's relationship with the Journalists' Association of Environmental Information (APIA) with the signing of a collaboration agreement.
- Improving FCC Construcción's internal channels:
  - Migration of the documentation from in the old Intranet to the new FCC One Intranet.
  - Internationalization of the FCC One Intranet, taking it to Chile, Peru, Mexico and Colombia.
- Launch of FCC Construcción's new "Information Capsule".

Challenges in 2016

- Increasing interaction with shareholders and investors.
- Continue with the development of initiatives by FCC Aqualia to improve water quality.
- Empowerment of initiatives to facilitate professional development and enhance the customer experience of FCC Aqualia.
- Continuing to perform work with local administrations to understand the needs of future cities, and to promote dialogues and projects regarding same.

Shareholders and Investors

(G4-24); (G4-25); (G4-26); (G4-27)

FCC channels the interaction with shareholders and investors through a shareholders' office and through a specific section of the corporate website, which provides information on economic performance, market information and financial information. In addition, FCC Group has an investors' calendar to provide notification of relevant events.

In 2015, the Stock Market and Investor Relations department held 273 meetings with investors, of which 43% have taken place with UK investors and another 19% in the US.

Employees

(G4-24); (G4-25); (G4-26); (G4-27)

Internal Communication

The establishment of effective internal communication is a priority objective of the Human Resources team. The Communications Department 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.

The Human Resources department of FCC has an Internal Communication Plan, which includes a series of communication actions and internal services developed by the Internal Communication team, complementary to other actions undertaken by this department to facilitate the flow of information, messages, policies and strategies related to the management of the company and the professional environment. For its part the Human Resources Strategic Plan aims to promote communication that will help to encourage productivity and professional development of employees in the company.

Tools for dialogue with the people who make up FCC

FCC professionals have access to a corporate Intranet, FCC One. This is the main channel for multi-directional communication within the Company. Furthermore, the Company makes the Employee Portal available to its employees, which has specific content and an **Internal Communication Channel** with additional tools for facilitating dialogue and aligning positions between employees and the Company.

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

FCC Group also keeps its employees informed via the publication of the quarterly on-line magazine "**Communication Network**", which includes relevant information relating to the most recent events that have taken place within the Group.

(G4-24); (G4-25); (G4-26); (G4-27)

In addition to the above, each business line uses its own internal communication tools. This is the case for FCC Aqualia and its Flash Information. This tool provides brief information on the entire organization on major developments and projects that it develops. In 2015 a total of 210 flashes were issued. In addition, for workers who do not have access to an e-mail account a new communication channel has been created called "Your Flash". This is a printed newsletter, which is delivered along with the employee's payslip, and includes and summarizes the main messages of the month.



For its part, during the last financial year, FCC Construcción launched the "Information Capsule" flash, containing relevant information disseminated via email to all employees of the division. It has also launched a communication campaign via e-mail to inform all employees of FCC Construcción on internal mobility offers posted on the Intranet.

Respect and support for employment rights

In Spain the entire workforce of FCC Group is covered by a collective bargaining agreement. This type of employment regulation is the predominant form in the organisation as a whole at international level, without prejudice to other forms of regulation.

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

- United Nations Global Compact. The Company furthermore includes, among its guiding principles for its policies, the OECD Guidelines for Multinational Enterprises.
- In countries which have not ratified the ILO conventions, FCC Group has proceeded with the negotiation of agreements with the International Federation of Construction and Wood Workers (BWINT).
- 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.

Suppliers and contractors

(G4-24); (G4-25); (G4-26); (G4-27)

FCC provides training sessions and awareness campaigns with its suppliers to strengthen existing relations and ensure compliance with its policies and commitments.

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

FCC establishes the obligation for all suppliers and subcontractors to 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 ten principles of the United Nations Global Compact, which FCC joined in 2007.

Public administrations and regulators

(G4-24); (G4-25); (G4-26); (G4-27)

FCC Group is involved in self-regulation industry initiatives and the development of legislation relating to its sector of activity. All the Group's business divisions use processes whose objective lies in maintaining standards of production and service in the different areas of activity, as well as in the sphere of sustainability. These processes have been established voluntarily.

Customers

(G4-24); (G4-25); (G4-26); (G4-27)

The business model of FCC Group is geared to meet the needs and demands of different profiles of direct customers: government, private institutions and individuals.

The quality of customer service is a cornerstone in the strategy of FCC Group. Therefore, to ensure the best quality of products and services, all lines of business are certified under ISO 9001 UNE.

FCC has different communication channels with its customers: phone, email, fax, internet, letters, invoices, or face-to-face visits and meetings with sales departments. These channels can be used to find out more accurately the needs of customers and progressively improve the services offered.

Integrated Water Management

Customer services are 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 provides the tools and resources needed to offer a flexible, quick, simple and effective service to each customer. FCC Aqualia's main communication channels are:

- Aqualiacontact. Telephone helpline that allows the customer to perform all their tasks without needing to leave their office. It also helps to reduce the maximum response time in the resolution of faults in the distribution networks with the consequential saving of water. In 2015 this service received more than 748,000 calls.
- AqualiaOnline. 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 bills, facilitate the reading of the counter, pay bills, submit claims or request the cancellation of supply, among other processes.

Both channels make a management system available that ensures the security of customer information endorsed by an AENOR certificate in accordance with UNE-ISO 27001: 2007. In addition, with the purpose of ensuring the protection of users' data, FCC Aqualia uses the "e-privacy" tool.

The effectiveness of these communication channels has allowed once again, to reduce the number of customer complaints compared with the previous year.

FCC Construcción

FCC Construcción has a customer 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 to be 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 navigation: a virtual city, and a map of the world in which more than 120 unique works organised by continent and country have been located.

Differentiation and positioning: FCC Aqualia as a "glocal" company

During 2015 FCC Aqualia worked on strengthening the positioning of the brand. FCC Aqualia has launched the corporate descriptor "Your water company" aimed at all markets and all customers, which has been featured in all the Company's advertising and social marketing. The objective is to seek differentiation and position FCC Aqualia, in the minds of citizens, in a different area than competitors: the people.

Also during 2014 the Company worked to reinforce the perception of FCC Aqualia as a "glocal" company (global management with a strong local commitment) nearby, which provides local value as well as international value, permeable to new cultures.

Customer satisfaction

To meet the expectations, concerns, areas of improvement and degree of satisfaction with the service provided, FCC Group conducts satisfaction surveys on customers from different business lines.

The diversity of activity and types of customer of FCC Group, means that measuring satisfaction is carried out in a decentralised way. FCC Aqualia, as a manager of end consumers and users, is the Group's business that most directly manages dialogue and measuring the satisfaction of stakeholders. The Water Division performs bi-annual satisfaction surveys on end and institutional customers. The latest satisfaction survey to date was conducted in 2014.

These surveys are carried out by phone and online, with a questionnaire with open and closed questions.

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.

In 2016 a new satisfaction survey is planned for end and institutional customers.

Customer satisfaction as a priority for FCC Aqualia

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

Aquarating

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

- An overall score of the provider.
- Detailed ratings on the following aspects: access to the service, quality of service, efficiency in operation, efficiency in the planning and implementation of investments, efficiency in business management, financial sustainability, environmental sustainability and Corporate Governance.
- An evaluation of the reliability of information provided.
- Guidelines for improving management practices.

Aquarating provides important benefits for both direct customers of companies and for the end consumer. For the former, the system assumes important stimuli for providers to maintain or improve their performance and direct incentives, technical assistance and financing of same, in accordance with their level of performance. For the end user it means 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 Responsibility Report of FCC Group (CRR), provides information regarding the management of key aspects of the Company and its business during 2015, as well as developments, activities and indicators framed in the strategic concepts defined in the third 2012-2014 Sustainability Master Plan (extended to 2015). 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 Sustainability Master Plan, which ended in 2015, determines the structure of this report, and the specific content also responds to the materiality exercise performed in 2015.

The report contains an overview of the profile and key figures of FCC, information about milestones and goals in each of the Group's three business lines, Infrastructure, Environmental Services and Water; as well as information about the corporate responsibility strategy and action programmes, according to the three strategic lines of the Sustainability 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

(G4-20); (G4-21); (G4-24); (G4-25); (G4-26); (G4-27)

In compliance with the GRI guidelines in its G4 version, for FCC the materiality study contains one internal view (interviews with the Company's key people) and one external view (this year focused on the view of institutional investors), and puts the focus on matters of a social, environmental and/or economic nature that are relevant to the business of the Company and influence the decision making of its stakeholders.

The present study of the financial year 2013-2014, in which external sources were analysed, together with the participation of FCC information officers, has revealed relevant sustainability issues. The materiality study conducted for this report included a validation phase through external interviews with the participation of four institutional investors specialized in extra-financial matters.

The materiality of the FCC Group is presented in nine matrices, three for each business line and three according to the axes of the Master Plan. Given the unique characteristics of each business, the priorities of the material matters have different management issues depending on the impacts of the activities of Infrastructure, Water and Environmental Services.

Methodological detail

(G4-18 a); (G4-20); (G4-21); (G4-24); (G4-25); (G4-26); (G4-27)

In the materiality study carried out for the preparation of the Corporate Responsibility Report 2013 it was based on the 46 specific aspects defined by the Global Reporting Initiative in its "Guide to the preparation of Sustainability Reports G4", applied to the sectors of infrastructure, water and services in which the Company is built. 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.

(G4-18 a); (G4-20); (G4-21); (G4-24); (G4-25); (G4-26); (G4-27)

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.

The maturity was determined through the analysis of annual reports and sustainability of FCC's main competitors, 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 continuity of the materiality study, a review has been carried out of sectoral 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 2016 (World Economic Forum) and World Markets Report, Foresight. A Global Perspective Infrastructure (KPMG), Water Outlook to 2050 (OECD), What a Waste. A Global Review of Solid Waste Management (World Bank) and ISS 2020 Vision.

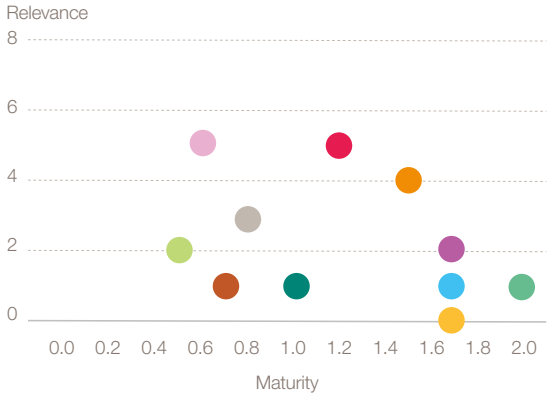
In addition, it has undertaken a process of external validation, carried out through interviews. For this purpose, prescribers from the field of investment have been selected as well as financial and extra-financial analyses.

The result of applying the findings of the external review, has allowed the Company to prioritize and focus on the material matters of FCC Group according to business line and dimension of the Master Plan.

Matrices by business line

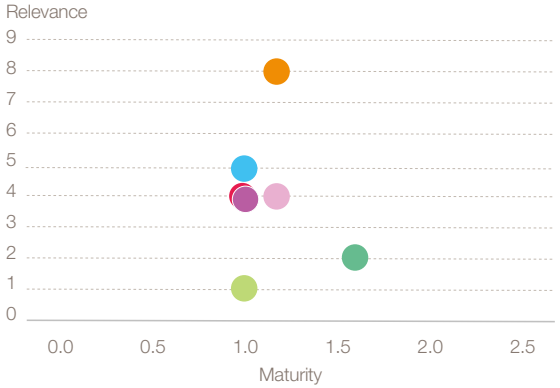
FCC Medio Ambiente

Exemplary behaviour



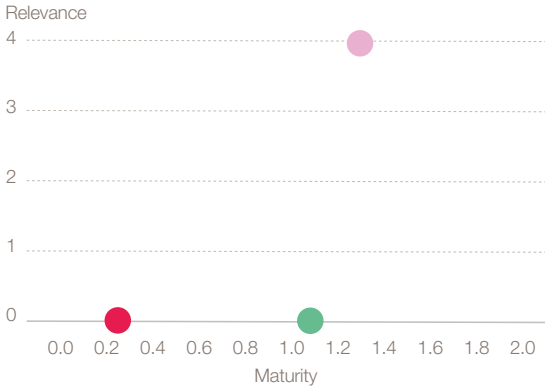
- Ensure an effective relationship between workers and government bodies and guarantee workers' rights.
- Occupational health and safety of clients, employees and suppliers.
- Retention and attraction of talent and employee training.
- Promotion of diversity in the workforce and equal opportunities.
- Detection of illegal practices associated with employment, like forced or child labour.
- Information security and best practices in cybersecurity.
- Corporate policies and systems to prevent corruption.
- Regulatory and social pressure for sustainable development.
- Responsible management of the privacy of information.
- Public commitment to the highest standards in sustainability.
- Responsible management in the supply chain (relations and procurement practices).

Smart services



- Policies on prioritizing the purchasing of materials with a lower environmental impact.
- Efficient water management in water-stressed areas.
- Biodiversity and impact on rural ecosystems.
- Reduction of emissions to the atmosphere and energy consumption.
- Management of natural resources and reduction of effluent and waste.
- Public/private collaboration in the management and protection of critical infrastructure.
- Application of criteria relating to sustainability in the areas of research, development and technology.

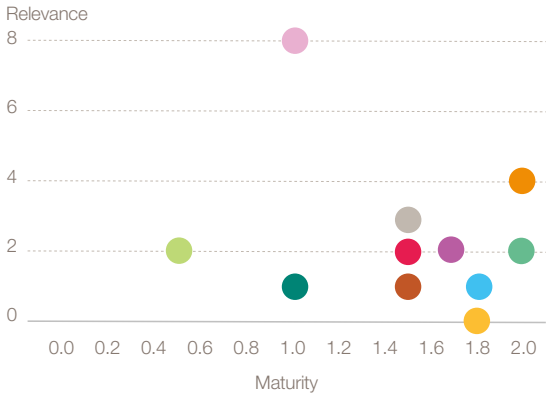
Connecting citizens



- Philanthropy and social action.
- Training initiatives that favour local development.
- Boosting external communication concerning the activity of the Company.

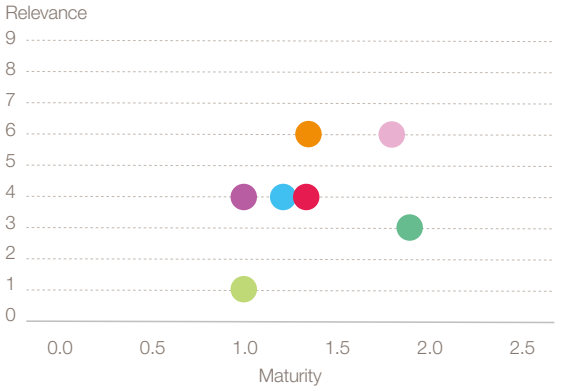
FCC Aqualia

Exemplary behaviour



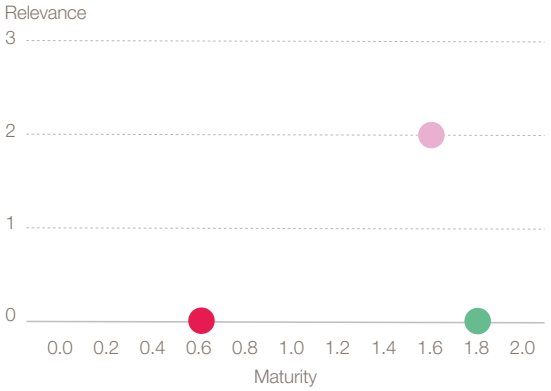
- Ensure an effective relationship between workers and government bodies and guarantee workers' rights.
- Occupational health and safety of clients, employees and suppliers.
- Retention and attraction of talent and employee training.
- Promotion of diversity in the workforce and equal opportunities.
- Detection of illegal practices associated with employment, like forced or child labour.
- Information security and best practices in cybersecurity.
- Corporate policies and systems to prevent corruption.
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- Public/private collaboration in the management and protection of critical infrastructure.
- Application of criteria relating to sustainability in the areas of research, development and technology.

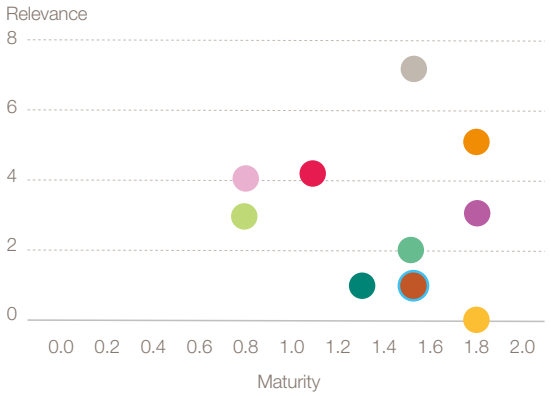
Connecting citizens



- Philanthropy and social action.
- Training initiatives that favour local development.
- Boosting external communication concerning the activity of the Company.

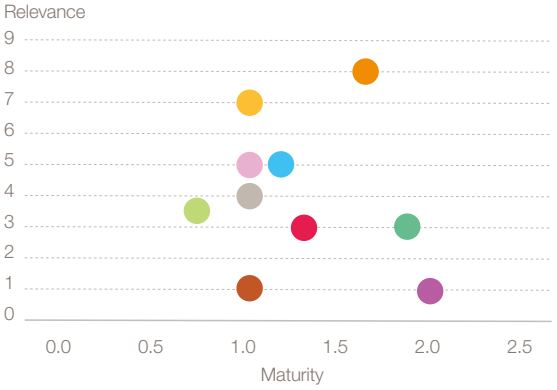
FCC Construcción

Exemplary behaviour



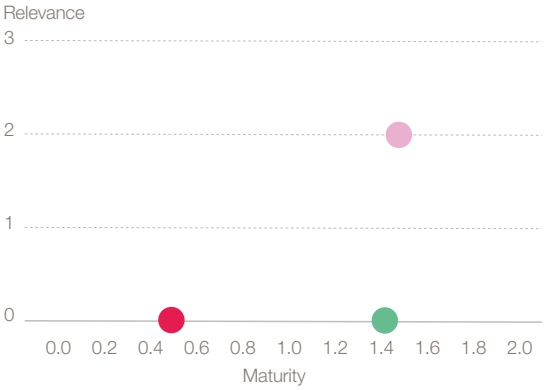
- Ensure an effective relationship between workers and government bodies and guarantee workers' rights.
- Occupational health and safety of clients, employees and suppliers.
- Retention and attraction of talent and employee training.
- Promotion of diversity in the workforce and equal opportunities.
- Detection of illegal practices associated with employment, like forced or child labour.
- Information security and best practices in cybersecurity.
- Corporate policies and systems to prevent corruption.
- Regulatory and social pressure for sustainable development.
- Responsible management of the privacy of information.
- Public commitment to the highest standards in sustainability.
- Responsible management in the supply chain (relations and procurement practices).

Smart services



- Policies on prioritizing the purchasing of materials with a lower environmental impact.
- Promotion of diversity in the workforce and equal opportunities.
- Biodiversity and impact on rural ecosystems.
- Reduction of emissions to the atmosphere and energy consumption.
- Management of natural resources and reduction of effluent and waste.
- Products and services.
- Compliance.
- Adaptation to climate change.
- Public/private collaboration in the management and protection of critical infrastructure.
- Application of criteria relating to sustainability in the areas of research, development and technology.

Connecting citizens



- Philanthropy and social action.
- Training initiatives that favour local development.
- Boosting external communication concerning the activity of the Company.

Results of the 2015 materiality analysis (G4-19); (G4-20); (G4-21)

Below are the material matters according to line of business, and arranged according to the priority level for each axis of the Master Plan.

Environmental Services

Master Plan	G4 Aspects
Exemplary behaviour	• Occupational health and safety of customers, employees and suppliers. • Attracting and retaining talent and employee training. • Promoting diversity in the workforce and equal opportunities. • Regulatory and social pressure towards sustainable development. • Corporate policies and systems to prevent corruption. • Ensure an effective relationship between workers and government bodies and ensure the rights of workers. • Information on security and best practices in cyber security. • Detection of illegal practices related to employment, such as forced or child labour. • Responsible management of the supply chain (relations and procurement practices). • Responsible management of the privacy of information. • Public commitment to the highest standards in sustainability.
Smart Services	• Reduction of emissions to the atmosphere and energy consumption. • Management of natural resources and reduction of effluents and waste. • Application of criteria relating to sustainability in the areas of research, development and technology. • Efficient management of water in places of water stress. • Biodiversity and impact on rural ecosystems. • Policies on prioritizing the purchasing of materials with a lower environmental impact. • Public-private collaboration in the management and protection of critical infrastructures.
Connecting citizens	• Training initiatives that favour local development. • Boosting external communication concerning the activity of the Company. • Philanthropy and social action.

(G4-19); (G4-20); (G4-21)

Water

Master Plan	G4 Aspects
Exemplary behaviour	• Occupational health and safety of customers, employees and suppliers. • Promoting diversity in the workforce and equal opportunities. • Regulatory and social pressure towards sustainable development. • Corporate policies and systems to prevent corruption. • Attracting and retaining talent and employee training. • Ensure an effective relationship between workers and government bodies and ensure the rights of workers. • Information on security and best practices in cyber security. • Detection of illegal practices related to employment, such as forced or child labour. • Responsible management of the supply chain (relations and procurement practices). • Responsible management of the privacy of information. • Public commitment to the highest standards in sustainability.
Smart Services	• Efficient management of water in places of water stress. • Reduction of emissions to the atmosphere and energy consumption. • Application of criteria relating to sustainability in the areas of research, development and technology. • Management of natural resources and reduction of effluents and waste. • Biodiversity and impact on rural ecosystems. • Policies on prioritizing the purchasing of materials with a lower environmental impact. • Public-private collaboration in the management and protection of critical infrastructures.
Connecting citizens	• Training initiatives that favour local development. • Boosting external communication concerning the activity of the Company. • Philanthropy and social action.

(G4-19); (G4-20); (G4-21)

Infrastructures

Master Plan	G4 Aspects
Exemplary behaviour	• Regulatory and social pressure towards sustainable development. • Promoting diversity in the workforce and equal opportunities. • Occupational health and safety of customers, employees and suppliers. • Attracting and retaining talent and employee training. • Corporate policies and systems to prevent corruption. • Information on security and best practices in cyber security. • Ensure an effective relationship between workers and government bodies and ensure the rights of workers. • Detection of illegal practices related to employment, such as forced or child labour. • Responsible management of the supply chain (relations and procurement practices). • Responsible management of the privacy of information. • Public commitment to the highest standards in sustainability.
Smart Services	• Reduction of emissions to the atmosphere and energy consumption. • Application of criteria relating to sustainability in the areas of research, development and technology. • Efficient management of water in places of water stress. • Management of natural resources and reduction of effluents and waste. • Biodiversity and impact on rural ecosystems. • Policies on prioritizing the purchasing of materials with a lower environmental impact. • Public-private collaboration in the management and protection of critical infrastructures.
Connecting citizens	• Training initiatives that favour local development. • Boosting external communication concerning the activity of the Company. • Philanthropy and social action.

Scope of the 2015 Corporate Responsibility Report

(G4-18 b); (G4-22); (G4-23)

The information parameter of this report coincides with the financial consolidation of the Group, and reflects the activities of the company in 2015. 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 stakes.

In 2015 the following companies have been excluded from the scope of reporting: the Company Recuperació de Pedreres de FCC Ámbito, .A.S.A. Hungary and FCC Construcción Algeria (the latter only for social indicators), due to the fact that activity in the last year has fallen significantly and it has not been possible to collect all the indicators requested. For the purposes of scope, it must also be considered that in 2015, with the exception of the indicators of job security and rotation, it has not been possible to gather information on the companies of Aqualia Infraestructuras in Romania, Algeria and Egypt. Nor the societies of Aqualia GIA in Portugal, Italy, Algeria, Saudi Arabia, United Arab Emirates and Mexico.

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 2015, and a description of each, appears in the annexes of the annual accounts.

Quality and reliability of the information disclosed

This report intends to provide public awareness regarding issues and indicators that have been identified as tangible, enabling the expectations of the 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 2015 offers a balanced, comparable, accurate, reliable, regular (annual) and clear perspective on the economic, social and environmental performance of the Group.

The FCC Group's Corporate Responsibility Report 2015 has been audited 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 2015, 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.

(G4-18 b); (G4-22); (G4-23)

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 service company. This trend analysis, was based on reports of reference sources such as the World Economic Forum, Slim cities: Sustainable buildings; Smart Energy, Water Resources Group, and the special 2011 report of the IPCC, the Special Report on Renewable Energy Sources and Climate Change Mitigation. Subsequently, in a round of internal interviews and with a panel of experts, the relevance of these trends was consulted as well as the material aspects that the Company should take into account according to 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 remuneration of the Directors, for the financial year 2015, available on the corporate website.

VIII. GRI Content Index



General basic contents

General basic contents	Page	Omissions	External assurance
Strategy and Analysis			
G4-1	Letter from the Chairwoman		
G4-2	Page 529		
Organizational profile			
G4-3	Page 527		
G4-4	Pages 532-537		
G4-5	Av. Del Camino de Santiago, 40 28050 Madrid, Spain		
G4-6	Page 528		
G4-7	Corporate Governance Report 2015 pages 2-6		
G4-8	Pages 528 & 532-537		
G4-9	Pages 526-528 & 532-537		
G4-10	Pages 555-557		
G4-11	Pages 616-617		
G4-12	Pages 564-565		

General basic contents	Page	Omissions	External assurance
G4-13	Pages 527 & 636		
G4-14	Page 548		
G4-15	Pages 554-557, 563 & 626-627		
G4-16	Pages 563 & 569-570		
Identified material aspects and boundaries			
G4-17	Annual Accounts 2015 pages 125-144 – Annex I, II & III		
G4-18	Pages 620-621 & 626-628		
G4-19	Pages 625-626		
G4-20	Pages 620-621 & 625-626		
G4-21	Pages 620-621 & 625-626		
G4-22	Pages 626-627		
G4-23	Pages 626-627		
Stakeholder engagement			
G4-24	Pages 615-617 & 620-621		
G4-25	Pages 615-617 & 620-621		
G4-26	Pages 615-617 & 620-621		
G4-27	Pages 615-617 & 620-621		
Report Profile			
G4-28	Pages 626-627		
G4-29	2014		
G4-30	Annual		
G4-31	rcorporativa@fcc.es		
G4-32	Comprehensive		
G4-33	Independent Review Report		
Governance			
G4-34	Corporate Governance Report 2015 pages 9 & 25-29		
G4-35	Corporate Governance Report 2015 pages 25-29		

General basic contents	Page	Omissions	External assurance
G4-36	Corporate Governance Report 2015 page 16		
G4-37	Corporate Governance Report 2015 pages 9-11		
G4-38	Corporate Governance Report 2015 pages 9-11		
G4-39	Corporate Governance Report 2015 pages 9-10		
G4-40	Corporate Governance Report 2015 pages 16-17		
G4-41	Corporate Governance Report 2015 page 30		
G4-42	Board of Directors		
G4-43	Corporate Governance Report 2015 page 12		
G4-44	Corporate Governance Report 2015 pages 17-18		
G4-45	Page 548		
G4-46	Corporate Governance Report 2015 pages 31-35		
G4-47	Corporate Governance Report 2015 pages 31-35		
G4-48	Board of Directors		
G4-49	Corporate Governance Report 2015 pages 41-42		
G4-50	Corporate Governance Report 2015		
G4-51	FCC reports the remuneration of the members of the Board of Directors through the Annual Director Remuneration Report, available on the website of the National Securities Market Commission (CNMV in Spanish)		
G4-52	FCC reports the remuneration of the members of the Board of Directors through the Annual Director Remuneration Report, available on the website of the National Securities Market Commission (CNMV in Spanish)		
G4-53	Annual Remuneration Report 2015		
G4-54	Annual Remuneration Report 2015		
G4-55	Annual Remuneration Report 2015		
Ethics and integrity			
G4-56	Pages 549-550		
G4-57	Pages 549-550		
G4-58	Pages 549-550		

Specific basic contents

Material aspects	Information on the management approach and indicators	Omissions	External assurance
Category: economic			
Material aspect: economic performance			
G4-DMA	Pages 529-531		
G4-EC1	Pages 527 & 529		
G4-EC2	Pages 580-582		
G4-EC3	There are no pension plans for employees		
G4-EC4	Page 636		
Material aspect: indirect economic impacts			
G4-DMA	Pages 603-606		
EC7	Pages 603-606		
EC8	Pages 603-606		
Category: environmental			
Material aspect: materials			
G4-DMA	Pages 566-567		
G4-EN1	Pages 566-567		
G4-EN2	Pages 566-567		
Material aspect: energy			
G4-DMA	Pages 580-584		
G4-EN3	Pages 583-584 & 637-638		✓
G4-EN4	Pages 583-584 & 637-638		
G4-EN5	Energy consumption per employee was 647.42 GJ		
G4-EN6	Pages 583-584 & 637-638		
G4-EN7	Not applicable	The main activity of FCC is related to the construction of infrastructure. Therefore, there are no certificates to ensure lower consumption of the end user.	

Material aspects	Information on the management approach and indicators	Omissions	External assurance
Material aspect: water			
G4-DMA	Pages 593-595 & 637-638		
G4-EN8	Pages 593-595 & 637-638		✓
G4-EN9	Pages 593-595 & 637-638		
G4-EN10	Pages 593-595 & 637-638		
Material aspect: biodiversity			
G4-DMA	Pages 600-601		
G4-EN11	Pages 600-601		
G4-EN12	Pages 600-601		
G4-EN13	Pages 600-601		
G4-EN14	Pages 600-601		
Material aspect: emissions			
G4-DMA	Pages 580-582		
G4-EN15	Pages 583 & 636-638		✓
G4-EN16	Pages 583 & 636-638		✓
G4-EN17	Pages 583 & 636-638		
G4-EN18	Emissions per employee were 188.47 t CO_2eq		
G4-EN19	Pages 583-589 & 636-638		
G4-EN20	Not applicable	The materiality studies carried out by FCC according to their activities and for each key environmental impact indicator have not determined emissions that damage the ozone layer as a material issue for the activity of FCC.	
G4-EN21	Pages 595-596		✓
Material aspect: effluents and waste			
G4-DMA	Page 597		
G4-EN22	Pages 597 & 633-638		
G4-EN23	Pages 597-599 & 636-638		✓

Material aspects	Information on the management approach and indicators	Omissions	External assurance
G4-EN24	There were no significant spillages		
G4-EN25	Pages 636-638		
G4-EN26	There were no water bodies affected by discharges or run-off from the organization		
Category: social			
Subcategory: labour practices and decent work			
Material aspect: employment			
G4-DMA	Pages 551-554		
G4-LA1	Pages 551-552 & 639		✓
G4-LA2	All employees have access to all the benefits		
G4-LA3	Not available	Currently FCC does not have systems to measure this kind of information.	
Material aspect: labor/management relations			
G4-DMA	Pages 616-617		
G4-LA4	Not available	Confidential information	
Material aspect: occupational health and safety			
G4-DMA	Pages 558-563		
G4-LA5	Not available	The company currently does not have the exact percentage of the total workforce that is part of the health and safety committees in some countries, even though the Health and Safety Policy and the monitoring of accidents and the effectiveness of actions cover the entire workforce.	
G4-LA6	Page 639		✓
G4-LA7	Not available	Currently the company does not have this information. It aims to have it in 2016.	
G4-LA8	Pages 558-563		

Material aspects	Information on the management approach and indicators	Omissions	External assurance
Material aspect: training and education			
G4-DMA	Pages 552-553		
G4-LA9	Pages 552-553 & 639		
G4-LA10	Pages 552-553		
G4-LA11	Not available	FCC Group is working on the design and implementation of the development function through a competency model, which includes performance evaluation, career plans and succession plans. It is working on the implementation of a flexible and comprehensive system that supports the performance evaluation and selection processes.	
Material aspect: diversity and equal opportunity			
G4-DMA	Pages 555-558		
G4-LA12	Pages 546-547 & 554; Corporate Governance Report 2015 Pages 17-20		
Subcategory: social			
Material aspect: local communities			
G4-DMA	Pages 602-612		
G4-SO1	Pages 602-612		✓
G4-SO2	Pages 590-591 & 611-612		
Material aspect: anti-corruption			
G4-DMA	Pages 549-550		
G4-SO3	Pages 549-550		
G4-SO4	Pages 549-550		
G4-SO5	Not applicable	There were no cases of corruption during 2015	
Material aspect: grievance mechanisms for impacts on society			
G4-DMA	Pages 549-550		
G4-SO11	Pages 549-550		

IX. FCC Group's Performance Indicators 2015

	Units	2015	2014	2013	Externally verified indicators
Economic indicators					
Net business turnover	Millions of euros	6,476	6,334	6,750	
Gross operating profit EBITDA	Millions of euros	814.6	804.0	717.3	
Net operating profit. EBIT	Millions of euros	323.8	(345.6)	(307.7)	
Operating Cash flow	Millions of euros	600.3	608.9	774.8	
Cash flow from investments	Millions of euros	(412.6)	(167.2)	(411.5)	
Project portfolio	Millions of euros	32,499.7	32,996.5	32,865.1	
Economic value generated	Thousands of euros	6,696,094	6,729,942	7,024,118	
Economic value distributed by the FCC Group	Thousands of euros	13,114,625	6,281,674	6,909,491	
Procurements (suppliers of materials and services)	Thousands of euros	2,415,153	2,220,917	2,604,551	
Salary expenses	Thousands of euros	1,858,626	1,916,696	2,005,001	
Corporate income tax	Thousands of euros	(40,846)	(64,171)	(135,376)	
Interest and exchange rate differences	Thousands of euros	ND	549,156	498,613	
Dividends paid to shareholders	Thousands of euros	0	0	0	
Economic contribution to corporate citizenship.	Millions of euros	8.35	3.3	4.017	
Significant financial assistance received from governments (subsidies)	Millions of euros	248.3	239.271	226.254	
Activity certified by ISO 9001	%	ND	85.42	83.8	
Purchases to suppliers	Thousands of euros	1,321,475	1,394,923	1,610,135	
Total purchases from local suppliers managed directly		ND	ND	ND	
Ethics and integrity					
Communications received through the Code of Ethics channel	No.	ND	21	22	

	Units	2015	2014	2013	Externally verified indicators
Efficiency and technology					
Investment in R&D&i	Millions of euros	13.132	16,237[4]	18,437	✓
Activities with environmental certification (e.g.: ISO 14001)	%	ND	81.90	77.5	
Emissions of SO_2	Kilograms	2,669,757.47	2,688,388.59	2,060,000	✓
Emissions of NO_x	Kilograms	9,345,957.73	9,833,923.46	10,885,000	✓
Particle emissions	Kilograms	1,807,626.09	1,867,889.81	2,254,000	✓
Materials of renewable origin	Tonnes	658,941.96	1,206,724	1,206,724	
Materials of recycling origin	Tonnes	13,797,055.97	14,098,240	14,098,240	
Certified materials	Tonnes	8,908,589.59	4,097,668	4,097,668	
Consumption of water	Cubic Metres	12,867,791	12,811,711	9,919,405	✓
Consumption of recycled water	Cubic Metres	186,575.18	153,869	610,012	✓
Consumption pertaining to surface water	Cubic Metres	1,177,755	1,064,474	1,294,226	✓
Consumption pertaining to ground water	Cubic Metres	3,064,695.68	3,049,297.1	1,627,473	✓
Consumption pertaining to municipal supply	Cubic Metres	6,694,334	6,693,212.26	3,563,204	✓
Consumption pertaining to other sources	Cubic Metres	1,744,432	1,850,858	1,462,230	✓
Discharged wastewater	Cubic Metres	286,601,882	164,708,144	560,136,681	✓
Treated wastewater	%	ND	ND	95	
Capture of water to be managed	Cubic Metres	620,994,212.41	843,979,880	763,751,430	
Percentage of ground water captured	%	47.5	17	29	
Percentage of surface water captured	%	50.88	55	72	
Percentage of desalinated water captured	%	1.39	27	1.5	
Percentage of other captured elements	%	0.22	1	1.9	
Total waste generated	Tonnes	2,734,330	7,284,838.92	5,417,813	✓
Hazardous waste generated	Tonnes	77,085.60	81,974.65	85,559	✓
Non-hazardous waste generated	Tonnes	2,657,244.86	7,202,864.27	5,332,369	✓
Waste managed	Tonnes	25,357,151.62	16,053,302	17,091,361	
Waste collected	Tonnes	5,101,408	6,276,488	6,692,654	
Urban waste	Tonnes	4,320,982	5,257,941	5,382,369	

[4] The investment in R&D&i in 2014 has been calculated by updating the CPV data.

	Units	2015	2014	2013	Externally verified indicators
Hazardous industrial waste	Tonnes	236,319.71	279,546	432,931	
Non-hazardous industrial waste	Tonnes	544,106	739,000	877,354	
Waste accepted at FCC centres	Tonnes	9,524,045.94	9,776,814	10,398,707	
Urban waste	Tonnes	4,110,652.36	4,571,114	5,051,636	
Hazardous industrial waste	Tonnes	235,787.21	284,634	357,531	
Non-hazardous industrial waste	Tonnes	5,177,606.37	4,921,066	4,989,540	
Treatment given to hazardous wastes	—	—	—	—	
Recovery	%	23	28	26	
Stabilisation	%	60	55	41	
Transferred to an end manager/other destinations	%	17	17	20	
Treatment given to non-hazardous wastes	Tonnes	—	—	—	
Recovery	%	53	30	13	
Elimination in controlled landfill	%	44	54	81	
Transferred to an end manager	%	3	16	6	
Energy and climate change					
Total GHG emissions	t CO_2eq	10,393,255	10,236,679[5]	9,688,669	✓
Direct GHG emissions	t CO_2eq	9,711,807	9,455,477	9,150,142	✓
Indirect GHG emissions	t CO_2eq	681,449[6]	781,202	538,527	✓
Direct energy consumption	GJ	28,866,265	28,514,713	25,202,566	✓
Renewable energy consumed	GJ	1,317,690	1,499,815	1,239,930	✓
Non-renewable energy consumed	GJ	27,548,575	27,014,898	23,962,635	✓
Indirect consumption of energy	GJ	6,835,734[6]	7,678,311	5,313,184	✓
Electrical energy consumed	GJ	6,834,124	7,676,876	5,310,338	✓
Energy in the form of steam consumed	GJ	1,610	1,435	2,846	✓
Total energy consumption	GJ	35,701,999	36,191,589[7]	30,515,750	✓
Community	**Units**	**2015**	**2014**	**2013**	
Investment in corporate citizenship	Millions of euros	8.35	3.3[8]	4	✓

[5] The indirect emissions of GHG in 2014 have been recalculated.
[6] It has not been possible to gather all the information pertaining to the operational scope of .A.S.A.
[7] The total consumption of energy has been calculated by updating CPV and .A.S.A. data.
[8] The investment in corporate citizenship in 2014 has been recalculated.

	Units	2015	2014	2013	Externally verified indicators
People					
Total staff	No.	55,145	58,034	63,254.97	
Total women	No.	11,953	12,122	13,677.09	
Total men	No.	43,192	45,912	49,577.88	
Percentage of women executives with respect to total executives	%	24	19	17	
Number of employees with permanent contract	No.	7,654	9,438	12,989	
Number of employees with a temporary contract	No.	4,878	7,846	8,759.10	
Number of seconded employees	No.	42,613	40,750	41,507	
Total voluntary rotation	%	3.5	3.10	3.88	✓
Total voluntary rotation of men	%	3.58	3.32	4.10	✓
Total voluntary rotation of women	%	3.05	2.27	3.11	✓
Number of disabled employees	No.	942	849	930.69	
People hired within the geographical proximity	No.	ND	ND	7,407.38	
Number of training hours per employee	No.	7.88	6.48	9.37	
No. workers covered by collective agreements (Spain)	No.	100%	100%	100%	
Amount of time off due to occupational accidents, employees + subcontractors (except while travelling or for cardiovascular reasons)	No.	2,624	2,723	2,821	
Accident rates FCC Group (own personnel, national and international)	—	—	—	—	
Frequency rate	—	24.55	24.39	23.14	✓
Severity rate	—	0.82	0.75	0.7	✓
Incidence rate of occupational accidents	—	44.78	43.9	44.03	✓
Absenteeism rate	—	6.62	6.1	6.06	✓
Accident rates FCC Group (own personnel + subcontracted personnel)	—	—	—	—	
Frequency rate	—	23.2	23.69	22.8	✓
Severity rate	—	0.78	0.68	0.65	✓
Incidence rate of occupational accidents	—	42.86	43.23	42.67	✓
Absenteeism rate	—	5.86	5.36	5.23	✓
Deaths caused by occupational accidents	—	—	—	—	
FCC Group Total (own personnel + subcontracted personnel)	No.	4	7	9	✓
Own personnel	No.	1	3	6	✓
Subcontracted personnel	No.	3	4	3	✓

This report was approved by the Board of Directors in the meeting held on the 4 May 2016.

X. Independent Review Report

KPMG

KPMG Asesores S.L.
Paseo de la Castellana, 259 C
28046 Madrid

Independent Assurance Report for Fomento de Construcciones y Contratas, S.A.

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

In accordance with our engagement letter, Fomento de Construcciones y Contratas S.A. (hereinafter FCC) management has requested that we provide limited assurance on the non-financial information contained in the Corporate Social Responsibility Report of Fomento de Construcciones y Contratas, S.A. for the year ended 31 December 2015 (hereinafter "the Report"). The information reviewed corresponds to the contents marked as external assurance in the section of the Report entitled "FCC Group 2015 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) and the Construction and Real Estate Sector Disclosures of the Global Reporting Initiative as described in point G4-32 of the GRI Content index of the Report and in accordance with Materiality Disclosure Service, obtaining confirmation from the Global Reporting Initiative on the proper application of these. Management is also responsible for the information and assertions contained within the Report; for determining FCC's objectives in respect of the selection and presentation of sustainable development performance, including the identification of stakeholders and material issues; 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 review on the preparation and presentation of the other indicators within the review scope, and to express a conclusion based on the work performed, referring exclusively to the information corresponding to 2015. 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) 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.

KPMG applies International Standard on Quality Control 1 (ISQC1) and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the Internal Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our limited assurance engagement consisted of making enquiries of management and persons responsible for the preparation of information presented in the Report, and applying analytical and other evidence gathering procedures. These procedures included:

- Verification of FCC´s processes for determining the material issues, and the participation of stakeholder groups therein.
- Interviews with management and relevant staff at group level and selected business unit level concerning sustainability strategy and policies and corporate responsibility for material issues, and the implementation of these across the business of FCC.

KPMG Asesores S.L., a limited liability Spanish company and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.

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- Evaluation through interviews concerning the consistency of the description of the application of FCC´s policies and strategy on sustainability, governance, ethics and integrity.
- Risk analysis, including searching the media to identify material issues during the year covered by the Report.
- Review of the consistency of information comparing General Standard Disclosures with internal systems and documentation.
- Analysis of 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.
- Review of the application of the Global Reporting Initiative's G4 Sustainability Reporting Guidelines requirements for the preparation of reports in accordance with comprehensive option.
- Reading the information presented in the Report to determine whether it is in line with our overall knowledge of, and experience with, the sustainability performance of FCC.
- Verification that the financial information reflected in the Report was audited by independent third parties.

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

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is lower than that of a reasonable assurance engagement. This report may not be taken as an auditor's report.

Our conclusion has been formed on the basis of, and is subject to, the matters outlined in this Independent Review Report. We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusions.

Based on the limited assurance procedures performed and the evidence obtained, as described above, nothing has come to our attention that causes us to believe that Corporate Social Responsibility Report of Fomento de Construcciones y Contratas, S.A. for the year ended 31 December 2015, have not in all material respects, been prepared and presented in accordance with the Sustainability Reporting Guidelines version 4.0 (G4) and the Construction and Real Estate Sector Disclosures of the Global Reporting Initiative as described in point G4-32 of the GRI Index, including the reliability of data, adequacy of the information presented and the absence of significant deviations and omissions.

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

In accordance with the terms of our engagement, this Independent Assurance Report has been prepared for FCC in relation to its Corporate Social Responsibility Report and for no other purpose or in any other context.

KPMG Asesores, S.L.

(Signed)

José Luis Blasco Vázquez

27 May 2016