



FOSTER WHEELER ENERGIA S.L.U

COMMUNICATION ON PROGRESS

JANUARY 2012

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January 2012

Foster Wheeler Energia S.L.U (FWES) signed up to the Global Compact Principles on the 20th of January 2010. Since then, the Company makes an effort on the application of the 10 Principles.

I am pleased to confirm that FWES supports the ten principles of the Global Compact with respect to human rights, labour, environment and anti-corruption. With this communication, we express our intent to renew this support. We are committed to making the Global Compact and its principles part of the strategy, culture and day-to-day operations of our Company, and to engaging in collaborative projects which advance the broader development goals of the United Nations, particularly the Millennium Development Goals.

During 2011, FWES has achieved the goal of integrating Management System of Quality, Environment, Safety and Health, which gives evidence of its commitment to support the 10 principles.

We are implementing a program for diversity, handicap and integration for disabled to join Foster Wheeler and to help employees' families with members under this situation.

Next year we will go further expanding the areas of influence. I am confident that FWES will continue working on improving and distributing these principles within interest groups.

FWES publishes the second Communication on Progress Report (COP) on the Global Compact web and makes it available to its interest groups.

We recognize that a key requirement for participation in the Global Compact is the annual submission of a Communication on Progress (COP) that describes our company's efforts to implement the ten principles. We support public accountability and transparency, and therefore commit to report on progress within *two years* of joining the Global Compact, and *annually* thereafter according to the Global Compact COP policy.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'Jesús Martí', written over a horizontal line.

Mr. Jesús Martí
CHIEF EXECUTIVE OFFICER

2011 ACTIONS

We have continued our objectives related to our intention to advance in Corporate Social Responsibility and especially in Global Compact Principles. In 2011, FWES has focused on these two areas “Environment” and “Labour” which were considered more significant for FWES business strategy.

ENVIRONMENT

- Principle 7: Businesses should support a precautionary approach to environmental challenges;
- Principle 8: undertake initiatives to promote greater environmental responsibility; and
- Principle 9: encourage the development and diffusion of environmentally friendly technologies.

FWES Quality, Environment, Safety and Health Policy

Environmental Policy exists and has been updated in September 2011 as FWES has gone further making possible the integration between Quality, Environment, Safety and Health Management Systems. This is a proof of FWES intention to continue giving importance to these areas in Company Strategy.

After having obtained the certificates ISO 4.001, OHSAS 18.001 and ISO 9.011 FWES performs an effort to consolidate and spread the influence of the three systems with the integration.

One of the objectives for 2011 was to reduce waste in fabrication in 10% comparing to 2010 figures. In order to achieve this goal an Improvement Group has been created in Tarragona Workshop and reduction has been achieved.

Training for spillage prevention and control has been performed in Workshop.

An analysis has been done at Workshop for wood waste treatment finding a waste management company that will reuse this waste as a sub-product.

Paper consumption reduction at Madrid and Tarragona’s offices was another objective for the year. A 30% and 7% decrease has been achieved in Madrid and Tarragona offices, respectively, in 2011 compared to 2010 figures. A campaign was designed to raise employee awareness about the need of making the use of printing and photocopying very efficient to spend less paper.

Environmental Plans in projects are being reinforced and supervision has been increased to make subcontracts and waste management companies comply with internal rules.

Greenhouse emissions are being monitored and controlled for three of our main projects.

LABOUR

- Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4: the elimination of all forms of forced and compulsory labor;
- Principle 5: the effective abolition of child labor; and
- Principle 6: the elimination of discrimination in respect of employment and occupation.

FWES is working to foster integration and diversity between employees especially with new hires. FWES is worried about LISMI compliance and goes further implementing actions to improve handicapped situation. LISMI is the Spanish Law for labour integration of handicapped.

In September 2011, a Questionnaire was launched to all FWES employees regarding handicap, diversity and integration purposes. FWES has invested resources in three actions related to handicapped in collaboration with 3 entities:

1. Fundación Adecco for labour integration.
2. Nuevo Horizonte which is focused on labour integration and training for autism.
3. Fundación Estela for social and labour integration of mental and physically handicapped.

Risk prevention training has been given in 2011 to a hundred of FWES employees for Health and Safety sensitization as FWES considers that risk awareness is the first step for harm elimination. The training will be completed for all employees in 2012.

Safety and Health Plans in projects have been reinforced and a Safety action Plan in Workshop is in place. There are audits to ensure compliance control.

FWES continues studying employee concerns to take care of their staff. In order to satisfy employee needs a survey was issued in October 2011 and results are being analyzed. An Improvement Group has been created to study employee initiatives focused on Company progress that will also increase employee satisfaction.

FUTURE ACTIVITIES

FWES will continue working on the actions started in 2011 to improve results obtained.

FWES will continue fighting corruption through Foreign Corruption Practices Act, related local Spanish law and OCDE rules compliance.

All employees are following the Code of Conduct training that has started 2nd January 2012. This training is performed annually.

In April 2011 FWES implemented a program to prevent and detect crimes and offenses. This program will be followed-up and improved in 2012.

FWES will continue contributing with its social worries performing several programs in 2012:

1. Launching a Corporate Volunteering Program in January 2012 in collaboration with the International Project called "Engage". We will work together with NGO's in favour of the Environment improving the area of the Tajo river in Aranjuez.
2. FWES will collect caps used in its canteen to collaborate in plastic recycling.
3. The campaign "food for Benin" will also be launched during January 2012 with the NGO Mensajeros de la Paz.
4. Other activities under analysis.

DISTRIBUTION

A summary of these initiatives / policies is communicated to clients and vendors through offers and requests for quotation.

Employees have access to the COP report through FWES Intranet.