



FOSTER WHEELER ENERGIA, S.L.U.

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COMMUNICATION ON PROGRESS

JANUARY 2014



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January 2014

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 engage in collaborative projects which advance the broader development goals of the United Nations, particularly the Millennium Development Goals.

During 2013, FWES has performed social initiatives 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 fourth 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,

A handwritten signature in blue ink, appearing to read "Emilio Tatay".

Mr. Emilio Tatay
CHIEF EXECUTIVE OFFICER

(ii) 2013 ACTIONS

We have continued our objectives related to our intention to advance in Corporate Social Responsibility and especially in Global Compact Principles. In 2013, 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.

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.

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 lives 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 given support participating in Autism Day sharing activities with the Association Nuevo Horizonte.

Five Dell computer screens have been given to the Foundation Educación Activa to collaborate in the treatment of deficit of attention and hyperactivity syndromes.

Food and hygiene items collection has been performed in FWES premises for old people together with the Association Hermanitas de los Pobres.

Medicines, paper items, clothes and shoes have been provided to Centro African Republic (Foundation Bangassou) and school materials such as pens and notebooks have been given to Ethiopia (NGO IPI Cooperació).

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 four actions related to handicapped and people at risk of exclusion in collaboration with 4 entities.

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

FWES will continue supporting this type of organizations in 2014.

Risk prevention training has been given to all employees in the last years 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.

Foster Wheeler Compliance Reportline and Code of Conduct are available to report illegal 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.

FW Premises garden has been renewed with local plants to reduce watering needs.

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

2013 paper consumption has fallen by more than 10% (objective for the year) in Madrid headquarters compared to previous year due to a campaign held for employee awareness. Individual containers have been removed to support segregation (paper, plastic and urban waste).

Environmental awareness has been spread through these activities.

Employees have collaborated in collecting caps to give funds for the NGO Una sonrisa para Aitana, related to illnesses where treatment is difficult.

Mobile phones recovery for environmental support performed by employees also helps fighting hunger and science research as this initiative was been promoted with the NGO Acción contra el hambre and the Foundation Stop San Filippo.



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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 2013 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 2013 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 2014. This training is performed annually and 2014 training is being launched.

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 2014. Activities are under analysis.



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(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.