2023 Sustainability Report

Including the Non-Financial Reporting Statement
in compliance with the Spanish Non-Financial
Reporting and Diversity Act (Law 11/2018)

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Letter from the Chief Executive Officer

Dear Stakeholders of FCC,

It is an honour to address you all in our 2023 Sustainability Report. On behalf of the entire FCC Group, I give you a warm welcome to this document, which not only showcases our activity throughout the year, but also our progress and commitments on matters related to sustainability.

This document includes the company's consolidated Non-Financial Reporting Statement (NFS) and was prepared according to a comprehensive double materiality analysis, in compliance with the standards of the international reporting framework of the *Global Reporting Initiative* (GRI).

In 2023, a series of milestones had notable consequences on the global economy. The ongoing conflict in Ukraine and the increased tension levels in the Middle East have created a complex geopolitical environment. Climate change has become the central item of the global agenda, requiring greater international cooperation to address the environmental challenges and their economic and social impacts. This scenario is also characterised by inflationary pressure and regulatory changes, which are challenging organisations to adapt to the new situation quickly and effectively.

Despite the complexity of these global challenges, I am happy to inform you that the FCC Group has demonstrated a notable resilience and managed to tackle the hurdles of the current global environment. A year on, we have managed to meet our objectives, with the growth of our business and financial indicators, as in past years.

Beyond the positive results, FCC is proud to have rolled out its operations in more than 38 countries. The international expansion of a century-old Group such as FCC runs in parallel to our on-going commitment to the opportunities offered by the Spanish market.

With regard to sustainability, the FCC Group has achieved very important milestones during the year 2023. The Group has continued to work towards the achievement of the Sustainable Development Goals (SDGs), annually reflecting our actions and achievements through the campaign *#ODSporBandera* (#SDGFlag), endorsed by the UN's Global Compact in Spain. Likewise, in line with our commitment to transparency, the Group has participated in the Carbon Disclosure Project (CDP), reporting its annual greenhouse gas emissions (GHG) to assess and improve in this area.

In addition, the Group has consolidated its position as a driving agent behind the development of sustainable cities, helping transform urban spaces into greener and more habitable environments. The Group has optimised the integral water cycle applying the principles of the circular economy and developing infrastructures that connect people. We are committed to continue investing in R&D&I projects that drive efficiency and sustainability, particularly in technologies for obtaining green hydrogen.

As for environmental indicators, we have made a huge progress on the reduction of our greenhouse gas emissions (GHG), cutting them down by 8% when compared to the previous year.

In the social context, we have strengthened our corporate responsibility initiatives, helping improve the communities in which we operate. In addition, our workforce is constantly growing. Proof of this is that this year, over three thousand professionals have joined us in our operations across the world, for a total workforce of the FCC Group of approximately 67,000 people.

In terms of governance, we have implemented practices that boost transparency and ethics, strengthening the trust of our Stakeholders, with the commitment to guaranteeing due diligence across our operations and our value chain. Likewise, we have driven the implementation of the updates of Law 2/2023, which regulates the protection of whistleblowers and the fight against corruption.

To reaffirm our commitment to sustainability in the next few years, we will continue to work to fulfil our roadmap, in response to the global objectives, challenges and goals of the 2030 Agenda. This roadmap is based on our double materiality analysis and on the adaptation to the requirements of the new European directive on Corporate Sustainability Reports and the use of the ESRS standards (*European Sustainability Reporting Standards*).

We are aware of our responsibility and potential in protecting the environment and the communities in which we operate and, naturally, with our collaborators. With this perspective, proof of our commitment to the transition to a circular economy model can be seen in our participation in research projects, which are often part of the LIFE Programme, that funds environmental preservation projects across the European Union.

As a leading company, we are responsible of leading by example. For this reason, our governance focuses on transparency and responsibility, and it is tightly linked to the ethical values that guide our decisions and actions. We believe that the participation of all our Stakeholders is one of the essential pillars to guarantee fair and representative decision-making processes.

I would like to end these lines by expressing my most heartfelt gratitude to our investors, shareholders, strategic partners, as well as our esteemed clients. Your ongoing trust and support are the foundations of our growth and constant improvement as each year passes. In particular, I would also like to highlight the non-stop effort of the team of professionals that make up the FCC Group. You are the main driving agents behind our company's achievements. Your daily dedication, talent and professionalism are key to the sustained success of FCC. Together, we share a vision and a purpose that become even more meaningful as we make progress together. Your unconditional commitment and passion, which you show every day, do not go unnoticed and I would like to express my most sincere congratulations and heartfelt gratitude for your valuable contribution.

Yours sincerely,

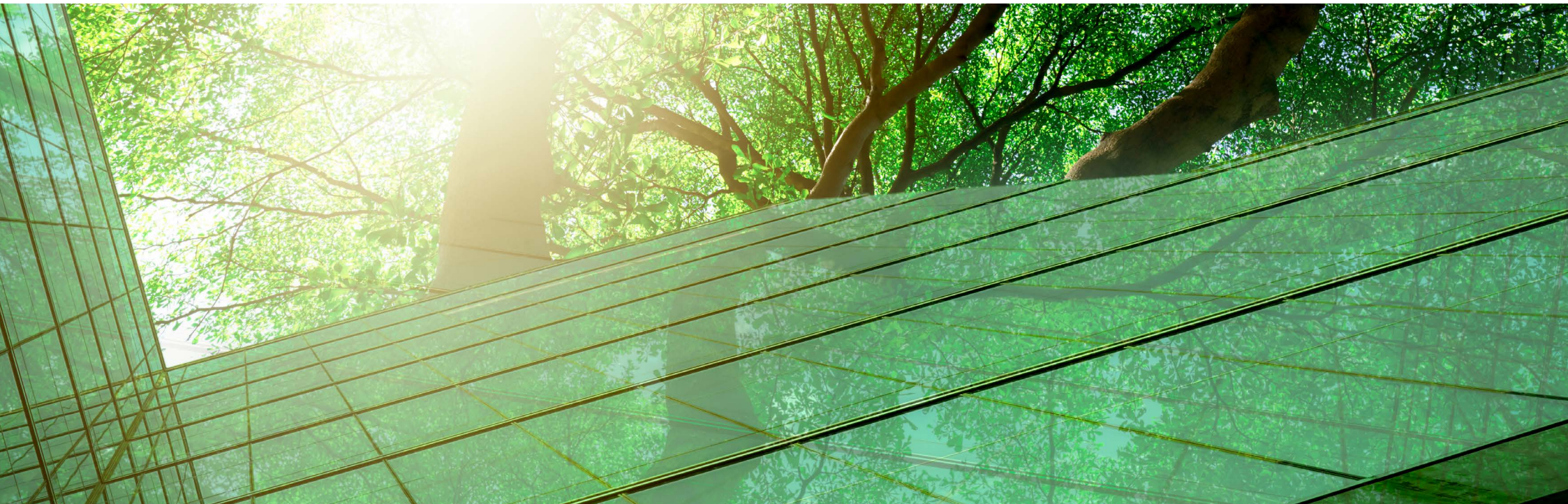
Pablo Colio Abril
CEO of the FCC Group

1. **Driving progress**

The **2023 Sustainability Report** portrays the FCC Group's commitment to corporate responsibility and sustainable development. Over the year, the Group has achieved notable milestones and received recognition for its practices, all of which are proof of FCC's focus on innovation and sustainability.

The results of the main magnitudes according to ESG criteria (*Environment, Social and Governance*) reaffirm that FCC is in line with the Sustainable Development Goals (SDGs) and other internationally renowned initiatives, as well as its commitment to continuous improvement.

Below is a detailed description of the business model on which the Group's operations are based, which is made up of the different activities carried out in different sectors, such as environmental services, water cycle management, infrastructures, cement, and real estate. These activities are developed under a governance structure that supports ethical and transparent decision-making processes, guided by the unwavering commitment to exemplary performance in environmental, social, and governance-related matters.



1.1. 2023 in context

General figures

38 countries where the FCC Group operates

67,090 people make up the FCC Group

€9,026,016 thousand turnover

17% turnover increase

€915,930 thousand profit before tax

Social figures

€1,100,341 contributions to non-profit organisations

€2,141,438 for associations

€2,269,229 for sponsorship

83.68% open-ended contracts

44,893 local suppliers

Environmental figures

82.7% of its activity certified according to environmental quality standards

€100,565,944 dedicated to preventing environmental risks

665,574 GJ of self-produced renewable energy

2,865,154 GJ of electricity consumption from renewable sources

17,423,439 t of treated waste

31% increase in the consumption of materials obtained from renewable sources

Governance figures

36% of women on the Board of Directors

85% of standards of the CNMV's Code of Good Governance implemented

16% of women in executive and management positions

2,002 suppliers assessed in the area of Compliance

Economic value generated and distributed (thousands of €)

Economic value generated	**9,359,423**
Turnover	9,026,016
Other income	333,407
Economic value distributed	**8,273,550**
Operating costs	5,367,165
Employees	2,474,449
Capital suppliers	244,201
Taxes	186,635
Community	1,100
Economic value retained	**1,085,873**

The table shows the magnitudes through which the Group generates revenues with its activities, as well as how it contributes to the communities in which it operates, by purchasing materials, creating jobs, paying taxes, or making contributions to charity.

1.2.
Milestones, awards, and recognitions

FCC Construcción publishes the 2023-2026 Sustainability Strategy, approved by the Sustainability Committee, and the 2023-2026 Climate Change Strategy, as part of the Climate Action initiative.

The IFM Investors Community Scholarship Programme has given two grants to **Aqualia**, in collaboration with two NGOs, for projects to help workers with Asperger syndrome (Spain) and to improve water treatment processes (Colombia).

FCC Construcción, the only construction company that is part of the United Nations Sustainable Finance Platform, develops an innovative tool that allows linking the company's sustainable investment with the SDGs, in order to rigorously understand its economic impact on sustainable development.

The **CPV Group** redefines the values and behaviours of its business culture, aligning them with the new purpose of "Driving Sustainable Progress", to become stronger, more solid and sustainable across all operations and decision-making processes.

FCC Medio Ambiente Iberia publishes its ninth two-yearly sustainability report under the slogan "Leading the era of change", presenting its new 2023-2026 Action Plan, as part of the framework of its 2050 Sustainability Strategy

FCC certifies the management systems at its corporate headquarters in Las Tablas: Energy, Universal Accessibility and Zero Waste.

Realia Group consolidates its ESG committee and adopts the corporate ESG Strategy

FCC Environmental Services (USA) has been awarded with the waste collection contract in the county of St. Johns, Florida, and will have a fleet of eco-friendly vehicles powered by compressed natural gas, a sustainable and innovative system.

FCC Environment UK has received an award in the "Lets Recycle Awards for Excellence", in the categories "Contribution to achieving Zero Emissions" and "Civic Equipment of the Year"; and has also received the Sword of Honour from the British Safety Council (BSC) for its high standards in occupational risk prevention.

The **FCC Group** receives the award for the best internal communication practice in the field of sustainability, from the Observatory of Internal Communication and Corporate Identity - OCI, for its you_*diversity* project.

FCC Medio Ambiente publishes the second Green Financing Framework, in line with the Green Loan principles (GLP), the Green Bond Principles (GBP) and with the Regulation of the EU taxonomy for mitigating and adapting to climate change.

Torre **Realia** The Icon is recertified again with BREEAM on Use part 1 and part 2, meeting and exceeding the previous rating in the management section

FCC Environment CEE creates the PEGASUS project, for developing and establishing sustainability achievements, made up of several experts to ensure compliance and identify new opportunities in ESG.

FCC has been awarded the ONCE Community of Madrid Social Group Solidarity Award 2023 in the Company category, in recognition of its social projects that address inequality.

Aqualia receives the "Impact project/investment of the year 2023" award from the publication Environmental Finance, in recognition of "the diverse and large-scale geographic impact" of the green syndicated loan received.

The **CPV Group**, with the awareness-raising campaign "Safety is Not Negotiable" on the 8 safety rules and the most important aspects of the risk map, strengthens the preventive culture from the point of view of self-protection.

1.3. Business model

The FCC Group has been providing services to citizens for more than a century and has been characterised by its commitment to urban and social development since its establishment. The Group was created in 1992 following the merger of **Fomento de Obras y Construcciones, S.A.**, a construction company established in 1900, and **Construcciones y Contratas, S.A.**, established in 1944.

Currently, the FCC Group operates globally, offering its services in **more than 38 countries**, which reaffirms its global nature and commitment to international expansion, while increasing the loyalty of its stakeholders in its different activities. The Group's main aim is to **improve the quality of life of citizens** and contribute to the sustainable progress of society as a whole. To achieve this, it has developed a wide range of services, always committed to a diversified business model.

FCC is a pioneer in developing **profitable and sustainable business structures**, promoting local development, and making a huge contribution to the well-being and development of society. Thanks to this, it has managed to consolidate its position as one of the leading national and international citizen services groups, establishing itself as a benchmark in the environmental services, water, infrastructure, cement, and real estate management sectors. Its success is the result of a diversified and well-balanced business model:

Environmental Services

- Waste collection, treatment, and recovery
- Conservation of green areas
- Maintenance of sewage systems
- Recovery of contaminated soils
- Street cleaning

Infrastructures

- Civil Engineering
- Building
- Infrastructure maintenance
- Industrial
- Concessions
- Prefabricated

Water

- Municipal and infrastructure concessions (BOT contracts)
- Hydraulic infrastructure operation and maintenance services
- EPC projects (Engineering, Procurement and Construction)

Cement

- Cement
- Concrete
- Aggregates
- Mortar

Real Estate

- Building leasing and management
- Development and management of home rental projects
- Real estate product promotion and sales
- Urban land management

Environmental Services

FCC Servicios Medio Ambiente Holding, S.A.U, the entity that structures the activities of the **Environmental Services** area, is one of the seven most important companies in the sector, with a commitment to technological innovation, with the aim of improving the well-being of citizens and making cities and companies increasingly sustainable. In addition, its vehicle fleet is one of the most modern in the world, made up of 3,000 vehicles with sustainable propulsion systems.

In Spain, **FCC Medio Ambiente** has been operating since 1911 and, together with F**CC Environment Portugal** and **FCC Ámbito**, it offers a wide range of services, including collection, treatment and recovery of waste, cleaning of public roads, maintenance of sewage networks, conservation of green areas, cleaning and maintenance of buildings and facilities, treatment and disposal of industrial waste, and recovery of contaminated soils.

In the United Kingdom, **FCC Environment UK** aims to minimise the amount of waste deposited in landfills, with the conversion of waste into a valuable resource, whenever this is possible. Currently, FCC Environment UK is one of the leading companies in the British environmental services sector and its activities include municipal and industrial services, treatment and recycling of waste and turning waste into energy.

FCC Environment CEE operates in different European countries with the slogan "Operating for the Future". It is a leading company in the sustainable management of waste, and provides municipal services, solutions for industrial waste, domestic services, environmental services, facility management, cleaning and maintenance of sewage networks, and consulting and engineering services.

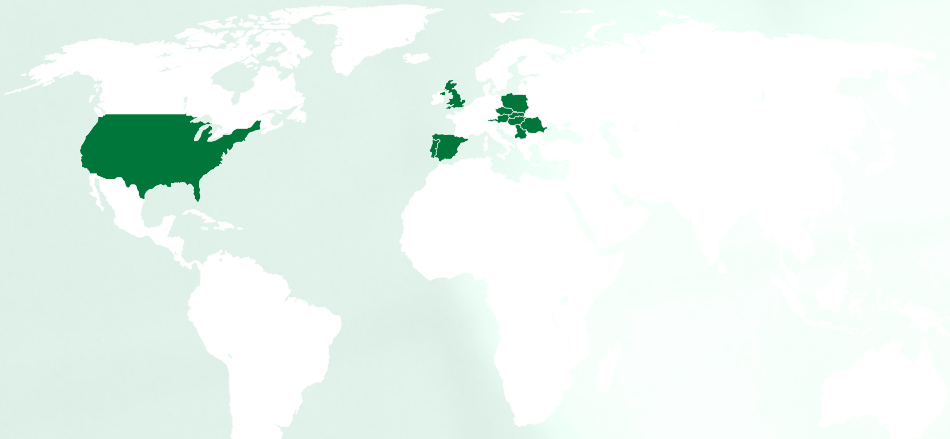
In the United States, F**CC Environmental Services** offers municipal and industrial waste collection and recycling services, using innovative technologies that maximise the efficiency and productivity of its processes. Currently, the company operates in the states of Florida, Texas, California, and Nebraska, and is positioned as one of the largest 15 waste collection and recycling companies in the United States.

Main activities

- **Provision of municipal services**
  Conservation of green areas, cleaning of beaches, coasts and coastlines, and maintenance of sewage networks.
- **Comprehensive waste management**
  Collection, transport, treatment, and recycling of urban and industrial waste, energy recovery of waste and contaminated soil remediation.
- **Management of buildings and services**
  Cleaning and maintenance of buildings and public fountains, end-to-end energy management, maintenance of street furniture and playground equipment, consulting and engineering services, and event management.

Geographic areas where it operates

- **Iberia:** FCC Medio Ambiente (Spain), FCC Environment Portugal, and FCC Ámbito (Industrial Waste).
- **United Kingdom:** FCC Environment UK.
- **Central and Eastern Europe:** FCC Environment CEE (Austria, Czech Republic, Hungary, Poland, Romania, Serbia, and Slovakia).
- **United States:** FCC Environmental Services.



Contribution to the achievement of the Sustainable Development Goals

FCC Medio Ambiente received the *"Calculo, Reduzco y Compenso"* seal for the third year in a row, managing to reduce the intensity of the emissions by 0.67% and focusing on the generation of renewable energy, thus contributing to the achievement of SDG 7.

FCC Medio Ambiente has obtained the seals *"Empresa Cardio-Protegida"* (Cardio-Protected Company) and *"Espacio Cerebroprotegido"* (Brain-Protected Space). These occupational health and safety initiatives are in line with SDG 3 "Good Health and Well-being", ensuring the company is prepared for cardiac and cerebrovascular emergencies and the well-being of its staff.

With its Special Employment Centre, FCC Equal, the company FCC Medio Ambiente reaffirms its commitment to employability and inclusion of people with disabilities, by means of different events, such as the Day of People with Disabilities or the FCC Equal Awards.

FCC Medio Ambiente participates in 14 R&D&i projects associated with the circular economy to improve its waste management practices, reducing its emissions and recovering materials.



Water

Aqualia, the FCC Group's **integral water management area**, stands out as an international operator of **water services** that focuses on providing technical and efficient solutions, adapted to the supply, management, sanitation, and treatment needs of different communities, always with a vision on improving the lives of people and protecting the environment.

The company is Europe's fourth largest water management company and the world's ninth largest in terms of population served, according to the Global Water Intelligence ranking (December 2022) and has received the award for "**Best Water Company of the year 2023**". It currently provides services to 45.2 million users in 18 countries.

Aqualia has become a benchmark in the sector and stands out for its specialised, transparent, and innovative approach. The company has consolidated its reputation thanks to its commitment to sustainable development, which is inherently integrated with its business model, seeking to balance the generation of social benefits with sustainability.

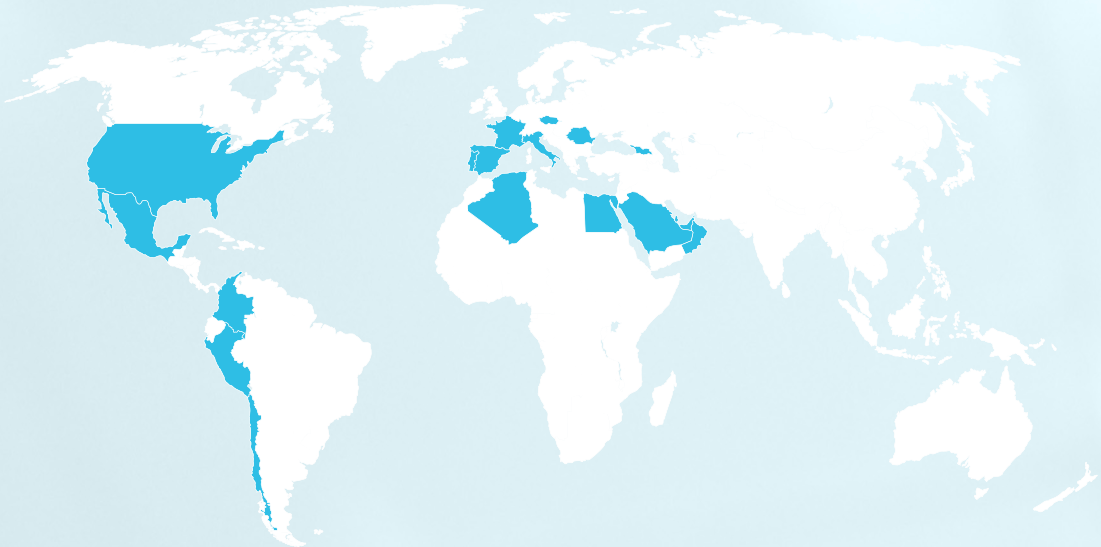
Aqualia's commitment to **efficiency in production processes and optimisation of resources**, backed by its highly experienced human team, has helped the company to become a leader in the national market and its growth abroad.

Main activities

- **Municipal concessions**
  Catchment, treatment, purification, distribution, and sanitation.
- **BOT concessions**
  Design, construction, funding, and long-term operation with BOT contracts.
- **Water infrastructures**
  Operation, maintenance, and exploitation of water infrastructures.
- **EPC contracts**
  Development of design and construction projects.

Geographic areas where it operates

- **Europe:** Spain, France, Italy, Portugal, Romania, Czech Republic, and Georgia.
- **Africa:** Algeria and Egypt.
- **America:** United States, Chile, Colombia, Mexico, and Peru.
- **Asia:** Saudi Arabia, United Arab Emirates, Oman, and Qatar.



Contribution to the achievement of the Sustainable Development Goals

Aqualia's performance has helped improve the health and well-being of citizens, thanks to the specialised management of water as a resource. Aqualia ensures the safety, health, and well-being of its professionals through the "Be Aqualia" integrated programme.

SDG 6 is Aqualia's main objective, which is focused on the metrics for each of its six specific goals. The company develops projects to ensure access to water and sanitation, return water to the natural environment with full guarantees, reduce the consumption of water, or raise the awareness on the need to use water and sanitation with a responsible approach, among other initiatives.

Aqualia develops technological and innovative solutions within the framework of the Aqualia Live platform, in response to current challenges (such as climate, technological, digital, or social challenges, among others) and developing an efficient management approach in all processes.

Aqualia invests in the development of new technologies that allow sustainable and efficient management to provide a response to the specific needs and characteristics of each municipality, with projects such as the implementation of the water balance in real time.

Aqualia is committed to the responsible management of water and energy, aimed at efficient consumption. The company develops projects focused on reducing the consumption of water, optimising the use of energy, and reducing emissions.

Aqualia promotes active collaboration with its stakeholders through partnerships based on the same principles and with common goals, collaborating with over 40 national and international organisations.



Infrastructures

The **Infrastructures area** of the FCC Group is one of the leading companies in the international construction sector, backed by over 120 years of experience. It is known for the competence of its professionals and its diversification, using the resulting synergies to offer end-to-end services, execute works with real savings in its operations and investments, and provide innovative and effective solutions to clients.

It mainly operates through **FCC Construcción**, offering a wide range of services, which include all **areas of engineering and construction**, such as the design and execution of building and civil works projects.

It is also made up of a series of subsidiaries with experience in the construction sector, such as **FCC Industrial**, industrial and energy sectors; **Matinsa**, preservation of large infrastructures; **Prefabricados Delta**, prefabrication of products for the construction sector; **Megaplas**, integrated corporate image services; **Convensa,** specialised in railway works, and **Áridos de Melo**.

With a presence in over 25 countries, the FCC Group's Infrastructures area is a leader in the execution of transport infrastructures, civil works, and residential and non-residential building.

Main activities

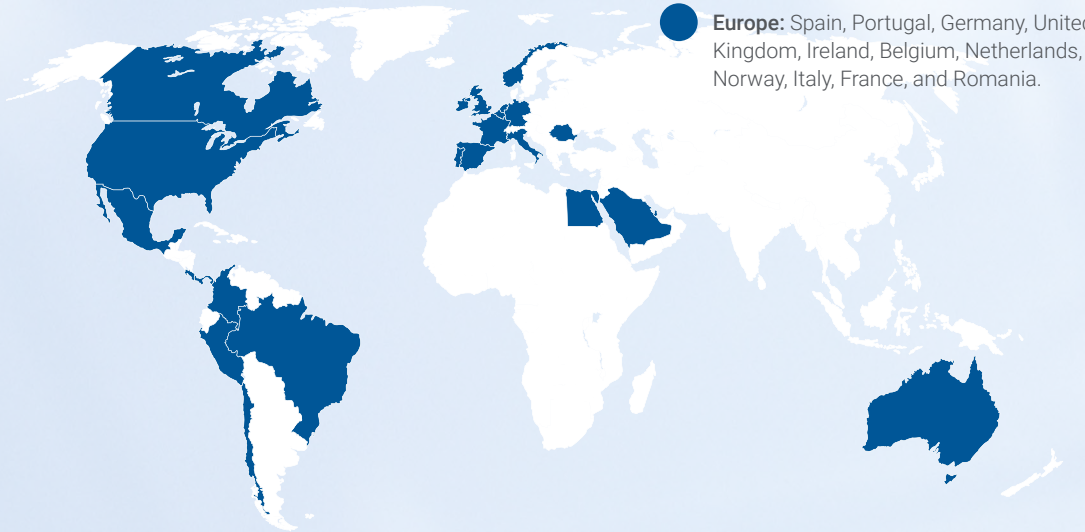
Civil Work
Development of bridges; roads; tunnels; undergrounds; railway, airport, maritime and hydraulic infrastructures, and sewage treatment plants.

Industrial construction
Construction and maintenance of infrastructures, electromechanical installations, and power distribution networks.

Building
Development of buildings for residential and non-residential use, including hospitals, football stadiums, museums, and offices, among others.

Concessions
Development, financing, administration, and operation of transport and infrastructure concessions.

Geographic areas where it operates



Europe: Spain, Portugal, Germany, United Kingdom, Ireland, Belgium, Netherlands, Norway, Italy, France, and Romania.

Africa: Egypt.

America: United States, Canada, Mexico, Peru, Chile, Colombia, Panama, Brazil, and Costa Rica.

Asia: Saudi Arabia and Qatar.

Oceania: Australia.

Contribution to the achievement of the Sustainable Development Goals

FCC Construcción develops sustainable construction solutions in the field of R&D&I, in collaboration with other companies, universities, and organisations. Some of its projects are: BIOPROLIGNO, SAIM, Cotorras, PRACAN, ROBUST, BICISENDAS, and CLIMPORT.

A basic pillar of FCC Construcción involves incorporating the concepts of circularity in all its construction processes. To this end, it was certified in 2021 as "Zero Waste" at one of its construction sites, to continue rolling out these practices in all its other construction sites and fixed locations.

FCC Construcción published its Climate Change Strategy 2023-2026. This document incorporates three strategic lines covering mitigation, adaptation and climate change governance improvement goals.

FCC Construcción joined the UN's Think Lab on Transformational Governance, which aims to encourage a responsible business conduct, foster ESG performance and strengthen institutions.

FCC Construcción participated in the Climate Summit and Leaders Summit 2023, organised by the UN Global Compact, which takes stock of the progress of enterprises in the achievement of the Sustainable Development Goals.



Cement

The **Cement area**, established by **Cementos Portland Valderrivas Group (GCPV)** and with a century-old history, is a leader in the **production of cement**, with activity in concrete, aggregates, and mortar businesses.

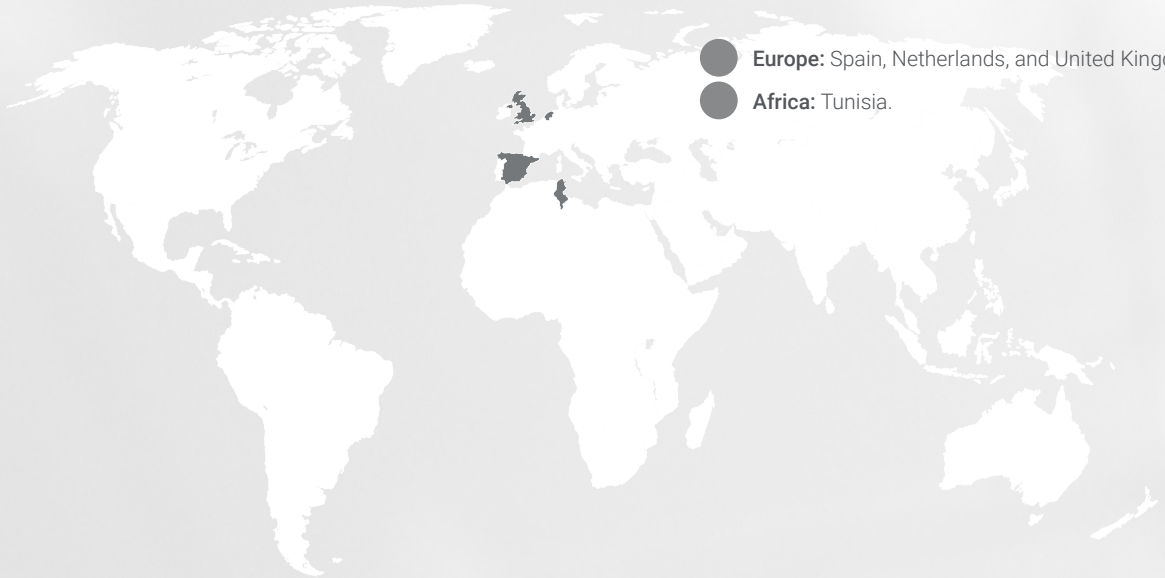
It uses cutting-edge technologies in its production processes to optimise its costs and comply with the environmental regulations, reaffirming its commitment to sustainability. All of this has allowed the company to evolve, catering to the changing needs of society and markets.

It is still a leader in the Spanish market and supplies its products from its six plants across Spain. In addition, it is present in international markets, specifically in Tunisia and the United Kingdom with its own factories and import terminals, consolidating the company as a sector benchmark. The Cement area seeks to develop responsible products that can build the cities of the future, with the aim of offering a response based on a sustainable and circular model.

Main activities

- **Cement**
  An essential material for construction, it is obtained by calcining a mixture of limestone, clay and, iron ore at 1,450°C.
- **Concrete**
  It is the strongest building material known and is unalterable under the most adverse conditions.
- **Aggregates**
  Raw material required for the manufacture of other derived products for construction.
- **Mortar**
  A mixture of cement and sand, used as a binder for bonding bricks or blocks.

Geographic areas where it operates



- **Europe:** Spain, Netherlands, and United Kingdom.
- **Africa:** Tunisia.

Contribution to the achievement of the Sustainable Development Goals

In its search for the energy efficiency improvement of its cement production industrial processes, Cementos Portland Valderrivas has installed a system to manage the efficiency and energy savings in its operational cement factories in Spain.

The Management Systems certified according to the ISO 45001 standard integrate security in all operations and facilitate that all legal requirements associated with Occupational Risk Prevention are controlled and met.

Likewise, the company rolls out different programmes and actions aimed at creating a work environment that is free from discrimination of any kind. The Group implemented the Family Plan in 2009, in collaboration with Adecco Foundation, which aims to achieve the labour integration for people with disabilities.

In addition, GCPV presents the EMAS standard voluntarily, a tool designed by the European Commission for the public recognition of those corporations that have implemented a consolidated environmental management system that can assess, manage, and improve the environmental impacts, contributing to SDG 13.



Real Estate

The **Real Estate** activity, made up of **FCC Real Estate** and the **REALIA Group**, is dedicated to promoting, managing, and operating different real estate assets.

The FCC Group's Real Estate area is responsible for three main activities: **property, promotion, and urban planning**. All focus on generating value for clients, by offering products and services adapted to new habits and trends, and for shareholders, by maximising profits.

The Real Estate's commitment to innovation, sustainability and social responsibility seeks to create world that is increasingly respectful of society and the environment, through solutions that provide a response to the current challenges of the real estate market.

Main activities

Property business
Development and management of home rental projects

Office, premise, and shopping centre building lease and management.

Land management
Urban land management at different stages of development.

Promotion business
Development and sale of real estate products (mainly housing).

Áreas geográficas donde opera

The Group mainly operates in **Spain** and develops punctual projects in the United Kingdom, Romania and Croatia.



Contribution to the achievement of the Sustainable Development Goals

In property business, the area has managed to reduce its use of energy when compared to the previous period, as well as the use of water.

The Real Estate area is increasing its commitment to protect the environment, implementing sustainability strategies in its buildings, where the strategy is articulated according to three different lines of work: energy efficiency, proper waste management, and promotion of responsible conduct.

According to its sustainable approach, the area is working to become energy certified with the highest rating, both in relation to its promotion and property business, providing the suitable spaces for citizens and users in the environments and cities in which it operates.

73,635 m² of office buildings are "BREEAM In-Use" certified, a sustainability assessment and certification method that seeks to reduce the environmental impact.



1.4. Governance structure

FCC's corporate governance structure is made up of a series of **decision-making bodies**, which are key when it comes to taking effective and strategic decisions, as well as to promote a common and responsible corporate culture: the General Shareholders' Meeting, the Board of Directors, the Executive Committee, the Audit and Control Committee and the Appointment and Remuneration Committee.

The General Shareholders' Meeting is the Company's highest decision-making body and, as such, determines the Group's strategy. Meanwhile, the Board of Directors is responsible for supervising the management, and has the highest powers and faculties to direct, administer, and represent the FCC Group. The Board receives the support of three specific committees: the Executive Committee, the Audit and Control Committee, and the Appointment and Remuneration Committee, all of which guarantee effective and transparent management and supervision.

The FCC Group has a firm commitment to the best good governance practices. Therefore, its conduct is aligned with the *Unified Code of Good Governance of listed companies* of the Spanish Securities and Exchange Commission (CNMV). Particularly, it focuses its efforts on those recommendations that include **sustainability among the duties of the Board of Directors**.

Since it came into force, the Group has incorporated 85% of the highest international standards of the code into its own corporate governance.

To this end, it publishes the *Corporate Governance Report* once a year, which contains detailed information on the Group's governance structure, best practices, and monitoring of the recommendations of the Code of Good Governance, as proof of the Group's commitment to ethical and transparent management.

The Code of Ethics and Conduct of the FCC Group and the Compliance Model are the base on which the company's governance is developed, following high standards of behaviour and integrity across the value chain, including FCC's teams and people, the community, and its stakeholders. In addition, it includes commitments to different environmental, social, labour, and good governance aspects.

The governance and self-regulation structure that characterises the FCC Group helps strengthen its efforts to face the joint challenge of achieving **transparency and good governance** in all of FCC's subsidiaries.



Governing bodies

General Shareholders' Meeting

FCC's shareholders determine the Group's strategy and direction through the **General Shareholders' Meeting**, which governs all actions according to **the Law, the Company's Articles of Association, and the Regulations of the General Shareholders' Meeting**. The shareholder structure is reflected in the Board of Directors.

Conforme a lo estipulado en el artículo 18 de los Estatutos Sociales, se reconoce el derecho de asistencia a la Junta General a los accionistas titulares de una o más acciones.

Shareholders with the right to attend the meeting may cast their vote as follows: (i) attending in person at the meeting venue, (ii) participating electronically, such as through video conferencing or webcasts, or (iii) casting a vote by remote means of communication prior to the Meeting. Shareholders participating electronically may cast their vote regarding the items on the Agenda through the online attendance platform on the corporate website, using the corresponding voting form and its instructions.

Board of Directors

FCC is **managed, represented**, and **controlled** by its Board of Directors, according to the competences established it the Articles of Association and Regulations of the Board.

Competence

This body has the competence to make decisions on all the matters not attributed to the General Shareholders' Meeting by Law or the Articles of Association. The Board has the highest powers and authority to **manage, direct, administrate, and represent the Company**. Its duties focus on supervising the ordinary management assigned to Executive Directors and Senior Management, and to address those matters of major importance to the Group. In addition, it is responsible for developing the necessary acts to accomplish the corporate purpose while observing and respecting the applicable laws.

In the accounting field, the Board of Directors **prepares the individual and consolidated Financial Statements and Management Report**, with the aim of providing a truthful representation of the FCC Group's financial situation, equity, and profits and losses, as established in the corresponding Law. The Financial Statements are certified by the General Director of Administration and Finance, with the approval of the Chief Executive Officer, and with the corresponding preliminary favourable report of the Audit and Control Committee.

Assessment and qualifications of the Board of Directors

The matters associated with good governance and sustainability have become more and more in the agenda of the Board of Directors over the years. The Compliance and Sustainability Department, as well as other departments of the Group, hold six-monthly meetings and make presentations to the Board on the supervision of environmental, social, and good governance policies and rules, as well as on the internal codes of conduct. During these meetings of the Board of Directors and the Audit and Control Committee, the supervisors of the different issues share with the Board members their knowledge about the latest trends, new regulatory developments, impacts, risks, and opportunities in relation to non-financial matters. In 2023, the Board approved the Group's consolidated Non-Financial Information Statement, the Annual Corporate Governance Report, changes of the regulatory block associated with Compliance, as well as the Tax Compliance policy, among others.

Moreover, the Executive Directors and the Group's Senior Management receive training on non-financial matters, such as the Code of Ethics and Conduct, conflicts of interest, or ESG criteria.

FCC's three-yearly training plan for 2024-2026, approved in 2023, includes specific training for Board members on matters related to anti-corruption, competition, and the Compliance Model.

The Board of Directors internally performs the annual assessment of the efficiency of its functioning, its committees, as well as that of the Chairman of the Board of Directors (non-executive) and the CEO. The Company believes that the conclusions drawn during the internal assessment make it possible to sufficiently correct any shortcomings detected or improve the functions assigned to the Board.

Conflicts of interest

In line with Article 23 of its Regulations, the Board of Directors is responsible for adopting the measures required to steer clear of situations of conflict of interest.

Directors or persons linked to the Director must refrain from: engaging in business with the Group's companies, using their condition as a Director to unduly influence on private operations, use the company's assets for private purposes, benefit from the Company's business opportunities, obtain benefits or remuneration from third parties associated with their position, as well as carry out any activities on their own behalf or by others that involve effective competition with the Company or that, in any other way, place them in a permanent conflict with the interests of the Company.

Conflicts of interest are reported to the Board of Directors in advance, and, in any case, the conflicts of interest situations incurred by the Directors are included in the Group's Annual Report.

During the year 2023, there have been a total of eight situations in which a director had to abstain from voting out of the 69 agreements approved by the Board, given a conflict of interest situation identified.

Appointment and selection of Directors

The Board members are selected and appointed by the General Shareholders' Meeting, which can re-elect the Directors indefinitely for **periods of a maximum of four years**. The proposed candidates must be natural persons of recognised good repute, solvency, technical competence, and experience, as established in the Regulations of the Board of Directors. The Board ensures that all selection processes promote diversity on matters related to age, gender, disability, or professional training, trying to find a balanced representation of members of the Board of Directors.

Structure and members

In 2023, the Board of Directors was made up of 13 people, one of whom resigned in June and another was not re-elected at the end of the term as a member of the Board of Directors of the FCC Group. At the end of the year, the Board of Directors was made up of 36% of women. Its members are of various nationalities, including Mexican and Spanish, with an average age of 60 years. Of the 11 board members, three are aged 30 to 50 and the remaining eight are over 50 years old.

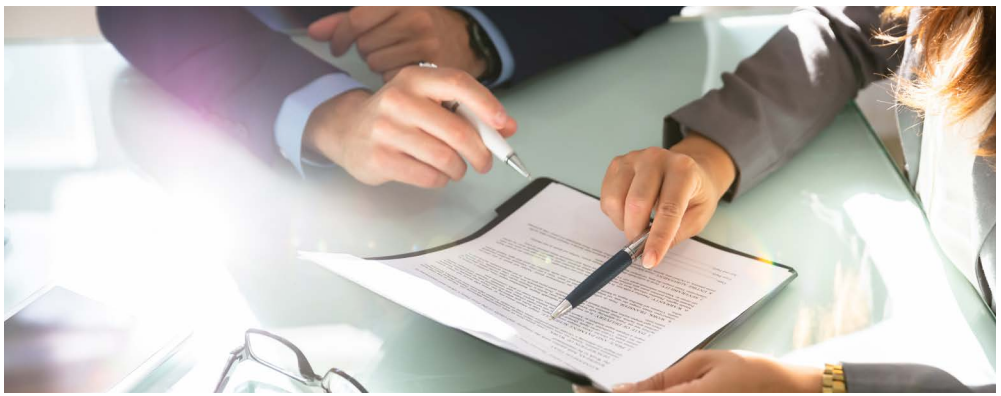
There are at least two Independent Directors, who were elected following criteria based on professionalism and independence. In any case, the candidates are proposed by the Appointment and Remuneration Committee with a justifying report from the Board witch value the competence, experience, and merits of the proposed candidate. The election must be approved by the General Shareholders' Meeting.

The next figure specifies the composition of the **highest governance body**, guided by the principles of r**epresentation in the corporate structure** and **well-balanced governance**:

The full information about the eleven members of the FCC Group's Board of Directors at the close of financial year 2023 is included in the Group's Annual Corporate Governance Report (ACGR), which includes information regarding seniority, date of first appointment, age, and full professional profile.

Members of the Board of Directors	Position on the Board	Nature	Executive Committee	Audit and Control Committee	Appointment and Remuneration Committee
Esther Alcocer Koplowitz	Chairwoman	Proprietary	○		○
Juan Rodríguez Torres	Director	Proprietary	○	○	○
Carlos Slim Helú	Director	Proprietary			
Álvaro Vázquez de Lapuerta	Director	Independent		●	○
Esther Koplowitz Romero de Juseu	First Vice Chairwoman	Proprietary			
Pablo Colio Abril	Chief Executive Officer	Executive	○		
Alejandro Aboumrad González	Vice Chairman	Proprietary	●		
Carmen Alcocer Koplowitz	Director	Proprietary			
Alicia Alcocer Koplowitz	Director	Proprietary	○		
Manuel Gil Madrigal	Director	Independent		○	●
Gerardo Kuri Kaufmann	Director	Proprietary	○		

● Chairman/Chairwoman
○ Member



Executive Committee

This is the permanent delegation body appointed by the Board of Directors that takes all decisions related to the FCC Group's investments, access to credits, loans, **or other financial instruments**. Particularly, this Committee decides on investments, disinvestments, loans, and other financial facilities, provided that the unit amount does not exceed the limits established in the Regulations.

The Board may permanently delegate its powers in the Executive Committee, except for those established in the corresponding Laws, Articles of Association or Regulations.

The Directors asked to participate in the Executive Committee are appointed by the Board of Directors, following a report from the Appointment and Remuneration Committee.

The Executive Committee is made up **of at least four members and no more than ten members**. It meets once a month and can extraordinarily meet in urgent situations. The Chairman of the Executive Committee is appointed by the Committee itself and, in his/her absence, his/her duties may be exercised by another member elected to this post by the majority. The meetings are called sufficiently in advance and the corresponding documents are provided. The Committee shall be validly constituted with the majority of its members, whether sitting or represented on the Committee, and all deliberations will be guided by the Chairman.

Its resolutions shall be adopted by an absolute majority, and, in the event of a tie, they are submitted to the Board of Directors for their approval. The Executive Committee reports all matters discussed to the Board of Directors and sends a copy of the minutes to all Directors.

Audit and Control Committee

The Audit and Control Committee is a body with **no executive duties and with the power of providing information, advice, and proposals**. It is made up of a **minimum of three and a maximum of six Directors** appointed by the Board of Directors. They will be appointed for the term established in their role as a Director and no longer than this term. The Committee appoints a Chairman, Vice Chairman and a Secretary.

This Committee is chaired by an Independent Director and its main purpose is to provide **support to the Board** on all matters related to supervision, reviewing the financial and non-financial information, exercising internal controls, and ensuring the independence of the external auditor. Their duties include issuing reports for the General Shareholders' Meeting, communicating with the external auditor, supervising the internal auditing tasks, and assessing the efficacy of the internal control and of the risk policy.

In addition, it is responsible for supervising and ensuring compliance with the environmental, social, and corporate governance policies, as well as for issuing reports and proposals upon the request of the Board. It has access to the necessary information and may receive external advice. Its deliberations are guided by the Chairman and the meetings may be called upon the request of the members of the Committee. Participants, including members of the Executive Team and Account Auditors, must cooperate and facilitate access to information.

Appointment and Remuneration Committee

This body is responsible for providing advice, information and **proposing the re-election, ratification, and dismissal of Directors**, as well as the remuneration of the Directors and Senior Management of the FCC Group. In addition, it is responsible for **detecting possible conflicts of interest** and related-party transactions, notwithstanding other duties, whatever they may be, attributed by Law, the Company's Articles of Association, or the Regulations of the Board of Directors of the FCC Group.

FCC's Board of Directors establishes a permanent Appointment and Remuneration Committee, made up of a **minimum of four and a maximum of six non-executive Directors**. At least two must be Independent Directors and another two Proprietary Directors. The Committee has powers to inform, advice and propose. Its duties include assessing the competence required in the Board, organising the process for replacing the Chairman and first Executive Director, proposing the appointment of Directors, providing remuneration information, and ensuring diversity when choosing Directors.

The Committee, chaired by an Independent Director, has an appointed Secretary, who does not need to be a Director. The Committee shall be validly constituted when a majority of its members are in attendance and its resolutions shall be adopted by an absolute majority. The Chairman calls the meetings at least once every three months and prepare an annual action plan and activity report.

Remuneration model

According to its principles and values, the FCC Group has established a **Remuneration Policy for the period 2022-2025**, with the purpose of driving a culture of ethics and commitment to sustainable development. This policy is a continuation of the previous one, and it maintains the same principles, structure, and content of the remuneration package for Directors.

The Remunerations Policy of the FCC Group has been prepared in accordance with the amendments of the Corporate Enterprises Act in 2021, specifically in relation to the long-term participation of shareholders in listed companies. The Company's Appointment and Remuneration Committee is responsible for reporting and proposing to the Board of Directors on the Directors Remuneration Policy and for ensuring compliance with it.

In general terms, the **remuneration of Directors must be fair and reasonable**, and according to that received by the Directors of companies with similar sizes and activities. Therefore, it is reviewed on a regular basis to check this. The remuneration of the Group's employees, in both managerial and non-managerial positions, is established according to the position, roles and skills, professional merit, and degree of responsibility, as well as on the circumstances of the Group, the country, and the market in which the company operates.

In any case, the remuneration policy must respect the criteria set forth in Article 28 of the Regulations of the Board of Directors:

- Remuneration required to attract and retain Directors with the suitable profile.
- Remuneration according to the interests of shareholders and the Group.
- Balanced remuneration, which should be sufficient to reward the dedication, qualification, and responsibility required for the position, and to preserve the independence of Directors judgement.
- Remuneration based on the professional performance of beneficiaries.

The Remuneration Policy establishes a **mixed system**, integrated by the remuneration based on the participation in the liquid profits, allowances for attending meetings of the Board of Directors and its Committees, and other remunerations, specifically a civil responsibility and accident insurance policy for Administrators. The Chief Executive Officer is the only executive director of the Company who receives variable remuneration, in case certain targets set forth are met, in particular, regarding the Company's long-term financial sustainability objectives.

Expanded information about the FCC Remuneration Policy for Directors, its application during the financial year 2023, details of individualised remuneration of each Director and other information of interest is published in the Annual Report on the Remuneration of Directors (ARR), available for consultation on the FCC Group's corporate website.



2. Sustainability in action

In a world filled with new challenges and global dynamics that characterise the scenarios in which the FCC Group operates, the company opts to play a proactive role when facing changes, aligning its business model with sustainable development.

To achieve this purpose, the Group has designed its own ESG approach, spearheaded by the Sustainability Policy and developed in its strategic lines and objectives. In addition, the FCC Group promotes sustainable innovation and constant dialogue with its stakeholders.

2.1. Global challenges and trends

Currently, we are facing a series of challenges and trends that go beyond geographical borders and which affect different sectors. These challenges include climate change, circular economy, scarcity and quality of water, biodiversity and ecosystems, urban development, and digital transformation and innovation, all of which require immediate and effective attention.

The connection of these aspects not only have an impact on environmental and social sustainability, but also on companies. The way in which companies address these challenges not only determines their capacity to operate in a constantly changing environment, but also its contribution to helping build a more resilient and sustainable future. In this context, FCC plays a proactive role, responding to the challenges with its commitment to global sustainability and to helping build a fairer and more sustainable world for the future.



Climate change

Climate change is one of the most pressing challenges of our times, and it requires global solutions that integrate political, economic, and social aspects. According to the United Nations, climate change is resulting in a series of long-term alterations in temperature and climate patterns on a global scale. Currently, it is materialising in the form of record temperatures of air and sea, as well as in an increase in the frequency of natural disasters.

This phenomenon is mainly caused by the emission of greenhouse gases derived from human activity, in particular, due to the combustion of hydrocarbons and the industrial processes. The consequences cannot be avoided and have a big impact on the protection of the natural environment, health, food safety, and the standard of living of people around the world.

Global efforts in the last few years aim to mitigate and reduce the effects of climate change, all of which are published in international agreements and treaties, such as the Paris Agreement (COP21) and the United Nations Climate Change Conference (COP26). In addition, specific initiatives have been rolled out to contribute to these agreements, such as the Sustainable Development Goals and the Science Based Targets (SBTi). These initiatives help combat climate change and build a more resilient and fairer world for future generations.

Key facts

- According to the EU's Copernicus Climate Change Service, the three-month period from **June to August 2023** was the **hottest summer in history in the northern hemisphere**. The temperature rose by 0.6ºC of the average between 1991-2020.[1]
- Between 2023 and 2027, the **global annual average temperature near the surface** is projected, with a **66% probability, to exceed pre-industrial levels by more than 1.5°C** for a period of at least one year.[2]
- According to the National Oceanic and Atmospheric Administration (NOAA), the **carbon oxide pollution levels**, which are worsening the climate crisis, are now 50% higher than before the start of the **Industrial Revolution**.

1. The summer of 2023 was Earth's hottest since global records began (Copernicus Climate Change Service).
2. Global temperatures will beat records in the next five years (World Meteorological Organisation).



Circular economy

The circular economy model puts resources and materials on a scale of a high value, in contrast to the conventional linear economy model that follows the pattern "take-manufacture-use-dispose of". In practice, the circular economy focuses on minimising waste through re-usage, repair, refurbishment and recycling of existing materials and products. The concepts of circularity and sustainability must be incorporated to all stages of the value chain to achieve a fully circular economy, from design to production, until a product reaches the end consumer.

The transition towards a more circular model is beneficial and required to reduce the pressure on the environment, improve the safety in the supply of raw materials and boost competitiveness, innovation, growth, and the creation of jobs. However, this transition is associated with a series of inherent challenges, such as consumers' behaviour or the need for multi-level governance.

To accelerate the transition towards a circular economy, the European Commission presented in March 2022 the first package of proposals as part of the Circular Economy Action Plan. These measures include, among others, boosting the use of sustainable products, raising the awareness of consumers about the importance of the eco-friendly transition, reviewing the regulations of construction products, and developing a strategy on sustainable textiles.

Key facts

- The **built environment** requires large amounts of resources and uses up approximately **50%** of all materials sourced.[3]
- According to the UN, since the mid twentieth century, approximately **7,000 million tons of plastic end up in the sea every year**.
- Currently, the **production of the materials** we use directly is responsible for **45%** of the total CO_2 emissions. It is for this reason that different measures, such as the reduction of volumes of waste generated, the eco-friendly design and the re-usage could result in savings for companies in the European Union, while reducing the total yearly emissions of greenhouse gases.[4]

3. Buildings and construction (European Commission).
4. Circular economy: definition, importance and benefits (European Parliament).



Water scarcity and quality

Water scarcity and quality are two relevant issues that affect communities across the world. The growing and constant demand for water, driven by the massive growth of the population, urban development and industrial expansion have led to water scarcity in many regions of the planet. The lack of water is aggravated by climate change since it can affect its availability due to longer and more intense periods of drought.

At the same time, the quality of water could be affected by different forms of pollution, from industrial and agricultural waste to the presence of toxic chemical products. Water pollution does not only affect the health of aquatic ecosystems, but also poses direct risks to land ecosystems and to human health, since contaminated water can cause illnesses and health problems.

In this context, sustainable water management is essential to face these challenges. An end-to-end approach is required, which must include the efficient preservation of water resources, the adoption of clean technologies and the implementation of more sustainable agricultural and industrial practices, while raising the awareness and educating people on the responsible use of water. The search for more effective solutions to combat water scarcity and improve water quality is crucial to protect our environment and ensure fair and safe access to this vital resource for both current and future generations.

Key facts

- **Marine ecosystems** play a crucial role, as they generate half of the oxygen we breathe and **represent 95% of the planet's biosphere**. In addition, marine ecosystems function as the main global carbon sink, since they absorb carbon dioxide.[5]
- 25 countries, which represent **a quarter of the world's population**, are currently facing **situations of extremely high water stress**, which means that they use up almost all of their available water regularly.[6]
- Close to **446,000 children under the age of 5 die due to digestive illnesses** linked to the lack of suitable water, sanitation, and hygiene services (WASH). This figure is equivalent to 9% of the total of 5.8 million deaths of children under the age of 5.[7]

5. The UN finally approves the Global Ocean Treaty (National Geographic).
6. World Resources Institute.
7. World Bank.



Key facts

8. Biodiversity - our strongest natural defense against climate change (UN, Climate Action).

9. IUCN Red list of Threatened Species.

Biodiversity and ecosystems

Biodiversity is essential to the healthy functioning of our planet. Ecosystems rich in biodiversity offer a wide range of essential services to life, such as purification of water, pollination of crops, regulation of climate, and provision of food.

However, biodiversity is currently threatened by numerous human activities that cause habitats loss, pollution, and climate change. The protection of ecosystems has become vital to preserve biological diversity, ensure the sustainability of natural resources, and safeguard the balance of the natural environment, which contributes to long-term human well-being.

A historic agreement was reached at the United Nations Climate Change Conference (COP15) held at the end of 2022: the Kunming-Montreal Global Biodiversity Framework (GBF). This instrument backs the "30 by 30" initiative, which commits to preserve at least 30% of the land and sea by 2030, ensuring fair and equal management of all protected areas.

- **Human activity**, mainly the use of land to produce food, **has altered more than 70% of the total surface with no ice**. This may force many animal and plant species out of their natural habitat and face the extinction.[8]
- According to the International Union for Conservation of Nature (IUCN), **around 42,100 species are at a risk of extinction**. Specifically, 13% of birds, 21% of reptiles, and 37% of fish, as well as 41% of amphibians and mammals are at a risk of extinction.[9]
- The new **Regulation 2023/1115 of 31 May 2023** came into force on 29 June 2023, which aims **to prevent the trade** in the European Union (EU) market and the export from the EU of some raw materials and products **associated with deforestation and forest degradation**.



Urban development

Currently, 4.4 billion people, approximately 56% of the world's population, live in cities. It is estimated that the world's population will increase by two billion people, from 7.7 billion right now to 9.7 billion by 2050. In particular, the urban population will increase two-fold by 2050, so almost 7 out of every 10 people will live in cities.

The increase in the number of people living in cities, added to the fact that 80% of the global gross domestic product (GDP) is generated in cities, means that properly managed urban development will be key to contribute to sustainable growth. Therefore, it is necessary to face a series of challenges, such as meeting the demand for affordable housing, feasible infrastructures (including transport systems), basic services, and employment.

Moreover, the rapid demographic growth is an obstacle to tackling crucial issues, such as the eradication of poverty, the fight against hunger, the need to increase the coverage of health and education systems, or the mitigation of climate change. Therefore, a slower and more sustainable demographic growth promotes better managed urban development and contributes to the sustainable development of our society.

Key facts

- The **expansion in the use of urban land is exceeding the growth of population by 50%**, so it is expected that 1.2 million km^2 of new urban areas will be built across the world by 2030.[10]
- **Cities** represent **two thirds** of the **use of global energy**, and they are responsible for over 70% of the greenhouse gas emissions.
- **Between 2020 and 2070, the number of cities** in **low-income** countries **will increase by 76%**, in average-income countries by approximately 20%, and in high income countries by 6%.[11]

10. Urban Development (World Bank).
11. World Cities Report 2022 (UNhabitat).



Datos clave

12. Spanish Global Compact Network.

Innovation and digital transformation

Technological innovation and digital transformation are essential to promote changes that create more sustainable and connected methods. Technological innovation is the result of implementing technology tools that boost strategic growth, while digital transformation is the result of adapting to new technologies that streamline and bring upgrades to the fields in which they are implemented.

The lack of innovation and digital transformation can lead to stagnating production levels, reduced competitiveness and effective strategies, and the deterioration of sustainable methods. The improvements in operational and business processes that drive innovation and digital transformation improve the competitiveness of companies in their corresponding sectors. In addition, implementing innovation in products and services to make them more sustainable is essential to face the current social and environmental challenges.

According to the United Nations Conference on Trade and Development (UNCTAD), the wave of emerging green technologies creates opportunities for quick growth and stronger economies. Therefore, companies, governments, and civil society must work together to foster green innovation and facilitate its dissemination and adoption. This is the only way to achieve a fair and well-balanced transition that benefits society as a whole.

- The World Economic Forum published in 2023 the **10 new emerging technologies**, which range from artificial intelligence to more sustainable energy technologies.
- It is expected for digital technologies **to increase the European GDP by over 2,200 billion euros until 2030**.[12]
- The Spanish Government's Recovery, Transformation and Resilience Plan includes **public investments** worth **20 billion euros for the digital transformation of the industrial fabric**, with a time horizon set in 2023 and 2025.







FCC Group faces the challenges of the future

The FCC Group assumes the responsibility of proposing innovative and sustainable solutions to provide a response to the challenges of dynamic environments. To achieve this, since the start of its operations, it focuses its efforts on creating a resilient business model that is ready to adapt its management procedures to the environmental, social, and governance circumstances in each sector and geography in which the Group operates.

Below is a list of the FCC Group's responses during the year 2023 to face the challenges mentioned above.

Climate change

Aware of the current climate crisis, the FCC Group makes an effort to contribute to a more sustainable transition every year. Therefore, through its Climate Change Strategy, the Group establishes the goal of guiding its business areas towards the reduction of their carbon footprint and the improvement of their energy efficiency, offering solutions to adapt to climate change. Likewise, each area establishes different actions, according to their activities and business model, which range from energy efficiency to the reduction in the use of fossil fuels.

In addition, the FCC Group has a model to analyse and manage climate risks and opportunities, which applies to all the areas and geographies in which it operates, through which it establishes a methodology that allows the identification and assessment of the risks and opportunities of its activities. This allows the Group to know the level of importance of each risk and opportunity identified to establish the necessary adaptation measures.

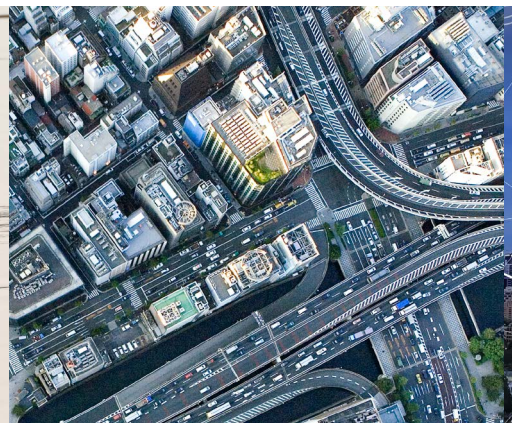
Circular economy

The FCC Group is firmly committed to efficient and responsible management of the resources required to carry out its activities. With this information, each business establishes the necessary actions and mechanisms to optimise each phase of the life cycle of each product and resource it uses. In addition, investing in innovation drives processes and allows the detection of more sustainable alternatives.

First, by reducing consumption through its processes and awareness-raising campaigns, it ensures that, once the resources are used, each area establishes the necessary mechanisms prioritise the use of recycled products and foster re-usage and recycling. Finally, once the resource has reached the end of its useful life, each business line defines a suitable way to manage waste, such as recovery, reintegration, or valorization.









Water scarcity and quality

The FCC Group's different business lines establish the measures and actions aimed at ensuring the long-term availability of water, reducing its use in activities that require large amounts of this resource. In addition, each area has established measurable objectives to guarantee an effective implementation of responsible measures regarding use of water, reducing the associated environmental impact and protecting water as a resource.

Likewise, it is worth highlighting Aqualia's performance within the Group, since it is fully committed to optimising the use of water across its phases, from abstraction to integral discharges management.

Biodiversity and ecosystems

The FCC Group recognises the importance of protecting biodiversity and preserving ecosystems. It faces this challenge by fostering its participation in the development of projects that guarantee the protection, improvement, and repair of natural spaces through reforestation or the rescue of wild fauna.

With regard to its own activities, FCC actively works to mitigate its impacts through strategies and objectives that are in line with Sustainable Development Goals 14 and 15, linked to the preservation of natural marine and land capital.

In addition, it aims to raise the awareness and increase the knowledge through training sessions, while signing agreements with different associations on matters related to biodiversity.

Urban development

Because of the activities it carries out, the FCC Group plays a vital role in the development of cities and society. Aware of this, it is committed to preserving the environment and to the development and well-being of the communities in which it operates, with a constant focus on transforming cities.

Proof of this is its Sustainability Policy, that has positive impact and social development as one of its main pillars, thus addressing the challenges it faces by establishing the key strategic lines to promote sustainable development. The FCC Group is a pioneer in developing sustainable business structures that can bring about and help in the development of society.

Innovation and digital transformation

With a view to becoming a leader in innovation, the FCC Group is continually and actively searching for innovative technologies that entail digital transformation, in order to develop more efficient management models that allow the company to adapt to the new realities.

According to this and with the firm objective of making a solid contribution to a culture that is more receptive to change and innovation, FCC focuses on incremental innovation, which will drive the most disruptive forms of innovation to make the most out of new opportunities, with a commitment to the promotion of an innovation ecosystem open to external collaborators and institutional actors.

2.2.
Corporate culture of commitment

This Group fosters a corporate culture that drives conduct in line with the highest standards of excellence, ethics, and commitment across all levels of the organisation, in accordance with its principles of action. FCC's values are what characterise the company and what contribute to improve the quality of life of people, promoting sustainable environmental and social development, in line with the Group's mission and vision.

Values

- **Honesty and respect:** to be recognised for honest and honourable behaviour, worthy of the trust of collaborators, clients, and suppliers as long-term and leading partners.
- **Rigour and professionalism:** to work with an exemplary approach and a strong vocation to serve customers, developing the capabilities of the teams to search for efficient and innovative solutions.
- **Loyalty and commitment:** to encourage diversity, promoting professional development and acknowledging merits and creativity as drivers for productivity and progress.
- **Results-driven:** to act with the aim of improving and reaching goals, with a view to making the FCC Group a benchmark in profitability and competitiveness.
- **Well-being and community development:** to be aware of the value that its services bring to society and to be committed to the protection of the natural environment, development, and wellbeing of communities in which it operates.

2.3.
ESG Framework

Currently, the different matters related to sustainability pose many and varied news that represent important challenges to the company. The integration of a vision that focus on sustainability in business management improves corporate reputation and guarantee business continuity in a constantly changing environment. To address the global challenges of sustainability, the FCC Group and its business areas strategically incorporate the ESG principles (environmental, social, and governance) in all their operations, creating a solid, ethical, and sustainable business approach.



Sustainability Policy

The corporate **Sustainability Policy**, approved on 26 April 2022 by the Board of Directors, is the base for the FCC Group's structural model of sustainability. It allows ESG principles to be integrated into FCC's activities, while also ensuring commitment and good performance of all the Group's professionals, and alignment with the demands of clients and society as a whole.

The Sustainability Policy establishes the key strategic lines to foster sustainable development, addressing environmental, social and governance challenges. The key points of the policy are based on **three strategic pillars**: preservation and protection of the environment, positive impact and social development, and good governance and exemplary performance. Therefore, it is the base for the specific sustainability policies of the Group's different business areas.

Strategic commitments of the FCC Group Sustainability Policy

Environment

All FCC Group's activities follow strategic lines that have been defined to protect the environment and which focus on driving leadership in the fight against climate change, applying the principles of the circular economy, promoting responsible use and management of water resources, and preserving biodiversity.

Social

FCC contributes to and fosters social development through strategic lines that focus on protecting Human Rights, contributing to the development of communities, driving people's talent, ensuring the safety, health, and well-being of employees, and promoting equal opportunities, diversity, and inclusion.

Therefore, the Group integrates social, cultural, economic, and labour development and well-being into its business strategy and plays a vital role in the transformation of cities, making them more inclusive and innovative, with a focus on people.

Governance

FCC is committed to contributing to sustainability from corporate governance. Therefore, sustainability is incorporated into the specific competencies of the Board of Directors. In addition, it defines strategic lines that aim to maintain a robust compliance, ethics, and integrity model, as well as to prevent and detect risks of non-compliance and to adapt to the best good governance practices and recommendations.

In addition, the Code of Ethics and Conduct ensures strict monitoring of the required standards.

Additionally, and in a transversal way, the Sustainability Policy includes the commitment to understand the needs of citizens better and to foster sustainable development. To achieve this, the FCC Group maintains a constant dialogue with its **stakeholders**, with a view to understanding their expectations through different communication channels, lines of dialogue, and means of participation, allowing them to interact in a transparent, honest, and consistent manner. Thanks to this, it builds relationships, partnerships and alliances based on trust, which allow all parties to exchange knowledge and resources and make possible to progress towards creating a more sustainable future. In addition, it guarantees that relevant information is available to all stakeholders, fostering their participation in the implementation and continuous improvement of policies.

All in all, the Sustainability Policy allows the FCC Group to focus on ESG to meet the growing demands of its stakeholders in the area of sustainability, help to achieve the **Sustainable Development Goals (SDGs)** of the **2030 Agenda**, and drive innovation. Furthermore, FCC is a signatory to the **UN's Global Compact** initiative and supports and promotes the ten universal principles based on Human Rights, work, environment, and the fight against corruption, acting in its own commitment to achieve the SDGs of the 2030 Agenda.

FCC Group's sustainability supervision structure

Sustainability is a priority for the FCC Group, proof of which is the commitments established by the corporate Policy, and it is **led by the company's highest governing bodies**. The Group's Sustainability Committee, supervised by the Board of Directors and the Audit and Control Committee and made up of the different business areas and the corporate Compliance and Sustainability Department, is responsible for implementing the Group's ESG issues.

To ensure that these competences are relevant and effective, the regular review and update of the Sustainability Policy is promoted. This initiative, proposed by the Audit and Control Committee, guarantees the constant adaptation to the growing global changes, fostering and ensuring permanent alignment between the corporate goals and the latest sustainable practices.

See Sustainability Policy

Board of Directors and Audit and Control Committee

- The Board of Directors supervises and ensures compliance with the policy through the Audit and Control Committee.
- The Audit and Control Committee approves, monitors, and assesses the FCC Group's sustainability strategy and practices on a regular basis.
- Progresses are reported once a year to the General Shareholders' Meeting through the Sustainability Report.

Group's Sustainability Committee

- It acts as a platform between the business areas and the corporation, proposing initiatives and reporting to the Board.
- It is made up of the different business areas and the corporate units associated with sustainability.
- It is responsible for implementing the Sustainability Policy approved by the Board.
- It is responsible for designing master plans to support the Company's strategic plans.
- It submits proposals to the Audit and Control Committee for their approval.
- Chaired by the General Secretary of FCC.

Sustainability Committees in the business areas

- They are responsible for developing, implementing, and ensuring the approved Sustainability Policy in each business area, as well as for deploying the corresponding master plans within these areas.

Compliance and Sustainability Department

- It is part of the General Secretary's Office, and it develops and implements the monitoring systems of the Group's Sustainability Policy.
- It is responsible for identifying the associated risks and managing them.
- It coordinates FCC's Sustainability Committee.
- It fulfils additional duties assigned in the internal regulations.
- It prepares the Group's Sustainability Report.

ESG Strategies

The company's sustainability objectives and strategies are key to mitigate the risks, create opportunities for innovation, grow, and attract and retain talent, as well as to improve the company's reputation and value, among others.

Integrating sustainability in the business model not only drives social responsibility but also strengthens the competitive position in the long term. This translates into a more resistant business model, one that is capable of catering to the changing market needs and the expectations of consumers, who are starting to become more and more aware of the environmental and social impact of companies.

ESG Framework

The FCC Group's **2025 ESG Framework** establishes a set of ambitious goals based on the demands of its stakeholders, the requests submitted by analysts and rating agencies, the references of opinion leaders, and the best industry practices. It also takes into account the conclusions of the Closing Report of the 2018-2020 CSR IV Master Plan, the national and European regulatory framework, and the current macro-trends, such as climate action, protection of biodiversity, or promotion of equal opportunities. In addition, it is in line with the contribution to achieving the UN's Sustainable Development Goals through specific initiatives.

All in all, it is a **reference framework that represents the strategic guide for the Group's ESG initiatives and projects** until 2025. Its implementation aims to help achieve the Sustainable Development Goals (SDGs) and to meet key international commitments, such as the European Green Deal, the Paris Agreement, the European Climate Act, the European Biodiversity Strategy for 2030, and the National Action Plan on Business and Human Rights, as well as the CNMV's Recommendations of the Code of Good Governance on matters related to Sustainability, among others.

A specific governance structure has been designed to drive, coordinate, executive, and monitor the ESG Framework, which is made up of the Board of Directors, the Audit and Control Committee, the Compliance and Sustainability Department, the Sustainability Committee, and the corresponding Sustainability Committees of the business areas.





Environment

The FCC Group has adopted a proactive approach to constantly improve its **environmental performance and promote a more respectful attitude towards the environment**. The organisation considers several lines of action to address the environmental aspects of its activities, such as climate action, application of circular economy principles, responsible management of water resources, and preservation of biodiversity. These bases structure the organisation's objectives and commitments, which are implemented through a series of action plans.

In addition, the Group's initiatives are in line with national and international standards, such as the Green Deal, the Law on Climate Change and Energy Transition, the Circular Economy Action Plan, or the European Biodiversity Strategy for 2030, among others.

Social

Companies are capable of generating a positive social and environmental impact on the local communities in which they operate, improving different aspects associated with quality of life and well-being of these communities. FCC is committed to **improving the quality of life of the people and communities in the geographies in which it operates**, incorporating practices into its activities that are ethical, sustainable, and respectful with society and with the environment.

The Group recognises the importance of fostering a society based on respect for Human Rights, social action, and solidarity as key elements to build prosperous communities. In addition, FCC sees **human capital as one of its main assets** to achieve business success and highlights the promotion of health and well-being among the essential aspects of labour conditions. Moreover, there is also a commitment to reduce inequalities and drive social progress.

FCC leans on international institutions and focuses on their recommendations and standards to guarantee proper social development. For example, it is based on the guidelines of the Organisation for Economic Co-operation and Development (OECD), the United Nations and its Agencies, the Global Compact, the International Labour Organisation (ILO) or the Universal Declaration of Human Rights Framework to perform its activities. In this regard, the Group has implemented the Human Rights Policy and the Safety, Health, and Well-being Policy, and is also certified in compliance with the ISO 45001 Occupational Health and Safety standard.

Governance

The company is responsible for guaranteeing an **ethical and responsible governance structure** based on regulatory compliance across all structural levels, as a vital requirement to guarantee the company's sustainability. In fact, the growing demand for implementing ESG criteria in business models and strategies requires a solid commitment to corporate sustainability with firm and dedicated governance structures.

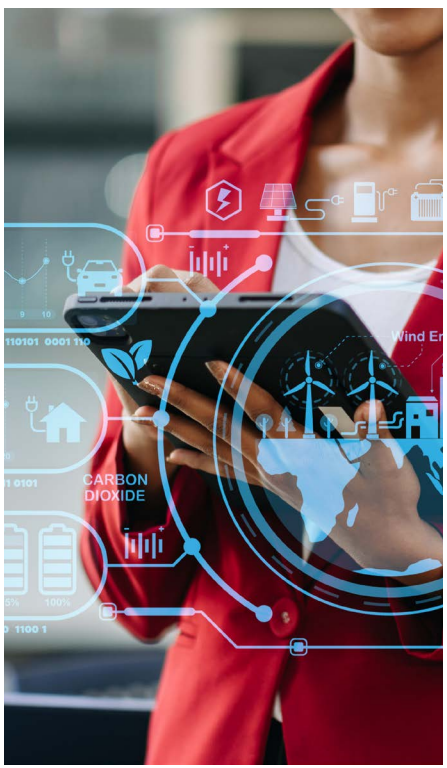
The FCC Group is efficiently organised, and it implements a series of good governance principles, basing its management on the Code of Ethics and Conduct, the Compliance Model, and the Crime Prevention Manual, which include the analysis of risks, and which consider the criteria established across the value chain.

Transversales

Sustainability is a strategic pillar that must be aligned with the business strategy. To this end, the FCC Group has established transversal programmes **to drive and integrate sustainability across all levels of the company**, through innovation, internal and external communication, and the creation of partnerships to achieve the most ambitious objectives.

Business areas strategies

The main business areas have defined their own specific sustainability strategies, with the aim of integrating responsible practices and adapting their own proactive approaches towards sustainability, as well as guaranteeing alignment with the Group's ESG Framework.



Environmental Services

FCC Servicios Medio Ambiente Holding, S.A.U. is making progress towards creating a more sustainable, efficient, productive, and low GHG emission business model, integrating this criterion across all platforms in which it operates and with the commitment to continuous improvement.

FCC Medio Ambiente Iberia assumes the commitment to be a sustainable business model at the service of citizens and to become a leader and benchmark in the provision of sustainable citizen services. To achieve this goal, it has established the **2050 Sustainability Strategy** as the roadmap to define the objectives and actions that materialise its vision, turning the Sustainable Development Goals and the Paris Agreement into references to prioritise its objectives.

The long-term Sustainability Strategy (2050) is also transversal. Its purpose is to connect the company's centenary activities with the present, integrating the knowledge acquired for over a century with the latest technological advances and innovations. Thanks to this, it offers to its clients more efficient services and becomes a more resource-efficient company.

The four pillars of action of sustainable management are:

- Environment
- Social
- Excellence
- Governance

Meanwhile, **FCC Environment UK** presented a **roadmap** in 2023 **to become neutral in terms of its greenhouse gas emissions**, in line with the UK's climate action goals. The public commitment signed by the company's CEO includes actions to make progress towards an operational model that progressively reduces its own GHG emissions and becomes carbon neutral by the year 2040. To achieve this, it is vital to collaborate with industry players, invest in new technologies, improve process efficiency, and increase the recycling percentages to reduce the volume of waste deposited in landfills.

Water

In 2021, **Aqualia** published its first **2021-2023 Strategic Sustainability Plan**, which allows the company to roll out projects that drive the sustainable management of water from the environmental, social and governance point of view. Aqualia's Sustainability Plan embodies the firm commitments that the company integrates in its day-to-day management, with a strong commitment to sustainability as the way to generate a model of prosperity and wellbeing that will help to build a fairer, more humane, and lasting planet.

The plan has seven strategic lines implemented that guide the approach of the projects and actions to achieve the goals, which are also in line with the ten principles of the UN Global Compact and the SDGs.

- Strategic communication.
- Climate emergency and environmental protection: climate change mitigation and adaptation.
- Technology for integrated management.
- People management.
- Ethics and Compliance.
- Social impact.
- Strategic partnerships.

Infrastructures

FCC Construcción has implemented the **2023-2026 Sustainability Strategy** with long (2050), medium (2030), and short-term (2026) objectives, with a view to aligning its activities with sustainable development in the environmental, social, and governance areas. This strategy establishes the company's ambitions in a future action plan with intermediate targets aimed at improving responsible performance, consolidating it as a benchmark of sustainability in the construction sector.

The structure of the Sustainability Strategy is based on the ESG dimensions (Environmental, Social and Governance), defining different strategic axes:

- **Environmental dimension**
  - Climate action
  - Circular economy
  - Environmental impact
- **Social dimension**
  - Human rights
  - Social action
  - Human capital
  - Health and safety
  - Diversity and equal opportunities
- **Governance Dimension**
  - Ethics and compliance
  - Value chain
  - Risk management
- **Transversal dimension**
  - Innovation and digitalisation
  - Communication
  - Partnerships

Real Estate

As a leading company of the Spanish real estate sector, **Realia Group** assumes the commitment of focusing its efforts towards a more sustainable and responsible future through the **2024-2027 ESG Strategy**.

This sustainability strategy includes a reflection on the work completed and on how to continue to making a positive difference in the environment in which it operates, and in the lives of the people affected by its activities. It is based on three core ESG pillars and three transversal ones, which include thirteen lines of work and forty specific goals associated with the following areas.

- Environmental
- Social
- Corporate governance
- Digitalisation
- Communication
- Training

This strategy strengthens the company's commitment to the environment, the communities, and the solid corporate practices, while establishing a roadmap to sustainable growth and to making a positive contribution to society.



2.4. FCC's priorities

Considering the new European sustainability requirements, the FCC Group has developed a **double materiality assessment** according to the new *European Sustainability Reporting Standards* (ESRS).

This study has allowed the Group to analyse, firstly, how each line of business affects its stakeholders and the environment, and, secondly, how these groups and the environment can affect each of the Group's businesses. The following two dimensions, described below, must be taken into account to understand what double materiality involves:

- **Impact materiality** aims to identify the company's material **impacts** (current or potential, positive or negative) on people or the environment in the short, medium, or long term.
- **Financial materiality** aims to determine the **risks and opportunities** that can have a big impact on the development of the company, including cash flows, finance, and financial performance in the short, medium, or long term.

The FCC Group has established the following phases to conduct its double materiality assessment according to the requirements of the ESRS:

1. **Review and identification of impacts, risks, and opportunities:** the real and potential, positive and negative, impacts identified in the 2022 materiality analysis were reviewed and aligned with the requirements of the ESRS. In addition, in the case of financial materiality, the risks and opportunities were defined and aligned according to the requirements of the ESRS. Key company staff participated during this phase to validate the impacts, risks and opportunities identified.

2. **Topic grouping:** after reviewing and identifying the impacts, risks, and opportunities, they were prioritised and grouped in topics, taking into account those defined last year, as well as the topics and sub-topics established by the ESRS.

3. **Impacts assessment update:** direct surveys were conducted with the management of the Group's different business areas this year, according to the variables included in the ESRS:

   - **Magnitude:** groups the scale (severity or benefit of the impact), scope (extend of the impact), and irremediable nature of the impact to assess the importance of the impacts.
   - **Likelihood** of occurrence of the ESG impacts identified.

   In addition, direct surveys were also conducted with the FCC Group's main stakeholders (workforce, clients, and suppliers). The survey assessed the level of impact of ESG-related matters on the selected stakeholders. Finally, all these variables were quantified to obtain measurable results and assess the dimension associated with the impact materiality.

4. **Assessment of risks and opportunities:** as in the case of impacts, a direct survey was conducted with the relevant identified staff to assess the risks and opportunities. The survey evaluated:

   - The expected **effect** on the company's performance in case of materialisation of the risk or opportunity, based on the following dimensions:
     - **Financial:** monetary consequences on the company.
     - **Reputational:** effects on the company's image.
     - **Operational:** impact on the company's operations, products, and services.
     - **Legal:** legal offences or consequences.
   - **Probability** of materialising the risk or opportunity over time.

   These variables have been quantified to obtain measurable results, establishing the importance of each risk and opportunity identified in the different business areas. As a result, the financial materiality dimension is obtained.

5. **Consolidation of results and materiality matrix:** after all material topics of the FCC Group have been identified in relation to impact and financial materiality, those that exceed the average score given to the group of topics assessed in any dimension are defined as material. Regarding ESRS, a topic is considered material if it meets the criteria in any of the two dimensions assessed (impact and financial materiality).

To define the ESG matters at the FCC Group level, it was necessary to prioritise those **impacts, risks, and opportunities that are common to all business lines**. Below are the main impacts, risks, and opportunities associated with the **topics considered as material**. In addition, the dimension according to which the topic has been assessed as material is included.

Material topics of the FCC Group

Environmental Dimension

Topic	Materiality	Key related impacts, risks, and opportunities
Climate change and energy	Impact and financial	**Impacts** related to mitigating and/or contributing to climate change as a result of the company's activities and the use of energy. **Risks and opportunities** related to adapting to and/or mitigating climate change, and to the supply or outage of energy use.
Pollution	Impact and financial	**Impacts** derived from the company's activities that pollute air, water, and soils. **Risks and opportunities** related to the most restrictive limits and parameters regarding emissions and contamination of soils and water bodies.
Water	Impact and financial	**Impacts** resulting in a possible increase in water stress as a consequence of water consumption and company activities. **Risks and opportunities** related to the most restrictive limits and parameters regarding discharges and water abstraction.
Biodiversity	Impact and financial	Positive **impacts** derived from measures for the preservation and conservation of ecosystems, and negative impacts derived from the deterioration and use of natural spaces by the company. **Risks and opportunities** related to regulatory changes on biodiversity, as well as the effects on flora and fauna.
Resources and materials	Impact and financial	Positive **impacts** derived from re-usage and recycling of resources, and negative impacts related to the depletion of natural resources due to the company's activities. **Risks and opportunities** related to the scarcity or outage of materials, as well as the recovery of secondary materials.
Waste	Financial	**Risks and opportunities** related to recycling, re-usage, and recovery of waste, as well as to the new waste management regulations.

Social Dimension

Topic	Materiality	Key related impacts, risks, and opportunities
Working conditions	Impact	Positive **impacts** derived from labour integration and contribution to socio-economic development, and negative impacts related to the issues in achieving a good work-life balance.
Health and safety	Financial	**Risks and opportunities** related to the workforce's exposure to occupational accidents or illnesses, as well as the promotion of health campaigns and programmes.
Equality and diversity	Impact	**Impacts** related to the promotion of gender equality and diversity, as well as the fostering of employment among people with disabilities and the contribution to the prevention of harassment at work.
Data protection	Financial	**Risks and opportunities** related to exposure of private data of stakeholders, as well as to the new regulations on privacy.
Subcontracting and suppliers	Impact	Positive **impacts** related to promoting sustainable practices, and negative aspects related to possible improper conduct of suppliers and contractors.
Safety and quality of products and services	Impact	Positive **impacts** associated with access to assets and resources needed by the population, because of the company's activities.

Governance Dimension

Topic	Materiality	Key related impacts, risks, and opportunities
Integrity of conduct	Impact and financial	**Impacts** related to the promotion of responsible conduct and integrity of behaviour within the company to avoid possible corruption and bribery cases, or loss of public funds. **Risks and opportunities** related to new regulations, relations with suppliers and contractors, or matters regarding the prevention of corruption and bribery.
Public administrations and industry associations	Financial	**Risks and opportunities** related to collaboration with industry associations and external initiatives.
R&D&I	Impact and financial	**Impacts** derived from the promotion of innovation, technological development, and new work techniques, through international and national collaborations, or direct investment in R&D&I projects. **Risks and opportunities** related to obsolescence of equipment and lack of automation, as well as to new ways of managing knowledge and digitalising the industry.

Below are the obtained results of all the topics included in the double materiality assessment, broken down by line of business:

There are some **topics that are material across all the Group's business lines**. Particularly noteworthy is the prominence of *"Climate change and energy"* in the environmental dimension, *"Working conditions"* and *"Subcontracting and suppliers"* in the social dimension, and *"Integrity of conduct"* as a corporate governance matter. Likewise, it is important to highlight that the topics *"Pollution"* and *"Biodiversity"* are especially relevant when compared with other years, as in the case of the *"Equality and diversity"*, *"Data protection"* and *"R&D&I"* topics.

Material topics, by line of business

Topic	Environmental Services	Water	Infrastructures	Cement	Real Estate
Climate change and energy	●	●	●	●	●
Pollution	●		●	●	●
Concerning substances					
Water	●	●			●
Marine resources					
Biodiversity	●	●	●	●	
Resources and materials	●		●	●	
Waste	●		●		●
Working conditions	●	●	●	●	●
Social dialogue					
Health and safety	●		●		●
Equality and diversity	●	●	●	●	
Training					
Human rights			●		

Topic	Environmental Services	Water	Infrastructures	Cement	Real Estate
Data protection		●	●	●	●
Subcontracting and suppliers	●	●	●	●	●
Affected communities		●			
Solidarity action					
Indigenous people					
Safety and quality of products and services		●	●		●
Access to products and services		●		●	
Integrity of conduct	●	●	●	●	●
Payments made to suppliers and subcontractors					
Public administrations and industry associations		●	●		●
R&D&I	●	●	●		●

● Topic considered as material

2.5. Dialogue with stakeholders

In the current business environment, the **dialogue with stakeholders** becomes a key pillar for organisations committed with transparency and sustainability. The effective interaction with different stakeholders, such as the workforce, clients, communities, and shareholders, not only reflects ethical business practices, but also **contributes to the company's long-term success**.

FCC recognises the importance of this two-directional dialogue to know and incorporate the perspectives, expectations, and needs of its stakeholders in its strategic decisions. In the global context, the social responsibility and sustainability initiatives of leading companies highlight the relevance of this approach, providing evidence of the fact that effective dialogue goes beyond meeting the standards and helps build a solid reputation and long-lasting relationships.

Stakeholders

FCC's stakeholders (SHs) represent those **internal and external parties** who are capable to influence or impact on the organisation's activities and vice versa. The company embraces the idea of cultivating relationships using **communication channels and dialogue and participation means** to facilitate a comprehensive, reliable, transparent, and long-lasting interaction.

Effective dialogue and communication

The FCC Group sees its stakeholders as essential to their progress and to the normal running of the company. Therefore, it builds r**elationships based on trust and transparency** through constant dialogue to understand their expectations and needs, responding to their concerns.

FCC has several communication channels, as well as dialogue and participation means, based on a transparent, honest, truthful, and consistent relationship, in compliance with its commitment to being a socially responsible company.

The FCC Group identifies and categorises stakeholders as follows, using the participation and communication mechanisms described below:

Digital communication channels

The FCC Group uses different digital channels to facilitate agile communications with its audience. It is present on the main **social media**, such as YouTube, Twitter, Instagram, and LinkedIn. In addition, the corporate website has a contact form and a detailed directory of headquarters and offices, with relevant information that includes addresses and telephone numbers of the main departments.

The commitment to sustainability is reflected in the ESG topics published and deployed on the **FCC website and on the corporate websites** of each business area, in which the Sustainability Reports and the information about the company's environmental, social, and governance performance are included and published on a regular basis. Likewise, there is a specific sustainability mailbox that allows stakeholders to address any concern related to this area directly.

Communication and participation channels by category

Shareholders and investors
- Economic and ESG performance available on the website
- Board of Directors and Committees
- General Shareholders' Meeting
- Shareholder Relations Office
- Investor roadshows

Clients and communities
- Satisfaction surveys
- Liaisons
- Dialogue channels with clients and local communities, depending on the line of business

Workforce
- One - FCC's corporate intranet
- Whistleblowing Channel
- FCC360 - FCC APP tool
- Dissemination and awareness-raising campaigns
- Campus FCC
- Employee portal
- We are FCC - Quarterly online magazine
- "We are FCC" poster
- Meetings with workers' representatives

Suppliers and contractors
- Information and awareness-raising sessions
- Supplier approval platform
- Respect for FCC's Code of Ethics and Conduct and Anti-corruption Policy
- Commitment to apply the UN Global Compact

Partners
- Agreements, sponsorships, and donations
- Partnerships
- Business forums
- Publications and presentations
- Due diligence procedures

Public administrations and regulators
- Participation in industry self-regulatory initiatives and legislative developments

2.6. Innovation with a purpose

Currently, innovation plays a crucial role in the growth and sustainability of companies. It is the catalyst to achieve a differentiated position in a growingly dynamic and competitive business environment, as it allows to find new ways of satisfying the current needs, while promoting operational efficiency to generate significant competitive advantages.

Innovation drives creativity, fosters continuous improvement, and allows companies to anticipate and provide a proactive response to the changing demands in markets, becoming a key pillar to achieve success in the long-term.

Innovation at the FCC Group

The FCC Group recognises innovation as a tool to provide a response to current needs through **digitalisation and transformation of the business**. Therefore, with the aim to become a benchmark in citizen services innovation, it focuses on the following lines of action:

- Urban development.
- Designing of new sustainable products.
- Process optimisation.
- Technological advances for data processing.

The FCC Group innovation management is implemented transversally, with the launch of projects that use the required tools for its execution and subsequent monitoring. This allows efficiency to be increased in each area and boosts an improvement in the quality of work.

The objectives of the collaborative involvement of the different business areas for the development of new ideas, solutions, and products are:

- Increase in process efficiency.
- Motivation of work teams.
- Improvement of corporate image.

In 2021, the FCC Group created the **Digital Innovation Lab (DI_Lab)** with the mission of driving a cultural change across the organisation, promoting a more collaborative environment that fosters creativity and innovation, and which facilitates the active participation and new ideas contribution from its workers. Therefore, the DI_Lab complements the activity of the R&D&I teams in the different business areas.

The Digital Innovation Lab has developed a specific **framework** to establish the methodology for executing the innovation initiatives and to ensure a consistent process. This framework is based on the Design Thinking methodology, in combination with the Lean Startup and Agile models, following the "fail fast" philosophy, and it requires the following:

- Understanding and empathising with the target audience.
- Defining users' needs and perceptions.
- Providing ideas to identify creative solutions.
- Creating a prototype for the different ideas to be shown.
- Obtaining direct feedback from test groups.
- Iterating to improve the prototype or pivoting (correcting the course).

The **Innovation Forum** was created in 2023, with the participation of the R&D&I teams of the different business areas and the DI_Lab, with a view to improving how innovation opportunities are coordinated, sharing knowledge, and driving new collaboration initiatives. The Forum aims to contribute to the innovation efforts across FCC Group, so these can be coordinated and shared efficiently, generating a greater impact at the business, social and environmental level.

Likewise, the DI_Lab organises an annual **Innovation Day**, which aims to promote and drive innovation as the essential engine and added value of its activities. This event focuses on optimising corporate efficiency through digitalisation, creating synergies between areas, addressing current and future digital challenges, and offering practical solutions to improve products and services.

During the event, the different business areas and the DI_Lab present innovative projects which cover construction, industrial technology, environment, and water management matters, in collaboration with key external partners.



In particular, the most important **initiatives** during 2023, completed and in progress, developed by the Digital Innovation Lab and the R&D&I teams of the different business areas were as follows:

Generative artificial intelligence

Rolling out of four pilot projects, using the OpenAI platform capacities to cover the following use cases:

- Q&A system for the bidding department of the International Infrastructures area, which covers this department's entire repository of information.
- Optimisation of the process for generating the document "Technical Action Planning Report", a key document to launch any project of the Infrastructures area, and which identifies the project's key information, so it is validated by the different managers/supervisors.
- System used to analyse the knowledge of Aqualia's technical department.
- Q&A system of the information repository of Aqualia's legal department.

Industry 4.0

Development and installation of a solution based on Industry 4.0 technology framework at Prefabricados Delta, of the Infrastructures area. The first action involved implementing this technology in the machinery installed at the Puente Genil factory in Cordoba (Spain). The solution was rolled out to all other elements of the two manufacturing plants after completing the pilot project.

Construction Digital Twin

Cupix is a mobile platform that can be used to capture the workplace in 3D, making it easier to see the life cycle of spaces, such as buildings, and allowing clients to collaborate to design, identify risks, reduce costs, unleash value, and save time. The solution was deployed in the Infrastructures area, at the corporate Building delegation, to optimise the way in which the works progress is monitored and to configure the project's digital twins.

H2020 Rewaise

The Rewaise project www.rewaise.eu is the second of the EU "Smart Water Economy" call of H2020 in which Aqualia participates. In this case, it acts as the entity that coordinates a consortium of 25 partners, which includes water utility companies from the United Kingdom (Severn Trent), Sweden (Vasyd) and Poland (AquaNet). Together with 7 SMEs and several universities in Croatia, Italy, Poland, Czech Republic, Sweden and the UK, new circular economy and digital management solutions are implemented in "Living Labs", including Aqualia's operations in Asturias, Badajoz, Canary Islands, Denia, Salamanca, or Vigo.

Rewaise reinforces Aqualia's strategic lines of technological development, such as sustainable desalination and new membranes, the recovery of materials from brine, the reuse of wastewater, and its transformation into energy and by-products. To improve the operation and control of the processes, work is under way on the simulation of networks and plants, optimising the efficiency of the service as well as water quality.

A reactor with anaerobic membrane bioreactor (AnMBR) technology has been installed at the Balaídos industrial estate, in Vigo, to recover resources from the urban effluent from the Citroën/Stellantis factory. The Integral Water Cycle Innovation Centre was opened in Salamanca. The desalination processes were improved in Denia and a new salt recovery platform from brine is under construction in Tenerife.

H2020 BBI Deep Purple

Aqualia, with the support of thirteen partners from six countries, has implemented in Deep Purple project (www.deep-purple.eu) a new demo bio-refinery model, which integrates purple phototrophic bacteria (PPB) in anaerobic carrousel-type systems. These bacteria use solar energy to treat wastewater without aeration and transform the organic content of wastewater and municipal waste into raw materials for biofuels, plastics, cellulose, and new base materials in the chemical and cosmetics industry.

After optimising an initial prototype of the Anphora® photobioreactor at the Toledo-Estiviel WWTP, the world's largest 100% solar powered anaerobic photobiorefinery (1,500 equivalent inhabitants) using this technology was built in 2022 at the Linares WWTP. The second plant will be opened in 2024 at the Badajoz WWTP. It is worth noting that SmVaK will authorise the installation of a biogas purification column at the Karvina WWTP (Czech Republic) for the recovery of energy and chemical substances. FCC Medio Ambiente has also designed innovative hydrolysis and ectoin (cosmetics) collection processes for the biomethanisation plant of Las Dehesas (Madrid).

CLIMPORT

FCC Construcción has developed an innovative modular system with new professional design and construction methodologies for port infrastructures, adapted to climate change and developed with the current scenario of uncertainty, combining both databases and mathematical, numeric, and statistical design tools, with the regulations, recommendations, methodologies, and reference manuals regarding the international state-of-the-art, as well as their interrelation with cutting-edge construction procedures, within the framework of process standardisation and traceability:

- Develop specific methodologies to analyse the risks associated with climate change in ports following the guidelines of the IPCC to assess risks in complex systems, which indicates that the risk assessment in ports is conducted by analysing the interaction between climate threats, exposed materials/equipment, and their degree of vulnerability.
- Develop methodologies to analyse the climate risks associated with the construction of ports, which greatly depend on the uncertainty associated with defining the dangers of the physical environment of such construction works projects.
- Prepare a catalogue of standard products or projects that can be resolved by the port engineer/technician, through the interrelation of advanced variables, models, and post-processing techniques. All of this will be designed by comparing and complying with the most relevant recommendations and regulations to perform the operational, functional, and final design of the port construction works (Maritime Works Recommendations or ROM Programme, recommendations published by the PIANC, British Standards, etc.).
- All developments will be compatible with the BIM methodology (Building Information Modelling), mainly regarding processing and standardisation of the spatial data generated.
- Consider the characterisation and use of renewable energies when designing ports, with a view to achieving energy neutrality in ports.

PRACAN

This project rolled out by FCC Construcción aims to improve the prevention of occupational hazards in construction environments with the development of an innovative robotic platform for the identification, control, and monitoring of risks from carcinogenic agents.

Specific goals:

- Design and development of a mobile land node that can be controlled remotely for the identification and location of risks (exposure to SCR).
- Design and development of a mobile aerial node for the early detection of asbestos during the risk identification phase.
- Study and definition of an SCR estimator and an asbestos detector.
- Study and definition of a punctual enclosure dust vacuuming system while operators are working, adapted to the characteristics of the SCR.
- Development of an application for the configuration of mobile nodes.
- Development of a decision-making software and definition of the action protocols and recommendations.

ZERO LANDFILLING

Funded by the European Union

LIFE ZEROLANDFILLING (LIFE-2022-SAP-ENV 101114213): **Recovering landfill waste through an innovative and integrated process committed to the circular economy.**

Official project webpage: https://www.zerolandfilling.com/

FCC Medio Ambiente coordinates the LIFE ZEROLANDFILLING project, which aims to address the environmental and economic issue of the growing generation of urban waste by demonstrating for the first time the profitability and sustainability of an innovative, advanced, and integrated management system, through a pilot plant, as a solution to treat and recover non-recyclable urban solid waste (mainly composed of non-recyclable plastics and biowaste) that normally ends up in landfills. It is worth noting that the non-recyclable urban solid waste will be recovered into products (renewable naphtha and solid charcoal) of commercial interest.

2,112 t of non-recyclable USW will be treated within the framework of the project, preventing the emission of 2,069.76 tCO_2e associated with its disposal. Furthermore, this recovery will translate into the production of 458 t of green naphtha and 583 t of solid charcoal, which, compared to conventional competitors, will prevent the generation of 918.56 and 1,700.26 tCO_2e, respectively.



ABATE: Mitigation of the environmental impact

LIFE ABATE (LIFE-2022-SAP-ENV 101113838): Marketable high performance compact technologies for the abatement of VOCs in EU waste treatment plants, decreasing CO_2 emissions and energy consumption.

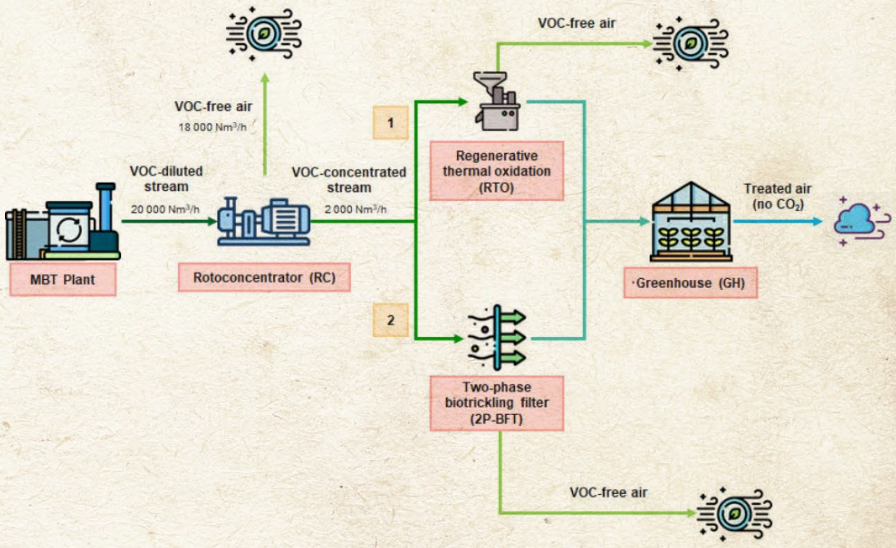
"Marketable high-performance compact technologies for the reduction of VOCs in EU waste treatment plants, reducing CO_2 emissions and energy consumption".

LIFE ABATE, a project that is partially funded by the LIFE programme, aims to increase the sustainability of mechanical biological waste treatment (MBT) plants, with the demonstration of technical, economic, environmental, and social benefits of an innovative technology for the integral reduction of non-methane volatile organic compounds (NMVOCs) and CO_2 of gas emissions. This end-to-end process, based on a VOC concentration stage with a roto-concentrator (RC) and a subsequent degradation stage (whether a biological or thermal process), reduces the NMVOCs emissions and minimises the release of smells at MBT plants, while reducing the global energy requirements and preventing the consumption of natural gas in thermal oxidisers.

In addition, the CO_2 emissions will be used in greenhouse agriculture to promote the growth of crops and improve production, reducing the global emissions of this greenhouse gas at MBT plants.

The end goal of LIFE ABATE is to drastically reduce NMVOCs, emissions, and CO_2 emissions as the main secondary goal, as well as their negative effects on health and well-being of people and ecosystems, at the expense of a lower energy consumption (reducing the use of natural gas, using biogas if needed, and saving energy) in comparison with the current treatment systems.

The solution will be validated on an industrial scale at the Ecoparc 3 plant (Barcelona) and will be replicated at the Las Dehesas Biomethanisation plant (Madrid).



Main milestones in Innovation

The key indicators used to measure the FCC Group's performance in innovation are monitored as part of its commitment to this matter.

Each business area develops its own lines of action in relation to innovation, following the Group's roadmap, in accordance with the specific needs and approaches in line with the characteristics of their sector.

68
projects under development

€13,598,75
R&D&I investment

94%
of sustainability projects

Over 100
professionals involved

In 2023, it is worth highlighting the following actions of each business area

Environmental Services

- Continuity of the R&D&I Management System, certified in accordance with UNE 166002 standard.
- Participation in the LUCRA project for the large-scale production of chemical products with a biological base using municipal waste and wood waste as raw material.
- Coordination of the LIFE ZEROLANDFILLING project for the recovery of non-recyclable municipal waste that would usually end up in a landfill.

Water

- Continuity of Aqualia's R&D&I strategy, which directly contributes to improving equality, eco-efficiency, sustainability, and smart management.
- Inauguration of the new Innovation Centre for the development of solutions aimed at creating a sustainable central water cycle.

Cement

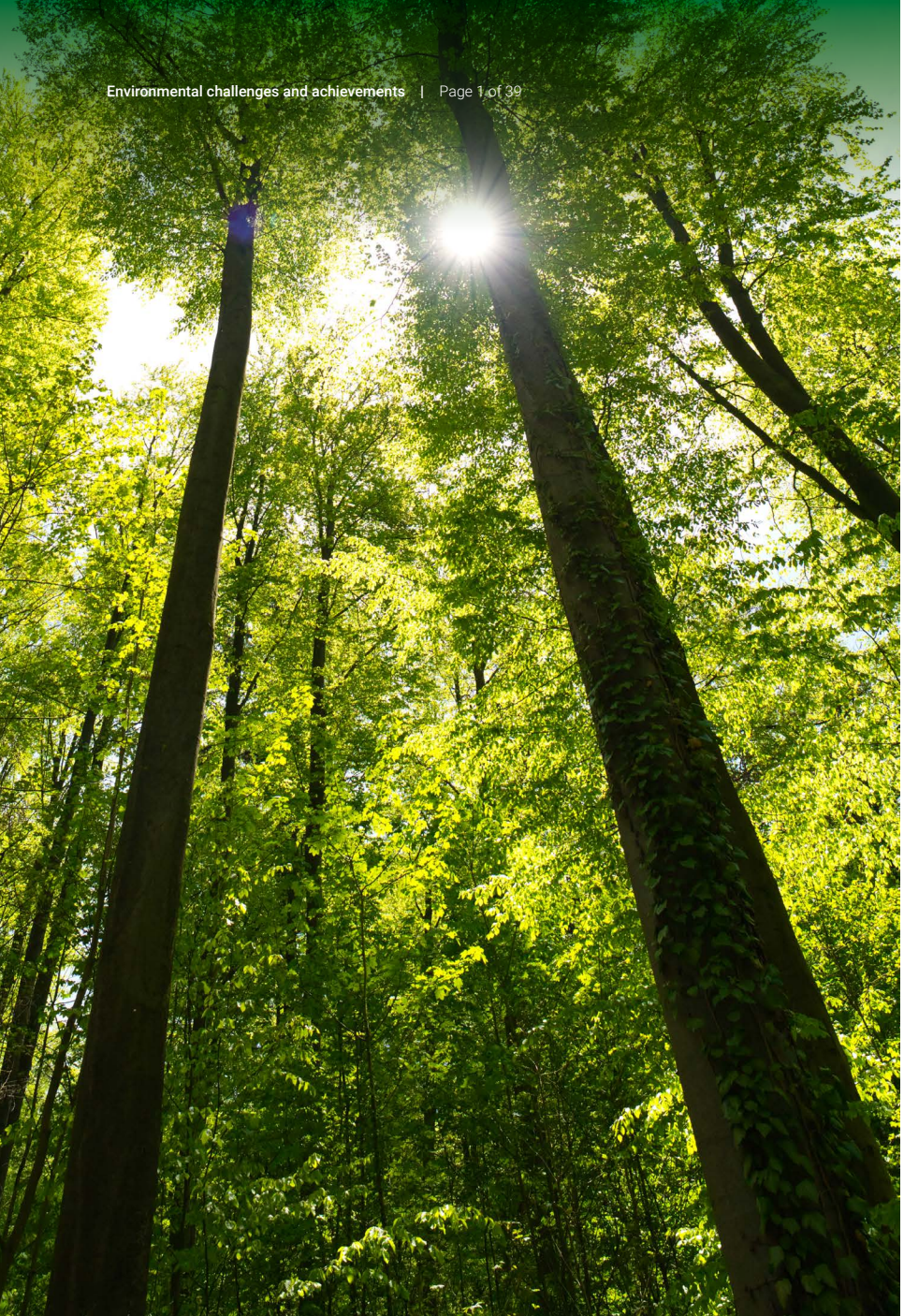
- Development and production of sustainable solutions.
- Efficiency and energy savings management system implemented at the "El Alto" plant in Morata de Tajuña (Madrid) for the industrial processes of crude and cement mills and "grill" type chillers (in progress).

Infrastructures

- 2022-2025 BIM implementation plan (Building Information Modelling), which promotes the development of BIM tools and Geographic Information Systems (GIS) to boost project efficiency.
- Alexandria project, a knowledge and document management tool.
- Follow-up and update of the R&D&I Policy.
- R&D&I Management System, certified in accordance with UNE 166002 standard.

Real Estate

- Collaborative support in R&D&I projects to improve the efficiency in the use of resources in buildings.



3. Environmental challenges and achievements

The preservation and protection of the natural environment are one of the priorities of the commitment to sustainability. It is for this reason that suitable environmental management is basic for companies. The FCC Group considers that environmental management must mainly address all matters related to **climate action, contamination, water, biodiversity and ecosystems, circular economy, and the use of resources**.

This chapter describes the FCC Group's main management approach for each of the environmental topics mentioned above, with the dissemination of the associated policies, the monitoring metrics, and the objectives and actions rolled out, ranging from the transition plan for the mitigation of climate change to the efficient management of resources, integrating the contributions towards the minimisation and preservation of the natural environment derived from the Group's activities.

By defining transparent practices and ambitious environmental goals, the FCC Group seeks not only complying with the requirements of the applicable regulations, but also leading the path towards a more environmentally sustainable future. This section presents FCC's on-going commitment to protecting the environment and highlights the most important initiatives rolled out during the year 2023 to achieve a balance between business growth and sustainable development.

3.1. Environmental management

In a company's end-to-end environmental management processes, **the identification and analysis of environmental aspects** plays a key role in assessing the impact of its operations in its environment. This analysis requires a detailed assessment of each activity, process, and operation to determine which elements have an impact, whether positive or negative, on the environment.

A comprehensive approach is required to identify the environmental aspects, which must include those factors that can contribute to the company's environmental performance, such as gas emissions and waste management, among others. This process is not only essential to meet the legal and regulatory requirements, but also provides the base to develop **effective strategies that promote sustainable practices**, and which foster the mitigation of adverse environmental impacts.

Identification of environmental aspects

The FCC Group has identified the **significant environmental aspects** of its corresponding areas, which are described in the table below. It is worth noting that no aspects other than the transversal ones are identified in the Real Estate area.

The identification of significant environmental aspects allows the detection of key points that must be addressed and managed by the businesses. Keeping their particu larities in mind, the areas are responsible for handling the actions and procedures they consider to anticipate and prevent risks, as well as to implement correction measures, basing their decisions on the **precautionary principle**.

Significant environmental aspects identified

Transversal aspects

- Use of resources (raw materials, fuel, electricity, water, etc.).
- Greenhouse gas (GHG) emissions.
- Generation of hazardous and non-hazardous waste.

Environmental Services

- Noise generated by vehicles and machinery or by the activities at facilities.
- Emission of atmospheric contaminating gases (NOx and SO_2), particulate matter, and odours derived from combustion and fermentation processes.
- Production of discharges from leachates, wash water, rainwater, sewage, etc.
- Consumption of resources, such as fuel, electricity, water, chemical products, and raw materials.
- Waste generation.

Water

- Consumption of reagents.
- Emission of particulate and gaseous pollutants (NOx and SO_2).
- Waste generation.
- Energy consumption.

Infrastructures

- Emission of noise, vibrations, and light.
- Emission of particulate and gaseous pollutants (NOx and SO_2).
- Generation of non-hazardous waste, in particular, construction and demolition waste (CDW).
- Generation of discharges.
- Territorial occupation.

Cement

- Extraction of natural resources in quarries to obtain raw materials.
- Greenhouse gas (GHG) emissions.
- Emission of particulate and gaseous pollutants (NOx and SO_2).
- Generation of noise.
- Generation of discharges.
- Water consumption.
- Overexploitation of natural environment.

Environmental commitments

The environmental actions are defined and established within the framework of the environmental management systems of each business. However, since the approval of the corporate **Environmental Policy** in 2009, the FCC Group has been observing a series of **key principles**, which establish the guidelines and references for its environmental management activities in all business areas:

- Driving the application of new technologies and synergies between the Group's areas.
- Establishing targets to spur continuous improvement.
- Considering the environmental aspects when planning the activities and in the procurement of materials and equipment.
- Establishing environmental indicators to monitor and control operations.
- Understanding and implementing the environmental principles through the involvement of stakeholders, particularly employees.
- Combating climate change, preventing pollution, and protecting the environment.

In addition, the **FCC Group's Sustainability Policy**, approved in April 2022, establishes the lines of action for the Group in relation to environmental management, strengthening FCC's commitment to protect the environment:

- Drive FCC's leadership in the response to **climate change**, moving towards a competitive low-carbon economy, and promoting **energy efficiency and the responsible use of energy**.
- Apply the principles of the **circular economy** to ensure resources are used more efficiently, improve the waste management processes, and increase the service life of materials.
- Promote the **responsible use, consumption, and management of water resources**, reducing water stress in the regions in which the Group operates.
- Help maintain the natural capital, by promoting the **preservation of biodiversity** and supporting the restoration and recovery of ecosystems.

Moreover, each business line has its own specific environmental policies, because of the differences between the respective activities carried out by the areas and the particularities of each sector, except for the Real Estate area, which is currently defining its ESG Committee. These policies are based on the general principles of the FCC Group's Environmental Policy and serve as the basis for the establishment of environmental management systems for each area, adapted to their context and operations.

Environmental policies, by business area

Environmental Services

The area has different environmental policies adapted to the specific needs of the activities carried out in each geographical area in which the business operates.

The environmental policies are often part of integrated management policies, which not only include environmental protection and energy efficiency commitments, but which may also include other commitments such as those related to quality, health and safety, protection of healthy workplaces, innovation, information security, or protection of personal data and digital rights. For example, this is the case of FCC Medio Ambiente Iberia, FCC Environment UK or the different countries of FCC Environment CEE.

Water

The commitments related to environment and energy, as well as to quality, are covered by the Integrated Policy of the Management System of the Water area. This policy encompasses the comprehensive management of water as a resource, the proper administration of quality control laboratories, the waterworks concessions, and the development of treatment plants, all with the cross-cutting objective of ensuring continuous improvement.

Infrastructures

Its Environmental Policy mainly aims to protect the environment and preserve ecosystems, apply continuous improvement processes that avoid environmental incidents both in works and fixed centres, and prevent pollution. In addition, its Sustainability Policy was approved in 2019 and it addresses matters related to the environment.

Cement

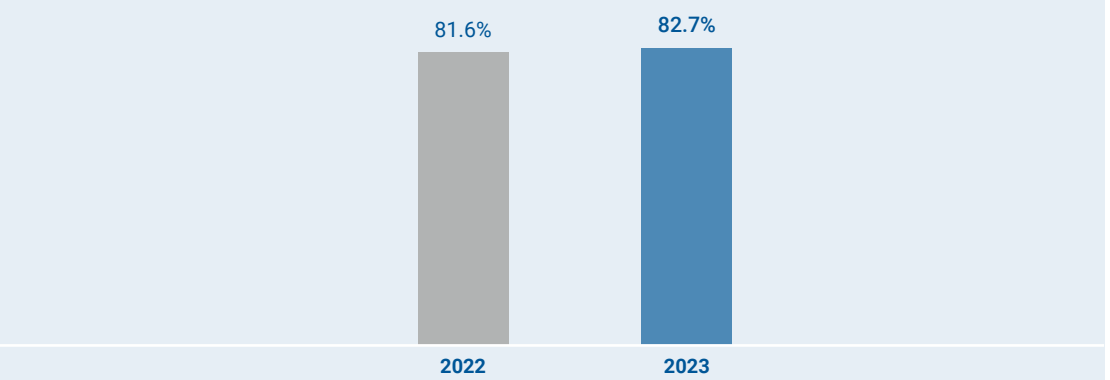
Following the implementation of the Energy Management System in accordance with UNE-EN-ISO 50001 in all cement factories operating in Spain, the corporate director of Operations approved in July 2022 a new Environmental and Energy Policy. It includes the area's commitments to reduce emissions and wastewater discharges, to reduce waste through recovery, and to restore any negative impact caused by the extractive activities.

Management systems and certifications

The environmental management systems include the **policies and commitments** described in the previous section, as well as the establishment, planification, and development of actions that are crucial to comply with these commitments. The search for continued improvement is reflected in how the Group prioritises the **implementation and certification of its environmental management systems** according to the leading international standards and regulations.

Certification according to recognised international standards ensures the implementation of suitable processes for the assessment of the environmental performance. In addition, these are essential tools to guarantee FCC can meet a relevant part of its commitments associated with sustainability. In line with previous years, 82.7% of the Group's activities in 2023 were ISO 14001 environmentally certified.

Percentage of activity covered by environmental certifications (ISO 14001)[13]



13. The information for 2022 reported in that year's Report was updated due to the detection of an error in the calculations.

The **main environmental certifications** held by the different business areas, as well as by the company's corporate offices, are specified below:

Certification	Corporate Office	Environmental Services	Water	Infrastructures	Cement	Real Estate
ISO 14001:2015		●	●	●	●	
ISO 50001:2018	●	●	●		●	
EMAS		●			●	
ISO 14064-1: 2019			●	●		
Zero Waste Certification	●					
A-LAB accreditation			●			
Certificate of company contribution to the SDGs			●			
BREEAM Certification				●		●

3.2.
Resources dedicated to environmental risk prevention

The different business areas make huge investments every year to meet the Group's environmental commitments and improve the efficiency of its operations. Specifically, in 2023, the Group assigned over 260 employees and allocated **more than €100 million to address environmental issues**.

These investments covered different matters, as shown in the above table, including the increase in the annual investment to renew the vehicle fleet and purchase more efficient machinery in 2023 by the Infrastructures area. Likewise, the Cement and Infrastructures areas allocated over two million euros to energy efficiency measures. These measures included the installation of solar panels and the optimisation of machinery to improve their efficiency, as well as the renewal of buildings, making them more sustainable.

In addition, the Group also has **guarantees** in place to repair damage in the event of accidental contamination. FCC holds an **environmental civil liability policy**, with coverage of up to €60 million, in the event of a claim and accidental pollution, as well as a **general civil liability policy** that covers any accident, damage, or risk related to accidental pollution for a value of up to €10 million.

Although these policies offer global coverage for the whole Group, some businesses have additional coverage, as is the case of the Cement business, some divisions of FCC Environment CEE, and the Infrastructures area.



Monetary resources dedicated to environmental risk prevention (€)

	2021	2022	2023
Annual investment in renewal of the vehicle fleet and more energy-efficient machinery (hybrid or renewable)	48,109,001	62,664,921	75,538,636
Annual investment in energy efficiency measures	291,655	824,608	3,285,824
Investment in R&D projects related to environmental improvement/reduction of environmental impact	4,562,047	5,917,941	4,754,155
Annual environmental certification costs (ISO 14001, ISO 50001, EMAS, etc.)	282,943	388,953	473,663
Environmental consulting expenses	6,423,089	7,098,636	7,033,167
Other expenditure and investment for the protection and improvement of the environment	4,170,134	6,142,377	9,480,499
Total	**63,838,869**	**83,037,437**	**100,565,944**

3.3. Climate action

The international community has seen a huge change in the focus towards climate change, which has become one of the main challenges of our time. Aware of the magnitude and consequences of global warming, the international community signed the **Paris Agreement**, a joint commitment to effectively address the challenges of climate change at the global level. This agreement made it clear that climate change requires the implementation of measures and strategies to address and mitigate its impacts, with a view to reducing emissions and promoting more efficient and responsible consumption of energy.

In addition, the adoption of sustainable practices, in line with different initiatives, such as the **Task Force on Climate-related Financial Disclosures (TCFD)**, is key to address climate action from a business perspective.

In this context, the FCC Group joins the fight against climate change through the implementation of actions and measures that respect the environment to minimise its carbon footprint, mitigate the negative effects of its activities in relation to climate change, and lead the transition towards a low-carbon economy. As proof of this commitment, the FCC Group provides annual and voluntary reporting on the risks and opportunities derived from climate change to the **Carbon Disclosure Project (CDP)** initiative, as well as its strategic approach, action plans, and progress achieved.

Transition plan for the mitigation of climate change

The FCC Group assumes the responsibility and commitment to climate action in its **2050 Climate Change Strategy**, which addresses key matters, such as the identification of risks and opportunities, innovation, and proactive communication.

This commitment is essential to guarantee long-term sustainability of FCC's operations and society as a whole. To this end, the Group contributes to the fight against climate change with solutions to improve the adaptation to its impacts.

FCC's **2050 Climate Change Strategy** establishes the roadmap and long-term objectives of the Group to address the fight against climate change. It includes the approach of the different business lines in a single document, with the aim to set out the Group's path to reduce the carbon footprint and implement solutions for adaptation to climate change.

Particularly, it establishes the following objectives at the Group level:

- **Reduction of the contribution to climate change**, through tangible measures, such as the replacement of raw materials and fossil fuels, actions for the recovery of energy from waste, and participation in cutting-edge European projects.
- **Risk identification**, addressing the vulnerability of operations by calculating the carbon footprint of the businesses, establishing reduction goals, and building a map with the main risks faced.
- **Service approach**, with the commitment of not only searching for solutions internally, but also focusing services to help clients to provide an effective response to the impacts of climate change.

The Group's Strategy defines the five common pillars on which the specific strategic lines of action for each business area are developed:

Strategic lines

- **Monitoring:** the base of the strategy is the accurate identification and quantification of the GHG emissions, defining priority focus areas that allow the establishment of the reduction objectives.
- **Reduction:** establish reduction objectives based on the information obtained during monitoring, not just limiting process emissions, but also seeking to offer products and services with a lower environmental impact.
- **Adaptation:** recognise the expected impacts of climate change and prepare to address them, not only as a challenge, but also as opportunities to expand the service portfolio and penetrate new markets.
- **Innovation:** develop innovation and efficiency capacities to be more resilient and become the strategic partners of our clients. Likewise, search for national and international resources to facilitate the transformation towards low-carbon operations.
- **Communication:** value transparent communication as a strategic pillar, sharing the challenges, actions, and contributions to global objectives aimed at mitigating and adapting to climate change.

In parallel, each of the Group's business lines works to define its own actions, objectives, and metrics, in accordance with the specific characteristics and needs of their activities. The business areas establish their own **reduction goals**, which are in line with the Group's Strategy and the Paris Agreement, as described below.

Objectives of the business areas

FCC Medio Ambiente Iberia

Base year 2017

Goal for 2030

- Reduce greenhouse gas emissions by 35% by 2030.
- Increase the volume of GHG avoided (in tonnes) by 20%.

Goal for 2050

- Reduce biogas emissions from landfills by 80% by 2050.
- Achieve carbon neutrality by 2050.
- Increase the volume of GHG avoided (in tonnes) by 50%.
- Achieve 100% of the vehicle fleet labelled "ECO" or "Zero".

Water

Base year 2019

- Reduce the global scope 1+2 2020-2023 by 14.6%
- Reduce the global scope 1+2+3 2020-2023 by 12.6%

Cement

Base year 2020

Goal for 2030

- Reduce the GHG emissions from processes and combustion of grey cement (tCO_2/t cement) by 13.55%

Infrastructures

Base year 2021

Goal for 2026

- Reduce GHG emissions of Scopes 1 and 2 by 15%.
- Have 100% of the lighting elements using the most efficient lighting systems in Europe.
- Replace 10% of the vehicle fleet by more sustainable alternatives.
- Implement a vehicle rental and/or acquisition policy that includes emission reduction criteria.
- Implement the use of electricity with Renewable Energy Guarantees of Origin in offices and fixed locations.

Goal for 2030

- Reduce GHG emissions of Scopes 1 and 2 by 35%.
- Have 100% of the lighting elements using the most efficient lighting systems in all countries.
- Replace 65% of the vehicle fleet in Europe and 45% in the rest of the world by more sustainable vehicles.
- Increase by 50% the use of electricity obtained from renewable sources in projects in which this is feasible.

Real Estate

Goal for 2030

- Reduce the use of energy for operational purposes in buildings by 40%.
- Reduce the GHG emissions in managed buildings and real estate developments by 25%.
- Ensure that 50% of the surface of buildings use green energy.
- Ensure that 10% of the energy demand in buildings is covered by energy generated on-site.
- Reduce the carbon footprint of administrative operations by 25%.

Governance of climate change

It is worth indicating that the FCC Group ensures that its Climate Change Strategy is observed and implemented across the different corporate levels. To do so, it has established an organisational structure that focuses on climate change to guarantee that its strategy is governed properly. This structure not only ensures that the strategy and values are incorporated into the company, but also responds to any eventual needs that might arise.

Risks and opportunities

The FCC Group's intrinsic nature, which covers a set of activities rolled out in different sectors and geographies, makes the Group exposed to multiple threats or factors derived from climate change. Therefore, the Group considers that it is a priority to incorporate into its strategy and business model the **management of impacts derived from climate risks and opportunities.**

To properly address the strategic approach based on the risks and opportunities related to climate change that can have a significant impact on the FCC Group, **the company has its own methodology for identifying, assessing, and prioritising such climate-related risks and opportunities**, integrated into its Risk Management Model.

Governance of climate change

Government and strategy

- Sustainability Committee
- Business lines

Risk management

- Identification of the risks and opportunities associated with climate change

Metrics and objectives

- Scopes 1, 2 and 3
- Reduction objectives in the climate change strategy
- Energy efficiency

Procedure for identifying, assessing, and prioritising climate-related risks and opportunities for FCC Group's activities

In line with the FCC Group's commitment to the fight against climate change, during 2023 it has worked to re-define its methodology for identifying and assessing the physical climate risks of its activities, incorporating those specifications for the analysis of climate transition risks and opportunities. Therefore, FCC has an end-to-end methodology to assess the degree of importance or materiality of all climate change risks and opportunities identified. This methodology is described in a specific procedure that applies to all FCC Group companies in all geographies.

To **analyse physical climate risks**, the methodology includes the selection of climate scenarios, the identification of physical climate risks of the activities carried out by the Group's companies and possible climate threads, the characterisation of these threads and their projection in the short and medium terms, the assessment of the probability of the risk and the degree of exposure and vulnerability of the activity to it and, finally, the prioritisation of the risks in order to define the best adaptation measures.

Regarding the **analysis of climate transition risks and opportunities**, the procedure includes an identification based on the classification criteria recommended by the TCFD, an assessment based on probability and severity of the impact or on capacity to seize an opportunity and potential (according to whether these are risks or opportunities, respectively), and a way of establishing the priority according to the results obtained.

In 2023, a full and in-depth analysis of R&O was conducted for all Group activities, complementing the study prepared in 2022 for those activities aligned with the EU Taxonomy that ensured compliance with the requirements set out in Commission Delegated Regulation (EU) 2021/2139.

As a result of the analysis of the risks and opportunities of each business area, the FCC Group has identified the priority risks and opportunities on which the organisation should focus its efforts.

Finally, t**he analysis of climate risks and opportunities is complemented with a study of the financial impact**, which allows FCC to know the consequences of climate change on the organisation in financial terms.

Transition risks

Risks associated with the transition towards an environmentally sustainable economy, which requires technological transformations, regulatory changes, market variations, and modifications of perception, which might affect the company's reputation.

- **Political and regulatory**

  The development of new policies and the increase in new environmental regulations may pose problems to adapt to a heterogeneous regulatory framework on climate change and reporting, due to higher and more complex dissemination obligations on aspects related to climate. In addition, regulatory changes may lead to operational restrictions and changes in the carbon pricing mechanisms and emission rights trading.

- **Market**

  The transition towards an economy with more sustainable supply and demand may involve a greater dependence on fossil fuels, an increase in the costs derived from the scarcity of raw materials, the lack of adaptation to the current environmental needs and challenges, an increase in prices, or a decrease in the insurance coverage.

- **Technology**

  The transition towards more sustainable technological improvements and innovations, characterised by the dynamism and the need to integrate new technologies, may result in a failed technological transition.

Physical risks

Physical risks derive from the occurrence of climatic threads of different nature, with the potential of having a negative impact on the environment, including damage to facilities, infrastructures, operations, water and raw material availability, and interruptions in the supply chain.

- **Water stress and drought**

  The changes in the availability of water due to changes in the rainfall frequency and the increase in temperature may pose certain limits to the processes.

- **Increase in temperatures and heat waves**

  The increase in temperatures and heat waves may cause an impact on staff and incidents in infrastructures and processes.

- **Forest fires**

  The increase in the frequency of forest fires may have an impact on staff, infrastructures, and processes.

- **Strong precipitation and floods**

  The increased frequency of strong precipitation and floods events have an impact on the increase in incidents in processes, damage to installations, and impacts on the health and safety of staff.

Opportunities

Opportunities that appear when organisations make efforts to mitigate and adapt to climate change.

- **Resource efficiency**

  Adaptations to climate change bring the opportunity of creating smart resource management, energy efficiency, and carbon neutral transport solutions. Likewise, they foster access to new technologies, such as Big Data, to improve the process efficiency.

- **Market**

  The market adaptations will mean an expansion of the activities classified as sustainable in the European Taxonomy. In addition, they represent an increase in the demand for products due to stricter energy efficiency standards. They also generate opportunities to access green financing and benefit from incentives, such as public sectoral aids. Finally, they promote R&D&I solutions to face climate change and competitive advantages of low-emission technologies.

- **Products and services**

  With regard to products and services, there will be an increase in the demand for projects that foster the mitigation and adaptation to climate change, as well as the possibility to participate in strategic R&D&I alliances in industry, integrating sustainable mobility solutions in the environment.

Actions

With the goals established and the risks and opportunities identified, the FCC Group implements a series of **actions to mitigate and adapt to climate change**, as well as to **promote energy efficiency** across all business areas. Below is a breakdown of the actions and measures implemented by the different business units.

Environmental Services

Climate action

- Commitment to a 100% electric vehicle fleet.
- Promotion of energy recovery from waste.
- Development of a Technical Instruction to protect workers from heat stroke accidents.
- Development of protocols for dealing with extreme weather events, such as droughts, snowfalls, or floods.

Energy efficiency

- Energy Management System, certified in accordance with ISO 50001.
- Increase in the consumption of renewable energy.
- Development of more energy-efficient machinery.
- Actions aimed at achieving the commitment of having 100% of the fleet of vehicles with "ECO" and "Zero" labels, as part of the 2050 sustainability strategy.
- Installation of software for more accurate monitoring of energy consumption from public lighting contracts.
- LED lighting installation.
- Industrial waste treatment process optimisation.
- Training workers in efficient driving techniques.
- Increase in the proportion of vehicles powered by alternative energies.

Water

Climate action

- Individual carbon footprint calculation per country.
- Use of renewable energy.
- Transformation of the vehicle fleet.

Energy efficiency

- Implementation of the energy optimisation System for offices and warehouses in six of the eight locations, with a view to rationalising energy use in lighting and air-conditioning in these administrative centres.
- Improvement of the energy monitoring, reducing human error during supervision and improving the features and scope of the electricity billing control platform, Synergica.
- Platform for centralised monitoring and control of proposals and improvement objectives of the different contracts, related to efficiency.
- Launch of new pilot projects and equipment to improve the power supply signal of installations and reduce consumption, through the Energy Efficiency Work Group.

Infrastructures

Climate action

- On-site awareness-raising actions.
- Use of more efficient lamps to reduce consumption and GHG emissions.
- Promotion of low-emission mobility.
- Reduction of combustion gas emissions from vehicles and machinery using electrical machinery or implementing efficient driving and reduction of on-site traffic measures.
- Identification of the best adaptation measures for infrastructure and facilities exposed to sea level rise.
- Adaptation of construction processes and materials used in response to rising temperatures.

Energy efficiency

- Installation of energy-saving LED lighting on site.
- Use of modern and efficient machinery.
- Development of machinery maintenance plans.
- Implementation of good environmental practices to reduce energy consumption in the construction and operation phases of infrastructures.

Cement

Climate action

- Modification of furnace burners to optimise fuel consumption.
- Use of fuels with higher biomass content.
- Introduction of renewable electricity generation projects (wind or photovoltaic).
- Development of strategic energy transition plans in cement plants.
- Reduction of the percentage of clinker in cement.
- Signature of renewable energy PPAs.

Energy efficiency

- Continuous process optimisation.
- Implementation and improvement of furnace and mill driving systems.
- Equipment renewal.
- Installation of presence sensors and LED lighting.
- Energy audits according to ISO 50001.

Real Estate

Climate action

- Replacing air-conditioning equipment with units that use refrigerant gases with lower global warming potential.
- Installation of efficient climate-control and low-energy consumption systems in property development projects.

Energy efficiency

- Installation of LED lighting in buildings.
- Installation of more efficient air-conditioning equipment.
- Adjustment of air-conditioning and heating temperatures.
- Design of buildings with A or B energy certification.

GHG Emissions

The urgent need to reduce greenhouse gas emissions is one of the FCC Group's and its business areas' commitments. Therefore, FCC has made significant progress in **measuring the impact of its activities** by calculating the **carbon footprint** of its businesses and other associated parameters every year. At the Group level, the businesses help assess and analyse the data gathered, seeking for improvement strategies. Moreover, according to the criteria of the **GHG Protocol**, each business line implements its own methodologies, which are endorsed by the **Spanish Climate Change Office** and consider the characteristics of their specific sectors. It is thanks to this that the areas can achieve a global industry view and assess the progress of the implemented measures.

GHG emissions (tCO_2e)

	2021	2022	2023
Direct GHG Emissions (Scope 1)	6,624,839	6,507,988[14]	6,045,270
Indirect GHG Emissions (Scope 2)	549,838	630,050	514,089
Total	**7,174,677**	**7,138,038**	**6,559,359**

GHG emission reductions as a result of abatement initiatives (tCO_2e)

	2022	2023
Direct GHG Emissions (Scope 1)	34,036	174,706
Indirect GHG Emissions (Scope 2)	7,794	4,210
Arising from emission offsets	–	200

The results respond to FCC's commitment to reduce the Group's carbon footprint. It is worth emphasising the results of FCC Construcción and FCC Medio Ambiente Iberia in the reduction of GHG emissions, thanks to the implementation of different initiatives, such as the replacement of the fleet with electric vehicles, the use of alternative energies and the reduction of fossil fuels used.

14. Updated Aqualia's information, due to an improvement in the indicator monitoring systems.

FCC Medio Ambiente Iberia offsets its CO_2e emissions

For the third year in a row, FCC Medio Ambiente Iberia received the "Compenso" seal, awarded by the Spanish Government and, for the first time, FCC Ámbito received the "Compenso" seal from the OECC.

Within the framework of the compensation of GHG emissions in 2023, FCC Medio Ambiente Iberia has collaborated and participated in the following forest management and restoration projects.

- FCC Medio Ambiente collaborates with the Galician Forestry Association in the project "Galicia Rexenera: Coto María (Ponteareas)", which aims to restore 380 hectares of Monte Vecinal de Ribadetea, in the municipality of Ponteareas. The restoration of this hill is being carried out after the forest fire that affected the area in 2015, applying natural regeneration techniques where possible, and strengthening it with planting where needed to ensure the recovery of the forest mass. It is worth mentioning that the forestry management activities carried out are PEFC and FSC certified as Sustainable Forestry Management practices.
- Regarding the collaboration of FCC Ámbito with the Galician Forestry Association in the project "Galicia Rexenera: Peimallo (Vigo)", the aim is to restore 221 hectares of Monte Vecinal de Valladares, in the municipality of Vigo, which was affected by a forest fire in 2017. The work focused on selecting bushes and shoots of the spots affected by the fire to achieve natural regeneration of the forest mass.
- Finally, FCC Medio Ambiente has collaborated with Hellín Town Council to restore the surface of a sealed landfill of inert construction and demolition waste in the municipality. The restoration technique involved consists of the re-forestation of the surface with native tree species of the area, and the creation of a miniature forest as part of the re-forestation, covering some 600 m^2, with important species with a high biodiversity value and quick growth, as an environmental learning space in nature.

FCC Construcción consolidates the improvement of its GHG reporting

The Infrastructures area has fulfilled its commitment to check its GHG emission inventory in accordance with the ISO 14064-1 standard, ensuring that 100% of its activities are verified.

In line with the target set for the 2017-2020 period, in which it undertook to extend the verification of its GHG emissions inventory to the international level under the ISO 14064-1 standard to guarantee that 100% of its activities are verified, the Infrastructure area published its greenhouse gas report for 2021, meeting its goal. Thanks to the strong commitment of its employees, the company has managed to meet the target again in the report for the year 2022, and it is expected to continue meeting it in the coming years.

Particularly, this report provides, for the first time in the sector, a quantification of all the emissions corresponding to all the countries in which this business area is present.

In addition, this commitment is consolidated by publishing its 2023-2026 Climate Change Strategy, approved by FCC Construcción Sustainability Committee, which establishes ambitious goals and objectives to achieve carbon neutrality by 2050.

Energy

Most of the FCC Group's carbon footprint is associated with the use of energy. The main GHG emissions come from the use of energy from **direct sources**, such as fuels or refrigerant gases, or **indirect sources**, mainly related to electricity. To limit its contribution to the carbon footprint, the FCC Group establishes a series of parameters that can be measured to monitor its consumption. Among other controls, it measures its energy intensity, that resulted in 725 GJ per employee in 2023.

A series of measures aimed at promoting energy efficiency have been established with the quantitative data obtained, which are mentioned in the previous paragraph.

In addition, in line with its environmental commitments, the FCC Group is also committed to increasing the **consumption of energy from renewable sources**. The table below shows the total energy consumption per source, highlighting FCC's commitment to green energy over the last few years.

Total energy consumption by type (GJ)

	2021	2022[15]	2023
Direct energy consumption	39,436,906	42,322,218	41,420,222
Indirect energy consumption	6,525,681	7,029,620	7,196,227
Total	**45,962,587**	**49,351,838**	**48,616,449**

Total energy consumption by origin (GJ)

	2021	2022[15]	2023
From non-renewable sources	32,933,408	34,585,831	32,832,774
From renewable sources	13,029,179	14,766,007	15,783,674[16]
Total	**45,962,587**	**49,351,838**	**48,616,449**

15. Refer to the explanation on the change of information in Annex 7.1.2.

16. The information regarding renewable energy provided by the Cement area corresponds to the PPAs signed for the 2023 period and to the part derived from the energy generation mix purchased from the market by Fortia for Cementos Portland Valderrivas Group's cement plants in Spain.



3.4. Pollution

The FCC Group addresses pollution prevention as a central issue of its environmental management. FCC's different business areas assume their own commitment to **reducing and preventing the pollution sources** that could be associated with its operations. To achieve this, they establish a series of specific actions aimed at reducing the possible adverse impacts of their activities and complying with the regulations associated with pollution and discharges that apply in each geography in which the Group operates.

Moreover, in the search for constant improvement, the FCC Group parameterises the results obtained, in accordance with the metrics set forth in the applicable laws, with the purpose of defining short, medium, and long-term objectives.

Actions

The FCC Group's different business areas identify the main sources of pollution of its corresponding operations. Based on this knowledge, a series of **actions and measures** are established **to prevent or mitigate the possible contribution to environmental impacts associated with pollution**, whether atmospheric pollution derived from the emission of contaminating gases, water and soil pollution due to spillages and discharges, light pollution due to artificial lighting, or acoustic pollution due to noises.

The main sources of contamination and most important measures implemented by each business area are described below:

Air pollution (NOx, SOx, particulates):

Environmental Services

Main sources

- Waste management activities.
- Use of the vehicle fleet.

Measures implemented

- Monitoring and traceability of biodegradable material sent to a landfill.
- Dynamic optimisation using the sensors of the routes, depending on the level of waste in the containers.
- Use of hydrogen and electric/hybrid vehicles.
- Reduction of distances travelled on routes through the use of spatial calculation software.
- Promotion of the use of renewable energies to generate electrical and thermal energy, either for self-consumption or for sale (including photovoltaic panels on the roofs of industrial units, mini wind power plants, etc.).
- Implementation of an Efficient Driving Management System.

Water

Main sources

- Wastewater treatment plants.
- Use of the vehicle fleet.

Measures implemented

- Compliance with legal requirements on atmospheric emissions.
- Design, in the different contracts, of environmental risk sheets, stipulating the preventive measures to be taken.
- Definition of the target for 2030 to renew the fleet of passenger cars and light-duty vehicles with low-emission vehicles.

Infrastructures

Main sources

- Earthworks or demolition activities.
- Movement of vehicles and machinery.

Measures implemented

- Spraying of water on roads to reduce particulate emissions.
- Use of additives in irrigation water to create a surface crust, pavement of paths, and other long-lasting dust control practices.
- Use of screens to prevent the dispersion of dust in specific activities.
- Speed monitoring of vehicles on site.
- Use of modern machinery.

Cement

Main sources

- Use of clinker kilns in cement production.
- Use of machinery and vehicles.

Measures implemented

- Implementation of selective non-catalytic reduction techniques to limit NOx emissions.
- Installation of burners with low NOx emissions associated.
- Fuel metering control.
- Installation of bag and electrostatic filters to reduce particle concentrations in channelled sources.
- Installation of covers and filters in conveying and transfer of powder materials.
- Watering of tracks and paths.
- Use of sweepers and vacuum trucks to prevent diffuse emissions.

Real Estate

Main sources

- Use of boilers and air conditioning equipment.

Measures implemented

- Regular controls using analytical tests, monitoring compliance with the pertinent legislation in force.
- Installation of sustainable and efficient climate-control systems in real estate developments.

Spills and discharges

Environmental Services

Main sources

- Leachate generation.
- Discharges of wastewater resulting from carrying out the activity.

Measures implemented

- Establishment of a procedure for wastewater discharge control.
- Control and analysis of discharges to ensure compliance with environmental legislation.
- Monitoring of BOD5 and nitrogen concentrations in leachates.
- Installation of rainwater collection and diversion systems to prevent its contact with waste.
- On-site treatment of leachate or, if unavoidable, transfer to authorised external waste collectors.
- Installation of water and/or oil interceptors for spill prevention.
- Treatment and recycling of water from toilets for reuse in car washing tasks.
- Recirculation of the car washing water, facilitating its reuse.

Water

Main sources

- Water discharges inherent to carrying out the activity.

Measures implemented

- Analytical control of discharges in in-house and external laboratories.
- Establishment of emergency plans to respond to accidental spills and/or discharges.
- Covered storage and proper identification of chemicals and hazardous waste, with containment systems such as bunds and absorbents to collect accidental spillages.

Infrastructures

Main sources

- Process wastewater generation.

Measures implemented

- Water quality monitoring.
- Installation of treatment plants.
- Implementation of a gutter washing area on site.
- Installation of decanting systems to remove suspended solids.
- Settling ponds for effluent discharges and process water, with or without the use of additives.
- Improvement of the levels required by legislation or by the discharge permit through control of parameters and water treatment techniques.

Cement

Main sources

- Discharge of rainwater and sanitary water.
- Spills of hazardous substances (liquid fuel, ammonia water, hazardous waste).

Measures implemented

- Installation of treatment systems in quarries and factories to guarantee the quality of the discharge.
- Implementation of closed circuits for the re-use of wastewater.
- Storage of waste under cover, on concreted surfaces, and with retention bins.
- Compliance with regulatory inspections of tanks for hazardous substances, such as fuels.

The standards and limit values that determine the quality of effluent discharges derived from the activities of all business areas are established by the corresponding laws in the geographies in which the Group operates. With regard to the Water area, beyond the standards established in the regulations, the facilities comply with the requirements set forth by the competent authority, which take into account the characteristics of the receiving body of water when determining the limit discharge values.

Substances with a priority risk present in discharges are treated in accordance with the methods established in the applicable regulations and within the limits set forth.

Light and noise pollution

With regard to light and noise pollution, the business areas establish specific actions adapted to the characteristics and specificities of their activities. Below are the measures implemented:

Environmental Services

Measures implemented

- Use of electric vehicles.
- Use of electric brush cutters, blowing machines, hedge trimmers, and chainsaws.
- Schedule adjustment (day or night) at which the activities are carried out, such as waste collection, to ensure the best periods of day are established.

Water

Measures implemented

- Acoustic insulation of machinery.
- Installation of noise dampening barriers or moving partitions.
- Training and awareness-raising actions for staff.

Infrastructures

Measures implemented

- Use of smart sensors to reduce noise emissions sources.
- Environmentally friendly night lighting.

Cement

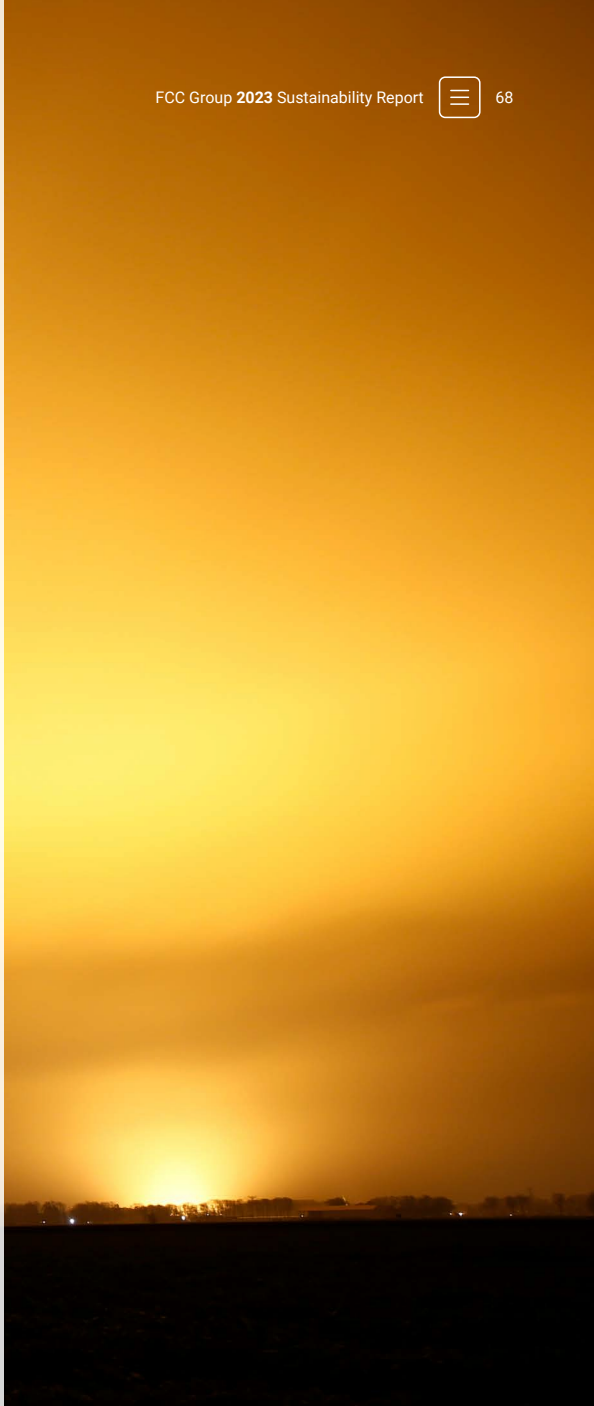
Measures implemented

- Use of blasting techniques at quarries with noise and vibration reduction.
- Installation of noise dampening barriers, mufflers, and enclosures.
- Equipment maintenance.

Real Estate

Measures implemented

- Installation of presence sensors in low-occupation or transit areas.



Metrics

After identifying the sources of contamination and implementing the subsequent actions and measures, it is necessary to assess its effectiveness. To do so, the FCC Group gathers quantitative information from the areas, using the metrics established in the corresponding regulations.

Atmospheric emissions (t)

	2021	2022	2023
NOx	10,395	10,316[17]	13,904
SOx	1,237	1,501	1,702
Persistent organic pollutants (POPs)	–	44	45
Volatile organic compounds (VOCs)	256	320	445
Particles (PM)	618	438	600
HCl	55	59	59
HF	3	2	2
Other emissions	–	265	282

Significant spills

	2021	2022	2023
Total number of significant spills (No.)	33	28	95
Total volume of significant spills (m^3)	54	21	33

The increased levels of NOx are mainly caused by an increase in the activities of the Infrastructures area, as well as due to fluctuations derived from downtime of the Cement area's furnaces.

Moreover, the increased generation of VOCs and PM is a result of the increased variability and typology of the construction projects performed by the Infrastructures area.

The increase in the total volume and number of significant spills was caused by the extreme weather phenomena in Spain during September. In general, these refer to punctual wastewater spillages at pumping facilities or wastewater treatment plants, some of which untreated and others sourced from rainwater. As a consequence of the spills identified during 2023, several measures have been developed, such as awareness-raising actions or the establishment of environmental emergency plans at construction sites.

17. Updated Aqualia's information, due to an improvement in the data gathering systems.

Water discharges by destination (m³)

	2021	2022	2023
Surface water	1,144,552	1,436,279	1,890,932
Groundwater	9,080	78,225	55,616
Sea water	45,865	76,518	74,654
Third-party water (total): municipal network and treatment plants	2,962,241	1,931,930[18]	2,066,206
Third-party water transferred to be used by other organisations	–	15,673	21,514
Total	**4,161,737**	**3,538,625**	**4,048,923**

The increase in the volume of discharges during 2023 is mainly due to the UK subsidiary of the Environmental Services area, since there was a greater volume of leachates treated and a higher volume of discharges to the sewer network this year.

Water discharges by concentration (m³)

	2021	2022	2023
Fresh water (total dissolved solids ≤ 1000 mg/l)	2,452,153	1,451,157[18]	1,278,470
Other waters (total dissolved solids > 1000 mg/l)	621,596	1,157,329	1,234,196
Not typified	1,087,988	930,139	1,536,257
Total	**4,161,737**	**3,538,625**	**4,048,923**

Water discharges by concentration in water-stressed areas (m³)

	2021	2022	2023
Fresh water (total dissolved solids ≤ 1000 mg/l)	541,175	729,741[19]	661,553
Other waters (total dissolved solids > 1000 mg/l)	10,081	23,650[19]	1,234,196
Total	**551,256**	**753,391[19]**	**678,511**

18. The 2022 data was modified as a consequence of improvements in the information reported by the Hungary subsidiary of the Environmental Services area.

19. The 2022 data was modified as a consequence of improvements in the reporting process of FCC Medio Ambiente Iberia.

Objectives

Based on the results, the FCC Group and its business areas have set a series of objectives in their commitment to continuous improvement.

Below are some of the most important objectives related to the **reduction of contamination**, as established by each business area:

Environmental Services

Atmospheric pollution

- Increase the proportion of vehicles using alternative energies, thus reducing atmospheric contamination derived from the use of fossil fuels.
- Reduce pollutant emissions of NOx, SOx, and particles.
- Increase the proportion of renewable energies in installations.
- Encourage employees to use public transport or sustainable mobility means to commute.
- Create a fleet made up of vehicles with "ECO" or "ZERO" label (50% by 2030 and 100% by 2050).

Spills and discharges

- Reduce the discharges generated.

Noise pollution

- Increase the proportion of electric vehicles in the fleet.
- Increase the number of electric brush cutters, blowing machines, hedge trimmers, and chainsaws used to perform maintenance tasks at parks and gardens, and for other services.

Light pollution

- Increase the use of the light pollution map management tool in the installations and facilities located in high-risk areas.
- Develop reduction plans.

Water

Spills and discharges

- Improve the discharge parameter results.

Infrastructures

Atmospheric pollution

- Minimise particulate emissions.
- Increase the use of smart sensors to measure atmospheric emissions in real time.

Noise pollution

- Minimise noise emissions.
- Increase the use of smart sensors to measure noise in real time.

Cement

Atmospheric pollution

- Reduce the diffuse particle emissions at the factories of Alcalá de Guadaira and Mataporquera (zero complaints or incidents).
- Reduce mercury emissions at Monjos factory (concentration levels below 0.025 mg/Nm^3).
- Improve the NOx abatement system at Olazagutía.

Spills and discharges

- Reach a level of zero spills of hazardous substances at any factory.

3.5. Water

The growing concern for water scarcity is intensified by the impacts derived from climate change. This phenomenon not only compromises the availability of this vital resource but also increases the risk of drought and prolongs situations of water stress, thereby directly affecting the quality of life in communities. Beyond its vital function for survival, water plays a central role in the correct balance of biodiversity, the production of food, and the economic development. In this critical scenario, responsible management of water becomes an essential pillar to mitigate the adverse effects of scarcity and promote its sustainable use.

Aqualia and end-to-end water resources management

Aqualia plays a key role in the end-to-end management of water in the FCC Group. Through its activities, the company seeks to maximise the efficiency in the use of water, of both public and private sources.

Actions

Aqualia's commitment focuses on the comprehensive management of all phases of the water cycle, which are described below:

- **Abstraction:** Aqualia collects water from different sources, that include seawater, saline wells, and springs.
- **Purification:** specific technologies are applied in drinking water treatment plants to guarantee the quality of drinking water, adapted to its source and characteristics.
- **Desalination:** a series of processes are implemented to maximise the use of water resources and address the problems associated with water scarcity, demonstrating a strategic focus on effective water management.
- **Distribution:** through a pipeline network, Aqualia distributes drinking water from header tanks to the different municipalities and buildings, ensuring efficient access for the population.
- **Collection:** the water discharges generated by buildings and runoff water resulting from rainfall reach the treatment facilities through the sewerage network, where they are managed by the Water area for reuse or controlled discharge.
- **Treatment:** wastewater treatment plants, which are designed to ensure efficient water management, help improve the physical and sanitary characteristics of wastewater.
- **Re-use:** treated water is re-used for irrigation of parks, cleaning tasks, or recovery of environmental flows.

In addition to its commitment to the integral water cycle, Aqualia makes a significant contribution to responsible management of this essential resource through other specific management areas:

- **Industrial water treatment:** installations are designed, built, and operated in compliance with industry's needs. Aqualia provides solutions adapted to the needs of its clients, supplying cutting-edge equipment, and offering technical assistance.
- **Irrigation infrastructure management:** Aqualia manages and maintains irrigation infrastructures, participating with Irrigation Communities and agricultural entities. This form of collaboration is essential to guarantee the optimum availability of water in the agricultural sector, contributing to sustainability during the production of food and to the efficient handling of water resources in these communities.

Metrics

The main figures related to Aqualia's water management for the year 2023 are shown below and compared with previous years:

Natural capital (m³)

	2021	2022	2023
Gross volume of raw water abstracted for management	995,313,590	1,590,377,560	1,583,722,122
Drinking water produced	769,080,428	1,287,185,226	1,283,313,324
Treated water	656,867,498	835,276,327	788,835,970
Raw water purchased	208,151,866	220,994,447	222,795,258
Total water consumed in the purification and desalination processes	178,795,022	223,408,922	216,991,324
Volume of water distributed	643,732,387	1,215,790,587	1,221,530,125

Re-use of WWTP water effluents (m³)

	2021	2022	2023
Total volume of water treated in WWTP	23,762,128	835,276,327	778,742,617
Volume of water re-used	45,937,030	80,862,569	8,923,855
% total re-used	6.3%	9.7%	1.15%

As shown, the volume of water re-used has decreased when compared to last year, since the water discharged by Aqualia's subsidiary in Egypt is not re-used any more, which represented 90% of the total water re-used during the year 2022.

Objectives

Aqualia establishes measurable objectives to improve its water management, as well as the corresponding control and monitoring measures. The table below shows the goals for the implementation of responsible water use and management practices:

Aqualia

Measurable objectives

- Limit to 27% the volume of unregistered water over the volume of water injected into the distribution network by 2023.
- Limit to 12 m³ the volume of unregistered water per network kilometre per day by 2023.

Follow-up and compliance measures

- Preparation of quarterly reports for Aqualia's Board of Directors, which include the corresponding water management efficiency indicators.
- Maintenance and renewal of the water distribution networks to improve their efficiency.

Water use in all other areas of the FCC Group

Controlling the use of water is crucial, given the essential nature of this resource and the challenges related to its scarcity. Aware of this, the different lines of business implement measures aimed at mitigating the adverse impacts of the activities that generate significant water consumption, thus helping preserve water resources.

Actions

Below are the activities of the different business lines that use water, in addition to the measures adopted to attenuate the associated impacts.

Environmental Services

Main activities involving the use of water

- Cleaning and maintenance of gardens and green areas.
- Street sweeping service.
- Maintenance of ornamental fountains.
- Maintenance and use of installations by employees.
- Use of water in waste treatment plants.

Implemented measures

- Informing workers with awareness-raising campaigns to promote the rational and efficient use of water.
- Prioritisation of water-saving technologies and equipment both in installations and activities associated with the irrigation of parks and gardens and street sweeping and cleaning services.
- Encouraging the use of water-saving devices at facilities and efficient handling of irrigation water.
- Improve water use monitoring and control practices in different installations, paying special attention to areas with water stress, with the implementation of an Environmental Risk module.
- Selection of species with lower water requirements and better adapted to the climate.
- Adaptation of the management practices to the reduced water availability at Municipal Solid Waste (MSW) treatment plants.
- Incorporation of efficient technologies, such as pumping systems in street flushers tanks or the installation of a dual flushing-sweeper.
- Recirculation of water and leachates from dump sites in waste processing plants, preventing the use of additional water resources.
- Use of rainwater for the biological processing of domestic waste, road cleaning services (sweeping, flushing, and cleaning) and solidification plants, preventing the dependence on external services.

Infrastructures

Main activities involving the use of water

- Watering of roads to prevent dust generation and emission.
- Maintenance and cleaning of machinery.
- Washing concrete tanks and chutes.
- Use in certain construction techniques, such as gunning.
- Concrete production and aggregate washing processes.

Implemented measures

- Re-use of effluents and wastewater.
- Consumption control.
- Use of recycled water for irrigation when it meets the necessary quality standards.
- Re-usage of water used to wash concrete buckets to irrigate paths or wash other buckets.
- Rolling out awareness-raising campaigns for construction staff on the importance of ensuring the sustainable use of water and the application of good practices.
- Installation of efficient taps.

Cement

Main activities involving the use of water

- Gas cooling at facilities.
- Use of drinking water in restoration areas.
- Garden irrigation.

Implemented measures

- Maintenance and improvement of facilities water networks to prevent losses.
- In-depth consumption control.
- Re-use of rainwater.

Real Estate

Main activities involving the use of water

- Human consumption.
- Garden irrigation.
- Air conditioning.

Implemented measures

- Daily recording of the consumption levels and on-going supervision to identify and control possible water leakages.
- Optimisation of climate control and cooling systems.
- Implementation of systems to re-use grey water for sanitary use in different residential building developments.

Metrics

The FCC Group is committed, through its different areas, to making a huge effort to adapt to the consequences of climate change and, as far as possible, mitigate the adverse effects on water resources. This requires fostering the **rational and efficient use** of this resource that is essential to life. The end-to-end management of water resources aims to **guarantee water safety** in the long-term, balancing human needs with the **preservation of aquatic and land ecosystems**, while promoting **efficient and fair practices** regarding the use of water. It is worth mentioning that these data do not provide information about self-consumption of the Water area, since it represents a residual consumption compared to the volumes managed by the business, which are described in the specific end-to-end water resource management section.

Water abstraction (m^3)

	2021	2022	2023
Municipal water supply or by other water companies	9,927,550	9,298,690[20]	9,240,341
Surface waters (wetlands, rivers, lakes, and other water streams)	1,001,832	642,429	1,104,123
Sea waters	–	–	–
Brackish waters	–	–	–
Groundwater	1,139,239	1,350,880[20]	1,573,509
Rainwater captured and stored by the organisation	295,928	312,651[20]	287,659
Recycled or re-used water	2,042,356	2,629,037[20]	2,690,141
Other water resulting from abstraction, processing, or use of raw materials	–	–	–
Total	**14,406,904**	**14,233,686**	**14,895,772**

20. Updated data after using data measured directly by FCC Medio Ambiente Iberia.

The above table shows a significant increase in the abstraction of surface water by the subsidiary in the UK of the Environmental Services area. In this regard, abstraction from these sources depends on each year's weather conditions, as well as the type of agreements signed by the company. Moreover, and to a lesser extent, there is a contribution of the Cement area, as a consequence of the increase in the use of water due to the growth in production and to a greater use of water in quarries to irrigate roads and stockpiles.

Objectives

The FCC Group recognises the importance of water in its activities. In addition, it aims to position as an industry benchmark regarding the contribution to **reducing water stress**. In this line, it assesses the impact of its activities on water resources, seeks efficiency in the use and management of water resources, and investigates the alternatives that promote the preservation of water and its quality.

Below are the measurable objectives set forth with the corresponding monitoring and compliance measures for specific activities of the Group, which portray the commitment to ensure a **responsible use of water** in all operations, in line with the Group's environmental and social commitments.

Environmental Services (Iberia)

Measurable objectives

- Achieve a level of water consumption from alternative sources to mains water (50% by 2023 and 100% by 2050).

Follow-up and compliance measures

- Implementation of measures to monitor water consumption through the available service management software applications (VISION).
- Adoption of initiatives and best practices that drive the efficiency in the use of water, both in facilities and during the provision of street cleaning and parks and gardens irrigation services.

Infrastructures

Measurable objectives

- Calculate the water footprint in national projects by 2026 and in 100% of the company's activities by 2030.
- Apply measures to raise awareness and optimise the use of water in 100% of the projects rolled out in areas with water stress by 2026.
- Reduce water consumption by 20% by 2050.

Follow-up and compliance measures

- Establishment of a methodology to calculate the water footprint for the entire company.
- Rainwater abstraction and use of process water to irrigate paths, increasing the rate of water re-usage.
- Application of the mandatory best practices to optimise water in projects and facilities located in areas with water stress.

Real Estate

Measurable objectives

- Achieve a 30% reduction in the water used in buildings by 2030, both in construction sites of housing developments and in office buildings management, adapting the operations to the actual water availability in each geography.
- Achieve the use of 30% of water from alternative sources to mains water by 2030.

Follow-up and compliance measures

- Use of high-performance and low water consumption equipment.
- Use of rainwater to supply water demand for irrigation and cleaning purposes.
- Improvement of the water treatment systems.
- Monitoring consumption levels.
- Measures to achieve the efficient use of water, such as humidity sensors or leak detection systems, among others.

3.6. Biodiversity and ecosystems

Biodiversity, the balance and preservation of which is essential to guarantee the good health of our planet, is currently facing critical challenges. Factors such as deforestation, pollution, climate change and over-use of resources are speeding up the extinction of species at an unprecedented scale. This situation is compromising the stability of ecosystems, while also affecting the availability of food, the climate balance, and the quality of water, among other environmental aspects that are key to life.

In this context, the FCC Group recognises the urgent need to address the **protection of biodiversity and ecosystems**. Aware of the fact that the company's operations can have impacts on natural systems, FCC is making a firm commitment to the preservation of natural capital. Proof of this commitment can be seen in the different actions developed by each business area. For example, during 2023 FCC Medio Ambiente Iberia renewed its adhesion to the **Biodiversity Pact of the Spanish Business and Biodiversity Initiative (*Iniciativa Española Empresa y Biodiversidad*, IEEB).**

Actions

Below are some of the most significant impacts derived from the company's different lines of business, as well as the measures and actions implemented to reduce these impacts on biodiversity. These measures range from the implementation of sustainable practices in the production chain to rolling out initiatives aimed at restoring local systems.



Environmental Services

Impacts identified

- Deterioration of spaces and biodiversity.
- Destruction of vegetation and alteration of habitats in areas near the waste treatment facilities, aggravated by the use of phytosanitary products.
- Shifting of native species due to the presence of invasive species appearing as a consequence of the activity in landfills.
- Soil degradation, compaction, and desertification.
- Occupation of land for the establishment of facilities, treatment plants, and landfills.

Measures implemented

Parks and gardens

- Implementation of work methods and practices that are more respectful to biodiversity, which include the use of low toxicity products.
- Implementation of integrated plague management systems.
- Installation of elements to foster the presence of wildlife in urban and managed environments, such as nest boxes, insect hotels, and naturalised fountains.
- Protection of native species and active monitoring to prevent the propagation of invasive species.

Waste treatment plants

- Revegetation of sealed landfills.
- Implementation of deterrent techniques, such as falconry or the use of air cannons to prevent the proliferation of opportunistic species.

Water

Impacts identified

- Degradation of ecosystems due to wastewater discharges from flushes or bursts in sewerage network and wastewater treatment plants installations.
- Degradation of ecosystems due to sludge spills and biogas leaks caused by accidents/incidents at wastewater treatment plants.
- Fauna trapped in the facility fences.

Measures implemented

- Development of a project for the identification of impacts on biodiversity.
- Information about facilities with a potential impact on biodiversity, as part of the management system.
- Control and registration of accidents that can pose a risk to biodiversity.

Infrastructures

Impacts identified

- Degradation of habitats.
- Fragmentation and disconnection of habitats and migratory routes.
- Bypassing natural water flows.
- Alterations in the vital development of plant and animal species.
- Removal of vegetation cover.
- Erosion and desertification.

Measures implemented

- Physical establishment of sensitive areas.
- Preferred use of existing paths before opening or building new ones.
- Restoration of affected areas.
- Preparing specific biodiversity plans in most projects.
- Planning works according to the life cycles of species.
- Physical protection of flora and fauna.
- Transplantation of plant species.
- Transfer of nests or animal species.
- Creation of wildlife refuges.

Cement

Impacts identified

- Degradation of ecosystems due to the emission of channelled and diffuse particles.
- Transformation of habitats due to the extraction and use of raw materials.

Measures implemented

- Repair of the soil's morphological structures.
- Re-vegetation of exploited surfaces by applying suitable seeding and planning techniques and using native species.
- Establishment of agreements with nature protection associations.

Real Estate

Impacts identified

- Deterioration of natural habitats and degradation of soils as a result of real estate management practices.
- Impact on flora and fauna as a result of using natural spaces for the company's buildings and facilities.
- Degradation, compaction, and desertification of soils due to the real estate developments.

Measures implemented

- Development of an Environmental and Biodiversity Management Plant for each building.
- Measures for the preservation and protection of native species.
- Participation in projects to rescue and increase the population of species, such as the peregrine falcon.

Metrics

This section includes the Group's key indicators in relation to the preservation and restoration of biodiversity, which allow FCC to parameterise its performance regarding the **preservation and protection of biodiversity and ecosystems**.

It is worth noting the progressive improvement of results throughout the years, demonstrating the company's on-going commitment in the constant search for actions and the implementation of measures to mitigate the impact of climate change and other current challenges regarding biodiversity. Proof of this is the increase in the number of **protected hectares and restored spaces** in 2023, highlighting the effort of FCC Construcción, on the basis of Hidroforest, a hydrological restoration and protection of reservoirs project that involves the handling of vegetation in the headwaters of Canal de Isabel II reservoirs.

In addition, the FCC Group is concerned about the **footprint of its activities in sensitive areas**, i.e., in those vulnerable regions that host ecosystems that require special attention to preserve biodiversity. The identification and preservation of these areas is key to ensuring sustainable management of biodiversity, minimising the negative impacts of the company's activities, and safeguarding the integrity of ecosystems.

Another of the key aspects for the preservation of biodiversity is the **monitoring and supervision of the species** included in the IUCN's Red List or the national preservation registers, which may inhabit the spaces in which FCC installations are found or near these areas. Below are the details of the species that may be affected by FCC's operations, according to their vulnerability, with the aim of better understanding the severity of the Group's impacts on species and working for their conservation.

Total number of endangered species

	2022	2023
Critical danger	0	0
In danger	2	4
Vulnerable	0	6
Almost threatened	1	6
Minor concern	3	17

Measures taken to preserve or restore biodiversity (ha)

	2021	2022	2023
Protection of vulnerable areas	1,237	1,854	5,536
Restoration of affected areas	940	1,364	3,156

Protected sensitive areas and affected sites

	2022		2023	
	Number of facilities	Surface area (ha)	Number of facilities	Surface area (ha)
Location in protected natural sites or highly valuable for biodiversity	243	503,474	275	497,816
Location where the landscape is catalogued as relevant	9	946	10	1,158
Impact on natural watercourses in protected sites	1	3	9	2,947
Impact on natural watercourses in areas of high biodiversity value	8	851	9	3,749
Impact on watercourses of very high or relevant value for local or indigenous communities	10	850	4	904
Impact on catalogued or protected flora	13	2,060	11	897
Impact on catalogued or protected fauna	14	1,970	23	3,004

El Porcal, a refuge of biodiversity

"The area of El Porcal, property of Cementos Portland Valderrivas, is known for its exemplary biodiversity management practices. Its designation as Protected Wetland in 2023 strengthens the commitment to implement preservation measures and consolidates this space as a benchmark in terms of environmental sustainability".

The area of El Porcal, property of Cementos Portland Valderrivas, is an example of good biodiversity management practices and it is worth noting that it was included in Red Natura 2000. This space, that has a lagoon complex, has undergone a series of renaturation actions to recover the largest water surface of the region. In addition, it has become one of the main areas of ornithological interest of the Autonomous Community of Madrid, as it is a perfect spot to disseminate and raise awareness on the need to protect the natural environment.

The LIFE Marbled Duck project *(Proyecto LIFE Cerceta Pardilla*) is a very important project rolled out in El Porcal, which aims to improve the state of preservation of wetlands to reduce the threat of extinction to marbled ducks, the most endangered duck species in Europe. Specific actions were planned to increase the presence of these animals in the lagoons, such as releasing ducks raised in captivity and performing tasks to optimise their habitat, such as placing nest boxes during the breeding season.

It is also worth noting that El Porcal was chosen as a space for the preservation of the European pond turtle, an endangered species threatened by competition with the American pond slider. A series of conservation measures have been implemented for the protection of the species, including the preservation of the appropriate habitats and the release of specimens, helping them breed, far from threats, to increase the population.

The diversity of fauna and the special characteristics of El Porcal have led to including this space in the Registry of Protected Wetlands of the Autonomous Community of Madrid in 2023. This recognition entails the implementation of specific conservation measures aimed at preserving biodiversity, safeguarding water quality, and maintaining the habitat, together with the application of restrictions and regulations that ensure the protection of the ecosystem.



Objectives

The FCC Group focuses on the implementation of strategies that help achieve the Sustainable Development Goals (SDGs) 14 and 15, which aim to preserve the marine and terrestrial natural capital.

Specifically, the company's strategic approach in sustainability focuses on the **active promotion of biodiversity by supporting the protection of species, their habitats, and the ecosystem services**. The FCC Group's roadmap includes the following lines of action to achieve these objectives, which are established in its ESG Framework.

In addition, some of the business areas develop specific objectives in their own ESG strategies. Below are some of the examples established by FCC Medio Ambiente Iberia, FCC Construcción and the Real Estate area in their corresponding strategies.

Lines of action

- **Mapping** the operational environments to identify areas of high biological richness, and assessment of potential threats from the company to the environment.
- Incorporation of **proactive criteria and measures** for the protection and preservation of biodiversity in all activities and when managing services.
- Driving the development of initiatives and projects aimed at protecting biological richness through the promotion of **partnerships and alliances** with other entities committed to conserving the natural environment.
- Creation of **training and awareness-raising plans** aimed at company staff to increase their knowledge and understanding of biodiversity.

Environmental Services (Iberia)

Measurable objectives

- Protecting natural capital in in the management of services.
- Raise awareness of 100% of the workforce on biodiversity protection issues by 2050.

Follow-up and compliance measures

- Develop a training and awareness-raising plan for staff.
- Incorporate criteria and measures in favour of biodiversity in urban green areas and coastal environment managed through tenders.
- Increase the participation in initiatives related to biodiversity.

Infraestructures

Measurable objectives

- Protect biodiversity.

Follow-up and compliance measures

- Implement a methodology to identify, measure, and assess the impact on biodiversity.
- Adopt Nature-Based Solutions (NBS).

Real Estate

Measurable objectives

- Increase the proportion of common green areas in plots by 5% before 2040.
- Encourage the creation of green native spaces in new developments and office buildings in 80% of free plot spaces.
- Provide eco-friendly elements in 100% of buildings by 2040.

Follow-up and compliance measures

- Protect existing elements of ecological value against damage occurring during site preparation and completion of construction works.
- Maintain and improve the ecological value at sites.
- Recover green areas that have been abandoned or have zero ecological value.

3.7. Circular economy and use of resources

We have lived with a linear economic model based on the "take, do, and dispose of" philosophy for a long period of time. This approach, which is characterised by the excessive extraction of resources, has become one of the main causes of climate change and of the accelerated depletion of natural resources. In this context, the transition towards a circular economy is a necessary commitment across all sectors and activities.

The circular economy proposes closing the product life cycles through different practices such as **re-usage, recycling, and renewal of materials**. This change of model not only seeks to **minimise environmental impacts**, but also to **maximise the efficiency in the use of resources**, counteracting all unsustainable trends of the traditional economic model.

To do so, the FCC Group recognises the importance of managing its resources efficiently to guarantee a sustainable future. In accordance with this commitment, it implements circular practices that highlight the dedication to build a solid base and thus achieve success in the long-term. All in a global context in which the awareness on the importance of the environmental impact of human activity is becoming more and more relevant.

Driving the circular economy

The FCC Group materialises its **commitment to the integration of a circular economy model** across all areas of activity by rolling out a series of actions that are adapted to the characteristics of each business area.

In addition, the Environmental Services, Water, and Infrastructures areas are adhered to the **Spanish Pact for a Circular Economy**, demonstrating their efforts to foster the transition to a circular economy.

Below are the **specific measures** rolled out by each line of business to promote re-usage and recovery of waste generated and to achieve the responsible consumption of materials, guaranteeing the FCC Group's transversal transition towards a circular model.

Environmental Services

- Minimisation of the volume of waste dumped in landfills by transforming it into resources.
- Waste recovery and optimisation of processes for obtaining new by-products that can be used in different sectors.
- Production of biofuels from landfill gas and selected waste.
- Development of infrastructures designed to obtain an optimal quality of waste and to transform it into new products.

Water

- Sludge recovery for agricultural use, composting, and biofertilisers.
- Recovery and re-use of elements used in the various treatments of the end-to-end water cycle.
- Energy generation in urban water cycle management.
- Obtaining value-added products in treatment processes.
- Civil outreach promoting responsible water consumption.
- Supply chain agreements for the re-use of resources.

Infrastructures

- Re-use of inert waste (soil and rubble), effluents and wastewater, thus avoiding their transfer to a landfill.
- Use of recoverable elements such as demountable walls, portable wastewater treatment plants, and recycled materials (aggregates or irrigation water).
- Use of elements recovered from other works, such as portable water treatment plants or trays, among others.
- Alternative use of quarried material that fails to meet specifications in restoration works.
- Development of innovation projects to promote new sustainable and reusable materials.
- Use of recycled aggregates instead of loaned material.

Cement

- Energy and material recovery from waste.
- Use of alternative fuel sources (for example, sludge or plant biomass).
- Use of secondary raw materials (for example, ash, construction waste, or sludge) to avoid the extraction of mineral resources.

Real Estate

- Assistance to tenants for the proper management of waste generated in the buildings.
- Re-use of furniture and other items in offices and leased premises.

The role of the Environmental Services area

The **Environmental Services** business of the FCC Group plays a vital role in the implementation of the circular economy. It makes a positive impact on this model through its services, by delivering essential services, such as collection, recycling, and recovery of waste. It is also responsible for **treating urban and industrial waste**, making a significant contribution to closing the life cycle of products and promoting business practices that are in line with environmental sustainability.

With a view to ensuring an on-going contribution to the circular economy, the Environmental Services area is **firmly committed to innovation** through initiatives that focus on optimising the processes and identifying more sustainable alternatives in its activities. In fact, it participates actively in different research projects:

Leader in biomethane

Through initiatives such as LIFE LANDFILL BIOFUEL, LIFE INFUSION and ECLOSION, the Environmental Services area seeks to transform its waste management centres into biomethane and green hydrogen production facilities with the aim of using these resources in vehicles.

Spearheading a circular economy for plastics

With the aim of achieving an effective recovery, segregation, recycling, and revalorisation of different types of plastic that are present in urban waste, an avoiding their disposal in landfills and their treatment through energy recovery methods, the area is working on the LIFEPLASMIX, LIFE4FILM and LIFE ZEROLANDFILLING projects.

Biorefineries

The INSECTIUM and DEEP PURPLE projects focus on using insects for the bioconversion of urban by-products and bio-waste, with the aim of creating products for strategic sectors and investigating the use of purple photosynthetic bacteria to recover resources from bio-waste.

Recovery of intermediate products and raw materials

The BIOPROLIGNO, RSU4HOM, ECO2D4 and B-FERST projects are designed to recover different types of waste, with the purpose of helping maintain infrastructures and green areas and develop new construction materials, as well as developing ecological roads and creating innovative fertilisers for agriculture. In parallel, the MINETHIC project explores new sources of raw materials across the value chain.

Mitigation of the environmental impact

The LIFE ABATE project aims to develop new technologies to reduce volatile organic compounds (VOCs) in waste treatment plants.

Innovation in industrial waste

The BICISENDAS project focuses on creating innovative and sustainable cycle lanes, while the TANK SEALING project addresses the effective containment of mining-metal waste using multi-layer physical barriers.



Regarding the results of the **Environmental Services** area in relation to their contribution to the circular economy, below are the **main waste management figures** of the year 2023, as well as the results of previous years to compare them.

According to the previous table, there has been an increase in the amount of urban waste managed derived from the improvement in data collection by the US subsidiary of the Environmental Services area, allowing information to be incorporated for the year 2023.

The decrease in the amount of hazardous waste treated in 2023 is due to the changes in the contracts signed by the subsidiary in the Czech Republic of the Environmental Services area, which has reduced the recovery of this type of waste, and the reduction in the output waste volume from the Ecodeal plant in Portugal, for which FCC Medio Ambiente Iberia is responsible, that has led to a decrease in the amount of stabilised hazardous waste.

Waste collected (t)

	2021	2022	2023
Municipal waste	6,300,021	6,188,310	8,314,010
Hazardous industrial waste	334,845	438,563	273,057
Non-hazardous industrial waste	2,418,049	2,583,763	2,682,213
Other waste (hazardous and non-hazardous)	7,218	18,654	452,976
Total	**9,060,133**	**9,229,289**	**11,722,256**

Hazardous waste treatment (t)

	2021	2022	2023
Recovery	247,265	346,299	268,982
Stabilisation/Landfill	300,469	304,008	211,788
Transferred to end manager	103,273	103,003	92,467
Other destinations	71,312	31,400	46,096
Total	**722,319**	**784,710**	**619,333**

Waste accepted at FCC centres (t)

	2021	2022	2023
Municipal waste	6,531,097	7,354,145	7,918,618
Hazardous industrial waste	935,499	1,104,128	874,036
Non-hazardous industrial waste	11,231,551	10,553,382	10,772,966
Total	**18,698,147**	**19,011,655**	**19,565,620**

Non-hazardous waste treatment (t)

	2021	2022	2023
Recovery	3,510,515	4,282,855	3,818,427
Controlled landfill disposal/stabilisation	9,732,697	9,387,478	9,809,285
Transferred to end manager	2,585,101	3,286,035	2,934,917
Other destinations	73,624	50,155	241,477
Total	**15,901,937**	**17,006,523**	**16,804,106**

Efficient resource consumption

The transition towards an efficient use of resources requires a more responsible and conscious use of the available resources, from raw materials to the final product and beyond. This is achieved by means of o**ptimising processes, minimising waste, and maximising the value of products** throughout their life cycle.

The FCC Group incorporates these principles into its activities, with a view to generating positive impacts through actions that focus on reducing the pressure on natural resources or diminishing the dependence on non-renewable raw materials, among others. In addition, it promotes reuse and recycling, closing the life cycle of products and transforming what was previously known as "waste" into a valuable resource.

Actions

The FCC Group's commitment includes all lines of business, although each of them implements **specific measures** to achieve an **efficient and sustainable use of resources**.

Environmental Services

- Reduction in the use of non-renewable natural resources, reusing the materials contained in waste as secondary raw materials throughout the production cycle.
- Use of recycled materials and recovered waste to replace raw materials.
- Use of recycled glass as covering material in specific landfill facilities.
- Use of ash to replace reagents in ECODEAL.

Water

- Establishment of protocols that guarantee the efficient use of reagents used in the integral water cycle management, in compliance with the current regulations.

Infrastructures

- Priority use of reusable or recycled materials.
- Priority use of materials with returnable containers.
- Re-use of waste generated as a result of the activities.
- Awareness-raising actions for staff.
- Constant monitoring to optimise the use of resources.

Cement

- Use of alternative resources derived from the recovery of materials, both from the company and from other entities, such as fly ash, blast furnace slag, and foundry sands.
- Use of waste with energy content as fuel for clinker furnaces.

Real Estate

- Incorporation of Ecolabel cleaning products in BREEAM-certified buildings.



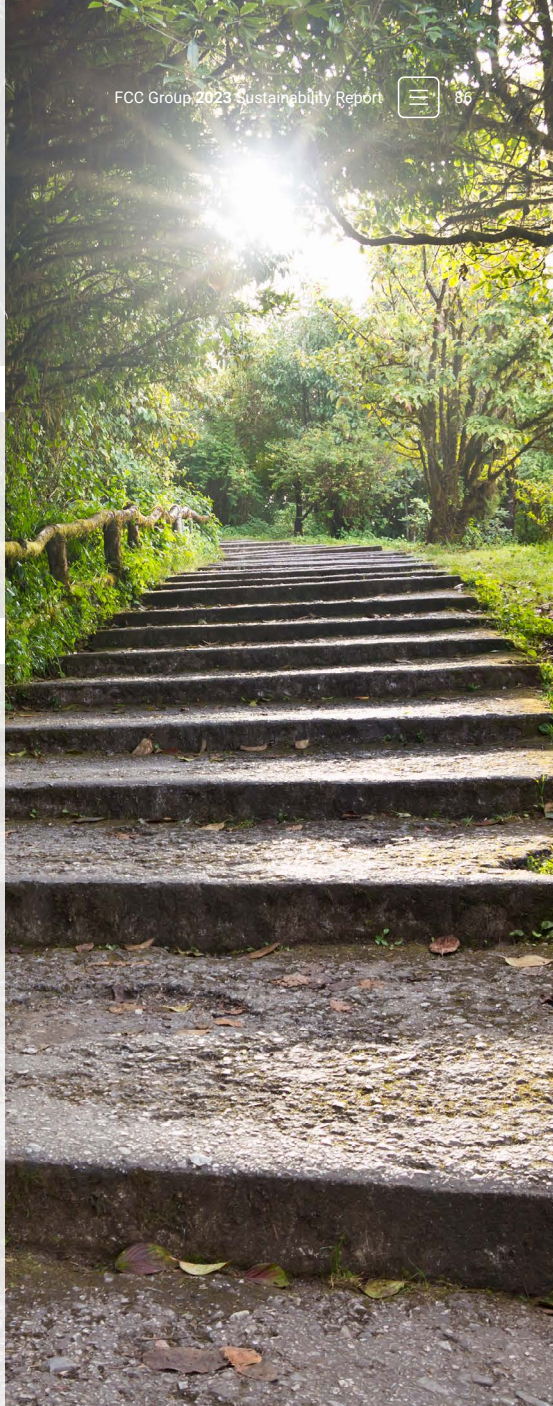
Metrics

In 2023, the increase in the consumption of semi-finished products was due to the activities developed by the Infrastructures area, which have led to a higher use of concrete. About the data for 2021, it is worth mentioning that these were produced as a consequence of the development of several large-scale projects, such as the Riyadh Metro, which involved very high volumes of raw materials during their execution.

Materials used (t)

	2021	2022	2023
Raw materials (metals, minerals, wood, etc.)	55,156,900	18,190,859	17,368,536
Auxiliary materials (lubricants and reagents)	132,395	95,128	101,266
Semi-finished products	4,026,757	1,860,823	3,683,256
Container and packaging material (paper, cardboard, plastics)	9,600	8,787[21]	9,201
Total	**59,326,193**	**20,155,598**	**21,162,259**

21. Updated data after using information measured directly by FCC Medio Ambiente Iberia.



Waste production and management

Responsible and effective waste management is crucial because of its capacity to **reduce pollution volumes, preserve natural resources and mitigate climate change**. This approach helps preserve ecosystems, protect biodiversity, and prevent possible risks to human health.

Actions

All FCC Group's business lines are committed to the development of **exemplary practices** to ensure a **proper waste management**, including actions for its reduction, use, and subsequent reincorporation into the production process. Given the wide diversity of volumes and types of waste generated, each line implements specific measures to achieve the continuous improvement of management processes.

Environmental Services

Main types of generated waste

- Resulting from processing and composting domestic waste, wood waste and leachate, among others.
- Generated during the maintenance of the vehicle fleet.

Actions implemented

- Implementation of waste minimisation plans.
- Use of compost for energy recovery processes or for agricultural purposes.
- Acquisition of vehicles made of easily recoverable elements.

Water

Main types of generated waste

- Sludge generated during wastewater treatment.

Actions implemented

- Control of the characteristics and flow rates of wastewater entering the treatment plant.
- Re-use of sludge and slurry to produce compost and organic amendments.

Cement

Main types of generated waste

- Derived from facility maintenance activities.
- Final product containers.

Actions implemented

- Rolling out awareness-raising campaigns for the staff.
- Classification and recovery of waste for its use as a raw material.
- Re-use of waste from the production process.

Infrastructures

Main types of generated waste

- Rubble, effluents, and waste generated during the area's activities.

Actions implemented

- Promotion of the Best Practices System to ensure a proper classification of waste.
- Recovery of inert materials, including soil, clean rubble, and topsoil, as well as management of excavation surpluses.
- Request for returnable packaging from suppliers.
- Reduction in the use of materials that generate hazardous waste, modifying and adapting designs and the construction system.

Real Estate

Main types of generated waste

- Produced by the activities of the tenants of the properties.

Actions implemented

- Signing agreements with authorised waste managers to ensure proper management according to waste nature.
- Availability of recycling facilities prepared for tenants to separate at least four types of non-hazardous waste.
- Facilitating punctual removals by authorised managers when hazardous waste is generated.

Metrics

During 2023, the volume of non-hazardous waste generated has experienced a significant increase, mainly as a consequence of the number of demolition projects and after the entry into force of Law 07/2022, of 8 April, on waste and contaminated soils for a circular economy. Likewise, the reduction in the volume of hazardous waste is mainly because a single removal procedure was carried out by the Infrastructures area during the year.

Generated waste (t)

	2021	2022	2023
Residuos peligrosos generados	276,094	211,330	122,914
Residuos no peligrosos generados	2,230,599	2,658,714[22]	18,133,016
Total	**2,506,693**	**2,870,044**	**18,255,930**

Waste intended and not intended for disposal (t)

	Destinados a eliminación	No destinados a eliminación	No caracterizado
Hazardous waste	102,717	20,196	0
Non-hazardous waste	2,770,856	15,362,065	95
Total	**2,873,573**	**15,382,261**	**95**

22. The data was modified as a consequence of corrections identified in the Real Estate area.



Objectives

The FCC Group is aware of the need to establish specific objectives to monitor the progress of all matters related to the circular economy and to continue making progress on the development of a more sustainable model.

Moreover, the FCC Group contributes to the achievement of the Sustainable Development Goal 12 (SDG 12): "Responsible consumption and production", which includes core aspects such as sustainable management of resources and reduction of the environmental impact derived from the use of chemical products.

FCC has a firm commitment to achieve these goals. Particularly, one of its strategic objectives is to **drive the transition towards a business model based on circular economy, ensuring resources and waste are managed efficiently, while increasing the service life of materials**. To this end, several of the FCC Group's business lines have established measurable goals and have designed an action plan. Below are a few of the objectives and measures implemented to achieve these purposes.

Environmental Services

Measurable objectives

- FCC Medio Ambiente Iberia aims to reduce the use of raw materials as well as waste production. It has established a minimum percentage of recovered waste of 65% and to have less than 10% of its waste deposited in landfills by 2035.
- FCC Environment CEE, at its Poland headquarters, aims to replace at least 30% of the raw materials with recycled materials or recovered waste in the medium term and 75% in the long term.

Follow-up and compliance measures

- FCC Medio Ambiente Iberia: establishment of a specific circular economy roadmap that addresses a change in the selective collection model and waste treatment.
- FCC Environment CEE: Assessment of the raw materials that can be replaced by recycled materials or recovered waste.

Infrastructures

Measurable objectives

- Implementation of the "Zero Waste" methodology at all the company's construction sites by 2026.
- Recovery of over 70% of all non-hazardous Construction and Demolition waste (CDW), as well as achieving a recovery rate of 90% of the volume of soil by 2026.
- Provide responsible materials alternatives at construction sites, prioritising those that are recycled and/or sustainable, so that represent more than 10% of total building materials used by 2026.
- Recovery of 100% of waste generated by 2050.
- Use of more than 90% of responsible, recycled, or recyclable materials by 2050.

Follow-up and compliance measures

- Establishment of a construction materials policy.
- Development of a mandatory waste management procedure.
- Incorporation of waste segregation requirements in supplier contracts.

Cement

Measurable objectives

- Achieve a raw material substitution variation in crude of between 0.3% and 6%, depending on the cement production plant.

Follow-up and compliance measures

- Promotion of the use of alternative raw materials and fuels, through the recovery of materials obtained from by-products and waste from other industries (fly ash, blast furnace slag, foundry sands, etc.).

Real Estate

Measurable objectives

- Ensure an efficient management of waste and achieve a 10% reduction in the global waste generated by 2030.
- Recover 70% of the waste generated at new construction and restoration work sites by 2030.
- Re-use of 60% of waste by 2030.

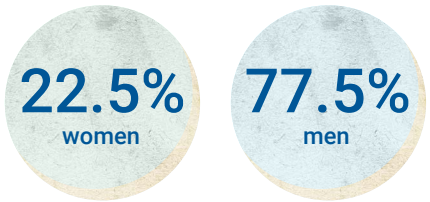
Follow-up and compliance measures

- Waste recovery and monitoring tool.

4. Human commitment

The FCC Group's success lies in its teams, in the people who work every day to make the societies in which we provide our services a better place to live. To achieve this, it is essential to have **teams with the best professionals**.

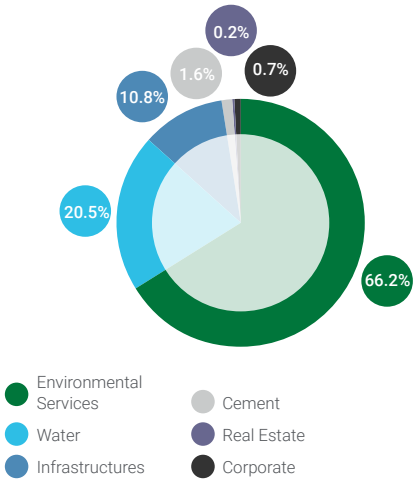
It is also essential to make an impact from our activities on the development and improvement of life quality in the environments in which we operate. For this reason, we promote the Group's values and drive our people-centric policies: the best talent management, the boost of diversity, equal opportunities and inclusion, and the promotion of people's health and wellbeing, which continue to be the main pillars of the people management line of work. All are included in our **Sustainability Policy**, which was approved in 2022.



4.1. The best teams

Promoting initiatives that enable the **professional development** of staff, foster **continuous training**, create diverse teams, care for their wellbeing, and ensure an adequate **compensation** are key components of the FCC Group's quest to achieve the best teams and professionals.

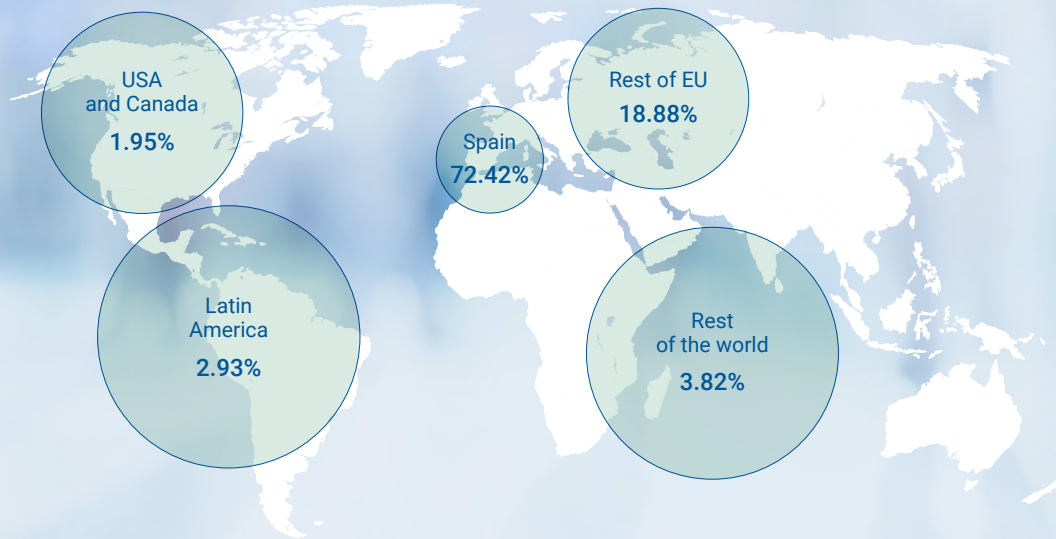
Workforce by business area



People at FCC

A total of **67,090 people** work for the FCC Group. In line with the previous year's growth trend, it is worth to highlight that in 2023 the **numbers grew by 3.54%** when compared to 2022, with the following distribution by gender and business area:

FCC also operates in **38 countries**. They are distributed by geographic area as follows:



Organisational structure

The **distribution by gender and functional level** at the close of 2023 is shown below, highlighting that, in general, the number of women has increased at practically all levels, following last year's trends. Likewise, it is worth mentioning that, at the functional Supervisor level, which stands below the pre-executive and executive levels, the number of women in 2023 grew by 10.55%.

Hiring

Employment contracts are formalised according to the specific needs of each of the business areas' activities and are based on the type of contract that best suits them.

Of the total workforce, **56,143** employees have an **open-ended contract** and 10,947 have a temporary contract. The number of open-ended **contracts** has increased by **2,316** when compared to the previous year, proof of the commitment to create a stable workforce with a significant predominance of open-ended contracts compared to temporary contracts. Likewise, most employees **(87.57%) have a full-time job (58,752** workers), with limited part-time staff (8,338 employees).

On average, 55,260 workers had open-ended contracts and 11,132 had temporary contracts in 2023.

Regarding the trends in the workforce in **terms of age**, it is worth noting that the number of workers aged 35 or below has increased for the second year in a row, which is proof of FCC's commitment to hire young talent.

Our teams are also diverse in terms of experience and concerns, as shown in the table below:

Distribution by gender and functional level

	2021		2022		2023	
	Men	Women	Men	Women	Men	Women
Governance and Management	444	84	441	85	428	79
Supervisors	3,205	634	3,607	825	3,900	912
Technicians	4,092	1,847	4,738	2,075	4,767	2,288
Administrative staff	1,142	2,039	875	2,084	897	2,084
Other trades	37,051	9,009	40,426	9,643	42,024	9,711
Subtotal	**45,934**	**13,613**	**50,087**	**14,712**	**52,016**	**15,074**
Total	**59,547**		**64,799**		**67,090**	

Distribution by gender and age

	2021		2022		2023	
	Men	Women	Men	Women	Men	Women
<35 years	7,425	2,125	8,127	2,348	8,618	2,472
35-54 years	24,946	7,623	26,605	8,062	27,003	8,175
> 54 years	13,563	3,865	15,355	4,302	16,395	4,427
Subtotal	**45,934**	**13,613**	**50,087**	**14,712**	**52,016**	**15,074**
Total	**59,547**		**64,799**		**67,090**	

With regard to new hires, it is worth pointing that in 2023 the number of women has also increased at practically all functional levels compared to the previous year, as shown in the table below:

New hires by gender and functional level

	2021			2022			2023		
	Men	**Women**	**Total**	**Men**	**Women**	**Total**	**Men**	**Women**	**Total**
Governance and Management	22	9	31	14	3	17	15	5	20
Supervisors	246	44	290	282	68	350	583	165	748
Technicians	709	307	1,016	780	360	1,140	1,733	719	2,452
Administrative staff	104	362	466	123	309	432	178	317	495
Other trades	8,465	2,566	11,031	10,032	2,876	12,908	10,822	2,785	13,607
Total	**9,546**	**3,288**	**12,834**	**11,231**	**3,616**	**14,847**	**13,331**	**3,991**	**17,322**

In line with the above, it should also be noted that the increase in new hires was mainly in two clearly different age segments: senior and junior talent, proof of FCC's commitment to build an even more diverse workforce, regardless of gender, as shown in the table below:

New hires by gender and age

	2021			2022			2023		
	Men	**Women**	**Total**	**Men**	**Women**	**Total**	**Men**	**Women**	**Total**
< 35 years	3,956	1,325	5,281	4,675	1,316	5,991	5,224	1,472	6,696
35-54 years	4,197	1,562	5,759	5,152	1,827	6,979	5,777	1,981	7,758
> 54 years	1,393	401	1,794	1,404	473	1,877	2,330	538	2,868
Total	**9,546**	**3,288**	**12,834**	**11,231**	**3,616**	**14,847**	**13,331**	**3,991**	**17,322**

Training and professional development

Training and professional development for all our employees constitutes one of the essential pillars of talent management, and is key to addressing the needs and requirements that arise in the face of the challenges to be faced in our activities.

The FCC Group promotes different **training plans** adapted to the needs of the different business areas, and a **transversal plan** that includes the main and common axes thereof. This plan includes mandatory and voluntary training and is rolled out according to the nature and circumstances of each business area and country.

The following initiatives are particularly noteworthy within the framework of the above-mentioned plans:

Digitalisation is one of the key elements for the development of business processes and of the information systems that support them. A digital roadmap was assessed this year, to continue driving the digital transformation process, which included the following:

- Conferences with a strategic focus on management, in which many of the challenges that the Group is facing were addressed in relation to **"Smart cities"** and the latest trends in the urban environment that support emerging technologies.
- If we bear in mind the complexity, number of threats and dispersion of the new technology ecosystems, training on **cybersecurity** continues to be necessary to ensure risks are managed properly and also to guarantee the continuity of our businesses.
- A programme of on-going training on **Agile Methodologies** as new ways of approaching improvement and innovation projects.
- A series of single-subject leaflets that aim to drive new **Digital Habits** associated with "communicating, sharing and collaborating" through Office365 tools, which will also allow us to achieve continuous improvement in our work processes.
- We continue to make progress on the culture of data, thanks to a training plan on **Data&Analytics** and on the new technological tools, such as **Power BI**.

Moreover, our **mandatory training** continues to drive and ensure compliance with the FCC Group's policies. In 2023, according to the **Compliance Model**, a series of training actions have been rolled out, some of which are as relevant as those related to Conflicts of Interest, the workshop about the Tax Compliance Management System implemented by the Group or the international dissemination of training on the Code of Ethics and Conduct, known as "Ethmor".

This year, we continue to have a special commitment on matters linked to **Diversity and Equal Opportunities**, with a special focus on matters related to inclusion, harassment and non-discrimination, with relevant training on "Inclusive leadership", "Unconscious bias", "Integration of the gender perspective on OHP", "Inclusive language", "Raising awareness on non-discrimination", "Cyber harassment", "Gender-based violence", "Treatment and investigation of cases of harassment".

In terms of **Health and Safety**, we remain committed to all dimensions of health and well-being. This year, we must mention the programme rolled out with a focus on **Mental Well-being**, which includes a series of virtual classroom workshops with over 1,900 participants, and which achieved a high level of global satisfaction. The workshops have addressed different topics, such as **digital stress**, **physical and mental load** of women in our society and how to face adversity according to the most important factors that affect **emotional well-being**.

Closely linked to training, the FCC Group has specific longer and more in-depth programmes that allow people to be trained on new professional opportunities, whether of the same or a greater responsibility, through professional promotion or even in-job promotion.

These training programmes are designed to meet business-related training needs (Upskilling) and enable the development of the new skills that will be required in the jobs of the future (Reskilling), thereby increasing the versatility, satisfaction and employability of FCC Group employees, including the following programmes:

- **Young Talent Development programmes, such as the Youth Business programme** of the Environmental Services area and the **sixth Edition of the International Programme for Young Talent** of the Infrastructures area, with training to foster the development and skills of young talent, thus ensuring they remain within FCC.
- **Women's leadership development programmes** in the Water area to continue developing the skills of women talent.





- **Individual Coaching programmes**, for the development of executive skills, and **Team Coaching**, for the development of high-performance teams in the Central Services area.
- **People Leadership and Management Programmes** for middle managers in the Central Services and Water areas.
- Programme aimed at **identifying talent for professional development** in the Cement area.
- **BIM master's degree applied to building and civil engineering** in the area of Infrastructures, oriented towards learning the BIM methodology for the management of building and civil engineering projects, through a 3D digital model of the project with all its physical and functional characteristics.

With regard to the data on **training hours** by functional level, business area and gender, the numbers have gone up when compared to last year, as shown in the following table in broken down form:

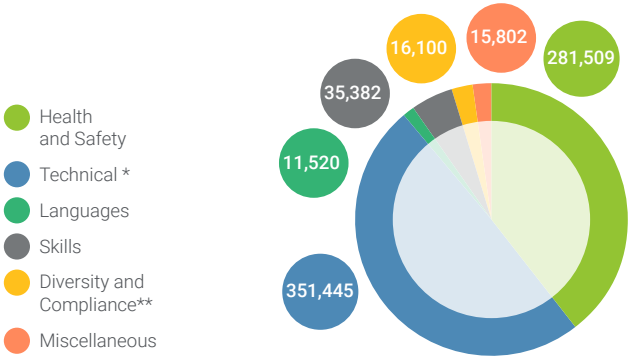
Training hours by functional level, business area and gender

	Governance and Management		Supervisors		Technicians		Administrative staff		Other trades		
	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women	Total 2023
Environmental Services	2,365	613	20,977	5,225	17,683	12,744	1,389	3,792	172,603	28,193	265,584
Water	519	169	19,458	7,939	10,706	10,084	1,990	7,541	43,670	1,618	103,694
Infrastructures	1,376	316	10,203	1,898	28,835	11,973	1,203	1,601	37,791	466	95,661
Cement	351	57	1,685	181	3,416	822	503	308	5,434	113	12,867
Real Estate	5	79	84	0	316	130	4	4	0	0	621
Central Services	656	573	796	531	866	1,862	157	388	38	25	5,890
Subtotal for Spain	**5,271**	**1,806**	**53,202**	**15,773**	**61,822**	**37,614**	**5,245**	**13,634**	**259,535**	**30,414**	**484,317**
Environmental Services	2,032	765	15,995	6,219	15,738	7,197	2,379	8,078	47,238	3,121	108,761
Water	182	0	5,357	1,670	15,540	7,301	7,680	4,301	48,842	1,979	92,852
Infrastructures	76	28	3,722	1,193	7,636	2,394	1,251	1,116	5,713	58	23,189
Cement	48	0	422	20	1,470	0	192	337	148	0	2,637
International Subtotal	**2,338**	**793**	**25,496**	**9,102**	**40,384**	**16,892**	**11,502**	**13,832**	**101,941**	**5,158**	**227,439**
Total	**10,209**		**103,573**		**156,712**		**44,213**		**397,049**		**711,756**



The following results should also be highlighted with regard to the training provided by knowledge areas in 2023:

No. of hours of training by area of knowledge



(*) Technical: oriented to developing the technical and digital knowledge and skills of professional profiles and encompassing, but not limited to, the following knowledge areas: administration and finance, marketing and communication, business development, procurement, HR and digital.
(**) Diversity and Compliance: actions aimed at strategic objectives of diversity and good corporate governance and which brings together the following knowledge areas: equality, diversity, legal, compliance and social responsibility.

Moreover, **the scope of training on compliance and diversity and equal opportunities is expanded** for **offline groups**, thanks to the adaptation of content and rolling out of awareness-raising campaigns on matters key to the Group, such as "Cyber-harassment" and the "Code of Ethics and Conduct".

Campus FCC

The Campus FCC e-learning platform continues to grow with the aim of catering to the training needs that are not only linked to compliance with our policies but also with other more strategic areas of interest to the FCC Group.

We have improve the platform's usability and that of some features for administrators and users, highlighting the following, among others: automation of the enrolment process, creation of training routes for the on-boarding process and with regard to other topics, preparing reports and disseminating the launch and weekly online training actions.



In 2023, we have launched **112 e-learning training actions** through Campus FCC, with **477 national and international calls**. Currently, the Campus has training contents in 14 languages.

With regard to the training content, this year we have launched our **"Inclusive Communication Guide"** and training on **"Inclusive language"**, which has been completed by 2,738 workers.

Given the importance of bias as a mindset, which represents an obstacle to fostering diversity and inclusion, FCC launched training actions on **"Unconscious Bias"**, which was completed by 4,863 employees.

These and other training actions, such as the one on **"Gender-based violence"** were completed by 5,191 employees, or the action on **"Cyber-harassment"** completed by 5,955 employees, determine our on-going commitment to matters related to Diversity and Equal Opportunities.

In addition, the Campus has continued to roll out training actions that are very relevant in the realm of **Cybersecurity**, since it continues to be key in the creation of a culture of security at FCC (confidential information of the FCC Group, its clients and suppliers). Training in this area is strengthened with new launches and the introduction of new training modules, as well as with the expansion of the scope at the international level. 6,054 people have completed all of the itinerary's training modules.

All in all, the Campus continues to grow as a benchmark in the area of continuous learning for the FCC Group and with the aim of being capable of providing a response to the challenges of the future.

Salary policy

FCC remunerates its employees in accordance with criteria of sector and geographical **competitiveness**, internal **equity** and level of **responsibility**.

FCC operates in a wide range of production sectors in 38 countries and, in general, the remuneration of its employees is subject to the applicable collective bargaining agreements (over 900 agreements of different scope in Spain in 2023).

The average remuneration[23] of the executive team is €116,081, broken down by gender as follows: the average remuneration of women is of €96,017 the average remuneration of men is of €119,724.

The executive team includes both senior management (reporting directly to the CEO) and people who hold positions of management and responsibility in the FCC Group.

The FCC Group continues to improve the tools required 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 **transparency in 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 remuneration is equitable according to the level of contribution to the business (functional level) and the level of responsibility and value in each job.

In the calculation of the pay gap of the FCC Group, two types are considered, gross and adjusted. The figure below shows the **results** in business year 2023:



Calculated as the percentage difference between the average total salary for men and women.



It is calculated by considering aspects that compare men and women in a similar situation, such as gender, functional level, seniority, applicable collective bargaining agreement, etc.

In any case, it should be noted that the percentage difference is **not indicative of gender pay discrimination**, as there are factors outside the Company's scope of action that contribute significantly to increasing the gender pay gap. These include the masculinisation of most of the sectors in which the Group operates, working conditions arising from subrogation, individual performance, economic crises, the political situation, socio-cultural reasons, academic training and experience in the position held.

With regard to the salary gap in all other countries in which FCC operates, in most of them there is no definition nor is there a specific concept of the gap. However, the UK does have consolidated legislation on the pay gap, with the two companies in the Environmental Services area having a 0% pay gap in both cases.

Variable remuneration

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

In 2023, 76.73% of people at executive and middle-management levels have benefited from the FCC bonus.

Digitalisation and data management

In 2023, the **Data Boutique** platform has become a tool that the Group is using to improve the traceability of data and more agile access to information for its analysis. Likewise, we have continued to develop and adapt the reports to our needs over the year, which are currently also being used to make progress on the creation of other reports, such as those related to absenteeism, training, total remuneration, new cost forecasts for costs associated with social security contributions.

23. Including variable remuneration, allowances, indemnity and payments made to long-term savings pension systems.

4.2.
Diversity and equal opportunities

FCC's firm commitment and conviction on matters related to diversity and equal opportunities has remained unchanged during 2023. However, the company has delved into its impact on management of the workforce and on society.

In this regard, we continue to make progress on matters related to diversity, equal opportunities, and inclusion, with the aim of fostering the creation of a plural work environment, in which the free exchange of knowledge and experiences lead to innovation and growth.

Within the framework of these developments, it is worth highlighting the new **Equal Opportunities - Opportunities and Safe Environments -, Diversity and Inclusion Policy**, approved by the board of Directors on 28 November 2023, in which the following objectives are included:

- To create a diverse and inclusive work environment that promotes equal opportunities, with a respect for individual differences, in which creativity and innovation are fostered, with a view to allowing FCC to acquire the knowledge, skills, expertise and learn about different points of view with regard to Diversity.
- To guarantee a work environment based on respect, free of discrimination, harassment or any form of intolerance or violence against any person based on their nationality, racial or ethnic origin, age, disability, religion, convictions or opinions, sexual orientation or identity, gender expression, sexual characteristics, marital status, or any other personal, physical or social condition.
- To make all of FCC's people participate in ensuring compliance with this Equal Opportunities - Opportunities and Safe Environments -, Diversity and Inclusion Policy, regardless of their position or role.
- To foster measures, processes and actions that focus on diversity, equal opportunities and inclusion, avoiding situations of direct or indirect discrimination.

With regard to the lines of action for the development of these objectives, our commitment is materialised with this Policy, which ranges from guaranteeing transparent, objective and bias-free selection processes, to equal opportunities in relation to the working conditions, to ensuring professional development in equal terms and the promotion of inclusive leadership, setting the example and driving equal opportunities, diversity and inclusion.

Therefore, this Policy will strengthen the integration of the values of diversity, equal opportunities and inclusion across the organisation and in all of our activities and business areas, acting as a lever in the effort to achieve effective equal opportunities and create safe environment, in which there is no place for any form of discrimination.

With this in mind, also in 2023, we have continued to work on the dissemination and consolidation of these values, publishing **FCC Group's Inclusive Language Guide**, a key tool to promote a culture of respect and inclusion, celebrating the **Inclusive Leadership** days, in which Spain's executives and managers participated. In addition, the **informative snippet on Inclusive Language *"Not mince words"*** was launched.

Our **you_*diversity*** tool is a global space in which talent, development, diversity-inclusion and equal opportunities are in the spotlight, which received in 2022 the Award for best practices in cultural transformation, diversity and inclusion from the Adecco Foundation and the Club for Excellence in Sustainability during the **fifth Diversity and Inclusion Awards**. The tool has continued to receive awards, such as the **Award for the best internal communication practices** from the Internal Communication and Corporate Identity Observatory.



FCC also maintains its adherence to the **Spanish Diversity Charter** for the period 2023-2025, renewed from previous occasions, in recognition of its equality policies and its commitment to social inclusion. As well as for being an increasingly diverse and socially responsible company, which adopts its ten basic principles as its own, and which promotes actions and projects to foster inclusion and equality through employment.

In terms of **gender equality**, FCC firmly believes that the principle of equal opportunities is an unwavering commitment to action, as set out in its Code of Ethics and Conduct and in each of its Equality Plans in Spain. Moreover, the UK's current Equal Opportunities Plan, which was renewed in 2023, is also noteworthy.

Currently, the FCC Group has **14 Equal Opportunities Plans**, five of which have emerged from constant social dialogue and a shared desire among all parties to achieve, strengthen and guarantee equal treatment and opportunities for men and women within FCC. All these plans encompass lines of actions, including the following common ones:

- Promote access to employment for women and men under equal conditions, and develop measures that foster a balanced composition of the workforce in the different professional groups.
- Train and raise awareness of all staff on matters relate to equal opportunities.
- Promote joint responsibility and the achievement of a proper work-life balance for the entire workforce.
- Raise awareness and provide support for the integration and protection of female workers who are victims of gender-based violence.
- Guarantee inclusion of gender perspective in the policies and occupational risk prevention actions.
- Adopt the focus on gender in all of the company's policies and communication channels.

Throughout 2023, and given that Equal Opportunities is a permanent item on the Group's agenda, the implementation of the negotiated Equal Opportunities Plans has continued and the negotiation and signing of another Plan is pending, which will complete the framework of Equal Opportunities Plans in FCC.

We also remember the commitment of all business areas to continue making progress on the creation of inclusive work environments, in compliance with SDG 5 (Gender Equality) and SDG 10 (Reduced Inequality) of the 2030 Agenda for Sustainable Development. To do so, in 2023, we joined the celebration of **European Diversity Month.**

Clearly, FCC sees diversity and equal opportunities as a paramount business, social and ethical objective, which appears in its **Code of Ethics and Conduct**, and which also promotes, as an essential principle, the creation of a fair and diverse working environment that favours the professional and personal development of its employees, also stating that selection and promotion decisions in the FCC Group are always based on merit and on objective and transparent assessments.



All business area heads have received the **Equal Opportunities at the Workplace Seal**, a seal of excellence awarded by the Ministry of Equal Opportunities, which is renewed every year. The Group has been awarded with 5 Seals in total.

Accordingly, the FCC Group develops and participates in training programmes aimed at creating an enriching working environment, free of discrimination of any kind and favouring diversity, including, most notably, the following two initiatives for the **training and development of women in management positions**.

Equality

FCC's commitment to talent

EOI Development Programme, designed for women with high potential. 8 women participated in the programme in 2023, bringing the total to 94 women from the different business areas since 2011.

Promociona Project, specialising in preparing women for senior management and board positions (CEOE ESADE). 1 woman participated in 2023 and a total of 19 women since 2014.

In addition to the transversal programmes, various initiatives have been developed with the aim of recruiting the best talent, irrespective of gender.

In terms of awareness-raising and sensitisation actions, FCC is once again joining in the celebration of **International Women's Day**, in a commitment to equality.

Reflecting the FCC Group's commitment to the promotion of women, at the close of 2022 the percentage of women in management positions increased with respect to 2021, which stands at 15.60% of the total positions with these characteristics.

The FCC Group is also particularly committed to the **fight against gender-based violence** in all its facets, and it does so through zero tolerance of this violence, and by disseminating and raising awareness of it, as well as promoting the social and professional integration of the victims.

To this end, the Group maintains close collaboration with the network of **"Companies for a Gender-Violence Free Society"** in its work to disseminate and raise awareness, as well as to support the employment of women who suffer from this scourge, having signed agreements in 2023 as in the case of 2022 to promote awareness and social awareness against gender violence within the framework of this initiative. It has currently signed 10 agreements on this initiative. FCC also actively collaborates with a number of foundations and entities to promote labour insertion and the integration of victims, such as the Incorpora Foundation (La Caixa), the Adecco Foundation, the Once Foundation and the Red Cross.

Along these lines, every 25 November, the FCC Group makes calls 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.

As part of this fight against gender violence, and on the occasion of this international day, for the sixth year in a row, the FCC Group wanted to award and **recognise the work carried out by the organisations and associations that fight against gender violence** and care for and concern themselves with the women who are victims of this social scourge. In 2023, FCC gave an award to different **Law enforcement agencies** that work to eliminate gender-based violence, in particular the National Police, Civil Guard and Local Police of Madrid, for the work of their specialised units in providing assistance to women victims of gender-based violence.

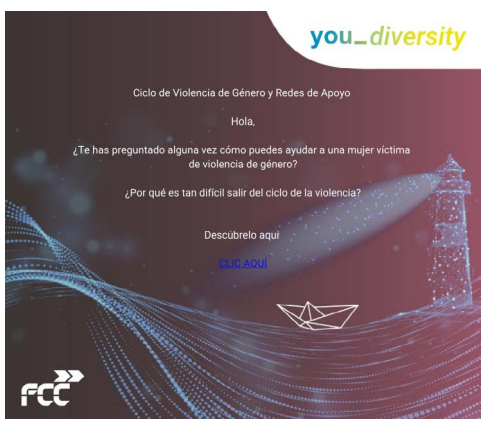
Likewise, it is worth mentioning the launch of the information snippet **"Talks on Gender-based violence and Support networks",** which aims to raise the awareness of FCC's workers on the possibility of preventing gender-based violence through communication actions and the mutual help provided by support networks.

FCC's commitment to diversity, equal opportunities, inclusion at the workplace and the promotion of a real culture of respect, tolerance and fairness governs the development of the activities of all businesses.

Thus, different areas of the Group are part of initiatives and organisations linked to promoting safe and respectful work environments in which talent is valued regardless of its **identity, gender expression and sexual orientation**, such as REDI, the Asociación Red Empresarial por la Diversidad e Inclusión LGTBI (Business Network Association for LGTBI Diversity and Inclusion).

FCC also undertakes various actions and strategies in the area of diversity and inclusion in the workplace for people with disabilities and anyone in vulnerable groups.

In 2023, the number of **employees with a recognised disability** in the FCC Group went up to 2,204. In Spain, this number grew for the third year in a row when compared to the previous year, reaching a figure of 2,019 workers. As shown below:



Development for workers with disabilities



The Group actively collaborates with specialist organisations that assess the **management of recruitment and labour support for people with disabilities**. The main organisations with which there is collaboration in Spain are the following:

Inserta Programme. ONCE Foundation

FCC supports a number of projects and promotes social and labour inclusion through workshops, training courses and other actions such as awareness-raising campaigns.

Incorpora Foundation. La Caixa

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

Plan Familia. Adecco

Action programme present in Infrastructures, Cement and Water, focused on increasing the autonomy, integration and subsequent access to the labour market of family members with disabilities.

Síndrome Down. Foundation

Aqualia has an agreement with the Foundation for the incorporation of workers with intellectual disabilities into its workforce.

Reciclar Vidas. Ecoembes

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

In this context, the FCC Group received the **ONCE Community of Madrid Social Group Charity Award 2023 in the "Companies" category** in recognition for its work in this area and for driving social projects that focus on reducing inequality, poverty and the number of people at a risk of social exclusion.

Likewise, in 2023 and with a view to 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), a total of 170 people belonging to this group were hired, increasing the number of people hired by 24 when compared to the previous year.

Specifically and also in 2023, the Group has continued to sign agreements with associations that help on the labour integration of refugees.

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 of Accessible Websites**.

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, guaranteeing the full participation and integration of all the Group's people, regardless of their abilities. Therefore, according to FCC's spirit to achieve continuous improvement on matters related to accessibility, the company became **UNE 170001-2:2007 certified on Universal Accessibility**, certifying that the company guarantees access and provides universally accessible services at its headquarters.

Also in 2023, we have worked to create a more inclusive and diverse environment, promoting training on **"Unconscious bias"** to help identify, detect and eliminate bias that has an impact on the personal and professional lives of our workers.

Finally, as a complement to the whistleblowing channel covered in the Code of Ethics and Conduct, the Group has a **Harassment Prevention and Eradication Protocol**, which was revised and approved in 2023, and which aims to prevent, resolve and punish cases of workplace, sexual or gender-based harassment, thus reflecting the commitment of the FCC Group, which does not tolerate the abuse of authority or any type of harassment, or any other conduct that may generate an intimidating, offensive or hostile working environment for employees.

This mandatory protocol includes a statement of principles, a definition of harassment, a procedure for dealing with harassment, a guarantee of confidentiality of the process, and a prohibition of retaliation.

As part of the Group's commitment to prevent harassment at work and promote respectful work environments that focus on transparent dialogue and organisational and professional development, in addition to the training programmes rolled out in the previous years, which focused on detecting and eradicating harassment or how interpersonal conflict is managed, the Group launched training on **Cyber-harassment** during the end of 2022, extending its commitments and adapting them to the current situations and use of technology, completing the training programmes in 2023. Likewise, in 2023, we have raised the awareness on people with no access to information systems through campaigns at different work centres.

La caza de sombras (Shadow hunting)

Find out what to do in case of cyberbullying

This training was designed to raise awareness of cyberbullying and to inform about the means by which it can occur and how to act in the event of cyberbullying.



4.3.
Social relationships

Social Dialogue

FCC considers that social dialogue is essential to **identify the needs of its workers**. Fruit of this, the company has always been firmly committed to constant and fluid social dialogue with its workers, their legal representatives, trade unions and other social agents, with a view to promoting the establishment of a suitable **framework of labour relations**, as well as communication mechanisms that allow the company to adapt its actions to the different business and social requirements.

Social dialogue is thus an essential instrument that promotes consultation and collective bargaining among FCC Group employees. Accordingly, it not only enables the **achievement of collective bargaining agreements** of general interest embodied, among others, in the subscription of the different Equality Plans, agreements, and collective bargaining agreements of different scopes, etc., but also to **disseminate the objectives of decisions** with a direct impact on it.

The FCC Group also considers it essential to maintain an adequate network of communication and participation with the social partners in preventive matters, through the **Health and Safety Committee or equivalent bodies** established for this purpose, in aspects such as monitoring the planning of preventive measures, accident rates and absenteeism due to illness, emergency measures, health promotion actions, etc.



Procedures for notifying and consulting staff versus notice periods for operational changes vary depending on the country and applicable regulations, and also on the significance of such changes. These usually vary between one week and one month.

The Company is a **member of Building and Woodworkers International (BWI)**, which covers all construction sites in the sectors where it is active.

In 2023, the areas had a presence at a large number of bargaining tables for collective and work centre agreements, and they actively participated in **collective bargaining for the sector**.

Collective bargaining agreements in the field of social relations

Collective bargaining agreements are a relevant instrument that **regulates the work conditions of the FCC Group's workers**, which also regulate essential aspects, such as the salary, working day, holidays, leave, etc., as well as occupational health and safety in a broad sense.

With regard to the field of occupational **health and safety**, according to our Code of Ethics, the FCC Group sees the prevention of occupational risks as a differentiating element and vital requirement to protect the health and safety of its workers and collaborators. In this sense, each business has a strategy and management systems certified by recognised standards, which are aligned with the legislation in force in each country.

In Spain, where most of FCC's staff works, the clauses that are most frequently included in collective bargaining agreements signed with regard to occupational health and safety are as follows, among others:

Additional clauses in collective bargaining agreements

- **Continuous improvement:** General workplace conditions
- **Preventive measures:** PPE and emergency situations or work with special risks.
- **Communication and dialogue** with prevention services.
- **Health surveillance:** Regular medical check-ups.
- **Prevention Plans:** Risk assessments and technical-preventive action.
- **Workers' rights regulations:** Participation, training and information.



Moreover, as for the percentage of employees covered by collective bargaining agreements, this varies depending on the applicable legislation, the existence of a collective bargaining agreement and even employee representation, considering in all cases the commitment to comply with the applicable legislation and/or collective regulations. In Spain, all FCC Group employees are covered by a collective bargaining agreement. In countries where there is no conventional regulatory framework, the employment relationship of workers is governed by the pertinent legislation in force, in compliance with the corresponding local laws.

The **percentage of employees covered by collective bargaining agreements**, or the different countries where the FCC Group operates is shown in **Annex 7.1.3 Tables of social and personnel-related matters**.

Tools for communication with workers

FCC's internal communication is a key element in strategic management and in the development of dialogue with all employees and their legal representatives and the achievement of their commitment to the business project.

FCC has many different online and offline **communication channels** that promote and encourage constant communication with its workers, such as websites, portals, Apps (FCC360), the digital magazine SOMOS FCC, posters, etc., allow workers to receive the latest information about the FCC Group, internal communication campaigns, contests for employees, different sporting and health activities, activities rolled out by the company, etc.

In this regard, the **FCC360 app** allows FCC's workers to be more connected than ever, sharing a project and future from the palm of their hand.

In 2023, 40,711 workers were active users of FCC360. This is quite relevant if we consider that the number of users grew by 5,130 when compared to the year 2022, but also if we take into account that 78% of the Group's workers do not use such apps in their day-to-day work.

40,711 workers

were active users of FCC360

Worker engagement

FCC must face the challenge of brining innovation close to workers and to develop the necessary capacity. In this regard, it is worth highlighting that it held the second **"Innovation Day"** in 2023, proof of its commitment to innovation as a strength and as one of the levers of value creation at the FCC Group. This is a space in which knowledge is shared and ideas are developed, focusing on the improvement of the efficiency of company processes through digital transformation, adding value to businesses and improving agility in identifying and understanding current and future challenges in the digital world. The event ended with the employees showcasing their ideas, concepts and prototypes associated with digital transformation, which will allow the validation of the proposals based on virtual/augment reality, process automation, industry 4.0, artificial intelligence, the metaverse and Open AI.

Likewise, in 2023, FCC launched the third **"Design Thinking and Agile Methodology Training programme"** led by the team of the Digital Innovation Lab, with targets transversal teams and which aims to discover the most commonly used methodologies of the innovation cycle, applying them according to the real challenges of FCC identified by participants.

All without forgetting the different initiatives rolled out in 2023 by the different areas with the aim of **giving an award to the projects and proposals promoted by workers**, which are part of FCC's commitment to promote internal talent and the involvement of employees in the search for innovative proposals that improve the quality of the services offered, highlighting the following as the most important initiatives:

Moreover, **new communication channels** keep opening up through opinion surveys or publications, which help the Group gauge its results, the impact of the initiatives or training actions launched in almost real time. It is about being sensitive, testing initiatives and identifying opportunities for improvement.



"Fomento" Awards, organised by the Infrastructures area, which aim to give recognition to high levels of technical qualification, innovation and capacity of the company's projects across the world. The "Haren Prison" project received the Promotion of Quality Award and the "SAFE" project for the development of an autonomous system for anchoring structures executed in maritime works received the Promotion of Innovation Award.

Second "i4U" Innovation Awards, organised by the Water area, which aim to recognise the development of internal talent and promotion of an innovative and sustainable culture of workers, with a view to discover proposals that can be implemented in the company's operations to improve the quality, efficiency and sustainability of the company's activities. In this case, 33 proposals were submitted from four different countries (Colombia, Italy, Czech Republic and Spain). The initiative of the Energy section received the first prize.

Fourth AVANZA Awards, organised by the Environmental Services area to recognise the hard work and effort of all professionals, who seek to improve the company's competitiveness, achieve social integration, protect the environment and develop and implement innovative solutions or practices. 22 initiatives were presented this year and four of them received an award in the Social Initiatives, Quality, Environment and Innovation categories.

4.4. Health, safety and wellbeing

Strategy and culture

FCC sees worker safety, health and well-being as a critical competitiveness asset to drive the improvement of productivity and sustainability, as well as an essential value to achieve full individual development. Therefore, the organisation's principles of action are based on achieving and maintaining the **real effective integration of health and safety in all of its decisions and activities**, with the participation of the network of collaborators, contractors and suppliers in the culture of prevention, while also ensuring that a system of continuous improvement of the work conditions is in place, so higher safety standards can be reached.

FCC ensures that all of its activities are performed under the strictest **occupational health and safety certifications**, such as **ISO 45001**. In particular, since most of its activities involve exposure of workers to the risks of traffic, a series of **road safety management systems have been implemented**, all of which are certified **according to the ISO 39001** in sensitive activities, such as road maintenance and urban sanitation work in Madrid.

In a broader sense, ensuring people's health and wellbeing through **specific policies aimed at promoting healthy working environments** and increasing individual capacity to maintain and **improve physical and emotional health and quality of life** is another essential axis in response to social commitment and a differentiating element in terms of competitiveness.

Finally, health and safety management is also supported as an essential process on the establishment of the necessary controls and guarantees to ensure that all decisions necessarily comply with the **legal framework and the internal regulations** of each Group company in this area.

The FCC Group, from its Code of Ethics and Conduct, urges to guarantee safe working environments with the permanent objective of avoiding any damage to health, and to commit to being a healthy company.

Evolution of the main rates

There were 2,095 occupational accidents with sick leave in the FCC Group in 2023, 120 less than last year, of which 1,721 affected men and 374 affected women.

In 2023, the global accident **frequency rate** was **18.82**, i.e., a 13.35% reduction when compared to 2022, and the **accident severity rate** was **0.87**, i.e., reduction when compared to the previous year. These markers[24] also remain well below the equivalent indices published by the Ministry of Labour in each sector of activity.

Trends in the main accident and absenteeism rates are shown in **Annex 7.1.3 Tables of social and personnel-related matters**.

13.35%
reduction
accident frequency rate

3.33%
reduction
severity rate

compared to 2022

24. Frequency and severity rates are calculated over 1,000,000 and 1,000 hours worked, respectively.

Health and safety and R&D&I integration

Different programmes have been developed during 2023, which are driven by senior management across different levels of the organisation, with the aim of achieving the permanent improvement of health and safety of the workforce and of reducing the levels of absenteeism associated with work-related matters and those derived from common contingencies.

The most noteworthy measures are as follows, among others:

Gender perspective in health and safety

Another of the objectives of the year 2023 involves making progress on the integration of gender perspective when managing health and safety. Two major lines of action were addresses to achieve this:

- Providing **specialised and certified training for the prevention technicians** in the different business areas, allowing them to acquire the knowledge required to integrated gender perspective in the technical processes of the occupational risk prevention and occupational health and safety management areas.
- Assigning a **work group** made up of technicians and prevention managers of the different business areas to identify the needs and define practices and guidelines for integrating gender perspective, based on four axes:
  - Health and absenteeism indicators and statistics, by gender.
  - Differentiated risks and specific risks regarding gender in risk assessment processes.
  - Preventive measures and the analysis of the challenges derived from the progressive incorporation of women to environments, activities and positions that are traditionally held by men.
  - Promotion of health with a gender perspective.

Most noteworthy health and safety integration measures

- Detailed review of safety in relevant centres and complexity of the Treatment Plants managed by the Environmental Services are in Spain. In parallel, these actions include raising the awareness through many different actions, such as preparing and publishing the **“Prevention Decalogue"**, preparing the dossiers **"Learning from Accidents"** or putting up posters with the number of days without accidents.
- **Awareness raising programmes on the consequences of work-related accidents** in the Environmental Services area for managers and executives.
- Participation and leadership of the Infrastructures area in the **Project for the research on new health and safety technologies in construction** projects with **“0 ACCIDENTS”**, which aims to develop an end-to-end cognitive ecosystem to monitor and predict situations that are hazardous to the health and safety of workers in construction projects, researching to gather, interpret, digitalise and achieve the smart and automatic management of the information generated in different construction environments, based on the use of state-of-the-art sensors, autonomous robotic systems, cybersecure connectivity ecosystems and different artificial intelligence elements.
- **Implementing new technologies for training on health and well-being** in the Water area, with the participation of employees in 1,700 simulations, with 400 hours of training with virtual reality equipment, nationally and internationally.
- **Special awareness-raising campaigns on risk prevention** in the Cement area, with the collaboration of operators, middle managers and executives, and including several sessions, analysis and exchange of best practices.

Promotion of health and well-being

Emotional well-being as a priority axis

One of the main pillars during 2023, as part of the **promotion of integral health and healthy lifestyle habits** at FCC, was mental and emotional wellbeing to provide a response to a social reality in the current context of change and uncertainty as the one of the past few years. The following actions were rolled out to achieve this:

- Specific awareness-raising training programmes and actions on **mental health**, with different sessions that addressed topics such as: digital family health, mental stress in women, emotional resilience, emotional well-being, transformation of limiting habits into healthy habits and personal motivation and improvement.
- Collaboration in the **Guide with the recommendations for specific health monitoring of workers exposed to psycho-social risks** (PSICOV2023 protocol launched by AfforHealth).
- Participation in the development of the new **psychosocial risk assessment** tool (Mentalypro), jointly created and rolled out in collaboration with AfforHealth, the University of Barcelona and many different public and private entities.

Promotion of individual health and prevention of occupational disease

As part of its different projects for the **promotion of health and well-being**, FCC continues to roll out and create new initiatives to promote a healthy lifestyle and the protection of health of its workers and stakeholders. These initiatives include:

In addition, it is worth highlighting that FCC took a qualitative leap in the year 2023 with regard to the adoption of solutions to provide health and well-being resources to its staff, with the implementation of the **LIVE Healthy platform**. This is a mobile phone app that can also be accessed online by workers to access different resources that will help them create healthy habits and lead a healthier life. This is another example of the company's commitment to using accessible and attractive technology resources to achieve the common goal of becoming a healthier and more sustainable organisation.

Initiatives

- Publishing articles and **materials related to health in the internal magazine "Somos FCC"**, which includes a specific section on well-being.
- **Healthy nutrition campaigns** with personalised enquiries and specific strategies to fight against being overweight and obesity, with training routes, monthly menus, guided challenges and integration through health monitoring.
- **Certification of heart and brain protected spaces** in different work centres with a high occupation.
- Participation in **external sporting leagues**, such as seven-a-side football or paddle tennis.
- **Sponsor of external sporting events,** such as the Grazathlon, a popular obstacle race that is very popular among the local people, or the development of sporting clubs, providing personalised advice, participation in sporting events and races, etc. among other actions.



Community relations and participation

The FCC Group engages with influential agents at the community level in the field of health and wellbeing, with the aim of **contributing and being enriched in a joint collaboration and participating in and making an impact on the advances, improvements and new trends that are taking place**. For instance, the FCC Group is a member of AESPLA (Spanish Association of Occupational Prevention Services) and participates in the different actions the association carries out. Likewise, it has signed collaboration agreements with different entities, such as the MAPFRE Foundation (promotion of health at the workplace) and also participates in business forums and hubs that specialise in health and sustainability, such as Forética, which aims to drive the integration of social, environmental and good governance (ESG) matters in the strategy and management procedures of businesses and organisations.

FCC Medical Services

The main responsibility of FCC's Medical Services is to **protect and improve the health of its workers, ensuring they are in top physical, mental and social health**. All by means of detecting, assessing and controlling the risk factors that may affect the health of workers.

The main health monitoring tool includes **medical examinations**, which can be used to prevent and ensure the early detection of different conditions. 18,640 medical examinations have been completed during the year.

Another important activity that is part of the day-to-day work of FCC's Medical Services refers **to health promotion programmes and counselling** rolled out across the organisation.

In this case, FCC's Medical Services have participated in the implementation of health promotion actions and in the maintenance of the healthy company management model.

The actions of the **cardiovascular risk prevention campaign** have focused on two risk factors that are common in the workforce, which are use of tobacco and obesity/overweight issues.

Throughout the years, FCC's workers have assimilated a culture of health, which has translated into an improvement of the health indicator parameters (in relation to healthy habits).

Organisational culture

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 this regard, one of FCC's greatest challenges involves working with a proactive approach, rolling out different actions and initiatives that not only generate a **quality and well-being work environment** that guarantees the well-being of employees, but which also contributes to the personal and professional development of all workers, while organising work as needed.

18,640
medical examinations

Therefore, among the actions rolled out, the Group focuses on achieving a proper 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, in which regard the following are particularly noteworthy:

- Flexible working hours and holiday entitlement
- Leave to attend to personal and family matters
- Early-out working days during summer periods and Fridays
- Baby nursing leave, reduction of working hours and leave of absence
- Improved permissions: illness and death
- Extension in reserving the position: leave of absence

FCC's commitment to creating a healthy work environment for its employees, in particular, with regard to achieving a proper **work-life balance**, also includes the measures listed below, most of which were agreed in the Equal Opportunity Plans signed within the FCC Group:

- Prioritising meetings during the working day.
- Enhancing the use of videoconferencing as a meeting channel.
- Developing awareness-raising campaigns and actions on work-life balance and the sharing of responsibilities between women and men.
- Raising awareness of work-life balance rights and the use of parental leave among men.

Likewise, FCC fosters the protection and well-being of its employees with a series of **social benefits**, most of which are included in the applicable conventional regulations, the most important being:

- Complements: Maternity/paternity, disability, temporary incapacity, hospitalisation.
- Group occupational accident insurance.
- Improved permissions: leave to attend to personal and family matters, due to illness or death of a family member.
- Awards for retirement, marriage and birth of a child.
- Compensation for death or total or absolute permanent disability.

Finally, within the framework of FCC's commitment to the well-being of its employees, it is worth highlighting the role of the **FCC Club**. This space can be accessed by anyone through the FCC360 app to enjoy **goods and services at special prices**.

Digital disconnection

The Group has a **Policy on the Use of Technological Equipment**, which recognises and guarantees the right to disconnect from the digital world for employees, adapting it to the nature and characteristics of each job. In this regard, awareness-raising actions on this issue are continuous and regular.





5. Citizen services

Within the framework of the FCC Group's end-to-end commitment to sustainability, this chapter focuses on the significant interaction of the three **groups of stakeholders, which are key to the business environment: clients, suppliers and communities**.

These actors play a crucial role in achieving the success of the FCC Group, and this is why all of the Group's areas focus on creating and maintaining solid relationships based on trust and honesty.

This chapter addresses how to strengthen these relationships through different issues, such as the delivery of top-quality products and services, the establishment of effective dialogue tools, the implementation of strict due diligence processes across the supply chain, the active commitment to create jobs and to drive the development of the local communities in which the Group operates, among others.

5.1. Clients

Clients are essential to achieve the business objectives. In the current and constantly changing environment, client feedback provides valuable **information to guide companies on the path of continuous improvement, so they can adapt their products and services to their expectations and needs**. A company's capacity to adapt to the market demands becomes a determining competitiveness factor to achieve prosperity.

Commitment and quality

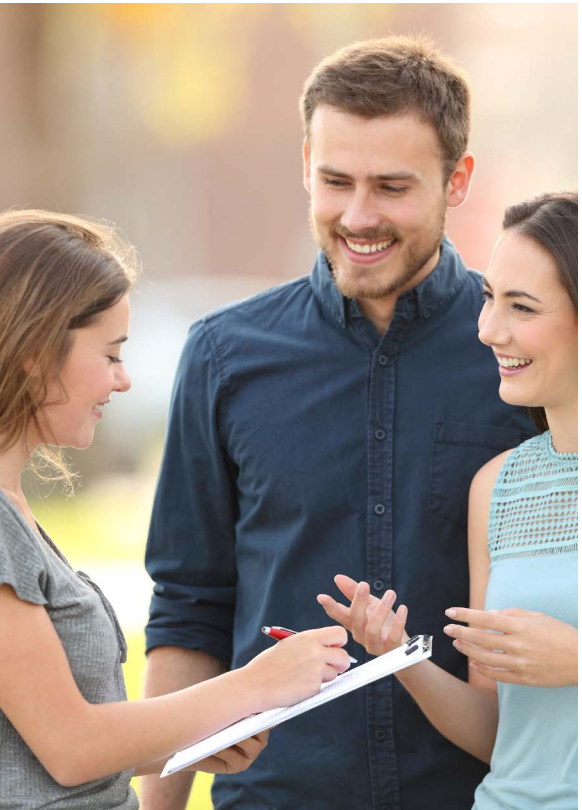
Our dedication to client service is a key aspect of FCC's philosophy, which is shared by all of its members. The FCC Group follows a **client-centric approach**, as established in its Code of Ethics and Conduct. Therefore, the FCC Group is committed to guaranteeing **the highest excellence** in the provision of products and services, generating a differential value that responds to clients' needs.

Given the diversity of products and services offered through FCC's different business lines, which provide solutions that cater to the needs of its different types of clients, the FCC Group has grouped its types of clients into the following categories:

Client categories

- Public sector bodies and organisations
- Private sector
- Consumers

The FCC Group conducts **quality surveys** to find out what its clients think and use this information to improve in different areas. In particular, during the year 2023, the Group sent out 11,595 surveys to its clients and 2,510 of these surveys were completed by clients. The number of surveys completed has dropped when compared to last year, mainly because Aqualia is conducting the surveys once every two years.



The search for excellence in the FCC Group's products and services and the establishment of relationships based on mutual trust, honesty, professional responsibility and added value are a common denominator of all areas of the Group. Proof of this is that all business lines have implemented a quality management system certified according to **ISO 9001**, with the exception of the Real Estate area, ensuring strict compliance with the applicable regulations and quality standards.

These certified systems ensure that the company can define and formalise processes to offer products and services that meet the legal requirements. This will guarantee not only client satisfaction but also is proof of the FCC Group's firm commitment to its clients in all areas.

Health, safety and protection of the client

The FCC Group considers that the health and safety of its clients is a priority to build on their trust. Therefore, FCC goes beyond simply complying with the applicable laws by promoting the **implementation of innovative practices that safeguard the quality and protect end users**. These actions are described below:

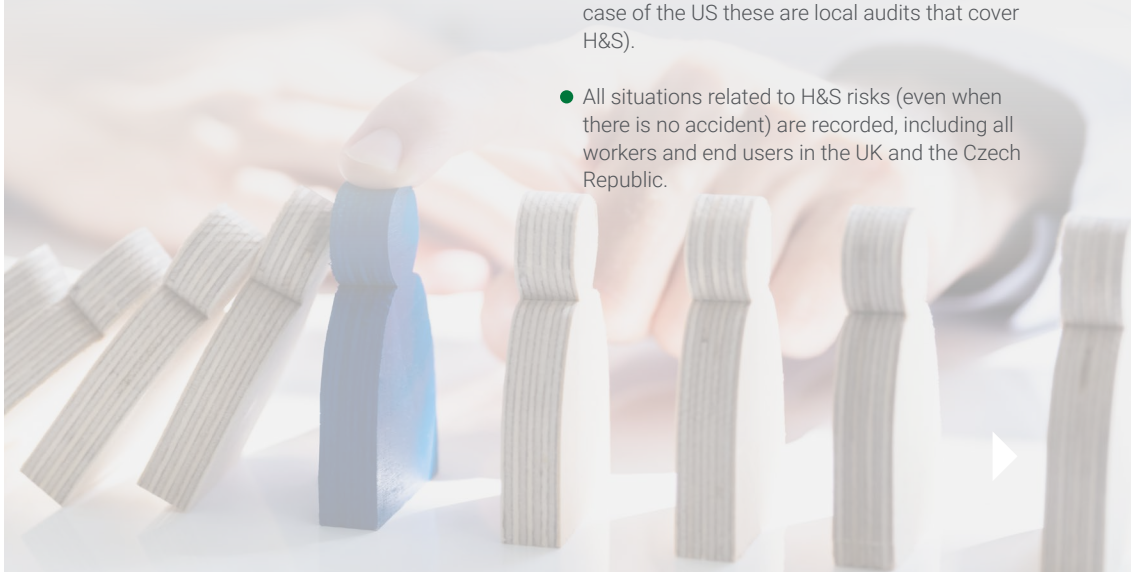
Environmental Services

FCC Medio Ambiente Iberia

- It implements end-to-end and strict health and safety measures, from the design of processes to instructions on how to handle vehicles, with a priority on health and safety in public spaces and on roads, actively working to prevent accidents as a result of its operations.
- Including risk assessments per area and position, to identify the impact on health and safety of workers and personnel who might be affected. In addition, the Occupational Risk Prevention Management System is implemented in all work centres in Spain and Portugal and internal and external audits of the system are conducted in all centres.

FCC Servicios Medioambientales UK, USA and CEE

- The activities of the UK and CEE divisions are certified by ISO 45001, including the prevention of occupational risks for end users as one of the certification requirements.
- They investigate and monitor the accidents of workers and end users in all divisions. They use external software and appoint specialised staff to investigate accidents in the UK, USA and Czech Republic.
- In addition, internal and external audits are conducted once a year in all business areas (in the case of the UK and the CEE areas, the audits are for becoming ISO 45001 certified and in the case of the US these are local audits that cover H&S).
- All situations related to H&S risks (even when there is no accident) are recorded, including all workers and end users in the UK and the Czech Republic.



Water

- Aqualia operates with a network of 10 certified laboratories in Spain, Italy and the Czech Republic; all have a structure that responds to the need for laboratories to be able to decide independently as required by the EN ISO/IEC-10 standard.
- It carries out over one million analyses annually, thus guaranteeing the quality of drinking water available for human consumption.
- It also manages the cleaning services of some 2,900 drinking water reservoirs or tanks worldwide, guaranteeing excellence of service and no impact on the supply.

Infrastructures

- It performs on-going assessments of the risks to health and safety of end users from the start of each project, backed by regulatory certificates to ensure there are no risks.
- It ensures compliance with the legal requirements applicable to construction works, products and services, incorporating the CE Marking in manufactured products, when applicable.
- Both FCC Construcción and FCC Industrial have a certified Information Security Management System based on the ISO 27001 standard, which aims to guarantee the availability, confidentiality and integrity of information in the exercise of their activities.

Cement

- It registers all cements marketed in Spain with the National Institute of Toxicology and Forensic Sciences, ensuring a service is provided to end consumers in case of a health emergency. This register is also available in all European countries where its products are marketed, in compliance with the existing counterpart bodies.
- Safety data sheets for products marketed.
- Packaging and labelling in accordance with the CLP European regulation (Classification, Labelling and Packaging).

Real Estate

- It has a dual review and quality control system for all its projects, thus exceeding the requirements of the pertinent legislation currently in force.
- It enforces compliance with the Technical Building Code, specifically the "DBHS", the purpose of which is to determine the rules and procedures that enable health requirements to be met.
- The "DBSUA" is taken into consideration, with regard to the regulations associated with safety in use and accessibility.
- This area is currently in the process of certifying building heritage management.



Part of client protection practices also include **guaranteeing the security of their personal data**. Client privacy is a key element to ensure client confidence and satisfaction. In particular, in 2023, the FCC Group received three complaints from third parties, which were corroborated by the organisation, four complaints from regulatory authorities on matters related to client privacy, and thirty-six cases of client data leaks, theft or loss were identified.

In addition, one of the best practices regarding health and safety includes the **assessment of the impact on health and safety of 96% of the company's products and services**.

No cases of noncompliance of the voluntary codes related to the impact of products and services on the health and safety during the period covered by the report were detected.

Dialogue tools

Continuous dialogue ensures that all client expectations and opinions are understood, listened to and addressed. The exchange of information allows the FCC Group to identify areas for improvement, promoting innovation in its products and services. With this in mind, FCC will roll out **on-going listening, learning and adaptation processes** to guarantee the satisfaction of its clients in all interactions.

In line with this management approach, the dialogue tools are established considering the diversity of the business areas and their specific needs.

Below are the communication channels used by each business area.

Environmental Services

FCC Medio Ambiente Iberia

- All complaints received by FCC Medio Ambiente are registered in the VISION computer application.
- Client satisfaction questionnaires are launched through different channels (telephone, mail, fax, email or visit from the sales department).

FCC Environmental Services (USA)

- External Customer Service IT system.

FCC Environment (UK and CEE)

- Complaints or claims are reported through the internal communication channels, using web forms, via telephone or e-mail.

Water

- Aqualia conducts a customer satisfaction survey every two years.
- Mobile app for smartphones and tablets, Aqualia Contact, which can be used to carry out all procedures related to the services provided.
- Virtual Office, available on the corporate website, through which clients can carry out all their formalities at any time.
- Telephone assistance through the Client Service Centre (CAC).
- Personalised attention through physical offices.
- Customer service profiles on Twitter.

Infrastructures

- These have the "client contact", who is in charge of managing collaboration, attending to and processing suggestions and information, and communicating the actions to be taken by FCC in response to them.
- Questionnaires and surveys to assess the degree of satisfaction of customers, adapted to the different subsidiaries. For example, Matinsa assesses customer satisfaction with different forms and direct surveys conducted with customers every year. Megaplás conducts satisfaction surveys at each installation point, as well as annual surveys with its main customers.

Cement

- Technical-sales support, to provide advice to customers on the application of their products and to offer personalised assistance.
- Direct contact with the Sales Departments of customers.
- Digital channel for clients, available through the corporate website, which offers the possibility of immediately managing orders, accounts or invoices, as well as making payments and suggestions.
- Launch of client satisfaction surveys.

Real Estate

- Different email for each promotion, for clients who have purchased a home.
- Clients who rent a property have access to a mobile app from which they can carry out certain procedures related to that property.
- Support for clients and users of shopping centres, a team specialised in this area makes on-site visits.
- In the case of office clients and users, a mobile app was developed to increase the number of communication channels. Clients and users may use the platform to submit service requests, complaints, comments and suggestions.

In all of the above scenarios, the mechanisms are not only used to monitor client satisfaction, but also to **receive and manage possible problems** effectively. This approach ensures constant alignment of the client's needs with the actions implemented by the Group.

Below are the claims and complaints received and managed by each line of business of the Group during the year 2023, providing a detailed view of the **direct interaction with clients and the corrective actions implemented**.

The most relevant information regarding variations since 2022 is associated with the average period for resolving claims and complaints received by FCC Construcción, which is much higher in 2023. This is due to the fact that the complaints of previous years that had not been resolved have been finally closed.

The complaints received from the Environmental Services area do not include those corresponding to the US subsidiary, since the information systems do not differentiate service requests from complaints.

Claims and complaints (No.)

	Received			Managed			Average resolution period (days)		
	2021	2022	2023	2021	2022	2023	2021	2022	2023
Environmental Services	9,350	7,992	9,129	9,346	7,991	9,129	2,9	8	8
Water	15,948	30,641	31,371	15,948	30,641	31,371	16	10	11
Infrastructures	177	97	217	177	97	217	22	39	275
Cement	10	22	15	10	22	15	24,1	99	99
Real Estate	–	5	8	–	5	8	–	15	20



5.2. Suppliers

Effectively manage the relations with suppliers, as a strategic component of business conduct. Therefore, the way in which a company interacts with its business partners and establishes solid relationships may have a big impact on its corporate identity and on the sustainability of its operations.

Business ethics, transparency and responsibility are essential to guarantee a business conduct that is in line with a series of core values. Supplier management is key in the value chain, where **the selection and cooperation with ethical and sustainable commercial partners** make a crucial impact on strengthening the company's reputation and resilience. In this context, FCC follows a strategic approach to ensure that its suppliers adopt an exemplary business conduct, working hand-in-hand with its suppliers and establishing transparent relationships based on trust and responsibility.

works with
46,102
suppliers

Managing relations with suppliers

FCC sees its suppliers and contractors as strategic partners that play a vital role in its activities, supplying the products and services it needs to perform its activities in compliance with the standards and expectations of the different stakeholders.

In particular, at the close of the year, the Group works with 46,102 suppliers, most of which operate from Spain, although it also has suppliers in **Europe, Australia, the Middle East and North, Central and South America**. The Groups geographical diversification reflects the broad scope and variety of its operations.

The FCC has many different needs across its value chain. Therefore, guaranteeing a sustainable, responsible, ethical and efficient supply chain is a challenge for the Group. The **main types of suppliers** vary by business area and are adapted to the specific needs of each one, in addition to the transversal model to which the Group adheres in relation to the activity of the Real Estate area. Having many different types of suppliers requires addressing complex demands and challenges in each business area. To do so, the company uses specific tools that guide its actions, which are geared towards achieving the continuous improvement of its purchases and services.

Transversal

- Supply of electricity, natural gas, fossil fuels, etc.
- Information Technology (IT) services and products.
- Cleaning and security surveillance services.
- Industrial and passenger vehicle supply.
- Courier and mail services.

Environmental Services

- Equipment suppliers: waste collection lorries, sweepers, sweepers, scrubbers, containers, waste compactors, etc.
- Maintenance and repair companies.
- Hardware stores and spare parts suppliers.

Water

- Desalination and purification equipment suppliers.
- Subcontractors for civil engineering and machinery rental.
- Reagent and other chemicals supply.
- Meter and accessory supply.

Infrastructures

- Subcontractors for civil engineering, foundations, metal structures, earthworks, signalling, etc.
- Concrete, rebar and prefabricated component supply.
- Subcontractors for electricity and lighting.

Cement

- Electricity, fuel and water supplies.
- Maintenance and repair services for facilities.
- Supplies of raw materials and consumables.
- Transport and logistics services.
- Supply of packaging and containers.
- Supply and rental of machinery.



Policies and rules

The Group helps increase FCC negotiating capacity through the Purchasing Department, **in consonance with the Group's general principles and policies**. The Department works hand-in-hand with other business units to create value, create synergies and boost profits, to make processes more transparent and to take decisions, to guarantee the traceability of all actions and strict compliance with the regulations of the FCC Group, with the current laws and contract award conditions, and to guarantee strict management and confidentiality of information during its processing.

The 2023 **sustainability matrix** was developed with the seven key topics of the ISO 26000, broken down all matters addressed into 36 different topics, based on the information session organised by the Purchasing Department on "Sustainability applied to the Purchasing area", with the participation of the Spanish Association of Purchasing, Procurement and Supplies Professionals (AERCE). The matrix was used to establish 27 KPIs and the corresponding short, medium and long-term objectives for each KPI.

The FCC Group's relationships with suppliers and contractors are based on stable, long-lasting and mutually beneficial business relationships. In this context, commercial partners must be in line with FCC's commitments, ensuring they are capable of showing evidence of their **compliance with social, ethical and environmental standards** set forth by the company.

The FCC Group uses different tools to extend its commitments to its commercial partners, in particular, those described below:

In addition, all suppliers and contractors must accept and adhere to the FCC Group's Code of Ethics and Conduct, its **Anti-corruption Policy** and the ten principles of the United Nations Global Compact as well as respect for core human and labour rights.

Code of Ethics and Conduct

Which establishes the key principles that all suppliers and contractors must observe, while also adhering to ethical practices in relation to commercial relationships, the fight against corruption, bribery and fraud, the protection of core labour and human rights and the compliance with the occupational health and safety standards, guaranteeing safe and healthy workplaces. In addition, it will promote the respect for the environment, ensuring that all activities comply with the laws and minimise environmental impacts, while implementing a sustainable environmental management system.

Purchasing Manual

Which is based on the principles of competitiveness, transparency and objectivity, the Purchasing Manual seeks to foster the creation of solid and long-lasting commercial relations between FCC and its suppliers, contractors and partners. This manual includes the key principles of the purchasing model, the responsibilities and duties, as well as the processes that must be followed to comply with FCC's internal regulations, comply with the applicable laws and incentivise the Group's suppliers to improve their performance in terms of sustainability. FCC aims to promote the sustainability of its suppliers by means of example and through approval requirements.

General Hiring Terms and Conditions

Which regulate the commercial relationships between FCC and its commercial partners, establishing the obligations with regard to occupational risk prevention and environmental protection. The contractual terms and conditions include aspects of sustainability that suppliers must accept and comply with during their commercial relationship with the Group; and this will be monitored through periodic follow-up during the term of the contract.



Due diligence in the supply chain

The FCC Group has implemented a strict **supplier assessment and approval** process to guarantee the integrity and sustainability of the supply chain and to establish systems that are capable of detecting and preventing risks during the commercial relationships. This in-depth due diligence process focuses on the analysis of ESG risks and requires suppliers and contractors to ensure that they are in line with the ethical and environmental standards established by the company to initiate and maintain contractual relationships.

Process of approval:

The supplier or contractor must start the process by **registering** on the Group's platform.

Subsequently, a **Responsible Statement** must be signed, which must address different aspects, such as the fight against corruption, receiving and giving gifts, conflicts of interest, and respect for core Human Rights.

The supplier or contractor must complete a series of **questionnaires and requirements** that assess social, environmental and governance criteria, some of which are required to be approved. Information on the following matters will be requested:

- **Financial information.** One of the requirements is not appearing in the list of the ASNEF (National Association of Financial Credit Institutions) in the last year.
- **Quality certificates and information about the environmental performance and commitment**, with the aim of ensuring the integration of environmental aspects across the supply chain, including the certification of its environmental and product and service management systems, GHG emissions, efficient emission practices or penalties related to environmental performance.
- **Occupational risk prevention systems** to prevent and mitigate the significant negative impact on the health and safety of workers directly linked through commercial relationships. It is necessary to have a preventive organisation model in place, ensure that the company's occupational accident rates are below those of its sector and not having received any serious penalties or sanctions related to health and safety over the past five years. In addition, information related to own resources used to manage health and safety will be requested, as well as medical protocols implemented for the health surveillance of its workers and health promotion programmes. Finally, the Occupational Health and Safety management systems of all suppliers and contractors must be certified.
- **Human resources**, information about the workforce, including number of employees, percentage of female employees, average age of staff and average length of service at the company. The supplier or contractor must not have received a penalty or sanction for offences included in the Law on Offences and Sanctions in the Social Order in the last four years.
- **Commitment to Human Rights and to the fight against discrimination**, requesting information about the certifications of ethical or social management systems, adherence to the UN Global Compact, the measures used to assess the degree of employee satisfaction and the policies rolled out to guarantee a proper work-life balance and sustainability.
- **Compliance and crime prevention model**, information about the Whistleblowing Channel, presence of a Compliance Officer and the measures to fight against corruption, money laundering and terrorist financing, and sanctions or convictions for corruption, bribery or influence peddling. In this regard, it is essential to comply with the FCC Group's Code of Ethics and Conduct, as well as with the Anti-corruption Policy, which rejects any form of corruption, bribery and fraud, as well as the conditions related to influence peddling and unlawful competition.
- **Information security and data protection measures and systems,** establishing the requirement to appoint a specific Security Officer, ensuring no data protection breaches have occurred in the last two years, not having any sanctioning or investigation process open by the Control Authority and not having reported any breach of security that affects personal data over the past two years, among other requirements. In addition, with regard to security of information and in the context of the services offered by the supplier to the FCC Group, a suitable information security level must be guaranteed, according to the services delivered.
- **Operational details of product supply**, including the request for information, specifying the allocation of responsibilities, training, client service, process control, supplier approval and assessment procedures and systems for measuring client satisfaction.

The **suppliers and contractors are assessed** according to their risk level with the information gathered.

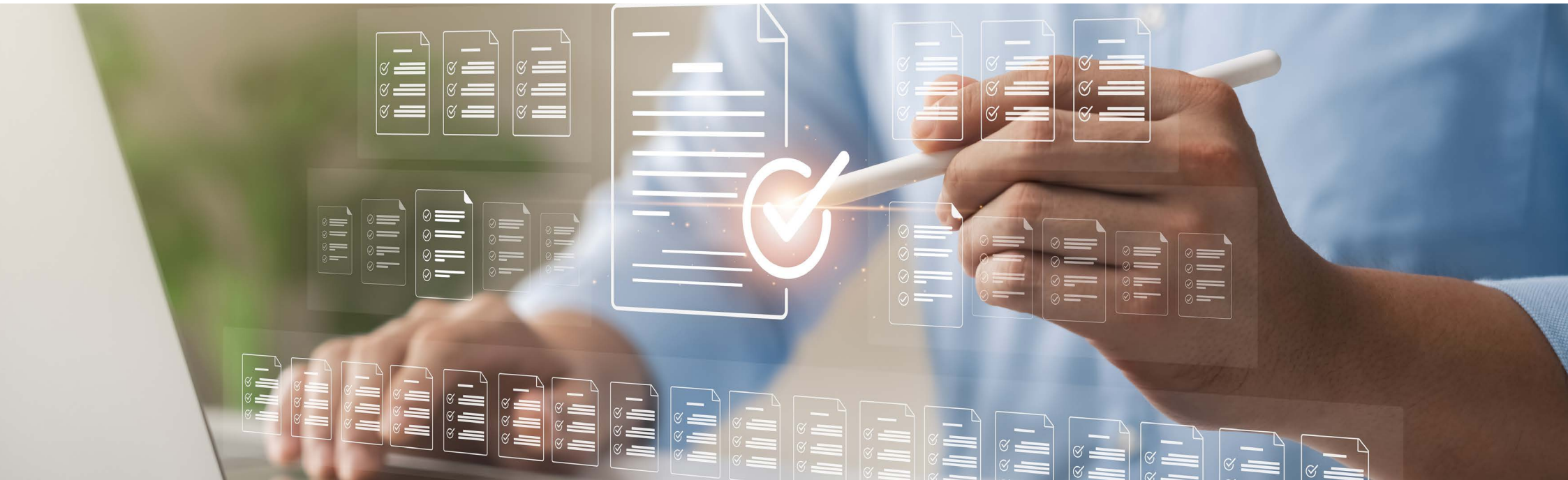
- **Qualifications A, B or C:** an approval certificate is issued with recommendations for improvement.
- **Qualification D (high risk):** a Due Diligence process is conducted to prevent contractual risks. Based on these results, the Group will decide whether the provider should be approved or not, establishing the corresponding preventive or corrective measures as needed.

In the cases in which a red flag has been detected on any of the matters and topics mentioned above or after the full assessment of risks, if a rating "D" is given, FCC's affected departments and areas will be contacted, so they can provide their specific assessment and conclusions, with a positive, negative or positive with exceptions assessment. Finally, the Purchasing Department will either approve or reject the supplier. In addition, if suppliers have been classified as "critical", compliance audits will be scheduled, with the aim of reinforcing the supervision of the supply chain.

The FCC Group has approved 1,432 suppliers and contractors, out of which 813 new suppliers were approved this year. Likewise, 20 have been classified as high risk during the year 2023. After the completion of the Due Diligence process, 17 of these suppliers were approved and three are currently in the process of being approved. No supplier has been classified as "critical", so it was not necessary to conduct compliance audits.

In addition, **FCC conducts regular assessments and supplier satisfaction surveys**, which streamline the future decision-making processes, specifically, to maintain or terminate their approval.

1,432
approved
suppliers and contractors



5.3. Transformation of communities

Over the past few years, companies have acquired a decisive role in the **provision of social responses**, as a consequence of the significant social changes at the global level. The different social and economic crises, the increase in unemployment rates and the loss of purchasing power in households have had a huge impact on the population at risk of exclusion. In this scenario, society is demanding a greater commitment from companies, urging them for a change in their conventional business objectives, which should be geared towards providing value to the communities in which they operate.

Therefore, the well-being and satisfaction of local communities are essential pillars for any company with a solid social responsibility commitment. It is for this reason that the interaction and creation of solid relationships is a priority to generate a **solid and positive impact on its social, economic and environmental context.**

In this context, and with the purpose of making a positive impact on local communities, the FCC Group materialises the framework of initiatives across the company and beyond, with a view to promoting social well-being.



Creating value

Promoting a positive socio-economic impact to develop communities and protect the environment, while also promoting the creation of jobs and hiring of local suppliers.

Knowledge

Cooperating in initiatives aimed at educating and raising the awareness of the local community, which drive social development and progress, helping future generations.

Integration

Helping in the transformation of cities to turn them into inclusive environments, by rolling out awareness-raising and support initiatives for the socio-labour integration of vulnerable people or groups at a risk of exclusion.

Solidarity

Participation in solidarity programmes and campaigns by partnering with associations, foundations and third-sector entities, making financial contributions to improve the lives of people.

Strengthening communities

The commitment to communities involves **understanding local needs, fostering sustainable development and making a contribution to inclusive growth**. As a committed Group, FCC recognises the importance of establishing positive and long-lasting bonds with the communities in which it operates. It seeks to make a positive impact on the lives of people and the environment in which it operates through **responsible initiatives and practices**.

The FCC Group recognises the value that its products and services contribute to society, with the implementation of the **Sustainability Policy**, which is backed by a shared corporate culture. Its **activities are essential for the development of cities**, including the supply of essential resources such as water, cleaning and maintenance services, the construction of buildings and infrastructures, among others. Therefore, its activities have a big impact on communities.

Local employment and development

FCC understands the importance of assessing how it can help promote the creation of jobs and local development. It is for this reason that it implements measures at the Group level and in different areas, **in response to the needs and expectations detected in communities**. These measures consolidate FCC's contribution to sustainable development and social well-being, while promoting the exchange of information with communities.

Below are a few examples of the initiatives rolled out by some of the areas to drive local development:

To sum up, the FCC Group drives local development of the communities in which it operates with these initiatives, via indirect and direct hiring. First, by **creating direct jobs** for the activities of each area, which require personnel to perform such activities. Second, by hiring suppliers and contractors, promoting indirect hiring. FCC is committed to **hiring local talent**, with a view to promoting the socio-economic development of the communities in which it operates, while also reducing the costs and times thanks to being near its suppliers, as well as of reducing the possible environmental impact of transporting goods.

Specifically, with regard to hiring suppliers at the Group level, in 2023, the total costs allocated to hiring local suppliers, i.e., those sourced from the country where operations are located, was €4,938 million. In addition, 46,102 national and international suppliers were hired, **the number of local providers being 44,893**. The different business areas also hire local suppliers. Around 95% of Aqualia's suppliers in 2023 were local suppliers.

Environmental Services

FCC Medio Ambiente Iberia

Collaboration agreement signed with the Council of Castilla-León to drive the labour integration of women and promote equal opportunities in companies.

FCC Environment CEE

Open days are celebrated in Hungary every day, allowing the public to learn more about the company's activities. Similarly, in Slovakia, over 30 regional projects that focus on cultural and social activities in the regions in which the company operates received support during 2023.

Water

Aqualia's 2021-2023 Strategic Sustainability Plan includes *"social impact"* in its strategic lines, which aims to disseminate the company's effort in guaranteeing access to water, strengthening the bond with communities as a result.

Infrastructures

This area designs specific action plans with the results of the assessment of the possible impact on the local communities, derived from its projects. In addition, and to reinforce its commitments, FCC Construcción has included in its 2021-2024 Management Objectives *"Promoting responsible hiring procedures"*, establishing a goal of hiring 90% of local suppliers. Similarly, its Sustainability Strategy establishes the objective of *"hiring at least 90% of local people"* by 2026.

Cement

The Cement area generates a big impact on employment and the local development of the communities in which it operates. It promotes the creation of quality and long-term jobs, creating direct and indirect jobs that drive the local social and economic development. In addition, it collaborates with educational institutions to give young people the skills required when they join the labour market.

Real Estate

A strategic line is contemplated for each stakeholder as part of the "2024-2027 ESG Strategy", with the aim of fostering and promoting the development of communities. Each year's main actions include: Sponsorship of Guadalajara's women's basketball team and Employment and inclusion seminars, in collaboration with the Red Cross.

€4,938
million
allocated to local suppliers

Social commitment

The FCC Group reinforces its positive commitment beyond its own activities through **solidarity actions**, with a focus on social initiatives, integration of vulnerable groups and education and awareness-raising actions.

FCC drives a **culture of commitment** that drives the creation of more resilient and caring societies. To do so, it offers its team the opportunity to participate in solidarity programmes, strengthening the connection with social needs, cultivating the sense of belonging and backing the mission of improving the lives of citizens. It drives the integration of groups at a risk of exclusion, guaranteeing opportunities under equal conditions. It also raises the awareness of all citizens through education and awareness-raising initiatives.

Solidarity initiatives

FCC allows its employees to participate in solidarity initiatives, linking social action with the strategy of each business while promoting a corporate culture that is committed to the current social needs.

During the year 2023, the FCC Group rolled out the following solidarity initiatives:

- Collaboration in the campaign ***2023 Grand food collection. Feed a better life***, of the Madrid Food Bank, encouraging FCC's employees to participate in the campaign as volunteers.
- ***Blood Donation*** campaign of the Red Cross, encouraging the staff at corporate offices to donate blood. During the blood donation campaigns of the year 2023, 271 people donated blood, with a positive impact on the lives of another 813 people.
- Collaboration in the campaign ***Give your bag of generosity***, which included the donation of personal hygiene and care products, and the campaign ***Collecting Christmas sweets***, of the Pan y Peces Foundation, to help vulnerable families.

In addition, it is worth highlighting the social actions carried out by some of the company's business lines:

Environmental Services

FCC Environment CEE

The subsidiary in Romania continues to roll out and expands the scope of humanitarian and eco-educational projects, in collaboration with the women's basketball team and the NGO "Cetatea Voluntarilor" of Arad. In particular, it has continued to provide aid to rehabilitate the paediatric medicine system and the educational and sporting spaces in the country of Arad.

Water

During 2023, the company has collaborated with the Recover Foundation, on an initiative promoted by the women employees who participated in the EOI's Executive Development Program for Women with High Potential. The main action involved organising a charity concert to raise funds for the campaign on the prevention of cervical cancer in Cameroon, rolled out by Fundación Recover.

Infrastructures

As part of its social commitment, it has built Line 2 of the Lima Metro, which included the initiative "Recycle to Help", promoted by ANIQUEM Foundation. This project will have a double impact: first, from an environmental point of view, by helping manage solid waste generated by the participants, allowing their reintegration into the market as secondary materials, and second, from a social point of view, by contributing to the comprehensive recovery of children survivors of serious burns.

Cement

With a view to strengthening its commitment to the local communities in which the company operates, and backed by the social vocation of its employees, FCC rolls out a series of social and cultural activities with the purpose of raising social awareness. In particular, the social actions of the Tunisian Market are concentrated in *Matriz Société des Ciments d'Enfidha*, which channels all actions through *Gouvernerat de Sousse*.

Real Estate

- Collection of textbooks and school supplies for low-income families handled by Melior Foundation.
- Charity market organised in collaboration with PRODIS Foundation, which is committed to the development of personnel and social and labour integration of people with intellectual disabilities.
- Charity market and collection of donations for the San Juan de Dios Foundation, which provides healthcare, social-health, social, educational and research services at hospital, mental health centres, centres for disabled people, seniors and vulnerable people at a risk of social exclusion.

Integration of vulnerable groups

The many different activities, geographies and people of the FCC Group show the importance of generating environments committed to and responsible for the **management of diversity and inclusion.**

Therefore, FCC works to achieve the integration and inclusion of vulnerable groups through integration and awareness-raising actions, helping build a fairer and more equal society.

During the year 2023, the FCC Group has participated in the following projects for the integration of different vulnerable groups.

- Participation in the Programme "Learn and become an Entrepreneur" of the Prevent Foundation, which offers training and accompaniment to disabled people to develop business ideas, while tutoring projects.
- Collaborating with families at risk of exclusion by providing them with the necessary educational and school resources, participating in the Campaign "Donating textbooks and school supplies" of the Melior Foundation.

Moreover, the different business areas have also rolled out specific actions aimed at achieving the integration and inclusion of groups at risk of exclusion.

Environmental Services

FCC Medio Ambiente Iberia

- FCC Medio Ambiente Iberia participates in the "Socially-Responsible Procurement Forum" since 2011, which aims to create and maintain stable and quality jobs for disabled people. It has also signed a collaboration agreement with the Ministry of Equality, as part of the project "Companies committed to a society free of Gender-based Violence".
- The number of initiatives aimed at raising social awareness on the implementation and achievement of a sustainable and socially responsible business model were boosted in 2023. these were included in the 2050 Sustainability Strategy, and are configured as the main driving agent behind the practices and policies of FCC Medio Ambiente Iberia:
  - Drive of the collaboration agreement with REDI for the labour integration of LGTBQI+ people.
  - Maintaining the collaboration agreement with the Inserta-Once Foundation and development of the collaboration agreement with the Adecco Foundation.
  - Development and extension of many different agreements to promote the labour integration of disabled people and people at a risk of social inclusion.
  - Collaboration agreement with CEAR to hire refugees from Ukraine and collaboration agreement with Tent, with the commitment to hire refugees in Spain.
  - Collaboration with the High Commission to eradicate child poverty.

FCC Environment CEE

- The subsidiary in Serbia designs and participates in many different social responsibility actions. In particular, it provides assistance to vulnerable Serbians through partnerships with associations that raise funds and provide assistance and look after ill and vulnerable people.

Water

- The area promotes the integration of disabled people, in particular, in observance of the International day of people with disabilities, by performing workshops at the "Corporate volunteering days with the participants of the Talent Pool project of Adecco Foundation". In addition, there will be a virtual reality session to help others understand what millions of disabled people live through around the world.
- The area also works to improve the conditions of vulnerable people in collaboration with Cáritas, with which it signed a collaboration agreement in 2016 to support related initiatives. It has also partnered with the Adecco Foundation for integrating people in vulnerable groups, such as people with disabilities and women at a risk of social exclusion.
- During 2023, Aqualia helped train 15 women in an occupational training and advice workshop, in which Aqualia's volunteers also participated.
- Aqualia is also a partner of the Business Network for LGTBI Diversity and Inclusion (REDI), and has signed a collaboration agreement with the LGTBI+ Federation. Moreover, it has conducted the EMIDIS diagnosis, (Companies for diversity), the result of which has helped design proposals for improvement and prepare an action plan. In addition, it collaborates with MyGWork, a global recruitment and networking platform created to promote diversity and inclusion at the workplace.

Infrastructures

- FCC Construcción joined the initiative of the Dr Campos Castelló Association to foster the idea of "living autonomously" for people with intellectual disabilities, as proof of its commitment to society and 360º social inclusion.

Cement

The Cement area has partnered with the Adecco Foundation in two projects:

- "Employment for everyone", a programme designed to provide labour advice and integration, improving the employability of the most vulnerable groups, giving them the opportunity to find a job.
- "Family Plan", a programme that focuses on increasing the autonomy, integration and future insertion in the labour market of disabled relatives of FCC Group employees.

Real Estate

- By allocating space in common areas of the buildings, the Real Estate area hosts temporary events with a social purpose, including the sale of products to promote the integration of people with disabilities.

Education and awareness-raising initiatives

Likewise, FCC recognises the participation in charity initiatives as a driver of social change, focusing its efforts on **raising the awareness of citizens**, by fostering conscious decision-making.

The FCC Group disseminates information about its activities when it visits facilities and its different lines of business, which collaborate with educational centres and participate in educational events and conferences to raise awareness on the need for proper education and to protect the environment. Below are examples of some of these initiatives:

Environmental Services

FCC Environment CEE

For the third year in a row, the subsidiary in Slovakia has successfully managed the Back2Life Recycling Centre in Trnava, which helps educate people about the changes in lifestyles and also helps socially vulnerable groups on this line, working with children. The subsidiary organised the "Smietko" competition in 2023. In addition, it developed the app "Take the garbage out" which informs residents about the times when domestic waste is collected.

Similarly, the Serbian subsidiary collaborates with educational institutions and young people as a means of improving the environmental awareness of future generations.

Water

Aqualia participates in different charity, educational and awareness raising initiatives. These include the following:

- Awareness-raising workshops and talks in municipalities of Colombia on the responsible use of water and the protection of the environment.
- Educational channel aqualiaeduca.com to raise the awareness on the need to manage water properly, with materials for children, educators and families.

Infraestructures

When building the A465 motorway in Wales, FCC Construcción implemented the A465 Community Initiatives Programme, which includes different social initiatives at schools, which focus on raising the awareness about the importance of protecting the environment. The following initiatives deserve special mention:

- "Girls in Engineering": Event aimed at girls, with the aim of showing the opportunities in engineering degrees, with a view to attracting women talent to these sectors.
- Devils Bit Scabious plantation: This plant is very important in the region and essential its habitat, and was planted to raise awareness about the importance and value of biodiversity.

Cement

The FCC Group's Cement area has rolled out a series of environmental awareness days in collaboration with:

- Flacema (Labour Foundation of Andalusia of Cement and the Environment), aimed at the students of different educational centres and schools.
- Collaboration with the CEMA Foundation on the projects *"Colegios + sostenibles"* (more sustainable schools)and the "El Porcal Environmental Classroom", which were visited by some 841 people in 2023.

Real Estate

As part of its firm commitment to training, the Group hires students from the ASPRIMA - UPM Real Estate Degree, who join the company as interns, while providing its professionals with different training courses, allowing them to enrol in the Real Estate specialist course of this Degree.

Economic contributions

In accordance with its Sustainability Policy and its Code of Ethics and Conduct, the FCC Group materialises its support to social action with economic contributions to several non-profit entities and foundations.

The Groups **sponsorships, collaborations and donations** always follow objective criteria and are granted to renowned entities that show evidence of ethical behaviour.

These must be authorised by the Communication Department and be documented to ensure proper follow-up, as established in the corresponding procedure.

During the year 2023, the Group has donated over a million euros. Likewise, it has partnered with a series of industry associations, as described in Annex 7.1.5 of this document. The financial aid is channelled as follows.

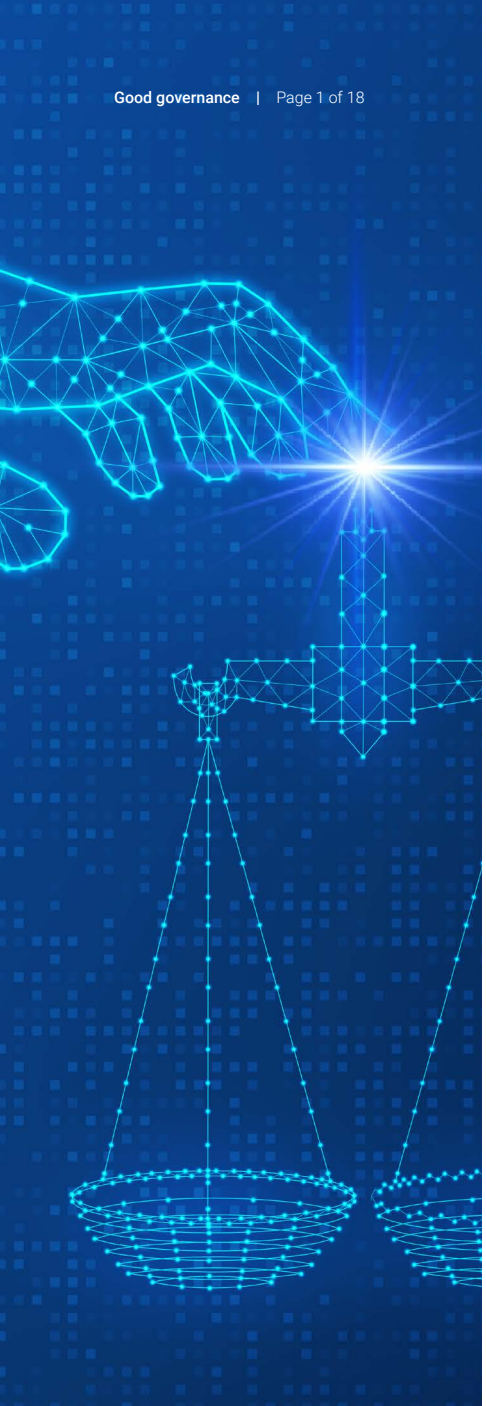
More than **€5.5** million **in social action**

Contribution type (€)

	2021	2022	2023
Donations to non-profit organisations and foundations	1,048,399	1,151,318[25]	1,100,341
Sponsorships	1,761,051	2,238,463	2,269,229
Contributions to associations	1,847,790	2,303,888	2,141,438
Other	170,544	230,913	176,165
Total	**4,773,448**	**5,924,582**	**5,687,173**



24. Updated the data as a consequence of the detection of an error reported by the Environmental Services subsidiary in Austria.



6. Good governance

Corporate governance aligned with the principles of sustainability and ethics is a key priority for companies. The structure and dynamics must reflect the company's principles and values in a coherent way in all corporate decisions and practices. **Transparency, equity and risk management** are essential in this approach, which promotes a genuine commitment to sustainability and social responsibility.

FCC is committed to establishing a governance approach that is based on these values, fostering integrity and ethics across all levels. An effective risk management and control system is required to achieve this, guaranteeing exemplary business performance, respect for and observance of Human Rights and tax transparency, as described in the next chapter.

6.1. Risk management

The FCC Group is exposed to several risk factors inherent to the nature of its activities and to the risks related to global and local environmental, economic, social and geopolitical environments in the countries in which it operates. Many of these risk factors are strongly interconnected and could potentially affect both the achievement of business objectives and have a negative impact on the image and reputation of the FCC Group.

Therefore, aware of the importance of risk management for the company, it has established a Risk Management Model, which is used to identify and manage these risks in an integrated manner across all of the company's organisational processes.

Financial and non-financial Risk Management and Control System

The FCC Group has a **Risk Management Model** that is designed to identify, analyse, assess and manage the potential risks that could affect the Group's different business areas. The model is based on the incorporation of the risk-opportunity vision and the assignment of responsibilities, which, together with the segregation of functions, help monitor and control these risks. The FCC Group's Risk Management Model applies to all Group companies, including all those in which it exercises effective control.

The Risk Management Model includes the assessment of financial and non-financial risks, including tax risks, the implementation of preventive and control measures to mitigate identified risks and the establishment of reporting flows and communication mechanisms at different levels.

In addition, the FCC Group has a **Crime Prevention Model**, which mainly aims to strengthen the control environment; a Tax Compliance Policy, a Code of Tax Conduct and a Tax Control Framework Standard, within which the process of identifying and assessing tax risks and assigning responsibilities for the management and/or reporting of these risks is deployed.



Bodies responsible for preparing and implementing the Risk Management Model

The Risk Management Model is backed by the **Board of Directors** and **Audit and Control Committee**.

The Board of Directors guarantees adequate risk management to achieve its objectives, so the internal processes are geared towards the assumption of a predictable medium-low level of risk. This is based on a business model with different activities and locations, backed by a solid, constant and sustainable policy of generating results and creating value. All this with **zero tolerance for bribery and corruption**.

Regarding tax risk, the **Standard Tax Control Framework**, which is part of the Group's Tax Compliance Management System, defines the general tax risk management policy and the acceptable levels of tax risk.

The Risk Management Model establishes a **three-tier system of risk management and internal control**, the first two located in the business units and the third in the corporate areas. The responsibilities are defined as follows:

Board of Directors

Responsible for determining the risk control and management policy, including tax risks, and which identifies the main risks and implements the monitoring procedures of all internal and information control systems, as required.

Audit and Control Committee

It is responsible for supervising and analysing the effectiveness of the internal control and risk management model, ensuring that it identifies the different types of risks faced by the Group, the measures for their mitigation, the levels for their management and the supporting processes and systems.

First level

Operational lines of the business areas, which act as risk generating entities. They are responsible for managing, monitoring and properly reporting the risks generated, including tax risk.

Second level

This level is controlled by the support, control and supervision teams, which are responsible for ensuring effective control and adequate risk management, including tax risk. At this tier, the management of each business unit is responsible for the implementation of the Risk Management Model, including those relating to financial reporting. In turn, the Compliance area identifies risks, defines and monitors crime prevention controls and, in cases where non-compliance or ineffectiveness is detected, and proposes action plans.

Third level

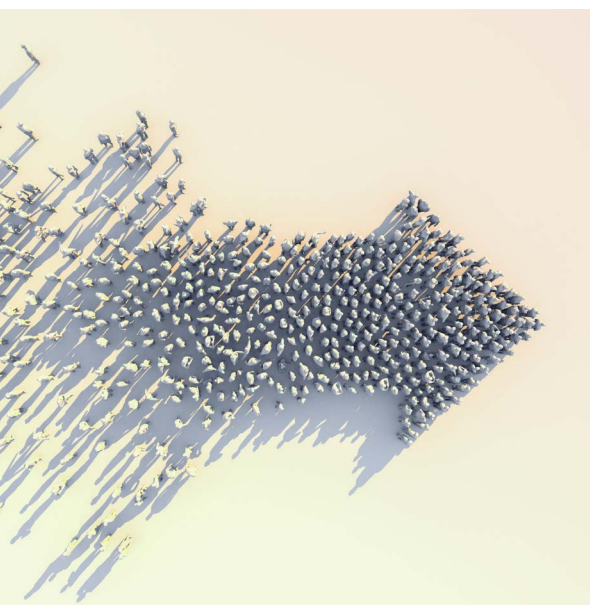
Corporate functions with supervisory and advisory responsibility for the achievement of objectives, reporting to the Group's decision-making bodies, including the Audit and Control Committee, highlighting the following:

- **Compliance Committee:** body responsible for the implementation of the Crime Prevention Model and the management of the Whistleblowing Channel.
- **Risk Management:** responsible for coordinating the Risk Management Model, defining a basic methodology for identifying, assessing and reporting risks.
- **Internal Audit:** assesses the suitability of policies, methods and procedures and checks their effective implementation.



Main risk factors

The FCC Group is exposed to many different risk factors inherent to both the nature of its activities and the risks related to environmental, economic, social and geopolitical upgrades in the different countries in which it carries out these activities and to the risks arising from its relations with third parties, including the risks arising from the non-exhaustive application of the principles of ethics and compliance set out in its regulations. These risk factors are strongly interconnected and could potentially affect both the achievement of business objectives and the image and reputation of the FCC Group.



In particular, the main risk factors that FCC faces are as follows:

- **Downturn in the economic environment**

  The slowdown and deterioration of economic growth in an environment of high interest rates, as well as the withdrawal of tax support in a context of high debt, could lead to a reduction in demand and investment forecasts. In addition, the restrictions regarding the movement of raw materials between markets caused by geo-economic fragmentation, with the consequent increase in price volatility, could have an impact on the unfolding and outcome of some of the Group's projects.

- **Geopolitical and regulatory instability**

  Armed conflict, the increase in political and social tensions in different countries and regions could lead to deeper changes in the geopolitical environment after the pandemic. In addition, the possible regulatory changes on different matters and in public-private collaboration models could have an impact on the operations and require significant adaptation periods.

- **Sustainability and ecological transition**

  The FCC Group must continue to establish sustainable, environmental, social and corporate governance objectives to make sure it remains in line with the requirements and expectations of regulators, clients, investors, financing entities and society in general, while addressing the challenges of ecological transition.

- **Climate-related and environmental risks**

  Short and medium-term climatic changes and extreme weather events could affect both the development of the FCC Group's activities and its strategy. Even though the FCC Group carries out its activities in line with its environmental commitment, its exposure to potential accidents could have an impact on the environment and society, as well as on its projects and services.

- **Technological disruption**

  Digital transformation, the irruption of artificial intelligence and the adoption of new technologies require an effort in innovation and specific investments that the FCC Group is facing to maintain and strengthen its position in an increasingly competitive and changing environment.

- **Cyber threats**

  The increasing digitalisation of businesses has increased the exposure of companies to cyber threats, which could affect tangible and intangible assets and lead to the interruption of operations, uncontrolled access, and leakage and/or hijacking of information and data.

- **Tenders**

  The company participates in very competitive and complex tenders, which take long periods of time until the contract is awarded. An in-depth analysis of the technical and economic factors, as well as of the third-parties affected by the changes in economic variables, regulatory changes or socio-political instability is conducted to guarantee the success of these processes.

- **Disputes and contractual breaches**

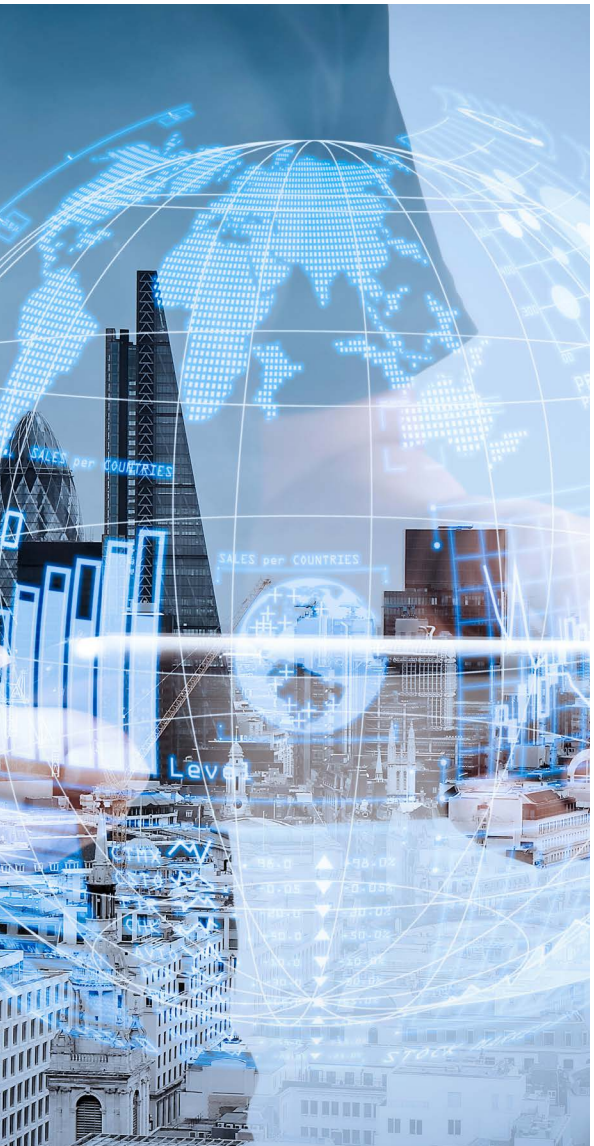
  Different interpretations of regulatory and contractual requirements, cases of client or supplier non-compliance and delays in the supply chain could result in impacts on meeting the deadlines, outcome of projects and/or discrepancies that could increase litigation risk.

- **Human capital**

  Depending directly on key personnel could affect the unfolding of activities due to different factors, such as the increase in demand for qualified labour in certain countries, wage pressure, a potential increase in conflicts and/or difficulties in attracting and retaining talent.

- **Appraisal of real estate investments**

  Real estate market activity could be affected by increased uncertainty in the economic and social environment with a potential impact on the appraisal of real estate assets.



- **Fluctuation of exchange rates**

  The FCC Group's reference currency is the euro, so the risk is primarily located in borrowings denominated in foreign currencies, investments in international markets and payments received in currencies other than euros.

- **Fluctuation of interest rates**

  The hike in interest rates could give rise to an increase in the FCC Group's financing costs associated with its borrowings at variable interest rates, and could also increase the cost of refinancing the borrowings and the issue of new debt.

- **Impairment of the commercial fund**

  FCC can give no assurance that the Group will not incur impairment losses/adjustments due to impairment of the Group's property, plant and equipment or other tangible assets, which, if incurred, could affect the financial results of the FCC Group.

- **Financing**

  In some cases, there may be some difficulty in obtaining or renewing corporate financing or for the execution of certain projects, due to situations of general instability that generate a temporary disruption of capital markets, requirements or guarantees requested by financiers, as well as the viability of economic models that justify the repayment of funds, and specific situations of concentration of sources of financing. All this could affect regular funding, normal business, or result in the loss of business opportunities.

- **Recoverability of deferred tax assets**

  There is a certain volume of deferred taxes, the recoverability of which could be affected by the cyclical nature of the Fiscal Group's profit, or by future changes in tax rates, especially corporate tax in Spain.

- **Credit and liquidity risks**

  Both risks are related to the Group's exposure to the credit risk of its clients and their liquidity lines, for which FCC monitors the credit quality of its clients, as well as the liquidity and financing lines for each of the companies to mitigate this risk.

Risks materialised during the financial year 2023

During the year 2023, the company has been affected by the following risks:

- Increase in financial costs due to a rise in interest rates by the central banks, aimed at fighting inflation, led by the slow recovery after the COVID-19 health crisis, armed conflict and geopolitical tension.
- Contractual controversies have led to litigation in different jurisdictions, given the high number of contracts with clients, suppliers and partners of the Group, and motivated by regulatory requirements.
- Persistent high underlying inflation is affecting projects in which the contractual clauses may not include price reviews that fully or partially covers such risks.
- Limited water availability and water contingency plans in some locations.
- Cyber threats that have not had a significant impact on the Group's financial information or operational systems, only in the form of slight impacts on some of the Group's secondary systems.

Response plans and monitoring

The FCC Group actively incorporates sustainability in its business model and governance system, with a series of **codes, regulations, processes, controls and specific actions** focused on detecting and responding to the risks and opportunities.

The Risk Management Model, Compliance Model and Tax Control Framework Standard establish the **end-to-end frameworks for the identification, assessment, management and risk reporting** across different levels of the organisation, including specific response plans that take into account operational viability, possible effects, as well as the cost-profit ratio of implementation.

The uncertainty derived from the **economic and geopolitical situation** requires constant monitoring and analysis of the changes and potential impacts for the FCC Group, committing to a diversified business model, consolidating itself in markets in which it already has a presence, assessing opportunities in countries with a stable political-social binomial and seeking new formulas for public-private collaboration.

The FCC Group incorporates **sustainability** into its business model and its governance system, with a new Sustainability Policy that incorporates the three sustainable axes (environmental, social and good governance) in the development of its operations. Likewise, the FCC Group created the sustainable finance taxonomy area in 2023 to identify the risks associated with the taxonomic process, optimise the alignment of the Group's eligible activities and identify shortcomings, operational risks and potential development of activities.

To manage and roll out the actions to address and mitigate **environmental and climate risks**, the FCC Group has developed an environmental policy that combines stringent compliance with pertinent legislation currently in force with the prevention, analysis and minimisation of the environmental impact of the activities it carries out. The Group also analyses and assesses the physical risks derived from climate change and the risks of the transition towards a low-carbon economy, rolling out different initiatives and designing innovative, efficient and sustainable products and processes to reduce the impact and expand the scope of the value chain. In addition, the business areas also have quality assurance and environmental management systems certified in accordance with international standards, and some of these units are part of the EU's Eco-Management and Audit Scheme (EMAS).

The fast pace at which **new technologies** are emerging is quite a challenge for the company, but also an opportunity. It is for this reason that FCC makes a firm commitment to development and innovation. This requires a significant investment in R&D&I projects, which aim to ensure that a suitable response is provided to each activity and to find innovative solutions to improve economic, social and environmental performance and minimise impacts.

With regard to the increase in **cyber threats**, the FCC Group has an operational unit that is responsible for the prevention, detection, analysis and mitigation of factors related to data security events. In addition, there is an Information Security Management System which is responsible for sharing the information about the teams with access to the technology and an internal policy for complying with the requirements of data protection regulations, and people in charge in the business units and at corporate level.

Moreover, all **purchasing and contract management processes** with clients and suppliers include activities that aim to mitigate risks, such as the increase in prices, in particular in energy and raw materials, inefficiencies in the supply chain, stockouts and cases of non-compliance by suppliers.

The business areas have teams of experts who analyse the different factors to be considered in **tenders**, with the support of the Compliance and Sustainability Department and Purchasing Department, incorporating the necessary risk mitigation and monitoring mechanisms to identify legal risks.

The FCC Group has processes in place **to attract the right talent**, promote their professional development in the company, optimise their performance, and manage objective compensation for the results obtained.

Finally, regarding **financial risks**, these are controlled by specialist departments at the business units, together with the General Administration and Finance Division, whose tasks include reaching decisions on risk transfer mechanisms (insurance), covering interest rate variations, and managing asset risks.



6.2. Business conduct

The new regulatory changes are focusing on Compliance, which has resulted in a greater complexity to meet the requirements required to ensure a top quality Integrity and Ethics framework. The FCC Group is aware of the need to strengthen and guarantee **exemplary behaviour** and of guaranteeing that all people linked to its activities ensure compliance with the regulations and of achieving a business conduct based on **Ethics and Integrity**.

FCC sees regulatory compliance as a key element of its firm commitment to due diligence. The company uses its Compliance Model to detect and **prevent risks derived from non-compliance and illegal forms of behaviour**. Likewise, it has the mechanisms required to face possible cases of corruption, money laundering or unfair competition, among others.

Compliance Model

The Compliance Model is structured around the **Code of Ethics and Conduct**, which is based on the principles of ethics, integrity and compliance. The Code of Ethics and Conduct was approved in 2012 and reformulated in 2018. It was reviewed for the last time in 2023, becoming FCC's key pillar for responsible management and applicable to all countries in which the Group operates, with the direct participation of employees, executives, suppliers and contractors.

FCC's Compliance Model promotes transparency, respect for legality and due diligence through an effective governance model and accountability. The **Compliance Committee** acts as the Group's Criminal Prevention management committee, which has been assigned the main duties and competences of supervising and monitoring the regulatory compliance programmes and driving the culture of ethics and preventing criminal misconduct, among others.

During 2023, the Compliance Committee met twelve times, holding eleven ordinary meetings and one extraordinary meeting.

The Compliance Committee is chaired by the Corporate Compliance Officer and is made up of the General Manager of the Legal Advice Department (voting member) and the Manager of the Human Resources Department (voting member). The General Manager of the Internal Audit Department participates as a voting member in cases where his/her participation is required and the Compliance Officers of the businesses as guests.

Likewise, the Business Compliance Committees have been set up with identical composition and duties as those of the Corporate Committee, to provide support to the decision-making bodies and to the Corporate Compliance Committee.

FCC's Compliance Model is structured in elements at two levels, with the aim of **mitigating the risks associated with non-compliance within the company**. A top level, with the principles and expected behaviour of employees and executives, as established in the Code of Ethics and Conduct and its associated policies, and a second level of processes and controls, as included in the matrix of offences, risks and controls, to be implemented by employees and executives in the exercise of their duties.

At the end of December 2023, the regulatory block of the Compliance Model is made of the following documents:

Regulatory block of the Compliance Model

- Code of Ethics and Conduct
- Crime Prevention Manual
- Anti-corruption Policy
- Gift Policy
- Agent Policy
- Policy on relationships with partners in relation to compliance
- FCC Group participation policy in bidding processes for goods or services
- Competition Policy
- Tax Compliance Policy
- Human Rights Policy
- Equal Opportunities, Diversity and Inclusion Policy
- Internal Reporting System Policy
- Compliance Committee Regulations
- Whistleblowing Channel Procedure
- Investigation and Response Procedure
- Protocol for the Prevention and Eradication of Harassment

The **Compliance Model is assessed and supervised** in accordance with previously established rules and procedures, promoting a common culture of due diligence, in which all of the company's members share the responsibility of understanding, observing and ensuring compliance with the Model.

The Model's effectiveness will be assessed on a regular basis through six-monthly self-assessments, which will be conducted by the owners of the processes and controls, as well as with the annual audits of the annual Internal Audit Plan approved by the Audit and Control Committee.

The FCC Group has developed Campus FCC for its staff, which includes mandatory **training** on the Code of Ethics and Conduct and on its associated policies, promoting proper knowledge and understanding of the Compliance Model, as the base to drive a corporate culture that focuses on ethics and integrity. In particular, in 2023, 16 training actions were rolled out on the corporate platform in seven different languages with regard to Compliance-related matters.

In addition, the FCC Group has a **Whistleblowing Channel**, which is one of the key measures adopted to prevent regulatory non-compliance. This tool is accessible to anyone on the intranet, corporate website and via e-mail. The Whistleblowing Channel provides an anonymous and confidential channel that allows employees to report potential breaches or infractions of the Code of Ethics and Conduct and cases of illegal behaviour without any form of retaliation. All incidents reported will be resolved by the Compliance Committee, in compliance with the procedure of the Whistleblowing Channel and the Investigation and Response Procedure.

During 2023, 214 communications have been received through the Group's Whistleblowing Channel, of which 137 have been considered as worth investigating. With regard to risk classification 37 of them have been classified as high or medium risk and one is pending to be classified. As for topics, 77% of the relevant notifications received have been employment-related, with notifications also received on other topics such as conflict of interest or improper use of assets.

At the close of this report, 86% of the files with high and medium risk notifications were reported and the corresponding measures defined.

Actions during 2023

- Adaptation of the Group's Compliance model to meet the requirements of the new Law 2/2023 of 20 February, regulating the protection of whistleblowers and the fight against corruption.
- Approval by the Board of Directors of the FCC Group's Internal Information System Policy, and approval of the updates to the regulatory block of the Compliance Model, with the punctual modification of the following: Code of Ethics and Conduct, Crime Prevention Model, Procedures of the Whistleblowing Channel, Investigation and Response Procedure and Regulation of the Compliance Committee.
- Review of the Compliance Model by an external prestigious firm, to have an independent assessment of the Model's maturity five years after its implementation.
- Increasing the number of companies and Temporary Joint Ventures that adhere to the FCC Group's Compliance Model or definition of their own model.
- Annual supervision of the FCC Group's Compliance Model by the FCC Group's Internal Audit Department.
- Review of the assessment of criminal risks and update of the offence, risk and control matrices of the Group's Compliance Model.
- Conducting two six-monthly self-assessments and certification in the Compliance Tool of the controls and processes designed, within the Group's Compliance Model, to minimise the most significant criminal risks.
- Execution of the Annual Training Plan on matters related to Compliance during 2023, as agreed by the Compliance Committee and approval of the three-yearly training plan 2024-2026.
- Launch of training programmes on Conflict of Interests with a global reach, in twelve countries and in eight languages.
- Assessment of the supplier risk in relation to Compliance with 771 new suppliers assessed under the criteria defined, 20 of which required a specific assessment from the Compliance area, for a total of 2,002 suppliers assessed according to Compliance criteria.
- Conducting 220 due diligence assessments to third parties (potential partners, agents and suppliers) from the different businesses of the Group.

Prevention and detection of corruption and bribery

The FCC Group has a firm commitment to prevention and detection of corruption and bribery under the premise of **zero tolerance to corruption, bribery and any form of extortion**. Its regulatory framework is in line with the Code of Ethics and Conduct, which is based on transparency, integrity and the eradication of corruption across its operations.

As proof of its commitment to the fight against corruption, the Group has an **Anti-corruption Policy**, which applies to all Group employees and companies, in which direct or indirect management control is exercised. The policy seeks to strengthen and consolidate the company's ethical behaviour across all of the Group's activities and ensures compliance with the current regulations.

The Anti-corruption Policy establishes the following principles, based on the Code of Ethics and Conduct:

To ensure the implementation and compliance with the Anti-corruption Policy, the FCC Group assigns the **Compliance Committee** the role of supervising the **Criminal Prevention Model**, assessing the risks, and efficiency of controls, and fostering a corporate culture of compliance.

The FCC Group established the need to expressly accept the Code of Ethics and Conduct of all new hires in 2018 and regularly required the renewal of adhesion to the Code by the Directors and Administrators due to their higher involvement in the matters described in the Code of Ethics and Conduct. Section 2 of the document describes how the company expressly rejects corruption, bribery and all forms of extortion.



Anti-corruption Policy principles

- Compliance with legality and ethical values.
- Zero tolerance against bribery and corruption practices.
- Extension of commitment to partners in the business.
- Prevention of money laundering.
- Transparent relationship with the community.
- Surveillance of data property and confidentiality.
- Rigour in control, reliability and transparency.
- Management of conflicts of interest.
- Promotion of continuous training on ethics and compliance.

The FCC Group establishes **mandatory training** every three years **on Criminal Prevention and Anti-corruption matters** for all affected groups.

During the year 2023, in addition to the training provided on the Code of Ethics and Conduct, which includes clear messages regarding "zero tolerance" to corruption, additional specific training has been provided on matters related to the prevention of corruption to all affected groups, with the following cumulative data since its launch in 2020:

In addition, when developing the principles of the Code of Ethics and Conduct, the FCC Group has other **policies and procedures that foster transparency, ethics and the fight against corruption**.

- **Agent policy:** it sets out the principles on which the relationship between FCC and any commercial agent or business partner is based. In addition, it establishes the procedures for the selection, negotiation and control of the activity of these agents.
- **Gift policy:** it includes the basic principles associated with giving and accepting gifts, fostering a culture of ethical behaviour across the Group.
- **Bid Policy:** its main aim is to establish the basic elements associated with the process of participating in the tender processes of public and private entities and submitting bids.
- **Competition policy:** this policy aims to ensure compliance with the regulations on the protection of competition and it establishes the actions required to prevent any breach of competition, and the potential consequences that may arise in the event of non-compliance.

Every year, the FCC Group works to reinforce its commitment to transparency, ethics and the fight against corruption, as well as to guarantee strict compliance with the applicable laws. Therefore, in 2023 it approved the **Group's Internal Reporting System Policy**, in compliance with Law 2/2023 of 20 February, regulating the protection of whistleblowers and the fight against corruption.

With this Policy, which is part of the Compliance Model, the FCC Group establishes the general principles regarding reports received through the Whistleblowing Channel about the Group's internal information system and on the protection of whistleblowers. The Policy is governed by the by-laws of the Code of Ethics and Conduct, the Crime Prevention Model and the corresponding procedures of the Whistleblowing Channel and Investigation and Response Procedure of the FCC Group.

Training on anti-corruption, by professional category

Professional category	Participating group (enrolled)	Participants (completed)	Attendance ratio
Governance and Management	1,579	1,479	93.7%
Supervisors	678	559	82.4%
Technicians	1,816	1,658	91.3%
Administrative staff	1,103	1,011	91.7%
Other trades	409	207	50.6%
Not classified	172	121	70.3%
Total	**5,757**	**5,035**	**87.5%**

Training on anti-corruption, by region

Region	Participating group (enrolled)	Participants (completed)	Attendance ratio
Spain	4,545	4,125	90.8%
Rest of Europe	865	644	74.5%
America	239	187	78.2%
Asia	57	31	54.4%
Australia	51	48	94.1%
Total	**5,757**	**5,035**	**87.5%**

The regulatory block of the Group's Compliance Model can be accessed by all of FCC's staff through the corporate intranet. Specific dissemination and training actions are rolled out for the Group's employees affected by these cases with the aim of **improving the knowledge and understanding** of the policies and other regulations associated with Compliance.

Likewise, the policies and framework regulations of the Model are available to all stakeholders on the Group's corporate website. In the specific case of suppliers, the focus is put on the Anti-corruption Policy during their approval process.

The FCC Group **assesses the risk of exposure to corruption and bribery-related offences** by conducting regular global assessments, which cover 100% of its operations and jurisdictions, while conducting annual reviews of such assessments.

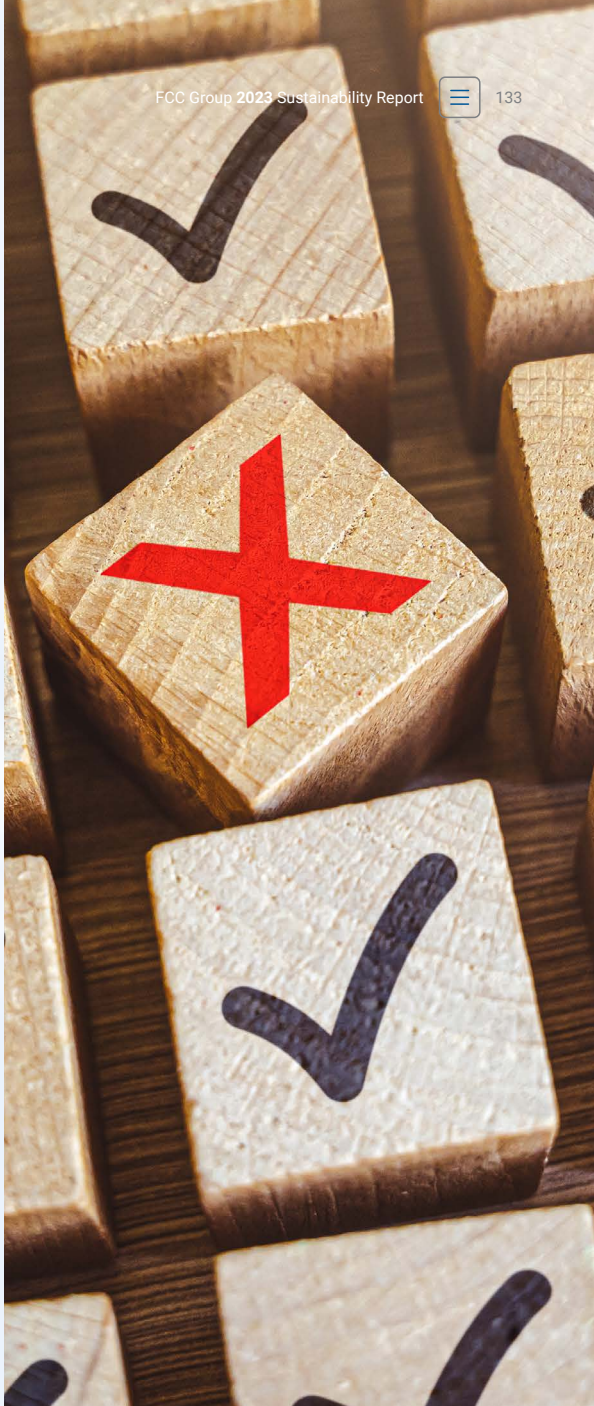
The assessment results are included in an offence and risk matrix, which is then used to define the controls aimed at preventing the perpetration of potential criminal offences and, if necessary, to exonerate the company from any liability.

The following corruption and bribery-related risks were identified during the assessment, highlighting the ones below as the most important risks:

- Making gifts/inviting to lunch or dinner/ making other types of invitations/inviting to trips or other events/sponsorships/donations not contemplated in the Code of Ethics and Conduct.
- Making promises to hire people who are closely related to a civil servant or arranging services.
- Money transfers, masked as errors in accounts and unsettled or unrecorded transactions.
- Money transferred to public servants through partners/suppliers.
- Payment of salaries to fictitious employees created for such purposes.
- Hiring and/or paying for training, master's degrees, courses, etc. for third parties, associated with civil servants, who do not work for the Group.
- Undue payments made for services not provided, benefitting a third party.
- Arranging third-party services with the risk of illegal transfer of workers or self-employed workers working as hired staff to benefit private interests.
- Using own workers in benefit of a third party to deliver a service or perform external work not related to the Group's activities.
- Hiring former employees of the Public Administration who could influence current civil servants or authorities to benefit the company.
- Providing false information to obtain and secure R&D&I or other grants.

Below are some of the most important national and international control procedures available to prevent the risks described above:

- Annual training plan on Crime Prevention and Anti-corruption.
- Due Diligence processes prior to hiring certain partners, agents and suppliers.
- Procedure for communication and approval of purchasing needs, and the Purchasing Manual.
- The Group's selection procedure, which uses a competency-based system to ensure transparency and equal opportunities in all selection processes.
- Declaration regarding conflict of interest in recruitment processes.
- Approval of travel and representation expenses.
- Bank statement reconciliation to detect outstanding or unreasonable activity.
- Power of attorney management for each company.
- Approval by the Communications Division of sponsorships, donations and collaborations.



Money laundering

The FCC Group implements specific measures to guarantee integrity and transparency across all of its financial transactions. Moreover, the FCC Group is committed to strict compliance with the **regulations to fight against money laundering and the financing of terrorism**. For this reason, it is committed to comply with local regulations in all of the geographies in which it operates and to adapt to the highest standards in the fight against money laundering and the financing of terrorism.

In 2023, the following risks were detected after assessing its risks as part of FCC's commitment to prevent money laundering and the financing of terrorist activities:

- Absence of inspections of the client control and identification procedures established in the Anti-Money Laundering Act (Royal Decree-Law 11/2018 of 31 August).
- Failing to observe the obligation to inform in the current regulations.
- Failure to implement the internal control measures established in the Law on the Prevention of Money Laundering.

The FCC Group has implemented **several controls** to prevent the materialisation of the risks associated with money laundering and the financing of terrorist activities, which include the following:

- Establishment of a body responsible for supervising and monitoring the preventive measures.
- Maintenance and updating of the Money Laundering Prevention Manual.
- Providing training to employees on Money Laundering.
- Identification of the parties concerned in real estate assets to assess the operation's risks.
- Review of purchase agreements.
- Incorporation of sustainability into the duties of the Board of Directors.
- Assessment and review of legal representatives for the revocation of powers for those who have left the company.
- Including Money Laundering Prevention clauses in real estate promotion marketing contracts.
- Establishment of an internal advisory and whistleblowing line.



In particular, each Real Estate area of the FCC Group, as subjects with specific obligations on these matters, has implemented a system for the prevention of money laundering and the financing of terrorism, which includes (i) an Internal Manual that applies to the entire organisation with regard to real estate promotion activity, and which includes the internal regulations on these matters; (ii) an Internal Control Management Committee (OCIC), which supervises and ensures compliance with the internal regulations and liaises with the company's employees and with external Prevention Services; (iii) a Technical Unit, which is responsible for processing and analysing the information, analysing and channelling all communications about potentially questionable transactions; and (iv) an automated system for the detection of transactions with risks.

In addition, **training** is provided for all employees once a year, to help them on their day-to-day activities when these are closely linked to the above cases, with the aim of ensuring that they are ready to detect transactions with associated risks.

Likewise, in relation to **external retailers** collaborating with the Group to attract potential clients, not only are they monitored to ensure that their salesmen provide the information required in the corresponding regulations, but they are also analysed to check that their activities and methods meet the general principles of the FCC Group.

Finally, an internal **audit** is conducted once a year, followed by an audit by an external expert, to ensure that the system implemented is effective and sufficient.

As a result of commitment and efforts in relation to the prevention of money laundering, the FCC Group has not received any related complaints during the year 2023.

6.3. Human Rights

It is essential to ensure that Human Rights are respected and protected to build societies that prioritise fairness, equality, and justice for all individuals. In a global context, the scope of Human Rights includes universal principles, such as dignity, equality and freedom, the preservation of which is essential to the well-being and harmony of citizens. The promotion of these rights is an essential commitment to ensure we build societies based on the respect for the dignity of people and their core rights.

In this regard, the FCC Group's **Human Rights Policy** reflects the Group's commitment to the promotion and fulfilment of the rights contained in the United Nations Universal Declaration of Human Rights (UDHR) and in the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, as well as in the ILO's eight core conventions.

The FCC Group's Human Rights Policy was approved by the Board of Directors in 2019, declaring the protection and respect for Human Rights as a key element of corporate culture and of the Group's values. The Group's **Sustainability Committee** and the corresponding business committees will be responsible for developing and monitoring commitments, under the coordination of the Corporate Human Resources and Purchasing departments.

The Human Rights Policy is part of the Group's **Compliance Model** and is available on the corporate website in 14 different languages. It covers all of the company's activities and requires the protection of all partners, collaborators and suppliers, in compliance with the **Code of Ethics and Conduct** and the commitment to Human Rights included in FCC's **Sustainability Policy**.



The Group's statement focuses on **seven areas of Human Rights:**

- **Freedom of association and collective bargaining**

  Recognize the right of workers to freedom of association.

- **Decent and remunerated employment**

  Ensure fair and favourable working conditions together with equitable and satisfactory remuneration.

- **Forced labour and child labour**

  Rejection of forced and involuntary labour, as well as respect for the rights of children.

- **Diversity and inclusion**

  Do not allow cases of discrimination based on racial and ethnic origin, colour, gender, sexual orientation, gender identity, disability, age, religion, political opinion, national ancestry or social origin.

- **Health and Safety**

  Guarantee the safety of workers and operations

- **Data privacy**

  Carry out and guarantee responsible use of personal data.

- **Respect for communities**

  Establish relationships of respect and credibility with local communities.

The Group implements the necessary **due diligence** mechanisms to identify, prevent, mitigate and provide a response in compliance with the "Governing principles for companies and Human Rights" of the United Nations. Therefore, the FCC Group's Compliance Model gathers the commitments, principles and standards of conduct that apply to all of the company's staff, its orations and its value chain at the global level. It creates a coherent model that guarantees that all measures rolled out are in line with the requirements and methodologies of the benchmark international framework and with the applicable regulations in the countries in which the company operates.

The FCC Group has adopted different consolidated mechanisms and policies, rules, procedures and control mechanisms to help prevent and mitigate the risks and negative impacts on Human Rights.

- Regulatory body, consisting of corporate governance policies and procedures.
- Protocol for the prevention and eradication of bullying.
- ESG strategies (environmental, social and governance).
- Training and qualification programmes.
- Mechanisms for dialogue and joint work with NGOs and social organisations.
- Awareness-raising actions and campaigns.

In addition, the FCC Group has a **Whistleblowing Channel**, through which any stakeholder can submit their doubts or report any irregularity or infringement of FCC's policies regarding Human Rights. All reports received through this channel will follow the regulations for all procedures established by the Group regarding the Whistleblowing Channel Procedure and with regard to investigation and response.

It is also worth highlighting the FCC Group's adherence, since 2006, to the **United Nations Global Compact**, whose 10 principles include the duty of companies to support and respect the protection of core Human Rights, including its value chain. In particular, FCC participated in the first *Business & Human Rights Accelerator* in 2023, a pioneering global programme rolled out by the UN Global Compact and aimed at the global entrepreneur community with a view to respecting and supporting Human Rights.

Likewise, on International Human Rights day of the year 2023, FCC boosted the dissemination of its Policy and the commitment to the Universal Declaration of Human Rights, as well as the commemoration of the 75th anniversary of the UDHR.

During 2023, FCC has received no complaints that have resulted in a violation of these core rights and freedoms by the Group.



6.4. Tax transparency

Managing **tax compliance** is essential to guarantee tax transparency in companies. Therefore, it is vital for companies to integrate tax compliance systems that guarantee observance of different tax regulations and responsibilities that prevent the materialisation of risks. In addition, companies must be capable of providing tax information to their stakeholders.

The FCC Group is committed to tax compliance and transparency. To this end, it has its own tax strategy, which is backed by an effective **tax risk identification and management system**. The aim of this system is to guarantee compliance with the applicable regulations and effectively coordinate the best tax practices across all of the Group's operations. Likewise, the Group follows a transparent approach on all tax-related matters to create value for its stakeholders. Proof of the above and, in particular, of the FCC Group's commitment to the Spanish tax system and regulations, is that the Group is a voluntarily signatory of the Spanish Tax Agency's Code of Best Tax Practices since 2010. In addition, it has submitted a Tax Transparency Report to the Spanish Tax Agency every year since 2017.

FCC Group's tax strategy

The FCC Group's tax strategy is defined in its Code of Tax Conduct and in its Tax Control Framework Standard, through which it strengthens and promotes the integrity and transparency of its activities.

The Group's **Code of Tax Conduct** establishes the policies, principles and values that should guide the company's behaviour on tax-related tax matters, including the people connected to the FCC Group in some way or another. The Code is mandatory and is available to everyone on the Group's website. In addition, this code establishes the necessary observance by the Group's employees of the **Tax Control Framework Standard** and the procedures relating to tax-related matters.

The Code of Tax Conduct is a key piece in the FCC Group's tax strategy and is in line with the mission, vision and values of the Code of Ethics and Conduct and with the Group's Corporate Social Responsibility policy.

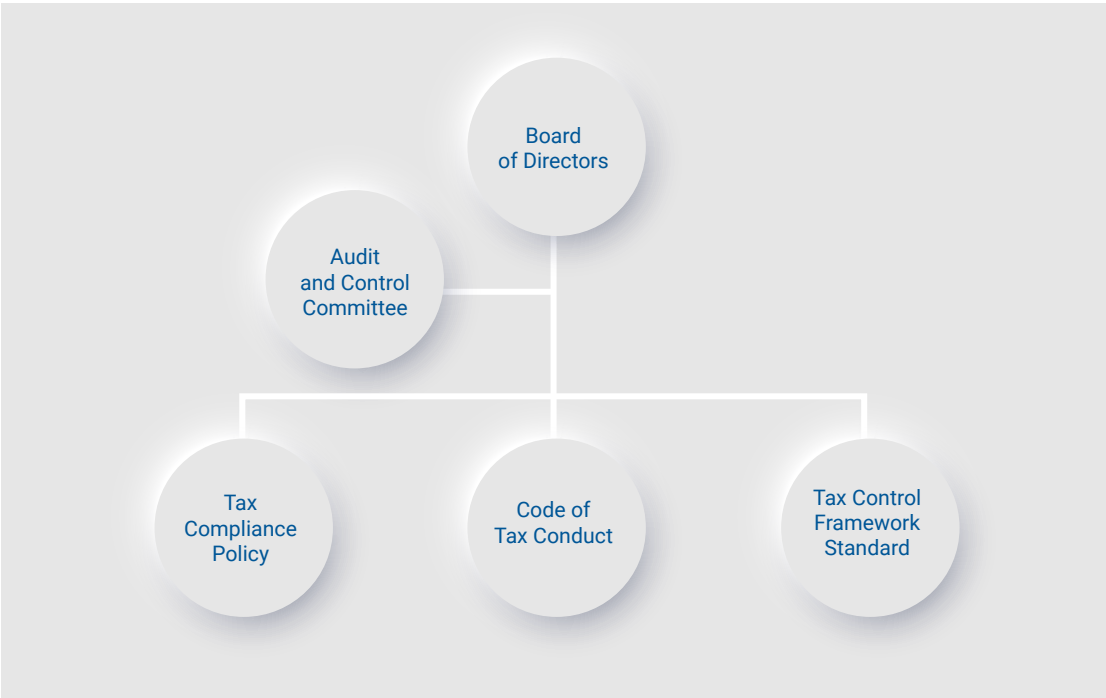
The **Board of Directors** is responsible for reviewing and approving the tax strategy and for approving and reviewing the Code of Tax Conduct and the Tax Control Framework Regulations. In addition, it will be responsible for taking specific decisions, according to the corresponding level of risk and according to the provisions of the Tax Control Framework Standard, which may require the prior approval of the Board of Directors. The Group's main tax policies will be reported once a year to the Audit and Control Committee, which will review and assess them as needed.

The FCC Group's tax strategy is endorsed by its own governance bodies, with the aim of guaranteeing compliance with the tax regulations and effective and ethical governance of all of the Group's operations.

There is no room in FCC Group's tax policy for tax options that could be classified as of the "aggressive tax planning" type, in accordance with the principles that govern our Code of Conduct and in relation to the possible reputational risks that these types of policies could have for the Group.

Therefore, the FCC Group ensures that there are no operations, events or acts that could lead to double deduction of expenses, using tax benefits twice, double allocation to losses, use of hybrid entities or instruments, or the absence of global taxation on income.

The FCC Group's Companies do not benefit from preferential tax schemes aimed at attracting offshore activities lacking economic substance in the corresponding country.



In addition, all of the FCC Group's employees must comply with the requirements of the tax management procedures established within the Tax Control Framework Regulations of the FCC Group, adapting them to their activity and duties within the Group.

In the specific case of workers with responsibilities associated with tax-related matters, their obligations include the following:

Tax Compliance Policy of the FCC Group

The set of activities and wide geographical presence of the Group require a solid compliance management system, which guarantees internal control and prevents the materialisation of tax-related risks.

As a consequence, on 22 March 2023, the Board of Directors of FCC approved the **Tax Compliance Policy** of the FCC Group, which aims to identify, prevent, manage and mitigate the tax risks defined in the FCC Group's Tax Control Framework Standard, and to guarantee that effective internal tax control systems are in place to prevent risks from materialising.

The FCC Group's **Tax Compliance Management System** was certified by AENOR in compliance with UNE 19602:2019 on 13 November 2023 and represents a comprehensive structure designed to achieve the Tax Compliance objectives. It uses a set of processes and procedures, which are implemented across the organisation, and which take into account the different types of activities carried out in different companies and sectors.

The scope of this system covers the different types of taxes in Spain and in the jurisdictions in which the Group operates. Likewise, the system is made up of the following codes, policies and procedures:

Obligations of employees with responsibilities associated with tax-related matters

- Observing the tax regulations applicable in each jurisdiction, on the basis of sufficiently reasoned and reasonable interpretations and sufficiently verified facts.
- Compliance with the requirements of the Tax Control Framework Standard and the specific procedures for communication, action and review relating to the tax area.
- Ensuring that important tax decisions are overseen by the Group's senior management, and endorsed by management for all business variables, as well as the potential risks involved.
- Developing a relationship of transparency and mutual trust with the tax authorities in each country.
- Actively engaging in the tax forums of those business associations and international organisations in which the FCC Group participates, with a view to proposing specific tax measures aimed at achieving a fairer and more harmonised tax system, in benefit to the Group and society as a whole.



The Tax Compliance Management System ensures that all tax practices are ethical, effective and in line with the business objectives of the FCC Group. Its implementation is proof of the company's active commitment to tax transparency and sustainable development.

The FCC Group's **Tax Compliance body** is responsible for managing and supervising the Tax Compliance Management System, which is made up of members of the Group's Corporate Tax Department. This body is coordinated by the FCC Group's Corporate Tax Manager, who is responsible for managing and supervising the implementation and supervision of the Tax Compliance Management System across different areas of the company. Likewise, this body is responsible for submitting regular information about the Tax Compliance Management System to the Chief Executive Officer, to the **Audit and Control Committee** and to the **Compliance Committee** of the FCC Group.

Every year, the Tax Compliance body reports the objectives of the Compliance management system that have been previously established, as well as their monitoring procedures and results, to the Audit and Control Committee and to the Board of Directors of the FCC Group.

In addition, in line with the search for continuous improvement which characterises the development of the FCC Group's activities, the Tax Compliance body reviews the efficacy of the management system once a year. The review is materialised with the Tax Compliance report, which is reported every year to the Chief Executive Officer, Compliance Committee and Audit and Control Committee of the FCC Group.

It is also worth noting that the **Tax Compliance Management System** has passed an external audit process, which has audited the design of its procedures and all matters related to its controls. FCC was certified by AENOR after this process, incompliance with the requirements established in UNE 19602, with regard to adapting its tax procedures to the international standards, while also integrating the guidelines of the OECD (Organisation for Economic Co-operation and Development) in its management system.

Identification and management of tax risks

The FCC Group's **Tax Compliance body** is responsible for identifying the Group's tax risks, classifying and establishing their priority according to their potential impact in qualitative and quantitative terms, as established in the Group's Tax Control Framework Standard. According to this standard, these risks may be of the reputational, implementation, compliance and external type. The process will be carried out according to the principles of reasonability, efficiency and proportionality.

Likewise, the Tax Compliance body will analyse the underlying causes of the tax risks identified and will propose the measures aimed at preventing or mitigating such risks as much as possible.

Management and decision-making procedures depend on the level of risk assumed and these will be taken by the corresponding Tax Department of the business area involved or, where appropriate, by the head of the Corporate Tax Department. However, the decisions associated with some risks require approval from the Board of Directors, according to their nature. Under no circumstances shall the FCC Group assume tax rulings classified as *"major risk"* when these comply with the law, according to the criteria of the Tax Control Framework Regulation.

Risk identification and management includes the risks detected in specific transactions or projects, relationships with commercial or business partners, or with insufficient training on tax-related matters.

Moreover, the FCC Group's **Audit and Control Committee** is the body responsible for reviewing important tax-related litigation and risks every six months.

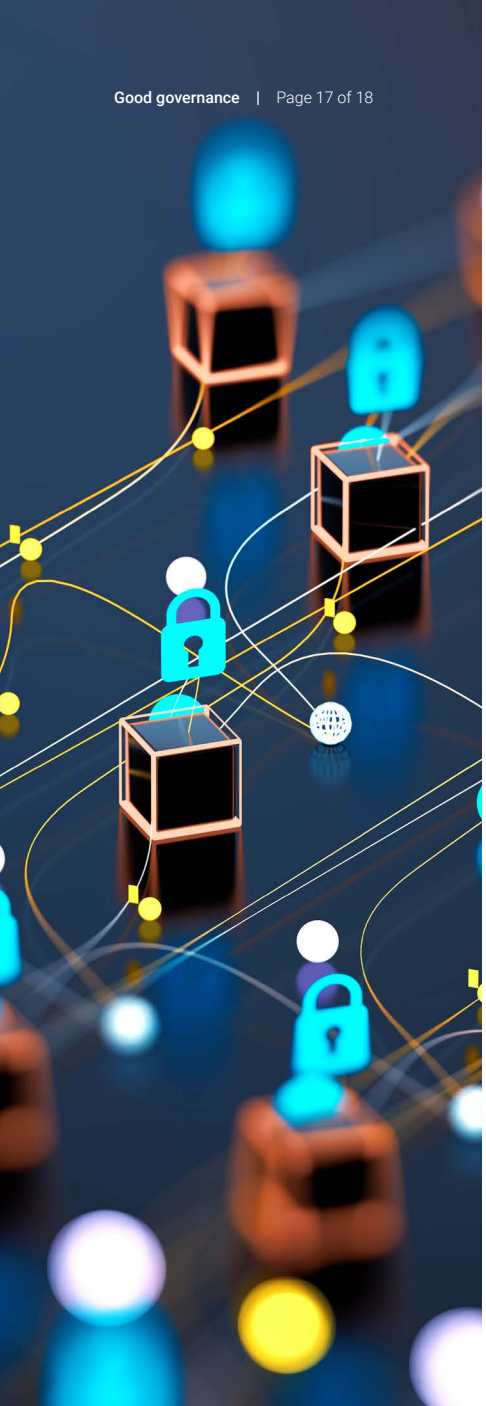
Stakeholder engagement

The FCC Group reports its Tax Transparency Report to the State Tax Administration Agency once a year, making the tax information related to its global tax contribution available, which is classified by country of its stakeholders, guaranteeing the transparency and compliance with the standards of the best practices in the field of taxes. Moreover, the FCC Group considers that the following are stakeholders that are particularly interested in ensuring that an effective Compliance management system is in place to handle tax-related matters and ensure the Group's exemplary performance in this area:

- Tax administrations in the jurisdictions in which the Group operates.
- Public and private clients.
- Partners, collaborators and suppliers.
- Employees, in particular, executives, and investors.
- Financial institutions.

It is also worth mentioning that the professionals of the FCC Group and any other counterparty that is legally bound by the Group may report its concerns related to possible unethical or illegal conduct, irregularities, illicit acts or breach of the tax regulations or the Group's policies through the Group's Whistleblowing Channel.

The Corporate Compliance Officer of the FCC Group is the person responsible for receiving the notifications/allegations and assessing their admissibility, after receiving the advice from the Chairman of the Tax Compliance Committee.



6.5. Cybersecurity and data protection

Currently, technological advances and digital innovation increase the complexity and risk of exposure to cyber threats, which may result in economic losses, reputational damage and, in some cases, the loss of data and information due to weaknesses in the Group's IT systems. It is crucial to keep these challenges in mind and work in the area of cybersecurity with a focus on continuous improvement, so as to **protect the organisation's information assets**.

Cybersecurity model

In this context, the FCC Group implements the necessary preventive measures, while considering **data protection and the cybersecurity management strategy** as key elements of its business model, while designing a transversal regulatory framework for all business areas. The Group's Cybersecurity model includes all of the principles and minimum requirements to upgrade the current information systems and **ensure the confidentiality, integrity and availability** and auditability **of FCC's information**.

In turn, the FCC Group reaffirms its commitment to continuous learning for its employees, rolling out annual training sessions about the policy on the use of technological resources. In particular, during the year 2023, 10,000 training sessions have been rolled out on cybersecurity, data protection and use of technological resources.

Certifications

It is essential for FCC to obtain information security certifications for several reasons. First, they certify its capacity to effectively manage data protection and security, mitigating the associated risks, which results in the strengthening of client and stakeholder trust with regard to the protection of their data. In addition, these certifications show the Group's **commitment to compliance with international standards**, ensuring that its security management systems are in line with the best practices. This not only reduces the exposure to possible threats and risks, but also positions the Group as a reliable, **trustworthy and responsible entity in the digital realm**, which needs to face increasingly complex challenges.

ISO 27001

The FCC Group's commitment to data protection and safety is materialised by the fact that several of its business areas, in particular the Environmental Services, Water and Infrastructures areas, are ISO 27001 certified, which certifies **compliance with the requirements of the international quality standard of the company's information security management systems**.

It is worth highlighting the following management systems, which are implemented in different areas of these certifications:

10,000
training sessions
on cybersecurity, data protection and use of technological resources

Environmental Services

- VISIÓN, a vertical application (included in the National Security Scheme in 2022).

Water

- Customer service centre.

Infrastructures

- Project and works document management system.
- Development environment (included in the National Security Scheme in 2022).

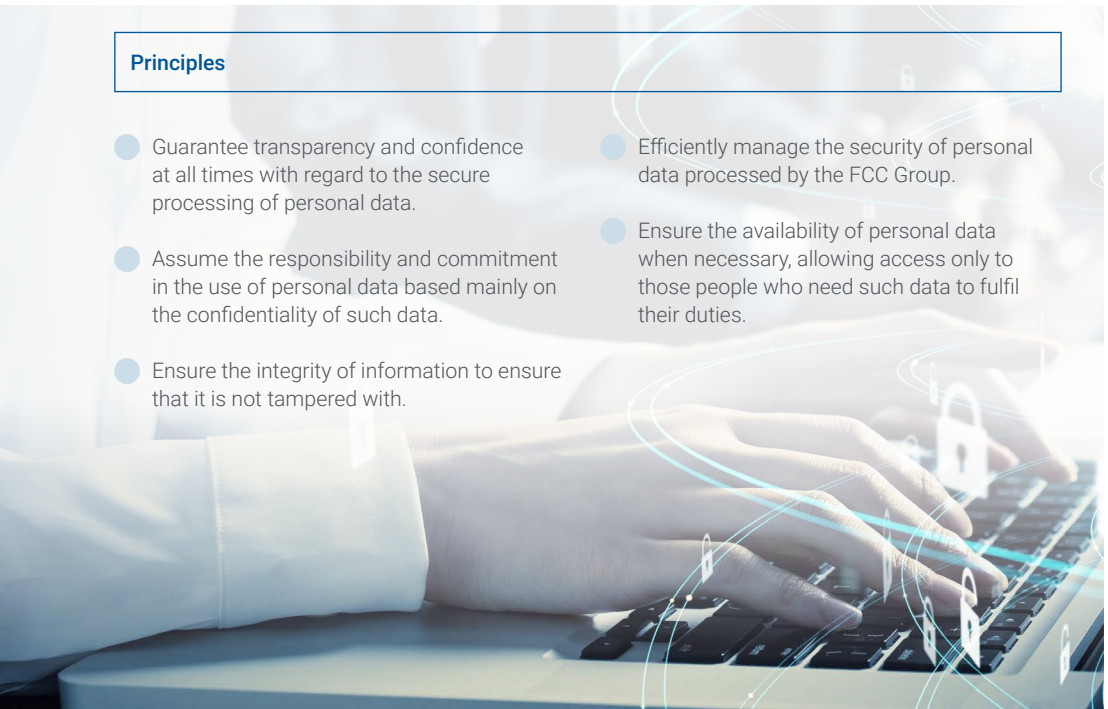
Data protection

Currently, data is protection is essential, due to the constant threats, exposure and vulnerability of personal and corporate information. Therefore, **guaranteeing data privacy, integrity and availability** is crucial to comply with the current regulations and prevent risks in different areas.

The FCC Group sees information as a strategic resource and its protection is a priority. In this line, the Group's activities are carried out with the commitment to guarantee the security and protection of information and of the data managed, according to the following principles:

Principles

- Guarantee transparency and confidence at all times with regard to the secure processing of personal data.
- Assume the responsibility and commitment in the use of personal data based mainly on the confidentiality of such data.
- Ensure the integrity of information to ensure that it is not tampered with.
- Efficiently manage the security of personal data processed by the FCC Group.
- Ensure the availability of personal data when necessary, allowing access only to those people who need such data to fulfil their duties.



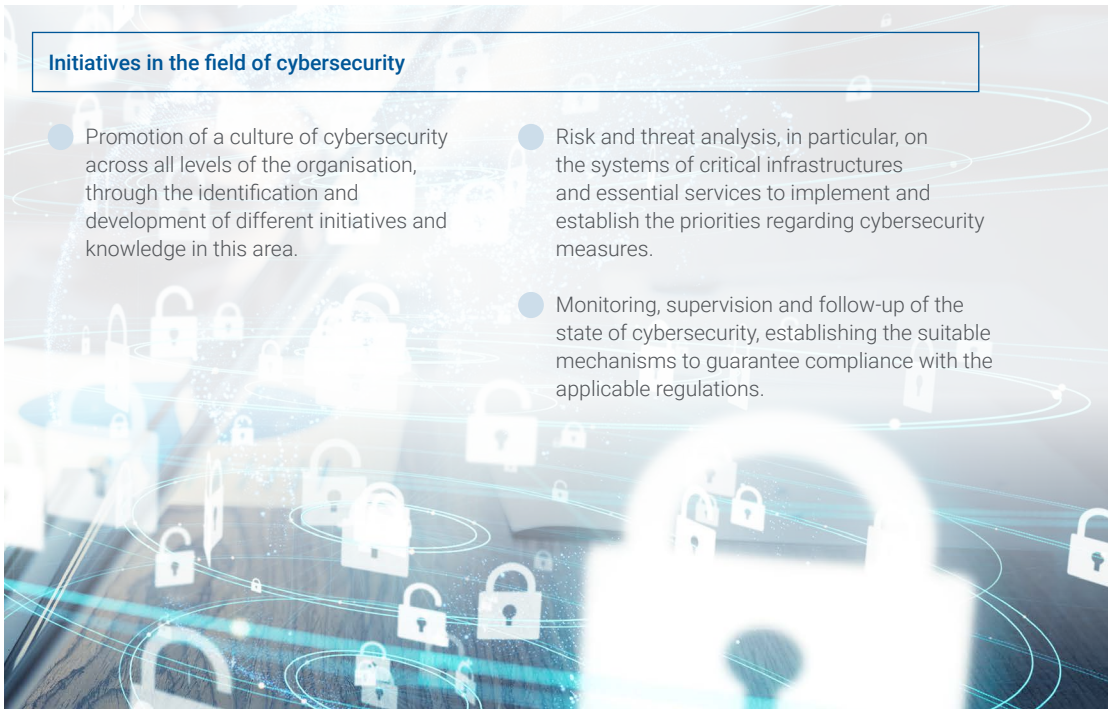
Action guidelines

The FCC Group makes an annual commitment to strengthen the security of information and data with initiatives aimed at continuous improvement. These efforts translate into significant milestones and transparent lines of action to guarantee the protection and safeguarding of digital assets. Along this road, the FCC Group has demonstrated its **unwavering commitment to cybersecurity and data protection** with continuous improvement actions. Specifically, during the year 2023, the FCC Group has implemented several developments in the **cybersecurity governance model** and has strengthened its **security monitoring systems**, according to the constant technology changes in these environments. It is for these reasons that the Group ensures constant and on-going upgrades of its management systems to face emerging threats.

The FCC Group's focus on the continuous improvement of its security systems is evidenced by the implementation of three transversal initiatives in the field of cybersecurity:

Initiatives in the field of cybersecurity

- Promotion of a culture of cybersecurity across all levels of the organisation, through the identification and development of different initiatives and knowledge in this area.
- Risk and threat analysis, in particular, on the systems of critical infrastructures and essential services to implement and establish the priorities regarding cybersecurity measures.
- Monitoring, supervision and follow-up of the state of cybersecurity, establishing the suitable mechanisms to guarantee compliance with the applicable regulations.



7. Annexes

7.1. About this report and its scope

Regulatory context

The FCC Group's Sustainability Report covering the **period from 1 January to 31 December 2023**, which is presented once a year, aims to disclose information on its most significant impacts on **economic, environmental and social issues**, including those related to **Human Rights**.

Non-financial reporting continues to be a key pillar to improve transparency and strengthen the corporate responsibility of the FCC Group in relation to its social, environmental and governance impacts. It contains information on environmental, social, human rights, anti-corruption and anti-bribery issues, which helps assess, supervise and manage the business performance and impact on society.

With this Report, the FCC Group reaffirms its commitment to accountability and transparency, highlight its on-going efforts to ensure responsible and sustainable management of its operations, while ensuring there is dialogue about the impact of its activities on society.

This Report was prepared in compliance with the **GRI Standards** (Global Reporting Initiative). Likewise, it presents the non-financial information in accordance with **Law 11/2018**, of 28 December, on non-financial information and diversity, and is incorporated into the management report of the FCC Group, corresponding to the period from 1 January 2023 to 31 December 2023.

Principles of reporting

This Sustainability Report was prepared on the basis of the principles of the Global Reporting Initiative (GRI), which guarantees the quality of the report, enabling stakeholders and users of the information to make assessments and informed decision-making on the impacts of the organisation.

Likewise, the FCC Group reaffirms its commitment to the principles of accuracy, balance, clarity, comparability, completeness, sustainability context, timeliness and verifiability in the preparation of this Report.

In accordance with the principle of verifiability, a year on, FCC has determined material issues for the year 2023. This process was carried out by updating its materiality analysis, approving the **double materiality** approach, which cover financial and impact materiality. This approach is proof of the Group's commitment to sustainability and is described in Section 2.4 of this report.

The Sustainability Report was **verified by an external body** to guarantee the truthfulness of the information. To this end, the verification report is attached to the Annex of this document, with the scope, objectives and review procedures used, as well as the conclusions.

Point of contact

Queries relating to the report or the information presented can be sent to the following e-mail address: sostenibilidadfcc@fcc.es.

7.2. Additional tables

Scope

The detailed information included in this Sustainability Report covers the scope of consolidation used for the financial consolidation of Fomento de Construcciones y Contratas S.A. and its subsidiaries. Therefore, the scope of this report extends to the investee companies over which the FCC Group has management control, regardless of its percentage of ownership interest in them.

The updated list of subsidiaries of the FCC Group as of 31 December 2023 is available in Annex I of the consolidated financial statements and the companies controlled jointly with third parties of the Group are included in Annex II. Both lists are available on the website of the National Securities Market Commission (CNMV) as of the date this document was prepared.

Point of reference in relation to the updated list of subsidiaries of the FCC Group: CNMV - Annual financial reports.

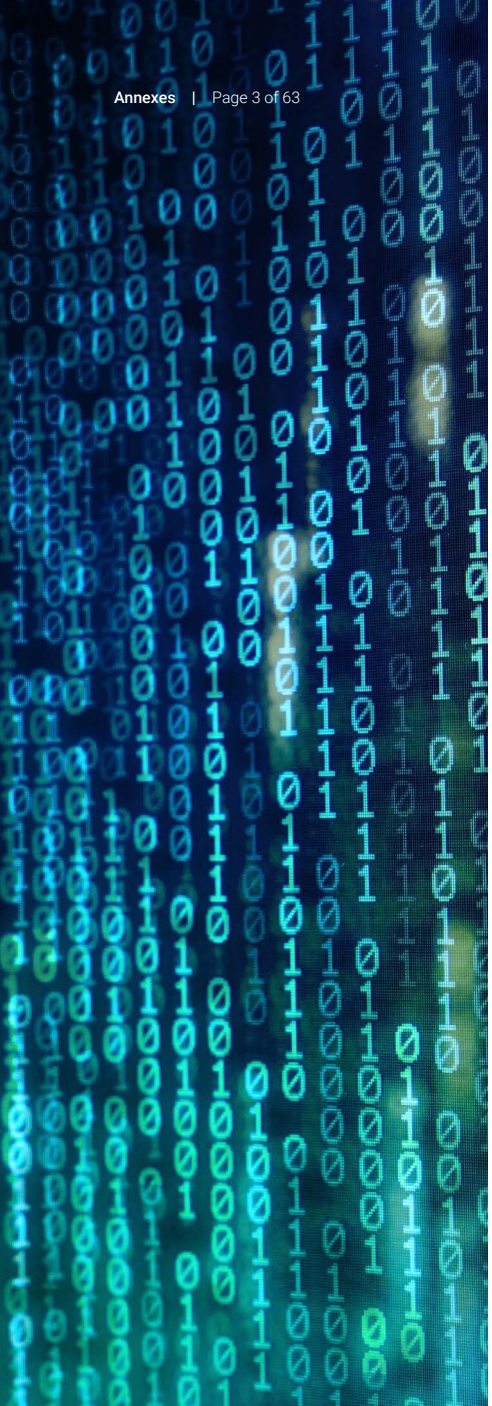
The FCC Group is present in numerous geographies and has a diverse range of activities, which is why it requires an additional effort to be able to extend the scope of the information included in its Sustainability Report to all the companies that make it up.



The scope of this report includes the companies in Annexes I and II, mentioned above, except for the environmental non-labour related social information of the companies listed in the table below.

Business	Scope Exclusions
Environmental Services	Agadax s.r.o., ASMJ s.r.o., Azincourt Investment, S.L., Corporación Inmobiliaria Ibérica, S.A., Ecogenesis Societe Anonime Rendering of Cleansing and Waste Management Services, Ecoparc del Bésos,S.A., Ecoserveis Urbans del Figueres, S.L., Electrorecycling, S.A., Empresa Mixta de Medio Ambiente de Rincón de la Victoria, S.A.,Egypt Environmental Services, S.A.E., Energyloop, S.A., FCC Abfall Service Betriebs GmbH, FCC Bratislava s.r.o., FCC Centrum Nonprofit Kft., FCC Dačice s.r.o., FCC Environment Services (UK) Limited, FCC Environnement France, FCC Equal CEE Baleares, S.L.U., FCC Equal CEE Canarias, S.L.U., FCC Equal CEE Murcia, S.L., FCC Freistadt Abfall Service GmbH, FCC Industrieviertel Abfall Service GmbH & Co. Nfg KG, FCC Inerta Engineering & Consulting GmbH, FCC Litovel s.r.o., FCC Lublienec sp. z.o.o., FCC Medio Ambiente Reino Unido, S.L.U., FCC Medioambiente Internacional, S.L.U., FCC Neratovice s.r.o., FCC Servicios Medio Ambiente Holding, S.A.U., FCC Textil2Use GmbH, FCC Únanov s.r.o., FCC Vrbak d.o.o., FCC Wiener Neustadt Abfall Service GmbH, FCC Žabčice s.r.o., FCC Zabovresky s.r.o. Fisersa Ecoserveis, S.A., Gestión and Valorización Integral del Centro, S.L. Golrib, Soluções de Valorização de Residuos Lda., Industria Reciclaje de RAEES, S.L., Ingeniería Urbana, S.A., International Services Inc., S.A.U. Jaime Franquesa, S.A., Mediaciones Comerciales Ambientales, S.L. Obsed a.s., Pilagest, S.L., Reciclado de Componentes Electrónicos, S.A., Recuperació de Pedreres, S.L., Serveis Municipals de Neteja de Girona, S.A., Servicios Urbanos de Málaga, S.A., Siewierskie Przedsiebiorstwo Gospodarki Komunalnej sp. z.o.o., Telford & Wrekin Services Limited, Tratamiento Industrial de Residuos Sólidos, S.A., Zabalgarbi, S.A.
Water	Aigües de Girona, Salt i Sarrià del Ter, S.A., Constructora de Infraestructura de Agua de Querétaro, S.A. de C.V, Girona, S.A., HA Proyectos Especiales Hidráulicos S. de R.L. de C.V., Orasqualia Construction, S.A.E., Orasqualia for the Development of the Waste Water Treatment Plant S.A.E.

Business	Scope Exclusions
Infrastructures	ACE Scutmadeira Sistemas de Gestao e Controlo de Tràfego, ACS FCC Canada Inc., Administración y Servicios Grupo Zapotillo, S.A. de C.V., Agregados y Materiales de Panamá, S.A., Concesiones Viales S. de R.L. de C.V., Altos del Javier, S.A., Concretos Estructurales, S.A., Consorcio Tramo Dos S.A. DE C.V., Constructora de Infraestructura de Agua de Querétaro, S.A. de C.V., Constructora Durango Mazatlán, S.A. de C.V., Construcciones Hospitalarias, S.A., Construcciones Olabarri, S.L., Constructora Meco-Caabsa, S.A. de C.V., Constructora Túnel de Coatzacoalcos, S.A. de C.V., Constructores del Zapotillo, S.A. de C.V., Corporación M&S de Nicaragua, S.A., Desarrollo y Construcción DEYCO CRCA, S.A., Ctra. Cabo San Lucas San José, S.A. de C.V., Edificadora MSG, S.A. (Panama), Edificadora MSG, S.A. de C.V. (El Salvador), Edificadora MSG, SA de C.V. (Nicaragua), Elaboración de Cajones Pretensados, S.L., FCC Américas Panamá, S.A., FCC Américas, S.A. de C.V., FCC Colombia, S.A.S., FCC Construçoes do Brasil Ltda., FCC Construction International B.V., FCC Construction Northern Ireland Limited, FCC Construction Regional Headquarter Llc, FCC Electromechanical Llc., FCC Elliott Construction Limited, FCC Industrial de Panamá, S.A., FCC Industrial Deutschland GmbH, 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., Impulsora de Proyectos Proserme, S.A. de C.V., Meco Santa Fe Limited, Megaplás Italia, S.p.A., OHL Co Canada & FCC Canada Ltd. Partnership, Onexpress Transportation Partners INC., Operaciones y Servicios para la Industria de la Construcción, S.A. de C.V., Servicios Dos Reis, S.A. de C.V., Servicios Empresariales Durango-Mazatlán, S.A. de C.V.
Cement	Áridos de Navarra, S.A., Canteras de Alaiz, S.A, Dragon Alfa Cement Limited, Dragon Portland Limited, Intermonte Investments, S.A., Pedrera de l'Ordal, S.L., Prebesec Mallorca, S.A., Surgyps, S.A., Tratamiento Escombros Almoguera S.L., Uniland Acquisition Corporation, Uniland International B.V., Uniland Trading B.V.
Real Estate	Boane 2003, S.A. Unipersonal, As Cancelas Siglo XXI, S.L.
Other activities	Autovía Conquense, S.A., Cemark-Mobiliario e Publicidade, S.A., Concesionaria Túnel de Coatzacoalcos, S.A. de C.V., FCC Concesiones Al Ansar, S.A.U., FCC Midco S.A., FCC Topco, S.A.R.L, FCC Versia, S.A. PPP Infraestructure Investments B.V., Ibisan Sociedad Concesionaria, S.A.



The exclusions to the scope of these companies are due to lacking non-financial information, as a result of the immateriality of the impacts derived from the activities of some companies, because of their inactivity, because they are being liquidated, holding companies, absence of production activity or because they have been acquired or merged during the last six months of the financial year. The criteria followed by the FCC Group establishes non-financial reporting as voluntary for the acquired or merged during the last six months of the financial year, giving them enough time to adapt to FCC's management systems. However, if this information is available, it will be included in the data provided by each line of business.

Likewise, below are the specific exclusions to the scope of certain punctual indicators, which will be mentioned in their corresponding Sections of the Report. These are excluded due to the lack of software support to monitor and report them. This will be addressed and solved in the future.

Indicator	Scope Exclusions
Resources dedicated to environmental risk prevention	Aqualia
Atmospheric emissions of polluting substances	Real Estate
Water discharges	Aqualia[26] , Real Estate
Water abstraction	Aqualia[27] , FCC Environmental Services (US)
Material consumption	Real Estate, FCC Environmental Services (US)
GHG Emissions	FCC Environmental Services (US)
Complaints and claims received and handled	FCC Environmental Services (US)

In the Environmental area, new information regarding energy consumption, water consumption, waste generated and GHG emissions for the Group's corporate buildings (Las Tablas, Federico Salmón and Balmes offices) are included. These indicators, with a very low weighting with respect to those of the FCC Group as a whole, are the most significant ones regarding environmental management of these centres.

With regard to the specific exclusions mentioned above, these are justified due to the difficulty in providing exhaustive and good quality information as at the closing date for the submission of this report. With regard to the omissions mentioned above, the Water area represents 16.5% of the FCC Group's turnover, the Real Estate area represents 2.8% and FCC Environmental Services 3.9%. With regard to the information about fuel consumption, GJ conversion factors have been used according to the *"Greenhouse gas reporting: conversion factors 2023"*, published by DEFRA.

26. Since Aqualia's activity is to manage the end-to-end water cycle, the quantities of water discharged as a result of the purification and re-use processes are shown in section 3.5.

27. Aqualia's self-consumption data, which is a residual quantity compared to the quantities of water managed shown in section 3.5, is not available.

Group Policies

Policy	Description	Objective	Approval and Implementation
Sustainability Policy	It establishes the Group's foundations, values and commitments to sustainable development. It focuses on the principles of action, highlighting the importance of preserving the environment, positive social impact and good governance as the pillars of the ESG strategy.	The policy aims to guide the Group's actions and guarantee environmental sustainability, make a contribution to social development and promote exemplary corporate governance. With these three strategic pillars, it aims to provide a response to the sustainable requirements of its stakeholders, helping achieve the goals of the 2030 Agenda and promote responsible practices.	**Approved by:** the Board of Directors of FCC on 26 April 2022. **Implemented by:** the Group's Sustainability Committee, which is made up of the different business areas and the corporate units associated with sustainability.
Remuneration Policy	It refers to the principles, structure and content of the Directors' remuneration package. The changes contemplated in the Spanish Corporate Enterprises Act, introduced in the reform of Law 5/2021, of 12 April, are incorporated.	It aims to establish the general principles and rationale for the Directors' remuneration policy, providing information about the process for determining the policy. In addition, it provides information about the implementation of the remuneration for executives and the corresponding annual remuneration, in compliance with the requirements and adjustments contemplated in the current law.	**Approved by:** the Ordinary General Shareholders' Meeting in 2022. **Implemented by:** the Company's Board of Directors.
Anti-corruption Policy	It establishes the Company's principles and rules, as well as the commitments undertaken company to prevent corruption and fraud in its business activities. This policy is based on the applicable principles included in the FCC Group's Code of Ethics and Conduct, which address the importance of observing the current laws and promoting ethical values across all levels of the organisation.	Make sure that all of the FCC Group's workforce and companies observe these principles to prevent corruption and fraud, safeguarding the Group's integrity and reputation. In addition, the policy defines the mechanisms to guarantee its effective application, including the role of the Compliance Committee, the Whistleblowing Channel and specific tools aimed at preventing, detecting and investigating possible irregularities.	**Approved by:** the Board of Directors on 27 June 2018. **Implemented by:** the Corporate Compliance Officer and the Compliance Committee.
Policy on relationships with partners in relation to compliance	The policy establishes homogeneous principles and criteria for the acceptance and implementation of compliance mechanisms in all business partner relationships.	It implements consistent principles and criteria for the disclosure, acceptance and implementation of compliance mechanisms in all relationships with business partners, as established in the FCC Group's Crime Prevention Model. The policy aims to guarantee the reliability and transparency of the activities carried out with partners.	**Approved by:** the Board of Directors on 30 July 2019. **Approved by:** the Corporate Compliance Officer and the Compliance Committee.
Agent Policy	It establishes the general principles that must govern any relationship with trade partners or business developers, addressing the essential elements of the selection, negotiation and activity control procedures.	The aim is to prevent risk situations for the FCC Group associated with the interactions and relationships with third parties. The policy seeks to safeguard the Group's integrity and reputation, establishing general principles that promote ethics, transparency and regulatory compliance across all agent relationship phases.	**Approved by:** the Board of Directors on 28 July 2020. **Approved by:** the FCC Group as its agents or commercial developers and the Compliance Officer.

Policy	Description	Objective	Approval and Implementation
Gift policy	It sets out the principles relating to the giving or accepting gifts, defining its scope of application.	The aim is to regulate the procedures associated with giving and receiving gifts to maintain a transparent and ethical professional relationship with current and potential suppliers. The policy seeks to guarantee strict compliance with the laws and set the example that demonstrates the FCC Group's commitment to an ethical approach.	**Approved by:** the Board of Directors on 30 July 2019. **Implemented by:** all FCC Group companies.
Bid Policy	It determines the essential and common elements of the FCC Group for the preparation and presentation of proposals to contracting processes required by private or public entities.	The policy aims to ensure that its tender processes are conducted consistently and in line with the Group's Code of Ethics and Conduct and with the values of honesty, respect, accuracy and professionalism. In addition, the policy focuses on guaranteeing that all tender procedures are carried out in compliance with the law, minimising the risk of regulatory sanctions, in particular, in sensitive areas, such as criminal or business competition areas.	**Approved by:** the Board of Directors on 21 January 2020. **Implemented by:** FCC Group employees with an obligation to report any irregularities to the Whistleblowing Channel.
Competition Policy	The policy includes the principles of conduct in contacts or relationships with competitors, as well as its scope of application, the legal framework within which it is governed and the lines of action to be followed in this area.	It seeks to set out the basic principles of competition law that both the executive team and the entire staff of the FCC Group should be familiar with. Likewise, it provides the guidelines that must be followed to respect free competition and good market practices, with the aim of preventing fines associated with bad practices in these areas.	**Approved by:** the Board of Directors on 23 February 2022. **Implemented by:** FCC Group executives and employees with an obligation to report any irregularities to the Whistleblowing Channel.
Human Rights Policy	The Human Rights policy establishes the commitments, mechanisms and teams responsible for observing all matters related to Human Rights.	This policy is in line with the UN's Guiding Principles on Business and Human Rights and the Global Compact. The company assumes the commitment of respecting the Human Rights established in the Universal Declaration of Human Rights and Declaration of the International Labour Organisation (ILO).	**Approved by:** the Board of Directors of FCC on 30 July 2019. **Implemented by:** Group Corporate Responsibility Committee and CSR committees. Similarly, corporate directors in the countries where we operate.
Tax Compliance Policy of the FCC Group	It establishes FCC's commitments on tax-related matters: It ensures strict compliance with the tax regulations, seeking to identify, prevent, management and mitigate tax risks. The scope of the policy includes the taxes in different jurisdictions in which the FCC Group operates.	It aims to identify and manage tax risks, guaranteeing compliance with the tax regulations. It seeks to preserve the Group's reputation, ensuring that the tax practices are in line with the ethical and legal principles. The policy is backed by the Tax Compliance Management System, including the codes, regulations and specific procedures in its scope, focusing on continuous improvement and the independence of the FCC Group's Tax Compliance body.	**Approved by:** the Board of Directors of FCC on 22 March 2023. **Implemented by:** The FCC Group's Tax Compliance body will report the performance to the CEO, Audit and Control Committee and Compliance Committee of the FCC Group regularly.

Policy	Description	Objective	Approval and Implementation
Internal Reporting System Policy	The policy establishes the general principles of the internal whistleblowing and whistleblower protection system of the FCC Group, including it in its Compliance Model. It contains the by-laws of the Code of Ethics and Conduct, the Crime Prevention Model and the Procedures of the Whistleblowing Channel and Investigation and Response Procedure. It is based on Law 2/2023, which regulates the protection of whistleblowers and the fight against corruption.	Its main aim is to establish the general principles of the Internal Whistleblowing System, in compliance with the current laws. The Whistleblowing System will protect all whistleblowers, allow unethical or illegal acts to be reported, manage complaints securely and confidentially and guarantee the protection of personal data.	**Approved by:** the Board of Directors of FCC on 14 June 2023. **Implemented by:** the Corporate Compliance Officer.
Equal Opportunities, Diversity and Inclusion Policy	It ratifies the company's commitment to diversity and ethical values and good conduct. It recognises the diversity of its teams, activities and sites, highlighting the importance of plural work environments to foster innovation. The policy reaffirms FCC's commitment to Human Rights, non-discrimination and the creation of inclusive and safe environments.	Integrating equal opportunities, diversity and inclusion across all of FCC's activities and levels, in line with the Code of Ethics and Conduct, the Human Rights Policy, the Sustainability Policy, the principles of the United Nations Global Compact and the 2030 Agenda for Sustainable Development. It seeks to create work environments with a focus on equal opportunities and non-discrimination, while ensuring the inclusion of people in disadvantaged groups.	**Approved by:** the Board of Directors of FCC on 28 November 2023. **Implemented by:** each Business Area shall appoint a group, person or department to supervise all of the above.
Code of Ethics and Conduct	This Code is the highest level standard of this model. It covers the policies, procedures, and internal controls that are assessed to prevent, detect and eradicate misconduct. In addition, it implements the values shared by the company in a practical manner.	It ensures that all persons linked to any line of business of the FCC Group are guided and act in accordance with ethical parameters and principles. Likewise, to comply with laws, regulations, and contracts. It also aims to prevent and detect risks of non-compliance and minimise any potential impact.	**Approved by:** the Board of Directors of the FCC Group on 14 June 2023. **Implemented by:** the Audit and Control Committee with the support of the Compliance and Internal Audit Committee.
Protocol for the Prevention and Eradication of Harassment	The protocol covers prevention principles, measures and mechanisms, and research and response procedures.	The protocol seeks to address the principles set out in the Code of Ethics and Conduct, rejecting any form of harassment or abuse of authority, as well as any form of behaviour that leads to bullying or hostility.	**Approved by:** observing the provisions of the Code of Ethics and Conduct on 14 June 2023. **Implemented by:** Corporate Compliance Committee and the Corporate Compliance Officer.

All of these policies can be found on the FCC Group's corporate website, at the following link: Regulation - FCC

Tables of environmental-related matters

Environmental management

Noncompliance with environmental laws and regulations

	2021	2022	2023
Total monetary value of fines (€)	43,861	42,339	593,997
Total number of non-monetary sanctions (No.)	5	21	18
Cases submitted to dispute resolution mechanisms (No.)	14	40	56

The total monetary value of the fines rose due to the sanctions imposed to the subsidiaries, in Hungary, Poland and the Czech Republic, in the Environmental Services area.

Greenhouse gas emissions

Direct GHG emissions (Scope 1) (tCO_2e)

	2021	2022	2023
tCO_2e emissions from fossil fuel combustion at stationary sources under operational control	1,484,852	1,581,523[28]	1,404,147
tCO_2e emissions from fossil fuel combustion in mobile sources under operational control	282,799	258,977[28]	275,798
tCO_2e emissions generated in water management complexes with operational control (e.g. leakage in digestion processes, etc.)	80,224	93,991	72,132
Direct emissions from energy recovery stations in operationally controlled plants (thermal treatment plants Energy from Waste)	634,735	600,786	603,084
tCO_2e emissions associated with biological treatment in plants under operational control (composting and biomethanisation)	77,148	85,641	101,082
Direct emissions from calcination of carbonaceous raw materials in clinker kilns	2,607,731	2,616,559	2,347,403
tCO_2e emissions associated with operationally controlled landfill disposal	1,457,336	1,269,959	1,239,337
Direct emissions from coolant leaks	15	553	2,285
Total	**6,624,839**	**6,507,988**	**6,045,268**

28. Updated data as a consequence of Aqualia's detection of an error in the category.

Indirect GHG emissions (Scope 2) (tCO_2e)

	2021	2022	2023
tCO_2e emissions associated with electricity or steam purchased from third parties - geographical method	549,838	630,050	514,089
tCO_2e emissions associated with electricity or steam purchased from third parties - market method (optional)	–	–	8,248[29]

Direct GHG emissions (Biogenic Origin) (tCO_2e)

	2021	2022	2023
Emissions from the consumption of biogenic fuels in stationary and mobile sources under operational control.	2,090,644	2,083,924	269,390[30]

Energy consumption

Consumption of fossil fuels in stationary and mobile sources under operational control (GJ)

	2021	2022	2023
Petrol	64,346	100,147	146,730
Diesel	3,819,086	4,001,426	4,129,503
Boiler oil (Diesel C)	29,088	95,629	126,771
Fuel Oil	12,233	18,649	163,951
LPG (Liquefied Petroleum Gas)	2,175	5,035	4,116
Petroleum naphtha	–	–	–
Natural gas	125,087	171,141	135,810
Compressed natural gas (CNG)	498,937	677,574	2,754,933
Liquefied natural gas (LNG)	327	–	–
Petroleum coke	–	–	–
Kerosene	623	443	346
Coal (domestic)	–	1,087	702
Coal (industrial)	–	–	–
Propane	3,363	4,262	2,621
Waste (fossil fraction)	7,602,329	7,273,523	6,827,044
Butane	7	3	2
Conventional fossil fuels in clinker kilns	12,724,095	14,359,785	12,428,211
Alternative fossil fuels in clinker kilns	1,945,334	2,367,251[31]	1,780,961
Total	**26,827,028**	**29,075,956**	**28,501,702**

29. This year, FCC Construcción has calculated the tCO_2e emissions associated with electricity or steam purchased from third parties with market-based calculations.

30. Unlike previous years, there has been a change in the criteria established to calculate emissions from biogenic sources. It only includes biogenic emissions derived from the direct consumption of fuel.

31. Updated the data as a consequence of the detection of an error in one of the factories of Cementos Portland Valderrivas.

The increase in the consumption of CNG was due to the fact that the company started using more and more vehicles running on CNG, in particular, in the Environmental Services area.

Consumption of renewable fuels in stationary and mobile sources under operational control (GJ)

	2021	2022	2023
Biodiesel	152,128	1,706	3,598
Bioethanol	2,842	–	–
Biogas burned in boilers without electricity generation	202,287	234,876	201,444
Biogas burned in engines or turbines with electricity generation	1,297,256	1,552,670	1,833,149
Waste (biomass fraction)	9,278,924	8,871,101	8,398,163
Biomethane	688	532	522
Landfill gas	4,350	213,460	239,880
Biomass	1,683,963	1,684,242[32]	1,576,190
Total	**12,622,438**	**12,558,587**	**12,252,946**

Consumption of self-produced renewable energy (GJ)

	2021	2022	2023
From wind turbines	377	363	385
From photovoltaic panels	4,205	13,506	30,458
Using hydraulic turbines	–	673,806	634,731
Total	**4,582**	**687,675**	**665,574**

Direct energy consumption (GJ)

	2021	2022	2023
Direct consumption from non-renewable sources	26,827,028	29,075,956[31]	28,501,702
Direct consumption from renewable sources	12,627,020	13,246,262[32]	12,918,520
Total	**39,454,948**	**42,322,218**	**41,420,222**

Indirect energy consumption (GJ)

	2021	2022	2023
Indirect consumption from non-renewable sources	6,123,109	5,509,876	4,331,072
Indirect consumption from renewable sources	406,908	1,519,745[33]	2,865,154
Total	**6,530,017**	**7,029,620**	**7,196,227**

In the above table, it can be seen that there is a progressive increase in the consumption of energy from renewable sources, mainly in the Cement area during the year 2023.

Reduction of energy consumption as a result of conservation and efficiency initiatives (GJ)

	2022	2023
Fuel	–	64,798
Electricity	7,195	79,477
Heating	–	515
Cooling	–	–
Steam	–	–
Other	–	–

There has been a significant increase in the reduced GJ as a consequence of the preservation and efficiency initiatives rolled out during the year 2023. These measures include the consumption of self-produced energy from solar photovoltaic panels, biogas re-used from the facilities, heating energy from the solar thermal panels and optimisation and upgrade of equipment.

32. Updated the data after using data measured directly by FCC Medio Ambiente Iberia.

33. Updated the data after using data measured directly by FCC Medio Ambiente Iberia and after the detection of an error in the Austrian subsidiary in the Environmental Services area.

Water

Water abstraction from areas under water stress (m³)

	2021	2022	2023
Municipal water supply or by other water companies	5,609,234	4,544,768[20]	4,874,968
Surface waters (wetlands, rivers, lakes, and other water streams)	93,176	32,575	97,395
Sea water	–	–	–
Brackish waters	–	–	–
Groundwater	546,313	121,823[20]	161,847
Rainwater captured and stored by the organisation	242,319	285,474[20]	265,440
Water recycled or re-used	1,931,123	646,415[20]	715,867
Other water resulting from extraction, processing or uses of raw materials	–	–	–
Total	**8,422,165**	**5,631,054**	**6,115,516**

Water abstraction by water type (m³)

	2021	2022	2023
Fresh water (total dissolved solids ≤ 1000 mg/l)	14,406,904	14,233,686[20]	14,895,772
Other waters (total dissolved solids> 1000 mg/l)	–	–	–
Total	**14,406,904**	**14,233,686**	**14,895,772**

34. This information only applies to the Cement area, due to the nature of the activities carried out by the Group.

Material consumption

Materials of renewable origin (t)

	2021	2022	2023
Raw materials (metals, minerals, wood, etc.)	755,363	830,462	1,086,734
Auxiliary materials (lubricants and reagents)	186	254	209
Semi-finished products	–	–	–
Container and packaging material (paper, cardboard, plastics)	7,581	6,667 [21]	6,315
Total	**763,131**	**837,382**	**1,093,259**

Materials of non-renewable origin (t)

	2021	2022	2023
Raw materials (metals, minerals, wood, etc.)	54,401,537	17,360,398	16,281,801
Auxiliary materials (lubricants and reagents)	132,748	94,874	101,057
Semi-finished products	4,026,757	1,860,823	3,683,257
Container and packaging material (paper, cardboard, plastics)	2,019	2,121[21]	2,885
Total	**58,563,062**	**19,318,215**	**20,069,000**

Recycled input materials (t)

	2022	2023
Total recycled inputs used	1,679,485	1,816,091
Total inputs used	20,155,598	21,162,259
Percentage of recycled inputs used	8%	9%

Reclaimed products and their packaging materials (%)

	2022	2023
Percentage of packaging materials recovered (paper, plastic cardboard)[34]	50,8	51,5

Waste

Treatment of hazardous waste not destined for disposal (t)

	2022	2023
Preparing for re-use	158	109
Recycling	106,320	2,999
Other revaluation operations	700	8,203
Not typified	107	8,885
Total	**107,285**	**20,196**

With regard to the above table, the increase in the volume of non-classified waste is due to the scope of information reported in relation to waste by the Water area. In this case, its systems cannot be used to obtain such information. Moreover, the increase in recycling operations is the result of the entry into force of Law 07/2022, of 8 April, on contaminated floors and waste in relation to the circular economy, which led to the review of the waste classification system in the Infrastructures area.

Treatment of non-hazardous waste not destined for disposal (t)

	2022	2023
Preparing for re-use	45,521	228,362
Recycling	441,748[22]	12,031,170
Other revaluation operations	231,019	2,433,807
Not typified	653,496	668,725
Total	**1,371,784**	**15,362,065**

Treatment of hazardous waste destined for disposal (t)

	2022	2023
Incineration (with energy recovery)	367	70
Incineration (without energy recovery)	42	18
Transfer to a landfill	72,430	80,374
Other revaluation operations	10,460	3,363
Not typified	20,744	18,893
Total	**104,043**	**102,717**

Treatment of non-hazardous waste destined for disposal (t)

	2022	2023
Incineration (with energy recovery)	30,357	570
Incineration (without energy recovery)	8	49
Transfer to a landfill	1,228,330	2,663,382
Other revaluation operations	5,159[22]	80,144
Not typified	23,073[22]	26,711
Total	**1,286,903**	**2,770,856**

Tables of social and personnel-related matters

Changes in the distribution of the workforce by gender (31/12) (Percentage)

	2021	2022	2023
Men	77.1%	77.3%	77.5%
Women	22.9%	22.7%	22.5%
Total	**100%**	**100%**	**100%**

Changes in the distribution of the workforce by business area (31/12) (Percentage)

	2021	2022	2023
Environmental Services	69.7%	67.6%	66.2%
Water	16.5%	19.6%	20.5%
Infrastructures	11.3%	10.3%	10.8%
Cement	1.8%	1.6%	1.6%
Real Estate	0.2%	0.2%	0.2%
Central Services	0.5%	0.7%	0.7%
Total	**100%**	**100%**	**100%**

Changes in the distribution of the workforce by country and gender (31/12)

	2022			2023		
Countries	Men	Women	Total	Men	Women	Total
Spain	35,856	11,771	**47,627**	36,680	11,907	**48,587**
Czech Republic	2,503	757	**3,260**	2,545	767	**3,312**
Georgia	2,382	351	**2,733**	2,681	416	**3,097**
United Kingdom	2,144	384	**2,528**	2,071	376	**2,447**
Colombia	1,188	244	**1,432**	1,240	339	**1,579**
Saudi Arabia	1,029	116	**1,145**	1,404	72	**1,476**
USA	893	152	**1,045**	998	170	**1,168**
Austria	560	166	**726**	583	187	**770**
Portugal	523	98	**621**	627	112	**739**
Poland	494	152	**646**	458	156	**614**
Romania	502	120	**622**	444	116	**560**
Slovakia	310	99	**409**	299	91	**390**
UAE	331	8	**339**	364	7	**371**
Italy	252	39	**291**	279	39	**318**
Egypt	94	2	**96**	199	1	**200**
Tunisia	199	13	**212**	179	16	**195**
Hungary	128	48	**176**	130	54	**184**
France	104	42	**146**	119	45	**164**
Canada	47	19	**66**	99	43	**142**
Mexico	104	21	**125**	112	20	**132**
Chile	89	24	**113**	91	31	**122**
Serbia	74	28	**102**	70	28	**98**
Norway	19	7	**26**	61	18	**79**
Netherlands	52	7	**59**	56	9	**65**
Algeria	54	7	**61**	55	8	**63**
Nicaragua	15	3	**18**	43	7	**50**
Peru	21	8	**29**	35	11	**46**
Australia	18	7	**25**	27	13	**40**
Qatar	21	-	**21**	36	2	**38**
Panama	61	16	**77**	23	10	**33**
Ireland	6	1	**7**	2	1	**3**
Costa Rica	1	1	**2**	1	1	**2**
El Salvador	1	–	**1**	1	–	**1**
Bulgaria	–	1	**1**	–	1	**1**
Dominican Republic	1	–	**1**	1	–	**1**
Oman	5	–	**5**	1	–	**1**
Guatemala	1	–	**1**	1	–	**1**
Montenegro	1	–	**1**	1	–	**1**
Belgium	4	–	**4**	–	–	**0**
Total	**50,087**	**14,712**	**64,799**	**52,016**	**15,074**	**67,090**

Changes in the number of new recruits by gender

	2021	2022	2023
Men	9,546	11,231	13,331
Women	3,288	3,616	3,991
Total	**12,834**	**14,847**	**17,322**

New hiring rate by gender

	2022	2023
Men	15.78%	18.14%
Women	5.08%	5.43%
Total	**20.86%**	**23.57%**

New hiring rate by age

	2022	2023
<35 years	8.42%	9.11%
35-54 years	9.80%	10.56%
> 54 years	2.64%	3.90%
Total	**20.86%**	**23.57%**

Number of new hires by region

	2022			2023		
	Men	Women	Total	Men	Women	Total
Europe	8,689	3,211	**11,900**	10,948	3,595	**14,543**
America	2,228	328	**2,556**	1,400	357	**1,757**
MENA	308	71	**379**	970	28	**998**
Australia	6	6	**12**	13	11	**24**
Total	**11,231**	**3,616**	**14,847**	**13,331**	**3,991**	**17,322**

New hiring rate by region

	2022	2023
Europe	16.72%	19.79%
America	3.59%	2.39%
MENA	0.53%	1.36%
Australia	0.02%	0.03%
Total	**20.86%**	**23.57%**

Changes in the number of workers by contract type and gender (31/12)

	2021		2022		2023	
	Men	Women	Men	Women	Men	Women
Open-ended	34,132	10,224	41,464	12,363	43,514	12,629
Temporary	11,802	3,389	8,623	2,349	8,502	2,445
Subtotal	**45,934**	**13,613**	**50,087**	**14,712**	**52,016**	**15,074**
Total	**59,547**		**64,799**		**67,090**	

Staff by region and contract type (31/12)

	2022			2023		
Region	Open-ended	Temporary	Total	Open-ended	Temporary	Total
Europe	50,654	9,331	**59,985**	52,072	9,358	**61,430**
America	2,055	855	**2,910**	2,374	903	**3,277**
MENA	1,094	785	**1,879**	1,658	685	**2,343**
Australia	24	1	**25**	39	1	**40**
Total	**53,827**	**10,972**	**64,799**	**56,143**	**10,947**	**67,090**

Changes in the number of workers by working day type and gender (31/12)

	2021		2022		2023	
	Men	Women	Men	Women	Men	Women
Full-time	41,406	9,821	45,243	10,856	47,199	11,553
Part-time	5,528	3,792	4,844	3,856	4,817	3,521
Subtotal	**45,934**	**13,613**	**50,087**	**14,712**	**52,016**	**15,074**
Total	**59,547**		**64,799**		**67,090**	

Annual average by contract type and gender

	2021		2022		2023	
	Open-ended	Temporary	Open-ended	Temporary	Open-ended	Temporary
Men	33,761	12,614	39,021	9,957	42,817	8,674
Women	10,027	3,340	11,467	2,785	12,443	2,458
Subtotal	**43,788**	**15,955**	**50,488**	**12,742**	**55,260**	**11,132**
Total	**59,742**		**63,230**		**66,392**	

Annual average by contract type and age range

	2021		2022		2023	
	Open-ended	Temporary	Open-ended	Temporary	Open-ended	Temporary
<35 years	4,607	5,176	6,242	4,024	7,537	3,460
35-54 years	25,218	7,707	27,994	6,009	29,939	5,119
> 54 years	13,963	3,071	16,252	2,709	17,784	2,553
Subtotal	**43,788**	**15,954**	**50,488**	**12,742**	**55,260**	**11,132**
Total	**59,742**		**63,230**		**66,392**	

Annual average by contract type and functional level

	2021		2022		2023	
	Open-ended	Temporary	Open-ended	Temporary	Open-ended	Temporary
Governance and Management	511	1	507	3	505	4
Supervisors	3,390	392	3,943	356	4,327	347
Technicians	4,661	949	5,455	1,185	5,758	964
Administrative staff	2,455	545	2,642	409	2,594	352
Other trades	32,771	14,067	37,941	10,789	42,076	9,465
Subtotal	**43,788**	**15,954**	**50,488**	**12,742**	**55,260**	**11,132**
Total	**59,742**		**63,230**		**66,392**	

Annual average by working day type and gender

	2021		2022		2023	
	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time
Men	41,936	4,439	44,283	4,695	46,661	4,830
Women	9,620	3,747	10,486	3,766	11,252	3,649
Subtotal	**51,556**	**8,186**	**54,769**	**8,461**	**57,913**	**8,479**
Total	**59,742**		**64,799**		**66,392**	

Annual average by working day type and age range

	2021		2022		2023	
	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time
<35 years	8,316	1,467	8,647	1,619	9,340	1,657
35-54 years	29,239	3,686	30,227	3,776	31,352	3,706
> 54 years	14,001	3,033	15,895	3,066	17,221	3,116
Subtotal	**51,556**	**8,186**	**54,769**	**8,461**	**57,913**	**8,479**
Total	**59,742**		**64,799**		**66,392**	

Annual average by working day type and functional level

	2021		2022		2023	
	Full-time	Part-time	Full-time	Part-time	Full-time	Part-time
Governance and Management	506	6	499	11	503	6
Supervisors	3,622	160	4,140	159	4,513	161
Technicians	5,299	311	6,257	383	6,330	392
Administrative staff	2,749	251	2,779	272	2,684	262
Other trades	39,380	7,458	41,094	7,636	43,883	7,658
Subtotal	**51,556**	**8,186**	**54,769**	**8,461**	**57,913**	**8,479**
Total	**59,742**		**63,230**		**66,392**	

Changes in dismissals by gender

	2021	2022	2023
Men	633	728	845
Women	149	169	175
Total	**782**	**897**	**1,020**

Changes in dismissals by age range

	2021	2022	2023
< 35 years	206	231	283
35-54 years	377	455	517
> 54 years	199	211	220
Total	**782**	**897**	**1,020**

Changes in dismissals by functional level

	2021	2022	2023
Governance and Management	1	6	9
Supervisors	51	56	51
Technicians	68	129	99
Administrative staff	38	40	30
Other trades	624	666	831
Total	**782**	**897**	**1,020**

Turnover of the number of persons and rate by gender

	2022	2023
Men	2,649	2,871
Women	789	856
Total	**3,438**	**3,727**

	2022	2023
Men	3.72%	3.91%
Women	1.11%	1.17%
Total	**4.83%**	**5.08%**

Turnover of the number of persons and rate by age

	2022	2023
< 35 years	1,409	1,434
35-54 years	1,626	1,826
> 54 years	403	467
Total	**3,438**	**3,727**

	2022	2023
< 35 years	1.98%	1.95%
35-54 years	2.28%	2.49%
> 54 years	0.57%	0.64%
Total	**4.83%**	**5.08%**

Turnover of the number of persons and rate by region

	2022	2023
European	3,118	3,492
America	279	155
MENA	40	70
Australia	1	10
Total	**3,438**	**3,727**

	2022	2023
European	4.38%	4.75%
America	0.39%	0.21%
MENA	0.06%	0.10%
Australia	0.00%	0.02%
Total	**4.83%**	**5.08%**

Birth leave

	2022		2023	
	Men	Women	Men	Women
Number of workers entitled to birth leave	1.048	295	1.126	326
Number of employees who took birth leave	1.036	294	1.116	323
Number of workers who returned to work after the end of birth leave	991	214	751	216
Number of workers remaining in the company 12 months after the end of birth leave	646	132	745	172

Average remuneration by functional level, gender and age range* (Euros)

		2022 Total Average Remuneration			2023 Total Average Remuneration		
		< 35 years	35 to 54 years	> 54 years	< 35 years	35 to 54 years	> 54 years
Men	Governance and Management	78,998.20	118,330.98	160,043.27	54,145.61	91,242.40	127,322.38
	Supervisors	31,026.55	46,089.03	53,193.80	30,879.48	49,395.11	55,457.07
	Technicians	23,543.00	38,189.32	42,269.46	30,323.74	43,358.59	47,534.07
	Administrative staff	19,652.25	28,456.37	34,592.62	19,248.45	28,835.43	36,221.89
	Other trades	20,156.99	24,192.01	25,573.88	21,409.05	25,277.77	26,647.85
Women	Governance and Management	65,870.19	99,893.49	134,848.23	48,639.46	75,190.07	78,554.38
	Supervisors	25,579.80	37,990.44	37,441.88	27,421.21	38,534.55	43,308.55
	Technicians	21,842.76	29,511.23	32,504.40	26,346.76	34,138.07	37,925.33
	Administrative staff	19,039.76	24,828.26	28,233.11	18,651.92	25,725.46	30,009.11
	Other trades	19,212.17	20,237.11	19,724.81	20,306.87	20,808.19	20,770.08

(*) FCC has defined a remuneration policy for each of the countries in which it operates, so that the aggregate average remuneration data in which it is established is not representative of the remuneration management carried out in each of the business units and countries in which FCC operates.

Percentage of workers covered by collective bargaining agreement by country*

	2021	2022	2023
Saudi Arabia	0%	0%	0%
Algeria	100%	93.44%	95.24%
Australia	0%	0%	0%
Austria	0.10%	4.55%	100%
Bulgaria	0%	0%	0%
Canada	0%	0%	0%
Chile	11.63%	58.41%	85.25%
Colombia	4.12%	4.12%	34.20%
Costa Rica	0%	0%	0%
UAE	100%	100%	0%
USA	3.27%	0.19%	0.17%
Egypt	0%	0%	11.50%
El Salvador	0%	0%	0%
Slovakia	33.73%	32%	32%
Spain	100%	100%	100%
France	100%	100%	100%
Georgia	-	22.98%	19.15%
Guatemala	0%	0%	0%
Hungary	0%	0%	0%
Ireland	0%	0%	0%
Italy	100%	100%	100%
Mexico	0%	0%	0%
Montenegro	0%	0%	0%
Nicaragua	0%	0%	0%
Norway	100%	0%	0%
Oman	0%	0%	0%
Netherlands	100%	100%	100%
Panama	29%	13%	18.18%
Peru	0%	0%	0%
Poland	15.32%	12.23%	11.07%
Portugal	31.99%	24.15%	28.28%
Qatar	0%	0%	0%
United Kingdom	11.23%	25.20%	17.82%
Czech Republic	33.66%	33.13%	32.07%
Dominican Republic	100%	100%	100%
Romania	24.66%	26.69%	27.14%
Serbia	12%	12.75%	7.14%
Tunisia	100%	80.19%	92.82%

(*) In 2023 all countries and all areas where the FCC Group operates were included.

Annual average of training hours by gender and functional level

	2022		2023	
	Men	Women	Men	Women
Governance and Management	26	42	18	33
Supervisors	20	33	20	27
Technicians	17	18	21	24
Administrative staff	10	14	19	13
Other trades	8	4	9	4

Changes in training hours by functional level and business area

	2022						2023					
	Governance and Management	Supervisors	Technicians	Administrative staff	Other trades	Total	Governance and Management	Supervisors	Technicians	Administrative staff	Other trades	Total
Environmental services	2,868	17,092	16,161	6,211	175,460	**217,792**	2,978	26,202	30,427	5,181	200,796	**265,584**
Water	1,632	22,928	14,859	9,278	34,601	**83,298**	688	27,397	20,790	9,531	45,288	**103,694**
Infrastructures	1,519	7,452	27,487	2,173	29,329	**67,960**	1,692	12,100	40,808	2,804	38,257	**95,661**
Cement	452	1,023	2,610	734	3,923	**8,742**	408	1,865	4,238	811	5,546	**12,867**
Real Estate	134	48	444	38	2	**666**	84	84	445	8	0	**621**
Central Services	1,953	815	2,763	465	65	**6,061**	1,228	1,327	2,729	545	62	**5,890**
Subtotal for Spain	**8,558**	**49,358**	**64,324**	**18,899**	**243,380**	**384,519**	**7,078**	**68,975**	**99,436**	**18,879**	**289,949**	**484,317**
Environmental Services	3,344	23,741	25,325	6,694	59,679	**118,782**	2,797	22,213	22,935	10,457	50,359	**108,761**
Water	1,573	17,458	14,100	11,048	28,851	**73,030**	182	7,027	22,841	11,981	50,821	**92,852**
Infrastructures	1,053	5,210	11,041	2,282	2,578	**22,164**	104	4,916	10,030	2,367	5,771	**23,189**
Cement	154	559	648	106	335	**1,802**	48	442	1,470	529	148	**2,637**
International Subtotal	**6,124**	**46,968**	**51,114**	**20,130**	**91,443**	**215,778**	**3,131**	**34,598**	**57,276**	**25,334**	**107,099**	**227,439**
Total	**14,682**	**96,326**	**115,438**	**39,029**	**334,823**	**600,297**	**10,209**	**103,573**	**156,712**	**44,213**	**397,049**	**711,756**

Safety, health and well-being:

Number of workplace accidents

No.	2022	2023
Men	1,841	1,721
Women	341	374

Workplace injuries with major consequences

Injuries	2022	2023
FCC	10	10
Subcontractor	9	9

Trends in accident rates

Table of contents	2021	2022	2023
Frequency	18.36	21.78	18.82
Severity	0.71	0.9	0.87

Trends in accident rates by geographical area

	2021		2022		2023	
Scope	Acc. Freq.	Severity	Acc. Freq.	Severity	Acc. Freq.	Severity
Spain	24.61	1	25.63	1.16	24.91	1.21
Global	18.36	0.71	21.78	0.9	18.82	0.87

Accident rates by gender

	2022			2023		
Gender	Acc. Freq.	Severity	Incidence	Acc. Freq.	Severity	Incidence
Women	17.01	0.71	2.74	16.64	0.83	2.57
Men	22.97	0.95	3.84	19.37	0.88	3.35

Trends in absenteeism rates due to workplace accidents and common illnesses*

Type	2021	2022	2023
Work Accident	0,37	0,45	0,49
Common Illness	4,63	6,23	6,75

(*) The FCC Group recorded a total of 8,055,496 hours of absenteeism in 2023.

Changes in fatal workplace accidents

Type	2021	2022	2023
FCC	0	2	5
Subcontractor	4	4	6

Changes in the number of occupational illnesses by gender*

Gender	2021	2022	2023
Women	2	8	3
Men	2	3	10

(*) The information about professional illnesses by gender only corresponds to the activities of the FCC Group in Spain.

Employees and non-employed workers. 2023

Employees and non-employed workers	Covered by the system	Covered by the system subject to internal audit	Covered by the system subject to audit or certification
Number	78,427	78,427	68,605
Percentage	100%	100%	87.48%

Tax transparency tables

Group Countries	Core organisational activities	Revenues from third-party sales 2023 (thousands of €)	Revenues from intra-group transactions with other tax jurisdictions 2023 (thousands of €)	Tangible assets other than cash and cash equivalents 2023 (thousands of €)	Pre-Tax Profit 2023 (thousands of €)	Taxes on profit paid 2023 (thousands of €)
Albania		204	0	0	0	0
Germany	Construction	11,827	0	0	0	0
Andorra		184	0	0	0	0
Saudi Arabia	Water, Construction	246,720	116,297	218,511	16,089	5,027
Algeria	Water, Construction	48,413	9,881	162,758	30,626	5,228
Argentina	Construction	0	0	0	-1	0
Australia	Construction	7,483	0	3,540	-4,524	0
Austria	Water	170,217	-65	544,711	80,899	1,705
Belgium	Construction	7	0	166	-49	435
Brazil	Construction	0	0	-10,081	-7,554	0
Bulgaria	Construction	0	0	95	-75	0
Canada	Construction	189,249	0	65,647	38,637	0
Chile	Water, Construction	70,458	0	59,046	-16,818	0
Colombia	Water, Construction	114,735	15,578	101,983	3,193	2,734
Costa Rica	Construction	215	0	-299	-756	0
Croatia	Real Estate	31	0	67	-199	0
Denmark		5	0	0	0	0
Ecuador	Water	0	0	48	-55	3
Egypt	Water, Environment	6,262	11	17,417	3,358	1,233
El Salvador	Construction	0	0	845	-82	1
United Arab Emirates	Water, Construction	16,752	336	4,871	2,450	0
Slovakia	Environment	43,157	0	65,345	7,656	1,099
Slovenia		7	0	0	0	0
Spain	Environment, Water, Infrastructure, Cement and Real Estate.	4,759,772	388,745	7,363,881	499,208	38,022

Group Countries	Core organisational activities	Revenues from third-party sales 2023 (thousands of €)	Revenues from intra-group transactions with other tax jurisdictions 2023 (thousands of €)	Tangible assets other than cash and cash equivalents 2023 (thousands of €)	Pre-Tax Profit 2023 (thousands of €)	Taxes on profit paid 2023 (thousands of €)
United States	Water, Cement, Environment and Construction	418,908	434	514,128	5,036	30
Finland	Construction	24	0	1	-966	0
France	Water	51,525	280	48,131	1,379	761
Georgia	Water	79,240	775	474,784	11,595	49
Gibraltar		137	0	0	0	0
Greece	Environment and Construction	8	0	95	-15	0
Guatemala	Construction	0	0	25	-29	1
Haiti	Construction	0	0	3,280	427	0
Honduras	Construction	0	0	0	0,30	0
Hungary	Environment	27,551	0	38,243	5,639	183
Ireland	Construction	0	0	9,741	-738	0
Italy	Water, Construction	75,325	21,098	99,223	6,858	2,985
Jersey		0	0	0	0	432
Libya		6,984	0	0	0	0
Luxembourg	Central Services	0	0	3,045	-79	0
Morocco	Construction	0	0	0	221	0
Mexico	Water, Infrastructures, Central Services	401,382	12,250	347,825	58,685	6,715
Montenegro	Water	0	0	1,610	-220	
Nicaragua	Construction	1,351	0	4,111	1,178	392
Norway	Construction	47,655	0	6,601	2,287	0
Oman	Waer	514	0	1,666	769	0
Netherlands	Water, Cement, Infrastructures	215,819	58,524	68,736	-1,392	850
Panama	Water, Real Estate and Construction	-914	0	80,695	-10,114	320
Peru	Water, Infrastructures	109,974	3	116,409	8,162	2,804
Poland	Environment and Construction	79,603	0	77,933	5,208	569

Group Countries	Core organisational activities	Revenues from third-party sales 2023 (thousands of €)	Revenues from intra-group transactions with other tax jurisdictions 2023 (thousands of €)	Tangible assets other than cash and cash equivalents 2023 (thousands of €)	Pre-Tax Profit 2023 (thousands of €)	Taxes on profit paid 2023 (thousands of €)
Portugal	Water, Construction, Environment and Central Services	110,875	5,451	69,262	6,497	1,705
Qatar	Water, Construction	7,598	56	5,660	313	821
United Kingdom	Cement, Infrastructures, Real Estate, Environment	1,113,858	176,556	1,113,947	101,089	30,040
Czech Republic	Water and Environment	413,737	41,210	641,343	49,542	6,430
Dominican Republic	Construction	0	0	453	-14	0
Romania	Water, Environment and Construction	132,506	52	200,738	5,323	172
Serbia	Water and Environment	6,609	1	11,130	-578	0
Sweden	Construction	7	0	6	-11	0
Switzerland		336	0	0	0	0
Tunisia	Water and Cement	62,205	14,449	56,457	7,875	441
Turkey		25	0	0	0	0
Uruguay	Water	0	0	81	0	0
Total		**9,048,540**	**861,922**	**12,593,910**	**915,930**	**111,185**

Public grants received in 2023 (thousands of €)

Areas	thousands of €)
Construction	0
Environmental Services	8,090
Water	14,169
Cement	1,260
Concessions	4,514
Real Estate	0
Central Services	2
Total	**28,035**

List of main associations

Environmental Services

- Agrupación Nacional de Reciclado de Vidrio (ANAREVI).
- Asociace sanačních firem (ASS).
- Asociación de Empresas de Limpieza Pública (ASELIP).
- Asociación de Empresas de Mantenimiento Integral y Servicios Energéticos (AMI).
- Asociación de Plantas de Recuperación y Selección de Envases Municipales (ASPLARSEM).
- Asociación Española de Aerosoles (AEDA).
- Asociación Española de Empresas de Limpieza (ASPEL).
- Asociación Española de Empresas de Parques y Jardines (ASEJA).
- Asociación Española de Gestores de Residuos (ASEGRE).
- Asociación Técnica para la Gestión de Residuos y Medio Ambiente (ATEGRUS).
- Asociatia Romana pentru Managementul Deseurilor (Romanian association for waste management) (ARMD).
- Association of Producers of Fuels from Waste and Biomass (Związek Producentów Paliw z Odpadów i Biomasy (PZZOB).
- Business Leaders Forum (BLF).
- Carbon Disclousure Project (CDP).
- Česká Asociace Odpadového Hospodářství (ČAOH).
- Česká Asociace pro Finanční Řízení (CAFIN).
- Chartered Institute of Wastes Management (CIWM).
- Circular Slovakia.
- Council of Regional Municipal Waste Processing Installations (Rada Przedstawicieli Regionalnych Instalacji Przetwarzania Odpadów Komunalnych – Rada RIPOK) (RADA RIPOK).
- EcoVadis.
- Energy & Utility Skills.
- Environmental Services Assoc (ESA).
- Federación Europea de Empresas Recicladoras de Vidrio (FERVER).
- Fleet Operator Recognition Scheme (FORS).
- Foro de Generadores de Energía de Residuos (FGER).
- Fuel & Energy Research Fórum (FERF).
- HELM ASSOCIATES LTD.
- National Waste & Recycling Association (NWRA).
- POLICY CONNECT LTD - All Party Parliamentary Sustainable Resource Group (APSRG).
- Rail Freight Group.
- Asociación Española de Recicladores Recuperadores de Papel y Cartón (REPACAR).
- Red Andaluza de Centros de Educación Ambiental (ONDAS).
- Road Haulage Association.
- ROSPA ENTERPRISES LTD - Royal Society for the Prevention of Accidents (ROSPA).
- Sdružení provozovatelů technologií pro ekologické využívání odpadů. (STEO).
- Solid Waste Association of North America (SWANA).
- Source Testing Association.
- State Chamber of Waste Management (Państwowa Izba Gospodarki Odpadami) (PIGO).
- Sundry Creditor - WRG (CHAS).
- The Association of Waste Management Entrepreneurs (A.P.O.H.).
- The Green Alliance.
- The Recycling Association.
- The Wood Recyclers Association (WRA).
- Verein Österreichische Entsorgungsbetriebe (VÖEB).

Water

- Asociación Española de Abastecimiento de Agua y Saneamientos (AEAS).
- Abastecimientos de Agua y Saneamientos de Andalucía (ASA).
- Agrupació de Serveis D'Aigua de Catalunya (ASAC).
- Aguas Residuales - Comunidad de habla hispana, para los profesionales del tratamiento del agua.
- Alianza del Agua de Ibiza y Formentera.
- Asociación Canaria de Empresarios de Distribución y Tratamiento de Agua Urbana de la Provincia de Las Palmas (ADITRAGUA).
- Asociación Checa de Tecnologías Sin Excavación (CZSTT).
- Asociación de Empresas Xestoras de Instalacións Deportivas de Galicia (AXIDEGA).
- Asociación de Empresarios de Agua de Les Illes Balears (ASAIB).
- Asociación de Empresarios de Depuración de Aguas Residuales de Madrid (ADEPUREMA).
- Asociación de Empresarios y Comerciantes de Benalmádena (ACEB).
- Asociación de Empresas Constructoras y Concesionarias de Infraestructuras (SEOPAN-AGUA).
- Asociación de Empresas de Captación, Distribución, Depuración y Gestión de aguas potables y residuales de la Región de Murcia (AGEAS).
- Asociación de Empresas Investigadoras, Extractoras, Transformadoras Minero-Metalúrgicas, Auxiliares y de Servicios (AMINER).
- Asociación de Industrias de Captación, Elevación, Conducción, Depuración, Tratamiento y Distribución de Aguas Potables y Residuales.
- Asociación de Instaladores de Almería (ASINAL).
- Asociación de Operadores de Abastecimiento y Saneamiento de la República Checa (APROVAK).
- Asociación de Servicios Públicos de Colombia (ANDESCO).
- Asociación del Sector de Abastecimiento y Saneamiento en la República Checa (SOVAK).

- Asociación Directivos de Comunicación (DIRCOM).
- Asociación Española de Desalación y Reutilización (AEDyR).
- Asociación Española de Directivos de Sostenibilidad (DIRSE).
- Asociación Española de Normalización (UNE).
- Asociación Española de Servicios de Agua a Poblaciones (AGA).
- Asociación Latinoamericana de Desalación y Reuso del Agua (ALADYR).
- Asociación Nacional de Empresas de Agua y Saneamiento de México (ANEAS).
- Asociación para el Desarrollo de la Región de Moravia y Silesia (SRMSK).
- Asociación para la Defensa de la Calidad de las Aguas (ADECAGUA).
- Asociación para la Gestión del Agua en la República Checa (SVH).
- Asociación provincial de Empresas del Sector del Agua en Alicante.
- Asociados a la Federación Internacional de Operadores Privados de Agua (AquaFed).
- Associaçao Das Empresas Portuguesas para o Sector Do Ambiente (AEPSA).
- Associaçao Portuguesa de Distribuçao e Drenagem de Águas (APDA).
- Associació Abastaments Aigua (AAA).
- Associació Industrial Per La Producció Neta (AIPN).
- Association Scientifique et Technique pour L'Eau et L'Environnement.
- Business Council EU-Georgia.
- Cámara de Comercio de Almería.
- Cámara de Comercio de España.
- Catalan Water Partnership (CWP).
- Centro de las Nuevas Tecnologías del Agua (Fundación CENTA).
- Comité Asesor de Agua de la Fundación Ditchley (UK).
- Confederación de Organizaciones Empresariales de la Provincia de Badajoz (COEBA).
- Confederación Empresarial de la Provincia de Almería.
- Confederación Española de Organizaciones Empresariales CEOE.
- Confederation of Industry of the CR (SP CR).
- Consejo Nacional del Agua (CNA).
- Czech Chamber of Commerce (HK CR).
- Dirección General de Economía Circular (CLM).
- Economic Business Council Spain/Egypt .
- Federación Europea de Asociaciones Nacionales de Agua y Saneamiento (EUREAU).
- Fédération Des Distributeurs D'Eau Indépendants.
- Fédération Professionnelles Des Entreprises De L'Eau (FP2E).
- Federazione Italiana Delle Imprese Dei Servizi Idrici, Energetici e Vari (UTILITALIA).
- Fundación Centro Canario del Agua (FCCA).
- Georgian Laboratory Association (GeLAB).
- Global Water Partnership (GWP).
- Institutos Madrileño de Estudios Avanzados (IMDEA-AGUA).
- International Desalination Association (IDA).
- International Water Association (IWA).
- Isle Utilities TAG (Technology Approval Group) .

vWorld Water Innovation Fund (WWIF).

- Water Action Platform.
- Madrid, capital mundial de la Construcción, Ingeniería y Arquitectura (MWCC).
- Mesa de Evaluación del Ciclo Urbano del Agua.
- PRL INNOVACIÓN.
- Sentiatech.
- Spanish Business Council de Emiratos Árabes Unidos.
- Stepbywater.
- Water Environment Federation (WEF).
- Water Positive Think Tank.
- World Compliance Association.
- Young Water Professionals (YWP).
- ZINNAE Clúster Urbano para el Uso Eficiente del Agua.

Infrastructures

- Agrupación para la promoción del P Tarragona.
- Asociación Andaluza de Empresas Forestales.
- Asociación de Ejecutivos de Recursos Humanos de Nicaragua (Aerhnic).
- Asociación de Empresas Constructoras y Concesionarias de infraestructuras (SEOPAN).
- Asociación de Empresas de Conservación y Explotación (ACEX).
- Asociación de Empresas de Restauración del Paisaje y del Medio Ambiente (ASERPYMA).
- Asociación de Empresas Forestales (ASEMFO).
- Asociación de Empresas Gestoras de los Transportes Urbanos Colectivos (ATUC).
- Asociación de Industriales Antofagasta.
- Asociación Empresas Construcción Madrid (AECOM).
- Asociación Empresas Productoras Áridos Castilla-La Mancha.
- Asociación Española de Anunciantes.
- Asociación Española de Industriales del Plástico (ANAIP).
- Asociación Española de la Carretera.
- Asociación Española de Normalización (UNE).
- Asociación Española de Riegos y Drenajes (AERYD).
- Asociación Española de Túneles y Obras Subterráneas (AETOS).
- Asociación Española para la Calidad (AEC).
- Asociación Española Parques y Jardines Públicos.
- Asociación Gestión de Residuos de la Comunidad Madrid.

- Asociación Madrid Capital Mundial de la Construcción, Ingeniería y Arquitectura (MWCC).
- Asociación Madrileña de Fabricantes de Asfalto (AMFA).
- Asociación Nacional de Derivados del Cemento (ANDECE).
- Asociación Nacional de Fabricantes de Traviesas para FFCC (AFTRAV).
- Asociación Técnica de la Carretera.
- Asociación Técnica de Puertos y Costas (ATPYC).
- Asociación Valenciana de empresarios de la construcción y obra pública.
- Asociación Madrileña de Gestores de Residuos de RCDs (AGESMA).
- BUILDING SMART (Spanish home of openBIM).
- Cámara Chilena de la Construcción.
- Cámara Colombiana de Infraestructuras.
- Cámara de Comercio Australia.
- Cámara de Comercio de España en Reino Unido.
- Cámara de Comercio de Lima.
- Cámara de Comercio Española Chile.
- Cámara de Contratistas de Castilla y León.
- Cámara de Contratistas de la Comunidad Valenciana.
- Cámara Minera de Nicaragua (CAMINIC).
- Cámara Oficial Comercio España Perú.
- Cámara Oficial de Comercio de España en Panamá (FCC CA PANAMA).
- Cámara Oficial de Contratistas de Cataluña.
- Cámara Panameña de la Construcción(FCC CA PANAMA).
- Cámara Peruana de la Construcción.
- CEPYME ZARAGOZA - Confederación Española de la Pequeña y Mediana Empresa.
- Clúster de la industria de defensa (CID).
- Colegio Federado de Ingenieros y Arquitectos (FCC CO COSTA RICA).
- Comité Nacional Español de Grandes Presas (SPANCOLD).
- Escola Tècnica Superior d'Enginyeria de Camins, Canals i Ports de Barcelona.
- European Network of Construction Companies for Research & Development (ENCORD).
- European Construction Technological Platform (ECTP).
- Fed. Reg. Empresas de Transporte (FROET).
- Federación de la Construcción de Santa Cruz de Tenerife.
- Federación de Obras Públicas en Alicante (FOPA).
- Foro Potencia.
- Foundation for the Global Compact.
- FRECOM MURCIA - Federación Regional Empresarios Construcción.
- Fundacio Cercle d´Infraestructures.
- Fundación Caminos.
- Fundación Ingeniería Civil Galicia.
- Fundación Plataforma Tecnológica Española de la Construcción (PTEC).
- Global Compact Action Platform de Finanzas sostenibles.
- Green Building Council- España (GBCe).
- Gremi Construccio d'obres de Catalunya.
- Gremi d'àrids de Catalunya.
- Instituto tecnológico del plástico (AIMPLAS).
- Plataforma de Finanzas Sostenibles del Pacto Mundial de Naciones Unidas.
- Red Empresarial por la Diversidad e Inclusión LGBTI (REDI).
- Sociedad Española de Presas y Embalses (SEPREM).
- Spain-US Chamber of Commerce.
- Transit Rail Association for Canadian, Contractors, Maintainers and Standards.
- UNE - Vocalía Cambio Climático.
- VOCALÍA DEL CTN 332 "Digitalización de la información para edificación y obra civil".

Cement

- Asociación Cantabria Sostenible (Cantabria Sostenible).
- Asociación CEMBUREAU.
- Asociación de Fabricantes de Cemento (Oficemen).
- Asociación de Fabricantes de Morteros y SATE (ANFAPA).
- Asociación Nacional Española de Fabricantes de Hormigón Preparado (ANEPHOP).
- Asociación Nacional de Fabricantes de Árido (ANEFA).
- Confederación de Empresarios de Andalucía (CEA).
- Federación de Industriales y Comerciantes de Alcalá de Guadaira (FICA).
- Fundación del Cemento y el Medio Ambiente (CEMA).
- Fundación Laboral Andaluza del Cemento y el Medio Ambiente (FLACEMA).
- Asociación de empresas catalanas que dedican su actividad a la extracción y el tratamiento de áridos (Gremi d'Arid de Catalunya).
- Gremi Prefabricados y derivados del cemento (Gremi Prefabricats).
- Instituto Español de Cemento y sus Aplicaciones (IECA).
- CEOE CEPYME CANTABRIA – Afiliación. (CEOE CEPYME CANTABRIA).
- Ciment Català Agrupación de fabricantes de cemento de Cataluña. (Ciment Català).

Real Estate

- Asociación de Promotores Inmobiliarios de Madrid. (ASPRIMA).
- Asociación de Promotores Constructores de España. (APCE).
- GAESCO.

7.3.
GRI Content Index

Declaration of use: Fomento de Construcciones y Contratas, S.A. and subsidiaries have drawn up the report in accordance with the GRI Standards for the reporting period from 1 January to 31 December 2023.

GRI 1 used: GRI 1: Foundation 2021.

Applicable GRI Sector Standards: Not applicable.

Content		Report section/Direct response	Page	Omission
General content				
GRI 2: General Disclosures 2023				
2-1	Organizational details.	Fomento de Construcciones y Contratas, S.A. and subsidiaries. Headquarters: Av. Del Camino de Santiago, 40 28050 Madrid, Spain.	–	
2-2	Entities included in the organization's sustainability reporting.	7.1 About this Report and its scope.	142	
2-3	Reporting period, frequency and contact point.	7.1 About this Report and its scope.	142	
2-4	Restatements of information.	Data that have been updated from the figures published in 2023 have been marked with footnotes throughout this document.	–	
2-5	External assurance.	7.1 About this Report and its scope.	142	
2-6	Activities, value chain and other business relationships.	1.3 Business model. 5.1 Clients. 5.2 Suppliers.	8 - 18 109 - 117	
2-7	Employees.	4.1.1 People at FCC. 4.1.2 Organisational structure. 4.1.3 Hiring. 7.2.3 Tables of social and personnel-related matters.	90 - 92 153 - 160	
2-8	Workers who are not employees.	In 2023, the number of non-employed workers totals approximately 10,675.	–	
2-9	Governance structure and composition.	1.4. Governance structure.	19 - 22	
2-10	Nomination and selection of the highest governance body.	1.4. Governance structure.	21	
2-11	Chair of the highest governance body.	1.4. Governance structure	21	

Content		Report section/Direct response	Page	Omission
2-12	Role of the highest governance body in overseeing the management of impacts.	2.3. ESG Framework 6.1. Risk Management	35 124 - 125	
2-13	Delegation of responsibility for managing impacts.	2.3. ESG Framework.	35	
2-14	Role of the highest governance body in sustainability reporting.	The Group's Sustainability Report is part of the management report, which is approved by the Board together with the preparation of the financial statements.	–	
2-15	Conflicts of interest.	1.4. Governance structure.	20	
2-16	Communication of critical concerns.	1.4. Governance structure.	20	
2-17	Collective knowledge of the highest governance body.	1.4. Governance structure.	19 - 20	
2-18	Evaluation of the performance of the highest governance body.	1.4. Governance structure.	19 - 20	
2-19	Remuneration policies.	1.4. Governance structure.	23	
2-20	Process to determine remuneration.	1.4. Governance structure.	23	
2-21	Annual total compensation ratio.	a) 37.28. b) 0.83.	–	
2-22	Statement on sustainable development strategy.	Letter from the Chief Executive Officer. 2.3. ESG Framework.	3 - 4 33 - 39	
2-23	Policy commitments.	7.2.1 Group Policies.	145 - 147	
2-24	Embedding policy commitments.	7.2.1 Group Policies.	145 - 147	
2-25	Processes to remediate negative impacts.	In the FCC Group, the appropriate remediation measures are developed through the procedures established in the Compliance Model, which includes the Human Rights Policy. 6.3 Human rights.	135 - 136	
2-26	Mechanisms for seeking advice and raising concerns.	2.5. Dialogue with stakeholders.	44	
2-27	Compliance with laws and regulations.	7.2.2 Tables of environmental-related matters. Given that non-compliance cases which, due to their amount or subject matter, could generate reputational damage to the Group, no significant firm sanctions have been identified in 2023.	148	
2-28	Membership associations.	7.2.5 List of main associations.	164 - 166	
2-29	Approach to stakeholder engagement.	2.5. Dialogue with stakeholders.	44	

Content		Report section/Direct response	Page	Omission
2-30	Collective bargaining agreements	4.3.1. Social Dialogue. 7.2.3 Tables of social and personnel-related matters.	101 - 102 158	
Material topics				
GRI 3: Material Topics 2021				
3-1	Process to determine material topics.	2.4. FCC's priorities.	40 - 43	
3-2	List of material topics.	2.4. FCC's priorities.	40 - 43	
Environmental Dimension				
Climate change and energy				
GRI 3: Material Topics 2021				
3-3	Management of material topics.	2.4. FCC's priorities. 3.3. Climate action.	40 - 43 56 - 64	
GRI 201: Economic Performance 2016				
201-2	Financial implications and other risks and opportunities due to climate change.	3.3. Climate action.	56 - 64 58 - 59	
GRI 302: Energy 2016				
302-1	Energy consumption within the organization.	3.3. Climate action. 7.2.2 Tables of environmental-related matters.	64 149 - 150	
302-3	Energy intensity.	3.3. Climate action.	64	
302-4	Reduction of energy consumption.	7.2.2 Tables of environmental-related matters.	150	
GRI 305: Emissions 2016				
305-1	Direct (Scope 1) GHG emissions.	3.3. Climate action. 7.2.2 Tables of environmental-related matters.	62 148	FCC Environmental Services (US)
305-2	Energy indirect (Scope 2) GHG emissions.	3.3. Climate action. 7.2.2 Tables of environmental-related matters.	62 149	FCC Environmental Services (US)
305-3	Other indirect (Scope 3) GHG emissions.	1.612.940 tCO_2e.	–	
305-4	GHG emissions intensity.	98 tCO_2e/employee (Scopes 1 and 2).	–	
305-5	Reduction of GHG emissions.	3.3. Climate action.	62	

Content	Report section/Direct response	Page	Omission
Water management			
GRI 3: Material Topics 2021			
3-3 Management of material topics	2.4. FCC's priorities. 3.5. Water.	40 - 43 72 - 76	
GRI 303: Water and Effluents 2018			
303-1 Interactions with water as a shared resource.	3.5. Water.	72 - 76	
303-3 Water withdrawal.	3.5. Water. 7.2.2. Tables of environmental-related matters.	72 - 76 151	Aqualia; FCC Environmental Services (US)
303-5 Water consumption.	Water consumption: Total water consumption: 10,786,877 m^3. Total water consumption in water-stressed areas: 5,437,005 m^3.	–	
Resources and materials			
GRI 3: Material Topics 2021			
3-3 Management of material topics.	2.4. FCC's priorities. 3.7. Circular economy and use of resources.	40 - 43 82 - 89	
GRI 301: Materials 2016			
301-1 Materials used by weight or volume.	3.7.2. Efficient resource consumption. 7.2.2 Tables of environmental-related matters.	85 - 86 151	Real Estate; FCC Environmental Services (US.)
301-2 Recycled input materials used.	7.2.2 Tables of environmental-related matters.	151	
301-3 Reclaimed products and their packaging materials.	7.2.2 Tables of environmental-related matters.	151	
Biodiversity			
GRI 3: Material Topics 2021			
3-3 Management of material topics.	2.4. FCC's priorities. 3.6. Biodiversity and ecosystems.	40 - 43 77 - 81	
GRI 304: Biodiversity 2016			
304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	3.6. Biodiversity and ecosystems.	77 - 81	

Content		Report section/Direct response	Page	Omission
304-2	Significant impacts of activities, products and services on biodiversity.	3.6. Biodiversity and ecosystems.	77 - 81	
304-3	Habitats protected or restored.	3.6. Biodiversity and ecosystems.	77 - 81	
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations.	3.6. Biodiversity and ecosystems.	77 - 81	
Pollution				
GRI 3: Material Topics 2021				
3-3	Management of material topics.	2.4. FCC's priorities. 3.4. Pollution.	40 - 43 65 - 71	
GRI 303 - Water and effluents 2018				
303-2	Management of water discharge-related impacts.	3.4. Pollution.	65 - 71	Aqualia; Real Estate
303-4	Water discharge.	3.4. Pollution.	65 - 71	Aqualia; Real Estate
GRI 305 - Emissions 2016				
305-6	Emissions of ozone-depleting substances (ODS).	3.4. Pollution.	69	
305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	3.4. Pollution.	69	Real Estate
Waste				
GRI 3: Material Topics 2021				
3-3	Management of material topics.	2.4. FCC's priorities. 3.7. Circular economy and use of resources.	40 - 43 82 - 89	
GRI 306: Waste 2020				
306-1	Waste generation and significant waste-related impacts.	3.7. Circular economy and use of resources.	87 - 89	
306-2	Management of significant waste-related impacts	3.7. Circular economy and use of resources.	87 - 89	
306-3	Waste generated.	3.7. Circular economy and use of resources.	88	

Content	Report section/Direct response	Page	Omission
306-4 Waste diverted from disposal.	7.2.2 Tables of environmental-related matters.	152	
306-5 Waste directed to disposal.	7.2.2 Tables of environmental-related matters.	152	
Social Dimension			
Subcontracting and suppliers			
GRI 3: Material Topics 2021			
3-3 Management of material topics	2.4. FCC's priorities. 5.2. Suppliers.	40 - 43 114 - 117	
GRI 308: Supplier Environmental Assessment 2016			
308-1 New suppliers that were screened using environmental criteria.	5.2. Suppliers.	117	The information reported does not include the suppliers specifically managed by the Cement and Real Estate areas (Realia). This information will be gradually centralised by the FCC Group's Purchasing Department.
308-2 Negative environmental impacts in the supply chain and actions taken.	5.2. Suppliers.	116	
GRI 414: Supplier Social Assessment 2016			
414-1 New suppliers that were screened using social criteria.	5.2. Suppliers.	117	
414-2 Negative social impacts on the supply chain and action taken.	5.2. Suppliers.	116	
Working conditions			
GRI 3: Material Topics 2021			
3-3 Management of material topics.	2.4. FCC's priorities. 4.1.3 Hiring.	40 - 43 91 - 92	
GRI 401: Employment 2016			
401-1 New employee hires and employee turnover.	4.1.3 Hiring. 7.2.3. Social and personnel tables.	91 - 92 154	

Content		Report section/Direct response	Page	Omission
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees.	In general, there are no benefits offered to full-time employees who are not provided to part-time or temporary employees.	–	
Data protection				
GRI 3: Material Topics 2021				
3-3	Management of material topics	2.4. FCC's priorities. 5.1 Clients. 6.5. Cybersecurity and data protection.	40 - 43 109 - 113 140 - 141	
GRI 418: Customer privacy 2016				
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data.	5.1. Clients.	113	
Safety and quality of products and services				
GRI 3: Material Topics 2021				
3-3	Management of material topics.	2.4. FCC's priorities. 5.1. Clients.	40 - 43 109 - 113	
GRI 416: Customer Health and Safety 2016				
416-1	Assessment of the health and safety impacts of product and service categories.	5.1. Clients.	110 - 111	
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services.	5.1. Clients.	111	
Equality and diversity				
GRI 3: Material Topics 2021				
3-3	Management of material topics	2.4. FCC's priorities. 1.4. Governance structure.	40 - 43	
GRI 405: Diversity and Equal Opportunity 2016				
405-1	Diversity of governance bodies and employees.	1.4. Governance structure.	21	

Content		Report section/Direct response	Page	Omission
405-2	Ratio of basic salary and remuneration of women to men.	4.1.5. Salary policy. 7.2.3. Social and personnel tables.	96 157	
GRI 406: Non-discrimination 2016				
406-1	Incidents of discrimination and corrective actions taken.	The Group's Whistleblowing Channel received four communications confirmed as cases of discrimination in 2023, which have been processed in accordance with the Group's Compliance Model, with each case being investigated and the appropriate measures taken.	–	
Health and safety				
GRI 3: Material Topics 2021				
3-3	Management of material topics.	2.4. FCC's priorities. 4.4. Health, safety and well-being.	40 - 43	
GRI 403: Occupational Health and Safety 2018				
403-1	Occupational health and safety management system.	4.4. Health, safety and well-being.	104 - 107	
403-2	Hazard identification, risk assessment, and incident investigation.	The health and safety management systems contemplate operational control plans or periodic inspections, 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 an update of the assessments concerned. The participation of workers in the notification of hazards or needs related to health and safety is articulated through various communication channels: through their representatives on the matter; and there is also a complaints channel that can be anonymous if the subject so wishes, consisting of an ad hoc form that can be filled in online, sent by e-mail or by post. The Group has a number of procedures in place that set out how the investigation of occupational incidents is to be conducted, which establishes the process to be followed and the persons who should be involved in the process.	–	
403-3	Occupational health services	The mission of the joint prevention services is to promote and assist the organisation in the integration and development of preventive and health promotion activities (implementation of health and safety management systems), as well as to assess the implementation of the Health and Safety Plans of the different business areas. This function strives to avert or prevent occupational hazards and improve 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) in dedication to the development of the technical responsibilities of the service, and they have the means appropriate to the needs of the prevention service. The Medical Services, which have Basic Health Units (B.H.U.) and provide assistance to the Companies within their scope of action, carry out the activities corresponding to Occupational Medicine. In addition to Health Monitoring, this area of expertise works with an External Prevention Service in geographical areas not covered by FCC's Medical Services.	–	

Content	Report section/Direct response	Page	Omission
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.	–	
403-5 Worker training on occupational health and safety.	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, training courses (to undertake responsibilities defined in the system) and technical training (for prevention technicians and those with basic or intermediate training in the performance of preventive duties).	–	
403-6 Promotion of worker health.	FCC's Medical Services are responsible for all health surveillance tasks across the organisation and in all geographies (provinces) in which this service is physically present. In addition, it will be responsible for defining the applicable surveillance protocols for each position, and for scheduling and performing the initial and regular medical examinations, as well as those for employees returning from leave or other specific cases. In addition, it will manage flu vaccination campaigns and help manage the actions included in the health promotion activities through different channels, such as publishing information internally and on SOMOS FCC. Finally, it will also participate in the campaigns aimed at reducing the levels of absenteeism.	–	
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships.	The FCC supplier approval process includes the need to comply with a series of information and compliance requirements related to occupational health and safety. These include the preventive organisation model, the accident rate results with respect to the sector of activity, sanctions in this area and own resources allocated to the function, etc. A positive assessment is a necessary prerequisite for approval.	–	
403-8 Workers covered by an occupational health and safety management system.	The scope of the ISO 45001 certification or equivalent local alternative covers all business areas (employees and non-employees) with the exception of those countries in which, due to the recent acquisition of the business or its implementation in certain markets, the appropriate maturity in the implementation of the preventive management systems is required prior to the corresponding certification in the field of occupational health and safety management. 7.2.3 Tables of social and personnel-related matters.	–	
403-9 Work-related injuries.	The most common accident in the FCC Group is related to injuries to the musculoskeletal system.	–	
403-10 Work-related ill health.	The main occupational hazards that present a risk of illness and disease relate to chronic conditions of the musculoskeletal system. The measures taken to eliminate these hazards involve the adaptation of work equipment and work operations, together with the promotion of physical activity and regular health monitoring that can detect these conditions at an early stage before they become chronic. There were no deaths resulting from occupational diseases or illnesses in 2023.	–	Companies of the FCC Group operating outside Spain.

Content		Report section/Direct response	Page	Omission
Governance Dimension				
Integrity of conduct				
GRI 3: Material Topics 2021				
3-3	Management of material topics.	2.4. FCC's priorities. 6.2. Business conduct.	40 - 43	
GRI 202: Market Presence 2016				
202-2	Proportion of senior management hired from the local community.	In 2023, the percentage of senior management hired from the local community was of 92.39%.	–	
GRI 205: Anti-corruption 2016				
205-1	Operations assessed for risks related to corruption.	6.2. Business conduct.	129 - 133	
205-2	Communication and training about anti-corruption policies and procedures.	6.2. Business conduct.	129 - 133	
205-3	Confirmed incidents of corruption and actions taken.	No corruption cases were confirmed in 2023. In 2019, the Group detected a series of payments made between 2010 and 2014 that could involve cases of corruption in international transactions and money laundering, and which could affect the companies FCC Construcción, S.A., FCC Construcción América, S.A. and Construcciones Hospitalarias, S.A. The company reported these cases to the public prosecutor's office in Spain and Panama and has been providing the utmost cooperation since then to clarify what happened. The case is still in the investigation period, and we are currently not capable of determining at this time what type of charges could be filed, if any.[35]	–	
GRI 206: Anti-competitive Behaviour 2016				
206-1	Legal actions for anti-competitive behaviour, anti-trust and monopoly practices.	FCC Construcción received a sanction from the CNMC in July 2022 due to an alleged infringement of Article 101 of the Treaty on the Functioning of the EU, derived from sharing information and costs when preparing bids to be submitted to the Public Administration. FCC strongly opposes the conclusions reached by the CNMC. According to the advice received, these acts do not infringe the Spanish Competition Law. The CNMC's resolution is not firm, so it was appealed to the Spanish courts, requesting it be revoked. Furthermore, it submitted a precautionary request for the suspension of the payment of the fine imposed until a final court ruling is handed down on this matter. This request was granted by the Spanish High Court.	–	

35. Additional information provided in the notes of FCC's Consolidated Financial Statements Report.

Content	Report section/Direct response	Page	Omission
GRI 207: Tax 2019			
207-1 Approach to tax.	6.4. Tax transparency.	137 - 139	
207-2 Tax governance, control and risk management.	6.4. Tax transparency.	137 - 139	
207-3 Stakeholder engagement and management of concerns related to tax.	6.4. Tax transparency.	139	
207-4 Country-by-country reporting.	7.2.4. Tax transparency tables.	161 - 163	
GRI 415: Public Policy 2016			
415-1 Political contributions.	According to the Group's Code of Ethics and Conduct, it is strictly prohibited for all companies of the Group to make donations to candidates, political parties or public officials. Exceptionally, with the express authorisation of the highest ranking manager, donations may be made in countries in which it is expressly regulated by the Law and in the terms established by the Law, without under any circumstances having to object to obtain an undue advantage in business. The FCC Group made no donations, either in cash or in kind, to political parties and/or representatives during the year 2023.	–	
Promotion of innovation			
GRI 3: Material Topics 2021			
3-3 Management of material topics.	2.4. FCC's priorities. 2.6. Innovation with a purpose.	40 - 43 45 - 50	
Public administrations and industry associations			
GRI 3: Material Topics 2021			
3-3 Management of material topics	2.4. FCC's priorities. 2.5. Dialogue with stakeholders. 5.3. Transformation of communities.	40 - 43 44 118 - 123	

7.4.
Indicator table Law 11/2018

Law 11/18 Requirement	Related GRI standard		Section of the Report
GENERAL INFORMATION			
Business model			
Brief description of the group business model (including business environment, organisation and structure).	2-1 2-6 2-9	Organizational details (a and b). Activities, value chains and other business relationships. Governance structure and composition.	1.3 Business model. 1.4. Governance structure.
Geographical presence.	2-1	Organizational details (c and d)	1.3 Business model.
Organisation's objectives and strategies.	3-3	Management of material topics	1.3. Business model. 2.3. ESG Framework.
Main factors and trends that may affect future growth and development.	3-3	Management of material topics	2.1. Global challenges and trends.
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]	2-23 2-24	Policy commitments. Embedding policy commitments.	2.3. ESG Framework. 3.1.3 Management systems and certifications. 6.2. Business conduct. 7.2.1 Group Policies.
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].	3-3	Management of material topics.	6.1. Risk management.
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.	N/A.		7.1. About this Report and its scope.

Law 11/18 Requirement	Related GRI standard	Section of the Report
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.	3-3 Management of material topics.	3. Environmental challenges and achievements.
On environmental assessment and certification procedures.	3-3 Management of material topics.	3.1.3 Management systems and certifications.
On resources dedicated to the prevention of environmental risks.	3-3 Management of material topics.	3.2. Resources dedicated to environmental risk prevention.
On the application of the precautionary principle.	3-3 Management of material topics.	3. Environmental challenges and achievements.
On the amount of provisions and guarantees for environmental risks.	2-27 Compliance with laws and regulations.	3.2. Resources dedicated to environmental risk prevention.
Pollution		
Measures to prevent, reduce or repair carbon emissions that seriously affect the environment (also includes noise and light pollution).	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions. 303-2 Management of water discharge-related impacts. 303-4 Water discharge.	3.4. Pollution.
Circular economy and waste prevention and management		
Measures for prevention, recycling, re-use, other forms of retrieval and disposal of waste.	306-1 Waste generation and significant waste-related impacts. 306-2 Management of significant waste-related impacts. 306-3 Waste generated.	3.7. Circular economy and use of resources.
Actions to combat food waste.	3-3 Management of material topics.	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 Interactions with water as a shared resource. 303-2 Management of water discharge-related impacts. 303-3 Water withdrawal. 303-5 Water consumption.	3.5. Water.
Raw material consumption and measures taken to improve the efficiency of its use.	301-1 Materials used by weight or volume.	3.7. Circular economy and use of resources.
Direct and indirect energy consumption.	302-1 Energy consumption within the organization. 302-3 Energy intensity.	3.3. 5. Energy.

Law 11/18 Requirement	Related GRI standard	Section of the Report
Measures taken to improve energy efficiency.	3-3 Management of material topics.	3.3. 5. Energy.
Use of renewable energy.	302-1 Energy consumption within the organization (b).	3.3. 5. Energy.
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 (Scope 1) GHG emissions. 305-2 Energy indirect (Scope 2) GHG emissions.	3.3.4. GHG Emissions.
Measures taken to adapt to the consequences of climate change.	201-2 Financial implications and other risks and opportunities due to climate change.	3.3.1. Transition plan for the mitigation of climate change. 3.3.2. Risks and opportunities.
Reduction goals established voluntarily in the medium and long term to reduce greenhouse gas emissions and the measures adopted for this purpose.	3-3 Management of material topics	3.3.1. Transition plan for the mitigation of climate change.
Protecting biodiversity		
Measures taken to preserve or restore biodiversity.	3-3 Management of material topics.	3.6. Biodiversity and ecosystems.
Impacts caused by activities or operations in protected areas.	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas (a). 304-3 Habitats protected or restored.	3.6. Biodiversity and ecosystems.
2. SOCIAL AND PERSONNEL AFFAIRS		
Employment		
Total number and distribution of employees by gender, age, country and professional classification.	2-7 Employees. 405-1 Diversity of governing bodies and employees (b).	4.1.1. People at FCC. 4.1.2. Organisational structure. 4.1.3. Hiring. 7.2.3 Tables of social and personnel-related matters.
Total number and distribution of employment contract modalities.		
Annual average for indefinite, temporary and part-time contracts by gender, age and professional classification.		
Number of dismissals by gender, age and professional classification;	3-3 Management of material topics.	7.2.3 Tables of social and personnel-related matters.
Average remuneration and developments separated by gender, age and professional classification or equal value;	3-3 Management of material topics.	7.2.3 Tables of social and personnel-related matters.
Salary gap, remuneration for the same job position or the average within the company.	405-2 Ratio of basic salary and remuneration of women to men.	4.1.5. Salary policy.
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.	2-19 Remuneration policies. 2-20 Processes to determine remuneration.	1.4.2 Remuneration model 4.1.5. Salary policy.

Law 11/18 Requirement	Related GRI standard	Section of the Report
Implementation of work disconnection policies.	3-3 Management of material topics.	4.4.6. Organisational culture.
Employees with disabilities.	405-1 Diversity of governing bodies and employees (b).	4.2. Diversity and equal opportunities.
Work organisation		
Organisation of working time.	3-3 Management of material topics.	4.4.6. Organisational culture.
Hours lost through absenteeism.	3-3 Management of material topics.	4.4.2. Developments in the main indexes. 7.2.3 Tables of social and personnel-related matters.
Measures aimed at facilitating work-life balance and encouraging the co-responsibility of both parents.	3-3 Management of material topics.	4.4.6. Organisational culture.
Health and safety		
Occupational health and safety conditions.	403-1 Occupational health and safety management system. 403-2 Hazard identification, risk assessment and incident investigation	4.4.1. Strategy and culture. 4.4.3. Integration of health and safety and R&D&I. 4.4.4. Gender perspective in health and safety.
Work-related accidents, in particular, their frequency and severity by gender.	403-9 Work-related injuries (a).	4.4.2. Developments in the main indexes. 7.2.3 Tables of social and personnel-related matters.
Occupational illness by gender.	403-10 Occupational illnesses and diseases (a).	7.2.3 Tables of social and personnel-related matters.
Social relationships		
Organisation of social dialogue, including procedures for informing and consulting personnel and negotiating with them.	3-3 Management of material topics.	4.3.1. Social Dialogue. 4.3.3. Tools for communication with workers.
Percentage of employees covered by collective bargaining agreement by country.	2-30 Collective bargaining agreements (a).	4.3.1. Social Dialogue. 7.2.3 Tables of social and personnel-related matters.
Balance of collective bargaining agreements, particularly in the field of health and safety at work.	403-4 Worker participation, consultation and communication on occupational health and safety.	4.3.1. Social Dialogue.
Mechanisms and procedures to promote worker involvement in company management, in terms of information, consultation and participation.	3-3 Management of material topics.	4.3.4. Worker engagement.
Training		
Policies implemented in the field of training.	404-2 Programmes for improving employee aptitudes and transition aid programmes (a).	4.1.4. Training and professional development.
Total number of hours of training by professional category.	404-1 Average hours of training per year per employee.	4.1.4. Training and professional development.
Accessibility		
Universal accessibility for people with disabilities.	3-3 Management of material topics.	4.2. Diversity and equal opportunities.

Law 11/18 Requirement	Related GRI standard		Section of the Report
Equality			
Measures taken to promote equal treatment and opportunities for women and men.	3-3	Management of material topics.	4.2. Diversity and equal opportunities.
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.	3-3	Management of material topics.	4.2. Diversity and equal opportunities.
Policy against all types of discrimination and, where applicable, for diversity management.	3-3	Management of material topics.	4.2. Diversity and equal opportunities.
3. INFORMATION ON RESPECT FOR HUMAN RIGHTS			
Application of due diligence procedures in Human Rights-related matters.	2-25 2-26 3-3	Processes to remediate negative impacts. Mechanisms for seeking advice and raising concerns. Management of material topics.	6.3. Human Rights.
Prevention of risks of violation of Human Rights and, where applicable, measures to mitigate, manage and repair possible abuses committed.	2-25 2-26 3-3	Procesos para remediar los impactos negativos. Mecanismos para solicitar asesoramiento y plantear inquietudes. Gestión de los temas materiales.	6.3. Human Rights.
Cases reported involving violation of Human Rights.	2-26 406-1	Mecanismos para solicitar asesoramiento y plantear inquietudes. Casos de discriminación y acciones correctivas emprendidas.	6.3. Human Rights.
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.	3-3	Management of material topics.	6.3. Human Rights.
Elimination of discrimination in employment and occupation.			
Elimination of forced or compulsory labour.			
Effective abolition of child labour.			
4. INFORMATION CONCERNING THE FIGHT AGAINST BRIBERY AND CORRUPTION			
Measures taken to prevent bribery and corruption.	2-26 205-1 205-2 205-3	Mechanisms for seeking advice and raising concerns. Operations assessed for risks related to corruption. Communication and training about anti-corruption policies and procedures. Confirmed incidents of corruption and actions taken.	6.2. Business conduct.
Measures to fight money laundering.	2-26	Mechanisms for seeking advice and raising concerns	6.2. Business conduct.
Contributions to foundations and non-profit organisations.	3-3	Management of material topics.	5.3.3. Economic contributions.

Law 11/18 Requirement	Related GRI standard	Section of the Report
5. INFORMATION ABOUT THE COMPANY		
Company's commitments to sustainable development		
Impact of the company's activity on employment and local development.	3-3 Management of material topics.	5.3. Transformation of communities.
Impact of the company's activity on local populations and on the territory.	3-3 Management of material topics.	5.3. Transformation of communities.
Relationships maintained with those playing a role in local communities and how dialogue is established with them.	2-29 Approach to stakeholder engagement.	2.5. Dialogue with stakeholders.
Partnership and sponsorship actions.	2-28 Membership associations.	5.3.3. Economic contributions 7.2.5. List of main associations
Subcontracting and suppliers		
Inclusion in purchase policy of social, gender equality and environmental issues.	3-3 Management of material topics.	5.2. Suppliers.
In relationships with suppliers and subcontractors, taking their social and environmental responsibility into account.	3-3 Management of material topics. 308-1 New suppliers that were screened using environmental criteria. 414-1 New suppliers that were screened using social criteria.	5.2. Suppliers
Supervisory systems, audits and their results.	3-3 Management of material topics.	5.2. Suppliers
Consumers		
Measures for the health and safety of consumers.	3-3 Management of material topics.	5.1. Clients.
Claim systems.	3-3 Management of material topics.	5.1. Clients.
Complaints received and their resolution.	3-3 Management of material topics.	5.1. Clients.
Tax information		
Profits obtained country by country.	207-4 Country-by-country reporting.	7.2.4. Tax transparency tables.
Corporate income tax paid on profit.	207-4 Country-by-country reporting.	7.2.4. Tax transparency tables.
Public grants received.	201-4 Financial assistance received from government (a).	7.2.4. Tax transparency tables.

7.5. European Union Environmental Taxonomy

The EU taxonomy is the cornerstone of the EU's sustainable finance framework and a very important tool to achieve market transparency. It is of essence to focus all investments on sustainable projects and activities to meet the EU's climate and energy-related goals by 2030 and also achieve the goals of the European Green Deal. To achieve it, we need a common language and to provide a clear definition of what sustainability really means. It is for this reason that the **EU taxonomy** was created in the action plan to finance sustainable growth, which will define a common system to classify sustainable economic activities.

The EU taxonomy allows financial and non-financial institutions to share a common definition of the economic activities that can be considered as sustainable in environmental terms. Therefore, it plays a vital role in helping the EU attract sustainable investments, providing a greater safety to investors, protecting investors against greenwashing, helping companies protect the environment and combat climate change and reduce the degree of fragmentation of the market.

The **Regulation on Taxonomy (EU) 2019/2088** came into force on 12 July 2020. It establishes the base with four general conditions that economic activities must meet to be considered environmentally sustainable:

- Make a substantial contribution to achieving one or more of the EU's six environmental goals:
  - Climate change mitigation.
  - Climate change adaptation.
  - The sustainable use and protection of water and marine resources.
  - Transition to a circular economy.
  - Prevention and control of pollution.
  - Protection and restoration of biodiversity and ecosystems.
- Comply with the technical selection criteria set forth by the EU.
- Cause no significant harm to the other five environmental goals:
- Meet the minimum social safeguard requirements.

According to the regulation on the taxonomy, the Commission published the list of sustainable environmental activities, defining the technical criteria for the selection of each environmental goal in delegated and execution acts.

Applicable regulations (from most recent to oldest):

1. Published in the Official Gazette on 21 November 2023.
   - **Delegated Regulation (EU) 2023/2486** of 27 June 2023 (Environmental Delegated Act), which defines the technical criteria to select the four remaining goals, and which includes changes to the taxonomy's mandatory information templates.
   - **Delegated Regulation (EU) 2023/2485**, of 27 June 2023, which amends the Environmental Delegated Act, adapting the corresponding activities to adapt to climate change.
2. Published in the Official Gazette on 15 July 2022.
   - **Delegated Regulation (EU) 2022/1214**, of 9 March 2022, (Climate Delegated Act), which expands on the eligible activities, including those related to Nuclear Energy and the generation of electricity with gaseous fossil fuel.
3. Published in the Official Gazette on 10 December 2021.
   - **Delegated Regulation (EU) 2021/2178** of 6 July 2021 (Dissemination Delegated Act), which specifies the content and presentation to be disclosed as set out in the following sections; as well as the explanatory FAQs, published by the European Commission on 19 December 2022, relating to the interpretation and implementation of the technical screening criteria and DNSH of the two environmental objectives developed to date, and the reporting requirements of Article 8 of the aforementioned regulation.
4. Published in the Official Gazette on 9 December 2021.
   - **Delegated Regulation (EU) 2021/2139** of 4 June 2021 (Climate Delegated Act), first Delegated act that establishes the sustainable activities in relation to mitigation and adaptation to climate change, establishing the technical criteria for the selection of the activities that can be selected as having a substantial contribution to helping mitigate or adapt to climate change, among others.



To provide an effective response to the Taxonomy's requirements, the FCC Group has created the Sustainable Finance Taxonomy area, which reports directly to the Group's Management Control Department, in coordination with the Corporate Sustainability Department, the Departments of different businesses of the Group and their corresponding Environmental and Quality Managers, with the aim of implementing a Taxonomy that is adapted to the current environmental goals, but also with a forward-looking approach, developing the necessary procedures and optimising the work and information flows, providing support to technical solutions in coordination with the business areas, with the use of administration procedures and information technologies and identifying the risks associated with the taxonomy process to optimise the alignment of the FCC Group's eligible activities.

Pursuant to the reporting requirements of the regulation mentioned above, the FCC Group has analysed the proportion of its economic activities that are eligible, and where applicable, aligned and non-aligned, as well as non-eligible in terms of turnover, CapEx and OpEx for the year 2023, for the Climate Change Mitigation and Adaptation targets, and the corresponding eligibility in relation to all other environmental objectives, since their alignment is required from 2024 onwards.

Eligibility analysis and alignment

Following the steps of 2022, in which the FCC Group conducted an in-depth review, focusing on the regulatory changes occurred during the year and analysing the activities carried out by the FCC Group's businesses individually, with the quantification of aligned and non-aligned activities within the activities considered eligible.

In relation to the expansion of the new environmental objectives approved in the Delegated Regulations on 27 June 2023, the FCC Group has analysed the eligibility of the new objectives, thus expanding the classification of those considered as "sustainable" for the activities that had been previously excluded, while solely assessing their alignment with the objectives associated with Mitigation and Adaptation to climate change, according to these Regulations.

It is essential to differentiate between the following concepts when carrying out this task:

- An activity is assumed 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 Regulation (EU) 2020/852, and which is demonstrated through the analysis of the alignment of eligible activities.
- Activities previously deemed eligible are considered to be **aligned** with the Taxonomy if the activity meets the criteria for substantial contribution (SCC), causes no significant detriment to other environmental objectives (DNSH) and complies with minimum social safeguards.
- An economic activity not identified by the EU Taxonomy would be a **non-eligible** activity and, therefore, no criteria are available for it, either because it has no potential to make a substantial contribution to a taxonomy objective or because it could be included in the future EU Taxonomy Regulation.

In order to meet the taxonomy requirements during the year, the FCC Group has assessed compliance with these requirements using its own resources, carrying out a detailed analysis based on the taxonomic activities applicable to the Group and their characteristics, as specified below.

Identification of eligible activities per minimum management unit

Based on the units that may be consolidated and which are included in the consolidated financial statements of the FCC Group, the eligibility and alignment analysis was performed with regard to the **minimum management unit**. Similar activities carried out in different geographical areas were assessed separately, given the dispersion of contracts and facilities that characterise the FCC Group, with a view to ensuring the correct application of the Regulation, bearing in mind the specificities of each of them.

In many cases, depending on the economic activity carried out and its characteristics, the minimum unit considered is the **contract**, mainly in Construction activities and in Environmental Services when they are signed with City Councils or other local entities; the grouping of contracts with similar characteristics for the purposes of the above-mentioned Regulation; the concession in the case of contracts governed by concession regimes (mainly in End-to-End Water Management activity and in Concessions); the buildings or premises in the case of Real Estate activity; or facility (in the case of cement manufacturing plants or waste treatment and recycling plants).

On the basis of these minimum units, the financial key performance indicators (hereinafter KPIs) set out in Taxonomy have been calculated separately for all business units, without considering transactions with other minimum business units of the consolidated Group, in order to subsequently assess their eligibility and alignment, if applicable, on a case-by-case basis. The FCC Group performed the appropriate controls to ensure that the sum of the KPIs obtained individually for each of the management units comprising each consolidation unit included in the consolidated financial statements coincides with the KPIs calculated for the corresponding consolidation unit. This will guarantee and prevent duplicate entries for any amount.

In the cases of economic activities of the FCC Group that can help achieve several taxonomy objectives, these will only be counted as single objectives, the mitigation objective taking precedence over the climate change adaptation objective or over other environmental objectives approved on 27 June 2023, for which their eligibility must be reported during 2024 and their alignment in 2025.

In the case of all activities classified as eligible for Mitigation and Adaptation, a detailed study of those associated with Mitigation will be a priority, given their substantial contribution to the environment.

Whenever a single Business Area engages in more than one activity, the amount of the KPIs has been broken down between the different activities using allocation criteria consistent with the specific characteristics of each type of contract according to the activities they carry out.

Once the different minimum management units have been identified, their eligibility will be reviewed and, where appropriate, determining whether they are in line with the climate change mitigation and adaptation criteria or not.

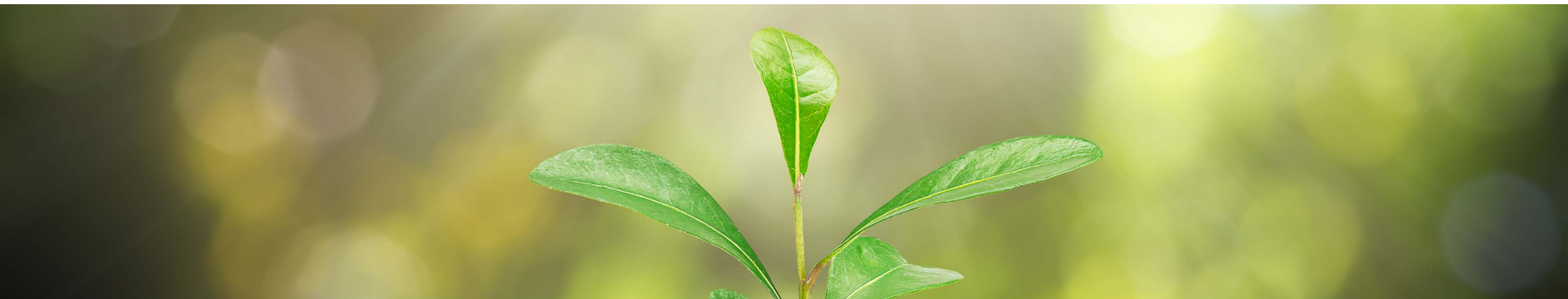
The approval of the new taxonomy goals has increased the complexity associated with the study of simultaneously eligible taxonomy activities in several goals. This increases the information requirements in different areas to justify the qualitative and quantitative data required to meet the new substantial contribution and DNSH requirements. There are three scenarios when an eligible economic activity of the Taxonomy is studied:

- The economic activity is only eligible for one of the activities included in the Taxonomy goal. In this case, the activity will be studied and, if it meets the requirements, it is considered that the activity is in line with this goal. This occurs in the FCC Group in the following taxonomy groups: manufacturing (CCM 3.7 cement), energy (CCM 4.1 photovoltaic and CCM 4.5 hydraulic), transport (CCM 6.13 personal mobility, CCM 6.14 railway, CCM 6.15 roads, CCM 6.16 ports) and water supply (CCA 5.13 desalination).

- The economic activity is 100% eligible for the activities of several Taxonomy goal. The activity will be studied according to several goals and, if in line with two or more, it must be determine which one has the priority, so as to select this goal and prevent duplicate entries. This occurs in the FCC Group in the following taxonomy groups: construction (CCM 7.1 CE 3.1 new building construction and CCM 7.2 CE 3.2 renovation of existing buildings).

- The economic activity is only partially eligible for several activities in the different Taxonomy goals. In this case, the percentage of economic activity eligible for several objectives and the percentage of exclusive activity of a single objective have been determined to study the common and exclusive parts separately. This situation appears in the FCC Group as part of the water supply, sanitation, waste treatment and decontamination taxonomy group, and has required a more detailed study of the granularity to establish the eligible part of each objective, with the aim or preventing duplicate entries.

The current template used for the key performance indicators of non-financial institutions requires the facilitating and transition activities of the taxonomy to be reported, indicating the totals by taxonomy objective. A taxonomy activity is classified as of the **facilitating** type when it allows other activities to make a substantial contribution to the achievement of one or more of these objectives directly. A taxonomy activity is classified as of the **transition** type when there is no technologically or economically feasible low-carbon emission alternative and when it makes a contribution on the transition towards a carbon neutral and coherent economy with the plan to limit the increase in temperature to 1.5ºC with regard to the pre-industrial levels, with the progressive elimination of greenhouse gases.



The facilitating activities carried out and studied by the FCC Group during 2023 in relation to the climate change mitigation and adaptation goal are as follows:

Taxonomy group	Transition activity
1 Silviculture.	CCM 1.2 Rehabilitation and restoration of forests, including reforestation and natural regeneration of forests after major events.
4 Energy.	CCM 4.9 Transmission and distribution of electricity.
5 Water supply, sanitation, waste treatment and decontamination.	CCA 5.13 Desalination.
6 Transport.	CCM 6.13 Infrastructure for personal mobility, cycle logistics.
	CCM 6.14 Infrastructure for rail transport.
	CCM 6.15 Infrastructure enabling low-carbon road transport and public transport.
	CCM 6.16 Infrastructure enabling low-carbon water transport.
7 Building construction and property development activities.	CCM 7.3 Installation, maintenance and repair of energy efficiency equipment.
	CCM 7.5 Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy efficiency of buildings.
14 Catastrophe risk management.	CCA 14.2 Infrastructures for the prevention and protection against the risk of flood.

The transition activities carried out and studied by the FCC Group during 2023 in relation to the climate change mitigation goal are as follows:

Grupo taxonómico	Actividad de transición
3 Manufacturing.	CCM 3.7 Cement manufacturing.
7 Building construction and property development activities.	CCM 7.2 Renovation of existing buildings.

In the case of each Taxonomy's eligible activities for the year 2023, the analysis contemplates the assessment of their alignment (except in the case of new taxonomy activities, for which the alignment assessment will be delayed until 2024), with the following stages:

1. Assessment of compliance with the technical selection criteria.
2. Analysis of compliance with the DNSH criteria.
3. Compliance with the minimum social safeguard requirements.

Assessment of compliance with the technical selection criteria

It is considered that an activity has a direct positive effect on the environmental objectives associated with the Mitigation or Adaptation to climate change, protection of water and marine resources, transition to a circular economy, prevention and control of pollution and protection and recovery of biodiversity and ecosystems when it complies with the substantial contribution or technical selection criteria.

This is the first step of the alignment analysis of the different eligible activities in which the FCC Group is involved.

The complexity and lack of applicability of some substantial contribution criteria based on the activities carried out within the FCC Group has required a specific understanding of the Group's businesses in order to determine which activities meet these criteria and can be considered aligned by Taxonomy.

Primary taxonomic groups and activities carried out within the FCC Group aligned by Taxonomy

Group 3 - Manufacturing

This taxonomy group includes all industries that manufacture or design products and technologies that may help reduce GHG emissions with responsible use.

This taxonomy group is part of the Cement area, made up of the Cementos Portland Valderrivas (GCPV), its main activity being the production of cement (92% of its turnover), aggregates, concrete and mortar.

Group 5 - Water supply, sanitation, waste treatment and decontamination

This taxonomic group includes end-to-end water cycle activities, along with the collection and/or management of non-hazardous waste.

As the leading exponent of the Water business, Aqualia manages contracts for the construction, renovation and maintenance of water distribution and sanitation networks, and also water treatment plants. Contracts that have been assessed below the quantitative thresholds of net energy consumption or leakage level are aligned, together with the sewerage activity.

Environmental Services, which collects waste and, in many cases, manages and treats it, is aligned in proportion to the volume of non-hazardous waste separated at source and destined for re-use and recycling operations. Similarly, NHW treatment plants that meet the recycling threshold.

Group 6 - Transport

The FCC Group carries out activities of construction, operation and/or maintenance of different types of infrastructures necessary for transport, included in the different taxonomic categories of this group.

Through the Construction and Concessions businesses, mainly, construction and operation of railway infrastructures for freight and passenger transhipment are carried out in accordance with Taxonomy,

Through street cleaning contracts, the Environment business carries out activities for the operation and maintenance of infrastructure for personal mobility (pavements, pedestrian areas, bicycle lanes) and which are considered to be aligned by Taxonomy.

Group 7 - Building construction and property development

The development of construction projects for residential and non-residential buildings, individual building renovation and maintenance measures related to the energy efficiency of buildings, as well as the leasing of real estate, are among the activities of the Real Estate business, as well as Construction, which is part of its Industrial division, and Environmental Services.

Newly constructed buildings have been identified as meeting environmental criteria at the construction stage in line with the parameters dictated by Taxonomy. However, the complexity of the technical criteria for this activity does not, to date, allow all the activities of this type carried out by the FCC Group to be aligned.

Moreover, the real estate assets managed by the Real Estate business have been assessed using the criteria corresponding to buildings constructed prior to 2020. To this end, an analysis of their energy efficiency has been carried out in comparison with the indicators of the reference real estate stock.

In addition, those energy efficiency improvement services that meet the higher requirements of the Energy Performance of Buildings Directive have been identified and classified under activities of this Group.

DNSH analysis

In addition to contributing to the environmental objectives mentioned above, to be considered an aligned activity it must be ensured that it does not cause significant detriment to other environmental objectives (DNSH, Do No Significant Harm).

DNSH Climate change mitigation

In view of the implementation of new economic activities that establish mandatory reporting on matters related to eligibility and alignment with the objective of Adapting to climate change, the FCC Group has studied the requirements of this DNSH to meet the requirements of this regulation.

The new activity associated with the adaptation to climate change, CCA 5.13 Desalination, includes all efforts to reduce GHG emissions associated with the high consumption of energy during the desalination process, which is typical of these infrastructures.

DNSH Adaptation to climate change. Climate risks

In line with the FCC Group's commitment to the fight against climate change, and in compliance with the specific requirements of the EU Taxonomy for DNSH Adaptation, at the close of financial year 2023, the Group's physical climate risks by taxonomic activity, assessed during the previous year, were updated.

This analysis is part of a global project developed by the Group throughout 2023, which addresses the risks and opportunities in all of FCC's activities associated with climate change. The project includes the identification and assessment of physical and transitional climate risks, climate-related opportunities, as well as the estimated financial impacts derived from the materialisation of such risks and how to take stock of the opportunities.

The FCC Group has a procedure for identifying, assessing and establishing the priority regarding climate risks and opportunities, as well as for their regular review This procedure was updated in 2023 to provide coverage and expand the project on risks and opportunities, which was initially defined in 2022 with an exclusive focus on meeting the Taxonomy requirements.

With regard to the physical climate risks described in this section, it is worth mentioning that these parts of the climate forecasts study, which is based on the latest scientific evidence, have been analysed with two timescales, since the FCC Group's activities are carried out throughout a time span of 10 to 40 years.

Firstly, a time horizon up to 2040 is used, with smaller-scale climate projections. Secondly, a horizon up to 2060, for which advanced and higher resolution climate projections are used, such as the future scenarios of Shared Socio-economic Trajectories SSP2-4.5, SSP1-2.6 and SSP5-8.5 of the Sixth Assessment Report (AR6) on climate change of the Intergovernmental Panel on Climate Change (IPCC), without ruling out other scenarios of this same report, such as SSP4 6.0. These scenarios used correspond to the updated version of the Representative Concentration Pathways (RCPs) from the IPCC Fifth Assessment Report, as referred to in the EU Taxonomy Regulation.

With regard to the methodology described in the climate risk assessment procedure, it is worth mentioning that the procedure is carried out with the result of multiplying the probability of a threat from occurring by the degree of exposure and vulnerability of the company's activities and its assets to the threat. The calculation results enable the importance or materiality of physical climate risks for economic activity to be determined, guiding efforts to establish adaptation measures that reduce the most significant physical climate risks.

The adaptation solutions defined by the FCC Group address the specifications of Delegated Regulation 2021/2139; do not adversely affect the adaptation efforts or the level of resilience to physical climate risks of other people, of nature, of cultural heritage, of assets and of other economic activities; are consistent with local, sector, regional or national adaptation plans and strategies; and consider the use of nature-based solutions or blue-green infrastructure.

DNSH Sustainable use and protection of water and marine resources

The FCC Group is aware that its business activities can have an impact on the marine environment. For this reason, in order to minimise its effects and in line with the requirements of the corresponding DNSH of the Taxonomy Regulation, the FCC Group integrates comprehensive environmental management systems in its projects and carries out the mitigation and water protection measures derived from the environmental declarations or environmental monitoring plans, where applicable, in line with the provisions of Appendix B Delegated Regulation (EU) 2021/2139.

DNSH Transition to a circular economy

In line with the commitments established in the FCC Group, the principles of circularity in the treatment and destination of the waste generated are promoted. Due to the geographical dispersion of the FCC Group and depending on the level of development of local infrastructure, the percentages of re-use and recycling of CDW (Construction and Demolition Waste) have been taken into account to determine those contracts that exceed the threshold set by Taxonomy of more than 70%. The Group has good housekeeping practices in place to ensure proper selective demolition to enable the safe disposal and handling of hazardous substances and to facilitate the re-use and recycling of materials, using available sorting systems for construction and demolition waste. In addition, the Group has Environmental Management Policies in place to ensure the application of best practices in the management, re-use and minimisation of waste.

DNSH Pollution prevention and control

To comply with this DNSH, all headings included in Appendix C of Delegated Regulation (EU) 2021/2139 have been analysed for the FCC Group's activities that apply within the transport and building construction and real estate development groups of the taxonomy, taking into account the measures implemented by the corresponding areas to reduce noise, dust and contaminating emissions during the construction or maintenance work. In the manufacturing group of the taxonomy, activity CCM 3.7, production of cement, the BATs (Best Available Techniques) for pollution prevention and control reflected in the Integrated Environmental Authorisations are fulfilled. In addition, the Group has Environmental Management Policies that ensure the application of best practices in pollution prevention and control.

DNSH Protection and restoration of biodiversity and ecosystems

To ensure the protection of biodiversity, the management systems implemented in the different activities of the FCC Group have been taken into account so as not to cause significant damage, together with the location of the sites and activities with respect to natural areas of special protection. In addition, compliance with this requirement is supported by the legally conducted Impact assessments (EIA) and Environmental Monitoring Plans at construction sites, or Integrated Environmental Authorisations, depending on the activity, in accordance with the criteria set out in Appendix D of Delegated Regulation (EU) 2021/2139. In addition, the Group has Environmental Management Policies that ensure the application of best practices in the protection and recovery of biodiversity and ecosystems.

Minimum social safeguards

The FCC Group has reviewed the Minimum Guarantees with respect to human rights, corruption, taxation and fair competition, which are set out in the EU Taxonomy Regulation, as well as the final Minimum Guarantees report published by the EU Platform on Sustainable Finance in February 2022.

Based on this review, in the area of Human Rights, the Group has, as part of the regulatory block of the Compliance Model, a Human Rights Policy approved by the Board of Directors in 2019. Through this Policy, aligned with the Global Compact and the United Nations Guiding Principles on Business and Human Rights, the Group declares its commitment to respect the human rights contained in the United Nations Universal Declaration of Human Rights, and those contained in the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work, and also in the eight ILO core conventions.

The FCC Group's Compliance Committee is defining a due diligence procedure for compliance with the commitments of the Human Rights Policy, in collaboration with the Sustainability Committee, and in accordance with the UN Guiding Principles on Business and Human Rights and the OECD Due Diligence Guidance for Responsible Business Conduct. This document formalises the current process established by the company in relation to the identification, prevention and mitigation of adverse impacts on Human Rights and brings FCC closer to the compliance with the requirements of the European Parliament and Council's Directive on due diligence of companies on sustainability-related matters, which is currently in the process of approval.

This procedure to ensure due diligence on all Human Rights-related matters makes the FCC Whistleblowing Channel available to all stakeholders for reporting potential violations of these core rights. Any communication received through the Group's Whistleblowing Channel is handled in accordance with the Whistleblowing Channel Procedure and the investigation and response procedure, both approved by the Board of Directors.

The Whistleblowing Channel and the procedures that regulate have been suitable throughout 2023, according to the rules established in Law 2/2023 of 20 February, which regulates the protection of whistleblowers and the fight against corruption.

With regard to potential breaches in matters of Corruption and Competition, the Group's Compliance Model also has an express reference in its Code of Ethics and Conduct on both aspects, reflecting the conduct required by the company, both internally and externally.

Anti-corruption and competition policies have also been approved, setting out the FCC Group's commitments and measures for prevention and control. The Group's Compliance Model provides the most appropriate training processes for risk groups, the definition of controls in the different management areas of the company, as well as the necessary self-assessments and assessments to guarantee the correct implementation of and compliance with policies.

All company employees have an obligation to report, through the Whistleblowing Channel, any potential breach of these policies of which they become aware.

Moreover, the FCC Group adheres to the Code of Best Tax Practices, has submitted the Tax Transparency report and its Tax Compliance Management System has been certified by AENOR, in accordance with the requirements established in UNE 19602, in addition to integrating the guidelines of the OECD (Organisation for Economic Co-operation and Development) in its management system. The total tax contribution is calculated on a cash basis, taking into account globally integrated entities and joint operations, and the accounting policies applied are made public, in addition to the Tax Responsibility Policy.

Conclusions of the Alignment process

Based on the procedures described above, the FCC Group has considered as aligned those eligible activities carried out in 2023 that have demonstrated compliance with the applicable CCS and DNSH, by additionally complying with the Minimum Social Safeguards set out in the previous point.

Methodology for calculating financial KPIs

As mentioned above, eligibility and alignment by Taxonomy are expressed in three financial KPIs, which are calculated as the share of turnover, CapEx and OpEx that are considered eligible and, where applicable, aligned or not aligned by Taxonomy (numerator) divided by the Group's total turnover, CapEx and OpEx as defined by Taxonomy (denominator). The accounting concepts used to calculate these three KPIs are described below:

- **Invoicing – Turnover**. Proportion of net turnover from products or services, including intangibles, associated with economic activities that conform to the taxonomy (numerator), divided by net turnover (denominator) as defined in Article 2(5) of Directive 2013/34/EU. The amount of the denominator corresponds to the heading "Revenue" in the consolidated income statement of the FCC Group's financial statements.

- **CapEX**. Proportion of CapEX as defined below that complies with the taxonomy (numerator) divided by CapEX (denominator) as defined in Article 8(2)(b) of Regulation (EU) 2020/852. Includes additions to the gross value of intangible assets, property, plant and equipment and investment property, including additions arising from the application of regulations in relation to decommissioning and dismantling costs that are included as an addition to property, plant and equipment at initial recognition of the asset; additions to property, plant and equipment from lease contracts under IFRS 16, as well as additions to the gross value of intangible assets, property, plant and equipment and investment property arising from the acquisition of control as a result of a business combination. Changes in depreciation, impairments and revaluations of investment property are not included because they are recorded at fair value. The amounts considered are included under "Intangible assets", "Property, plant and equipment" and "Investment property" in the consolidated balance sheet of the FCC Group's financial statements.

- **OpEX.** The proportion of OpEx, as defined below, that conforms to the taxonomy (numerator), divided by the OpEx (denominator) as defined in Article 8(2)(b) of Regulation (EU) 2020/852. The amount of this KPI is limited to non-capitalised direct costs that relate to research and development, building renovation measures, short-term leases, maintenance and repairs, as well as other direct expenses related to the day-to-day maintenance of property, plant and equipment assets, by the company or a third party to whom activities are outsourced, and which are necessary to ensure the continuous and efficient operation of these assets. The amounts considered are included under "Changes in inventories of finished goods and work in progress", "Supplies", "Personnel expenses", "Other operating expenses" and "Depreciation and amortisation of fixed assets and allocation of non-financial fixed asset subsidies and other" in the consolidated income statement of the FCC Group's financial statements.



The turnover key performance indicator includes mainly revenues from contracts with clients. Client types vary significantly depending on the Business Area as defined in note 1 of the notes to the consolidated financial statements.

- The **Environmental Services** activity engages in a variety of activities whose clients may be both public, such as town councils, provincial councils or similar, and private, whether private individuals or companies, depending on the characteristics of the markets in which it operates.
- The **Water** activity generally provides its services under concession contracts, receiving revenues directly from the end clients, and to a lesser extent also carries out infrastructure works related to the end-to-end water cycle for both public and private clients.
- The **Construction** activity mainly carries out civil engineering works for public clients, residential and non-residential building for both private and public clients and the installation of heating and cooling systems in the infrastructures it builds, and other infrastructures for both private and public clients.
- Moreover, the **Real Estate** activity has two lines of business: property development for sale to private individuals and the rental of offices, commercial premises and homes.
- The **Cement** activity consists of exploiting quarries and the subsequent production of cement and cement derivatives for private clients.
- Finally, the **Concessions** activity mainly operates infrastructure and urban tramway concession agreements, providing its services primarily to public clients, although revenues may be received from both the concession grantor and the end users of the service provided.

The taxonomic activity breakdown of the numerator can be found in the tables in the following sections.

During the year 2023, the key indicator **"Invoicing – Turnover"** has included aligned and eligible activities for a total amount of 553 thousand euros, and eligible and non-aligned for a total amount of 15,788 thousand euros, corresponding to the combined business, adding to the Aqualia area the assets of contractors Aqualia Riohacha, Société Pays de Dreux and North Cluster S.P.V. LLC.

The **CapEX** key indicator includes in the numerator, as aligned eligible activities, a total amount of 378,549 thousand euros and as non-aligned eligible activities a total amount of 86,921 thousand euros, corresponding to the combined business of the financial year 2022. In the case of the year 2023, the CapEX key indicator includes in the numerator as non-aligned eligible activities a total amount of 114,131 thousand euros, adding to the Aqualia area the assets of contractors Aqualia Riohacha, Société Pays de Dreux and Municipal District Services LLC. The Group has not allocated to the CapEX numerator any amount as part of the CapEX plan. The taxonomic activity breakdown of the numerator can be found in the tables in the following sections.

The key indicator **OpEX** includes as non-aligned eligible activities a total amount of 104,558 thousand euros, corresponding to the combined business of the financial year, adding to the Aqualia area the assets of contractors Aqualia Riohacha, Société Pays de Dreux and North Cluster S.P.V. LLC. To sum up, the activities of the OpEX key indicator mainly represent small or short-term lease expenses and expenses related to the day-to-day maintenance of the FCC Group's fixed assets. In relation to the latter, the Group uses its own resources, such as the repair workshops for the vehicles used in the collection of solid urban waste or the personnel assigned to the operation and maintenance of the different facilities it operates, mainly in the Environmental Services, Water and Cement activities, and also subcontracts to specialised companies depending on the characteristics of the markets in which it operates and the nature of the activities it carries out.



Calculation of key performance indicators

The chart below presents a summary for each of the KPIs with the results of applying the criteria outlined in the previous sections for the entire FCC Group:

Group alignment with INCN

In the case of the "Invoicing-Turnover" key indicator, the FCC Group reports a total of 9,026 million euros, of which 7,153.2 million euros are eligible (79.2% of the Group's total activities) and 3,973.1 million euros (44% of the Group's total activities) are eligible and aligned, according to the EU taxonomy for this indicator.

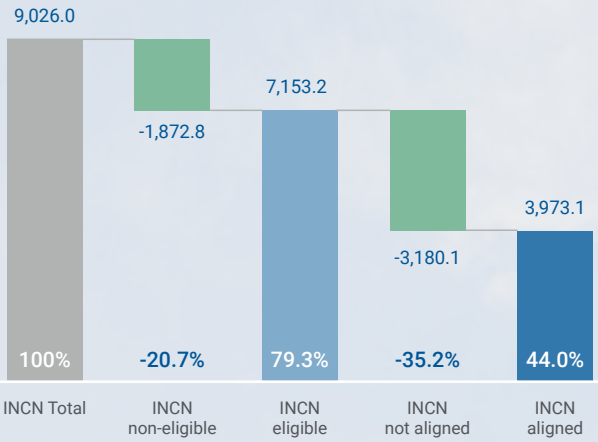
Group alignment with CapEX

In the case of the "CapEX" key indicator, the Group reports a total of 1,119.5 million euros, of which 796.5 million euros are eligible (71.1% of the Group's total activities) and 468 million euros (41.8% of the Group's total activities) are eligible and aligned, according to the EU taxonomy for this indicator.

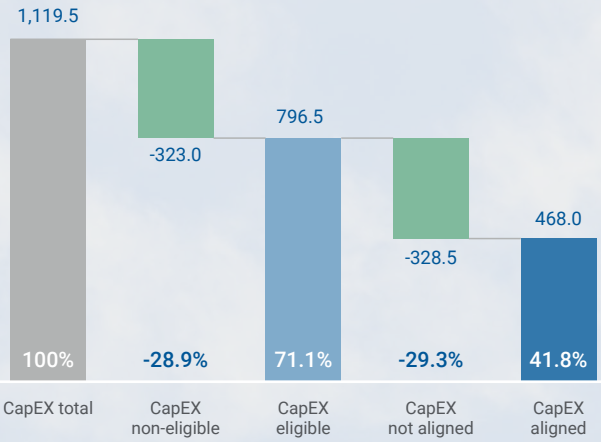
Group alignment with OpEX

In the case of the "OpEX" key indicator, the Group reports a total of 508.1 million euros, of which 349 million euros are eligible (68.7% of the Group's total activities) and 151.8 million euros (29.9% of the Group's total activities) are eligible and aligned, according to the EU taxonomy for this indicator

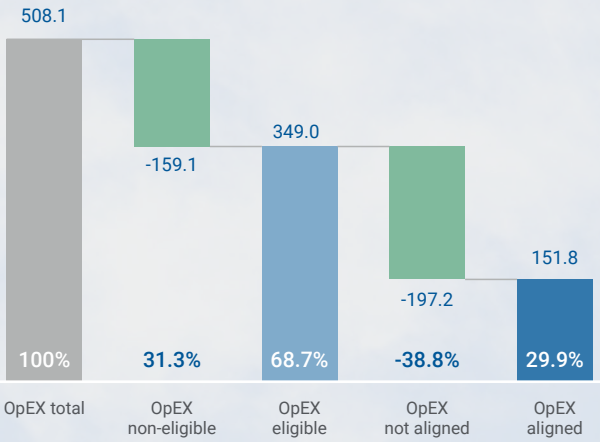
EU Taxonomy: alignment INCN FCC Group 2023



EU Taxonomy: alignment CapEX FCC Group 2023



EU Taxonomy: alignment OpEX FCC Group 2023



Progress of the main indicators 2021-2023

Evolution of Turnover 2021-2023

The FCC Group's turnover has grown by 17.1% in 2023 (15.7% in 2022). With regard to the aligned amount, it has grown by 28.1% in 2023, due to the weight of the Construction area's alignment and the growth of the Water area. The non-eligible aligned amount has grown by 17.9%, taking into account the expansion of environmental goals, for which the alignment with the financial year 2024 was delayed, for a total amount of 187.1 million euros and representing a 6.9% growth. The non-eligible amount has dropped by 1.7% due to the expansion of objectives, without which it would have grown by 8%.

Evolution of CapEX 2021-2023

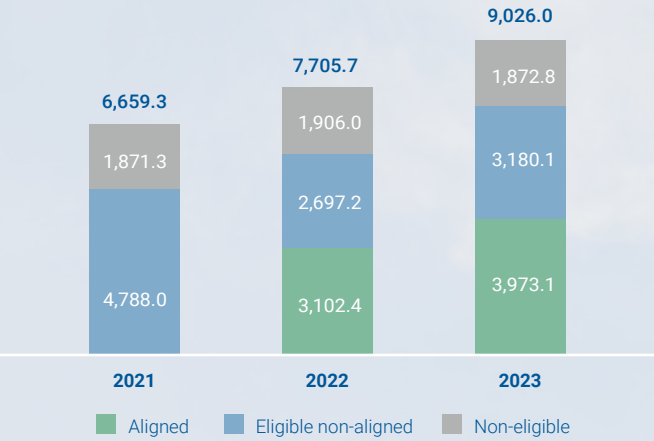
The FCC Group's CapEX has dropped by 10.6% in 2023 (54.3% in 2022), due to the impact of combined business on this indicator. With regard to the amount aligned, it has dropped by 32.4% in 2023 due to the different amount and alignment of the acquisitions of the Water area, Georgia Global Utilities in 2022 and the companies Aqualia Riohacha, Société Pays de Dreux and Municipal District Services LLC mentioned above, as combined business in 2023. The non-aligned eligible amount has grown by 21.4% mainly due to the acquisition of Municipal District Services LLC, in the Water sector, which was completed on the last day of the year, with no data available currently to assess its alignment.

Evolution of OpEX 2021-2023

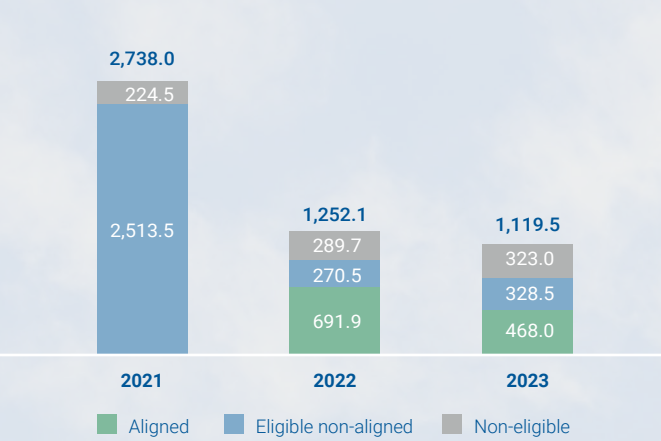
In 2023, the FCC Group's OpEX grew by 24.8%. With regard to the amount aligned, it has grown by 2% and the non-aligned eligible amount by 32.3%.

Below are the templates for the key performance indicators of non-financial institutions, as set out in the current regulations with regard to the specification and methodology of the information to be disclosed.

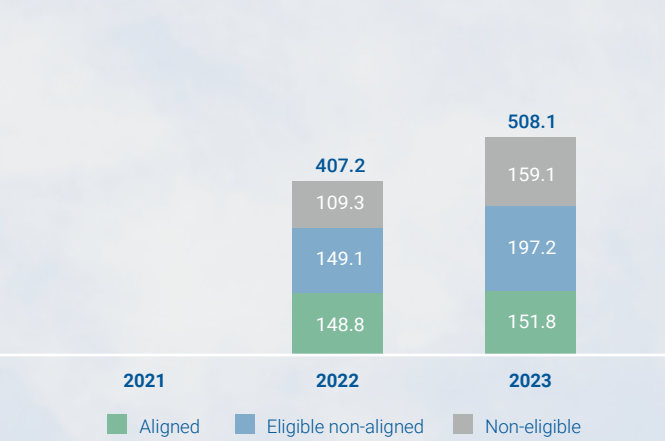
Changes in INCN EU Taxonomy 2021-2023



Changes in CapEX EU Taxonomy 2021-2023



Changes in OpEX EU Taxonomy 2021-2023



Proportion of turnover from products or services associated with Taxonomy-aligned economic activities

Financial year FY 2023		Year 2023		Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic Activities	Code	Turnover	Proportion of Turnover, year N	Climate Change Mitigation	Climate Change Adaptation	Water	Circular Economy	Pollution	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	Circular Economy	Pollution	Biodiversity	Minimum Safeguards	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) turnover, year N-1	Category enabling activity	Category transitional activity
FCC GROUP		Millions euros	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Rehabilitation and restoration of forests, including reforestation and natural forest regeneration after an extreme event	CCM 1.2 CCA 1.2	0.8	0.01%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y			
Electricity generation using solar photovoltaic technology	CCM 4.1 CCA 4.1	4.1	0.05%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.20%		
Electricity generation from hydropower	CCM 4.5 CCA 4.5	11.2	0.12%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y			
Transmission and distribution of electricity	CCM 4.9 CCA 4.9	94.1	1.04%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	1.17%	E	
Construction, extension and operation of water collection, treatment and supply systems	CCM 5.1 CCA 5.1 WTR 2.1	649.2	7.19%	Y	N	N	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	6.33%		
Landfill gas capture and utilisation	CCM 5.10 CCA 5.10	0.3	0.00%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.02%		
Renewal of water collection, treatment and supply systems	CCM 5.2 CCA 5.2 WTR 2.1	67.8	0.75%	Y	N	N	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y			
Construction, extension and operation of waste water collection and treatment	CCM 5.3 CCA 5.3 WTR 2.2	123.5	1.37%	Y	N	N	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y			
Sustainable urban drainage systems (SUDS)	CCM 5.3 CCA 5.3 WTR 2.3	0.9	0.01%	Y	N	N	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	1.67%		
Renewal of waste water collection and treatment	CCM 5.4 CCA 5.4 WTR 2.2	13.2	0.15%	Y	N	N	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y			
Collection and transport of non-hazardous waste in source segregated fractions	CCM 5.5 CCA 5.5 CE 2.3	878.3	9.73%	Y	N	N/EL	N	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	10.87%		
Composting of bio-waste	CCM 5.8 CCA 5.8 CE 2.5	2.5	0.03%	Y	N	N/EL	N	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.03%		
Material recovery from non-hazardous waste	CCM 5.9 CCA 5.9 CE 2.7	190.1	2.11%	Y	N	N/EL	N	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	2.85%		
Infrastructure for personal mobility, cycle logistics	CCM 6.13 CCA 6.13	634.8	7.03%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	6.44%	E	
Infrastructure for rail transport	CCM 6.14 CCA 6.14	455.9	5.05%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	1.82%	E	
Infrastructure enabling road transport and public transport	CCM 6.15 CCA 6.15	594.4	6.59%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	6.52%	E	
Infrastructure for water transport	CCM 6.16 CCA 6.16	25.8	0.29%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.11%	E	
Construction of new buildings	CCM 7.1 CCA 7.1 CE 3.1	56.7	0.63%	Y	N	N/EL	N	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.73%		
Renovation of existing buildings	CCM 7.2 CCA 7.2 CE 3.2	8.7	0.10%	Y	N	N/EL	N	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.03%		T
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3 CCA 7.3	16.7	0.19%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.08%	E	
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5 CCA 7.5	35.6	0.39%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.47%	E	
Installation, maintenance and repair of renewable energy technologies	CCM 7.6 CCA 7.6	66.6	0.74%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y		E	
Acquisition and ownership of buildings	CCM 7.7 CCA 7.7	41.6	0.46%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.71%		
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)		3,973.1	44.02%	44.02%	0.00%	0.00%	0.00%	0.00%	0.00%	Y	Y	Y	Y	Y	Y	Y	40.26%		
Of which Enabling		1,924.1	21.32%	21.32%	0.00%	0.00%	0.00%	0.00%	0.00%	Y	Y	Y	Y	Y	Y	Y	16.61%	E	
Of which Transitional		8.7	0.10%	0.10%						Y	Y	Y	Y	Y	Y	Y	0.07%		T

Proportion of turnover from products or services associated with Taxonomy-aligned economic activities

A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)											
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL		
Conservation, including restoration, of habitats, ecosystems and species	BIO 1.1	105.5	1.17%	N/EL	N/EL	N/EL	N/EL	N/EL	EL		
Emergency Services	CCA 14.1	0.9	0.01%	N/EL	EL	N/EL	N/EL	N/EL	N/EL		
Desalination	CCA 5.13	98.7	1.09%	N/EL	EL	N/EL	N/EL	N/EL	N/EL		
Rehabilitation and restoration of forests, including reforestation and natural forest regeneration after an extreme event	CCM 1.2 CCA 1.2	0.2	0.00%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	0.11%	
Manufacture of cement	CCM 3.7 CCA 3.7	515.1	5.71%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	5.82%	
Electricity generation from hydropower	CCM 4.5 CCA 4.5	0.0	0.00%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	0.12%	
Construction, extension and operation of water collection, treatment and supply systems	CCM 5.1 CCA 5.1 WTR 2.1	189.1	2.10%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	5.32%	
Landfill gas capture and utilisation	CCM 5.10 CCA 5.10	5.4	0.06%	EL	N/EL	N/EL	N/EL	N/EL	N/EL		
Renewal of water collection, treatment and supply systems	CCM 5.2 CCA 5.2 WTR 2.1	30.8	0.34%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	0.15%	
Construction, extension and operation of waste water collection and treatment	CCM 5.3 CCA 5.3 WTR 2.2	289.6	3.21%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	3.76%	
Renewal of waste water collection and treatment	CCM 5.4 CCA 5.4 WTR 2.2	36.1	0.40%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	0.03%	
Collection and transport of non-hazardous waste in source segregated fractions	CCM 5.5 CCA 5.5 CE 2.3	24.0	0.27%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	0.80%	
Composting of bio-waste	CCM 5.8 CCA 5.8 CE 2.5	27.3	0.30%	EL	N/EL	N/EL	N/EL	N/EL	N/EL		
Material recovery from non-hazardous waste	CCM 5.9 CCA 5.9 CE 2.7	235.9	2.61%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	1.92%	
Infrastructure for personal mobility, cycle logistics	CCM 6.13 CCA 6.13	100.5	1.11%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	1.30%	
Infrastructure for rail transport	CCM 6.14 CCA 6.14	714.9	7.92%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	8.16%	
Infrastructure enabling road transport and public transport	CCM 6.15 CCA 6.15	219.4	2.43%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	0.88%	
Infrastructure for water transport	CCM 6.16 CCA 6.16	-0.4	0.00%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	0.03%	
Construction of new buildings	CCM 7.1 CCA 7.1 CE 3.1	183.3	2.03%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	2.64%	
Renovation of existing buildings	CCM 7.2 CCA 7.2 CE 3.2	228.7	2.53%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	3.16%	
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3 CCA 7.3	0.5	0.01%	EL	N/EL	N/EL	N/EL	N/EL	N/EL		
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5 CCA 7.5	1.3	0.01%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	0.06%	
Acquisition and ownership of buildings	CCM 7.7 CCA 7.7	73.8	0.82%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	0.68%	
Collection and transport of hazardous waste	CE 2.3 PPC 2.1	1.6	0.02%	N/EL	N/EL	N/EL	EL	N/EL	N/EL		
Treatment of hazardous waste	CE 2.4	0.1	0.00%	N/EL	N/EL	N/EL	EL	N/EL	N/EL		
Depollution and dismantling of end-of-life products	CE 2.6	14.7	0.16%	N/EL	N/EL	N/EL	EL	N/EL	N/EL		
Maintenance of roads and motorways	CE 3.4 CCM 6.15 CCA 6.15	24.3	0.27%	EL	N/EL	N/EL	N/EL	N/EL	N/EL		
Use of concrete in civil engineering	CE 3.5	3.3	0.04%	N/EL	N/EL	N/EL	EL	N/EL	N/EL		
Collection and transport of hazardous waste	PPC 2.1	26.8	0.30%	N/EL	N/EL	N/EL	N/EL	EL	N/EL		
Treatment of hazardous waste	PPC 2.2	3.4	0.04%	N/EL	N/EL	N/EL	N/EL	EL	N/EL		
Remediation of contaminated sites and areas	PPC 2.4	24.2	0.27%	N/EL	N/EL	N/EL	N/EL	EL	N/EL		
Nature-based solutions for flood and drought risk prevention and protection	WTR 3.1	0.9	0.01%	N/EL	N/EL	EL	N/EL	N/EL	N/EL		
Provision of IT/OT data-driven solutions for leakage reduction	WTR 4.1	0.4	0.00%	N/EL	N/EL	EL	N/EL	N/EL	N/EL		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		3,180.1	35.23%	32.13%	1.10%	0.01%	0.22%	0.60%	1.17%	35.00%	
A. Turnover of Taxonomy eligible activities (A1+A2)		7,153.2	79.25%	76.15%	1.10%	0.01%	0.22%	0.60%	1.17%	75.26%	
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES											
Turnover of Taxonomy-non-eligible activities		1,872.8	20.75%								
TOTAL		9,026.0	100.00%								

Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities

Financial year FY 2023		Year 2023		Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic Activities	Code	CapEX	Proportion of CapEX, year N	Climate Change Mitigation	Climate Change Adaptation	Water	Circular Economy	Pollution	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	Circular Economy	Pollution	Biodiversity	Minimum Safeguards	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) CapEX, year N-1	Category enabling activity	Category transitional activity
FCC GROUP		Millions euros	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Electricity generation from hydropower	CCM 4.5 CCA 4.5	10.0	0.89%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y			
Transmission and distribution of electricity	CCM 4.9 CCA 4.9	2.4	0.21%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.07%	E	
Construction, extension and operation of water collection, treatment and supply systems	CCM 5.1 CCA 5.1 WTR 2.1	128.3	11.46%	Y	N	N	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	31.99%		
Landfill gas capture and utilisation	CCM 5.10 CCA 5.10	0.0	0.00%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y			
Renewal of water collection, treatment and supply systems	CCM 5.2 CCA 5.2 WTR 2.1	17.6	1.57%	Y	N	N	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y			
Construction, extension and operation of waste water collection and treatment	CCM 5.3 CCA 5.3 WTR 2.2	4.8	0.43%	Y	N	N	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y			
Renewal of waste water collection and treatment	CCM 5.4 CCA 5.4 WTR 2.2	0.6	0.06%	Y	N	N	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y			
Collection and transport of non-hazardous waste in source segregated fractions	CCM 5.5 CCA 5.5 CE 2.3	149.9	13.39%	Y	N	N/EL	N	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	9.05%		
Composting of bio-waste	CCM 5.8 CCA 5.8 CE 2.5	0.1	0.01%	Y	N	N/EL	N	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.08%		
Material recovery from non-hazardous waste	CCM 5.9 CCA 5.9 CE 2.7	15.9	1.42%	Y	N	N/EL	N	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	1.06%		
Infrastructure for personal mobility, cycle logistics	CCM 6.13 CCA 6.13	124.3	11.10%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	5.25%	E	
Infrastructure for rail transport	CCM 6.14 CCA 6.14	2.7	0.24%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	6.08%	E	
Infrastructure enabling road transport and public transport	CCM 6.15 CCA 6.15	2.8	0.25%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.36%	E	
Infrastructure for water transport	CCM 6.16 CCA 6.16	0.0	0.00%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y		E	
Construction of new buildings	CCM 7.1 CCA 7.1 CE 3.1	0.0	0.00%	Y	N	N/EL	N	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.00%		
Renovation of existing buildings	CCM 7.2 CCA 7.2 CE 3.2	0.0	0.00%	Y	N	N/EL	N	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.00%		T
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3 CCA 7.3	2.6	0.24%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.09%	E	
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5 CCA 7.5	2.2	0.20%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.01%	E	
Acquisition and ownership of buildings	CCM 7.7 CCA 7.7	3.7	0.33%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.19%		
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		468.0	41.81%	41.81%	0.00%	0.00%	0.00%	0.00%	0.00%	Y	Y	Y	Y	Y	Y	Y	55.26%		
Of which Enabling		137.0	12.24%	12.24%	0.00%	0.00%	0.00%	0.00%	0.00%	Y	Y	Y	Y	Y	Y	Y	11.86%	E	
Of which Transitional		0.0	0.00%	0.00%						Y	Y	Y	Y	Y	Y	Y	0.00%		T

Proportion of CapEx from products or services associated with Taxonomy-aligned economic activities

A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)											
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL		
Conservation, including restoration, of habitats, ecosystems and species	BIO 1.1	10.9	0.97%	N/EL	N/EL	N/EL	N/EL	N/EL	EL		
Desalination	CCA 5.13	13.9	1.24%	N/EL	EL	N/EL	N/EL	N/EL	N/EL		
Manufacture of cement	CCM 3.7 CCA 3.7	22.5	2.01%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	1.08%	
Construction, extension and operation of water collection, treatment and supply systems	CCM 5.1 CCA 5.1 WTR 2.1	159.7	14.27%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	7.41%	
Landfill gas capture and utilisation	CCM 5.10 CCA 5.10	0.1	0.01%	EL	N/EL	N/EL	N/EL	N/EL	N/EL		
Renewal of water collection, treatment and supply systems	CCM 5.2 CCA 5.2 WTR 2.1	0.2	0.02%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	0.00%	
Construction, extension and operation of waste water collection and treatment	CCM 5.3 CCA 5.3 WTR 2.2	37.1	3.32%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	2.24%	
Renewal of waste water collection and treatment	CCM 5.4 CCA 5.4 WTR 2.2	1.4	0.12%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	0.00%	
Collection and transport of non-hazardous waste in source segregated fractions	CCM 5.5 CCA 5.5 CE 2.3	4.0	0.36%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	0.57%	
Composting of bio-waste	CCM 5.8 CCA 5.8 CE 2.5	0.0	0.00%	EL	N/EL	N/EL	N/EL	N/EL	N/EL		
Material recovery from non-hazardous waste	CCM 5.9 CCA 5.9 CE 2.7	26.1	2.33%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	1.54%	
Infrastructure for personal mobility, cycle logistics	CCM 6.13 CCA 6.13	13.8	1.24%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	0.53%	
Infrastructure for rail transport	CCM 6.14 CCA 6.14	16.2	1.45%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	2.58%	
Infrastructure enabling road transport and public transport	CCM 6.15 CCA 6.15	3.9	0.35%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	0.27%	
Construction of new buildings	CCM 7.1 CCA 7.1 CE 3.1	0.0	0.00%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	1.55%	
Renovation of existing buildings	CCM 7.2 CCA 7.2 CE 3.2	0.1	0.01%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	0.00%	
Acquisition and ownership of buildings	CCM 7.7 CCA 7.7	13.2	1.18%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	0.05%	
Collection and transport of hazardous waste	CE 2.3 PPC 2.1	0.0	0.00%	N/EL	N/EL	N/EL	EL	N/EL	N/EL		
Depollution and dismantling of end-of-life products	CE 2.6	2.1	0.19%	N/EL	N/EL	N/EL	EL	N/EL	N/EL		
Collection and transport of hazardous waste	PPC 2.1	2.1	0.18%	N/EL	N/EL	N/EL	N/EL	EL	N/EL		
Treatment of hazardous waste	PPC 2.2	0.8	0.07%	N/EL	N/EL	N/EL	N/EL	EL	N/EL		
Remediation of contaminated sites and areas	PPC 2.4	0.2	0.01%	N/EL	N/EL	N/EL	N/EL	EL	N/EL		
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		328.4	29.34%	26.67%	1.24%	0.00%	0.19%	0.27%	0.97%	21.60%	
A. CapEx of Taxonomy eligible activities (A1+A2)		796.5	71.14%	68.47%	1.24%	0.00%	0.19%	0.27%	0.97%	76.86%	
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES											
CapEx of Taxonomy-non-eligible activities		323.0	28.86%								
TOTAL		1,119.5	100.00%								

Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities

Financial year FY 2023		Year 2023		Substantial Contribution Criteria						DNSH criteria ('Does Not Significantly Harm')									
Economic Activities	Code	OpEX	Proportion of OpEX, year N	Climate Change Mitigation	Climate Change Adaptation	Water	Circular Economy	Pollution	Biodiversity	Climate Change Mitigation	Climate Change Adaptation	Water	Circular Economy	Pollution	Biodiversity	Minimum Safeguards	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) OpEX, year N-1	Category enabling activity	Category transitional activity
FCC GROUP		Millions euros	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
Rehabilitation and restoration of forests, including reforestation and natural forest regeneration after an extreme event	CCM 1.2 CCA 1.2	0.0	0.00%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y			
Electricity generation using solar photovoltaic technology	CCM 4.1 CCA 4.1	0.0	0.00%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.11%		
Electricity generation from hydropower	CCM 4.5 CCA 4.5	0.2	0.05%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y			
Transmission and distribution of electricity	CCM 4.9 CCA 4.9	2.9	0.57%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.70%	E	
Construction, extension and operation of water collection, treatment and supply systems	CCM 5.1 CCA 5.1 WTR 2.1	15.2	3.00%	Y	N	N	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	2.59%		
Landfill gas capture and utilisation	CCM 5.10 CCA 5.10	0.1	0.03%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.04%		
Renewal of water collection, treatment and supply systems	CCM 5.2 CCA 5.2 WTR 2.1	1.4	0.27%	Y	N	N	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y			
Construction, extension and operation of waste water collection and treatment	CCM 5.3 CCA 5.3 WTR 2.2	2.7	0.53%	Y	N	N	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y			
Sustainable urban drainage systems (SUDS)	CCM 5.3 CCA 5.3 WTR 2.3	0.0	0.00%	Y	N	N	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.84%		
Renewal of waste water collection and treatment	CCM 5.4 CCA 5.4 WTR 2.2	0.3	0.05%	Y	N	N	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y			
Collection and transport of non-hazardous waste in source segregated fractions	CCM 5.5 CCA 5.5 CE 2.3	49.3	9.71%	Y	N	N/EL	N	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	15.30%		
Composting of bio-waste	CCM 5.8 CCA 5.8 CE 2.5	0.6	0.12%	Y	N	N/EL	N	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.17%		
Material recovery from non-hazardous waste	CCM 5.9 CCA 5.9 CE 2.7	15.1	2.98%	Y	N	N/EL	N	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	3.04%		
Infrastructure for personal mobility, cycle logistics	CCM 6.13 CCA 6.13	15.0	2.94%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	4.99%	E	
Infrastructure for rail transport	CCM 6.14 CCA 6.14	16.1	3.18%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	1.93%	E	
Infrastructure enabling road transport and public transport	CCM 6.15 CCA 6.15	21.8	4.29%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	4.00%	E	
Infrastructure for water transport	CCM 6.16 CCA 6.16	1.3	0.25%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.19%	E	
Construction of new buildings	CCM 7.1 CCA 7.1 CE 3.1	0.9	0.17%	Y	N	N/EL	N	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.26%		
Renovation of existing buildings	CCM 7.2 CCA 7.2 CE 3.2	0.2	0.03%	Y	N	N/EL	N	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.01%		T
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3 CCA 7.3	0.2	0.04%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.03%	E	
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5 CCA 7.5	1.0	0.20%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	0.19%	E	
Installation, maintenance and repair of renewable energy technologies	CCM 7.6 CCA 7.6	0.8	0.15%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y		E	
Acquisition and ownership of buildings	CCM 7.7 CCA 7.7	6.5	1.29%	Y	N	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	2.12%		
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		151.8	29.87%	29.87%	0.00%	0.00%	0.00%	0.00%	0.00%	Y	Y	Y	Y	Y	Y	Y	36.54%		
Of which Enabling		59.1	11.62%	11.62%	0.00%	0.00%	0.00%	0.00%	0.00%	Y	Y	Y	Y	Y	Y	Y	12.03%	E	
Of which Transitional		0.2	0.03%	0.03%						Y	Y	Y	Y	Y	Y	Y	0.01%		T

Proportion of OpEx from products or services associated with Taxonomy-aligned economic activities

A.2 Taxonomy-Eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (g)											
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL		
Conservation, including restoration, of habitats, ecosystems and species	BIO 1.1	1.7	0.33%	N/EL	N/EL	N/EL	N/EL	N/EL	EL		
Emergency Services	CCA 14.1	0.0	0.00%	N/EL	EL	N/EL	N/EL	N/EL	N/EL		
Desalination	CCA 5.13	1.0	0.20%	N/EL	EL	N/EL	N/EL	N/EL	N/EL		
Manufacture of cement	CCM 3.7 CCA 3.7	51.0	10.04%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	12.15%	
Electricity generation from hydropower	CCM 4.5 CCA 4.5	0.0	0.00%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	0.03%	
Transmission and distribution of electricity	CCM 4.9 CCA 4.9	0.0	0.00%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	0.01%	
Construction, extension and operation of water collection, treatment and supply systems	CCM 5.1 CCA 5.1 WTR 2.1	4.6	0.90%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	1.53%	
Landfill gas capture and utilisation	CCM 5.10 CCA 5.10	0.7	0.14%	EL	N/EL	N/EL	N/EL	N/EL	N/EL		
Renewal of water collection, treatment and supply systems	CCM 5.2 CCA 5.2 WTR 2.1	0.4	0.09%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	0.05%	
Construction, extension and operation of waste water collection and treatment	CCM 5.3 CCA 5.3 WTR 2.2	9.8	1.93%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	2.18%	
Renewal of waste water collection and treatment	CCM 5.4 CCA 5.4 WTR 2.2	1.1	0.22%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	0.00%	
Collection and transport of non-hazardous waste in source segregated fractions	CCM 5.5 CCA 5.5 CE 2.3	1.2	0.23%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	1.02%	
Composting of bio-waste	CCM 5.8 CCA 5.8 CE 2.5	0.3	0.05%	EL	N/EL	N/EL	N/EL	N/EL	N/EL		
Material recovery from non-hazardous waste	CCM 5.9 CCA 5.9 CE 2.7	25.2	4.96%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	2.86%	
Infrastructure for personal mobility, cycle logistics	CCM 6.13 CCA 6.13	4.0	0.79%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	0.66%	
Infrastructure for rail transport	CCM 6.14 CCA 6.14	79.6	15.68%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	13.60%	
Infrastructure enabling road transport and public transport	CCM 6.15 CCA 6.15	6.6	1.29%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	0.88%	
Low carbon airport infrastructure	CCM 6.17 CCA 6.17	0.1	0.02%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	0.04%	
Construction of new buildings	CCM 7.1 CCA 7.1 CE 3.1	1.3	0.26%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	0.62%	
Renovation of existing buildings	CCM 7.2 CCA 7.2 CE 3.2	2.2	0.44%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	0.55%	
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3 CCA 7.3	0.1	0.03%	EL	N/EL	N/EL	N/EL	N/EL	N/EL		
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5 CCA 7.5	0.0	0.00%	EL	N/EL	N/EL	N/EL	N/EL	N/EL		
Acquisition and ownership of buildings	CCM 7.7 CCA 7.7	3.8	0.74%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	0.33%	
Collection and transport of hazardous waste	CE 2.3 PPC 2.1	0.1	0.02%	N/EL	N/EL	N/EL	EL	N/EL	N/EL		
Depollution and dismantling of end-of-life products	CE 2.6	0.6	0.13%	N/EL	N/EL	N/EL	EL	N/EL	N/EL		
Maintenance of roads and motorways	CE 3.4 CCM 6.15 CCA 6.15	0.0	0.00%	EL	N/EL	N/EL	N/EL	N/EL	N/EL		
Use of concrete in civil engineering	CE 3.5	0.0	0.00%	N/EL	N/EL	N/EL	EL	N/EL	N/EL		
Collection and transport of hazardous waste	PPC 2.1	1.2	0.23%	N/EL	N/EL	N/EL	N/EL	EL	N/EL		
Treatment of hazardous waste	PPC 2.2	0.2	0.03%	N/EL	N/EL	N/EL	N/EL	EL	N/EL		
Remediation of contaminated sites and areas	PPC 2.4	0.4	0.07%	N/EL	N/EL	N/EL	N/EL	EL	N/EL		
Nature-based solutions for flood and drought risk prevention and protection	WTR 3.1	0.0	0.00%	N/EL	N/EL	EL	N/EL	N/EL	N/EL		
Provision of IT/OT data-driven solutions for leakage reduction	WTR 4.1	0.0	0.00%	N/EL	N/EL	EL	N/EL	N/EL	N/EL		
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		197.2	38.82%	37.81%	0.20%	0.00%	0.15%	0.34%	0.33%	36.61%	
A. OpEx of Taxonomy eligible activities (A1+A2)		349.0	68.69%	67.68%	0.20%	0.00%	0.15%	0.34%	0.33%	73.15%	
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES											
OpEx of Taxonomy-non-eligible activities		159.1	31.31%								
TOTAL		508.1	100.00%								

% ELIGIBILITY AND ALIGNMENT OF KPIs PER TAXONOMIC OBJECTIVE

Environmental Objective		Proportion of turnover/Total turnover	
		Aligned per objective	Eligible per objective
CCM	Climate change mitigation	44.02%	76.15%
CCA	Climate change adaptation	Not applicable*	77.25%
WTR	Sustainable use and protection of water and marine resources	Not applicable*	15.53%
CE	Transition to a circular economy	Not applicable*	20.82%
PPC	Pollution prevention and control	Not applicable*	0.62%
BIO	Protection and restoration of biodiversity and ecosystems	Not applicable*	1.17%

Environmental Objective		Proportion of CapEx/Total CapEx	
		Aligned per objective	Eligible per objective
CCM	Climate change mitigation	41.81%	68.47%
CCA	Climate change adaptation	Not applicable*	69.71%
WTR	Sustainable use and protection of water and marine resources	Not applicable*	31.24%
CE	Transition to a circular economy	Not applicable*	17.72%
PPC	Pollution prevention and control	Not applicable*	0.27%
BIO	Protection and restoration of biodiversity and ecosystems	Not applicable*	0.97%

Environmental Objective		Proportion of OpEx/Total OpEx	
		Aligned per objective	Eligible per objective
CCM	Climate change mitigation	29.87%	67.68%
CCA	Climate change adaptation	Not applicable*	67.88%
WTR	Sustainable use and protection of water and marine resources	Not applicable*	7.00%
CE	Transition to a circular economy	Not applicable*	19.11%
PPC	Pollution prevention and control	Not applicable*	0.36%
BIO	Protection and restoration of biodiversity and ecosystems	Not applicable*	0.33%

* Reporting of alignment of taxonomic activities included in the environmental objectives of WTR, CE, PPC, BIO and the new taxonomic activities approved in 2023 of CCM and CCA objectives begins in FY2024.

7.6. Verification Disclosures

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 2023

according to law 11/2018

for the period ending on December 31, 2023

In Madrid 11th of June 2024

Rafael García Meiro
CEO

AENOR

FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A. (hereinafter the organization) with registered office at: CALLE BALMES, 36 08007 BARCELONA 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".

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)

1994/0241/VNOF-2024

AENOR

- 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

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:

AENOR

- 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.

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.

CONCLUSION

Based on the foregoing, in our opinion, there is no evidence to suggest that non-financial information included in the statement titled SUSTAINABILITY REPORT FCC GROUP 2023 included in annual Financial Directors´report and for information concerning the reporting period, year ended December 31, 2023, 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; also on how and to what extent the undertaking´s activities, not taking into account sources of financing in turnover, are associated with economic activities that qualify as environmentally sustainable complies with the reporting requirements of Article 8 of Regulation (EU) 2020/852.

AENOR

VERIFICATION OF SUSTAINABILITY REPORT

AENOR
INFORME DE SOSTENIBILIDAD VERIFICADO

VMS-2024/0001

AENOR has verified the Sustainability Report by the organization

FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A.

concluded that the Sustainability Report comply with GRI reporting standards and provide a comprehensive picture of its most significant impacts on the economy, environment, and people, including impacts on their human rights and how the organization manages these impacts.

Title: SUSTAINABILITY REPORT FCC GROUP 2023

For the period: January 1 to December 31, 2023

Address: BALMES, 36. 08007 - BARCELONA

Issue date:2024-02-28

Rafael GARCÍA MEIRO
CEO

AENOR CONFIA S.A.U.
Génova, 6. 28004 Madrid. España
Tel. 91 432 60 00.- www.aenor.com

AENOR

The organization for which this certificate is being issued has commissioned AENOR to carry out a verification under a limited level of assurance of its Sustainability Report in accordance with Sustainability Reporting Standards (SRS) GRI in relation to the information referenced in the publish GRI content index and for the reporting period.

In order to issue this certificate AENOR has evaluated report comply with all nine requirements GRI 1 to report in accordance with the SRS GRI, except for requirement 9 - Notification to GRI, which should be made by the organization after the issuance of this certificate.

As a result of the verification carried out, AENOR issues this Certificate, of which the verified Sustainability Report forms part. The Certificate is only valid for the purpose entrusted and reflects only the situation at the time it is issued.

Responsibility of the organization. The organization had the will for reporting its Sustainability Report in accordance with GRI SRS. The approval of the Sustainability Report, 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 Sustainability Report is free from material misstatement due to fraud or error, as well as the management systems from which the information required for the preparation of the Sustainability Report is obtained. The organisation has informed AENOR that no events have occurred, from the date of the close of the reporting period in Sustainability Report until the date of verification, that might require corrections tobe made to the report.

Verification program in accordance with ISO/IEC 17029:2019 AENOR, 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".

The personnel involved in the verification process, the review of findings and the decision to issue this Statement have the knowledge, skills, experience, training, supporting infrastructure and capacity to effectively carry out these activities.

AENOR expressly disclaims any liability for decisions, investment or otherwise, based on this statement.

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, accuracy and traceability of the information provided, including the process followed to collect it, sampling information about the reported.
- Completion and content of the Sustainability Report in order to ensure the completeness, accuracy and veracity of its content.

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.



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