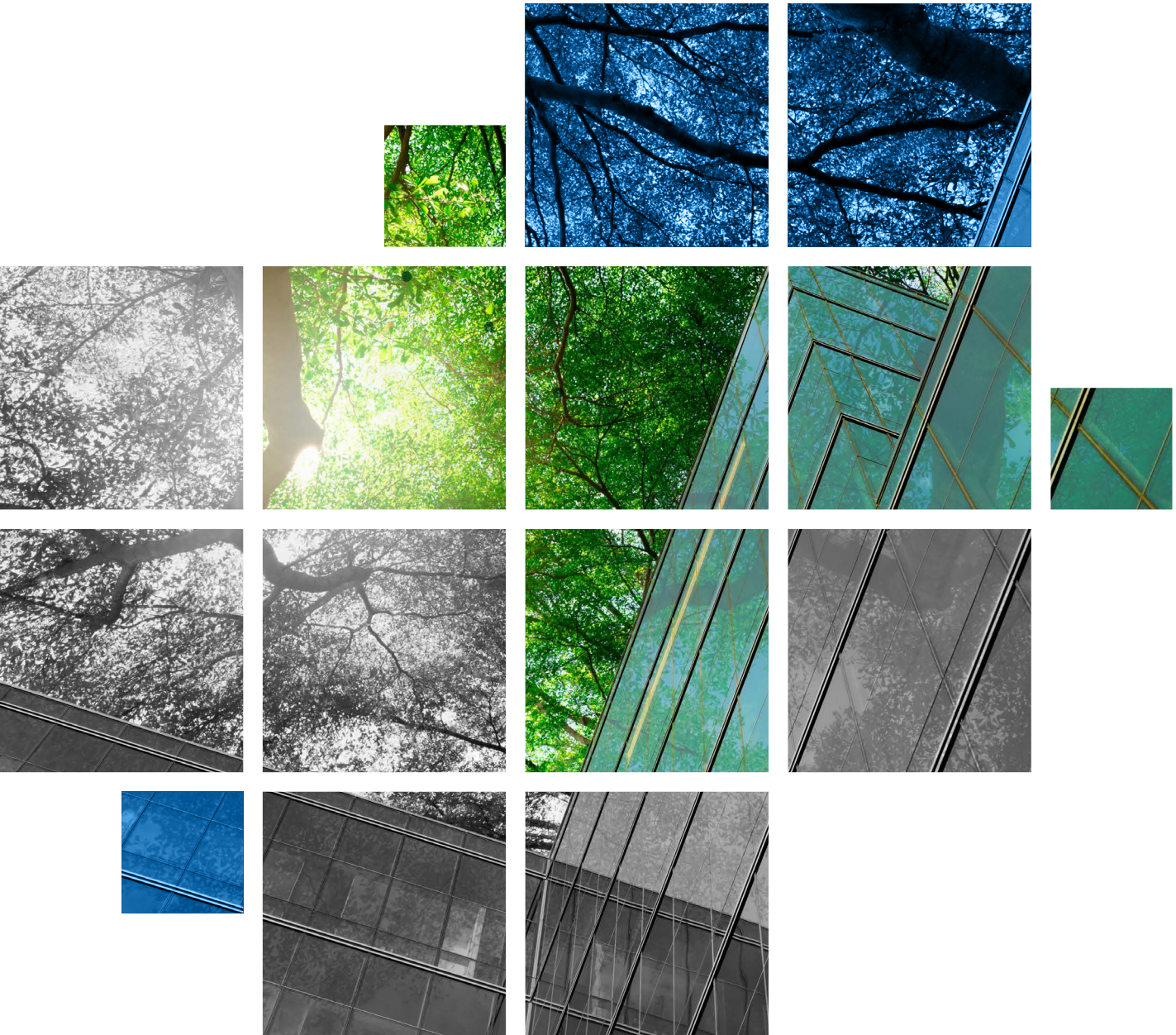


FCC Group Sustainability Report

FCC Group Non-Financial Information Report, in compliance with Law 11/2018 on non-financial information and diversity

Index

Index

Betting on the cities of the future _ 3
1. Letter from the CEO _ 4
2. **Transforming leadership**. Figures and context of the FCC _ 6
   2.1. Governance structure _ 6
   2.2. Specialised business _ 7
   2.3. Key figures and growth _ 15
   2.4. Innovation in our DNA _ 16
   2.5. Positive success: milestones and awards _ 17

Pillars to guarantee Citizen Services _ 18
3. **Strategic responsibility**. A responsible declaration _ 19
   3.1. Creating shared value _ 19
      3.1.1 The Group's contribution to the SDGs _ 22
   3.2. Communication with Stakeholders _ 24
   3.3. Focused on the material _ 26
   3.4. Sustainable cross-cutting management _ 28
      3.4.1 Sustainability Policy and Governance _ 28
      3.4.2 ESG Ambition _ 30

A common project with a transversal vision:
ESG, three letters for transformation _ 32
Environment _ 33
4. **Planet**. Environmental management _ 35
   4.1. Environmental management _ 35
      4.1.1. The Group's environmental commitments _ 37
      4.1.2. FCC Group Environmental Management _ 38
   4.2. Climate footprint _ 42
      4.2.1. Fight against climate change _ 42
      4.2.2. Pollution prevention _ 46
      4.2.3. Energy consumption and energy efficiency _ 50
   4.3. Circular solutions _ 52
      4.3.1. Growth towards a Circular Economy _ 52
      4.3.2. Reduction of waste generated _ 55
      4.3.3. Water as a resource _ 57
      4.3.4. Raw materials in the production process _ 59
   4.4. Biodiversity _ 60

Social _ 62
5. **Employees**. People at the core _ 64
   5..1. Recognising talent _ 65
      5.1.1. Profile of human capital in the FCC Group _ 65
      5.1.2. Organisational structure _ 66
      5.1.3. Recruitment _ 66
      5.1.4. Join FCC _ 67
      5.1.5. Managing knowledge _ 67
      5.1.6. Development meeting _ 69
      5.1.7. Compensation policy _ 70
   5.2. Working towards making diversity a reality _ 71
      5.2.1. Gender equality _ 71
      5.2.2. Non-discrimination and prevention of harassment _ 72
      5.2.3. People with disabilities and vulnerable groups _ 73
   5.3. The data boutique _ 75
   5.4. Dialogue _ 75
      5.4.1. Social Dialogue _ 75
      5.4.2. FCC360: a milestone in communication with our workers _ 76
   5.5. Safety, health and well-being _ 77
      5.5.1. Strategy and Culture _ 77
      5.5.2. Evolution of the main indicators _ 77
      5.5.3. Health and social welfare in the context of Covid-19 _ 77
      5.5.4. Work organisation _ 78
6. **Society**. Promoting social and environmental progress _ 79
   6.1. Resilient cities _ 80
   6.2. Solidarity Action _ 82

Governance _ 86
7. **Exemplarity**. An exemplary organisation _ 88
   7.1. Good Governance _ 88
   7.2. A competent structure _ 89
   7.3. Plurality and independence in the Board _ 91
   7.4. Transparent remuneration _ 92
8. **Integrity.** Consolidated Integrity _ 93
   8.1. Legitimate compliance _ 93
   8.2. The right path to Human Rights _ 96
   8.3. Legal action against corruption and money laundering _ 97
9. **Cybersecurity**. A secure network _ 100
   9.1. Information Security_ 100
10. **Customers**. Excellence in service _ 102
   10.1. Example of experience _ 102
   10.2. Customer care _ 103
   10.3. Listening and responsibility _ 104
11. **Supply chain**. Sustainable provisioning _ 106
   11.1. Responsible purchasing _ 106
12. **Anticipation**. Opportunities for Progress _ 110
   12.1. Risk Management Model _ 110
13. **Commitment**. Responsible taxatione _ 116
   13.1. A shared commitment _ 116
   13.2. FCC Group's contribution _ 118

Annexes _ 119
Annex I: About this report _ 120
Annex II: Tables relating to social and personnel affairs _ 123
Annex III: Tables relating to environmental issues _ 131
Annex IV: Tax information _ 134
Anexo V. Listado de principales asociaciones _ 136
Annex VI: GRI content table _ 138
Annex VII: Table of indicators Law 11/2018 _ 148
Annex VIII: Taxonomy _ 154
Non-Financial Information Verification Disclosure _ 158



Betting on the cities of the future

A shared project with a cross-cutting vision

1. On the path to sustainability



On behalf of all of us at FCC Group, it is a pleasure to present to you our Sustainability Report for the 2021 financial year.

In addition to including the company's consolidated Non-Financial Information Report (NFIS), this document was produced in alignment with the main international sustainability standards, such as the framework of the Global Reporting Initiative (GRI).

We firmly believe that our Group contributes cross-sectionally to sustainable development and, for over 15 years, we consider that publishing this Report is the best tool for informing our Stakeholders of our ESG performance: environmental, social, and corporate governance.

This is our way of rendering accounts to society, consolidating one of the most important intangible assets for our company, our commitment to FCC's stakeholders. In our opinion, transparency translates into trust, and cultivating, preserving and encouraging it is key, especially in the difficult international context that we are immersed in.

Almost two years after the advent of COVID-19, and in spite of the huge health care efforts that are progressively enabling us to adapt to the pandemic, we are still undergoing extremely complex circumstances, that affect the most diverse areas of our lives. Within this context, the pandemic has once again brought to light the need to progress in the face of major challenges before they happen, starting with meeting the 2030 Sustainable Development Agenda, as well as overcoming the challenges of worldwide climate change and socio-economic inequalities.

Pablo Colio Abril
CEO of the FCC Group

However, looking to the future, although threatened by new variants and outbreaks, recovery or reconstruction is taking off at a much better pace than was envisaged in late 2020. This situation now requires, more than ever, a collective effort, committing to cooperation and solidarity to move forward towards more resilient, fair and inclusive societies, leaving no one behind.

Companies play a key role in this challenge, and they must respond in a decisive, innovative and joint manner. It is time for action, and at FCC Group we are aware that we have the responsibility to act. We are convinced of the role that we can play in reactivating the economy, and generating quality jobs in the communities where we operate. This guarantee is backed by our more than 120 years providing excellent services for society.

This Report compiles all of the work carried out by our Group throughout 2021, which consolidates our position as a socially-responsible agent in the citizen services sector. This year we have continued to explore new frontiers on our path to sustainability, considering the needs and expectations of our stakeholders, and placing citizens at the forefront of our business model because, let us not forget, they are our ultimate raison d'être.

Thanks to our centenary culture, to the almost 60,000 people who make up our Group and our commitment to service and innovation, we make life in cities easier, working on finding solutions to any problems that arise, from the basis of our diversified business model. We also work continuously to reduce our environmental impact and increase our social contribution, guaranteeing at all times that our upstanding conduct value remains intact, through the compliance model that we have implemented as a Group.

After the achievements reached with our latest Master Plan on corporate social responsibility, we are already working on applying the lessons learned, anticipating trends and taking on more ambitious challenges, by developing what should be the next *2025 ESG Framework*, that will be our roadmap to guiding FCC activities sustainably, under the motto *Together, we are building a better future*.

FCC's commitment to the Paris Agreement on climate change, the annual renewal of its commitment to the United Nations Global Compact and its Ten Principles, our company's contribution to achieving the Sustainable Development Goals or transitioning towards a development model based on a circular economy, are only a few examples of the challenges that we aim to work on within this Framework.

Along these lines of strengthening our commitment to ESG goals, we have renamed the corporate management, which was already promoting this area within the Group as Compliance and Sustainability Directorate. It is now the FCC Sustainability Committee, the coordinating team between the company and the departments working on this goal.

All of this leads to positive results that prove our capability to adapt in times of adversity. We have consolidated our international presence in over 30 countries. By late 2021 we had reached a total turnover of €6,659 million, which is an increase of more than 8% over the previous year.

I would like to close this brief presentation by pointing out that these figures would not have been possible without the invaluable work and commitment by the Group's keystone, our people. The sum of knowledge, experience and, especially, talent, has enabled us to reach the proposed goals year after year. Our professionals are not only key agents in guaranteeing the services that make us stand out, but they are also the driving force for change. Therefore, we encourage them to show their best version of themselves, to be the reflection of our corporate values that have stood with us for over 120 years. It is an honour to acknowledge their commitment and their dedication to making the FCC Group grow, even in times of adversity and overcoming.

In short, in 2021 we have taken huge steps towards progress, but we want to continue to grow, in order to apply our best services to our current cities, and to the cities of the future. The future is here, and we aim to continue leading progress, responding to the various challenges that we face and contributing value to reach a common goal, the goal to create a more sustainable world, a fairer world. FCC is on the right path. This is the best news of all.

Pablo Colio Abril
CEO of the FCC Group

2. Transforming leadership
Figures and context of the FCC Group

| Transforming business as usual as a first step towards more sustainable realities

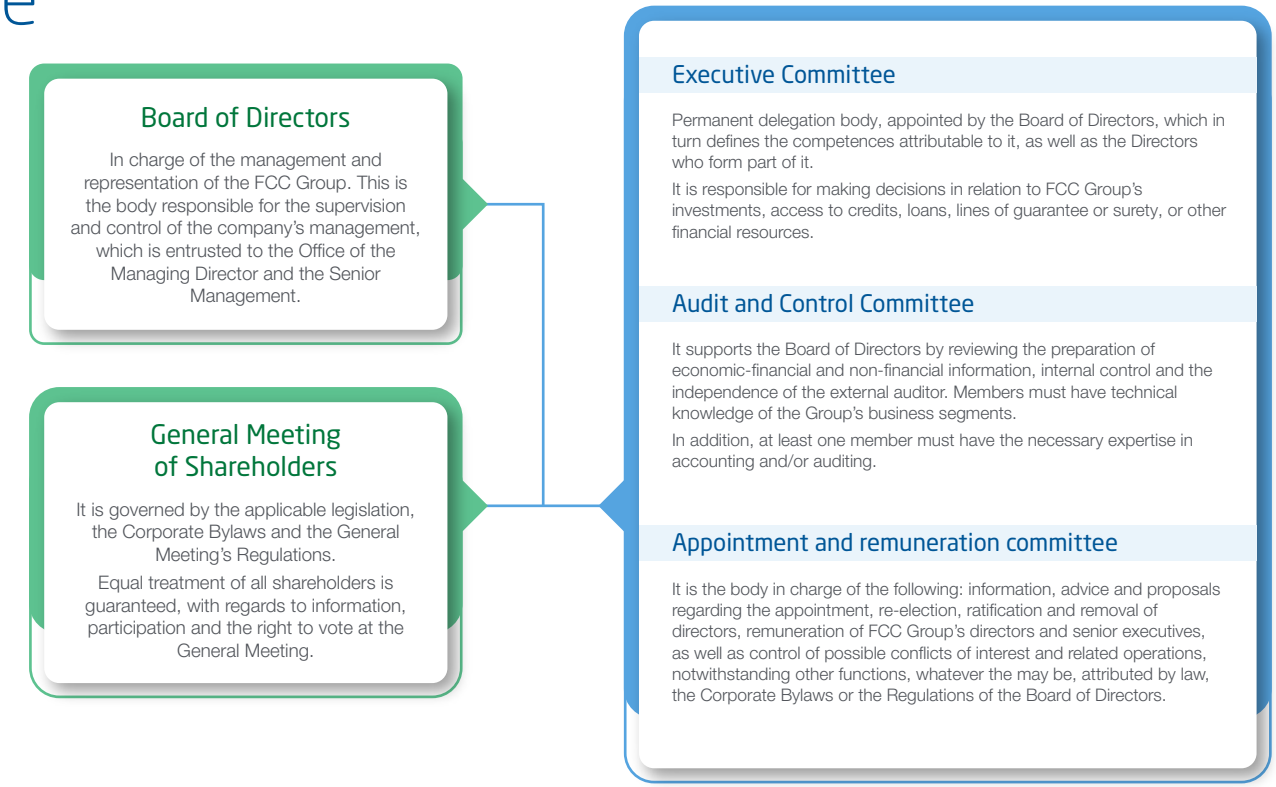
2.1. Governance structure

| Rigour and professionalism serving the cities

Working at the service of future cities is a constant challenge for the FCC Group, which places a balanced business model at the service of citizens, combining specialization in Environmental Services, Integral Water Cycle Management and Construction and Cement activities.

The bodies that make up the governance structure of the company are aware that their role is of vital importance, as they are in charge of establishing the organisation's objectives, promoting effective communication between the members of the organisation and, finally, fostering a common and transversal corporate culture.

Namely because of this importance, the Group is committed to building and constantly reinforcing an independent, accountable and transparent institutional architecture. Accordingly, the Group's corporate structure is composed of the following bodies:



2.2. Specialised business | *Business diversity as a response to a common objective: the FCC Group*

FCC Environmental Services

| Committed to caring for the environment



The Environmental Services area carries out its wide-ranging activity through the following services, classified into three large blocks:

Provision of municipal services

- Protection of green areas
- Maintenance of sewerage systems
- Street cleaning
- Cleaning of beaches, shores and coastal waters

Integrated waste management

- Collection, treatment and recycling of municipal and industrial waste
- Energy recovery from waste
- Remediation of contaminated land

Management of buildings and services

- Cleaning and maintenance of buildings
- Maintenance of street furniture and playground equipment
- Integrated energy management
- Cleaning and maintenance of fountains
- Event management

Local focus with international presence:

Iberia

Medio Ambiente España (including industrial waste business) and FCC Environment Portugal

United Kingdom

FCC Environment UK

Central and Eastern Europe

FCC Environment CEE

United States

FCC Environmental Services

FCC Environmental Services

| Committed to caring for the environment

BUSINESS PERFORMANCE

Presence in **11** countries

A history of **111** years

Almost **61** million people served in more than **5,000** municipalities

Around **24** million tonnes of waste managed

More than **700** operational waste management facilities, including nearly **200** dedicated to treatment and recycling.

Nearly **6,500** hectares of green spaces and maintenance of more than **1,500** km of beaches and coastline

SUSTAINABLE PERFORMANCE

Certified excellence in the Environmental Services Area.



1. Exclusive Certification of FCC Medio Ambiente Iberia.
2. Exclusive Certification of FCC Environment UK.

Aqualia

| Incorporating sustainability in the integral water cycle



The FCC Group's Integral Water Cycle Management area is positioned as one of the main water supply, sanitation and treatment operators. It is recognised as the fourth largest water management company in Europe and among the top ten in the world in terms of population served, according to the latest Global Water Intelligence ranking (March 2021).

With a business model based on the integral water cycle, the company specialises in the following services:

Integrated management of public services

- Acceso y distribución del agua
- Tratamiento
- Potabilización
- Saneamiento
- Depuración

Operation, maintenance and technical assistance services

- Maintenance and operation of infrastructures

Hydraulic infrastructures

- BOT[1] model contracts
- EPC[2] model contracts

[1] Built, Operate and Transfer.
[2] Engineering, Procurement and Construction.

Local focus with international presence:

Europe

Spain, France, Italy, Portugal, Czech Republic, Romania

North Africa

Algeria, Tunisia

Middle East

Saudi Arabia, United Arab Emirates, Egypt, Oman, Qatar

North America

Mexico

South America

Colombia, Chile, Ecuador

Aqualia

| Incorporating sustainability in the integral water cycle

BUSINESS PERFORMANCE

Specialized in **water management**

51% owned by the FCC Group and **49%** by IFM Investors

Serving more than **30 million** users
located in **17 countries**

More than **45,000 km** of supply networks
(3,656 km of transport network and 41,743 km of distribution network)

Spanish industry market leader,
positioned at the forefront, specialized, transparent and innovative

SUSTAINABLE PERFORMANCE

Certified excellence in the area
of Integral Water Cycle Management



FCC Construcción

| Creating works that connect cities

FCC Construcción is a leader in the development of infrastructures and in the execution of civil engineering, industrial and building works. It is currently the fourth largest construction company in Spain and is also among the top 35 internationally.

Likewise, the FCC Group's construction area specialises in the following services:



Civil works

- Rail infrastructures
- Roads
- Bridges
- Tunnels
- Maritime infrastructures
- Airport infrastructures
- Hydraulic infrastructures
- Underground
- Filtering stations

Building

- Residential building
- Non-residential building: Hospitals, football stadiums, museums, offices

Industrial building

- Electromechanical installations
- Electricity distribution networks
- Maintenance of facilities
- Infrastructure maintenance
- Prefabricated buildings

Concessions

FCC Construcción

| Creating works that connect cities

BUSINESS PERFORMANCE

Presence in **26 countries**

A history of **120 years**

Under the **FCC Industrial** brand, the company is made up of a group of companies (Matinsa, Megaplas and Prefabricados Delta) dedicated to the industrial sector, as well as other activities related to the construction industry

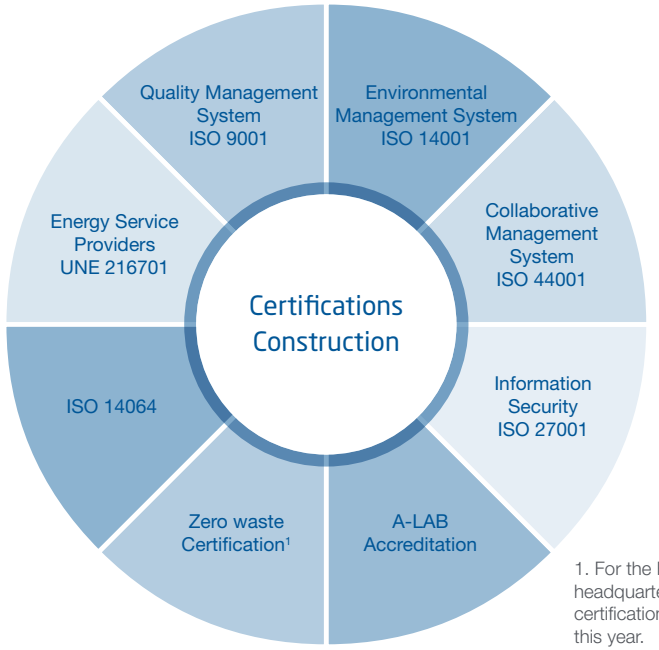
Km of connected cities (tunnels, roads and motorways):

700 km of tunnels

8,500 km of roads and motorways

SUSTAINABLE PERFORMANCE

Certified excellence in the Infrastructure Area



1. For the FCC Construcción headquarters, the zero waste certification process has started this year.

Cementos Portland Valderrivas

| Transforming raw materials



The cement area of the FCC Group represents the cement business with the extraction of raw materials, such as aggregate, and the manufacture and marketing of construction products such as clinker, cement, concrete, dry mortar and special products. The company is currently active in Spain, Tunisia, United Kingdom and the Netherlands, depending on its positioning for extraction and/or treatment of materials, as well as their import, as shown below:

Countries and activity

Spain

- Cement factories
- Concrete factories
- Aggregate quarries
- Dry mortar plants

Tunisia

- Cement factories
- Concrete factories
- Aggregate quarries
- Maritime terminal

The Netherlands

- Trading activities
- Clinker processes

United Kingdom

- Maritime terminals

Cementos Portland Valderrivas

| Transforming raw materials

BUSINESS PERFORMANCE

119 years in operation

Leading cement Group in Spain in terms of production capacity

4 countries in which it provides its services

Production centres in various regions of the country

5,269,077 tonnes of cement production

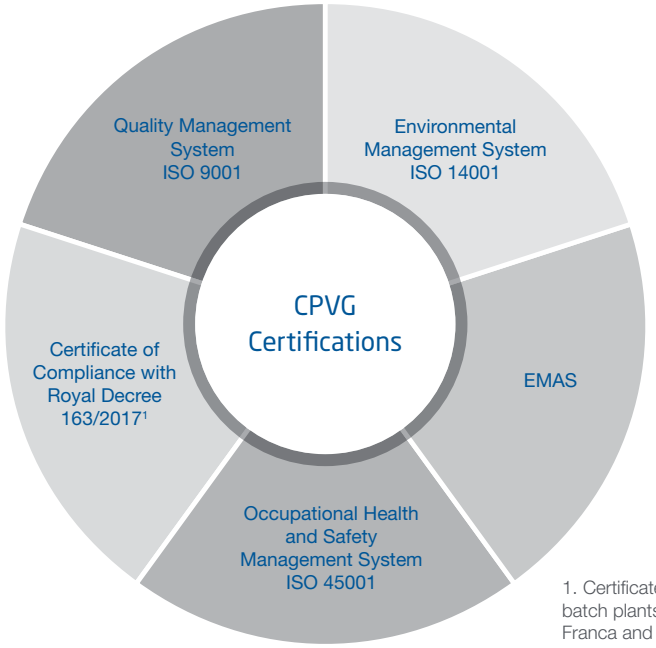
5,107,503 tonnes of clinker production

+28.95% of revenues came from Tunisia and the United Kingdom

International exports
North Africa, Central America and Europe

SUSTAINABLE PERFORMANCE

Certified excellence in the Cement Area



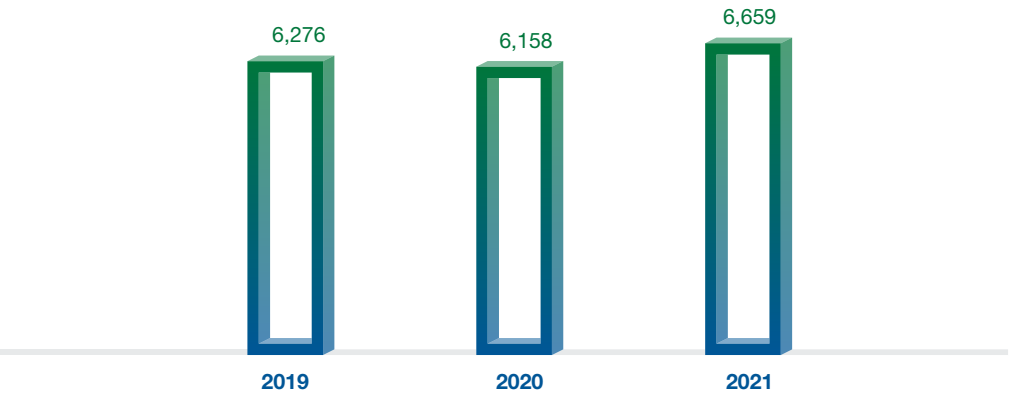
1. Certificate for the concrete batch plants located in Zona Franca and Vallcarca (Barcelona).

2.3. Key figures and growth

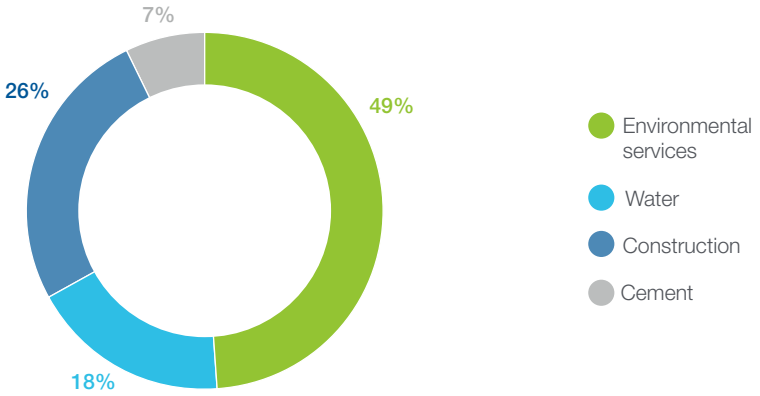
| *Unprecedented growth for the FCC Group*

Below are the main turnover figures for the FCC Group at the end of 2021.

TURNOVER EVOLUTION OF THE FCC GROUP (Millions of euros)



TURNOVER OF 2021 PER BUSINESS AREAS



2.4. Innovation in our DNA

| Technology and Innovation: a key tool for the sustainable development of cities

To achieve the objectives of sustainable development in terms of economic growth, environmental preservation and social progress, public administrations and businesses must act on several fronts, including harnessing and maximising the potential of technological innovation.

The FCC Group understands that the development and innovation of new technologies plays an essential role in tackling many of the main challenges facing cities in terms of sustainability: climate change and pollution, increasing inequality, demographic growth and the scarcity of water resources, among others.

Innovation has formed part of the FCC Group's DNA since its foundation and is one of the hallmarks of the company, which materialises this commitment through its businesses. With more than 120 years of expertise, FCC has invested a significant amount of financial and human resources to develop R&D&I projects, with the ambition of fostering a business culture that is increasingly oriented towards technological updating, research and the generation of ideas.

Each business area has its own line of R&D&I to ensure the appropriate response to each of its activities and to seek innovative solutions that aim to minimise its impact on the environment, as well as to multiply the efficiency of its processes. In this way, FCC promotes a high level of well-being for people by guaranteeing a wide range of essential urban goods and services, such as the management and treatment of urban waste and the integral water cycle management or the construction of buildings and infrastructures such as motorways, airports, undergrounds, railways, tunnels and bridges, among others.

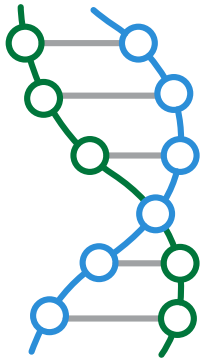
Innovation in our DNA

Environmental Services Area

Development of innovative technologies focused on electric mobility, energy efficiency and the use of alternative energies, in order to achieve more sustainable cities.

Cement Area

Development of cutting-edge technologies focused mainly on the production of materials such as cement, concrete, aggregates and mortar that improve mechanical performance and durability, extending the useful life of infrastructures.



Infrastructures Area

Development of the latest constructure technologies in the fields of artificial intelligence, Big Data and digital technologies such as BIM or Blockchain.

Water Area

Development of innovative technologies in the integral water cycle of its facilities, especially in the treatment, recovery and reuse of waste water and water resources, as well as in water efficiency and optimization.

| Leading progress towards continuous innovation

FCC Group projects at the forefront of the sector

Project “BICISENDAS”

The Construction Area seeks to integrate sustainability into infrastructures through "BICISENDAS", a project aimed at developing a sustainable, energy self-sufficient, smart and safe cycling lane. With this, the company seeks to improve both the safety and comfort of citizens and the environmental sustainability of its surroundings.

Project “VALOMASK”

In the context of the pandemic, the Environment business has launched the innovative "VALOMASK" project. This is based on the design on an industrial scale of an optimised process for the mechanical separation of masks, as currently the environmental compounds are not technologically prepared to manage this new waste in a sustainable manner. Thus, this project will make it possible to characterise, classify, separate and, finally, recover them.

Project “ADVISOR”

The water business has presented the Guijuelo filtering plant, a biofactory project in which the waste generated by the agri-food industry, together with the sludge from the plant, is transformed into energy, biofuels, bioplastics and biofertilisers. In this way, the 3,000 tonnes of biowaste treated in the biofactory are converted into enough biofuel to power 50 vehicles, which already drive around the municipality with the biomethane obtained at the filtering plant.

2.5. Positive success: milestones and awards

| A year of action and achievement

During the year 2021, the FCC Group has continued its work framed by new sustainability strategies with the intention of sensing and anticipating the future, and consolidating its present. Moreover, this work has once again been recognised for the high work performance it entails, as well as for the promotion of sustainability and innovation as key pillars of the company's identity, as shown by the following milestones, achievements and awards:

1st Quarter

- AENOR certifies Aqualia's asset management generates value for all its target market.
- FCC Medio Ambiente is awarded with the Ecological Industrial Vehicle of the Year 2021 for the launch of ie-Urban.
- Aqualia receives the European Excellence Awards (EEA) for its communication campaign "Who is behind the water we use at home?"
- FCC Medio Ambiente introduces its Sustainability Strategy 2050.

2nd Quarter

- FCC Group renews its commitment to the Diversity Charter.
- FCC Construcción receives the EJE&CON distinction as a committed company.
- FCC Medio Ambiente obtains Gold Glass certification for its two recycling facilities in the USA.
- The reports about the New Cairo wastewater treatment plant and the El Realito water supply, owned by Aqualia and IESE Business School, are recognized by the United Nations.

3rd Quarter

- FCC Construcción, pioneer in combining BIM and Blockchain.
- Aqualia MACE receives from its client ADSSC (abu Dhabi Sewerage Services Company) the awards recognizing it as "The best company in energy management system implementation".
- FCC Group honoured with FESBAL's "COVID-19 Stars" award, for its involvement and commitment to solidarity during the health crisis.
- FCC joins the campaign #apoyamoslosODS (#supportingSDGs) promoted by Pacto Mundial in Spain.
- FCC Medio Ambiente obtains the "Calculo-Reduzco" seal for the third consecutive year.

4th Quarter

- Aqualia awarded for an educational project that has trained 250,00 students in responsible water consumption.
- Cementos Portland Valderrivas presents its Energy and Climate Neutrality Plan at the Mataporquera factory (Cantabria).
- Aqualia presents its Strategic Plan 2021-2023.
- FCC Construcción renews its registrations in the Carbon Footprint Registry, offsetting and CO_2 absorption projects.
- FCC Medio Ambiente honoured at the 2021 Maritime Rescue SDG 14 Awards.

End of the year

2021



Pillars to guarantee Citizen Services

3. Strategic responsibility
A responsible declaration

| Working on the pillars that will help build the sustainable cities of tomorrow

3.1. Creating shared value

| Defining a reference work for society

FCC: more than a century taking care of cities

The FCC Group's extensive performance in the provision of citizen services over the years has made it one of the leading and most recognised companies in its sector, both nationally and internationally.

The FCC Group understands its raison d'être and long-term commitment to leadership in the creation and restructuring of cities as potential smart, sustainable, inclusive and responsible environments.

With operations in more than 30 countries, the company works to improve people's quality of life, meeting their expectations and the needs of the environment in which they live. Its consolidated track record as a socially responsible company has enabled its businesses to continue sharing value across the board through the following strengths.

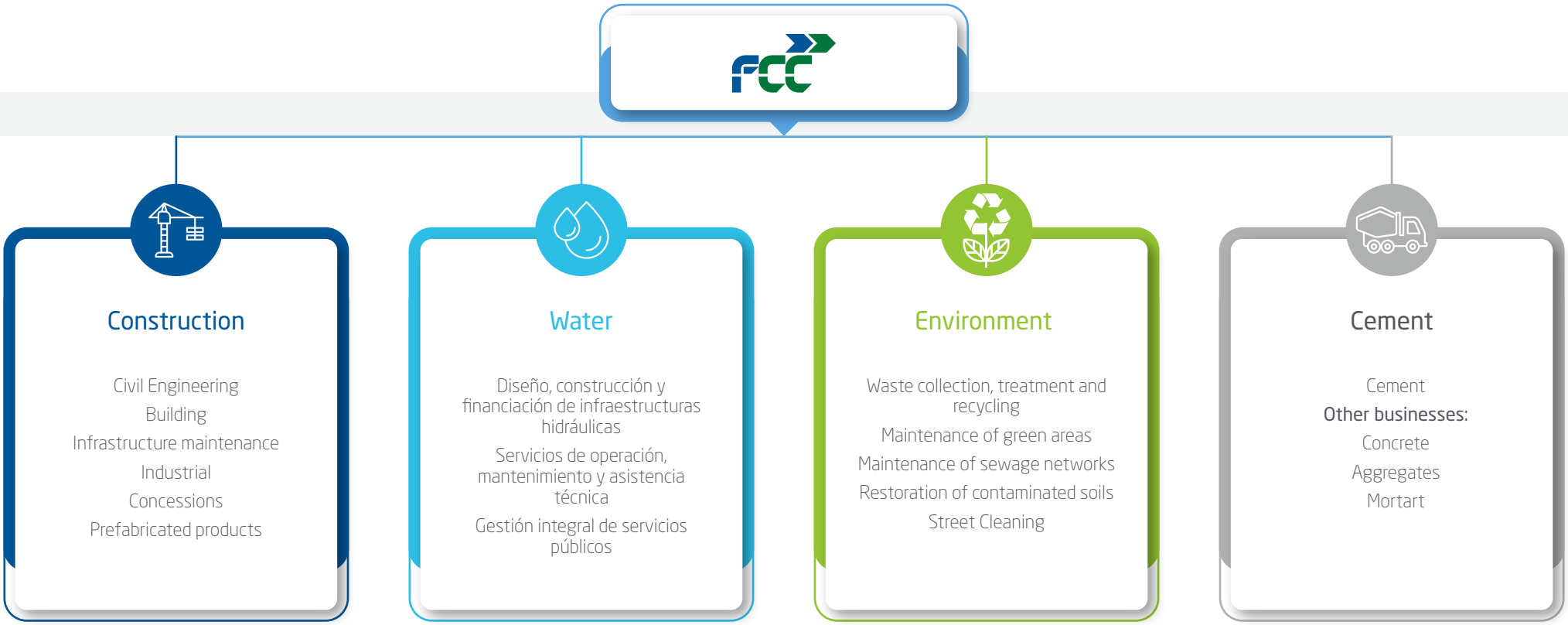
A service with more than **120 years of experience**, based on a specialized and quality work carried out by great professionals in each of the areas that comprise the FCC Group.

The **ethical and responsible culture** that surrounds the Compliance Model, as well as the plans and strategies of the FCC Group and its Business areas.

Attention to the maximum **health, safety and well-being** of professionals, especially in those functions that involve added risk.

Care and protection of the environment by incorporating the business into the **circular economy** model.

Thus, with the aim of offering the best service to citizens, the FCC Group has positioned itself as a company specialising in sectors that guarantee the progress and care of tomorrow's cities through integral water cycle management, efficient management of environmental services and the construction of important infrastructures.



MISSION, VISION AND VALUES: ONE FCC

MISSION

To design, carry out and efficiently and sustainably manage the environment services, the management of the integral water cycle and the construction of major infrastructure works to **improve the lives of citizens**.

VISION

To be an **international reference Group in Citizen Services** that offers global and innovative solutions for the efficient management of resources and the improvement of infrastructures, contributing to improving the citizens' quality of life and the sustainable progress of society.

VALUES

FCC Group, which operates in various sectors of society, contributes to the sustainable development and social transformation of the territories through the provision of services. This commitment is based on **values** that represent the roadmap that guides the Group's behaviour and determines its culture.

ONE FCC, CONSOLIDATED VALUES

Honesty and Respect — 1

We want to be recognised for our honest and upright behaviour, which merits the trust of collaborators, customers and suppliers as long-standing partners of reference.

Results orientation — 2

We pursue the improvement and the achievement of goals, to make FCC a reference in profitability and competitiveness.

Rigour and professionalism — 3

We work with exemplary behaviour and culture of service, developing our capacity to seek efficient and innovative solutions.

Loyalty and commitment — 4

We promote diversity, encourage professional development and recognize merit and creativity as a stimulus to productivity and progress.

Well-being and development of communities — 5

Aware of the value that our services bring to society, we are committed to the protection of the natural environment and the development and well-being of communities.

3.1.1. The Group's contribution to the SDGs

| *The FCC Group, ready to succeed in the Decade for Action*

Following the approval of the 2030 Agenda commitments, the FCC Group has strengthened its business model with sustainable development, through strategies in favour of people, the planet and progress.

To this end, both its internal procedures and its action plans have been progressively aligned with the 17 Sustainable Development Goals (SDGs) and the specific targets that comprise them. Examples of this are: the framework for action provided by the Group's Corporate Social Responsibility Policy; the progressive work during the 2021 financial year on the FCC ESG Framework from the corporate Sustainability Committee, as well as the various Sustainability Strategies of the various business lines.

The FCC Group, in addition to aligning its corporate management with the 2030 Agenda, has once again become a spokesperson for the SDGs to disseminate its work and mobilise its business environment through the United Nations Global Compact Spain's ***#apoyamoslosODS*** [wesupporttheSDGs] campaign

Citizen services focused on responding to sustainable development priorities

Corporate Social Responsibility Policy

As part of the solution to the challenges and opportunities of the global agenda, the FCC Group predisposes, from its Board of Directors, and through this policy, an exemplary professional performance based on innovative and quality initiatives to maximise its positive impact on the communities where it carries out its activities.

FCC Framework ESG

This new roadmap to address the FCC Group's environmental, social and governance strategy is comprised of programmes aligned with the SDGs.

Business line strategies

Serving all the sectors that make up the FCC Group, its business areas complement the company's global purpose with strategic lines that address in depth their own specific impacts and opportunities.



MAKING A COMPREHENSIVE CONTRIBUTION TO A SPECIALISED BUSINESS

SUSTAINABLE DEVELOPMENT GOALS



The Water Area, through water and drainage management, contributes to maintaining healthy conditions for citizens, preventing infections and the spread of disease.



Through its activities, the Water Area promotes access to water, as well as the quality of this resource, while working to improve the efficiency of water resources.

For its part, the Construction Area contributes to the achievement of this objective by developing infrastructures dedicated to water management.



Photovoltaic panels and equipment for the production of renewable energy have been installed in different facilities, both at the corporate headquarters in Las Tablas and in centres of the Water and Environment Areas.

The Construction Area also contributes to this objective through the development of energy-efficient facilities.



All the business areas generate new jobs and transmit to their workers the business culture of the FCC Group based on talent, diversity and equal opportunities.



The FCC Group is committed to innovation across the board, investing in the development and implementation of new technologies, with the aim of reducing its environmental impact and guaranteeing the development of quality products and services that meet the real needs of citizens.



The Environment Area manages a Special Employment Centre (CEE): FCC EQUAL, from where it also collaborates with entities, organisations and foundations specialised in the professional integration of people with disabilities.



The Water Area provides, through the development of its activity, access to basic services such as water and drainage.

The Construction Area supports the development of more sustainable and resilient cities and communities, while simultaneously striving to protect and safeguard the cultural and natural heritage of the environments in which it operates.

For its part, the Cement Area is committed to researching solutions that will allow it to reduce water and energy consumption at its facilities, reintroducing waste into its production processes.



All the FCC Group's business areas apply the principles of the Circular Economy from a dual perspective, optimising the consumption of resources and investing in projects and technologies that enable the reuse and recovery of waste.



Actions to measure, control and reduce the carbon footprint are common to all the FCC Group's business areas, which, in this way, aim to mitigate climate change. It is also committed to innovation, process improvement and the use of alternative energies to limit greenhouse gas emissions.



The FCC Group believes that public-private collaboration and the development of alliances contribute to promoting the development of the 2030 Agenda. For this reason, the Group's business areas participate in various initiatives. Examples include Aqualia's collaboration with universities and research centres to promote the development and application of key technologies; or the initiatives for the restoration of biodiversity in quarries, together with public entities and social agents, by the Cementos Portland Valderrivas Group.

3.2. Communication with Stakeholders

| Responsible listening to our interest groups

The activity of the FCC Group has always been strengthened by efficient communication, continuous dialogue and a strong interest in building transparent and lasting relationships with its stakeholders.

Providing answers and contributing value to society is an essential part of the Group's sustainable management, as well as a key factor in both its socially responsible positioning and the performance of its business strategy.

Along these lines, the FCC Group uses increasingly fluid communication channels and procedures in order to understand the needs and concerns of its stakeholders:

INTEREST GROUP AND THE CHANNEL FOR DIALOGUE AND COMMUNICATION

Shareholders, investors and rating agencies

- Corporate and business area websites for economic performance content.
- Presentations to the Board of Directors and Committees.
- General Meeting of Shareholders.
- Shareholders' Service Office.
- Roadshows with investors to get to know the company better.
- Questionnaires and interviews with agencies to assess the company and its performance.

Employees

- FCC ONE - Corporate intranet.
- Ethical channel.
- FCC listens to you - FCC's App tool.
- FCC360 - FCC's App tool.
- Periodic calls for information of interest.
- Dissemination and awareness campaigns.
- Employee portal.
- We are FCC - Quarterly online magazine.
- FCC Newsletter in poster format translated into 13 languages.

Suppliers and contractors

- Information and awareness-raising sessions.
- NALANDA platform for the approval of suppliers.
- Obligation to respect the FCC Code of Ethics and Conduct and the Anti-Corruption Policy.
- Full commitment to the application of the ten Principles of the UN Global Compact.

Public administrations and regulators

- Voluntary participation in sectoral self-regulatory initiatives and legislative developments.

Communities

- According to the FCC Group's business lines as responsible for dialogue with their local communities.

Partners

- Communication channels with other entities.
- Collaboration agreements, sponsorships and donations.
- Alliances.
- Business forums.
- Publications and presentations.
- Due diligence procedures.

Clients

- Satisfaction surveys.
- Interlocutor role.
- Dialogue channels specific to each business line.

Trade unions

- Meetings with committees.
- Agreements.
- Labour inspections.

Certification and accreditation bodies

- External audits.
- External verifications.
- Participation in working groups.

Financial entities

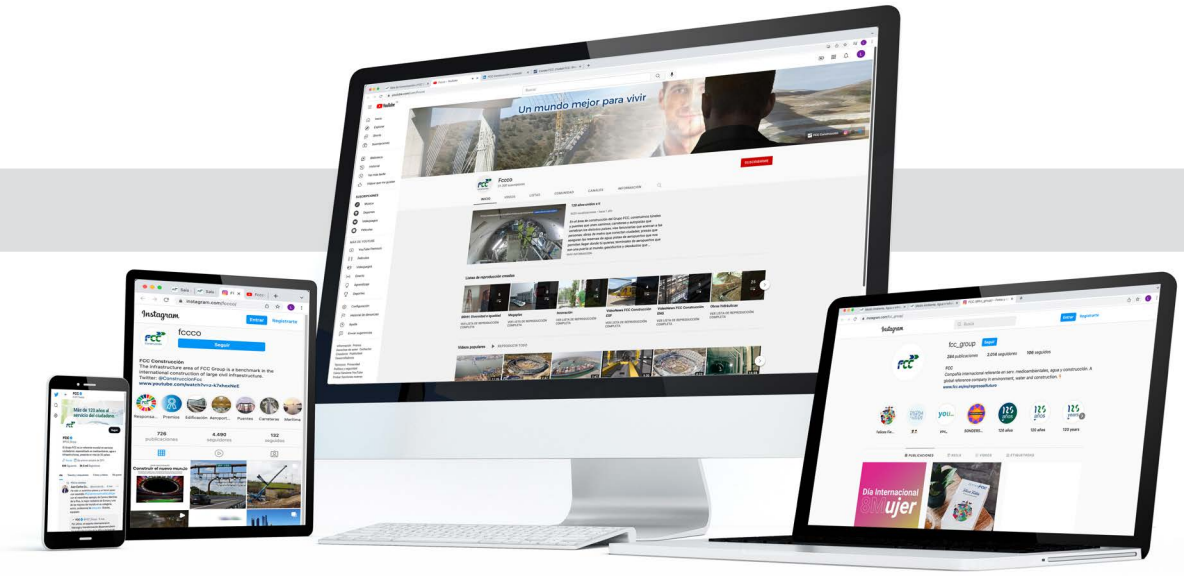
- Surveys.
- Meetings.
- Green bonds (FCC Medio Ambiente Iberia).

For a more immediate dynamic, both the FCC Group and its areas are present on social media, guaranteeing direct contact with each audience: **Facebook, Twitter, YouTube, Instagram and LinkedIn.**

FCC also has a contact form and a directory of headquarters, offices and main departments on its corporate website, with the corresponding addresses and contact telephone numbers.

In addition, for a closer dialogue with stakeholders, the FCC Group has a Sustainability mailbox published on the corporate website, through which any interested party can take the initiative to contact the company to address issues in this area.

All information on environmental, social and governance performance is reflected in each Sustainability Report and communication on these matters, which both the Group and each business line provide publicly and periodically on their respective corporate websites.



3.3. Focused on the material

| Prioritising ESG expectations

The FCC Group, aware of the strategic need to analyse and respond to the demands and expectations of its stakeholders, has carried out an exhaustive update of its materiality study in 2021. This materiality analysis allows the company to determine the most relevant social, environmental and governance issues in each of the Group's businesses.

To facilitate comparability of the results, the 23 issues assessed in the 2020 materiality study, which were aligned with the main sustainability reporting frameworks, as well as with the requirements of Law 11/2018 on non-financial reporting and diversity, have been maintained.

The main objective of updating the study was to strengthen stakeholder participation in the process of determining materiality, establishing direct consultations for employees, suppliers and customers of the Group's various businesses. Likewise, and through the analysis of different sources of relevance and the development of a press analysis, the perspective of shareholders, communities and partners is included in the study. The consolidation of these results has formed the **external relevance** axis.

With regard to the **internal relevance** of the issues, the assessments carried out in the previous study were maintained, involving the participation, by means of interviews and questionnaires, of the members of the Management Committees of the Group's businesses, as well as a selection of executives from Central Services.

In the case of Aqualia, as it has a specific materiality analysis, the results have been adapted to make up the Group's materiality.

For the **determination of material issues** for each business, those issues are considered whose relevance, both internally and externally, exceeds the average of the scores.

The following table shows, in summary form, the material issues for each of the businesses:

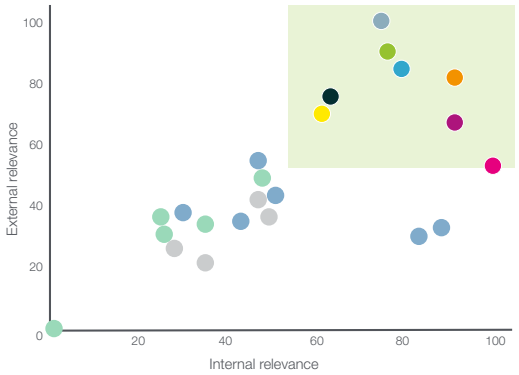
MATERIAL MATTERS BY BUSINESS

	Environment	Water	Construction	Cement
Ethics, integrity, compliance and good governance	●	●	●	●
Risk management and control systems	●		●	●
Quality of service and customer satisfaction	●		●	
Innovation and digital transformation	●			
Cybersecurity and data protection				
Fiscal transparency and tax contribution		●		
Pollution prevention	●			●
Circular economy and waste	●	●	●	●
Water resources management		●		
Material consumption		●	●	
Energy consumption and energy efficiency		●		●
Climate change	●		●	●
Biodiversity				
Food waste				
Talent attraction and retention			●	
Training and professional development			●	
Diversity, equality and inclusion		●		
Safety, health and well-being	●	●	●	●
Contribution and social commitment		●		
Promotion and respect for human rights		●	●	
Relation with local communities				
Liability to contractors				
Sustainable supply chain				

The results of the materiality study show the transversal relevance of three issues: Ethics, integrity, compliance and good governance; Circular economy and waste; and Safety, health and well-being. These three issues will have differentiated lines of work in the FCC Group's ESG Framework, which is set out in the following section.

The materiality matrices for the FCC Group's businesses are presented below:

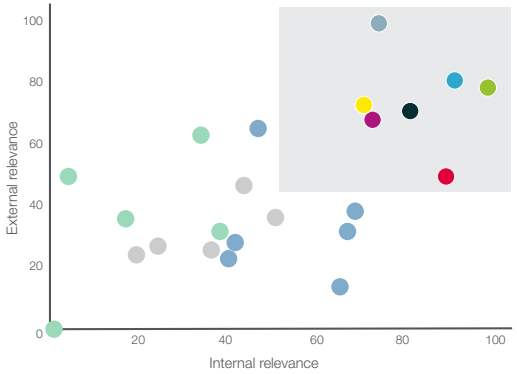
Environment



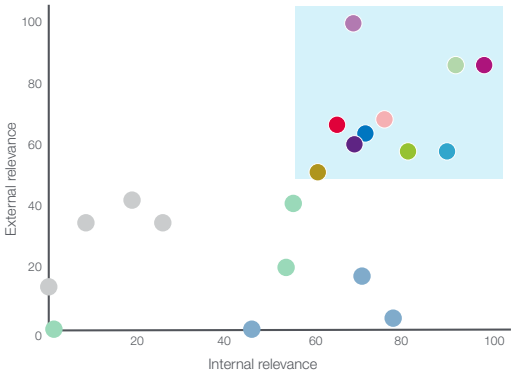
Construction



Cementos Portland Valderrivas



Aqualia



- Climate change
- Ethics, integrity, compliance and good governance
- Circular economy and waste
- Service quality and customer satisfaction
- Safety, health and well-being
- Risk management and control systems
- Pollution prevention
- Innovation and digital transformation
- Training and career development
- Promotion and respect for human rights
- Energy consumption and energy efficiency
- Talent attraction and retention
- Material consumption
- Water resources management
- Social contribution and commitment
- Diversity, equality and inclusion
- Fiscal transparency and tax contribution

3.4. Sustainable cross-cutting management

Building resilient businesses and contributing to a fairer world are necessary elements for long-term success. To do so, companies need to insist on incorporating sustainability into their strategy, operations and processes.

In this line, the FCC Group, since its adherence in 2016 to the transformation of this business paradigm with the approval of its Corporate Social Responsibility Policy (hereinafter CSR Policy), has focused its efforts on making the commitments undertaken tangible.



3.4.1. Sustainability Policy and Governance

| An in-depth work

Corporate Social Responsibility Policy

The FCC Group integrates its CSR Policy at the heart of its business model, being inherent to the commitment and actions of all the members that make up the Group. Thus, this tool is a distinctive element that characterises FCC as a partner and employer of reference, aligning itself with the demands of its customers, the people who make up the Group and society as a whole.

In particular, this Policy establishes the commitments to which the Group is committed, especially in connection with its Integrity and Business Ethics framework, as well as with respect for the environment and its social contribution in carrying out its activities. In addition, it is essential to highlight that this Policy is the framework for action, which governs the development of the various activities of the Group wherever it operates.

Likewise, in order to develop, implement and comply with the CSR Policy, master plans are defined in which specific programmes and goals are incorporated, and the FCC Group's Sustainability Committee and the areas are responsible for their observance and monitoring.

A sustainable government

As shown in the following chart, the FCC Group is committed to a strong governance structure in the area of Sustainability. Thus, Sustainability in the Group is managed by the Board of Directors, through its Executive Committee; with a corporate Sustainability Committee and others by business area; and with the Compliance and Sustainability Department.

- **Board of Directors:**

  In line with recommendations 53 and 54 of the Code of Good Governance of the CNMV [National Securities Market Commission], the Board of Directors supervises compliance with the CSR Policy of the FCC Group.

- **Sustainability Committee:**

  It coordinates with the business areas (Aqualia CSR Committee, FCC Environmental Services Sustainability Committee, FCC Construcción Sustainability Committee and CPV [Cementos Portland Valderrivas] CSR Committee) the different ESG actions within the FCC Group. In particular, they are responsible for developing, implementing and complying with the CSR Policy.

- **Compliance and Sustainability Directorate, integrated within the General Secretariat:**

  It supports the corporate Sustainability Committee in the development of its functions, fundamentally in the design of the Sustainability strategy, and establishes the systems for monitoring results, with regard to the FCC Group's CSR practices.

  It determines the associated risks.

Quality and innovation

Based on the continuous improvement of its services, the FCC Group focuses its efforts on satisfying and anticipating the needs of its interest groups.

Integrity in its actions

In compliance with the legislation of each territory in which it operates, the FCC Group guarantees the inherent rights of every human being, rejecting all discrimination and showing a respectful attitude towards the environment.

Efficiency in management

Through its extensive experience, the FCC Group seeks to align the performance of its services with the optimal use of resources, promoting their responsible use.

Proximity and commitment

The FCC Group not only creates human relationships with its communities based on mutual respect and dialogue, but also transforms cities into smart, respectful and inclusive environments.



3.4.2. ESG Ambition

| *Driving the Group's social, environmental and governance future*

Following the implementation of the IV CSR master plan for the previous period 2018-2020, the FCC Group is working on a new framework that continues to place sustainability at the heart of its business model.

In 2021, the FCC ESG Framework was carried out, an analysis and study prior to the company's sustainability strategy for the coming years, which will be materialised in the Group's V plan "ESG Plan 2025", with a view to the objectives, challenges and goals of the global strategies, the 2030 Agenda and the 2050 horizon.

The ESG FCC Framework was drawn up based on the demands and expectations of the company's interest groups, as well as on regulations and macro-trends, also considering the main conclusions of the closing of the CSR 2020 master plan, among others. The following is a more detailed account of the extensive analysis undertaken by the Group in developing this work.



INTERNAL ANALYSIS

- The extraction of the conclusions of the past IV Master Plan for its evaluation as lessons learned and as an essential resource to promote areas of improvement to be followed up in future plans.
- Understanding the company's Compliance Model and regulatory framework.
- Analysis of the sustainability visions of the Group's businesses as a driver for the Group's overall strategy, mission and value.

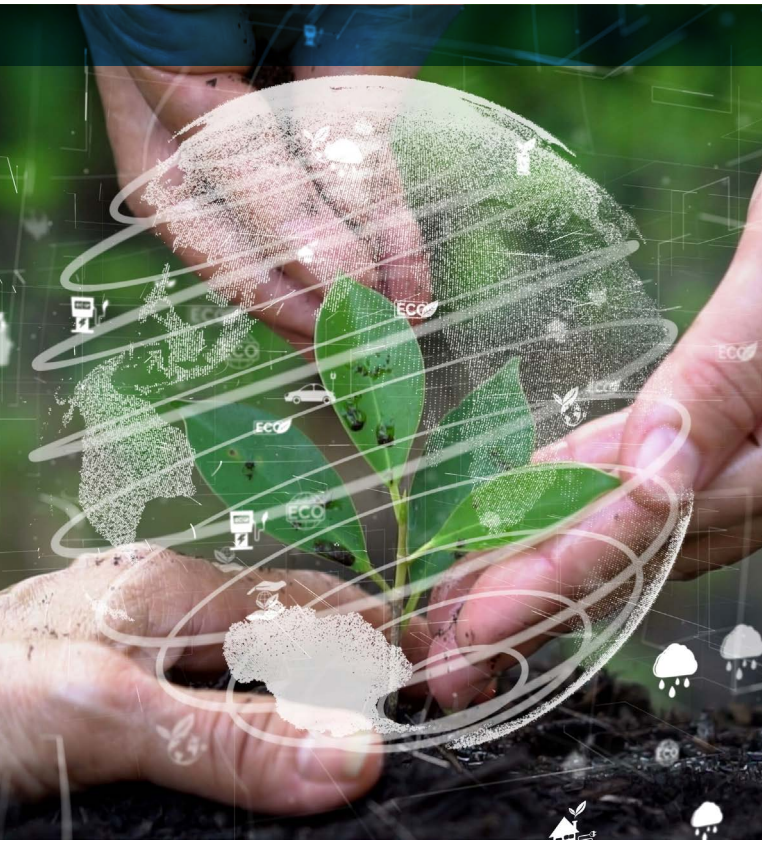
EXTERNAL ANALYSIS

- New changes in the national and European regulatory environment for sustainability and non-financial reporting.
- Attention to current macro-trends in the markets in which it operates, placing special emphasis on highly relevant issues such as climate action, biodiversity conservation and the fight for equality.
- Active listening based on the understanding of internal and external interest groups, as well as on the compilation of best practices in all the sectors in which the FCC Group operates, and an exhaustive materiality analysis.
- We have responded to the demands for best practices in environmental, social and governance management of interest groups from opinion leaders, analysts, financiers, investors, institutions and rating agencies.
- Alignment with the Sustainable Development Goals as a constant opportunity to continue contributing to the solutions required by today's global society.

The FCC ESG Framework is the starting point for guiding the future of the FCC Group's activities in ESG criteria, with an approach in line with, on an international level, the 2030 Agenda, the European Green Pact, the Paris Agreement or the European Climate Law, and on a national level, with the Business and Human Rights Action Plan, or the Recommendations of the Code of Good Governance, among others.

Under the slogan ***Together we build a better future***, the main lines of action on which the FCC Group will work to establish and integrate an ESG culture across the board are as follows.

The analysis of progress and needs in the field of sustainability underpin FCC's ESG Framework. Improving processes and taking on new challenges will require maximum coordination within the Group, from the Group's Sustainability Department and the business areas, to the involvement of expert teams and external entities associated with the Group's ESG management.



FRAMEWORK ESG FCC | *Together we build a better future*



INNOVATION
Generating knowledge synergies to promote innovation, technology and digitalization.

COMMUNICATION
Reinforcing the information we provide on sustainability.

ALLIANCES
Building strong alliances to contribute to the 2030 Agenda.

ENVIRONMENTAL

Climate action
Transition to a competitive low-carbon economy.

Circular economy
Application of its principles to achieve an efficient use of resources.

Water management
Reducing water stress where we operate.

Biodiversity protection
Contribution to the maintenance of natural heritage.

SOCIAL

Human rights
Ensuring their protection internally and throughout the value chain.

Social action
Contributing to the development of the communities where we operate.

Human resources
Promoting talent and empower our professionals.

Healht and well-being
Caring for people's health through physical and mental well-being.

Diversity and equality
Generating a real culture of respect, tolerance and equity.

GOVERNANCE

ESG risk management
Minimising the impact of non-financial risk on results.

Value chain
Transmitting our ESG commitments throughout the value chain.

Ethics, integrity and compliance
Maintaining a robust model to ensure responsible behaviour.



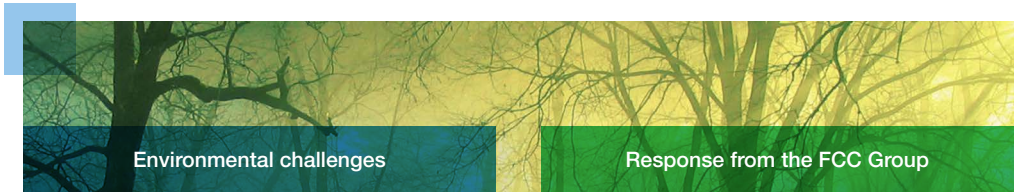
A common project with a transversal vision: ESG, three letters for transformation

Environmental, Social & Governance





Climate change



Climate change is one of the greatest challenges facing humanity in the short to medium term:

- Global warming is likely to reach 1.5°C between 2030 and 2050 if it continues to increase at the current rate[3].
- By the end of the 21st century, the average sea level is likely to rise by at least 0.3 metres above the levels of the year 2000[4].
- Natural disasters and physical hazards are expected to increase due to the growing intensity and aggressiveness of climate change[5].

The FCC Group has not ceased to be committed to the fight against the effects of climate change and the lack of resources. The FCC Group considers it an obligation to reduce greenhouse gases in all its business areas.

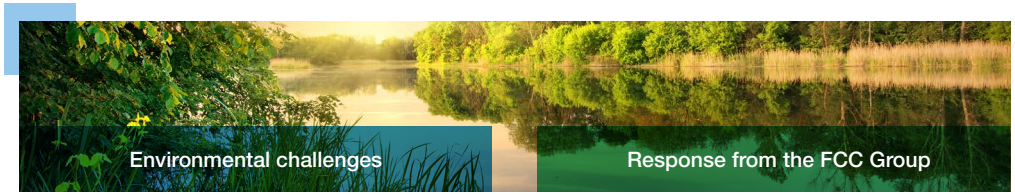
- FCC Construcción has achieved its objective of verifying 100% of its activity under the ISO 14064 Greenhouse Gases Emissions Standard.
- Part of the Cement Area's Energy and Climate Neutrality Plan focuses on replacing 80% of its fossil fuels with alternative fuels, and increasing its energy efficiency by 11% by 2030.

(3) World Economic Forum, (2021), The Global Risks Report 2021.

(4) World Bank, (2018) Trends in Solid Waste Management.

(5) Competence Centre on Foresight de la Unión Europea, Global demand for resources.

Circular Economy and Sustainable Resource Management



Environmental challenges

Overexploitation and/or mismanagement of natural resources could lead to chemical, food, mineral, water or other natural resource crises[6]. In this area, the following data stand out:

- Approximately 2010 million tonnes of global municipal solid waste is generated annually, of which at least 33% is not managed in an environmentally safe way. Global waste is expected to grow to 3.4 billion tonnes by 2050[7].
- Global demand for materials is estimated to have increased tenfold since the beginning of the 20th century and is expected to double again by 2030.
- Available resources are currently being used 50% faster than they can be regenerated by nature.

Significant amounts of resources continue to be lost due to inefficient waste management practices. It is therefore vital to reuse resources in economies, providing value for longer and reducing the need to use virgin materials[8].

Response from the FCC Group

The FCC Group strives to raise awareness and to develop and innovate with new technologies for the circular economy.

- FCC Medio Ambiente participates in the European Week for Waste Prevention and shows its commitment through initiatives such as the Life4FILM Project, to prevent the incineration and dumping of polyethylene film plastic waste through innovative recycling technologies.
- Other projects include the improvement of waste treatment systems, landfill degasification, increased recycling or the implementation of treatment systems such as biomethanisation or composting.
- Aqualia, through its Life Intext project, uses innovative technologies for the recovery of water resources.

Protection and restoration of biodiversity



Environmental challenges

The destruction and loss of biodiversity can have consequences comparable to climate change[9].

- It is estimated that around 25% of animal and plant species are threatened and it is estimated that approximately 1 million species are in danger of extinction[10].

In this context, corporations must consider biodiversity for their long-term sustainability, as loss of biodiversity can represent a reputational, regulatory and financial risk[11].

Response from the FCC Group

The FCC Group carries out projects to raise environmental awareness, collaborates with environmental conservation groups to restore natural and urban ecosystems, monitors birds and other endangered species and restores landfills, among others.

- FCC Medio Ambiente Iberia takes part in the cleaning of the seabed off the coast of Almuñécar.
- The Cement Area collaborates with the NAUMANNI Association to ensure that more than 180 species of animals, some in danger of extinction, live in the "El Porcal" gravel pit in Madrid.

(6) World Economic Forum, (2021), The Global Risks Report.

(7) World Bank, (2018), Trends in Solid Waste Management.

(8) European Environmental Agency, (2019), Reducing loss of resources from waste management is key to strengthening the circular economy in Europe.

(9) Agencia Medioambiental Europea, Destruction and loss of biodiversity is as catastrophic as climate change.

(10) IPBES, (2019), The Global Assessment Report on Biodiversity and Ecosystem Services.

(11) GreenBiz (2020).

4. Planet
Environmental care and management

| The FCC Group addresses all dimensions of environmental sustainability and takes steps to reduce its impacts



4.1 Environmental management

| Responsibility towards the environment is a key issue for all the FCC Group's business lines

Due to the characteristics of its activity, the FCC Group has had, since its origins, an important influence on the configuration of cities, especially in urban management. It therefore strives to continue to provide solutions to promote the resilience of cities and the improvement of the quality of life of their inhabitants.



The activity of **Environmental Services** focuses on urban waste management and the provision of municipal services, which enables the company to improve life in cities, creating cleaner environments and spaces in better condition.

Aqualia, for its part, focuses on integral water cycle management, supplying populations and ensuring quality consumption, with the aim of improving people's well-being, preserving water resources and improving management efficiency.

FCC Construcción contributes to urban development by consolidating its position as a benchmark in the construction of transport and building infrastructures, towards increasingly sustainable development.

Cementos Portland Valderrivas, in turn, uses advanced technology to comply with environmental regulations, focusing on optimising resources and minimising waste.

However, aware of the particularities of its businesses, the Group identifies the possible current and foreseeable impacts that its activities may generate in cities. In this way, it assesses the environmental performance of each of its main areas of activity and applies the necessary practices and techniques to minimise their most significant effects.



Cross-cutting impacts

- Resource consumption (materials, fuels, energy and water).
- GHG emissions into the atmosphere and other pollutants.
- Hazardous and non-hazardous waste generation from production, maintenance or service works.

FCC Servicios Medio Ambiente

- Consumption of chemical cleaning products.
- Noise.
- Discharges and leachates.
- Emissions of combustion gases, fermentation, suspended particles and odours.

Aqualia

- Consumption of reagents.

FCC Construcción

- Impact on the territory due to displacements or falls of granular material during its transport.
- Emissions of dust particles.
- Discharges.
- Noise and vibrations.

Cementos Portland Valderrivas

- Extraction of natural resources.
- Discharges.

4.1.1. The Group's environmental commitments

| *Management, control and prevention*

In order to ensure compliance with environmentally responsible practices, as well as to comply with current environmental regulations, the FCC Group has had an Environmental Policy approved by its Board of Directors since 2009.

This policy must be applied to all business lines and is the cornerstone of the Group's Environmental Management System. It establishes the principles of environmental conservation, as well as the correct use of natural resources.

Environmental Policy

| Transversal commitments

- Control and monitoring of significant environmental impacts.
- Pollution prevention, climate change adaptation and mitigation.
- Observation of the environment and innovation.
- Consideration of the life cycle of its products and services.
- Commitment to continuous improvement.

In addition, each business line has developed these general principles of the Group's Environmental Policy into its own environmental policies, which are more in line with the singularities of its activities and with a view to maintaining specific environmental management systems.



FCC Servicios Medio Ambiente

Some of the companies that make up the Environmental Services area include in their Environmental Policy principles of action to promote safer, more innovative and energy-efficient working environments.

In the UK, the company includes its environmental management in its SHEQ Policy Statement, adding the principle of quality to the principles of environment and safety.

In Central Europe, the company has policies adapted to the characteristics and legislation of each country.

Aqualia

The Water business has an Integrated Policy adapted to the comprehensive management of water as a resource, the management of quality control laboratories, and the design and construction of treatment plants and water works concessions, among others.

FCC Construcción

The Construction business has an Environmental Policy which emphasises the analysis of environmental incidents, preventive actions and the reduction of significant impacts of the works or the organisation's fixed centres.

Cementos Portland Valderrivas

With regard to Cement, its Environmental Policy reflects commitments such as the reduction of water discharges, the energy recovery of waste and the restoration of adverse impacts caused by its operations.

4.1.2. FCC Group Environmental Management System

More than 80% certified activity

The FCC Group works every year on continuous improvement, in line with its Environmental Policy, which allows the company to work on the certification of its environmental management systems, always with the highest international quality standards, in accordance with the reference regulations in environmental matters.

In fact, as can be seen below, all the businesses that make up the FCC Group have environmental management systems certified in accordance with the ISO 14001 standard. The following table also shows the different types of environmental certifications held by the Group's businesses, according to the particularities of their activities.

From a global point of view, 83.09% of the Group's activity is certified in accordance with different environmental quality standards.

FCC Servicios Medio Ambiente

- ISO 14001:2015
- ISO 50001:2018
- EMAS
- Certificate of Conformity to Regulation (EU) No. 1179/2012 for its glass recycling centres
- Accreditation as Soil and Waste and Groundwater Inspection Body according to ISO 17020:2012
- PAS100

FCC Construcción

- ISO 14001:2015
- ISO 14064-1:2012
- Zero waste certification

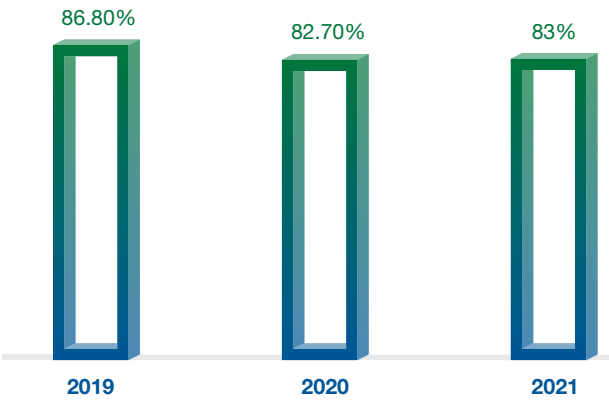
Aqualia

- ISO 14001:2015
- ISO 50001:2018
- Certificate of Business Contribution to the SDGs
- A-LAB accreditation

Cementos Portland Valderrivas

- ISO 14001:2015
- EMAS

FCC ACTIVITY WITH ENVIRONMENTAL CERTIFICATION (%)

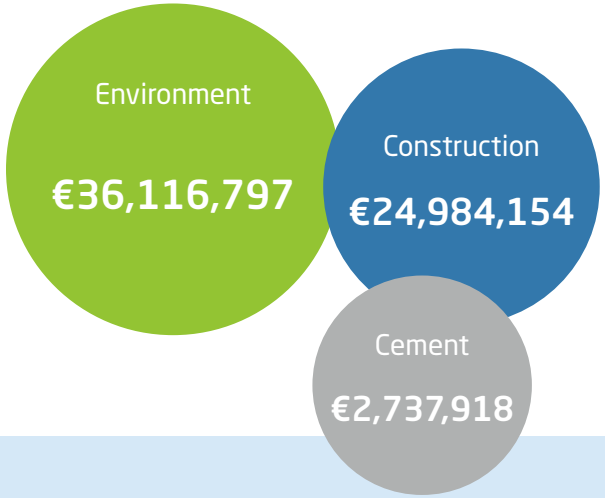


Responsibility and commitment to environmental risk prevention

The FCC Group, after identifying environmental risks and impacts on the environment or on health, implements measures for their correction and prevention in accordance with the precautionary principle. Specifically, and with regard to climate change risks, these are included in the Group's Global Risk Management System (for more information, see section *Fight against climate change*).

Thus, for the prevention and mitigation of environmental risks, the company applies measures at various independent management levels and on a business-by-business basis.

Almost **64 million euros** dedicated to the **prevention of environmental risks**





PREVENTING ENVIRONMENTAL RISKS IN THE FCC GROUP

FCC Medio Ambiente has environmental monitoring plans at each of its centres, based on the corresponding Environmental Impact Study.

With regard to **FCC Environment CEE**, in Slovakia, for example, a system has been set up for the identification and assessment of risks and the creation of preventive and corrective measures. This system covers risks to health and safety, the environment and the quality of the service or product.

Aqualia has Environmental Risk Cards adjusted to the particular circumstances of each project and which serve to establish preventive measures for the risks detected.

FCC Construcción has its Sistema de Buenas Prácticas Ambientales® [Good Environmental Practices System]. This is a proprietary model that makes it possible to establish preventive measures adapted to each project, depending on the risk of occurrence.

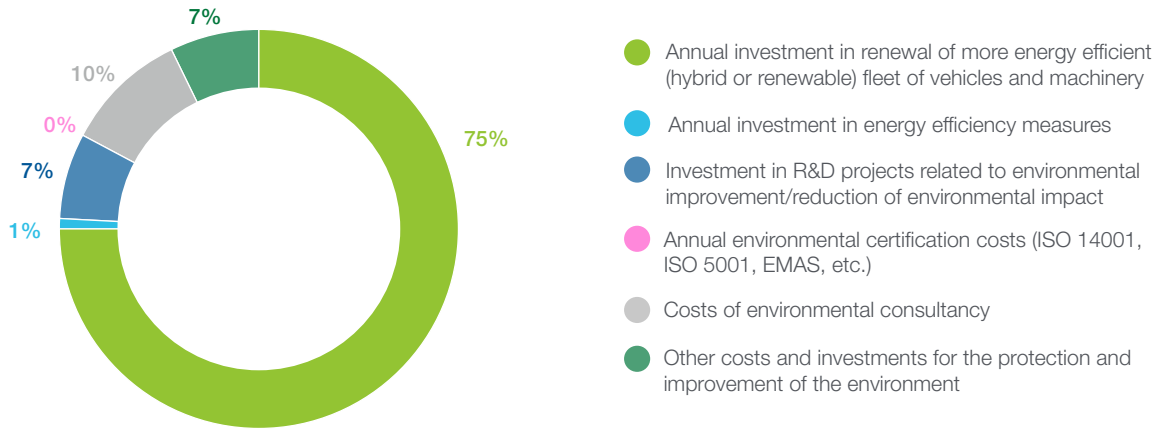
Cementos Portland Valderrivas establishes measures adapted to its activity to prevent its influence on the environment. These include: the installation of particle filters in kilns and mills, water filtering systems and adequate waste storage, among others. In addition, in 2021 it carried out an environmental risk analysis in all its cement factories and quarries in Spain.



The establishment of measures to detect and mitigate the environmental impact entails, on an annual basis, significant investments by the FCC Group companies. Therefore, in 2021, nearly 64 million euros have been dedicated to the prevention of environmental risks. This total amount includes 48 million euros invested in the renewal of the fleet of vehicles and more efficient machinery, 6.4 million euros allocated to environmental consultancy, 4.5 million euros in R&D projects related to environmental improvement and more than 280 thousand euros in environmental certifications. In other expenditure and investments for the protection and improvement of the environment, 4 million euros have been invested.

The increase in the amount allocated to the prevention of environmental risks with respect to 2020 is motivated by the significant increase in the fleet of vehicles and more efficient machinery by FCC Environment UK. This significant increase is due to the greater investment made by this business with the aim of reducing the use of fossil fuels and moving towards carbon neutrality. The breakdown of monetary resources by type is as follows:

RESOURCES DEDICATED TO THE PREVENTION OF ENVIRONMENTAL RISKS (€)



Sustainability in civil works: SAMCEW© methodology

In view of the lack of evaluation methodologies for civil works in building, FCC Construcción has developed an internal methodology for evaluating the sustainability of civil works: *Sustainability Assessment Method for Civil Engineering Works* – SAMCEW©. Based on internationally recognised methods and business line expertise, SAMCEW© is a self-assessment and rating system that considers and balances the three major dimensions of sustainability: society, environment and economy.

Thanks to this, FCC Construcción has an internal management programme for planning construction work and identifying possible improvements. It is thus able to measure the impact of its buildings in terms of sustainability. In turn, it enables designers and managers to share advances in sustainable practices and promote interest in sustainability to clients, planners and other stakeholders.

Integrated methodology in civil works projects:

- Industrial process infrastructures
- Dams and river works
- Linear infrastructures
- Maritime works
- Other civil works: earthworks, landfills, football stadiums, urban development, paving, etc.

Applicable to all stages of the project life cycle:

- Product stage: from extraction of the material to the factory.
- Construction stage: includes the beginning of construction works and transport of materials (including planning, design and contracting).
- Use stage: includes the period in which the civil works is used or provides a service to the community.
- End of life stage: grouping all successive stages for the end-of-life process.



Provisions and guarantees for environmental risks

The FCC Group and, therefore, its various companies, have a general liability policy which they consider necessary to cover any accident, damage or risk related to accidental pollution coverage up to 10 million euros.

On the other hand, the company has an environmental civil liability policy that covers up to 60 million euros in the event of a claim and accidental pollution. Both policies are applicable worldwide and their scope of action will depend on the limits established with the local policies contracted.

In addition, some of the Group's business lines have additional coverages:

- The **Environmental Services Area** has additional guarantees in accordance with the legislation in force in its geographical area. FCC Environment, for its part and in order to comply with the obligations expressed in Law 26/2007 of 23 October on Environmental Responsibility, carried out in 2021 an analysis of specific environmental risks relating to treatment plants and landfills. As a result of this process, none of the 8 facilities analysed have had to establish financial guarantees.
- The **Cementos Portland Valderrivas Group** has a policy of 15 million euros for possible claims and 30 million euros for accidental contamination.



4.2. Climate footprint

| Responding to the current climate crisis

4.2.1. Fight against climate change

Climate change is the greatest environmental challenge facing society today, with clear social and economic consequences. The sixth report of the IPCC (Intergovernmental Panel on Climate Change), presented in 2021, states that the whole of humanity has now suffered the consequences of the climate crisis, the effects of which include global warming, melting ice, rising sea levels, or the occurrence of extreme weather events.

In this context, climate change risk management should prepare the sector to react to an already existing climate crisis by considering both mitigation and adaptation measures to its consequences. The FCC Group works to integrate climate change management at all operational levels, and considers the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) established by the Financial Stability Board (FSB) regarding climate-related disclosures.

A model of governance involved in climate change

As expressed in the Group's Corporate Social Responsibility Policy, the Board of Directors of FCC is ultimately responsible for sustainability compliance, including climate change management.

In turn, incorporated within the General Secretariat, is the Compliance and Sustainability Department, in charge of supervising the FCC Group's climate results and coordinating the Sustainability Committee. On the other hand, each of the Group's business areas has its own tools to manage issues related to its climate performance, such as its own Sustainability Committees, which are responsible for the development, implementation and compliance with Sustainability policies.

Climate-aligned activity. FCC Group Climate Change Strategy

With the aim of reducing greenhouse gas emissions and adapting to the effects produced by climate change, the FCC Group has its own Climate Change Strategy, the pillars of which are set out below:



CLIMATE CHANGE STRATEGY: STRATEGIC PILLARS

Monitoring

The objective of this pillar is to improve the reporting and scope of greenhouse gas emissions quantification.

Reduction

Setting reduction targets and actions to achieve these targets, as well as the development of products and services with a lower environmental impact.

Adaptation

The FCC Group considers the transition risks associated with the political, legal, technological and market changes necessary to achieve a low-carbon economy, as well as the physical impacts of extreme weather events.

Innovation

The new challenges presented on a global scale will require the Group to be able to adapt to the new environment. In this way, FCC will have to develop innovations that will enable it to reduce its environmental impact and help its customers in the transition to a low-carbon economy.

Communication

Establish transparent and open relations with all interest groups, communicating the objectives set, actions carried out and other initiatives.

As a starting point for its Climate Change Strategy, the FCC Group has considered the impact of climate change-related factors on its activity, especially in each of the following categories:

Products and services

The impact of climate change has meant developing innovative and more sustainable initiatives, enabling the FCC Group to provide more efficient products and services through the application of Circular Economy principles.

Value chain

The risks associated with climate change are driving the FCC Group to broaden the scope of social and environmental criteria in its value chain. Thus, the Group has a Purchasing Manual, as well as a supplier approval procedure.

Research and development

The FCC Group is committed to innovation, designing new products that are more efficient and less dependent on coal, based on continuous improvement and the Circular Economy.

Operations

The FCC Group considers the possible climate impacts on the operations of its different business areas and promotes synergies that enhance profitability and mitigate the consequences of climate change.

Part of the change.
Climate risk management

Climate-related risks and opportunities are an integral part of the FCC Group's Risk Management Model. The company understands this type of exposure as inherent to its activity and therefore a periodic analysis and evaluation is carried out through the established controls, which allows for its prevention and detection.

In addition, the FCC Group voluntarily reports, on an annual basis, information on climate risks and opportunities to the Carbon Disclosure Project (CDP).

The main identified risks related to climate change that affect the FCC Group are as follows:



RISKS RELATED TO CLIMATE CHANGE

Physical risks

Risks arising from the effects of climate change on the FCC Group's activity.

Transition risks

The transition to a low-carbon economy involves a number of risks as a result of changes in technology, policy, market, reputation and regulation that characterise the FCC Group's environment.

- **Extreme Weather Events**
- **Water shortage**
- **New GHG emissions limit values**
- **Regulations for energy recovery from waste**
- **Requirements for the energy certification of energy certification of buildings**

Key results, metrics and targets

For the annual calculation of its carbon footprint, the FCC Group follows the criteria defined in the GHG Protocol. The consolidation of its total emissions, both scope 1 and scope 2, are based on its own methodologies endorsed by the Spanish Climate Change Office, which consider the particularities of each of its four business areas.

The greenhouse gas emissions of the FCC Group are shown below, considering scopes 1 and 2. To calculate them, different methodologies have been used for each sector of the Group's activity, all of which are aligned with the GHG Protocol.

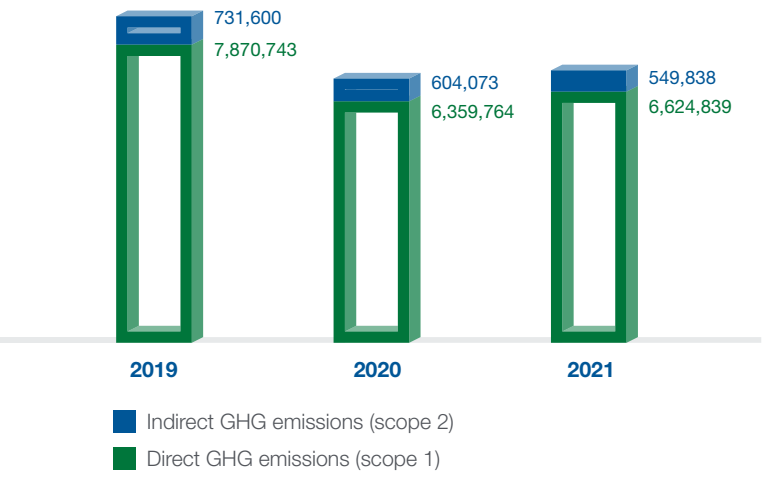
As can be seen in the graph above, there has been a slight increase in direct GHG emissions, mainly as a result of increased activity in the Cement Area.

In parallel to the individual objectives of the Group's different businesses, the company sees a horizon based on two different emission reduction targets, differentiating the Cement Area from the rest of the business areas. This is due to the peculiar characteristics of the cement sector, where most of the emissions are linked to its own activity, with no possibility of reduction other than through lower production.

Starting in 2017 as the base year for both target paths, the FCC Group has detailed the following GHG reduction targets, including scopes 1 and 2.

DIRECT AND INDIRECT GHG EMISSIONS OF THE FCC GROUP

(tCO_2e)



Targets for the FCC Group (excluding Cement Business)		Target for Cementos Portland Valderrivas (kg CO_2/T Clinker)	
2030	-10%	2030	768
2040	-15%	2040	754
2050	-20%	2050	740

Cementos Portland Valderrivas presents its Energy and Climate Neutrality Plan to the Government of Cantabria

The Regional Minister of Industry, Tourism, Innovation, Transport and Trade and the Director General of Industry of the Government of Cantabria have learned first-hand about the challenge faced by the cement industry for the sustainability and decarbonisation of its production processes during their visit to the cement factory in the town of Mataporquera.

At the event, factory management, together with the CEO and other business executives, explained their objectives in line with the European Green Pact, the National Integrated Energy and Climate Plan 2021-2030 and the Law on Climate Change and Energy Transition through the facility's Energy Transition and Climate Neutrality Plan 2021-2030.

The Plan foresees that by 2030, 80% of the energy supply from fossil fuels will be replaced by alternative fuels, with biomass accounting for 40%. Energy efficiency will be increased by almost 11% and the consumption of renewable energies in the electricity mix will account for 80% thanks to wind power development projects close to the factory facilities. In addition, it is intended to include an observatory of new technologies, which is still in the study phase.

4.2.2. Pollution prevention

The FCC Group is firmly committed to reducing the different sources of pollution in each of its businesses. It is worth highlighting the company's efforts to implement measures in accordance with the **environmental legal requirements** in force in each country in which it operates, such as the emission limits set or the authorisations required for discharges.

Due to the great diversity of business lines that make up the Group's activity, each of them is given the necessary autonomy to develop the measures that contribute most to minimising pollution.

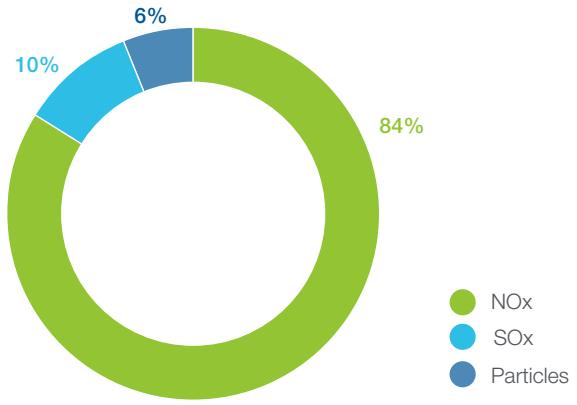
In the case of Cement, emissions of NOx, SOx, VOCs and HF have decreased in 2021 due to an improvement made in the stability of the kilns resulting in a lower amount of emissions. For the Construction business, the total amount of emissions has also decreased due to the fact that during 2021 there have been more works in the design phase, which implies a lower amount of emissions. FCC Medio Ambiente Iberia, for its part, has increased the number of particles emitted due to the fact that in 2021 the particles associated with fuels are being included in the scope.



ATMOSPHERIC EMISSIONS (T)

	Aqualia	Cementos	Construcción	Environment	Total
NOx	86	4,761	269	5,280	**10,395**
SOx	–	699	3	535	**1,237**
Persistent organic pollutants (POPs)	–	–	–	–	**–**
Volatile organic pollutants (VOCs)	–	117	7	132	**256**
Particles (MP)	–	153	346	253	**752**
HCL	–	11	–	44	**55**
HF	–	–	–	3	**3**

EMISSIONS OF NOx, SOx AND PARTICLES (T)





Measures to minimise emissions (mainly NOx, SOx and particulates)

In the **Environmental Services Area**, methods are used to capture and manage biogases with the aim of reducing emissions in landfills, thus avoiding their diffusion into the atmosphere and prioritising their energy recovery.

On the other hand, Energy From Waste (EFW) facilities have specific pollution control systems for stack emissions, which are continuously monitored.

In addition, investments continue to be made in active landfill degassing and in the measurement of biodegradable material sent to landfill.

Visual inspection measures are applied for the control and minimisation of diffuse emissions from the transport of powdery material and HFCs are replaced by less polluting refrigerants for the atmosphere (natural refrigerants, HFQs).

Finally, appropriate treatment is applied to waste electrical and electronic equipment (WEEE) with fluorinated gases to reduce the possibility of leaks, and BOD_5 and nitrogen concentrations in leachates are monitored, as well as actions to reduce CH_4 and N_2O emissions in discharges.

In the **Infrastructures Area**, it has the following actions in factories and works to mitigate the emission of these compounds into the atmosphere through: the installation of cabins to reduce dust and noise in the rest of the areas of the facilities, the promotion of less polluting alternative transport, and the watering of roads.

The main focus of emissions in the **Cement Area** is due to the activity of the clinker kilns in the manufacture of cements. To ensure compliance with emission limits in this activity, bag filters and electrostatic filters are installed to reduce concentrations in channelled sources. In turn, selective non-catalytic reduction techniques are applied by injecting ammonia water to reduce NOx emissions, installing low NOx emission burners and controlling fuel dosage.

In the **Water Area**, the implementation of the Environmental Management System, certified in accordance with ISO 14001, is considered one of the most effective measures for pollution prevention. The business also has "general" environmental risk sheets for the management of environmental risks, which can be adapted by the contracts to their particular circumstances. These sheets contain the preventive measures and the response to be adopted in the event of risk materialisation. Examples of common preventive measures are systems for detecting leaks of chlorine, gas, etc.

International Organization for Standardization ISO 14001



MEASURES TO MINIMISE LIGHT POLLUTION

The FCC Group carries out various initiatives to prevent and mitigate the effects of light pollution on the environment, such as: the installation of movement sensors and the switching off of outdoor lighting; the replacement of lighting fixtures taking into account criteria to minimise the impact on the environment; the use of timers and presence detectors in outdoor lighting areas; and the installation of more efficient night-time lighting systems and directional lighting systems on works.



MEASURES TO PREVENT NOISE POLLUTION

Aware of the inconvenience, risks and damage to people or the environment that can be caused by **noise or vibrations** that alter the normal conditions of an environment, the FCC Group applies measures to prevent them from occurring.

The most important preventive measures are the acoustic insulation of machinery, such as the installation of panels, acoustic screens and mobile screens, silencers, or the replacement of existing equipment with soundproofed equipment, and the application of inspection point programmes (IPPs). In addition, continuous noise monitoring and noise pollution studies are carried out when necessary, and priority is given to the use of electrical equipment in order to reduce the nuisance to the population, especially at night or in Special Noise Protection Zones (ZPAE).

To reinforce the aforementioned actions, workers are trained in driving habits and ways of acting to control inappropriate noise manifestations.





MEASURES TO MINIMISE SPILLS AND SPILLAGES

In order to minimise the possible negative effects of its activities on ecosystems, the FCC Group strictly controls the quality of the water discharged and applies a series of preventive measures before **spills or spillages** occur, as well as corrective measures when necessary.

Therefore, in addition to discharge authorisations, which sometimes require more restrictive water quality requirements than those specified in the legislation, water quality analyses are carried out by external accredited laboratories. The following are more specific measures according to the type of activity in each area:

In the **Environment Area**, an inventory of the flow of wastewater is carried out, as well as water analysis and measurements in accordance with the regulations.

Facilities at risk of oil or fuel spills have oil and/or water interceptors.

At landfills discharging leachate, specific treatment plants are in place to meet the requirements of any permit and a two-stage reverse osmosis system is economical and efficient for leachate treatment.

For its part, the **Construction Area** has a System of Good Practices which details actions aimed at improving the quality of its discharges. As a preventive measure, the wastewater generated is analysed to decide whether or not the effluents should be treated before discharge, and as corrective actions, water treatment by filtering, decanting and pH neutralisation is applied.

In the **Cement Area**, in addition to the proper storage of waste to prevent spills and regulatory compliance with the deposit of fuels and other hazardous substances, water filtering systems are installed in the quarry and factory to guarantee the quality of discharges into the environment.

In the **Water Area**, the control of discharges is part of the activity itself, specifically to comply with legal and contractual requirements, and to establish improvements in discharge parameters. This control is established through the operation and maintenance of the facilities, as well as the analytical control of the process and discharges, with our own and external laboratories. For possible emergencies related to accidental spills and/or discharges, there are emergency plans that establish preventive and response actions. Examples of common preventive measures are: storage of chemical products and hazardous waste covered and identified, with buckets and absorbents for spill collection.

WATER DISCHARGES BY DESTINATION (m^3)

	2020	2021
Surface water	1,954,567	1,144,552
Groundwater	75,832	9,080
Sea water	62,170	45,865
Third-party water (total): municipal network and treatment plants	1,481,451	2,961,879
Third-party water transferred for use by other organisations (if applicable)	–	362
Total	**3,574,020**	**4,161,737**

The significant increase in water discharges by destination is caused by FCC Medio Ambiente Iberia, due to improved measurement systems compared to 2020.



4.2.3. Energy consumption and energy efficiency

Measures to improve energy efficiency

Aware of the climate footprint generated by its activities, FCC is developing specific measures to improve its energy efficiency and replace the use of fossil fuels with renewable energy sources. Reducing energy consumption reduces the need for resources and, consequently, helps to mitigate the impact of business activity on the environment.

The FCC Group has implemented a series of measures to increase energy efficiency at its facilities. FCC's businesses carry out a series of common actions in all areas such as: the replacement of lighting fixtures with LED and energy-saving technology; the installation of presence detectors; the replacement of obsolete equipment with new, energy-efficient equipment; or the purchase and development of more energy-efficient machinery.

In addition, several business areas are ISO 50001 Energy Efficiency and Saving certified, which allows for continuous improvement of energy performance and identification of additional opportunities to reduce energy use.

Specifically, the **Environmental Services Area** has applied, in the public lighting management contracts, the installation of software to monitor the energy consumption of each switchboard or group of switchboards.

Additionally, new BAT (Best Available Techniques) have been implemented to reduce emissions in waste incineration at the new WTE (Waste To Energy) plants in the Czech Republic.

The **Water Area** has been working on improving metering, calculating the energy efficiency of pumps and optimising processes, installations and production equipment. It should be noted that, as a general guideline, the aim is to constantly improve energy monitoring through billing management and control.

Finally, the **Construction Area** seeks energy efficiency from the design phase of its projects, seeking to apply good practices that reduce energy consumption and the use of cleaner resources, reducing carbon emissions, both in the construction and operation phases of infrastructures.

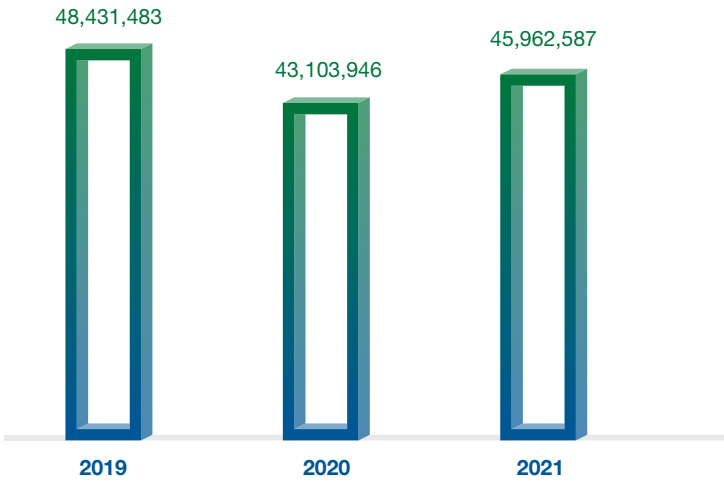
For its part, the **Cement Area** is committed to continuous improvement, optimising the efficient control of its processes, and has installed expert systems for the management of kilns and mills.

The FCC Group's energy consumption over the last three years is shown below, reflecting the company's efforts in this area:

ENERGY CONSUMPTION OF THE ORGANISATION (GJ)

Direct energy consumption	2020	2021
Direct consumption from non-renewable sources	25,421,421	26,810,299
Direct consumption from renewable sources	11,494,555	12,626,607
Total	**36,915,975**	**39,436,906**
Electricity consumption		
Electricity consumption from non-renewable sources	6,075,789	6,123,109
Electricity consumption from renewable sources	112,181	402,572
Total	**6,187,970**	**6,525,681**
Total energy consumption		
From non-renewable sources	31,497,210	32,933,408
From renewable sources	11,606,736	13,029,179
Total	**43,103,946**	**45,962,587**

DIRECT AND INDIRECT ENERGY CONSUMPTION (GJ)



Renewable energies

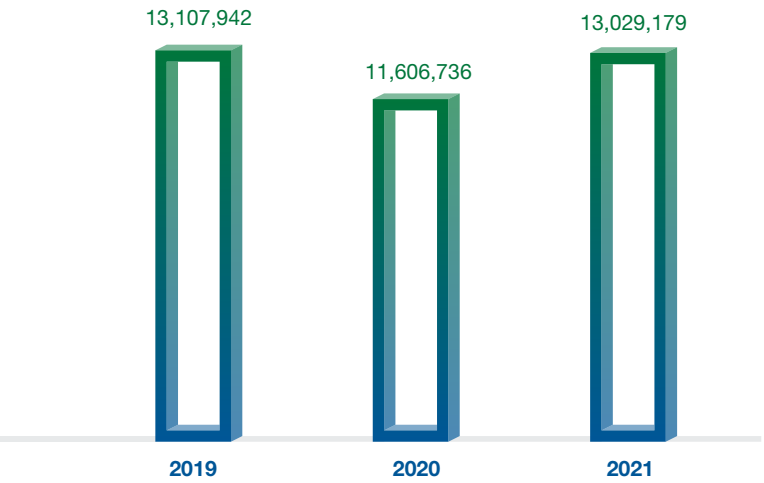
The FCC Group is developing various measures and projects to progressively increase the energy recovery of waste, thereby increasing its use of renewable energies.

In addition, during 2021, photovoltaic panels were installed on the roofs of warehouses, both for self-consumption and for sale.

The consumption of energy from renewable sources for the last three years is shown below.

The FCC Group's 2021 renewable energy consumption has increased compared to 2020 consumption, due to the installation of photovoltaic panels for self-produced energy consumption.

CONSUMPTION OF ENERGY FROM RENEWABLE SOURCES (GJ)





ENERGY SELF-CONSUMPTION AT THE CORPORATE HEADQUARTERS IN LAS TABLAS

A photovoltaic self-consumption system has been installed at the Las Tablas headquarters as an initiative in line with the corporate objectives of saving and efficient use of energy resources. This initiative aims to reduce the carbon footprint and increase energy efficiency at this work centre.

In full operation since September, it is a horizontal installation on the roof of the building with a maximum power of 38 kWp. It is estimated that its installation will produce 438,000 kWh per year.

In this way, the headquarters is adapted to the new regulations that promote the use of photovoltaic energy in companies in order to divide the cost into different time slots, with the hours of highest solar incidence coinciding with the highest price brackets.



4.3. Circular solutions

| Turning Waste into Resources

4.3.1. Growth towards a Circular Economy

The growing scarcity of resources and the need to preserve existing resources means that companies are increasingly prioritising investment in projects and technologies aimed at reusing and recovering surplus and waste generated both by themselves and by the society in which they operate.

The FCC Group has proactively promoted the integration of the principles of the circular economy in the management models of its business areas as a way towards the sustainable development of the company.

In this regard, the Environmental Services Area plays an exceptional role in all the countries in which it operates. Implicit in the development of its activity is the idea of looking beyond, viewing waste as valuable resources that can be reintroduced into the value chain, using the principles of the circular economy as a way to reduce its environmental impact.

The **Environment Area** contributes to the transition towards a true **circular economy** in the **wind energy** sector, participating in the implementation of **wind turbine blade recycling technologies**, and increasing the recyclability from 85-90% to **100%**

Similarly, the other areas of the FCC Group are working continuously to integrate the circular economy into business management. For their part, the Citizen Services, Construction and Aqualia Areas, with their adherence to the Circular Economy Pact, demonstrate their commitment to the transition to a new, more sustainable and environmentally friendly economic model.

On the other hand, the FCC Group adapts the appropriate measures to its specific activity, applying the waste hierarchy and always respecting the applicable legal requirements.

The main initiatives developed by the different areas of the Group in the field of circular economy are set out below:

All areas of the FCC Group are working continuously **to integrate the circular economy** into business management



INITIATIVES

Environment

- Reduction of the volume of waste disposed of in landfills, transforming it into resources.
- Development of infrastructures designed to obtain optimum waste quality and to transform it into new products.
- Safe disposal of waste that cannot be treated.
- Production of certified secondary fuels from selected waste.

Water

- Obtaining added-value products during water treatment processes.
- Implementing value chain agreements for product re-use.
- Use of alternative resources to water.
- Energy generation through urban water cycle management.

Construction

- Commitment to innovation to promote new sustainable and reusable materials.
- Reuse of inert materials, effluents and process wastewater.
- Use of recoverable elements and the use of recycled materials.
- Use of returnable packaging at the supplier.

Cement

- Energy recovery and material recovery of waste, avoiding its deposit in landfills, replacing the use of fossil fuels with alternative sources, such as biomass.
- Use of secondary raw materials at different stages of the production process.

The Environmental Services Area and its contribution to the Circular Economy

Within the FCC Group, the role of the Environmental Services Area in promoting the transition towards a Circular Economy model is particularly noteworthy, with hundreds of facilities for waste management, its subsequent treatment and safe disposal. In addition, this area has implemented data collection systems to evaluate and monitor its management at all times.

The Environmental Services Area, in addition to the implementation of processes of energy recovery, composting, recycling and biomethanisation, seeks to optimise the quantity and quality of the remaining waste for its subsequent reuse, recycling or energy revalorisation, trying at all times to improve waste disposal rates.

Through the use of various waste collection methods such as mechanical processes, robotic equipment and specialised waste separation and segregation plants, the Environmental Services Area has a total volume of 9,060,133 tonnes collected annually, in addition to the 18,698,147 tonnes accepted.

This area also participates in a complete portfolio of projects with the aim of promoting the Circular Economy, among which the following lines of research stand out:

- **Biomethane:** through its participation in different LIFE programmes of the European Union, it is committed to transforming waste treatment centres into centres producing fuel (biomethane) for use in all types of vehicles.
- **Circular economy for plastics:** its main purpose is to prevent the landfilling of plastics in municipal waste, thereby reducing their treatment through energy recovery and promoting their recycling through the development of innovative processes.
- **Optimisation of composting:** by means of bioconversion with insects, the aim is to generate innovative products for the valorisation of urban by-products and bio-waste.
- **Creation of new sub products and biomaterials:** this line investigates the recovery of organic waste and its transformation into new products, as well as other forms of utilisation, such as biomaterials.
- **Innovation in industrial waste:** through a set of projects dedicated to the reduction and substitution of the use of fluorinated gases, the revalorisation of waste through its incorporation into materials, as well as the isolation of polluting waste.

Waste management (T)	2020	2021
Municipal waste	6,058,676	6,300,021
Hazardous industrial waste	453,365	334,845
Non-hazardous industrial waste	2,470,360	2,418,049
Other waste (hazardous and non-hazardous)	5,529	7,218
TOTAL	**8,987,930**	**9,060,133**

Waste accepted at FCC centres (T)	2020	2021
Municipal waste	7,123,021	6,531,097
Hazardous industrial waste	667,166	935,499
Non-hazardous industrial waste	9,699,244	11,231,551
TOTAL	**17,489,432**	**18,698,147**

Hazardous Waste Treatment (T)	2020	2021
Valuation	278,641	247,265
Stabilisation/Landfill	510,275	300,469
Transferred to an end manager/ other destinations	37,368	103,273
Other destinations	20,923	71,312
TOTAL	**847,206**	**722,319**

Treatment of non-hazardous waste (T)	2020	2021
Valuation	3,729,815	3,510,515
Controlled Landfill Disposal/ Stabilisation	9,895,784	9,732,697
Transferred to an end manager	2,644,518	2,585,101
Other destinations	42,971	73,624
TOTAL	**16,313,089**	**15,901,937**

4.3.2. Reduction of waste generated

The FCC Group is aware that the normal development of its operations involves the generation of waste, and therefore establishes at all times measures to reduce its environmental impact. The Group is committed to promoting activities for the use and subsequent reintroduction of waste into the value chain, in line with the principles of the Circular Economy.

Given the particularities of each of the Group's business areas, the type of waste generated and the measures adopted to minimise its generation differ, as follows:

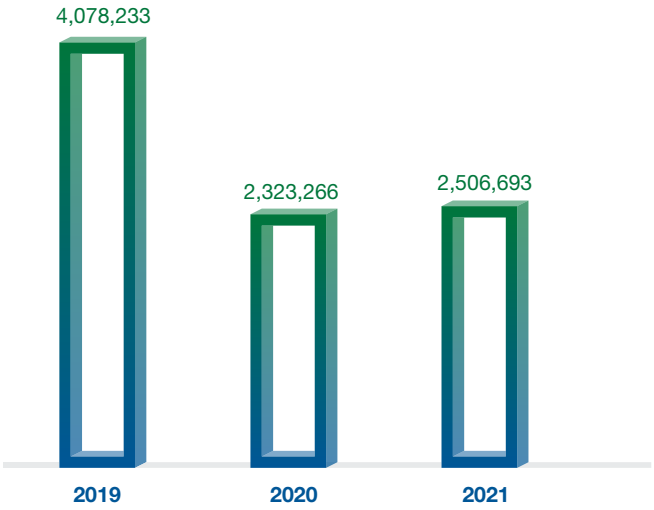


	WASTE GENERATION	MEASURES IMPLEMENTED
Environmental Services	The waste generated is mainly related to the maintenance of the vehicle fleet.	• Waste segregation measures. • Establishment of waste minimisation plans. • Preferable acquisition of vehicles built with easily recoverable elements.
Water	The main waste generated is sludge, extracted as a result of the filtering process.	• Monitoring of waste water characteristics and flows. • Measures for the valorisation of sludge, mainly for agricultural use or composting.
Cement	The waste generated is due to facility maintenance, cleaning, laboratory, works execution and other auxiliary activities. In addition, part of the final product is sold packaged, generating waste for the user.	• Measures for waste segregation. • Awareness-raising campaigns for staff. • Waste valorisation, using it in the cement production activity.
Construction	Construction activity involves the generation of waste and effluents from the handling of materials as well as demolition operations.	• Segregation of the waste generated. • Promotion of responsible consumption of materials. • Request for materials with returnable packaging from the supplier. • Management of surplus excavation and recovery of rubble.

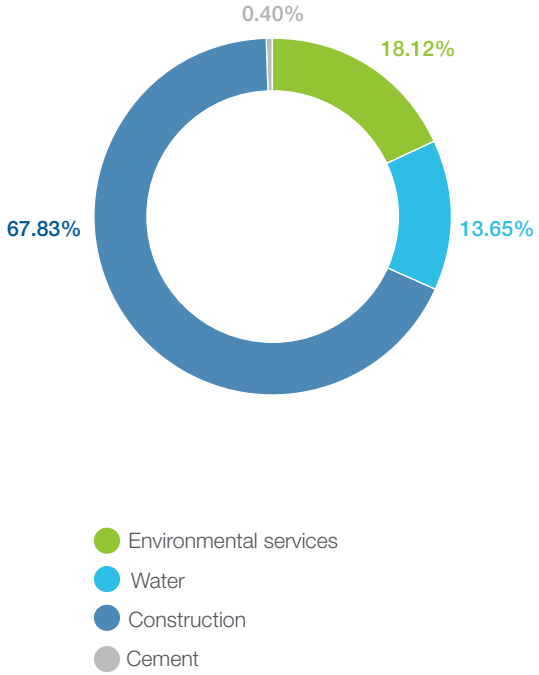
The evolution of the total waste generated, as well as its distribution by FCC Group business lines, with respect to 2020, is shown below. The increase in waste generated in 2021 is mainly due to the progressive reactivation of projects paralysed during the Covid-19 situation in the Construction Area, which are resumed in project phases with higher waste generation.

The increase in hazardous waste compared to the amount in 2020 is mostly due to the increase reported by the Construction business line, as the works have involved the management of contaminated earth and rocks.

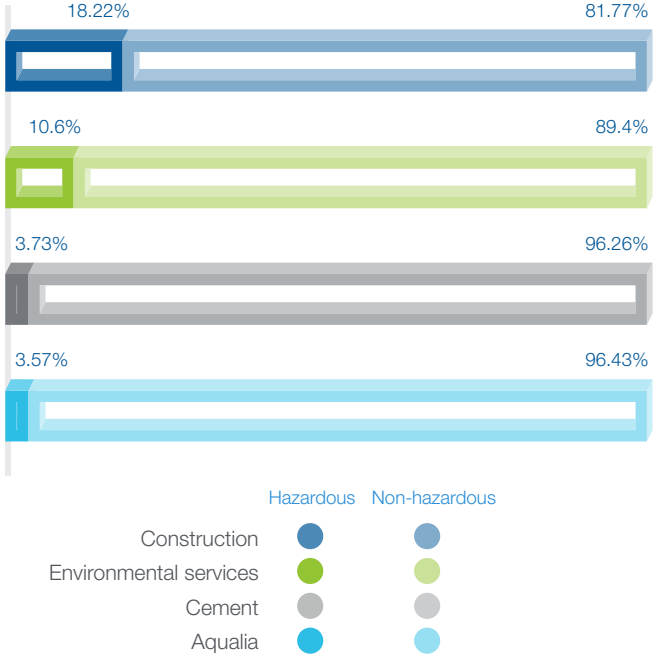
EVOLUTION OF TOTAL WASTE GENERATED (T)



DISTRIBUTION OF TOTAL WASTE GENERATED (%)



RATIO OF HAZARDOUS AND NON-HAZARDOUS WASTE GENERATED (%)



4.3.3. Water as a resource

Changes in weather patterns, together with the progressive increase in global temperature, increase the risk of drought and the likelihood of water stress in more and more places. In this context, the need to adapt to a decreasing use of this resource becomes even more important.

The FCC Group, aware that the normal development of its activities depends on the availability of water, is increasingly strengthening its commitment to this resource. The Group has implemented various measures for rational and efficient water consumption, guaranteeing at all times compliance with the territorial limits for urban water consumption.

The evolution of the FCC Group's water abstraction is set out below:

The volume of water abstraction recorded in 2021 is practically unchanged. As can be seen in the following figure, and according to the volume of water abstraction by business line, 68% of water consumption corresponds to FCC Construcción.

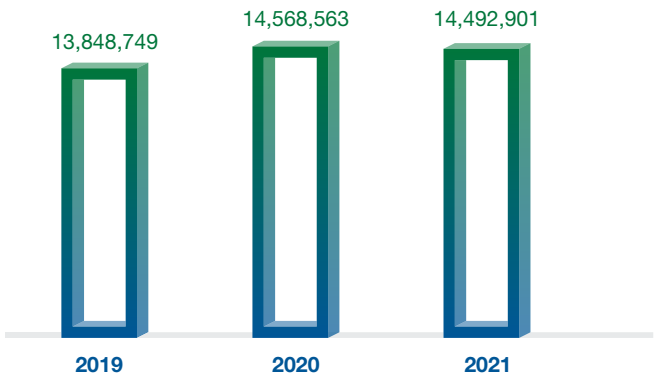
As can be seen in the table, the water abstraction data of the Aqualia business is not being considered, as it is a residual consumption compared to the rest of the Group's business lines.

The Construction business has reported a higher amount of municipal water supply or water from other water companies due to increased activity in Latin America and Spain in 2021 compared to 2020 due to the pandemic situation.

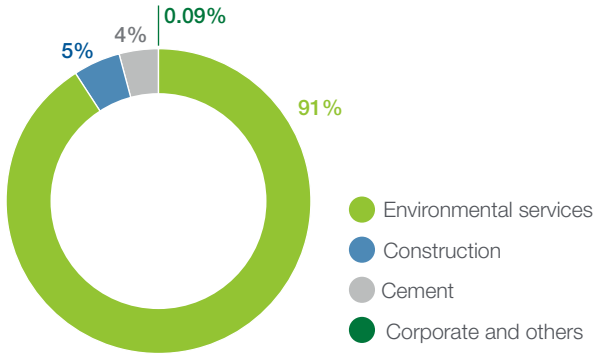
The following graph shows the distribution of water consumption by the Group's different business areas. As can be seen, water abstraction is particularly significant for the Environmental Services Area, as it is associated with the provision of services, such as garden cleaning and maintenance activities, or street sweeping as part of street cleaning.

The higher percentage of extraction by FCC Construcción is mainly due to the reactivation of projects in Latin America and Spain, which were paralysed by the pandemic, thus reporting higher water consumption.

WATER EXTRACTION (m^3)



DISTRIBUTION OF WATER CONSUMPTION (%)





Water management at Aqualia

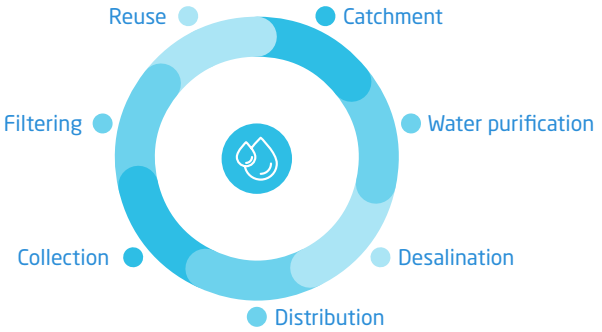
Aqualia is, within the FCC Group, the business area specialising in integral water cycle management. This business is responsible for guaranteeing the optimisation of public and private water resources, thus promoting the sustainable development of communities.

By managing the phases that make up the integral water cycle, Aqualia controls the process exhaustively, comprising the following phases:

- **Catchment:** Aqualia captures water from different points such as springs, seawater, salinized wells, among others.
- **Water purification:** in order to provide an optimal guarantee for drinking water, various technologies are implemented in drinking water treatment plants depending on its origin and quality.
- **Desalination:** maximising the use of water resources and addressing water scarcity, its facilities offer comprehensive water desalination solutions to industry and municipalities.
- **Distribution:** through extensive arteries connected to the municipalities' headwater reservoirs to the buildings, the company provides drinking water to the entire population.
- **Collection:** used water discharges from buildings and runoff water generated by rainfall reach the filtering facilities, through the sewerage network managed by Aqualia, to be reused or discharged into the natural environment once they have been treated.
- **Filtering:** thanks to its experience in the design, construction and management of wastewater treatment plants, Aqualia is able to filter the polluted wastewater produced by citizens.
- **Reuse:** once the water has been filtered, improving its physical and sanitary characteristics, it is destined for reuse in the irrigation of parks, cleaning or recovery of ecological flows.

The main figures related to Aqualia's integrated water management and their comparison with 2020 are shown below:

Natural capital: input (m^3)	2020	2021
Volume of water	908,281,618	995,313,590
Drinking water produced	643,416,868	769,080,428
Filtered water	665,830,462	656,867,498
Raw water purchased	201,161,827	208,151,866
Total water consumed in water purification and desalination processes	174,980,591	178,795,022
Quantity of water distributed	666,335,239	643,732,387
Reuse of WWTP outflow water (m^3)		
Total quantity of water treated at WWTPs	682,243,654	723,762,128
Amount of water reused	56,400,000	45,937,030
Total % reused	8.5%	6.9%





Pioneer in the use of new technologies

In October 2021 Aqualia began working on the creation of the new Vigo Water Treatment Plant. This project presents an unquestionable challenge, as the construction will be simultaneous with the treatment and daily distribution of water to a total of five municipalities with a population of 500,000 citizens.

However, Aqualia has taken up the challenge, reinventing both the way it operates and the technologies it uses. Thus, this station will be able to exceed the requirements established in the new European Directive, using ultrafiltration membranes to improve water quality.

4.3.4. Raw materials in the production process

Part of the activities carried out by the FCC Group's business areas inevitably involve the use of raw materials and, therefore, the optimisation of their consumption and their responsible use is encouraged. The main measures implemented in the Group to limit the consumption of raw materials, thereby reducing their environmental impact, are as follows.

The FCC Group's priority is to guarantee the reinforcement of sustainable consumption policies and models, with the aim of promoting the waste valorisation of materials obtained from waste or by-products, as a substitute for raw materials.

By pursuing a production model based on the use of alternative raw materials such as: paper mill carbonates, industrial sludge, concrete waste, recycled fuel, recovered hydrocarbon or fly ash, all the businesses that make up the FCC Group manage to save on the consumption of non-renewable natural resources, reducing the negative impacts that these practices entail.

Among the main measures established for the optimisation of the use of materials are the following:



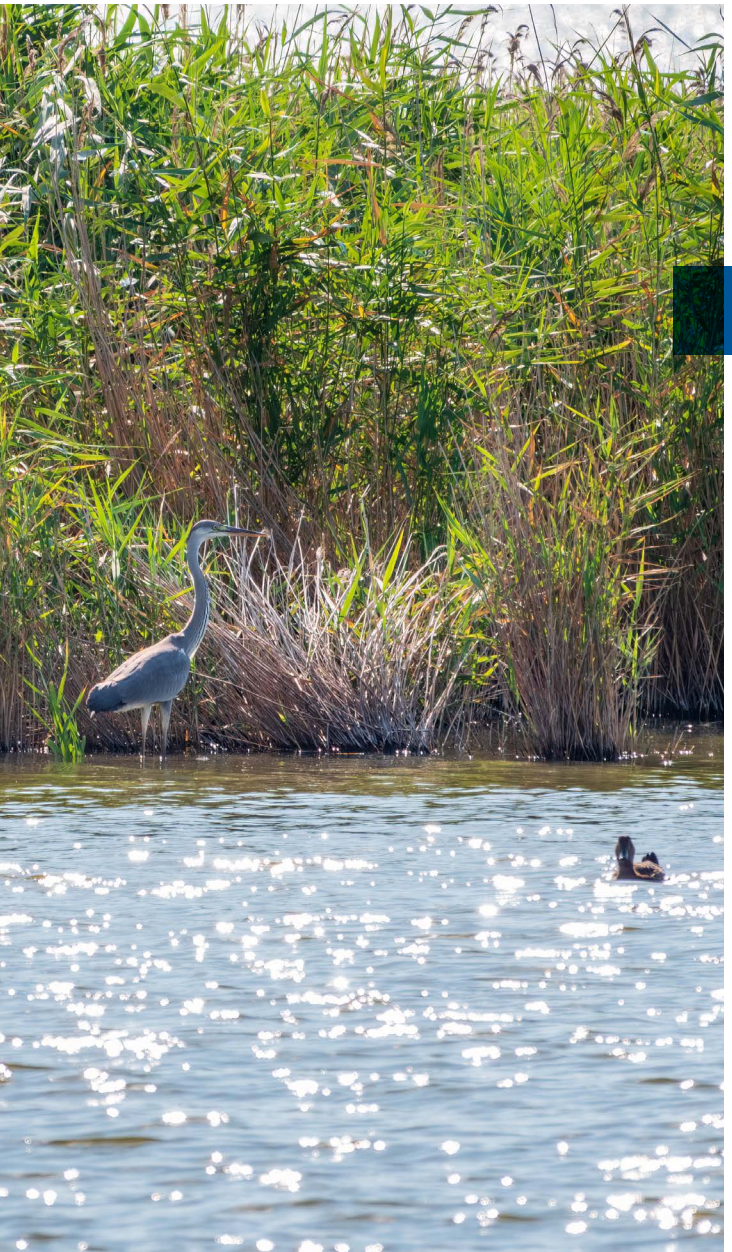
MAIN MEASURES ESTABLISHED FOR THE OPTIMISATION OF THE USE OF MATERIALS

Environmental services	Use of recycled materials derived from waste in production cycles.
Water	Establishment of analytical control procedures for the processes, guaranteeing a minimum and adequate consumption of materials in accordance with the established regulations.
Cement	Use of alternative raw materials, investments in systems to optimise their activity, as well as process control.
Construction	Reuse of the waste generated on the works, thus reducing the volume of materials used compared to the initial planning.

The consumption of raw materials, process materials, lubricants and reagents, semi-finished products and container and packaging material used by the FCC Group during the 2021 financial year is detailed below:

Materials used (T)	**2020**	**2021**
Raw materials (metals, minerals, wood, etc.)	41,396,446	70,629,672
Process materials, lubricants and reagents	96,849	113,303
Semi-finished products	3,726,276	2,015,821
Container and packaging material (paper, cardboard, plastics)	8,671	9,600
Total	**45,228,241**	**72,768,396**

With regard to the increase in the reported total amount of tonnes of materials used during the year 2021, it should be noted that, in the Construction Area, several large projects are being carried out, which contribute significantly higher amounts of raw materials. In addition, there has been a change in the scope of the information provided by the Construction business, including this year data corresponding to the Riyadh Metro projects and the activity of Áridos de Melo.



4.4. Biodiversity

| Committed to the conservation of natural capital

There is no economic activity that does not ultimately depend on the natural resources offered by our planet. The activity of the FCC Group is no exception, being essential for the development of its activity, the hydrological cycles, the purification of water and air, in addition to the resources obtainable to complete the offer of products and services that characterises the Group.

The FCC Group promotes the development of its activities always bearing in mind the conservation of natural capital, as reflected in its membership of the Iniciativa Española Empresa y Biodiversidad (IEEB) [Spanish Business and Biodiversity Initiative] and its adherence to the Biodiversity Pact. Both actions are promoted by the Fundación Biodiversidad del Ministerio para la Transición Ecológica y el Reto Demográfico [Biodiversity Foundation of the Ministry for Ecological Transition and the Demographic Challenge].

Given the particular characteristics of the activities carried out by the FCC Group's businesses, their impact on biodiversity varies. In this way, each area seeks to create value according to its area of influence. For example:

The **Environmental Service Area** plays a very important role in the revegetation of landfills with autochthonous species, stabilising the masses of deposited waste, while reducing the nuisance associated with odours.

The **Water Area** promotes initiatives for the conservation of ecosystems that may be affected by its activities, by planting trees, creating habitats, or developing wildlife rescue plans.

The **Construction Area** tries to mitigate its impacts on biodiversity, protecting and delimiting areas of natural interest, and trying to preferentially use existing roads before opening new ones, as well as carrying out restoration measures in affected areas.

The **Cement Area** has an impact on biodiversity as a result of the exploitation of natural resources in the quarries supplying raw materials. For this reason, landscape assessments are carried out according to the area exploited in relation to the area restored.

Likewise, different areas of the FCC Group promote agreements with nature protection associations, such as the Chamaeleo project which, through collaboration with the Centro Municipal de Educación Ambiental y Actividades en la Naturaleza Coto de la Isleta (Cadiz) [Municipal Centre for Environmental Education and Nature Activities], aims to recover the population of the common chameleon.

The following tables show the Group's main biodiversity results:

Measures taken to preserve or restore biodiversity	2020	2021
Protection of sensitive areas (ha)	1,142	1,237
Restoration of affected areas (ha)	700	940

Sensitive protected areas and affected zones	Number of facilities	Area (ha)
Location in protected natural sites or sites with high biodiversity value	155	938
Location in an area with a landscape classified as relevant	9	954
Effect on natural watercourse in protected site	2	10
Effect on natural watercourse in areas with high biodiversity value	7	850
Effect on watercourses with very high or relevant value for local communities and indigenous populations	9	857
Effect on listed or protected vegetation	10	1,445
Effect on listed or protected animal species	11	1,355



PROTECTING BIODIVERSITY

Cementos Portland Valderrivas collaborating with the restoration of the El Porcal estate

In the heart of the Southeast Regional Park of Madrid (Rivas Vaciamadrid), is the former mining site owned by Cementos Portland Valderrivas.

With an area of more than 400 hectares distributed between steppes and wetlands of the lower courses of the Manzanares and Jarama rivers, it is classified as a Natura 2000 Network site.

More than 180 species of animals live in this area, most of which are in danger of extinction.

Until 2008, the company sourced aggregates for building and development materials (such as cement, glass and paints) and infrastructure from this site.

However, for years and thanks to the collaboration of the Naumanni Naturalist Association, El Porcal has been an **example of environmental restoration** thanks to a general sustainable development plan based on the reduction of the visual impact of extractive activities and their integration into the landscape, the development of good practices for the natural colonisation of native species of fauna and flora, and the balance between human activities and the environment.





Inequality and social welfare



Greater equality around the world is essential for a secure, peaceful and sustainable future for our planet. The still present COVID-19 has impacted on the following issues:

- Job loss, job insecurity, reduced income and social mobility; issues that have a direct impact on increasing levels of global poverty and inequality[12]. Thus, 150 million people live on less than USD 1.90 a day, which is considered extreme poverty[13].
- Weakening of social cohesion and expressions of social discontent[14].

The FCC Group is fiercely committed to social welfare and the fight against inequality, through the following actions:

- FCC Environment is part of "Empresas por una Sociedad Libre de Violencia de Género" [Companies for a Society Free of Gender Violence], to raise awareness and support the integration of victims into the workplace.
- The FCC Group collaborates with the ONCE Foundation, with the aim of hiring 900 people with disabilities.
- The company also launches annual internal food distribution and blood donation campaigns, among others.

[12] OECD, *The future of work*.

[13] Banco Mundial, (2020), *COVID-19 agregará hasta 150 millones de pobres extremos para 2021*.

[14] UNDP (2021), *COVID-19 eroding social cohesion and triggering rise in civil unrest in crisis-affected countries, alert UNDP, g7+*.

Health and safety



Social challenges

The pandemic has exposed the weakness of our welfare state, among other issues, by aggravating:

- The saturation of public health systems and the lack of social protection systems[15].
- Mental health problems; an issue that has become an unavoidable social and employment priority.
- The increase in temporary contracts and part-time work, which will be a challenge in terms of equal opportunities, security and people's physical and mental health[16].

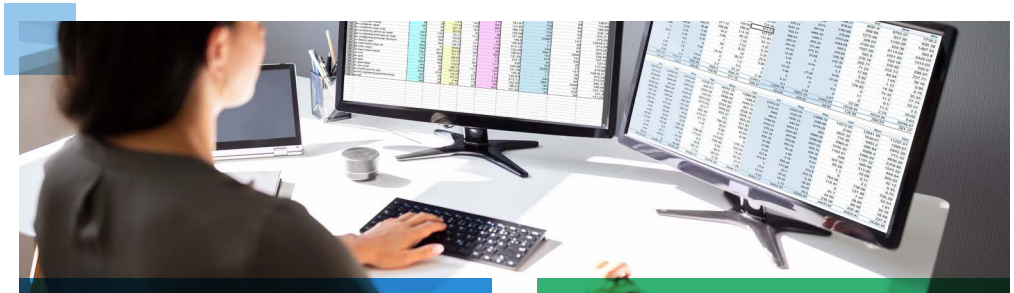
The current recovery context requires businesses to undertake transformations to adapt to the new scenario, with special attention to the health of their workers.

Response from the FCC Group

The FCC Group assumes its responsibility with regard to collective and individual health and safety issues.

- The water management business remains committed to the health and emotional wellbeing of its workers and has a mobile application, BeAqualia, which allows any psychological problems suffered by an employee to be identified in advance.
- All the branches of FCC Medio Ambiente were certified by Aenor in accordance with the new Sistema de Gestión de Organización Saludable (SIGOS) [Healthy Organisation Management System], being the first company in its sector to obtain this recognition.

The Future of Work and Inclusive Labour Integration



Social challenges

The pandemic has accelerated existing trends in remote working, e-commerce and automation. The following facts and figures are worth noting:

- Approximately 14% of jobs in OECD countries are susceptible to automation, while another 32% are at high risk of being partially automated.

Moreover, digitalisation will present a new challenge in terms of gender inequality[17] and low-skilled workers.

Response from the FCC Group

The FCC Group is committed to professional development and diverse talent, with prepared and committed teams.

- FCC Medio Ambiente promotes inclusive work through projects such as FCC EQUAL, a Centro Especial de Empleo (CEE) [Special Employment Centre], where a number of disabled people are already working.
- FCC Construcción promotes digitalisation in the company by organising workshops to share methodologies and trends in this area.
- The FCC Group, through its businesses, has agreements with universities to contribute to the training and employment opportunities of future workers.

[15] EXPH's opinion, (2020), *The organisation of resilient health and social care folowing the covid-19 pandemic*.

[16] Zurich, (2020), *Shaping a brighter world of work – An Employer Outlook*.

[17] The Guardian (2021), *Flexible working: A system set up for women to fail.*



5. Employees
People at the core

During this year, the FCC Group has taken on all the challenges we have experienced during the pandemic, and despite the great impact it has had on the lives of the people who work in the Group, it has continued to persevere in its aim to be the best place to work, promoting the quality of life of the people.

To this end, it has drawn up a global strategy, which is its value proposition in terms of people and which is based on three fundamental pillars: **talent, diversity and equality, and health and wellbeing**. To this end, it is essential to work on data-driven decision-making and to encourage listening to our workers.



- Review of the organisational structure to adapt it to the current context, analysing both the organisational level and the family, mission and functions of each job in the organisation.
- Significant advances in the appropriate treatment of data that allow the optimisation and management of processes, and analysis to facilitate the adoption of the most appropriate decisions in the management of People.
- Signing of equality plans in each of the FCC Group's areas, generating new initiatives to promote gender diversity.
- More committed and accountable leadership for team growth.
- In the context of the health and well-being of our workers, promotion of the project Vive Saludable [Healthy Living] and actions in the management of Covid-19.

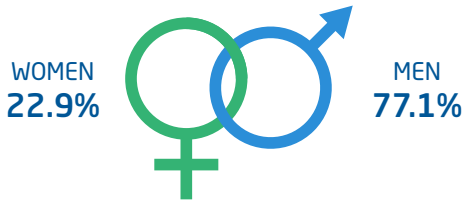
- Implementation of the people management platform (data centre employee), continuing to make progress in data analytics.
- Evolution of the CAMPUS FCC e-learning platform as a global benchmark for continuous and agile learning that meets the more transversal training needs of the FCC Group, focusing on sustainability and digital transformation.
- Continue training women and increase the percentage of women in supervisor positions, making them more visible in the Group.
- Develop the FCC360 App, where all workers can maintain two-way communication with the FCC Group, carry out procedures and receive training.
- Promote the implementation of physical and mental wellbeing plans.

5.1. Recognising talent

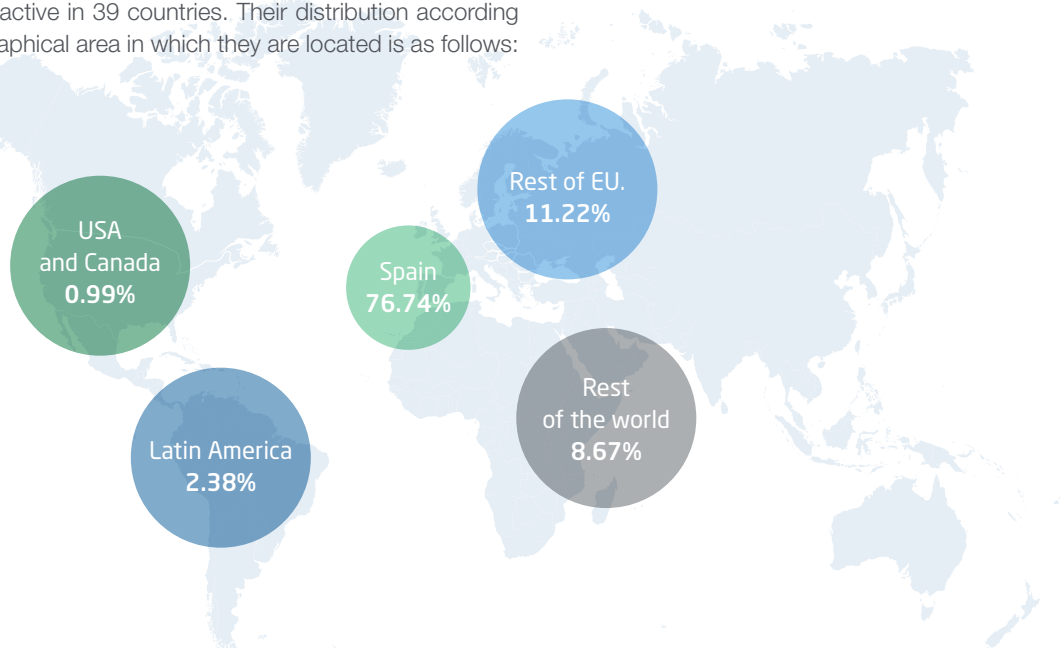
The ambition of the FCC Group is **to bring out talent** at the service of the organisation, through policies aimed at **selecting the right talent**, **promoting their** professional **development** in the Company, **optimising performance** and **managing objective compensation** for the results obtained

5.1.1. Profile of human capital in the FCC Group

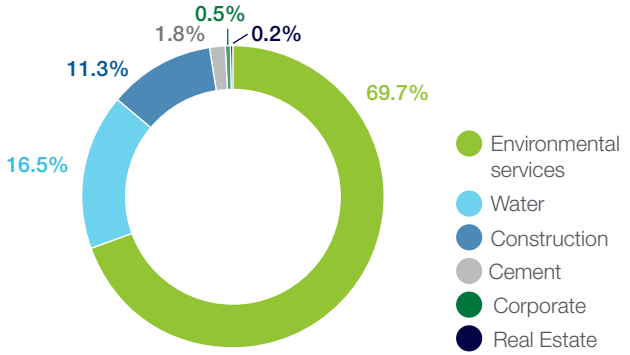
The FCC Group employs 59,547 people, and it should be noted that in 2021 the total number of women has increased compared to the previous year, reaching 22.9%. Their distribution by gender and business areas is as follows:



FCC is also active in 39 countries. Their distribution according to the geographical area in which they are located is as follows:



STAFF BY BUSINESS AREA



5.1.2. Organisational structure

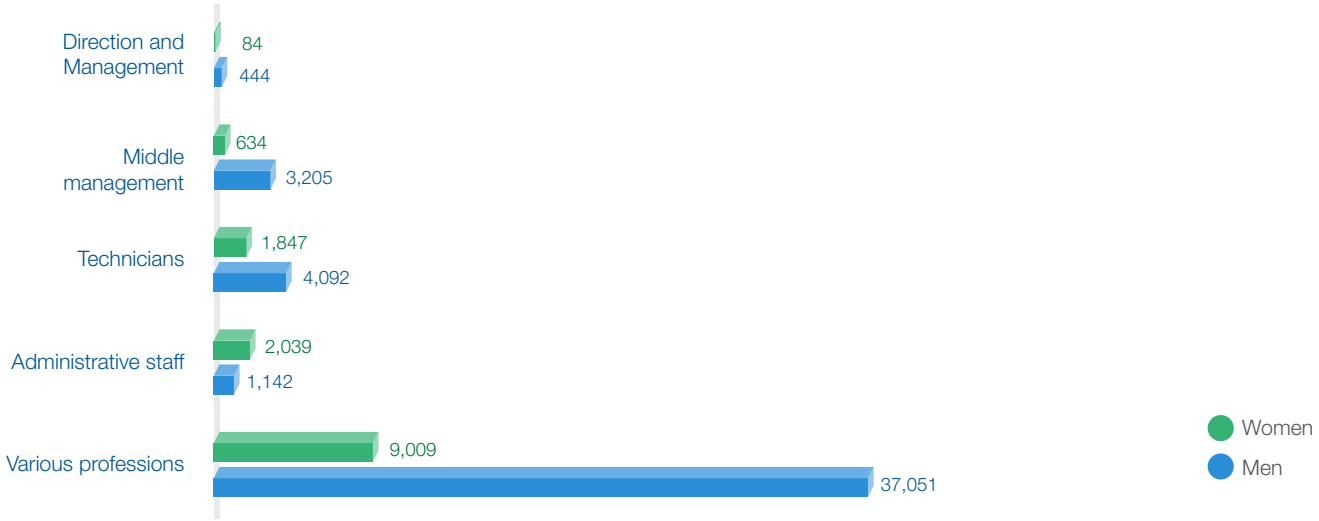
The FCC Group understands that it is essential to have a suitable organisation, coherent and inspired by the strategy of each business area and its operational needs, which allows for a clear and simplified vision of the organisational structure, and which clarifies the distribution of responsibilities among the workers and the profiles required in each case.

The organisation enables people management in areas such as selection, functional mobility, training and job evaluation.

During the 2021 financial year, the FCC Group has completed the process of reviewing its organisational structure to adapt it to the current context, analysing both the organisational level and the family, mission and functions of each job in the organisation.

As a result of the aforementioned review, the distribution by gender and functional level at the end of 2021 is shown below, highlighting that, in general, the number of women has increased at practically all levels, especially at supervisor levels, compared to the previous year:

DISTRIBUTION BY GENDER AND FUNCTIONAL LEVEL



5.1.3. Recruitment

Depending on the specific needs of each of the activities carried out by the Business Areas, the corresponding employment contracts are formalised, in accordance with the modality that best suits them.

Of the total workforce, 44,356 workers have a permanent contract and 15,191 have a temporary contract, with an increase in the number of permanent contracts compared to the previous year. It should also be noted that many of the above-mentioned temporary contracts enjoy a high degree of employment stability, considering that there are many people working under contract in sectors where there is an obligation to subrogate by contract.

In terms of averages, in 2021, 43,788 workers have permanent contracts, while 15,954 have temporary contracts.

With regard to new hires, it is important to note that in 2021 the number of new hires has increased compared to the previous year, especially in the number of women.

	2020			2021		
	Men	Women	Total	Men	Women	Total
Direction and Management	11	3	**14**	22	9	**31**
Middle management	203	73	**276**	246	44	**290**
Technicians	789	185	**974**	709	307	**1,016**
Administrative staff	122	218	**340**	104	362	**466**
Various professions	6,578	2,061	**8,639**	8,465	2,566	**11,031**
Total	**7,703**	**2,540**	**10,243**	**9,546**	**3,288**	**12,834**

In 2021, the **FCC Group's Recruitment Policy** was approved by the Board of Directors, renewing the bases and principles to inspire our processes, in order to attract, select and retain the best talent

5.1.4. Join FCC

In accordance with the FCC Group's principles and values, young people's access to their first job must be promoted through programmes and other agreements. Thus, the **4th Edition of the International Programme for Young Talents** in the Construction Area is worth mentioning, with training that aims to promote the development of recent graduates and then facilitate the filling of positions in the company's international projects.



In 2021, it began to consolidate the Integration Programme (On Boarding) for new recruits, which includes a training itinerary that favours rapid integration into the position and the company



5.1.5. Managing knowledge

As part of the FCC Group's professional development model, we continue to work to promote the development of each and every one of our workers.

The objectives of the transversal training plan 2021 have covered several main axes, among which the following stand out:

- Providing management with new skills and knowledge to ensure the well-being of their teams and business efficiency through various programmes.
- The development of the competences or skills demanded in this new reality and which are linked to skills related to interpersonal relations (Individual and Team Coaching, Development Meeting, Conflict Management, etc.).
- Digitalisation as a set of training actions linked to process optimisation and the acquisition of an agile and digital mindset.
- Raising awareness of Diversity and Equality issues to boost female talent and diversity.
- Compliance training, continuing with the development of knowledge and commitment linked to the FCC Group's Compliance Model.

The data on hours of training by functional level, business area and gender are broken down in the following table:



HOURS OF TRAINING

	Management and Direction		Supervisors		Technicians		Administrative clerks		Miscellaneous occupations		
	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	2021 Total
Environmental Services	3,863	1,698	37,274	7,171	22,159	10,243	5,069	11,845	153,695	27,818	280,836
Water	3,327	515	17,544	6,453	11,311	6,392	1,474	4,407	21,746	615	73,784
Construction	1,297	181	7,708	1,577	20,158	8,245	1,795	1,586	28,088	412	71,047
Cement	267	42	1,737	308	1,863	730	269	89	3,324	64	8,693
Real Estate	220	101	23	27	311	136	8	6	0	0	830
Corporate	1,484	1,031	469	445	825	1,339	93	335	31	24	6,076
National Subtotal	**10,457**	**3,568**	**64,754**	**15,981**	**56,627**	**27,085**	**8,708**	**18,268**	**206,884**	**28,933**	**441,266**
Environmental Services	903	427	15,926	4,925	11,959	2,956	2,472	9,977	30,940	1,875	82,359
Water	417	188	2,003	738	6,966	9,646	938	1,172	9,095	350	31,512
Construction	309	0	1,352	413	2,292	656	146	504	1,693	17	7,382
Cement	96	0	276	76	546	24	51	-	384	-	1,453
International Subtotal	**1,724**	**615**	**19,557**	**6,152**	**21,763**	**13,281**	**3,606**	**11,653**	**42,112**	**2,242**	**122,705**
Total	**16,364**		**106,453**		**118,756**		**42,235**		**280,171**		**563,971**

Campus FCC

The mission of the FCC Corporate University is to be a global benchmark for continuous and agile learning that meets the training needs linked to the business (Upskilling) and allows the development of new skills that will be demanded in the jobs of the future (Reskilling), thus increasing the versatility and employability of the workers of the FCC Group.

In 2021, training initiatives have continued to be developed in online or face-to-face training in virtual classrooms, methodologies that have been an advantage in the promotion of training during the pandemic situation, with the fundamental training milestones and their degree of achievement being, among others, that more than 80% of the students convened to raise awareness of the Code of Ethics and Conduct have completed the training, which means more than 4,000 people. On the other hand, more than 6,800 people have received training in Cybersecurity.

It is worth highlighting Campus' action plan, aimed at improving management and advanced analytics, as well as the launch of **125 online training pills** in **205 sessions**, which are making Campus a benchmark as a continuous learning space for the FCC Group.



5.1.6. Development meeting

During the 2021 financial year, special emphasis has been placed on the process of identifying performance and potential. The process is initiated in Spain as a global tool for evaluating performance, potential and development in the FCC Group (fundamentally with respect to the supervisor team), providing a vision of internal talent in order to be able to make decisions and design action plans based on the needs detected.

To launch the process this year, a specific online training guide on Campus FCC for managers and collaborators has been developed, with the aim of guiding the meeting, allowing an enriching and developmental conversation between participants.

In 2021, **more than 120 development meetings** were recorded in the tool.

5.1.7. Compensation policy

FCC rewards its workers according to criteria of sectorial and geographical competitiveness, internal equity and level of responsibility.

FCC Construcción operates in a wide range of production sectors (construction, water, cement, concessions, services, Real Estate) in 39 countries and, in general, the remuneration of its workers is subject to the applicable collective agreements (in the case of Spain, more than 800 agreements of varying scope in 2021).

The average salary[18] of the management team is 122,499.16 euros, broken down by sex as follows: (i) average salary for women: 94,210.81 euros, and (ii) average salary for men: 127,683.23 euros.

The management team includes both senior management (reporting directly to the CEO) and the workers who hold managerial and responsible positions in the FCC Group.

The FCC Group has worked and developed, and continues to do so, the necessary tools to comply with the legal provisions regarding the recording and auditing of remuneration, as a result of the Group's firm commitment to equal opportunities and with the aim of effectively serving the principle of transparent remuneration.

Wage gap

FCC's remuneration management is based on the criteria of objectivity, external competitiveness and internal equity. FCC does not differentiate by gender, so that the salary is equitable according to the level of contribution to the business (functional level) and the level of responsibility and value in each job.

In any case, it should be noted that the percentage difference does not imply the existence of gender-based pay discrimination, as there are factors outside the Company's sphere of action that contribute significantly to increasing gender-based pay inequality, such as the masculinisation of most of the sectors in which the Group operates, the working conditions arising from subrogation, individual performance, economic crises, the political situation, socio-cultural reasons, academic training, experience in the position held, among other factors. This is why, in addition to the evolution of the rules governing pay obligations, the reference to the adjusted wage gap is not included, as long as this concept is not more clearly defined.

With regard to the wage gap in the other countries in which FCC operates, in most of them there is no definition or specific concept of a gap. However, in the United Kingdom there is consolidated legislation on the wage gap, with the two companies in the Environment Area having a wage gap of 1.67% (in favour of women) and 1.16%, respectively.



GROSS WAGE GAP

It is calculated as the percentage difference between the average total wages of men an women.

Financial year 2021

19.81%

Variable remuneration

The FCC Group's variable remuneration system considers criteria related to business objectives and the achievement of individual goals, linking personal performance with the Group's business project and culture of compliance.

In 2021, 89.35% of executives and managers in 11 countries will have benefited from the FCC bonus.

[18] Including variable remuneration, allowances, indemnities and payments to long-term savings schemes.

5.2. Working towards making diversity a reality

5.2.1. Gender equality

For FCC, the principle of equal opportunities is an unwaivable commitment to action included in its Code of Ethics and Conduct and in each of its Equality Plans in Spain. On the other hand, it is worth highlighting the Equality Plan in force in the United Kingdom.

Furthermore, the FCC Group's Code of Ethics and Conduct promotes as an essential principle the creation of a fair and diverse working environment that favours the professional and personal development of its workers, also stating that selection and promotion decisions in the FCC Group are always based on merit and on objective and transparent evaluations.

All of the Business Area head offices have been recognised and periodically renew the Distinctive of Equality in the Company, a mark of excellence awarded by the Ministry with the Equality portfolio, and the Group currently has 5 Distinctive awards.

Promotion of women to supervisory positions

As a result of the FCC Group's firm conviction in favour of the promotion of women, by the end of 2021 the percentage of women in supervisory positions had increased compared to 2020, reaching 15.9% of the total number of such positions.

The FCC Group develops and participates in training programmes aimed at creating an enriching working environment, free from discrimination of any kind and favouring diversity, including, among others, the following two initiatives for the training and development of women in supervisor positions.

you_diversity

Development programme,

aimed at women with high potential from the **EOI**. In 2021, 8 women participated, totalling 80 women from the different business areas since 2011.

Promociona Project,

specializing in preparing women for Senior Management and Boards of Directors positions (CEOE-ESADE). In 2021, one woman participated and, since 2014, a total of 17.



International Women's Day

This year FCC is once again joining in the celebration of International Women's Day, in a commitment to equality, and this year it wanted to vindicate its rejection of any kind of discrimination, highlighting and supporting diverse, inclusive and authentic companies, such as FCC, where commitment to equality and diversity are signs of identity as well as one of its fundamental pillars.

Collective bargaining on equality

The FCC Group currently has 8 Equality Plans, 3 of which are Group Equality Plans.

Throughout 2021, important equality negotiations have taken place within the Group, which have led to the adaptation of the Equality Plans to current legislation and the signing of new Plans, some of which even cover different companies of the Group, thus becoming Group Equality Plans. As of today, 5 Equality Plans are in the process of negotiation.



Act of commemoration of the International Day for the Elimination of Violence against Women at the corporate headquarters in Las Tablas (Madrid) award presentation ceremony by the Compliance and Sustainability department.

Commitment against gender-based violence

The FCC Group is particularly committed to its work in the fight against gender violence in all its facets, based on two fundamental principles of action: zero tolerance of gender violence and promotion of the social and professional integration of victims.

To this end, the Company works closely with the network of "Companies for a Society Free of Gender Violence" in its work to disseminate and raise awareness, as well as to support the employment of women who suffer from this scourge. It also collaborates actively with various foundations and organisations to promote the integration and integration of victims into the workplace, such as the Incorpora Foundation (La Caixa), the Adecco Foundation, the Once Foundation and the Red Cross.

In addition, as it does every 25 November, the FCC Group has made an appeal both inside and outside the Company, launching information and awareness-raising actions in workplaces to remind people that the Company stands firmly in favour of eradicating this type of violence.

In the framework of this fight against gender violence, and on the occasion of this international day, FCC promoted the IV Edition of the awards ceremony, giving two awards: one to UN Women as an international entity, for the outstanding work they have been doing in support of women victims of gender violence and in the fight against abuse; and the other award to the Royal Spanish Winter Sports Federation (RFEDI), in recognition of the work, commitment and excellent work they have been doing to tackle gender violence against women and girls in sport.

5.2.2. Non-discrimination and prevention of harassment

In addition, as a complement to the whistleblowing channel set out in the Code of Ethics and Conduct, the Group has a Protocol for the Prevention and Eradication of Harassment, which was revised and approved in 2020, and which aims to prevent, resolve and punish cases of workplace, sexual or gender-based harassment, thus reflecting the FCC Group's commitment to not tolerate the abuse of authority or any type of harassment, or any other conduct that could create an intimidating, offensive or hostile working environment for workers.

The Protocol, which is mandatory, includes a declaration of principles, the definition of harassment, the procedure for dealing with harassment, the guarantee of confidentiality of the process, and the prohibition of reprisals.

As part of the Group's commitment to prevent harassment at work, and to promote respectful working environments in which dialogue and organisational and professional development prevail, training in interpersonal conflict management was launched in the 2021 financial year.



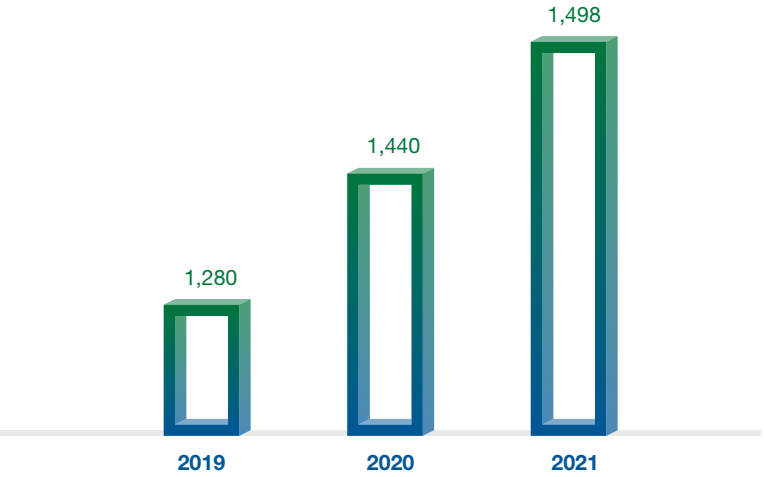
The aim of this training is to understand the causes and meaning of the conflict, as well as to acquire tools to manage them effectively. The level of participation reached **76.93%** in Spain.

5.2.3. People with disabilities and vulnerable groups

FCC's commitment to diversity and the inclusion of this group in the workplace encompasses different actions and management strategies. In fact, the number of workers with a recognised disability in the FCC Group has increased compared to 2020, reaching 1,498 in Spain, a figure that has been growing steadily over the last three years, as reflected below:

In addition, the Group actively collaborates with specialised organisations that advise on recruitment management and employment support for people with disabilities. The main organisations with which we collaborate in Spain are as follows:

EVOLUTION OF WORKING PEOPLE WITH DISABILITIES



INSERTA PROGRAMME

FUNDACIÓN ONCE

FCC supports various projects and promotes social and labour inclusion through workshops, training courses and other actions, such as awareness campaigns.

INCORPORA

FUNDACIÓN LA CAIXA

Environmental Services has a collaboration agreement with Incorpora for the integration of groups with greater difficulties in finding employment.

FAMILY PLAN

ADECCO

An action programme present in Construcción, CPV and Aqualia, focused on increasing the autonomy, integration and subsequent access to the labour market of family members with disabilities.

DOWN SYNDROME

FUNDACIÓN DOWN

Aqualia has an agreement with the foundation for the incorporation of workers with intellectual disabilities in its workforce.

RECYCLING TO CHANGE LIVES

ECOEMBES

Environmental Services has been collaborating with the insertion programme for people disconnected from the world of work (social sustainability).





AENOR
ACCESIBILIDAD TIC

This year, on 3 December, FCC once again joined in the celebrations for the International Day of Persons with Disabilities to remind people that it maintains and reinforces its commitment to this group on a daily basis, and that it is firmly committed to being an increasingly diverse and socially responsible company, promoting actions and projects to foster inclusion and equality through employment.

In 2021, FCC also collaborated in the 9th National Advisory Board of the Inserta Responsable Forum organised by the ONCE Foundation, the European Social Fund and the Spanish Government to establish the bases for promoting the inclusion of people with disabilities in the workplace, and also in the framework of the International Human Resources Congress, promoted by the Red Cross.

Likewise, in 2021 and with the aim of contributing to the labour integration of particularly vulnerable groups at risk of social exclusion (such as recipients of minimum insertion income, young people from institutions for the protection of minors and people from alternative accommodation centres or other authorised prevention and social insertion services), it has hired a total of **170 workers** belonging to this group.

Accessibility

FCC is aware that accessibility is a key factor for the social inclusion of people with disabilities. Proof of this is that the FCC Group's website has the Aenor Certificate for Accessible Website Products.

In addition, each year one of the Company's main challenges focuses on designing solutions that favour the creation of a working environment free of obstacles and barriers that guarantees the full participation and integration of all the Group's people with disabilities. To this end, in 2021 a diagnostic study has been carried out on the DALCO (Deambulation, Apprehension, Localisation and Communication) Universal Accessibility requirements set out in the UNE 170001-1:2007 standard, with a view to obtaining UNE 170001-1:2007 Universal Accessibility Certification by 2022.

5.3. The data boutique

In order to ensure that decisions are made on the basis of data, significant efforts have been invested in the creation of the Data Boutique, a new information management platform, with the following objectives in mind:

- Provide solutions to business problems, support decision making and enhance corporate collaboration.
- Increasing integration between information systems and databases, providing reliable data to build appropriate metrics.

EMPLOYEE MANAGEMENT	REMUNERATION	HEALTH AND SAFETY
Organisational structure	Salary log	No. of accidents
Functional level	Average remunerations	Absenteeism hours
Families	Collective agreements	Accident and sickness rates
Disability		



5.4. Dialogue

5.4.1. Social Dialogue

FCC understands that in order to establish a link with its workers, it is necessary to establish social dialogue and dialogue with the teams, their legal representatives, trade unions and other social agents to promote agreements through collective bargaining and that the different collective processes are carried out with transparency, setting up monitoring committees and providing the workers and their representatives with all the necessary information.

Procedures for informing and consulting staff as well as advance notice periods for operational changes vary depending on the country, the applicable regulations and the significance of such changes. They usually vary from one week to one month.

During 2021, the areas have been present at numerous **negotiating tables** for workplace collective agreements, and actively participated in **sectoral collective negotiation**.

Building and Wood Workers' International (BWI) which covers all construction sites in the sectors in which it works.

As for the percentage of workers covered by collective agreements, this varies depending on the applicable legislation, the existence of a collective agreement and even the existence of workers' representation, with a commitment in all cases to comply with the applicable legislation and/or collective regulations. The percentage of workers covered by the collective agreement in the different countries where the FCC Group operates is shown in Annex II.

Special mention of occupational safety and health in collective agreements

In a large number of the collective agreements applicable in Spain, special attention is paid to occupational health and safety in a broad sense. The clauses that have most frequently been included in the collective agreements signed with regard to occupational health and safety are as follows:

MORE CLAUSES INCLUDED IN COLLECTIVE AGREEMENTS

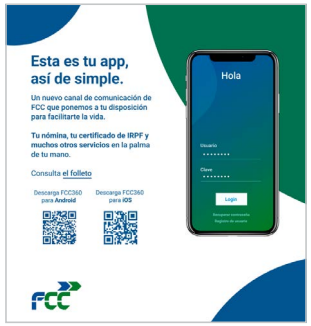


5.4.2. FCC360: a milestone in communication with our workers

At FCC, internal communication is a key element in strategic management and in the development of dialogue with all workers and the achievement of their commitment to the business project.

In this sense, transparency and agile and truthful information are fundamental elements for achieving these objectives, for which we work on different channels, such as websites, portals, App, Somos FCC digital magazine, etc., and, in terms of content, we seek to share strategic objectives.

During the 2021 financial year, intense work has been carried out on the implementation of FCC360, the FCC Group's App, in order to be able to deliver the payroll, the income tax certificate, the training offer, and to inform all employees in Spain of the Group's milestones. This milestone is highly relevant if we take into account that 77.4% of the Group's workers are not digital users.





5.5. Safety, health and well-being

5.5.1. Strategy and Culture

FCC establishes its strategy in relation to the safety, health and well-being of its workforce and other stakeholders, such as contractors and suppliers, based on its policy on this matter approved in 2019 by the Board of Directors.

Strengthening the culture of prevention and health promotion is one of the Company's main lines of action. This objective is supported, among others, by the process of continuous improvement of its health and safety management systems, which are certified in all areas and countries in accordance with recognised international standards such as ISO 45001. This means that more than 95% of the total workforce is covered by certification.

5.5.2. Evolution of the main indicators

In 2021, 1,983 occupational accidents with sick leave occurred in the FCC Group, of which 1,681 involved men and 302 involved women.

In 2021, the overall accident frequency rate is **18.36** and the severity rate is **0.71**, which means that these markers[19] remain below the equivalent rates published by the Ministry of Labour in each sector of activity.

As a relevant fact, it should be noted that during 2021 there were no fatal accidents involving own personnel inherent to or directly attributable to the Company's activity.

The evolution of the main accident and absenteeism rates are shown in **Annex II**.

[19] The frequency and severity rates are calculated based on 1,000,000 and 1,000 hours worked, respectively.

5.5.3. Health and social welfare in the context of Covid-19

Within the Vive Saludable project, dedicated to the promotion of transversal actions to foster healthy habits, those dedicated to the psycho-emotional wellbeing of workers have acquired special relevance in 2021. In particular, the following are highlighted:



With regard to the particular management of Covid-19 during 2021, the Company has continued to update its protocols, in accordance with the evolution of the official criteria published by the Ministry of Health and the different autonomous communities, in relation to protection measures in the workplace, the treatment and communication of sick leave, and the monitoring of cases and close contacts.

The prevention services of the Business Areas and, in particular, FCC's Medical Service, have developed and maintained strategies for detecting and monitoring cases, as well as advising the entire organisation on the guidelines for action in force at all times.

5.5.4. Work organisation

The organisation of working time in the different companies of the FCC Group responds to the production needs of each activity, in accordance with the standards and regulations applicable in each sector and location.

In order to guarantee the well-being of its workers, the FCC Group considers the appropriate management of the organisation of work to be fundamental and has different initiatives in place to achieve its objective. Among the different actions carried out, the Group places special emphasis on work-life balance, flexibility, co-responsibility and disconnection, which are adapted to the different realities and organisational or production needs of each centre, function or activity. Some of the actions carried out in the Group, with varying scope and intensity, are as follows:

The measures are specified and regulated for each case in the collective agreements and pacts, as well as in the different Equality Plans, all of which have a specific chapter.

Digital disconnection

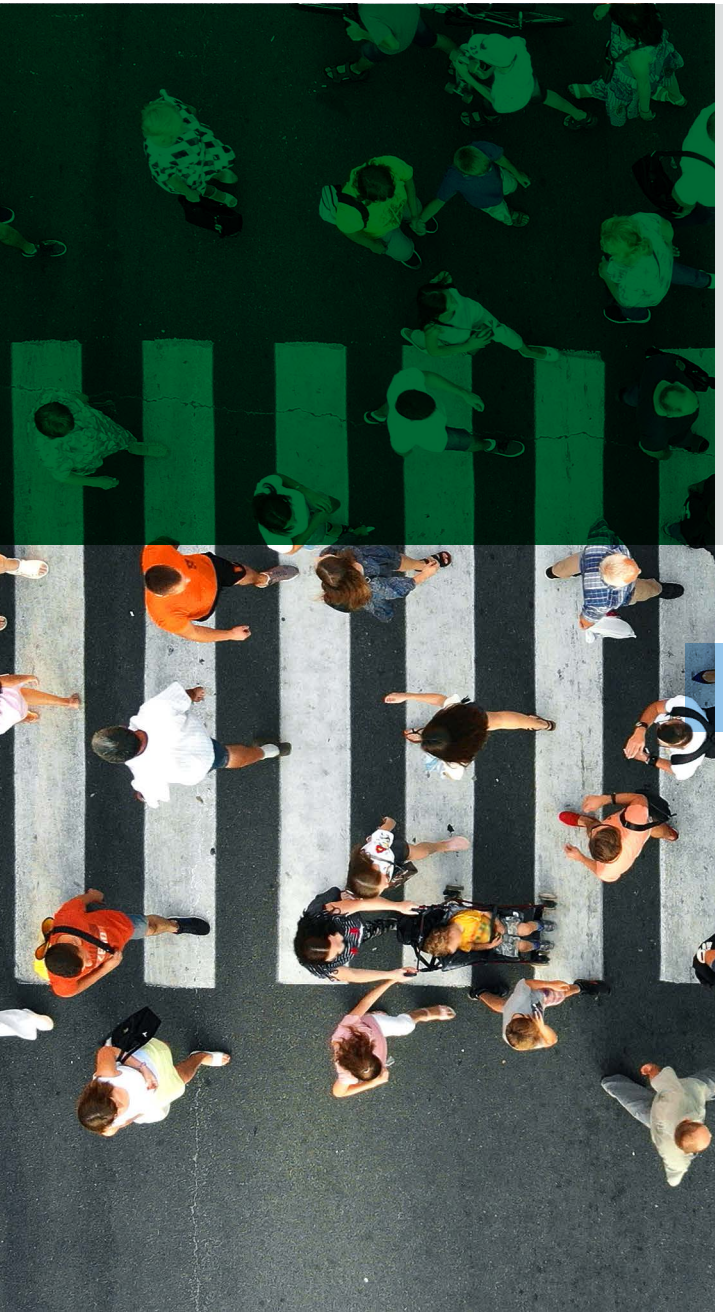
The Group has a Policy on the Use of Technological Means, which recognises and guarantees the right to digital disconnection for workers, adapting it to the nature and characteristics of each job.

The **Policy on the Use of Technological Means** recognises and guarantees the **right to digital disconnection** for workers

In 2021, a training and awareness-raising action was carried out on the reasonable use of technological tools, promoting digital disconnection to achieve a better organisation of working time in order to respect personal and family life. This training has been followed by **6,887 students** in Spain.

- Flexible working hours and holiday entitlement
- Continuous working days, summer periods and Fridays
- Improved leaves for birth, illness and death
- Extension of maternity leave, reduction of working hours and leave of absence
- Extension of re-employment rights: leave of absence





6. Society
Promoting social and environmental progress

| Towards the construction of a more humane future, developing social initiatives in each territory

The FCC Group shares a common challenge: **to contribute to social and sustainable progress leaving no one behind**

- Strengthening a common path guided by the principles of the **Code of Ethics and Conduct**
- Contribute to global **progress with a local focus**
- **Raise awareness and sensitise**

Social Footprint

The progressive transformation of business as usual encourages the FCC Group to strengthen its relations with the local communities in which it operates, working to achieve a greater degree of well-being and socio-economic development.

At the same time, the FCC Group implements social initiatives to contribute to citizens as a whole, particularly through projects in the fields of education and inclusion. With all of this, year after year, it manages to show its best side to its stakeholders and strengthen its social footprint.

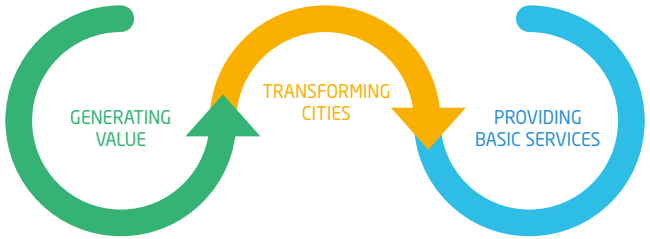


6.1. Resilient cities

| Think global, act local

The FCC Group is characterised by its local roots and its vocation to remain in the territories where it operates, contributing to improving life in the different geographies. In fact, the company is committed to proximity and closeness to its communities, favouring the creation of relationships of mutual trust, where dialogue and the search for positive synergies that help to design cutting-edge solutions prevail.

In particular, the Group's main business areas are focused on guaranteeing environmental services, managing the integral water cycle and building sustainable and efficient infrastructures in the communities in which it operates. In this regard, the Group's own activity favours the generation of wealth and socio-economic growth and development, while transforming cities into more habitable environments, guaranteeing essential services.



Generating value

The FCC Group considers that it plays an important role in its communities, carrying out important work in terms of job creation. The company favours the hiring of people, with a high percentage of permanent contracts. This aspect is particularly relevant, given that on many occasions the employment opportunities offered by the Group are located in rural areas with low population density. In addition, the Group indirectly supports the generation of local value, prioritising the hiring of local material suppliers and subcontractors. It is also essential to highlight the company's contribution to the post-pandemic reconstruction and economic reactivation.

The company seeks **to reagent the local economy**, lending a hand in the face of the **economic crisis** caused by the **COVID 19**

Two studies prepared by the FCC Group's Water Area have been recognised by the United Nations as **differentiating projects in the field of post-pandemic reconstruction**, where the analysis in terms of development and social integration has also been valued

Transforming cities

The diversification of the services provided by FCC has allowed it to offer a global service to the communities in which it operates. The Group contributes its experience, both in the development of infrastructures and in the provision of environmental and water services, consequently managing to satisfy the social needs identified.

This transversal specialisation of citizen services, in addition to meeting customer demand, has enabled FCC to participate in the transformation of cities into distinctive environments. In this way, the Group has managed to position certain cities as leaders in innovation.

FCC focuses its business management on the design and provision of **citizen services**, in pursuit of **innovative sustainable development**

- The New **Water Purification Plant in Vigo** will be a pioneer in the use of technology to improve the quality of drinking water.
- **Aqualia's innovative installations** inaugurated in **Talavera de la Reina** resolve, with customised sustainable solutions, the challenge of filtering in small towns.
- A **new construction** led by the Infrastructure **Ireland** area will provide **university services** to a total of **10,000 students**.
- The **Murcia Tram**, led by FCC Construcción, has been recognised as a **leader in sustainable mobility**.
- FCC Medio Ambiente agrees with Iriza to produce the **first 10 electric Irizar ie urban trucks**, which will be used for waste collection. This collaboration represents the Group's contribution to sustainable mobility, minimising its impact on cities and thus improving people's quality of life.



Providing basic services

Access to basic social services, which ensure people's survival, health and dignity, plays an essential role in promoting social inclusion. There are synergies between the provision of essential services, such as access to clean water, urban cleanliness and drainage, and the maintenance of infrastructure, and the reduction of inequalities and economic growth of communities. For this reason, the company partly channels its social commitment through programmes to guarantee the development of the services it provides to the community and access to basic supplies.

Continuing to work together to guarantee the **right to water**

- Launch of the **campaign www.sedsolidarios.com**, in collaboration with UNHCR to facilitate access to water for more than 300,000 refugees, through the challenge "I run, you run, they live".
- Aqualia signs an **agreement with Llagostera Town Council** to create a **Social Fund** to guarantee access to drinking water and sewerage for people with limited resources

6.2. Solidarity Action

| A committed company

The United Nations "Decade of Action" calls for the mobilisation of all social actors involved in the transition towards new solutions that are ground-breaking and sustainable in the long term. It is essential to build bridges in order to walk a common path and ultimately achieve collective objectives.

From this perspective, the FCC Group is getting involved in the development of its own initiatives that strengthen social cohesion, materialising its commitment in this area. To this end, the company involves both society in general and its own employees as agents of change.

- The **Environment Area** has launched a solidarity **campaign to collect food and personal hygiene products** in different work centres throughout the country.
- The **Cement** business has donated around **3,000 € to the purchase** of basic **food and hygiene** products for the neediest families in Seville.
- As a result of their involvement and solidarity, **FCC Group employees** took part in the voluntary **blood donation** organised by the **Red Cross**.

Integration of vulnerable groups

Since its beginnings, the implementation of projects with a social mission has remained in the company's DNA. The FCC Group supports groups in particularly vulnerable situations, which is a step towards building a more resilient and caring society.



People with disabilities

FCC focuses its efforts on the **integration** of people with disabilities **in the workplace**

- The FCC Group has renewed its **Inserta Agreement with the ONCE Foundation** to continue hiring people with disabilities in the coming years.
- The company also took part in the **9th National Advisory Board of the Inserta Responsible Forum,** where the impact of COVID-19 on the integration of people with disabilities into the labour market was discussed.
- The water business has signed an agreement with the **Association Abriendo Puertas Moguer** to facilitate difficult access to the labour market for people with disabilities.
- CPV collaboration **agreement with the Adecco Foundation** in the projects: Empleoparatodos and Plan Familia.
  - Empleoparatodos, an employment guidance and inclusion programme to improve the employability of the most vulnerable, generating employment opportunities.
  - Plan Familia, a programme focused on increasing the autonomy, integration and future insertion in the labour market of disabled family members of employees.



Victims of gender-based violence

FCC is committed to **integrating women victims of gender-based violence** into the workplace

The integration of women victims of gender violence into the labour market is a real driving force for change in society. The FCC Group is fully aware of the vital importance of access to employment for this group, which allows victims of this scourge, over time, to increase their autonomy and independence, their security and their self-esteem.

FCC Medio Ambiente has carried out a public-private partnership with the **Castile and Leon Regional Government** to prevent gender violence and **incorporate female victims** into the labour market.

Aqualia, in collaboration with the **Adecco Foundation**, has launched a new campaign against gender violence to finance a **socio-occupational integration project aimed at women victims and their children**.



Other groups at risk of social exclusion

Integration of people with few resources into the labour market

The FCC Group accompanies and supports people at risk of social exclusion by facilitating their access to employment and in collaboration with entities specialised in supporting vulnerable groups.

With the aim of offering an opportunity to **people in a situation of prolonged unemployment**, the company has signed an agreement with the **Tramway Foundation** through which **30 people** have gained access to the labour market in the services of FCC Medio Ambiente.

Through the programme **"Mejorando Vidas"** [Improving Lives], FCC Medio Ambiente has donated **work clothes and safety footwear** to the **Asociación Norte Joven** [Young North Association], with which it has had a collaboration agreement since 2017. Thanks to this, **61 people** will be able to take another step on the road to employment.

Raising awareness to build tomorrow's cities

Environmental education and awareness are key steps for development and social progress. Knowledge allows all citizens not only to strengthen conscious decision-making, but also to enhance their skills by contributing to the resolution of environmental challenges. For this reason, the FCC Group focuses its efforts on raising the awareness of future generations.

The education of citizens at an early age is a priority area of action within the company's social action. Thus, throughout its history, the Group's different businesses have consolidated a network of academic institutions (primary and secondary education centres, faculties, business schools) with which they participate in conferences, seminars and courses.



Environmental awareness

Awareness-raising and sensitisation as a transformative tool

For the Group, education is one of the fundamental factors in achieving social progress. The company materialises its commitment by promoting various initiatives such as the following:

- The Cement Area of the FCC Group, in collaboration with **Flacema** (Fundación Laboral Andaluza del Cemento y el Medio Ambiente - Andalusian Cement and Environment Labour Foundation), has organised **environmental awareness days** for students from different educational centres.
- For yet another year, Aqualia has launched its **Digital Competition** to raise awareness among young people about **water care**, which has involved almost **6,000 hours** of training and entertainment on environmental issues.
- FCC Environment CEE supports schools through the **"Smietko" programme**, an educational project aimed at **paper collection** and **environmental education**.
- Construction Area professionals actively participate in **conferences, seminars and congresses** where **sustainability** and **corporate social responsibility** are promoted.

Likewise, the FCC Group is concerned with promoting and encouraging visits by the educational community to the facilities of the various businesses. This measure translates into the creation of a transparent climate and, in turn, makes it possible to increase environmental awareness and the training of young people in such important matters as energy efficiency, ecological transition and industrial sustainability.

Fostering partnerships for a connected and caring community

The year 2021 has been a year marked by joint adaptation to new contexts characterised by coping and resilience. The fact is that the scale of the social and economic crisis has called for strong cooperation between the different social actors to provide assistance.

In this context, the role played by non-profit organisations stands out, especially in terms of safeguarding the rights of the most vulnerable groups. However, these entities have been particularly affected by the scarcity of resources, which has jeopardised the recovery of their activity.

The FCC Group, also in 2021, has made a significant financial contribution to fostering the resilience of these institutions and playing an active part in a more supportive and inclusive community.

On the other hand, as a result of its commitment to building strategic alliances and more collaborative working models, the FCC Group participates, both nationally and internationally, with a series of associations that help the company to continue guaranteeing citizen services year after year.

See Annex V for a list of associations.

The FCC Group contributes to the resilience of communities

The company has donated a total of **983,399 €** to non-profit organisations and foundations.

Promoting **economic development** through **monetary contributions to social entities** to meet the needs of the most disadvantaged groups

The FCC Communities Foundation supports local communities, heritage protection and the environment.

More than **6.6 million pounds** contributed to a total of **151 projects in the UK**.

The materialisation of these contributions allows the Group to strengthen its contribution to the 2030 Agenda and to continue working, as it does every year, to achieve the SDGs related to economic progress, the reduction of inequalities and the social development of the cities of tomorrow.

Transparency framework

In accordance with the Group's **Code of Ethics and Conduct**, sponsorships, collaborations or donations shall comply with the following premises

- They are awarded to entities that are distinguished by their impeccable behaviour and that have an organisational structure that ensures the proper administration of the resources received.
- They are awarded in relation to objective criteria related to the Group's activities.
- Any collaboration or sponsorship must be documented and duly authorised.
- In order to know the final destination of the resources, to the extent possible, FCC monitors the use of the contribution.

Type of contribution (€)	2020	2021
Donations to non-profit organisations and foundations	1,160,289	983,399
Sponsorships	1,452,856	1,826,051
Contributions to associations	1,554,968	1,847,790
Contributions to political parties	–	–
Others	155,768	170,544
Total	**4,323,882**	**4,773,448**



Ciberseguridad



Cybersecurity can entail different risks, including:

- Potential damage to the environment, infrastructure and water management services, linked to online control systems and IT networks. These events can result in pollution events, deterioration, saturation or closure of physical or digital infrastructure[20].
- Threatening the proper functioning of electoral systems through possible manipulation of data[21].

On the other hand, new technologies will bring challenges such as growing unemployment, unequal distribution of wealth, violations of privacy, discrimination[22], etc.

In order to respond to these threats, investment in cybersecurity is needed, while strengthening public-private partnerships[23].

The FCC Group understands the importance of the possible risks linked to cybersecurity and therefore develops new technologies through which it can prevent potential risks.

- The company has its own Cybersecurity Model to implement security measures in the Group's information systems.
- Promotion and development of cybersecurity expertise in the company.
- Implementation of measures on the basis of the risk analysis developed.
- Supervision and monitoring to ensure compliance with applicable regulations.

[20] Cybersecurity Guide, (2021), Cybersecurity in the environmental protection field.

[21] MCKinsey, (2019), Confronting the Rrisks of Artigicial Intelligence.

[22] Forbes, (2021), The Role of Bias in Artificial Intelligence.

[23] Fortune (2021), Cybersecurity expert say public-private partnership is the key to preventing future attacks.

Transparency and Reporting



Improving the availability and disclosure of non-financial data is necessary for the redirection of investments and capital flows towards sustainable investment[24]. To achieve this, it is necessary to:

- Collaboration between entities to establish globally accepted and implemented standards of performance.
- Avoiding greenwashing or the dissemination of biased information and achieving the homogenisation of reporting standards at international level.

More comparable, complete, reliable and understandable non-financial information[25].

The FCC Group strives to guarantee the transparency of its actions and excellent corporate governance, as a basis for work aligned with the principle of transparency that governs its activity.

- Both the FCC Group and the main business areas publish their respective sustainability reports or CSR reports, verified by an independent external entity where appropriate.

Compliance and Good Governance



Good governance practices, ethical conduct and regulatory compliance are becoming fundamental pillars and values of business[26].

This is the result of new regulations[27] and increasing demands from consumers, customers, contracting bodies and other stakeholders in society.

It is essential for companies to focus their efforts on governance models characterised by listening to stakeholders, promoting diversity[28], integrating the SDGs and ESG criteria in all their systems and processes, such as in their salary systems.

The FCC Group strives to promote a corporate culture of ethics and integrity, as reflected in its Code of Ethics and Conduct. In this area, over the years the company has approved a set of Compliance regulations that includes policies such as: the Anti-corruption Policy, Human Rights, Relations with Partners, Agents, Tenders, Gifts, among others. In addition, the approved Compliance Model incorporates elements such as a Criminal Prevention Manual, crime-risk-control matrices, procedures for certification and supervision of the Model and an Ethical Channel for the communication of potential non-compliance.

On the other hand, since the entry into force of the Code of Good Governance of Listed Companies of the CNMV, the Group has incorporated and implemented in its corporate governance, most of the recommendations set out in the said Code.

[24] Ernst & Young, (2021), The Future of Sustainability Reporting Standards.

[25] CNMV, (2021), "Supervisión del desempeño no financiero" Participación en las jornadas de sostenibilidad organizadas por Grupo Red Eléctrica.

[26] PWC, (2020), The eight key effective corporate governance practice.

[27] World Economic Forum, (2015), 3 factors driving better corporate governance.

[28] London School of Economics (2018), Good Governance Requires Diversity.



7. Exemplarity

An exemplary organisation

| 120 years committed to an integrated project, guaranteeing transparency and good governance

7.1. Good Governance

| At the forefront of good corporate governance best practices

In a volatile and dynamic context, the FCC Group continually seeks to adapt to trends in Good Governance and to comply with regulatory requirements. By aligning itself with the recommendations set out by the Spanish National Securities Market Commission (CNMV) in the Code of Good Governance for listed companies, FCC fully or partially complies with most of the recommendations that apply to it.

The FCC Group is also aware that company governance is one of the fundamental keys to building trusting relationships, and is committed to a robust governance architecture and efficient and responsible self-regulation. For more information, see Chapter A Competent Structure.

To do so, the company is inspired by and based on the foundations of its business, which have been consolidated for more than 120 years: *ethical principles; commitment and loyalty; honesty and respect; and rigour and professionalism.*

A system of governance that is a benchmark in the sector,

as an essential means of strengthening the values and sustainability of the FCC Group.

- Common and sustainable project
- Strategic vision
- Balance and transparent governance
- Culture of integrity

Furthermore, in line with its commitment to transparency, the FCC Group prepares its **Corporate Governance Report** and its **Salaries Report** every year. Both documents are approved by the Board of Directors and subsequently published on its website.

The FCC Group's commitment to the development of these reports contributes to generating a climate of trust, guaranteeing transparency and truthfulness in the information and generating greater understanding and dialogue with its stakeholders.

In the area of corporate governance, the Board of Directors has agreed on the following issues for the financial year 2021:

– Amendment of the Regulations of the Board of Directors.

  The General Meeting agreed as follows:

  - Amendment of the Articles of Association.
  - Amendment of the Regulations of the Annual General Meeting of Shareholders.
  - Approval of the Directors' salary policy.



7.2. A competent structure

| Constantly evolving to ensure ethical excellence

The increasingly stringent demands of stakeholders show that institutions or entities, including companies or businesses, are the ones that must make decisions at critical moments and provide imminent responses to the new emerging challenges they face. FCC's corporate structure is professionally prepared for this, as it works on a daily basis across the board, guaranteeing that the interests and concerns of the stakeholders of each of its businesses are represented.

This model of action allows the company to work towards a common project and contribute to the same challenge: transparency and good governance.

Thus, in line with the Group's Articles of Association, its corporate governance structure is made up of five bodies: the General Meeting of Shareholders, the Board of Directors, the Executive Committee, the Audit and Control Committee and the Appointments and Remuneration Committee. For more information, see Chapter Governance structure.

Composition and functioning

The Board of Directors is the highest body which, with the exception of certain powers reserved to the Shareholders' Meeting, works to properly manage, administer and represent the FCC Group.

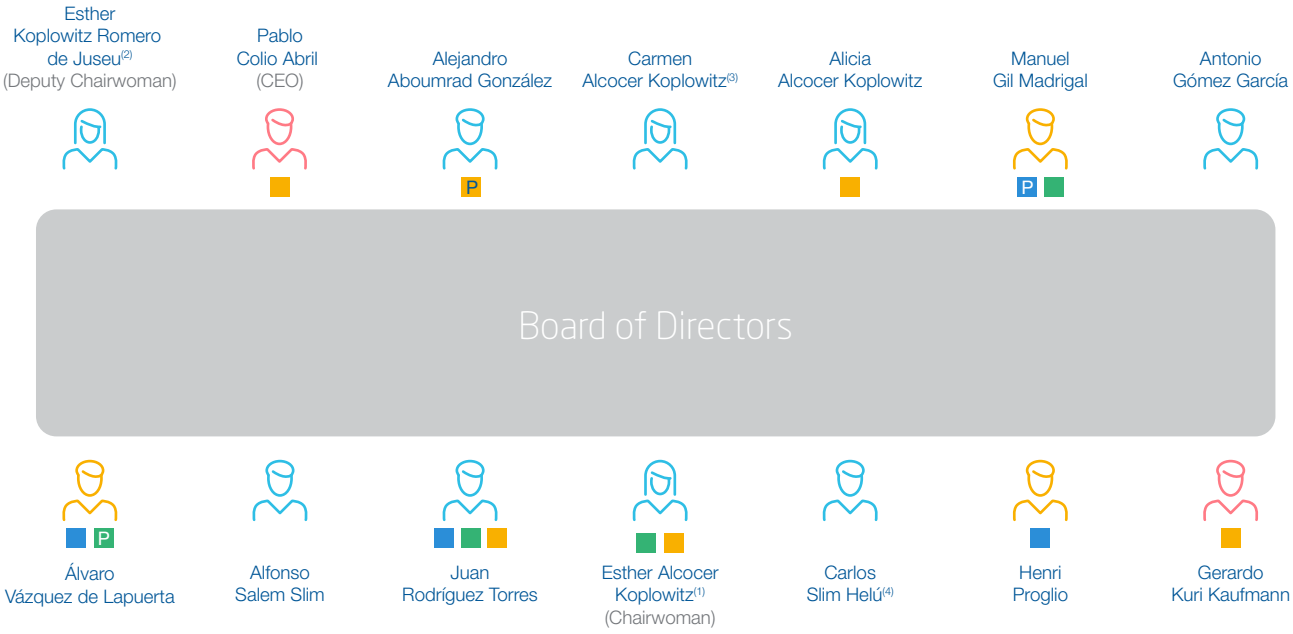
Furthermore, as the following chart shows, the Board is made up of 14 directors, elected by the General Shareholders' Meeting, in accordance with the principle of representativeness of the structure and the balance of its governance.

Meetings and attendance of the Board of Directors and Committees

In compliance with Articles 34.1 and 31.2 of the Regulations of the Board of Directors and the Articles of Association, respectively, the Board of Directors met a total of **11 times** during the financial year 2021, with an average attendance of **90,26%**.

	Meetings no.
Board of Directors	11
Executive Committee	10
Audit and Control Committee	10
Appointment and Remuneration Committee	6

The Board of Directors met a total of **11 times** during the financial year 2021, with an **average attendance of 90,26%**



Nature of the position

Executive — Proprietary — Independent

Type of Committee

- Audit and Control Committee
- Appointment and Remuneration Committee
- Executive Committee
- P President

En representación de:

(1) Dominum Desga, S.A.
(2) Samede Inversiones 2010, S.L.U.
(3) Dominum Dirección y Gestión, S.A.U.
(4) Inmobiliaria AEG, S.A. de CV.

7.3. Plurality and independence in the Board

| Diversity in the first person

An organisation that works to introduce diversity in its Board of Directors is able to strengthen its business model, broadening the strategic vision and understanding of the markets in which it operates. It also makes it possible to create an attractive corporate culture, promoting equality in positions of greater responsibility between men and women. For this reason, the FCC Group focuses on a plural composition of its Board of Directors.



A corporate philosophy oriented towards **diversity and equality** as central pillars of growth and social progress.

At year-end 2021, the FCC Group has **28.57% female board members**.

Another added factor, a product of FCC's efforts to achieve a diverse Board of Directors, is the high percentage of people of different nationalities.

Plurality on the Board, reflecting a **diverse and international company**.

In 2021 the FCC Board of Directors is represented by **three nationalities**: Mexican, Spanish and French.

During 2021, FCC has renewed its commitment to the **Spanish Diversity Charter** for the period 2021 - 2023, in recognition of its **equality policies**, its commitment to **social inclusion** and its determination to be an increasingly **diverse and socially responsible company**, promoting actions and projects to foster inclusion and equality through employment

7.4. Transparent remuneration

| Accounting for a transparent present and future

For the FCC Group, the Board of Directors' remuneration model for good governance is of crucial importance. The company strives to guarantee and reflect the culture of integrity that characterises them.

Therefore, in order to materialise this commitment, the General Meeting of shareholders of FCC approved the Board Members' Remuneration Policy which, with a term of 3 years, will give continuity to the previous one, with regard to the principles, structure and content of the remuneration package for board members. In this way, the new features introduced by this policy duly respond to the amendments made to the Capital Companies Law by the reform introduced by Law 5/2021, of 12 April, which amends the revised text of the Capital Companies Law.

In addition, as it does every year, the FCC Group prepares its Annual Report on the remuneration of board members of listed companies, a document that provides an individual breakdown of the amounts received by board members in the course of their duties during 2021. This document is available on the company's corporate website.

The determination of such remuneration is therefore a matter for the General Meeting of Shareholders, which shall consider the following principles and criteria:

- Guaranteeing the **performance** and **sustainability** of the FCC Group in the **long term**
- Ensuring the principle of **transparency**
- Encouraging **motivation**
- Retaining talent as a commitment to the **future**
- Establishing **competitive amounts**, in line with those established by companies similar in size and activity
- Remunerating the **dedication, qualification and responsibility** required by the position
- Taking due precautions in order to avoid results that do not accompany the **value creation** and that could place FCC in potentially risky scenarios



Lastly, it should be noted that, apart from the fixed remuneration, there are allowances for board members to attend board meetings and internal committees convened during the year. In addition, the company allocates a variable amount to executive board members, based on the fulfilment of corporate objectives. For further information, see the Board Members' Remuneration Policy and the Annual Report of the Board Members on the FCC Group's corporate website.

8. Integrity
Consolidated Integrity

| A shared line of action. Work at the highest level in line with consolidated principles that guarantee Citizen Services

8.1. Legitimate compliance

| A shared project combining technical excellence and due diligence to ensure exemplary behaviour

The FCC Group works daily to be a leading company in the continuous search for new ways to meet the needs of its customers, while assuming an essential role as a socially responsible agent. Since its origins, it has been characterised by the development of long-lasting relationships based on trust and mutual benefit, governed by the principle of transparency, a basic principle of its business.

A reflection of this commitment is its **Compliance Model**, the purpose of which is to prevent and detect risks of non-compliance, with particular attention to behaviour that could lead to criminal offences.

Within the Compliance Model, the **Code of Ethics and Conduct** is considered the core of the culture, values and principles that govern the behaviour of the FCC Group's collaborators. This Code lays the foundations for conduct of integrity, unifying and integrating a common commitment to due diligence, not only in the practices carried out directly by FCC or through its subsidiaries, but also throughout its supply chain.



REGULATORY BLOCK THAT MAKES UP THE FCC GROUP'S COMPLIANCE MODEL

- Gift Policy.
- Agent Policy.
- Crime Prevention Manual.
- Anti-corruption Policy.
- Ethical Channel Procedure.
- Human Rights Policy.
- Compliance Committee Regulations.
- Investigation and Response Procedure.
- Policy on relations with partners in Compliance issues.
- Harassment Prevention and Eradication Protocol.
- FCC Group participation policy in bidding processes for goods or services.

Thus, in order to make progress in the application of the Compliance Model and, in turn, achieve results in accordance with the Group's commitments, the following actions were taken in 2021:

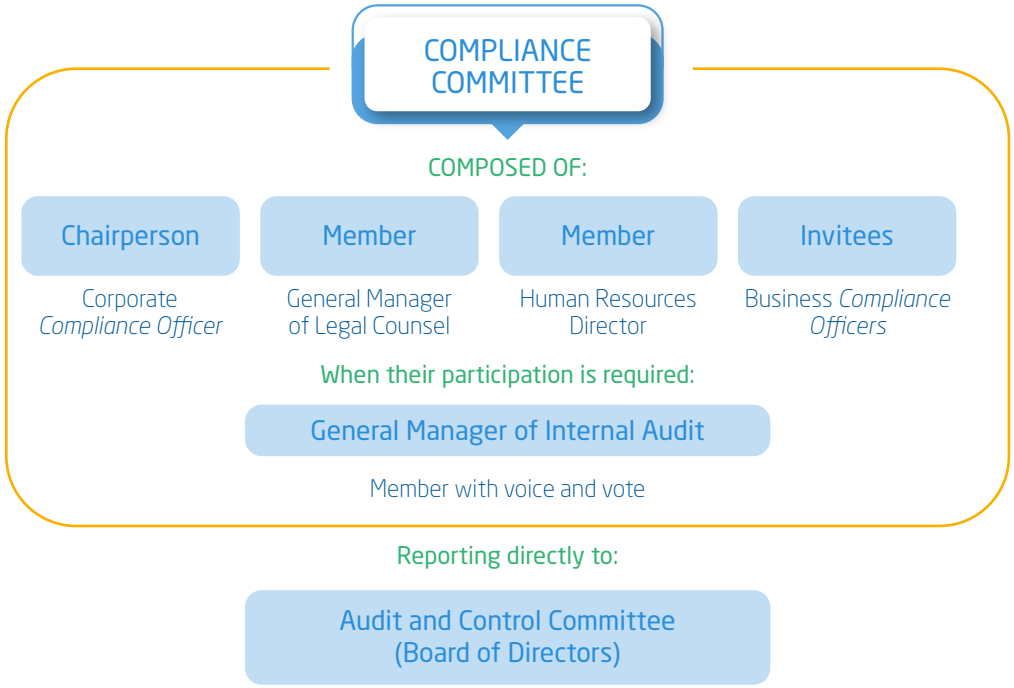
- Completion of the review started in 2020 of the criminal risk assessment carried out in 2018.
- Review of the regulatory block of the Compliance Model, with a proposal to the Board of Directors for an amendment to the Code of Ethics and Conduct in relation to the new limitation on cash payments.
- Review, in accordance with best practices in internal control, of the design and effectiveness of 60% of the controls of Central Services and FCC Concesiones (48 controls), related to the crimes of bribery, and against the Public Treasury and Social Security, assessed as High Risk.
- Completion of the implementation of the Compliance Model in the international subsidiaries, with the approval of the risk matrices, the launch of the self-assessment/certification of controls and the redirection of the complaints channels to the Group's Ethics Channel.
- Annual supervision of the Compliance Model by the Group's Internal Audit function.
- Conducting two half-yearly self-assessments, and certification in the Compliance Tool, of the controls designed to reduce criminal risks to a minimum, with a total of more than 3,000 self-assessed controls per certification.
- Implementation of new functionalities in the Compliance Tool.
- Approval of the FCC Group's three-year 2021-2023 Compliance Training Plan.
- Launch of new online training courses through the FCC Campus platform on the Code of Ethics and Conduct and Criminal Prevention, and extension of the scope of the training given in Spain to international subsidiaries.
- Risk assessment of suppliers in Compliance matters. The procedure for the approval of suppliers in the area of Compliance has been running since the end of 2019, although it is since April 2021 that the risk has begun to be assessed and the direct involvement of the Compliance function has been required in cases of high risk. In these nine months, a total of 870 suppliers have been approved under the new criteria, with specific analysis action required by the Compliance Function for 34 suppliers. None of these suppliers received an unfavourable assessment from Compliance.
- Conducting 220 due diligence assessments of third parties (partners, agents, suppliers) from the Group's businesses.



The FCC Group does not limit itself to having a strong set of regulations to encourage exemplary behaviour, but has set up a **Compliance Committee** –the Group's Criminal Prevention body with autonomous powers of initiative and control– whose functions include being the person in charge of promoting an ethical culture throughout the organisation and ensuring regulatory and regulatory compliance, both internally and externally.

In particular, this Committee works to ensure excellent monitoring of the Compliance Model, assessing, if deemed necessary, possible improvements in the controls and systems established in the company.

In order to ensure the rigour, efficiency and commitment to the excellent performance of the Compliance Model, persons in charge are appointed for each of the controls designed to prevent risks. Their objective is to carry out these controls throughout the year, and to self-assess and certify their functioning every six months. In the event that the "Control Owner" detects that the control has undergone any modification, has not been carried out correctly, or does not act adequately in its function of minimising risk, he/she will report his/her observations for the corresponding analysis by the *Compliance Officer*.





The FCC Group focuses on a shared corporate culture, where its workers assume their responsibility as agents of change. To achieve this goal, the Group pays special attention to the following aspects:

- **Training on the Code of Ethics and Conduct**

  The FCC Group promotes continuous training and dissemination programmes on the Code of Ethics and Conduct, the cornerstone of integrity. In 2021, the continuity of the social and healthcare crisis, suffered in all geographic areas of the Group, has favoured a significant boost to the FCC Campus training platform. Thus, in 2021, a total of **13 online training courses were given in the area of Compliance.**

- **Ethical Channel of the FCC Group**

  The Group's workers have the right and duty to report possible breaches of the Code of Ethics and Conduct to the Ethical Channel, which is accessible through three means: post office box; e-mail; and a form on the corporate intranet. The Ethical Channel is governed by the provisions of the Group's Ethical Channel Procedure, and guarantees the confidential handling, without fear of reprisals, of the notifications received.

  In 2021, a total of **192 notifications were received in the Group's Ethical Channel** (63 non relevant), 68% of which were of a labour-related nature. At the closing date of this report, 88.4% of the relevant notifications received had been resolved.

8.2. The right path to Human Rights

| Transparency and integrity as necessary ingredients to build the right path towards full respect for Human Rights



Aware of the strong influence and impact of the business community on society and the progressive transformation of the traditional business as usual, the FCC Group wants to be an active part of the change.

The company not only promotes Fundamental Rights, creating alliances that make certain social progress tangible, but it is also governed, since 2019, by its Human Rights Policy, approved by its Board of Directors, and aligned with the Guiding Principles for Business and Human Rights. In addition, the FCC Group is a member of various international Human Rights instruments:

- United Nations Global Compact.
- Universal Declaration of Human Rights Framework.
- Declaration of the Rights of the Child.
- Various ILO conventions.
- Other agreements of the Building and Wood Workers' International Federation (BWINT).

Although the "inadequate management of aspects related to Human Rights" is a risk identified by the Group within the category of Strategic Risks, due to the significant impact that its materialisation would have on the organisation, the characteristics of the business and the different governance instruments and policies implemented transversally throughout the Group ensure a high level of control over it.

Aspects such as a geographical location mostly in developed countries, the globalisation of the Group's Human Rights Policy, human resources policies, procurement policies, and the Compliance Model, with specific controls over suppliers in the area of Human Rights management, significantly reduce the likelihood of impacting on these essential rights.

In any case, and in accordance with its Human Rights Policy, FCC is committed to guaranteeing freedom of partnership and collective bargaining, as a basis for cooperation, dialogue and the creation of positive synergies between the company and its employees. Furthermore, the company creates relationships based on mutual trust, respect and collaboration with the local communities in which it operates, generating employment, well-being and wealth in these communities.

On the other hand, the FCC Group rejects child labour and forced labour, favouring dignified and paid employment, in a healthy environment, where its workers can develop their skills and where their needs are taken seriously into consideration. Likewise, the company is committed to diversity, condemning any type of discrimination and favouring more inclusive environments.

The Group is currently focusing its attention on its supplier chain. Aware that less control increases the risk of non-compliance, the company has approved a new supplier management procedure, which defines the approval processes and mandatory responsible declarations prior to contracting products and services. These approval processes include, unsurprisingly, aspects relating to the protection of Human Rights (for more information, see section Responsible purchasing).

Based on this commitment to contribute to the respect for Human Rights, as has occurred in previous years, in 2021 no complaint has been received by the FCC Group that has resulted in a violation of these fundamental rights and freedoms.



8.3. Legal action against corruption and money laundering

| Leading change through accountability

The FCC Group is a company that values its international prestige as an essential asset, the result of the hard work carried out by different generations of people committed to offering the best service to citizens. However, such recognition on a global scale can be jeopardised or damaged by malpractice.

Bearing in mind that acting with integrity and honesty benefits both its stakeholders and the company itself, the FCC Group categorically rejects fraud, corruption and, in short, all forms of bribery.

The FCC Group and its fight against corruption

Indeed, FCC not only reiterates its rejection of the aforementioned activities, strictly abiding by the law in each territory in which it operates, but also establishes preventive and control measures to remove any doubt regarding the ethics of its behaviour. An example of this line of action against bribery and money laundering is the creation of different policies that reinforce the commitment set out in its **Code of Ethics and Conduct** and prevent the occurrence of such conduct.

Of particular relevance in this area is the **Anti-Corruption Policy**, which sets out the guiding principles for its activities:

1. Compliance with the law and ethical values.
2. Zero tolerance for bribery and corruption.
3. Vigilance in the ownership and confidentiality of data.
4. Rigour in control, reliability and transparency.
5. Prevention of money laundering and transparent communication.
6. Extension of commitment to partners in the business.
7. Promotion of continuous training on ethics and compliance.
8. Transparent relationship with the community.
9. Conflicts of interest.

FCC also complements and reinforces its fight against attitudes related to corruption and bribery with two additional procedures:

Agent policy

This policy establishes the general and essential principles by which the relationship between FCC and any commercial agent or business collaborator must be governed, as well as the basic aspects to be observed in the procedures for selecting, negotiating, and controlling the performance of these operators.

Gift policy

Its main objective is to foster a culture of business ethics in the organization, particularly with regard to the practice of giving and accepting gifts. This policy not only implies that all employees must behave in accordance with the law, but it is also an additional element of exemplarity that places the Group's actions beyond any risk.

Tendering policy

The purpose of this policy is to establish the basic and common elements of the FCC Group for the preparation and presentation of bids for competitive contracting processes, called by public or private entities. In addition, it pursues the correct compliance with the regulations applicable to tendering procedures, minimizing the risk of possible breaches of regulations, especially in the criminal (corruption, fraud, bribery, etc) or antitrust areas.

In addition, another measure to prevent corruption, bribery, influence peddling, fraud and money laundering is the training that the FCC Group makes available to its staff, mandatory training for the group directly affected. Specifically, training in corruption prevention was taken by a total of 319 workers in 2021, with nearly 3,400 people trained since its launch in 2020.

In relation to the assessment of exposure to corruption-related offences, the Group carries out a regular analysis of all its operations considering the geographical areas in which it operates.

As a result of this assessment, a matrix of corruption-related risks and controls with national and international scope is available.

To ensure regulatory compliance, the FCC Group identifies risks and draws up a roadmap of controls to prevent the commission of criminal acts and, if necessary, to exempt the legal entity from liability. Among the control procedures with respect to activities related to corruption and bribery, the following stand out:



CONTROL PROCEDURES

- Approval, by the Communications Directorate, of sponsorships, donations and collaborations.
- The Group's selection procedure, based on a competency-based system to ensure transparency and equality in all selection processes.
- Declaration regarding conflict of interest in recruitment processes.
- Annual training plan on Criminal Prevention and Anti-Corruption.
- Approval of travel and representation expenses.
- Procedure for communication and approval of need to purchase, and the Purchasing Manual.
- Reconciliation of bank statements for the detection of outstanding or unreasonable movements.
- Management of the legal representatives of each company.
- *Due Diligences* prior to contracting certain partners, agents and suppliers.



Fight against money laundering

In accordance with its Code of Ethics and Conduct, FCC has no tolerance for money laundering and acts to deal with practices of this type. Over the last few years, working with strong evidence of Compliance management and control has become one of the main tasks for the FCC Group.

To achieve this objective, the company itself carries out an ongoing assessment covering governance objectives, risk control and compliance with anti-money laundering regulations.

In particular, through the analysis of the risks to which FCC could be subject, three possible dangerous situations have been detected, specifically with respect to those companies that are obliged subjects in accordance with the provisions of Law 10/2010, of 28 April, on the Prevention of Money Laundering:

- Failure to review customer identification and control procedures.
- Failure to comply with the reporting obligation.
- Non-implementation of internal control measures.

The following procedures have been established to control these risk events:

- The inclusion of a clause on the Prevention of Money Laundering in real estate development marketing contracts.
- The review of contracts of sale, lease or lease-purchase.
- The review of legal representatives for the revocation of powers granted to a person who has left the company.
- The existence of an internal advice and complaint line.
- The Prevention of Money Laundering Manual.
- The existence of a body for the supervision and monitoring of money laundering prevention measures.
- The identification of interested parties in a Real Estate asset, in order to assess the risk of the operation.
- The provision of training to employees on Money Laundering.

Reflecting the FCC Group's involvement in this matter, there are no reports of money laundering.



9. Cybersecurity
A secure network

| The FCC Group's information security at the service of citizens

9.1. Information Security

| Ensuring the protection of information through cybersecurity

In an increasingly connected and digitised world, companies are increasingly confronted with potential cyber threats, which poses a major challenge when implementing cyber security models and measures to ensure information security.

According to the latest "Global Risks Report 2022", published by the World Economic Forum, concerning the greatest global risks (economic, environmental, geopolitical, social and technological), "cybersecurity failures" may become a critical global risk within 5 years.

In this context, the FCC Group considers information to be a strategic resource, and is therefore committed to ensuring the protection and security of the information of the company, its customers, outsourcers and suppliers, its products and services, against various cyber threats.

Cybersecurity Model

The company has its own Cybersecurity Model which establishes the basic principles and basic requirements for developing the appropriate security measures for the Group's information systems. The company also has a regulatory framework for information security, which applies to all its business areas and whose main objective is to keep the confidentiality, integrity and availability of the information.

In addition, the FCC Group is committed to protecting the personal data and any other relevant information of its employees, customers and suppliers in order to comply with the legal requirements in this area and to ensure that the appropriate procedures are established. In this regard, it is worth highlighting the values that guide the company in the daily work of the treatment of personal data:

Cybersecurity Model and Regulatory Framework

FCC Group's main information security objectives:

- Confidentiality
- Integrity
- Availability of information

Values that guide the company in the daily work of the treatment of personal data

- Transparency and confidence in the secure treatment of Personal Data at all times.
- Responsibility and commitment in the use of Personal Data based mainly on their confidentiality.
- Availability of Personal Data on a need-to-know basis and only to persons who need it by reason of their functions.
- Integrity of information to prevent unauthorised handling.

Measures to improve information security

In order to respond to the increasingly foreseeable information security risks, the FCC Group is carrying out a number of initiatives.



Key cybersecurity initiatives

- Identification and development of the necessary cybersecurity skills and knowledge in the different areas, as well as the promotion of a cybersecurity culture at all levels of the organisation.
- Start of the implementation and standardised prioritisation of cybersecurity measures based on a risk and threat analysis, with a focus on systems supporting critical infrastructure and essential services.
- Establishment of mechanisms to control and monitor the state of cybersecurity in the different areas of the company and ensure compliance with applicable internal and external regulations.

10. Customers
Excellence in service

| Attention and safety frame the work of the FCC Group in its relationship with customers

10.1. Example of experience

| Attending to the needs of each customer

As expressed in the Code of Ethics and Conduct of the FCC Group, the company is characterised by promoting a culture focused on customer care and commitment. Every year, the FCC Group invests more and more resources in perfecting its offer of differentiating products and services in all its business areas, in order to satisfy the demands of its customers and anticipate their needs.

In an increasingly competitive environment, the FCC Group is aware of the value generated for the business by a relationship of trust and credibility with its customers, through two-way communication, as detailed in chapter Communication with Stakeholders. The Group's continuous dialogue and effective response enables it to strengthen relations with its customers, thanks also to the expertise of the Group's staff.

The commitment to the customer is materialised in adequate attention and anticipation, but also through the diversification of products and services, which are adapted to the different types of customers.



PUBLIC SECTOR	The cities of the future must be the result of working hand in hand with a multitude of public entities and organisations.
PRIVATE SECTOR	FCC's plurality of services also includes projects designed for the private sector.
COMMERCIALISATION AND SALES	In particular, the Cement Business maintains a direct relationship with the customer that guarantees the commercialisation of a high quality product, in accordance with all its safety standards.
FINAL USER	With the aim of participating in the change and development of the cities of the future, the FCC Group brings together a series of activities whose ultimate goal is the full satisfaction of its populations as end users.

10.2. Customer care

| High-quality customer services, where trust and security prevails

The FCC Group works to maintain the high-quality standards that define its range of products and services, always taking into account health and safety criteria and complying with the legislation applicable to all its businesses. Moreover, the Group considers communication with its customers to be necessary and essential to maintain the principle of continuous improvement, as well as customer satisfaction.

A necessary condition to secure the trust we seek from our customers is, undoubtedly, to guarantee them that the Group cares about and meets their need for privacy of information. The company works under the principles of the applicable European legislation, which are consolidated, at management level, through the ISO 9001 certification in all its areas of business.

In the area of health and safety, the company promotes a number of actions which are highlighted below:

BEST PRACTICES FOR SAFE AND QUALITY WORK

FCC Servicios Medio Ambiente

FCC Medio Ambiente Iberia

Specific health and safety measures for work in public spaces and in public spaces and roadways in order to ensure the safety of citizens.

FCC Environment UK

Software for recording, investigating and resolving incidents related to customer health and safety.

FCC Environment CEE

In the Czech Republic, assessments of risk, safety and personnel at all stages of its projects.

Cementos Portland Valderrivas

- Safety data sheets for the products it commercializes
- Packaging and labelling in accordance with the European CLP regulation
- Registration of cements commercialized in Spain with the National Institute of Toxicology and Forensic Sciences

FCC Construcción

- ISO 27000 certification for information security.
- Project risk and security assessments.

Aqualia

- Water quality control system within its Aqualia LAB network.
- ISO 17025 accreditation in its laboratory located in Badajoz for environmental tests.

10.3. Listening and responsibility

| Customer satisfaction is the result of applying the values of the FCC Group with a deep understanding of consumer opinion

The FCC Group understands the different types of customers that define each of its areas of business. For this reason, and for objective and efficient management, it applies in each area methodologies adapted to the different casuistry, in order to listen adequately to the concerns of the entities and users it serves.

In addition, each business line develops its own tools for proactive listening and response, and it is responsible for monitoring the satisfaction of its individual customers.

Every business has different tools at its disposal to deal with and get to know the opinion of its customers.



COMMUNICATION MECHANISMS FOR SERVING DIFFERENT TYPES OF CUSTOMERS

FCC Servicios Medio Ambiente

- Responsibilities and methodologies for your administrative clerks, sales and/or customer service staff in accordance with local laws, for personalised communication, via face-to-face, online and/or by telephone.
- Complaints received by FCC Medio Ambiente Iberia are registered through its VISION computer application. After responding to the observations sent by its customers, the company proceeds to study and analyse them, obtaining conclusions on customer satisfaction.
- In the area of Industrial Waste, specialised methodologies are used for the private sector, using satisfaction surveys or the Top Ten method.
- In Poland, there is also a specific complaints system for waste management and treatment services.

Aqualia

- Call centre.
- Social media.
- SMS messages for notifications of invoices with incidents and network failure notices.
- Aqualia Contact platform and mobile application, to carry out virtual office functions (searches for support channels available in the municipality, invoicing or payments) and carry out satisfaction surveys. It also allows customers to access all the support channels available in their municipality through its search engine.

FCC Construcción

- Figure of the "customer interlocutor" responsible for managing and processing suggestions and feedback, as well as managing the collaboration with the customer.

Cementos Portland Valderrivas

- Dealing directly with trade departments of customers.
- Technical-sales support in periodic visits for personalised service.
- Online management of the Digital Channel for customers, portal for access to invoices, delivery notes, balance and quality certificates, and evolution of the activity, projects and works, etc.

Complaint systems, complaints received and their resolution

The complaints and claims received and managed in each of the Group's business areas during 2021 are set out below:

Para el caso concreto de FCC Construcción, el periodo medio de resolución de las quejas ha disminuido considerablemente debido a que la mayoría de las quejas recibidas durante el año 2021 tienen un periodo de resolución extenso y no están cerradas, por lo cual formarán parte del reporte de 2021.

Para el caso de Cementos, dicho período de resolución ha disminuido porque este aumentó más de lo normal en 2020, debido a la recepción de una serie de quejas más complejas de lo normal, que aumentaron la media de días.

En la siguiente tabla se muestran los resultados de las quejas y reclamaciones recibidas a lo largo del ejercicio 2021 en el Grupo FCC:

COMPLAINTS AND CLAIMS(*)

	Aqualia		Medio Ambiente		Construcción		Cemento	
	2020	2021	2020	2021	2020	2021	2020	2021
Received	16,180	15,948	6,697	9,350	105	177	15	10
Managed[29]	–	–	10,043	9,346	103	177	15	10
Average resolution time (days)	–	–	4.6	2.92	49	22	80	24.1

(*) Complaints received and handled by the Environmental Services Area activity in Serbia have not been considered.

[29] Managed: all complaints and claims that have been dealt with by the company and have resulted in their closure, regardless of the final result obtained (not accepted, filed, resolved in favour of the customer, resolved in favour of the company).

RESULT OF COMPLAINTS AND CLAIMS(*)

	Aqualia	Medio Ambiente	Construcción	Cemento
Not accepted	–	89	–	–
Filed	–	278	–	–
Resolved	–	8,983	93	7
Other type of result obtained	–	–	84	3
Total complaints received	**15,948**	**9,350**	**177**	**10**

(*) Complaints received and handled by the Environmental Services Area activity in Serbia have not been considered.

QUALITY SURVEYS SENT TO CUSTOMERS

Below is a breakdown of the number of surveys sent and received by each of the FCC Group's business areas:

	Aqualia	Medio Ambiente	Construcción	Cemento
No. of surveys sent	187,760	1,919	370	882
No. of surveys received	3,325	570	351	92

11. Supply chain
Sustainable provisioning

| Redesigning value chains



11.1. Responsible purchasing

| A responsible supply chain for a sustainable planet

The crisis resulting from Covid-19, together with the social and climate challenges of the last few years, have triggered an operational rethink of supply chains towards more sustainable systems over time, more locally focused and more environmentally responsible. Its impact on companies and their stakeholder relations has increased the demands of consumers, who are increasingly demanding new models of responsible purchasing, which inevitably has repercussions on the value chains of large companies.

Therefore, also in accordance with legal requirements, companies are obliged to establish sustainability criteria in their supply chain, with the aim of neutralising the corresponding potential impacts.

In this context, the FCC Group, with the aim of establishing more lasting and solid relations with its stakeholders, including its suppliers and outsourcers, works paying special attention to the impact that its purchasing processes have on the company. In this sense, the company continues to work on the application and inclusion of ethical, social and environmental issues in its purchasing processes and in the services it provides.

An integrated framework to ensure responsible purchasing

Within the framework of this activity, the FCC Group has different tools that guide the company's actions in accordance with its culture of continuous improvement. In this way, the company renews the guidelines to be followed, updating them in accordance with the social and environmental situation. In fact, FCC applies ESG criteria in its purchasing processes, as well as in its service provision.

Code of Ethics and Conduct

It sets out the basic principles that all suppliers, partners and collaborators must comply with in terms of:

- Corruption, bribery and fraud: Ethical behaviour in your business dealings.
- Human and labour rights: Protection under the Universal Declaration of Human Rights and the International Labour Organisation.
- Commitment to occupational health and safety: Commitment to occupational health and safety standards.
- Sustainable environmental management: Respect and prevention of environmental degradation.

General Terms and Conditions

The ethical clauses that have to be accepted by suppliers are defined, including the scope of the FCC Group's Anti-Corruption Policy.

Purchasing Manual

It promotes stable and long-lasting business relationships between contracting partners and suppliers based on three principles:

- Transparency.
- Competitiveness.
- Objectivity.

Risk Map

ESG risk mapping analysis for suppliers and contractors on issues such as:

- Identification of potential sustainability risks.
- Inclusion of sustainability criteria in the definition of critical supplier.
- Monitoring and control of higher risk suppliers.



Supplier Approval Process

From the Purchasing Department, the FCC Group is working to establish a single methodology for the approval and evaluation of suppliers.

The approval process consists of a study of possible risks related to the information provided by the supplier concerned. Suppliers must duly complete their registration on the Group's platform in order to be considered "approvable suppliers". Once this registration has been completed, the supplier must sign a Declaration of Responsibility regarding anti-corruption, receipt and delivery of gifts, conflicts of interest and human rights.

The supplier is then required to answer a series of questionnaires, which include social, environmental and governance criteria, the most important of which are as follows:

a) Information concerning the financial situation.

b) Certifications and information relating to Quality and Environmental Management systems.

c) Information relating to the Occupational Risk Prevention system.

d) Information concerning the company's operations (if it is a supplier of products), including allocation of responsibilities, training, customer service, process control, approval and evaluation of suppliers and customer satisfaction.

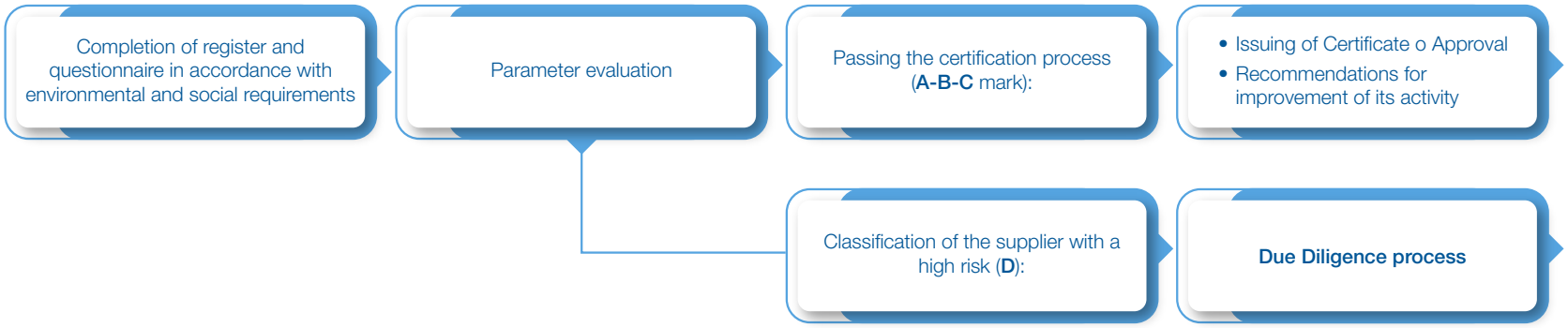
e) Data on the workforce, including number of workers, percentage of women, average age and average length of service of the workers.

f) Corporate Social Responsibility, declaration of respect for human rights, anti-discrimination policy, membership of the Global Compact, certification of ethical/social management system, sanctions or legal proceedings for human rights violations, communication of sustainability policy, assessment of employee satisfaction, work-life balance policies.

g) Compliance, including own Code of Ethics and acceptance of the FCC Group's Code of Ethics, criminal prevention model, complaints channel, existence of a Compliance Officer, policies for the prevention of money laundering and the financing of terrorism and sanctions or convictions for corruption, bribery or influence peddling.

h) Data protection, including the existence of a Data Protection Officer, data breach notification procedure, security breaches, risk analysis and security measures, sanctions received and open cybersecurity sanctioning procedures, employee privacy and support to local communities.

As a result, the procedure for a supplier to be approved is as follows:



Immediate response: Due Diligence process

For cases in which a supplier is included in the classification of high-risk suppliers (D), the FCC Group implements a Due Diligence process to detect and prevent possible risks from arising in the contractual relationship, which allows the Purchasing Department to accept or reject this approval.

Based on the conclusions obtained from the Due Diligences process, the Purchasing Department decides whether or not the supplier should be approved and under what conditions, establishing preventive or corrective measures if necessary.

APPROVAL PROCESS

870[30] Approved suppliers.

100% Suppliers assessed and selected according to environmental criteria.

100% Suppliers assessed and selected according to social criteria.

2022 Goals

- To approve 80% of the suppliers allocated by the purchasing department in purchasing processes carried out during the year.
- To approve 90% of the suppliers representing the top 30% of the total ordered by amount of cost in the previous financial year.

[30] In 2021, only 4 high-risk suppliers were identified and underwent Due Diligence. They were finally approved.

Towards continuous improvement: evaluation and monitoring

Along with the objective of guaranteeing continuous improvement in the approval process, the company works on the periodic assessment of suppliers by sending satisfaction surveys to the different departments involved in the Group. This speeds up the decision-making process for future allocations, allows for improved negotiations, as well as the continuation or cancellation of the approval.

Furthermore, in the approval process, compliance audits of suppliers categorised as "critical" are required to be carried out. However, no supplier has been classified in this category so far and therefore no audit has been carried out.

INTERNATIONAL FACE-TO-FACE, LOCAL FOCUS

As reflected in the data, the FCC Group favours the economic and social development of the areas in which it carries out its activities by opting for the contracting of national suppliers. In this way, through its initiatives, it invests in the local economy and promotes job creation.



33,237 National and international suppliers

32,806 National suppliers **+ 95%**

Almost 97%
Volume of purchases for national Suppliers

12. Anticipation
Opportunities for Progress

| Assuming anticipation as the possibility of treading unexplored paths

12.1. Risk Management Model

| Anticipation, assessment and response

The FCC Group operates in a wide variety of countries and industries, with changing environmental, socioeconomic and legal environments. This variety of situations, to which FCC must respond, entails a series of risks and opportunities that are managed with a focus on constant improvement.

FCC has a Risk Management Model, whose line of action is threefold: **Identify, Assess and Manage**

The FCC Group analyses, assesses, identifies and prioritises the different risks inherent to the development of its activity, based on strategic, operational, compliance and financial criteria. In this way, the company proactively addresses those aspects relevant to its stakeholders, anticipating those events that could affect its objectives. Once identified, and depending on their nature, these risks are dealt with through the mechanisms integrated in the Management Model.

The sequence of activities that structure the operation of the Group's Risk Management Model is as follows:



- **Risk assessment,** considering the potential impact on the Group's objectives and the likelihood of occurrence.
- Definition of **Risk Maps**, after having assessed the possible threats.
- Establishment of **prevention and control activities**, with the aim of mitigating the effect of these risks.
- Establishment of **reporting flows and communication mechanisms** at different levels.

As an additional measure, **Action Plans** will be implemented for those risks that exceed the established levels, always based on criteria of operational viability and cost-benefit relation. These plans may also be developed when inefficiencies are detected.

This Risk Management Model is applicable to all businesses belonging to the Group, as well as to those participating companies with effective control. Finally, the risk tolerance assumed by the Group will be defined by its Board of Directors, being dynamic over time and varying according to internal and/or external factors.

In addition, FCC has a Compliance Model and its corresponding management framework, which is supervised by the Group's Compliance Committee.

Bodies in charge of the development and implementation of the Risk Management Model

FCC's Risk Management Model is developed and implemented by a set of administrative clerks. Through an efficient allocation of responsibilities, the Group seeks to promote a consistent and competent control environment, based on the **risk-opportunity vision**.



The Board of Directors

Responsible for approving the Group's Risk Management Model, identifying those risks considered to be the company's main risks. As well as implementing and monitoring the internal control and information systems.

Audit and Control Committees

Responsible for monitoring and analysing the effectiveness of internal control and risk management and control policy.

Meanwhile, the FCC Group's Risk Management Model is based on the establishment of three levels of risk and internal control, the first two of which are located in the business units and the third in the corporate areas, and on the definition of responsibilities:

First level

- They act as risk generators.

  Properly managing, monitoring and reporting the risk generated.

Second level

- Consisting of **support, control and supervisions teams**.

  Responsibility: Ensuring effective control and adequate management of risk.
- Each business unit is responsible for the implementation of the Risk Management Model, including those related to financial information.
- **The Business Compliance Officer:**
  - He/she assists the Corporate Compliance Officer in the dissemination of the Criminal Prevention Model, in the identification of risks and in the definition and monitoring of controls.
  - He/she proposes action plans in his/her area, in cases where breaches or inefficiencies in the functioning of controls have been detected, submitting these proposals to the Corporate Compliance Officer.

Third level

It is composed of the corporate functions that report to Senior Management and/or the Audit and Control Committee. This third level includes the following:

- **The tax Division:**

  It defines tax policies, procedures and criteria that are generally applicable for de Group.
- **The Corporate Compliance Officer:**
  - Implementing the Criminal Prevention Model.
  - Identifying risks in his/her area.
  - Defining and monitoring the relevant controls.
  - Proposing Action Plans where appropriate.
- **Internal Audit and Risk Management**
  - Both functions report to the Audit and Control Committee.

  Risk Management:
  - Coordinating the Risk Management Model.
  - Defining a basic methodology for the identification, assessment and reporting of risks, providing support to those responsible for its implementation.

  Internal Audit:
  - Assessing the adequacy of policies, methods and procedures and verifying their effective implementation.

Potential risk situations

The FCC Group, according to its business practices in this area, classifies risks as follows:



Operational

Risks related to the tendering and contracting process, partner selection, outsourcing and suppliers, labour, collection processes and customer satisfaction.

Compliance

Risks relating to compliance with applicable laws (on quality, environment, information security, etc.), compliance with contracts with third parties and the FCC Group's Code of Ethics and Conduct.

Strategic

Risks related to the markets, countries and industries in which FCC operates, as well as the geopolitical situation.

Financial

Risks related to liquidity, cash management, access to financial markets, exchange rate and interest rate.

Significant risk management

The FCC Group responds by means of specific actions to the risks detected.



Strategic risks

- Political and regulatory instability.
- Climate and environmental risks.
- Health and humanitarian crises.
- Regional armed conflicts and terrorism.
- Loss of market share.
- Reduction of investment and demand forecasts.
- Reputational damage.

Response plans

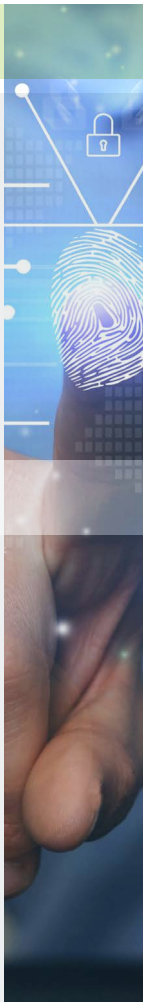
- Consolidation of diversified international positioning as a provider of services classified as essential.
- Maintenance of market share in mature markets.
- Search for new public-private collaboration formulas for the development of the integral water cycle, environmental services and infrastructures.
- Own strategy for adaptation to climate change in Horizon 2050.
- Integration of businesses in the circular and low-carbon economy and alignment with the SDGs.
- Investment in technology, innovation and process control.
- Development of Sustainability Plans.

Operational risks

- Unilateral termination or modification of the contract, contractual disputes and litigation.
- Project rescheduling.
- Valuation of Real Estate investment.
- Price increases and unavailability of raw materials and subcontracted services.
- Risks arising from third party relationships.
- Labour conflicts.
- Loss of human resources.
- Risks associated with digitalization.
- Cyber-attacks.
- Risks to people`s health and safety.
- Environmental damage.

Response plans

- Formal systems for economic and technical planning and contractual management with clients and third parties, applying an active negotiation policy.
- Application of purchasing procedures, monitoring of key suppliers and periodic analysis of deviations.
- Inclusion of price review mechanisms in contracts.
- Quality management, environmental management and occupational risk prevention systems in accordance with international standards.
- Operational unit and information security management system also in accordance with international standards.
- Monitoring plans to specific project risks.
- Appropriate insurance coverage.
- Training, coordination and development of the Group's Human Resources.
- Active management of labour relations.
- Regular valuations of real estate assets by independent experts.



Significant risk management (continuation)



Financial risks

- Credit risk.
- Liquidity risk.
- Exchange rate fluctuations.
- Interest rate fluctuations.
- Limited access to financial markets.
- Impairment of goodwill.
- Recoverability of assets for deferred tax.

Response plans

- Continuous monitoring of the credit quality of customers, lines of credits and financing.
- Reinforcement of the financial-equity structure to improve the balance between shareholder's equity and borrowed funds.
- Optimisation of exposure to debt linked to variable rates and analysis of interest rate hedging instruments.
- Controlling the management of equity risks and updating and monitoring the value of goodwill and deferred tax assets.

Compliance risks

- Discrepancies in regulatory compliance.
- Discrepancies in contractual compliance.
- Potential non-compliance with the Code of Ethics.

Response plans

- Code of Ethics and Conduct widely disseminated.
- Structured, formalized and periodically reviewed Compliance Model.
- Compliance organizational structure at different levels and for the different businesses, coordinated by the Compliance Committee.
- Training programmes on Ethics in the Compliance and Values schools (FCC Campus).
- Updating programmes in different regulatory areas.
- Regulated systems with detailed procedures.
- Monitoring of contractual and regulatory requirements in project management plans.



As it does every year, throughout the year the FCC Group analyses the risks that have occurred. During 2021, the company has detected the following risks:

I. As a result of the consequences of the health crisis, as well as the measures put in place to reduce it, the Group has seen its activity, its productivity and the achievement of certain projects collaterally affected and has had to reschedule them in some cases. However, compared to 2020, the impact has been milder.

II. Certain projects have been rescheduled due to various operational, technical, design, work area availability, contractual interpretation, lack of decision-making by clients and other reasons.

III. The increase in the prices of raw materials, electricity, fuel and outsourced services has affected the outcome of certain projects from time to time.

IV. There have been contractual disputes that have sometimes led to civil, labour, criminal, arbitration, administrative, regulatory and similar proceedings.

V. Due to the entry into force of the UK's Withdrawal Agreement from the European Union, the Group continues to monitor and update its adaptation plans for possible regulatory changes.

For further information, please consult the FCC Group's Annual Corporate Governance Report 2021.



APPLYING RISK MANAGEMENT TO EVERY BUSINESS

The **Environment Area** documents in a Map of Risks and Opportunities those considered significant for its activity and assesses its possible occurrence in its periodic Risk Materialisation Report (IMR). In this way, it responds to potential impacts by adopting specific measures both locally and globally from its management.

The **Water Area** has a compliance model and a system for controlling and assessing its strategic risks. Specifically for the prevention of operational risks, it carries out self-assessments of the implementation of controls and processes in order to detect and work on improvements.

The risk analysis carried out by the FCC Group, at corporate level, is the first step in analysing the context of the **Construction Area** and the expectations of the interested parties. In addition, this analysis is complemented with the Technical Actions Forecast Act (APAT), in which the works are classified according to their risk situation throughout all their phases: study, contracting and implementation.

In 2021, the **Cement Area** updated its risk map based on the Group's Integrated Risk Management Model. Thus, the following have been identified as the main risks: the European energy crisis as a major impact on the costs of its activity, the European regulation of CO_2 emissions, the evolution of the COVID-19 health crisis and the economic and political situation in Tunisia. Consequently, corresponding action plans have been defined to reduce these risks.



13. Commitment
Responsible taxation

| Accountability in a clear and sustainable manner

13.1. A shared commitment

Fiscal transparency is essential for the creation of economic and financial stability at both social and business level. On the other hand, it is also a requirement for the fulfilment of stakeholders, as well as for the maintenance of reputation and the raising of investment capital.

The FCC Group complies with the tax regulations of all the jurisdictions in which it operates, contributing to the development of social welfare, the generation of value and economic development wherever it operates.

Fiscal Strategy and Policy

The FCC Group's tax strategy is currently defined in its Tax Code of Conduct, published on its website, and in its Tax Control Framework Standard, both documents approved by the FCC Board of Directors.

Furthermore, the FCC Group is a member of the Tax Agency's Code of Good Tax Practices, which aims to promote a reciprocally cooperative relation between the Tax Agency and the companies that have subscribed to it, a relation based on the principles of transparency and mutual trust, and which aspires to reduce legal uncertainty for companies and existing law suits in tax matters. As a result of the commitment undertaken by the FCC Group within this framework, the Group submits an annual Fiscal Transparency Report to the Tax Agency.

Finally, FCC is working on the development of a comprehensive Tax Policy, which aims to create value for shareholders and other stakeholders in a sustainable manner. To this end, the transactions it contemplates will always be carried out for business reasons, in accordance with the applicable regulations, and considering the possible impact of its decisions on tax matters in the various regions in which it provides its services.



Fiscal governance and control framework

The FCC Board of Directors is the body responsible for reviewing and approving the Group's Code of Tax Conduct, which is mandatory and establishes the policies, principles and values that should guide tax behaviour within the company.

The Tax Code of Conduct also establishes the necessary compliance, where applicable to employees, with the Tax Control Framework Standard and the procedures relating to the management of the tax area set out therein.

The Tax Code of Conduct and the Tax Control Framework Standard are aligned with the values that characterise the FCC Group as reflected in the **Code of Ethics and Conduct**, the **Corporate Social Responsibility Policy** and the **Mission** and **Vision** of the FCC Group

RESPONSIBILITIES OF THE PERSONS OF THE FCC GROUP IN TAX MATTERS

TAX REGULATIONS BY JURISDICTION	FISCAL AREA CONTROL FRAMEWORK	SUPERVISION	TAX AUTHORITIES
Professionals should observe the tax rules applicable in each jurisdiction, based on sufficiently reasoned and reasonable interpretations and sufficiently verified facts.	Apart from the other obligations, all professionals must comply with and respect the Tax Control Framework Standard as well as the specific procedures for communication, action and review relating to the fiscal area.	The professional shall ensure that the senior management of the FCC Group oversees any decisions taken in tax matters and that such decisions are properly supported.	The Tax Code of Conduct emphasises that the FCC Group's professionals must create and strengthen greater collaboration and cooperation with the state tax authorities of the countries in which it operates.

The Tax Control Framework Standard conditions tax decisions, which are made on the basis of the position of the various administrative bodies, as well as the corresponding courts of law in the region in which the activity is carried out. Tax planning strategies or tax positions in which the economic benefit is solely and exclusively of a tax nature, without the objectives being aligned with trade or business purposes, are not acceptable. Arrangements that could be considered artificial from a tax point of view are also not permitted.

Tax decisions, which are commercially justifiable and publicly disclosed, are taken on the basis of the risk levels defined in the Group's Tax Control Framework Standard.

Identification and management of fiscal risk

The Audit and Control Committee of the FCC Group reviews half-yearly the law suits and tax risks, which are identified and controlled on a recurring basis through internal management tools.

Depending on the level of risk, decisions will be taken by the Tax Department of the Business Area or, where appropriate, by the head of the Corporate Tax Area. Also, certain risks will require the approval of the Board of Directors of the FCC Group.

In this regard, the FCC Group may not take tax decisions classified as a serious risk in accordance with the parameters set out in the Tax Control Framework Standard, even if they are supported by Law.

The risk analysis is carried out on the basis of the following categories:

RISK ANALYSIS CATEGORIES

- IMPLEMENTATION RISKS
- REPUTACIONAL RISKS
- COMPLIANCE RISKS
- EXTERNAL RISKS



In their classification, both their potential quantitative and qualitative impact is considered.

Regarding the mechanisms for reporting concerns related to possible unethical or illegal conduct that threatens the integrity of the FCC Group, professionals may express such conduct through the Group's Ethics Channel.

Stakeholder engagement

As established in the Tax Code of Conduct of the FCC Group, all persons with responsibilities within the Tax Area of the FCC Group are obliged to carry out their work in a clear and ethical manner with the tax authorities of the country in which they carry out their activity.

Furthermore, these professionals must opt for an active and participatory role in the tax forums of those business associations and international organisations of which the FCC Group is a member, with a view to building a fairer and more harmonised tax system for both the Group's interests and those of the company as a whole.

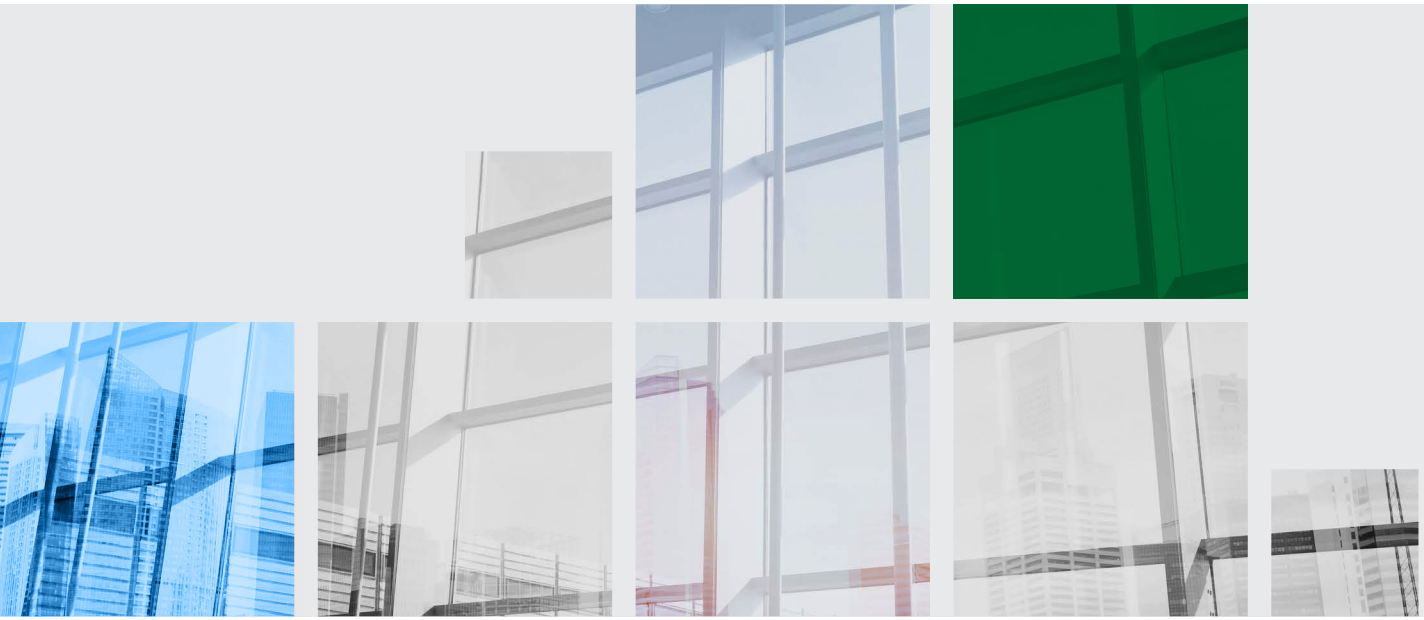
13.2. FCC Group's contribution

| Results reflecting transparency

Annex IV provides details of the after-tax profits, income taxes and government grants received by country, by FCC Group, during the 2021 financial year.

The information contained in these tables has been audited by a verifier which is independent of the FCC Group, always complying with the necessary requirements of objectivity and independence, and providing the required information.

In this way, the Group applies the principle of transparency to the tax information published, having been able to verify the Group's compliance with its tax obligations and the applicable tax regulations.



ANNEXES

ANNEX I
About this report

Regulatory Context

This Sustainability Report provides information on the management of key aspects (environmental, social and governance) for the company and its businesses in the period between 1 January and 31 December 2021.

The dissemination of non-financial information or that relating to corporate social responsibility contributes towards the measurement, monitoring and management of the performance of companies and their impact on society, and constitutes a common practice within the FCC Group. The information on FCC's ethical, environmental and social performance was prepared in accordance with the Essential option in the GRI Standards (Global Reporting Initiative).

The FCC Group also includes in this Report the non-financial information requested by Law 11/2018, of 28 December, on non-financial information and diversity. This Report, therefore, is a constituent part of the FCC Group's Consolidated Management Report, corresponding to the 2021 business year, between 1 January and 31 December 2021.

Throughout this document, information is provided on environmental and social issues, respect for human rights and the fight against corruption and bribery, as well as information on the Group's employees.

Principles for preparing the Report

In the preparation of this Report, the FCC Group followed the principles of the Global Reporting Initiative for the preparation of reports: Inclusion of stakeholders, context of sustainability, material value and comprehensiveness.

To identify material issues, FCC updated its materiality study for 2021, described in point 3.3 of this report and taking the company's main stakeholders into account. In the event that any indicator is not material for the Group or for any of its businesses, this will be expressly stated in the text. The scope of the material topics and their coverage was developed sufficiently to reflect significant economic, environmental and social impacts and to enable stakeholders to assess FCC's performance in 2021.

The Group also took care to ensure the quality of the document, respecting the following principles: accuracy, balance, clarity, comparability, reliability and timeliness.

To ensure the reliability of the information, the Group verified its Sustainability Report independently. A guarantee report that includes the objectives and scope of the process, as well as review procedures used and their conclusions, is attached as an annex to this report.

Scope

El alcance de la información proporcionada en este informe se corresponde con el perímetro de integración empleado para la consolidación financiera de Fomento de Construcciones y Contratas, S.A. y sociedades dependientes, considerándose los datos del 100% de las empresas participadas sobre las que se tiene el control de la gestión, independientemente de su porcentaje de participación.

The list of FCC Group companies as at 31 December 2021 is shown in Annex I of the consolidated annual accounts, which can be consulted, as of the date of preparation of this document, on the website of the Spanish National Securities Market Commission (CNMV): CNMV - Annual financial reports.

The FCC Group, distinguished by its geographical and activity diversity, is working to extend the scope of the information to all the companies that make up the group. However, the following is a list of companies excluded from this scope for which non-financial information for the 2021 business year has not been included:

Business	Excluded from the Scope
FCC Servicios Medioambiente	Aparcamientos Concertados, S.A., Azincourt Investment, S.L, Castellana de Servicios, S.A., Corporación Inmobiliaria Ibérica, S.A., Ecodeal-Gestao Integral de Residuos Industriais, S.A., Europea de Tratamiento de Residuos Industriales, S.A., FCC Equal CEE Andalucía, S.L, FCC CEE C. Valenciana, S.L., FCC Equal CEE Murcia, S.L., Gandia Serveis Urbans, S.A., Gestió i Recuperació de Terrenys, S.A.U., Goldrib, Soluções De Valorização De Resíduos, Lda., International Services Inc., S.A.U., Jaime Franquesa, S.A., Recuperació de Pedreres, S.L., Serveis Municipals de Neteja de Girona, S.A., Servicio de Recogida y Gestión de Residuos Sólidos Urbanos del Consorcio Vega Sierra Elvira, S.A., Sistemas y Vehículos de Alta Tecnología, S.A., Societat Municipal Medioambiental d'Igualada, S.L., Tratamientos y Recuperaciones Industriales, S.A., Valoración y Tratamiento de Residuos Urbanos, S.A., Valorización y Tratamiento de Residuos, S.A., FCC Construction Northern Ireland Limited, FCC Industrial UK Limited, FCC Real Estate (UK) Limited, ASMJ s.r.o, FCC BEC s.r.o, FCC České Budějovice s.r.o., FCC Dačice s.r.o., FCC HP s.r.o., FCC Kikinda d.o.o., FCC Liberec s.r.o.,,FCC Litovel s.r.o., FCC Neratovice s.r.o. , FCC Prostějov s.r.o., FCC Regios a.s., FCC Uhy s.r.o., FCC Únanov s.r.o., FCC Vrbak d.o.o., FCC Žabčice s.r.o., FCC Zabovresky s.r.o., FCC Znojmo s.r.o., Obsed a.s., Quail spol. s.r.o., Realia Contesti, S.R.L., Severomoravské Vodovody a Kanalizace Ostrava A.S., Vodotech, spol. s.r.o., Realia Contesti, S.R.L., Premier Waste Services, LLC., Ecogenesis Societe Anonime Rendering of Cleansing and Waste Management Services, Egypt Environmental Services, S.A.E.
Aqualia	Aguas de Alcázar Empresa Mixta, Aqualia Mace Catar, C.E.G. S.P.A. Simplifiée.
FCC Construcción	FCC Constructii Romania, S.A., ACE Scutmadeira Sistemas de Gestao e Controlo de Tràfego, Colombiana de Infraestructuras, S.A.S., Concesiones Viales S. de R.L. de C.V., Concretos Estructurales, S.A., Conservial Infraestructuras, S.L., Consorcio FCC Iquique Ltda., Construcción Infraestructuras y Filiales de México, S.A. de C.V., Construcciones Hospitalarias, S.A., Constructora Meco-Caabsa, S.A. de C.V., Constructora Túnel de Coatzacoalcos, S.A. de C.V., Desarrollo y Construcción DEYCO CRCA, S.A., Edificadora MSG,S.A (Panamá), Edificadora MSG, S.A. de C.V. (El Salvador), Edificadora MSG, S.A. de C.V. (Nicaragua), FCC Américas, S.A. de C.V., FCC Américas Colombia, S.A.S., FCC Américas Panamá, S.A., FCC Construcción Costa Rica, S.A., FCC Construction International B.V., FCC Construction Ireland DAC, FCC Construction Northern Ireland Limited, FCC Construçoes do Brasil Ltda., FCC Edificadora CR, S.A., FCC Electromechanical Llc., FCC Elliott Construction Limited, FCC Industrial Panamá, S.A, FCC Industrial Perú, S.A., FCC Industrial UK Limited, FCC Inmobilien Holding GmbH, FCC Servicios Industriales y Energéticos México, S.A. de C.V., FCC Soluciones de Seguridad y Control, S.L., Fomento de Construcciones Colombianas, S.A.S., Fomento de Construcciones y Contratas Canadá Ltd., Impulsora de Proyectos Proserme, S.A. de C.V., Meco Santa Fe Limited. Megaplás Italia, S.p.A., Participaciones Teide, S.A., Servicios Dos Reis, S.A. de C.V.
Cementos Portland Valderrivas	Áridos de Navarra, S.A., Canteras de Alaiz, S.A., Dragon Alfa Cement Limited, Dragon Portland Cement Limited, Prebesec Mallorca, S.A, Select Beton, S.A., Tratamiento Escombros Almoguera, S.L., Uniland Acquisition Corporation, Uniland International B.V., Uniland Trading B.V.
Other activities	Asesoría Financiera y de Gestión,S.A., Autovía Coquense, S.A., Cemark – Mobiliario urbano e Publicidade, S.A., Concesionaria Atención Primaria, S.A., Concesionaria Túnel de Coatzacoalcos, S.A. de C.V., Costa Verde Hábitat, S.L., F-C y C, S.L.U, FCC Concesiones Al Ansar, S.A.U., FCC Concesiones de Infraestructuras, S.L., FCC Midco, S.A., FCC Real Estate (UK) Limited, FCC Topco, S.A.R.L., FCC Versia, S.A., Fedemes, S.L., Jezzine Uno S.L.P, PPP Infraestructture Investments B.V., Vela Borovica Koncern d.o.o., Vialia Sociedad Gestora de Concesiones e Infraestructuras, S.L., Grupo Realia, Boane 2003, S.A.U., Guillena Golf, S.L.U, Hermanos Revilla, S.A., Inversiones Inmobiliarias Rústicas y Urbanas 2000, S.L., Planigesa, S.A., Realia Business,S.A., Realia Contesti, S.R.L., Realia Patrimonio, S.L.U., Servicios Índice, S.A., Valaise, S.L.U.

The non-inclusion of non-financial information on these companies is due to the fact that most of them are inactive or being wound up, holding companies, companies without productive activity or incorporated during the second half of the business year. The FCC Group's non-financial reporting procedure allows those companies incorporated in the second half of the business year to make non-financial reporting on a voluntary basis, in order to have a reasonable amount of time to adapt to the management systems implemented in the Group. However, if the information is available, it is included in the data provided by each business line.

Despite the above-mentioned corporate exclusions, the non-financial information presented in this Report covers between 90 and 95% of the FCC Group's turnover, unless expressly indicated below, guaranteeing a true image of the company's non-financial performance.

Furthermore, in addition to what is expressly indicated throughout the document in other sections, those excluded from the scope of specific indicators are detailed below:

Indicator	Excluded from the Scope
Resources dedicated to the prevention of environmental risks.	Aqualia.
Water discharges.	Aqualia.[31]
Waste managed by the Environment Area.	Subsidiaries of the Environmental Services business in Austria and Poland.
Water abstraction.	Aqualia.[32]
Complaints managed.	Aqualia.

The environmental section includes data on energy consumption, water consumption, waste generated and GHG emissions for the Group's corporate buildings (Las Tablas, Federico Salmón and Balmes headquarters). These indicators, with a very low weighting with regard to the FCC Group, are the most significant in the environmental management of these centres.

With regard to the exclusions from scope in the specific indicators mentioned above, these omissions are justified due to the impossibility of providing exhaustive and good quality information as at the closing date for the submission of this report. With regard to the above mentioned omissions concerning the FCC Group's turnover, Aqualia contributes 17.5%, and the subsidiaries in Austria and Poland of the Environmental business, 3.4%.

"PLANET. Environmental care and management", "SOCIETY. Promoting social and environmental progress" and "CUSTOMERS. Excellence in service" do not include information on the activity of the Environmental Services area in the United States, which accounts for 1.7% of the Group's turnover.

For fuel consumption data, the conversion factors to GJ according to the "Greenhouse gas reporting: conversion factors 2021", published by DEFRA, have been used.

[31] Since Aqualia's activity is to manage the end-to-end water cycle, the amounts of water discharged as a result of the purification and reuse processes are shown in section *Water as a resource.*

[32] Aqualia's self-consumption data, which is a residual amount compared to the amounts of water managed, is not available and is shown in section *Water as a resource.*

ANNEX II
Tables relating to social and personnel affairs

DEVELOPMENTS IN THE DISTRIBUTION OF THE WORKFORCE BY GENDER (31/12)

	2019	2020	2021
Men	77.8%	77.7%	77.1%
Women	22.2%	22.3%	22.9%
Total	**100%**	**100%**	**100%**

DEVELOPMENTS IN THE DISTRIBUTION OF THE WORKFORCE BY AGE RANGE AND GENDER (31/12)

	2019		2020		2021	
	Men	Women	Men	Women	Men	Women
< 35 years	8,413	1,876	6,788	1,850	7,425	2,125
35-54 years	26,945	8,180	24,043	7,501	24,946	7,623
> 54 years	10,789	3,111	15,570	3,995	13,563	3,865
Subtotal	**46,147**	**13,167**	**46,401**	**13,346**	**45,934**	**13,613**
Total	**59,314**		**59,747**		**59,547**	

DEVELOPMENTS IN THE DISTRIBUTION OF THE WORKFORCE BY BUSINESS AREA (31/12) (PERCENTAGE)

	2019	2020	2021
Environmental Services	67%	67%	69.7%
Water	16%	18%	16.5%
Construction	14%	12%	11.3%
Cement	2%	2%	1.8%
Real Estate	-	-	0.2%
Corporate	1%	1%	0.5%
Total	**100%**	**100%**	**100%**

DEVELOPMENTS IN THE DISTRIBUTION OF THE WORKFORCE BY FUNCTIONAL LEVEL AND GENDER (31/12)

	2019		2020		2021	
	Men	Women	Men	Women	Men	Women
Management and Direction	475	90	437	82	444	84
Supervisors	3,233	610	3,067	551	3,205	634
Technicians	3,545	1,629	3,898	1,660	4,092	1,847
Administrative Clerks	1,074	1,805	1,004	1,975	1,142	2,039
Sundry trades	37,820	9,033	37,995	9,078	37,051	9,009
Subtotal	**46,147**	**13,167**	**46,401**	**13,346**	**45,934**	**13,613**
Total	**59,314**		**59,747**		**59,547**	

DEVELOPMENTS IN THE DISTRIBUTION OF THE WORKFORCE BY COUNTRY GENDER (31/12)

Countries	2020			2021		
	Men	Women	Total	Men	Women	Total
Spain	33,956	11,115	45,071	34,514	11,180	45,694
Czech Republic	2,196	648	2,844	2,466	729	3,195
United Kingdom	2,152	350	2,502	2,247	385	2,632
Saudi Arabia	1,684	134	1,818	1,047	179	1,226
Colombia	666	147	813	782	154	936
Austria	532	165	697	535	157	692
Romania	554	134	688	536	125	661
Poland	423	108	531	479	138	617
USA	501	76	577	494	87	581
Egypt	1,340	3	1,343	546	3	549
Portugal	443	95	538	396	101	497
Slovakia	323	91	414	317	96	413
U.A.E.	307	5	312	312	8	320
Italy	217	35	252	212	37	249
Tunisia	215	17	232	209	13	222
Panama	266	42	308	177	24	201
Hungary	132	51	183	131	50	181
Mexico	63	17	80	98	23	121
Serbia	94	36	130	79	36	115
France	60	18	78	70	27	97
Chile	36	16	52	64	22	86

Countries	2020			2021		
	Men	Women	Total	Men	Women	Total
Algeria	54	7	61	54	7	61
The Netherlands	33	4	37	44	6	50
Peru	26	9	35	26	8	34
Nicaragua	27	3	30	24	4	28
Belgium	18	1	19	17	2	19
Qatar	14	0	14	13	0	13
Ireland	24	7	31	9	2	11
Norway	8	3	11	6	4	10
Australia	3	1	4	8	1	9
Canada	8	1	9	8	1	9
Costa Rica	3	2	5	3	2	5
Dominican Republic	9	1	10	4	1	5
Kosovo	-	-	0	2	0	2
Oman	1	1	2	2	0	2
Bulgaria	5	2	7	0	1	1
El Salvador	1	0	1	1	0	1
Guatemala	1	0	1	1	0	1
Montenegro	1	0	1	1	0	1
Ecuador	4	1	5	-	-	0
Brazil	0	1	1	-	-	0
Total	**46,400**	**13,345**	**59,747**	**45,934**	**13,613**	**59,547**

DEVELOPMENTS IN THE NUMBER OF NEW CONTRACTS BY GENDER

	2020	2021
Men	7,703	9,546
Women	2,540	3,288
Total	**10,243**	**12,834**

DEVELOPMENTS IN THE NUMBER OF NEW CONTRACTS BY AGE AND GENDER

	2020			2021		
	Men	Women	Total	Men	Women	Total
< 35 years	2,766	894	3,660	3,956	1,325	5,281
35-54 years	3,847	1,365	5,212	4,197	1,562	5,759
> 54 years	1,090	281	1,371	1,393	401	1,794
Total	**7,703**	**2,540**	**10,243**	**9,546**	**3,288**	**12,834**

DEVELOPMENTS IN THE NUMBER OF WORKERS BY TYPE OF CONTRACT AND GENDER (31/12)

	2019		2020		2021	
	Men	Women	Men	Women	Men	Women
Open ended	32,214	10,165	32,975	10,053	34,132	10,224
Temporary	13,933	3,002	13,426	3,293	11,802	3,389
Subtotal	**46,147**	**13,167**	**46,401**	**13,346**	**45,934**	**13,613**
Total	**59,314**		**59,747**		**59,547**	

DEVELOPMENTS IN THE NUMBER OF WORKERS BY TYPE OF WORKING DAY AND GENDER (31/12)

	2019		2020		2021	
	Men	Women	Men	Women	Men	Women
Full-time	41,908	9,420	42,271	9,479	41,406	9,821
Part-time	4,239	3,747	4,130	3,867	4,528	3,792
Subtotal	**46,147**	**13,167**	**46,401**	**13,346**	**45,934**	**13,613**
Total	**59,314**		**59,747**		**59,547**	

ANNUAL AVERAGE BY TYPE OF CONTRACT AND GENDER

	2019		2020		2021	
	Open-ended	Temporary	Open-ended	Temporary	Open-ended	Temporary
Men	31,599	14,719	32,952	14,053	33,761	12,614
Women	9,615	3,144	10,010	3,112	10,027	3,340
Subtotal	**41,214**	**17,863**	**42,962**	**17,165**	**43,788**	**15,954**
Total	**59,078**		**60,127**		**59,742**	

ANNUAL AVERAGE BY TYPE OF CONTRACT AND AGE RANGE

	2019		2020		2021	
	Open-ended	Temporary	Open-ended	Temporary	Open-ended	Temporary
< 35 years	4,603	5,895	4,593	5,730	4,607	5,176
35-54 years	26,236	8,967	25,220	8,302	25,218	7,707
> 54 years	10,375	3,001	13,149	3,133	13,963	3,071
Subtotal	**41,214**	**17,864**	**42,962**	**17,165**	**43,788**	**15,954**
Total	**59,078**		**60,127**		**59,742**	

ANNUAL AVERAGE BY TYPE OF CONTRACT AND FUNCTIONAL LEVEL

	2019		2020		2021	
	Open-ended	Temporary	Open-ended	Temporary	Open-ended	Temporary
Management and Direction	565	4	544	5	511	1
Supervisors	3,339	608	3,238	538	3,390	392
Technicians	3,858	1,013	4,403	994	4,661	949
Administrative Clerks	2,081	758	2,272	598	2,455	545
Sundry trades	31,372	15,480	32,505	15,030	32,771	14,067
Subtotal	**41,215**	**17,863**	**42,962**	**17,165**	**43,788**	**15,954**
Total	**59,078**		**60,127**		**59,742**	

ANNUAL AVERAGE BY TYPE OF WORKING HOURS AND GENDER

	2019		2020		2021	
	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time
Men	41,947	4,372	42,788	4,217	41,936	4,439
Women	9,296	3,463	9,508	3,614	9,620	3,747
Subtotal	**51,243**	**7,835**	**52,296**	**7,831**	**51,556**	**8,186**
Total	**59,078**		**60,127**		**59,742**	

ANNUAL AVERAGE BY TYPE OF WORKING HOURS AND AGE RANGE

	2019		2020		2021	
	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time
< 35 years	9,128	1,370	8,983	1,340	8,316	1,467
35-54 years	31,406	3,797	29,922	3,601	29,239	3,686
> 54 years	10,709	2,667	13,391	2,890	14,001	3,033
Subtotal	**51,243**	**7,835**	**52,296**	**7,831**	**51,556**	**8,186**
Total	**59,078**		**60,127**		**59,742**	

PROMEDIO ANUAL POR TIPO DE JORNADA Y NIVEL FUNCIONAL

	2019		2020		2021	
	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time
Management and Direction	565	4	542	8	506	6
Supervisors	3,780	167	3,616	159	3,622	160
Technicians	4,607	264	5,143	255	5,299	311
Administrative Clerks	2,666	173	2,695	175	2,749	251
Sundry trades	39,625	7,227	40,300	7,234	39,380	7,458
Subtotal	**51,243**	**7,835**	**52,296**	**7,831**	**51,556**	**8,186**
Total	**59,078**		**60,127**		**59,742**	

DEVELOPMENTS IN DISMISSALS BY GENDER

	2019	2020	2021
Men	662	532	633
Women	153	156	149
Total	**815**	**688**	**782**

DEVELOPMENTS IN DISMISSALS BY AGE RANGE

	2019	2020	2021
< 35 years	260	143	206
35-54 years	427	368	377
> 54 years	128	177	199
Total	**815**	**688**	**782**

DEVELOPMENTS IN DISMISSALS BY FUNCTIONAL LEVEL

	2019	2020	2021
Management and Direction	13	24	1
Supervisors	37	63	51
Technicians	107	114	68
Administrative Clerks	46	37	38
Sundry trades	612	450	624
Total	**815**	**688**	**782**

PARENTAL LEAVE IN 2021

	Men	Women
Number of workers who enjoyed the parental leave	849	249
Number of workers entitled to parental leave	849	249
Number of workers who returned to work after the end of parental leave(*)	551	156

(*) This figure does not include the number of workers who are currently on parental leave for 2021 and will return to work in 2022.

AVERAGE SALARIES BY FUNCTIONAL LEVEL, GENDER AND AGE RANGE(*) (EUROS)

		Under 35 years old	From 35 to 54 years old	Over 54
Men	Management and Direction	64,349.34	114,087.42	142,532.93
	Supervisors	33,877.29	47,278.12	51,254.61
	Technicians	22,534.88	35,145.17	41,515.76
	Administrative Clerks	16,669.38	27,766.52	36,641.13
	Sundry trades	18,202.58	24,192.21	25,807.96
Women	Management and Direction(**)	–	93,817.78	97,569.25
	Supervisors	24,798.00	39,012.04	43,437.94
	Technicians	19,913.13	28,956.06	31,784.99
	Administrative Clerks	16,241.63	23,943.37	26,552.09
	Sundry trades	17,301.58	19,241.44	18,824.60

(*) FCC defined a remuneration policy for each of the countries in which it operates, so the aggregate average remuneration for which the remuneration data for those countries in which we are established is added, it is not representative of the remuneration management undertaken in each of the business units and countries in which FCC operates.

(**) Data is omitted in order to protect privacy.

DEVELOPMENTS IN THE WAGE GAP IN SPAIN

	2019	2020	2021
Gross wage gap	17.42%	18.62%	19.81%

PERCENTAGE OF WORKERS COVERED BY COLLECTIVE AGREEMENT BY COUNTRY(*)

Countries	2019	2020	2021
Saudi Arabia	0%	0%	0%
Algeria	–	93.44%	100%
Australia	–	0%	0%
Austria	6%	0.10%	0.10%
Belgium	–	100%	100%
Brazil	–	100%	–
Bulgaria	0%	0%	0%
Canada	–	0%	0%
Chile	0%	0%	11.63%
Colombia	0%	0%	4.12%
Costa Rica	–	0%	0%
Ecuador	–	0%	–
USA	0%	14.37%	3.27%
Egypt	–	0%	0%
El Salvador	–	0%	0%
U.A.E.	0%	0%	100%
Slovakia	36.83%	33.73%	33.73%
Spain	100%	100%	100%
France	100%	100%	100%
Guatemala	–	0%	0%
Hungary	0%	0%	0%

Countries	2019	2020	2021
Ireland	–	0%	0%
Italy	100%	100%	100%
Kosovo	–	0%	0%
Mexico	0%	0%	0%
Montenegro	–	0%	0%
Nicaragua	–	0%	0%
Norway	–	0%	100%
Oman	0%	0%	0%
The Netherlands	–	100%	100%
Panama	30.45%	65.55%	29%
Peru	–	0%	0%
Poland	25%	20%	15.32%
Portugal	48.26%	13.85%	31.99%
Qatar	–	16.07%	0%
United Kingdom	7.13%	7.10%	11.23%
Czech Republic	36.58%	36.38%	33.66%
Dominican Republic	–	100%	100%
Romania	22.85%	20.52%	24.66%
Serbia	10.56%	13.86%	12%
Tunisia	100%	100%	100%

(*) In 2021 all countries and all areas where the FCC Group operates were included.

DEVELOPMENTS IN TRAINING HOURS BY FUNCTIONAL LEVEL AND BUSINESS AREA

	2020						2021					
	Management and Direction	Supervisors	Technicians	Administrative Clerks	Sundry trades	Total	Management and Direction	Supervisors	Technicians	Administrative Clerks	Sundry trades	Total
Environmental Services	5,686	32,828	33,064	18,364	132,096	222,038	5,560	44,446	32,403	16,914	181,513	280,836
Water	4,890	17,035	9,750	6,386	9,890	47,951	3,842	23,997	17,703	5,881	22,361	73,784
Construction	1,944	11,588	36,004	4,016	26,522	80,074	1,478	9,285	28,403	3,381	28,500	71,047
Cement	339	833	1,943	674	2,264	6,054	309	2,045	2,593	358	3,388	8,693
Real Estate						0	321	50	446	14	0	830
Corporate	2,077	1,284	6,439	2,516	53	12,369	2,515	914	2,164	428	55	6,076
Subtotal National	**14,936**	**63,568**	**87,200**	**31,955**	**170,826**	**368,485**	**14,025**	**80,736**	**83,712**	**26,975**	**235,818**	**441,266**
Environmental Services	946	11,216	12,399	7,788	106,222	138,571	1,329	20,851	14,915	12,449	32,815	82,359
Water	2,246		16,734	3,237	1,639	23,856	605	2,741	16,612	2,110	9,444	31,512
Construction		2,949	1,521	741	937	6,147	309	1,765	2,947	650	1,710	7,382
Cement		524	646	212	36	1,418	96	352	570	51	384	1,453
Subtotal International	**3,192**	**14,689**	**31,301**	**11,978**	**108,833**	**169,992**	**2,339**	**25,709**	**35,044**	**15,259**	**44,353**	**122,705**
Total	**18,128**	**78,257**	**118,501**	**43,933**	**279,659**	**538,477**	**16,364**	**106,453**	**118,756**	**42,235**	**280,171**	**563,971**

Safety, health and welfare:

DEVELOPMENTS IN ACCIDENT RATES

	2019	2020	2021
Frequency	23.98	17.07	18.36
Severity	0.91	0.67	0.71

DEVELOPMENTS IN ACCIDENT RATES BY GEOGRAPHICAL AREA

	2019		2020		2021	
Area	Accident frequency	Severity	Accident frequency	Severity	Accident frequency	Severity
Spain	32.06	1.27	22.93	0.97	24.61	1.00
Global	23.98	0.91	17.07	0.67	18.36	0.71

ACCIDENT RATE BY GENDER

	Accident frequency	Severity	Incidence
Women	16.46	0.62	2.35
Men	18.75	0.73	3.23

DEVELOPMENTS IN ABSENTEEISM[33] RATES DUE TO OCCUPATIONAL ACCIDENTS AND COMMON ILLNESSES

	2019	2020	2021
Work Accident	0.71	0.44	0.37
Common Illness	5.63	4.05	4.63

DEVELOPMENTS IN FATAL OCCUPATIONAL ACCIDENTS

	2019	2020	2021
FCC	0	3	0
Subcontractor	2	1	4

DEVELOPMENTS IN THE NUMBER OF OCCUPATIONAL ILLNESSES BY GENDER

	2019	2020	2021
Women	9	5	2
Men	3	6	2

[33] El Grupo FCC ha registrado un total de 6.072.839 horas de absentismo durante el ejercicio 2021.

ANNEX III
Tables relating to environmental issues

WATER ABSTRACTION (m^3)

	2020	2021
Municipal water supply or by other water companies	9,521,108	9,939,907
Surface waters	850,832	927,653
Groundwater	1,952,512	1,139,239
Rainwater	218,934	456,104
Water recycled or re-used	1,996,106	2,042,356
Total	**14,568,653**	**14,492,901**

NOTE: Information on Aqualia's self-consumption is not included as this information is not available as it is of a residual nature in comparison with the total water managed by this business.

DIRECT AND INDIRECT GHG EMISSIONS (tCO_2e)

Direct GHG emissions (Scope 1) (Alcance 1)	2020	2021
Emissions of tCO_2e from fossil fuel combustion in fixed sources under operational control		1,484,852
Emissions of tCO_2e from fossil fuel combustion in fixed mobile sources under operational control		282,799
Emissions of tCO_2e generated in water management complexes with operational control		80,224
Direct emissions from energy recovery centres at plants with operational control		634,735
Emissions of tCO_2e related to biological treatment at plants with operational control		77,148
Direct emissions from the calcination of carbonate raw materials in clinker kilns		2,607,731
Emissions of tCO_2e related to landfill disposal with operational control		1,457,336
Direct emissions due to refrigerant leakage		15
Other direct emissions		–
Total		**6,624,839**
Indirect GHG emissions (Alcance 2)		
Emissions of tCO_2e related to electricity or steam purchased from third parties - geographical method	604,073	549,838
Total GHG emissions (Scope 1, 2)	**6,963,464**	**7,174,677**

DIRECT GHG EMISSIONS (BIOGENIC ORIGIN) (tCO_2e)

	2020	2021
Emissions from the consumption of biogenic fuels in fixed sources and mobile sources under operational control	2,006,143	2,090,644

NONCOMPLIANCE WITH ENVIRONMENTAL LAWS AND REGULATIONS

	2020	2021
Total monetary value of fines (€)	304,256	43,861
Total number of non-monetary sanctions (No.)	23	5
Cases subject to mechanisms for the resolution of law suits (No.)	53	14

SPILLS

	2020	2021
Total no. of significant spills (No.)	18	33
Total volume of significant spills (m^3)	23	54

TOTAL WATER DISCHARGES FOR FRESH WATER OR OTHER WATERS (m^3)

	2020	2021
Fresh water (total dissolved solids ≤ 1000 mg/l)	1,508,526	2,452,153
Other waters (total dissolved solids> 1000 mg/l)	117,439	621,596
Not typified	1,948,056	1,087,988
Total	**3,574,020**	**4,161,737**

WATER DISCHARGES IN AREAS UNDER WATER STRESS (m^3)

	2020	2021
Fresh water (total dissolved solids ≤ 1000 mg/l)	592,343	541,175
Other waters (total dissolved solids> 1000 mg/l)	100	10,081
Total	**592,443**	**551,256**

The increase in discharges with a higher concentration of dissolved solids is the result of the improvements implemented by FCC Environment for recording this data through the VISION tool.

WATER ABSTRACTION FROM AREAS WITH WATER STRESS (m^3)

	2020	2021
Municipal water supply or by other water companies	5,681,748	5,609,234
Surface waters (wetlands, rivers, lakes, and other water streams)	470,964	93,176
Sea waters	–	–
Brackish waters	–	–
Groundwater	620,075	546,313
Rainwater captured and stored by the organisation	3,515	242,319
Water recycled or re-used	1,895,215	1,931,123
Other waters resulting from abstractions, processing or uses of raw materials	–	–
Total	**8,671,517**	**8,422,165**

WATER ABSTRACTION BASED ON TYPE OF WATER (m^3)

	2020	2021
Fresh water (total dissolved solids ≤ 1000 mg/l)	14,579,493	14,505,258
Other waters (total dissolved solids> 1000 mg/l)	–	–
Total	**14,579,493**	**14,505,258**

MATERIALES UTILIZADOS (T)

	2020	2021
Materiales renovables		
Materias primas (metales, minerales, madera, etc.)	257.475	755.363
Materiales de proceso, lubricantes y reactivos	191	186
Productos semielaborados	0,00	0,00
Material de envase y embalaje (papel, cartón, plásticos)	4.327	7.581
Total materiales renovables	**261.993**	**763.131**
Materiales no renovables		
Materias primas (metales, minerales, madera, etc.)	41.138.971	69.874.309
Materiales de proceso, lubricantes y reactivos	96.658	113.116
Productos semielaborados	3.726.276	2.015.821
Material de envase y embalaje (papel, cartón, plásticos)	4.343	2.019
Total materiales no renovables	**44.966.248**	**72.005.266**

CONSUMPTION OF FOSSIL FUELS IN FIXED SOURCES AND MOBILE SOURCES UNDER OPERATIONAL CONTROL (GJ)

	2020	2021
Petrol	97,236	64,077
Diesel/Diesel oil	3,766,750	3,801,507
Boiler oil (Diesel C)	18,320	29,088
Fuel Oil	8,954	12,233
LPG (Liquefied Petroleum Gas)	2,094	2,169
Petroleum naphtha	–	–
Natural gas	118,346	126,210
Compressed natural gas (CNG)	473,421	498,937
Liquefied natural gas (LNG)	–	327
Petroleum coke	–	–
Kerosene	662	623
Coal (domestic)	1,082	–
Coal (industrial)	–	–
Propane	3,439	3,363
Waste (fossil fraction)	7,207,458	7,602,329
Butane	15	7
Conventional fossil fuels in clinker kilns	12,214,421	12,724,095
Alternative fossil fuels in clinker kilns	1,509,222	1,945,334
Total	**25,421,420**	**26,810,299**

CONSUMPTION OF RENEWABLE FUELS IN FIXED SOURCES AND MOBILE SOURCES UNDER OPERATIONAL CONTROL (GJ)

	2020	2021
Biodiesel	–	152,128
Bioethanol	–	2,842
Biogas burned in boilers without electricity generation	238,919	202,287
Biogas burned in engines or turbines with electricity generation	1,397,791	1,297,256
Waste (biomass fraction)	8,487,487	9,278,924
Biomethane	549	688
Landfill gas	4,552	4,350
Biomass	1,364,247	1,683,550
Total	**11,493,546**	**12,622,025**

CONSUMPTION OF SELF-PRODUCED RENEWABLE ENERGY (GJ)

	2020	2021
From wind turbines	255	377
From photovoltaic panels	753	4.205
Total	**1,009**	**4,582**

ANNEX IV
Tax information

PROFITS BY COUNTRY AND TAX PAID ON PROFITS (thousands of €))

	Pre-Tax Profit 2021	Tax paid on 2021 profit
Germany(*)	25	
Saudi Arabia	21,951	3,773
Algeria	22,183	4,252
Argentina(*)	-1	
Austria	19,026	285
Australia(*)	-1,358	
Belgium(*)	6,910	
Bosnia and Herzegovina(*)	0	
Brazil(*)	-897	
Bulgaria(*)	-141	
Canada(*)	-582	
Chile(*)	-468	
Colombia	716	1,622
Costa Rica(*)	-340	
Croatia(*)		
Ecuador	147	31
Egypt	7,492	1,264
El Salvador	-48	87

	Pre-Tax Profit 2021	Tax paid on 2021 profit
United Arab Emirates(*)	2,307	
Slovakia	8,127	1,240
Spain	609,929	105,504
United States(*)	-8,414	93
Finland(*)	-13	
France	2,608	955
Greece(*)	4,665	
Guatemala	101	2
Haiti(*)	-1,108	
Honduras(*)	9	
Hungary	3,670	92
Ireland(*)	-6,819	
Italy	3,883	689
Latvia(*)	3	
Luxembourg(*)	5,949	
Morocco(*)	298	
Mexico	8,688	2,468
Montenegro(*)	-277	

BENEFICIOS OBTENIDOS PAÍS POR PAÍS Y LOS IMPUESTOS SOBRE BENEFICIOS PAGADOS (miles de €)

	Pre-Tax Profit 2021	Tax paid on 2021 profit
Nicaragua	761	37
Norway(*)	-475	
Oman(*)	398	
The Netherlands(*)	3.667	
Panama	-762	21
Peru	1.639	199
Poland	3.082	591
Portugal	9.198	1.475
Qatar	-86	518
United Kingdom	15.469	4.649
Czech Republic	40.346	6.366
Dominican Republic(*)	391	
Romania	8.389	609
Serbia(*)	-492	
Sweden(*)	-8,00	
Tunisia	17.734	3.332
Uruguay(*)	-12	
Total	**807.460**	**140.151**

(*) Countries that did not report any taxes. This was due to one or more of the following reasons: accumulated losses, negative results, negative tax bases from previous business years, profit was very small or Corporate Income Tax was not payable on profit in the country in question.

PUBLIC GRANTS RECEIVED (thousands of €)

	2019	2020	2021
Construction	–	–	–
Environment	3,726	3,997	6,399
Aqualia	10,725	8,418	11,358
Cement	–	–	1,037
Concessions	4,610	7,154	3,456
Real Estate	–	–	–
Central Services	–	–	–
TOTAL	**19,061**	**19,569**	**22,250**

ANNEX V
List of main associations

- Spanish Quality Association (AEC in Spanish).
- Association of Public Cleaning Companies (ASELIP).
- Spanish Association of Parks and Gardens Companies (ASEJA).
- Spanish Association of Cleaning Companies (ASPEL).
- Association of Integral Maintenance and Energy Services Companies (AMI).
- Association of Municipal Container Recovery and Sorting Plants (ASPLARSEM).
- Waste-to-Energy Forum (FGER).
- Technical Association for Waste Management and the Environment (ATEGRUS).
- Spanish Association of Waste Management Contractors (ASEGRE).
- Paper and cardboard reclaimers (REPACAR).
- Spanish Aerosol Association (AEDA).
- National Glass Recycling Association (ANAREVI).
- Association of Austrian Waste Management Companies (VOEB).
- Altstoff Recycling Austria (ARA).
- Association of Entrepreneurs in Waste Management (APOH).
- Czech waste management Association (ČAOH) .
- Environmental Services Association.
- The Association for Renewable Energy and Clean Technology.
- Recoup.
- Spanish Association for Water Supply and Drainage (AEAS).
- Spanish Association for Desalination and Re-use (AEDyR).
- Spanish Association of Water Services to Populations (AGA).
- IMIDEA-AGUA.
- Spanish Chamber of Commerce.
- National Water Council (CNA).
- Infrastructure Construction and Concessionary Company Association (SEOPAN-AGUA).
- Association for the Defence of Water Quality (ADECAGUA).
- Agrupació de Serveis d'aigua de Catalunya (ASAC).
- Associació Abastamens Aigua (AAA).
- Catalan Water Partnership (CWP).
- Associació Industrial per la producción neta (AIPN).
- Association of Water Entrepreneurs of Les Illes Balears (ASAIB).
- Water Alliance of Ibiza and Formentera.
- Water Supply and Drainage Association of the Valencian Regional Government (AVAS).
- Zinnae Urban cluster for efficient use of water.
- Water supply and drainage in Andalusia (ASA).
- Centre for New Water Technologies (CENTA Foundation).
- Business Confederation of the province of Almeria.
- Association of installers of water, gas, heating, air conditioning, electricity, telecommunications, liquid petroleum products, fire protection, solar energy, maintenance and related services in Almería and its province. (ASINAL).
- Chamber of Commerce of Almeria.
- Business and Traders' Association of Benalmádena (ACEB).
- Confederation of Entrepreneurs of the Province of Cádiz (CEC).
- Water Centre Foundation of the Canary Islands (FCCA).
- Association of Urban Water Distribution and Treatment Businesses of the province of Las Palmas (ADITRAGUA).
- Confederation of Business Organisations of the province of Badajoz (COEBA).
- International Desalination Association (IDA).
- International Water Association (IWA).
- European Federation of National Associations for Water and Drainage (EUREAU).
- Smart Water Networks Forum (SWAN).

- Partners of the International Federation of Private Water Operators (AquaFed).
- Specialist Centre on PPPS in Smart and Sustainable cities (PPP for Cities) (ONU-IESE).
- The Ditchley Foundation Water Advisory Committee (UK).
- Isle Utilities TAG (Technology Approval Group).
- World Water Innovation Fund (WWIF).
- Water Action Platform.
- Associaçao portuguesa de Distribuçao e Drenagem de Águas (APDA).
- Associaçao das Empresas Portuguesas para o Sector do Ambiente (AEPSA).
- Federazione italiana delle Imprese dei Serivizi idrici, energetici e vari (UTILITALIA).
- Association of the supply and drainage industry in the Czech Republic (SOVAK).
- Water Management Association in the Czech Republic (SVH).
- Czech Association of Non-Excavation Technologies (CZSTT).
- Association for the Development of the Moravian-Silesian Region (SRMSK).
- Association of Water Supply and Drainage Operators of the Czech Republic (APROVAK).
- Confederation of Industry of the CR (SP ČR).
- Czech Chamber of Comerce (HK ČR).
- Association Scientifique et Technique pour l'eau et l'environment.
- Fédération des Distributeurs d'eau indépendants.
- Fédération professionnelles des entreprises d l'eau (FP2E).
- National Association of Water and Sanitation Utilities in Mexico (ANEAS).
- Latin American Association for Desalination and Water Reuse (ALADYR).
- Water Environment Federation (WEF).
- Public Services Association of Colombia (ANDESCO).
- European Construction Industry Federation.
- Spanish Quality Association (AEC in Spanish).
- AECOM Association of Infrastructure Construction and Concessionary Companies.
- National Construction Confederation (CNC).
- European Construction Platform (ECTP).

ANNEX VI
GRI content table

The following is the table of contents for GRI content. It shows general GRI 102 content, as well as each of the material issues identified in any of the FCC Group businesses, along with details of the corresponding GRI thematic standards. For each of the issues considered in the materiality analysis, the businesses in which they are material are identified (Environment, Water, Construction and Cement).

Content and materiality of the issues by business	Report section/Direct response	Page number	Omission
GRI 101: Fundamentals 2016			
General content			
GRI 102: General Content 2016			
102-1 Name of the organisation.	Fomento de Construcciones y Contratas, S.A. and subsidiaries.	–	Not applicable
102-2 Activities, brands, products, and services.	2.2 Specialised business.	7-14	Not applicable
102-3 Location of headquarters.	Av. Del Camino de Santiago, 40 28050 Madrid, España.	–	Not applicable
102-4 Location of operations.	2.2 Specialised business.	7-14	Not applicable
102-5 Ownership and legal form.	Corporate Governance Report, section A. Ownership structure.	–	Not applicable
102-6 Markets served.	2.2 Specialised business.	7-14	Not applicable
102-7 Size of the organisation.	2.3 Key figures and growth. 5.1 Recognising talent.	15; 65-66	Not applicable
102-8 Information on employees and other workers.	Annex II: Tables relating to social and personnel affairs.	123-130	Not applicable
102-9 Supply chain.	11. Supply chain.	106-109	Not applicable

Content and materiality of the issues by business	Report section/Direct response	Page number	Omission
102-10 Significant changes in the organisation and its supply chain.	During 2021, there have been no changes that are considered to be significant for the FCC Group as a whole.	–	Not applicable
102-11 Precautionary principle or approach.	4.1.2 FCC Group Environmental Management System.	38-40	Not applicable
102-12 External initiatives.	8.2 The right path to Human Rights.	96	Not applicable
102-13 Membership of associations.	Annex V: List of main associations.	136-137	Not applicable
102-14 Statement from senior executives responsible for decision-making.	1. Letter from the CEO: "On the path to sustainability".	4-5	Not applicable
102-16 Values, principles, standards and rules of conduct.	3.1 Creating shared value.	19-21	Not applicable
102-18 Governance structure.	2.1 Governance structure. 7.2 A competent structure.	6; 89-90	Not applicable
102-40 List of stakeholder groups.	3.2 Communication with Stakeholders.	24-25	Not applicable
102-41 Collective bargaining agreements.	Annex II: Tables relating to social and personnel affairs.	128	Not applicable
102-42 Identifying and selecting stakeholders.	3.3 Focused on the material.	26-27	Not applicable
102-43 Approach to stakeholder engagement.	3.3 Focused on the material.	26-27	Not applicable
102-44 Key topics and concerns raised.	3.3 Focused on the material.	26-27	Not applicable
102-45 Entities included in the consolidated financial statements.	Annex I: About this report.	120-122	Not applicable
102-46 Defining report content and coverage of the topic.	Annex I: About this report.	120-122	Not applicable
102-47 List of material topics.	3.3 Focused on the material.	26-27	Not applicable
102-48 Restatements of information.	4.2.2 Pollution prevention.	46-49	Not applicable
102-49 Changes in the preparation of reports.	3.3 Focused on the material.	26-27	Not applicable
102-50 Period covered in the report.	Annex I: About this report.	120	Not applicable
102-51 Date of latest report.	2020.	–	Not applicable
102-52 Report preparation cycle.	Annual.	–	Not applicable
102-53 Contact points for questions regarding the report.	rcorporativa@fcc.es.	–	Not applicable
102-54 Declaration of having prepared the report in accordance with GRI Standards.	Annex I: About this report.	120-122	Not applicable
102-55 GRI content table.	Annex VI: GRI content table.	138-147	Not applicable
102-56 External verification.	Annex I: About this report.	120	Not applicable

Content and materiality of the issues by business	Report section/Direct response	Page number	Omission
Ethics, integrity, compliance and good governance. ENVIRONMENT, WATER, CONSTRUCTION AND CEMENT			
GRI 103: 2016 Management approach			
103-1 Explanation of the material issue and its coverage.	7. EXEMPLARITY - An exemplary organisation. 8. INTEGRITY - Consolidated integrity.	88-99	Not applicable
103-2 The management approach and what it consists of.	7. EXEMPLARITY - An exemplary organisation. 8. INTEGRITY - Consolidated integrity.	88-99	Not applicable
103-3 Assessment of the management approach.	7. EXEMPLARITY - An exemplary organisation. 8. INTEGRITY - Consolidated integrity.	88-99	Not applicable
GRI 307: Environmental compliance 2016			
307-1 Noncompliance with environmental laws and regulations.	Anexo III: Tablas relativas a cuestiones medioambientales.	131-133	Not applicable
GRI 419: Socioeconomic compliance 2016			
419-1 Noncompliance with laws and regulations in the social and economic area	No significant firm sanctions have been identified in 2021 for non-compliance with laws and regulations in the social and economic areas.	–	Not applicable
GRI 205: Anticorruption 2016			
205-1 Transactions assessed for risks relating to corruption.	8.3 Legal action against corruption and money laundering against corruption and money laundering.	97-99	Not applicable
Risk control and management systems. ENVIRONMENT, CONSTRUCTION AND CEMENT			
GRI 103: Management approach 2016			
103-1 Explanation of the material issue and its coverage.	12.1 Risk Management Model.	110-115	Not applicable
103-2 The management approach and what it consists of.	12.1 Risk Management Model.	110-115	Not applicable
103-3 Assessment of the management approach.	12.1 Risk Management Model.	110-115	Not applicable
Quality of service and client satisfaction. ENVIRONMENT AND CONSTRUCTION			
GRI 103: Management approach 2016			
103-1 Explanation of the material issue and its coverage.	10. CUSTOMERS - Excellence in service.	102-105	Not applicable
103-2 The management approach and what it consists of.	10. CUSTOMERS - Excellence in service.	102-105	Not applicable
103-3 Assessment of the management approach.	10. CUSTOMERS - Excellence in service.	102-105	Not applicable
GRI 416: Client health and safety 2016			
416-1 Assessment of the health and safety impacts of the product and service categories.	10.2 Customer care.	103	Not applicable

Content and materiality of the issues by business	Report section/Direct response	Page number	Omission
Innovation and digital transformation. ENVIRONMENT			
GRI 103: Management approach 2016			
103-1 Explanation of the material issue and its coverage.	2.4 Innovation in our DNA.	16	Not applicable
103-2 The management approach and what it consists of.	2.4 Innovation in our DNA.	16	Not applicable
103-3 Assessment of the management approach.	2.4 Innovation in our DNA.	16	Not applicable
Fiscal transparency and tax contribution. WATER			
GRI 103: Management approach 2016			
103-1 Explanation of the material issue and its coverage.	13. COMMITMENT – Responsible taxation.	116-118	Not applicable
103-2 The management approach and what it consists of.	13. COMMITMENT – Responsible taxation.	116-118	Not applicable
103-3 Assessment of the management approach.	13. COMMITMENT – Responsible taxation.	116-118	Not applicable
GRI 207: Taxation 2019			
207-1 Fiscal approach.	13. COMMITMENT – Responsible taxation.	116-118	Not applicable
207-2 Fiscal governance, control and risk management.	13. COMMITMENT – Responsible taxation.	116-118	Not applicable
207-3 Stakeholder engagement and management of tax concerns.	13.1 A shared commitment.	116	Not applicable
207-4 Country-by-country reporting.	13.2 FCC Group's contribution. Annex IV: Tax information.	118; 134-135	Not applicable
Pollution prevention. ENVIRONMENT AND CEMENT			
GRI 103: Management approach 2016			
103-1 Explanation of the material issue and its coverage	4.2.2 Pollution prevention	46-49	Not applicable
103-2 The management approach and what it consists of	4.2.2 Pollution prevention	46-49	Not applicable
103-3 Assessment of the management approach	4.2.2 Pollution prevention	46-49	Not applicable
GRI 303: Water and effluents 2018			
303-2 Management of impacts related to water discharges.	4.2.2 Pollution prevention.	46-49	Not applicable
303-4 Water discharges.	4.2.2 Pollution prevention.	46-49	Not applicable
GRI 305: Emissions 2016			
305-7 Nitrogen oxides (NOx), sulphur oxides (SOx) and other significant atmospheric emissions.	4.2.2 Pollution prevention.	46	Not applicable

Content and materiality of the issues by business	Report section/Direct response	Page number	Omission
Circular economy and waste. ENVIRONMENT, WATER, CONSTRUCTION AND CEMENT			
GRI 103: Management approach 2016			
103-1 Explanation of the material issue and its coverage.	4.3 Circular solutions.	52-56	Not applicable
103-2 The management approach and what it consists of.	4.3 Circular solutions.	52-56	Not applicable
103-3 Assessment of the management approach.	4.3 Circular solutions.	52-56	Not applicable
GRI 306: Waste 2020			
306-1 Waste generation and significant waste-related impacts.	4.3 Circular solutions.	52-56	Not applicable
306-2 Management of significant waste-related impacts.	4.3 Circular solutions.	52-56	Not applicable
306-3 Waste generated.	4.3.2 Reduction of waste generated.	55-56	Not applicable
Management of water resources. WATER			
GRI 103: Management approach 2016			
103-1 Explanation of the material issue and its coverage.	4.3.3 Water as a resource.	57-58	Not applicable
103-2 The management approach and what it consists of.	4.3.3 Water as a resource.	57-58	Not applicable
103-3 Assessment of the management approach.	4.3.3 Water as a resource.	57-58	Not applicable
GRI 303: Water and effluents 2018			
303-1 Interaction with water as a shared resource.	4.3.3 Water as a resource.	57-58	Not applicable
303-3 Water abstraction.	Annex III: Tables relating to environmental issues.	131-133	Not applicable
Consumption of materials. WATER AND CONSTRUCTION			
GRI 103: Management approach 2016			
103-1 Explanation of the material issue and its coverage.	4.3.4 Raw materials in the production process.	59	Not applicable
103-2 The management approach and what it consists of.	4.3.4 Raw materials in the production process.	59	Not applicable
103-3 Assessment of the management approach.	4.3.4 Raw materials in the production process	59	Not applicable
GRI 301: Materials 2016			
301-1 Materials used by weight or volume	4.3.4 Raw materials in the production process Annex III: Tables relating to environmental issues	59; 131-133	Not applicable

Content and materiality of the issues by business	Report section/Direct response	Page number	Omission
Energy consumption and energy efficiency. WATER AND CEMENT			
GRI 103: Management approach 2016			
103-1 Explanation of the material issue and its coverage.	4.2.3 Energy consumption and energy efficiency.	50-51	Not applicable
103-2 The management approach and what it consists of.	4.2.3 Energy consumption and energy efficiency.	50-51	Not applicable
103-3 Assessment of the management approach.	4.2.3 Energy consumption and energy efficiency.	50-51	Not applicable
GRI 302: Energy 2016			
302-1 Energy consumption within the organisation.	4.2.3 Energy consumption and energy efficiency Annex III: Tables relating to environmental issues	50-51; 131-133	Not applicable
Climate change. ENVIRONMENT, CONSTRUCTION AND CEMENT			
GRI 103: Management approach 2016			
103-1 Explanation of the material issue and its coverage.	4.2 Climate footprint.	42-45	Not applicable
103-2 The management approach and what it consists of.	4.2 Climate footprint.	42-45	Not applicable
103-3 Assessment of the management approach.	4.2 Climate footprint.	42-45	Not applicable
GRI 305: Emissions 2016			
305-1 Direct GHG emissions (scope 1).	4.2.1 Fight against climate change. Annex III: Tables relating to environmental issues.	45; 131-133	Not applicable
305-2 Indirect GHG emissions when generating energy (scope 2).	4.2.1 Fight against climate change. Annex III: Tables relating to environmental issues.	45; 131-133	Not applicable
Attracting and retaining talent. CONSTRUCTION			
GRI 103: Management approach 2016			
103-1 Explanation of the material issue and its coverage.	5. EMPLOYEES - People at the core.	64-70	Not applicable
103-2 The management approach and what it consists of.	5. EMPLOYEES - People at the core.	64-70	Not applicable
103-3 Assessment of the management approach.	5. EMPLOYEES - People at the core.	64-70	Not applicable
GRI 401: Employment 2016			
401-2 Benefits provided to full-time employees that are not available for temporary or part-time employees.	Generally speaking, there are no benefits provided for full-time employees that are not available for part-time or temporary employees.	–	Not applicable

Content and materiality of the issues by business	Report section/Direct response	Page number	Omission
GRI 402: Employee company relations 2016			
402-1 Minimum notice to be given regarding operational changes.	The notice to be given for operational changes varies depending on the country and the applicable regulations, as well as the significance of these changes. These usually vary between one week and 30 days.	–	Not applicable
Professional training and development. CONSTRUCTION			
GRI 103: Management approach 2016			
103-1 Explanation of the material issue and its coverage.	5. EMPLOYEES - People at the core.	66-70	Not applicable
103-2 The management approach and what it consists of.	5. EMPLOYEES - People at the core.	66-70	Not applicable
103-3 Assessment of the management approach.	5. EMPLOYEES - People at the core.	66-70	Not applicable
GRI 404: Training and teaching 2016			
404-1 Average hours of training per year per employee.	5.1.5 Managing knowledge Annex II: Tables relating to social and personnel affairs	67-69; 129	Not applicable
Diversity, equality and inclusion. WATER			
GRI 103: Management approach 2016			
103-1 Explanation of the material issue and its coverage.	5.2 Working towards making diversity a reality.	71-74	Not applicable
103-2 The management approach and what it consists of.	5.2 Working towards making diversity a reality.	71-74	Not applicable
103-3 Assessment of the management approach.	5.2 Working towards making diversity a reality.	71-74	Not applicable
GRI 405: Diversity and equal opportunities 2016			
405-2 Ratio for basic salary and remuneration for women vs men.	5.1.7 Compensation policy. Annex II: Tables relating to social and personnel affairs.	70; 127	Not applicable
GRI 406: Non-discrimination 2016			
406-1 Cases of discrimination and corrective actions taken.	In 2021, communications have been received in the Ethics Channel of a labour-related nature, and none related to cases of discrimination have been identified.	–	Not applicable
Safety, health and well-being. ENVIRONMENT, WATER, CONSTRUCTION AND CEMENT			
GRI 103: Management approach 2016			
103-1 Explanation of the material issue and its coverage.	5.5 Safety, health and well-being	77-78	Not applicable
103-2 The management approach and what it consists of.	5.5 Safety, health and well-being	77-78	Not applicable
103-3 Assessment of the management approach.	5.5 Safety, health and well-being	77-78	Not applicable

Content and materiality of the issues by business		Report section/Direct response	Page number	Omission
GRI 403: Occupational health and safety 2018				
403-1	Occupational health and safety management system.	5.5.1 Strategy and Culture.	77	Not applicable
403-2	Hazard identification, risk assessment and the investigation of incidents.	The health and safety management systems foresee operational control plans or regular checks, both to monitor the preventive measures foreseen as a result of the risk assessment, and to detect situations or deficiencies that determine the need for intervention and/or the updating of the assessments themselves. The participation of the workers in the notification of hazards or needs related to health and safety is organised through various channels of communication: through their representatives in the area and there is also a complaints channel that can be anonymous if the subject so desires, consisting of an ad hoc form that can be filled in online, sent by e-mail or by post. The Group has different procedures that establish how the investigation of labour incidents is to be carried out, which establishes the process to be followed and the persons who must participate in it.	–	Not applicable
403-3	Occupational health services.	The purpose of the joint prevention services is to promote and support the organisation in the integration and development of preventive and health promotion activities (implementation of health and safety management systems), as well as to evaluate the implementation of the Health and Safety Plans of the different business areas. This function is aimed at avoiding or preventing occupational risks and improving health and safety conditions by means of properly planned and orderly assistance and advice to all Group companies. The resources of the prevention services cover three specialities (Occupational Safety, Industrial Hygiene and Ergonomics and Applied Psychosociology) dedicated to the development of the technical responsibilities of the service, and they have the appropriate means for the needs of the prevention service. The Medical Services equipped with Basic Health Units (B.H.U.) and providing support to the Companies within their scope of action carry out the activities corresponding to the speciality of Occupational Medicine. In addition to the development of Health Surveillance, this speciality is agreed with an External Prevention Service in the geographical areas where the FCC Medical Services do not have coverage.	–	Not applicable
403-4	Worker participation, consultation and communication on occupational health and safety.	Numerous health and safety committees have been set up in the company in accordance with legal requirements, including joint bodies between the company and workers' representatives to inform, communicate, treat and follow up the preventive activity arising from the implementation of the management systems. The latter also provide for the existence of similar bodies in those cases where it is not legally required.	–	Not applicable

Content and materiality of the issues by business		Report section/Direct response	Page number	Omission
403-5	Training of workers on health and safety at work.	The management systems define the training to be received in accordance with the different profiles in matters of health and safety, which results in the detection of training needs and requirements annually, which in turn and once approved is reflected in the corresponding training plans. The essential features are as follows: Preventive training for the job position, MA training courses (to undertake responsibilities defined in the system) and MA technical training (for prevention technicians and those with basic or intermediate training in the performance of preventive duties).	–	Not applicable
403-6	Promoting the health of workers.	FCC's medical services cover the speciality of health surveillance for the entire organisation in those geographical areas (provinces) in which it is physically present. In this function, they are in charge of defining the surveillance protocols applicable to each work position as well as the programming and development of the initial and periodic medical check-ups, and those for incorporation after long absences and others. They also manage periodic flu vaccination campaigns and participate in the management of health promotion activities through different media, including internal publications on health via the digital magazine SOMOS FCC. They also participate in the development of campaigns to reduce absenteeism.	–	Not applicable
403-7	Prevention and mitigation of health and safety impacts on workers directly linked to business relations.	FCC includes, in its supplier approval process, the need to meet a series of information and compliance requirements related to occupational health and safety. Among them, the preventive organisation model, the accident rate results with respect to the sector of activity, sanctions in the matter and own resources allocated to the function are considered, among others. A positive assessment of these is a necessary condition for approval.	–	Not applicable
403-9	Work-related injuries.	The vast majority of occupational illness is related to problems with the musculoskeletal system.	–	Not applicable
Contribution and social commitment. WATER				
GRI 103: Management approach 2016				
103-1	Explanation of the material issue and its coverage.	6. SOCIETY - Promoting social and environmental progress.	79-85	Not applicable
103-2	The management approach and what it consists of.	6. SOCIETY - Promoting social and environmental progress.	79-85	Not applicable
103-3	Assessment of the management approach.	6. SOCIETY - Promoting social and environmental progress.	79-85	Not applicable
GRI 204: Procurement practices 2016				
204-1	Proportion of spending on local suppliers.	11.1 Responsible purchasing.	109	Not applicable

Content and materiality of the issues by business	Report section/Direct response	Page number	Omission
Promotion of and respect for human rights. WATER AND CONSTRUCTION			
GRI 103: Management approach 2016			
103-1 Explanation of the material issue and its coverage.	8.2 The right path to human rights.	96	Not applicable
103-2 The management approach and what it consists of.	8.2 The right path to human rights.	96	Not applicable
103-3 Assessment of the management approach.	8.2 The right path to human rights.	96	Not applicable
GRI 407: Freedom of association and collective bargaining 2016			
407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk.	8.2 The right path to human rights.	96	Not applicable
GRI 408: Child labour			
408-1 Operations and suppliers considered to involve significant risk of child labour.	8.2 The right path to human rights.	96	Not applicable
GRI 409: Forced or compulsory labour 2016			
409-1 Operations and suppliers considered to involve significant risk of forced or compulsory labour.	8.2 The right path to human rights.	96	Not applicable
GRI 411: Rights of indigenous peoples 2016			
411-1 Incidents of violations involving rights of indigenous peoples.	8.2 The right path to human rights.	96	Not applicable
GRI 412: Human rights assessment 2016			
412-2 Employee training on human rights policies and procedures.	5.1.5 Managing knowledge.	67-69	Not applicable

ANNEX VII
Table of indicators Law 11/2018

Law 11/18 Requirement	Reacted GRI standard	Page number
GENERAL INFORMATION		
Business model		
Brief description of the MA group business model (including business environment, organisation and structure).	102-1 Name of the organisation. 102-2 Activities, brands, products and services. 102-5 Ownership and legal status. 102-7 Size of the organisation. 102-18 Governance structure. 102-45 Entities included in consolidated financial statements.	6-14
Geographical presence.	102-3 Location of headquarters. 102-4 Location of operations. 102-6 Markets served.	7-14
Organisation's objectives and strategies.	103-2 The management approach and its components.	19-21; 30-31
Main factors and trends that may affect future growth and development.	103-2 The management approach and what it consists of.	33-34; 62-63; 86-87
Company policies		
A description of the policies applied by the Group regarding these issues [environmental and social issues, respect for human rights and the fight against corruption and bribery, those relating to personnel, including measures adopted, where applicable, to promote the principle of equal treatment and opportunities for women and men, non-discrimination and the inclusion of persons with disabilities and universal accessibility]	103-2 The management approach and what it consists of	Throughout the document.

Law 11/18 Requirement	Reacted GRI standard	Page number
Risk management		
The main risks relating to these issues [environmental and social issues, respect for human rights and the fight against corruption and bribery, those relating to personnel, including measures adopted, where applicable, to promote the principle of equal treatment and opportunities for women and men, non-discrimination and the inclusion of persons with disabilities and universal accessibility].	103-2 The management approach and what it consists of.	110-115
Other		
Mention in the report of the national, European and international reporting framework used for the selection of key indicators for the non-financial results included in each of the sections.	102-54 Declaration of having prepared the report in accordance with GRI Standards.	120
1. ENVIRONMENTAL ISSUES		
Detailed general information		
On current and foreseeable effects of the company's activities on the environment and, where applicable, health and safety.	103: Management Approach	
On environmental assessment and certification procedures.	103: Management Approach.	35-37
On resources dedicated to the prevention of environmental risks.	103: Management Approach.	38
On the application of the precautionary principle.	102-11 Precautionary principle or approach.	39
On the amount of provisions and guarantees for environmental risks.	307-1 Noncompliance with environmental laws and regulations.	41
Pollution		
Measures to prevent, reduce or repair carbon emissions that seriously affect the environment (also includes noise and light pollution).	303-2 Managing the impacts related to water discharges. 303-4 Water discharges. 305-7 Nitrogen oxides (NOX), sulphur oxides (SOX) and other significant air emissions.	46-49
Circular economy, waste prevention and management		
Measures for prevention, recycling, reuse, other forms of retrieval and disposal of waste.	306-2 Management of significant waste-related impacts.	52-56

Law 11/18 Requirement	Reacted GRI standard	Page number
Actions to combat food waste.	103: Management Approach	Due to the type of activity undertaken by the FCC Group, this has not been identified as a material issue. Nevertheless, in those Group centres that have a dining room for employees, the external company providing the service takes measures to optimise estimates for requirement and reduce food waste.
Sustainable use of resources		
Water consumption and water supply in accordance with local limitations.	303-1 Interaction with water as a shared resource. 303-3 Water abstraction.	57-58
Raw material consumption and measures taken to improve the efficiency of its use.	301-1 Materials used by weight or volume.	59
Direct and indirect energy consumption.	302-1 Energy consumption within the organisation.	50-51
Measures taken to improve energy efficiency.	103: Management Approach.	50-51
Use of renewable energy.	302-1 Energy consumption within the organisation.	51
Climate change		
Important elements of greenhouse gas emissions generated as a result of the company's activities, including the use of the goods and services it produces.	305-1 Direct GHG emissions (scope 1) 305-2 Indirect GHG emissions when generating energy (scope 2) Recommendations from the Task Force on Climate-Related Financial Disclosures (TFCD).	45; 131-132
Measures taken to adapt to the consequences of climate change.	Recommendations from the Task Force on Climate-Related Financial Disclosures (TFCD).	43
Reduction goals established voluntarily in the medium and long term to reduce greenhouse gas emissions and the measures adopted for this purpose.	Recommendations from the Task Force on Climate-Related Financial Disclosures (TFCD).	45
Protecting biodiversity		
Measures taken to preserve or restore biodiversity.	103: Management Approach.	60-61
Impacts caused by activities or operations in protected areas.	103-2 The management approach and what it consists of.	60-61

Law 11/18 Requirement	Reacted GRI standard	Page number
2. SOCIAL AND PERSONNEL AFFAIRS		
Employment		
Total number and distribution of employees by gender, age, country and professional classification. Total number and distribution of employment contract modalities. Annual average for indefinite, temporary and part-time contracts by gender, age and professional classification.	102-8 Information on employees and other workers.	66; 123-126
Number of dismissals by gender, age and professional classification.	103-2 The management approach and what it consists of.	127
Average remuneration and developments separated by gender, age and professional classification or equal value.	103: Management Approach.	127
Salary gap, remuneration for the same job position or the average within the company.	405-2 Ratio for basic salary and remuneration for women vs men.	127
Average remuneration for directors and managers, including variable income, allowances, compensation, contributions to long-term savings systems and any other income broken down by gender.	103-2 The management approach and what it consists of.	70
Implementation of work disconnection policies.	103: Management Approach.	78
Employees with disabilities.	103-2 The management approach and what it consists of.	73-74
Work organisation		
Occupational health and safety conditions.	103: Management Approach.	78
Hours lost through absenteeism.	403-2 Hazard identification, risk assessment and incident investigation.	130
Measures aimed at facilitating work-life balance and encouraging the coresponsibility of both parents.	103: Management Approach.	78
Health and safety		
Occupational health and safety conditions.	403-1 Occupational health and safety management system. 403-2 Hazard identification, risk assessment and the investigation of incidents.	77
Work-related accidents, particularly their frequency and severity by gender.	403-9: Work-related injuries.	77
Occupational illness by gender.	403-10: Occupational illness and diseases.	130
Social relationships		
Organisation of social dialogue, including procedures for informing and consulting personnel and negotiating with them.	402-1 Minimum notice to be given regarding operational changes.	75-76
Percentage of employees covered by collective agreement by country.	102-41 Collective bargaining agreements.	128
Balance of collective agreements, particularly in the field of health and safety at work.	403-4 Worker participation, consultation and communication on occupational health and safety.	76

Law 11/18 Requirement	Reacted GRI standard	Page number
Training		
Policies implemented in the field of training.	103-2 The management approach and what it consists of.	67-69
Total number of hours of training by professional category.	404-1 Average hours of training per year per employee.	68; 129
Accessibility		
Universal accessibility for people with disabilities.	103-2 The management approach and what it consists of.	73-74
Equality		
Measures taken to promote equal treatment and opportunities for women and men.	103: Management Approach.	71-72
Equality plans (Chapter III of Organic Law 3/2007 of 22 March for the effective equality of women and men), measures adopted to promote employment, protocols against gender bullying and prejudice; integration and universal accessibility for people with disabilities.	103: Management Approach.	71-72
Policy against all types of discrimination and, where applicable, for diversity management.	406-1 Cases of discrimination and corrective actions taken.	72
3. INFORMATION ON RESPECT FOR HUMAN RIGHTS		
Application of due diligence procedures in human rights matters.	102-16 Values, principles, standards and norms of conduct. 412-2 Training of employees in human rights policies and procedures.	69; 96
Prevention of risks of violation of human rights and, where applicable, measures to mitigate, manage and repair possible abuses committed.	103-2 The management approach and what it consists of.	96
Cases reported involving violation of human rights.	406-1 Cases of discrimination and corrective actions taken.	96
Promotion of and compliance with the provisions of the essential ILO agreements relating to respect for freedom of association and the right to collective bargaining. Elimination of discrimination in employment and occupation. Elimination of forced or compulsory labour. Effective abolition of child labour.	103-2 The management approach and what it consists of.	96
4. INFORMATION CONCERNING THE FIGHT AGAINST BRIBERY AND CORRUPTION		
Measures taken to prevent bribery and corruption.	102-16 Values, principles, standards and norms of conduct. 205-1 Operations assessed for corruption-related risks.	97-98
Measures to fight money laundering.	102-16 Values, principles, standards and norms of conduct.	99
Contributions to foundations and non-profit organisations.	102-13 Membership of associations.	85

Law 11/18 Requirement	Reacted GRI standard	Page number
5. INFORMATION ABOUT THE COMPANY		
The company's commitments to sustainable development		
Impact of the company's activity on employment and local development.	103-2 The management approach and what it consists of.	79-81
Impact of the company's activity on local populations and on the territory.	103-2 The management approach and what it consists of.	82-85
Relationships maintained with those playing a role in local communities and how dialogue is established with them.	102-43 Approach to stakeholder participation.	24-25
Partnership and sponsorship actions.	102-12 External initiatives.	85; 136-137
Subcontracting and suppliers		
Inclusion in purchase policy of social, gender equality and environmental issues.	103: Management Approach.	106-107
In relationships with suppliers and subcontractors, taking their social and environmental responsibility into account.	103: Management Approach.	107-108
Supervisory systems, audits and their results.	103: Management Approach.	109
Consumers		
Measures for the health and safety of consumers.	416-1 Assessment of the health and safety impacts of the product and service categories.	103
Claim systems.	103: Management Approach.	104
Complaints received and their resolution.	103: Management Approach.	105
Tax information		
Profits obtained country by country.	103: Management Approach.	134-135
Corporate income tax paid on profit.	103: Management Approach.	134-135
Public grants received.	103: Management Approach.	135



ANNEX VIII
Taxonomy

EU Taxonomy

Within the decarbonisation strategy of the European Union's current economic model, the Taxonomy emerges as a common language and tool for classifying sustainable activities to encourage investors, companies, administrations and other interest groups to redirect capital flows towards more sustainable technologies and businesses. This will help to meet the objectives of the Paris Agreement and the United Nations Sustainable Development Goals.

In accordance with the reporting requirements of the Taxonomy Regulation (EU) 2020/852, the FCC Group has analysed the proportion of its economic activities which are eligible and ineligible under the Environmental Taxonomy, in terms of turnover, CapEx and OpEx relative to the year 2021, for the Climate Change Mitigation and Adaptation objectives.

Given that, to date, the EU Taxonomy has specifically developed the environmental objectives of Mitigation and Adaptation to climate change, it should be noted that the analysis of sustainable activities carried out for the time being covers these two environmental objectives. The forthcoming development of the technical selection criteria for the rest of the environmental and social objectives may extend the consideration of sustainable to other FCC Group businesses.

From theory to practice

In accordance with Delegated Regulation (EU) 2021/2178 implementing Article 8 of the Taxonomy Regulation, which specifies the content and presentation to be disclosed, the FCC Group includes below the proportion of economic activities eligible and ineligible for Taxonomy for 2021, expressed in total turnover and CapEx.

An activity is understood to be **eligible** if it is included in the descriptive taxonomic activities listed in the Regulation itself, considered to have the potential to contribute substantially to one or more of the environmental objectives set out in Article 9 of the Regulation, and which will be demonstrated in future years through the analysis of the alignment of eligible activities.

On the other hand, an economic activity that has not been identified by the EU Taxonomy would be a **non-eligible** activity and therefore no criteria have been developed for it as either not having potential for substantial contribution to Climate Change Mitigation and Adaptation, or that they could be included in the EU Taxonomy regulation in the future.

As mentioned above, Taxonomy eligibility is expressed in three financial KPIs, which are calculated as the share of turnover, CapEx and OpEx deemed eligible for Taxonomy (numerator) divided by the Group's total turnover, CapEx and OpEx as defined by Taxonomy (denominator). The concepts included to calculate these three KPIs are described below:

- **Turnover**. Proportion of net turnover derived from products or services, including intangibles, linked to economic activities that comply with the taxonomy (numerator), divided by net turnover (denominator) as defined in Article 2(5) of Directive 2013/34/EU.
- **CapEX**. Includes additions to the gross value of intangible assets, property, plant and equipment and real estate investments, including additions arising from the application of the regulations in relation to removal and dismantling costs which are included as an addition to property, plant and equipment at initial recognition of the asset; additions to property, plant and equipment for lease contracts under IFRS 16, as well as additions to the gross value of intangible assets, property, plant and equipment and real estate investments arising from the acquisition of control as a result of a business combination. Changes in depreciation, impairments and revaluations of real estate investments due to their recognition at fair value are not included.
- **OpEX**. The share of OpEx referred to in Article 8(2)(b) of Regulation (EU) 2020/852 limits the calculation of this KPI to non-capitalised direct costs that are related to research and development, building renovation measures, short-term leases, maintenance and repairs, as well as other direct expenses related to the daily maintenance of property, plant and equipment assets, by the company or a third party to whom activities are outsourced, and that are necessary to ensure the continuous and efficient operation of those assets. In addition, non-financial companies that apply national GAAP and do not capitalise right-of-use assets include leasing costs in OpEx.

In the case of the calculation of OpEx for the FCC Group, since the direct costs mentioned in the regulation for the calculation of OpEx were considered that they might not be material for the Group in comparison with its total operating costs, an analysis was performed to determine the relevance that the reporting of this indicator would have for FCC and its interest groups. Of the total operating costs for 2021 (5,834,018 thousand euros), the OpEx denominator, as specified in the Regulation, represents 6.3% (366,176 thousand euros), so it has been considered immaterial for reporting purposes. It should be noted that, due to the Group's internal accounting systems, the calculation of the OpEx denominator does not include the other direct expenses related to the daily maintenance of intangible fixed assets, by the company or a third party to whom activities are outsourced, as stated in the regulation.

Accordingly, the proportion of eligible and non-eligible activities according to the Taxonomy has been calculated using the financial KPIs of turnover and CapEx.

Actividades elegibles del Grupo FCC

The eligibility analysis carried out by the FCC Group has considered all the companies that make up the FCC Group's consolidation perimeter, identifying those that are included in the Delegated Regulation (EU) 2021/2139 on Climate published in the Official Journal of the European Union in December 2021.

The three main lines of activity of the FCC Group's business model are included as activities with the potential to make a significant contribution to climate change Mitigation and Adaptation, which will be shown next year through the analysis of the alignment of eligible activity. In particular:

FCC Group's Activity Line	Taxonomic Group and main associated activities	Potential for significant contribution to Climate Change Mitigation
Environment, which manages and treats domestic and industrial waste and is responsible for street cleaning, among others.	**Group 5 Water supply, drainage, waste treatment and decontamination** (5.5.Collection and transport of non-hazardous waste in source separated fractions, 5.7.Anaerobic digestion of bio-waste, 5.8.Composting of bio-waste, 5.9.Recovery of material from non-hazardous waste, 5.10. Capture and utilisation of landfill gases)	EU greenhouse gas emissions from the water, drainage, waste and decontamination industry are relatively low. However, this industry has a large potential to contribute to the reduction of greenhouse gas emissions in other industries, in particular through the supply of secondary raw materials to replace virgin raw materials, by substituting fertilisers, energy and fossil-based products. In addition, activities involving anaerobic digestion as well as composting of separately collected bio-waste, which avoid landfilling of bio-waste, are particularly important for reducing methane emissions.
Agua, which operates under the Aqualia brand, takes care of the complete cycle, from the infrastructures necessary for the service to the supply to homes and businesses.	**Group 5 Water supply, drainage, waste treatment and decontamination** (5.1.Construction, extension and operation of water collection, treatment and supply systems, 5.2.Renovation of water collection, treatment and supply systems, 5.3.Construction, extension and operation of sewage collection and treatment systems, 5.4.Renovation of sewage collection and treatment)	
Infrastructures, which the Group operates through FCC Construcción and Cementos Portland Valderrivas.	**Group 3 Manufacturing (**3.7. Manufacture of cement), **Group 4 Energy** (4.1. Electricity generation by solar photovoltaic technology, 4.9. Electricity transmission and distribution), **Group 5 Water supply, drainage, waste treatment and decontamination** (activities 5.1., 5.2., 5.3, 5.4, 5.5, and 5.9 above mentioned), **Group 6 Transport** (6.13. Infrastructure for personal mobility, bicycle logistics, 6.14. Infrastructure for rail transport, 6.15. Infrastructure enabling low-carbon road transport, 6.16. Infrastructure enabling low-carbon waterborne transport, 6.17. Low-carbon airport infrastructure) and **Group 7 Building construction and real estate development** (7.1. Construction of new buildings, 7.2. Renovation of existing buildings, 7.5. Installation, maintenance and repair of instruments and devices for measuring, regulating and controlling the energy efficiency of buildings).	Construction in several Taxonomy activities as part of the activity for which such construction is relevant, in particular in the case of activities in the electricity industry, the water, drainage, waste and decontamination industry, as well as the transport industry. How this asset is constructed is an important condition for eligible activities to contribute to reducing their emissions or adapting to climate change. In the case of the manufacture of cement clinker, it is considered an eligible activity as it favours the transition to a climate-neutral economy.

However, from the analysis carried out, other eligible activities have been identified within the FCC Group's portfolio, and the classification of eligible activities for the Group as a whole is as follows:

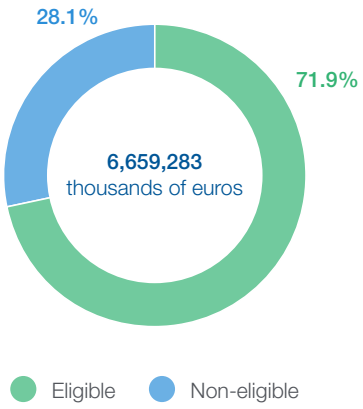
- **Group 3 - MANUFACTURING** (3.7.- Manufacture of cement)
- **Group 4 - ENERGY** (4.1. Electricity generation by solar photovoltaic technology, 4.2. Electricity generation by concentrated solar power technology, 4.9. Electricity transmission and distribution)
- **Group 5 - WATER SUPPLY, DRAINAGE, WASTE TREATMENT AND DECONTAMINATION** (5.1. Construction, extension and operation of water collection, treatment and supply systems, 5.2. Renovation of water collection, treatment and supply systems, 5.3. Construction, extension and operation of sewage collection and treatment systems, 5.4. Renovation of sewage collection and treatment, 5.5. Collection and transport of non-hazardous waste in source separated fractions., 5.7. Anaerobic digestion of bio-waste, 5.8. Bio-waste composting, 5.9. Recovery of material from non-hazardous waste, 5.10. Landfill gas capture and utilisation)
- **Group 6 - TRANSPORT** (6.13. Infrastructure for personal mobility, bicycle logistics, 6.14. Infrastructure for rail transport, 6.15. Infrastructure enabling low-carbon road transport, 6.16. Infrastructure enabling low-carbon waterborne transport, 6.17. Low carbon airport infrastructure)
- **Group 7 - BUILDING CONSTRUCTION AND REAL ESTATE DEVELOPMENT** (7.1. Construction of new buildings, 7.2. Renovation of buildings, 7.3. Installation, maintenance and repair of energy-efficient equipment, 7.5. Installation, maintenance and repair of instruments and devices for measuring, regulating and controlling the energy efficiency of buildings, 7.7. Acquisition and ownership of buildings).

The percentage of eligibility for both Mitigation and Adaptation to climate change objectives for each of the consolidated financial KPIs and their distribution per Taxonomic Group is detailed below.

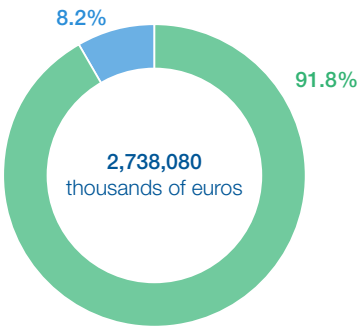
Assumptions and nuances in the course of the analysis carried out

Double counting: The process has been carried out considering only the Climate Change Mitigation objective thus avoiding any possible double counting in the calculation of financial metrics.

SALES VOLUME



CapEX



CLASSIFICATION OF FCC ACTIVITIES ACCORDING TO TAXONOMY

	Turnover	CapEX
A. Eligible activities according to the taxonomy	**71.9%**	**91.8%**
3. Manufacturing	6.4%	0.5%
4. Energy	1.3%	0.1%
5. Water supply, drainage, waste treatment and decontamination	39.3%	11.6%
6. Transport	15.0%	0.8%
7. Building construction and real estate development	9.9%	78.8%
B. Ineligible activities according to the taxonomy	**28.1%**	**8.2%**
Total (A + B)	**100.0%**	**100.0%**

AENOR

Non-Financial Information Verification Disclosure

AENOR verification Disclosure for

FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A.

concerning the consolidated disclosure of non-financial information "Sustainability Report FCC Group 2021"

according to law 11/2018

for the period ending on December 31, 2021

In Madrid March 24, 2022

Rafael García Meiro
Chief Executive Officer

1994/0241/VNOF-2022

FIRMADO por:
Versión imprimible con información de firma generado desde VALIDe (http://valide.redsara.es)
Firma válida.

AENOR

FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A. (hereinafter the organization) with registered office at: Calle Balmes, 36 08007 Barcelona and on its behalf, Javier LOPEZ-GALIACHO PERONA, in charge of Compliance and Sustainability Director FCC Group , has commissioned AENOR to carry out a verification under a limited level of assurance of its Disclosure of Non-Financial Information (hereinafter NFIS) in accordance with Law 11/2018 amending the Commercial Code, the revised text of the Law on Corporations approved by Royal Legislative Decree 1/2010 of 2 July and Law 22/2015 of 20 July on the Auditing of Accounts, with regard to non-financial information and diversity (hereinafter Law 11/2018).

As a result of the verification carried out, AENOR issues this Disclosure, of which the verified NFIS forms part. The Declaration is only valid for the purpose entrusted and reflects only the situation at the time it is issued.

The purpose of the verification is to provide the interested parties with a professional and independent opinion about the information and data contained in the organization's NFIS, prepared in accordance with Law 11/2018.

Responsibility of the organization. The organization was responsible for reporting its non-financial information status in accordance with Law 11/2018. The formulation and approval of the NFIS, as well as its content, is the responsibility of its Governing Body. This responsibility also includes designing, implementing and maintaining such internal control as is deemed necessary to ensure that the NFIS is free from material misDisclosure due to fraud or error, as well as the management systems from which the information required for the preparation of the NFIS is obtained. The organisation, in accordance with the commitment formally undertaken, has informed AENOR that no events have occurred, from the date of the close of the financial year reported in the non-financial report until the date of verification, that might require corrections to be made to the report.

Verification program in accordance with ISO/IEC 17029:2019 AENOR, in accordance with the aforementioned Act, has carried out this verification as an independent provider of verification services. The verification has been developed under the principles of "evidence-based approach, fair presentation, impartiality, technical competence, confidentiality, and accountability" required by the international standard ISO/IEC 17029:2019 "Conformity assessment - General principles and requirements for validation and verification bodies".

1994/0241/VNOF-2022

FIRMADO por:
Versión imprimible con información de firma generado desde VALIDe (http://valide.redsara.es)
Firma válida.

AENOR

Likewise, in the verification program, AENOR has considered the international requirements of accreditation, verification or certification corresponding to the information matters contemplated in the Law:

- European Regulation EMAS (Environmental Verification)
- SA 8000 (international labour principles and rights in accordance with the ILO (International Labour Organization), the Universal Declaration of Human Rights and the Convention on the Rights of the Child. SAAS Procedure 200)
- Environmental Management System (ISO 14001).
- Social Responsibility Management System, IQNet SR 10 and SA8000 schemes
- Quality Management System (ISO 9001).
- Energy Management System (ISO 50001).
- Occupational Health and Safety Management System (ISO 45001).

Additionally, the criteria and information that have been taken into account as a reference to carry out the Verification Program have been:

1) Law 11/2018 of 28 December, which amends the Commercial Code, the revised text of the Companies Act approved by Royal Legislative Decree 1/2010 of 2 July, and Law 22/2015 of 20 July on the Auditing of Accounts, with regard to non-financial information and diversity.

2) Directive 2014/95/EU of the European Parliament and Council of 22 October 2014 amending Directive 2013/34/EU as regards the disclosure of non-financial information and diversity reporting by certain large companies and certain groups.

3) Communication of the European Commission 2017/C 215/01, Guidelines on non-financial reporting (methodology for non-financial reporting)

4) the international standard ISO/IEC 17029.2019 Conformity assessment - General principles and requirements for validation and verification bodies

5) The criteria established by the global sustainability reporting initiative in the GRI standards where the organisation has opted for this recognised international framework for disclosure of information relating to its corporate social responsibility performance

FIRMADO por:
Versión imprimible con información de firma generado desde VALIDe (http://valide.redsara.es)
Firma válida.

AENOR

AENOR expressly disclaims any liability for decisions, investment or otherwise, based on this Declaration.

During the verification process carried out, under a limited level of assurance, AENOR conducted interviews with the personnel in charge of compiling and preparing the Report and reviewed evidence relating to:

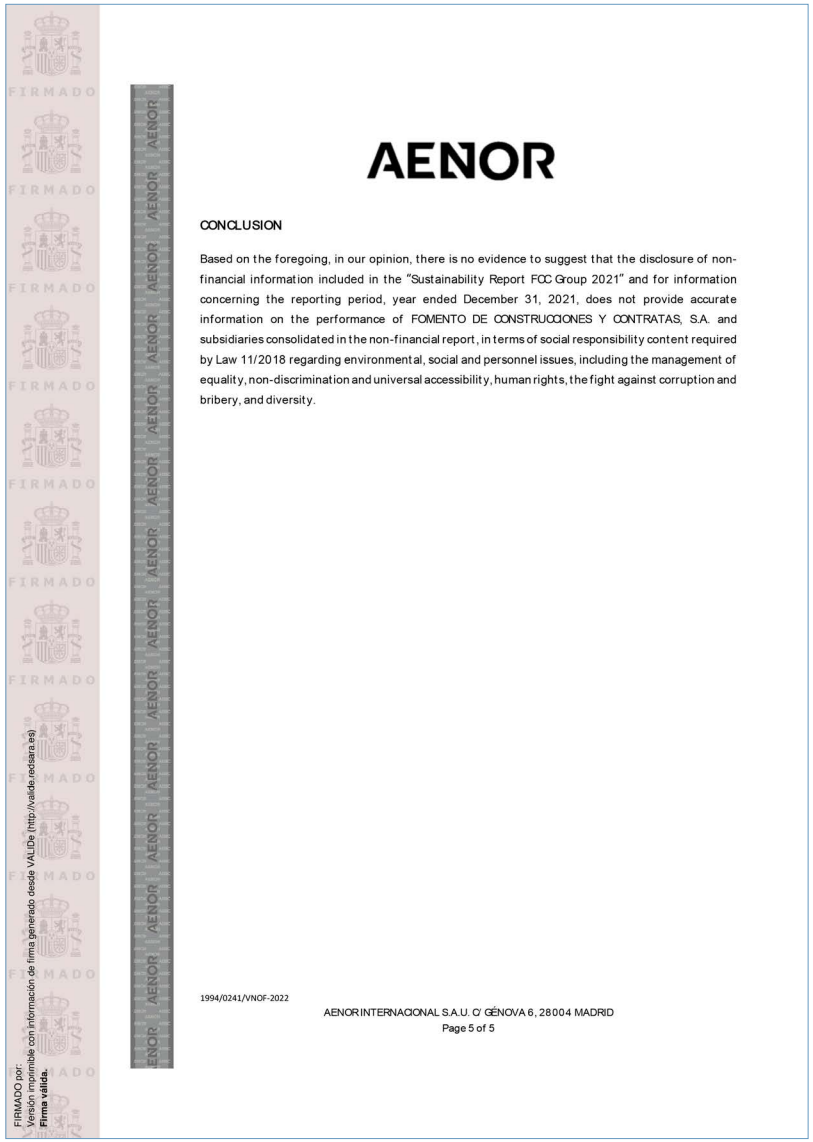
- Activities, products and services provided by the organization.
- Consistency and traceability of the information provided, including the process followed to collect it, sampling information about the reported.
- Completion and content of the disclosure of non-financial information in order to ensure the completeness, accuracy and veracity of its content.
- Letter of Disclosures from the Administrative Body.

The conclusions are therefore based on the results of this sample process, and do not absolve the Organization of its responsibility for compliance with applicable legislation.

Information related to the Taxonomy of environmentally sustainable activities prepared in accordance with the EU Regulation 2020/852 of the European Parliament and of the Council of June 18, on the establishment of a framework to facilitate sustainable investments, regarding the obligation to disclose information on the manner and extent to which the activities of the obligated company are associated with economic activities that are considered environmentally sustainable according to the environmental principles and objectives established in said Regulation, is among the evidence reviewed. In line with this new requirement, the organization has included in the Non-Financial Information Report the information which, in their opinion, best enables compliance with this new obligation, and which is included in annexed VIII of the attached Disclosure of Non-Financial Information.

The personnel involved in the verification process, the review of findings and the decision to issue this Disclosure have the knowledge, skills, experience, training, supporting infrastructure and capacity to effectively carry out these activities.

FIRMADO por:
Versión imprimible con información de firma generado desde VALIDe (http://valide.redsara.es)
Firma válida.



AENOR

CONCLUSION

Based on the foregoing, in our opinion, there is no evidence to suggest that the disclosure of non-financial information included in the "Sustainability Report FCC Group 2021" and for information concerning the reporting period, year ended December 31, 2021, does not provide accurate information on the performance of FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A. and subsidiaries consolidated in the non-financial report, in terms of social responsibility content required by Law 11/2018 regarding environmental, social and personnel issues, including the management of equality, non-discrimination and universal accessibility, human rights, the fight against corruption and bribery, and diversity.

1994/0241/VNOF-2022

AENOR INTERNACIONAL S.A.U. C/ GÉNOVA 6, 28004 MADRID
Page 5 of 5

FIRMADO por:
Versión imprimible con información de firma generado desde VALIDe (http://valide.redsara.es)
Firma válida.