

12 January 2015

Communication on Progress



FOSTER WHEELER ENERGIA S.L.U

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 2014, 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 fifth 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", written over a light blue horizontal line.

Mr. Emilio Tatay

PRESIDENT & CEO

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2014 ACTIONS

We have continued with the objectives related to our intention to advance in Corporate Social Responsibility and especially in Global Compact Principles. In 2014, 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 companies especially in other countries of different cultures. 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.

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

Support has been given through Caixabank to several entities that fight against hanger and medical needs.

We have helped "Fundacion Bangassou" in Centrafrican Republic with funds through theatre tickets and support as signatories for a peace award.

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. 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 three actions related to handicapped and people at risk of exclusion in collaboration with 3 entities.

1. Nuevo Horizonte which is focused on labour integration and training for autistics.
2. Ilunion, labour integration through several services (printing, gardening, furniture, decoration)
3. CEDEL La Hogareña, labour integration through catering / restaurant activities.

FWES will continue supporting this type of organizations in 2015.

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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 campaigns are in place to reinforce this awareness (office behaviour videos).

Safety and Health Plans in projects have been reinforced and a Safety Action Plan in Workshop is in place. These are subjects for audits to ensure compliance.

Compliance Reportline and Code of Conduct are available to report illegal facts or bad practices including the ones related to labour.

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 awareness has been spread through the use of recycling stations. Kits for spilling are available. Plastic revaluation is in place in our Tarragona workshop.

There are no environmental incidents in 2014 and objectives of reduction in paper, electrode and electricity consumption were set for the year.

Employees have collaborated in collecting caps to give funds for illnesses where treatment is difficult.

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 2014 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.

FUTURE ACTIVITIES

FWES will work on the actions started in 2014 to improve results obtained. FWES will continue contributing with its social worries performing several programs in 2015. Activities are under analysis.

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 and FWES has in place a program to prevent and detect crimes and offenses.

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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.