

FOSTER WHEELER ENERGIA S.L.U

COMMUNICATION ON PROGRESS



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January 2013

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 2012, FWES has implemented Corporate Volunteering and has continued improving the Integrated Management System (Quality, Environment, Safety and Health).

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 third 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 *annually* according to the Global Compact COP policy.

Sincerely yours,

Mr. Jesús Martí

CHIEF EXECUTIVE OFFICER



(ii) 2012 ACTIONS

We have continued our objectives related to our intention to advance in Corporate Social Responsibility and especially in Global Compact Principles. In 2012, FWES has performed activities in the four areas.

A. HUMAN RIGHTS

- Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
- Principle 2: Business should make sure that they are not complicit in human rights abuses.

Equality Plan is followed in new hires and Code of Conduct reinforces respect to all people and to human rights.

We believe human rights have to be assured and FWES wanted to help some people with a few actions so they could achieve some things to make their lifes easier. FWES has promoted activities between its employees to help different collectives that need help such as autistic and people in social risk of exclusion.

FWES has donated 60 chairs to Nuevo Horizonte Foundation to help them with Foundation furniture to develop their activities.

FWES has given information to its employees to participate in a food project to feed people within a community kitchen. Food collection has been performed in FWES premises.

FWES has always in mind the risk of collaborating with other countries of different cultures and other companies. FWES analyses the risk before entering in new businesses.



B. 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 (Spanish Law for labour integration of handicapped) compliance and goes further implementing actions to improve handicapped situation.

FWES has invested resources in five actions related to handicapped and people at risk of exclusion in collaboration with 5 entities and will continue supporting them in 2013.

- 1. Fundación Adecco for labour integration of handicapped.
- 2. Nuevo Horizonte which is focused on labour integration and training for autistics.
- 3. Fundación Estela for social and labour integration of mental and physically handicapped. They perform gardening works in Tarragona Workshop.
- 4. Aprodisca for labour integration of people with difficulties to find a job. They perform printing and cleaning works in Tarragona Workshop.
- 5. Galenas (Fundación ONCE) for labour integration of handicapped. They supply office material to Madrid headquarters.

Risk prevention training has been given to all employees between 2011 and 2012 for Health and Safety sensitization as FWES considers that risk awareness is the first step for harm elimination.

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 has made possible helping 2 employee relatives to improve their options when applying for a job thanks to Couching provided by the Company Lukkap, an expert in outplacement.

FWES premises have been adapted to handicapped.

Foster Wheeler Compliance Reportline and Code of Conduct are available to report ilegal facts or bad practices related to labour.

FWES Internal Improvement Group continues to study employee initiatives focused on Company progress that will also increase employee satisfaction.



C. 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.

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

Efforts are being performed in reducing absorbent waste, increasing the use of re-utilized water, augmenting paper recycling and lowering environmental incidents.

2012 paper consumption has fallen by 16.5% in Madrid headquarters compared to previous year due to a campaign held in 2011 for employee awareness.

Environmental awareness has been spread through Corporate Volunteering program. FWES has participated in Engage Project with four volunteers that participated in the Tajo river in Aranjuez planting trees and recovering de area with the NGO Acción Natura.

D. ANTI-CORRUPTION

• Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery

Code of Conduct Training has been completed in 2012 by all FWES employees and it reinforced anti-corruption and FCPA compliance.

FWES periodically reviews the Program of Prevention and Detection of Risks to improve internal controls.



(iii) FUTURE ACTIVITIES

FWES will work on the actions started in 2012 to improve results obtained.

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

All employees will follow the Code of Conduct training during January 2013. This training is performed annually and 2013 training is being prepared.

FWES follows a program to prevent and detect crimes and offenses. It is being reviewed and improved annually.

FWES will continue contributing with its social worries performing several programs in 2013:

- 1. Corporate Volunteering in social topics.
- 2. FWES will continue collecting used caps from its canteen to collaborate in plastic recycling.
- 3. Other activities under analysis.



(iv) 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.