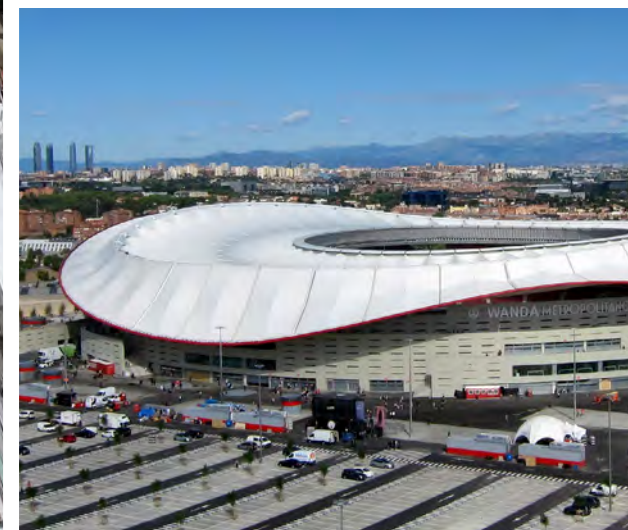


# Sustainability Report 2017-2018





# Contents

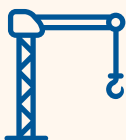
FCC Construcción at a glance	2
Letter from the General Manager	8
<b>1</b> Our organization	10
<b>2</b> Company governstones: values and good governance	21
<b>3</b> Our professionals	28
<b>4</b> Sustainable construction	41
<b>5</b> Managing impacts, working on new opportunities	51
<b>6</b> Creating Social Value	68
<b>7</b> Annexes	80



# FCC Construcción at a glance

## 1900-2017

Dedicated to  
construction



### Presence in 25 countries

- Canada, USA, Mexico, Brazil, Guatemala, Nicaragua, Costa Rica, Panama, Colombia, Peru, Chile, and El Salvador.
- UK, Ireland, Finland, Belgium, Italy, Romania, Bulgaria, Spain and Portugal.
- Algeria and Egypt.
- Saudi Arabia and Qatar.



Over  
**7,900**  
professionals



Covering all  
engineering  
and  
construction  
fields in **civil  
engineering  
and building**

- **Civil Engineering:** motorways, roads, bridges, tunnels and railway, airport, maritime and hydraulic works
- **Building and Refurbishment:** houses and housing developments, non-residential buildings and refurbishment
- **Concessions:** motorways, highways and roads, tunnels, metros and tramways, port terminals, airports and non-residential buildings
- **Industrial:** turnkey projects, hydrocarbon pipelines, electromechanical facilities, maintenance, energy efficiency, IT systems



Over  
**2,600** Km  
railway network built

Business  
portfolio of  
**4,300**  
Million (€)

**63%**  
invoiced  
internationally

### Environmental management



FCC Construcción's environmental management system is certified **ISO 14001**, covering virtually **100%** of the company's entire activity. The company has also implemented a system of Good Practices®, which adds actions to the corresponding legislative, contractual or other requirements to guarantee the best true environmental performance.

### Climate change commitment



- Verifying greenhouse gas (GHG) emissions since 2010.
- FCC Construcción has held the AENOR "**Verified CO2 Environment**" carbon footprint certificate since 2012.
- First construction company to register its carbon footprint in the MAPAMA Registry

### Circular economy



Adhesion to the  
**Circular Economy Pact**  
Driven by MAPAMA

Participation in  
**Circular Economy cross-platform  
workgroups**  
2017 Challenges-Partnership Seminar

### RD&i Investment



**3.32**  
M (€)  
in 2017

### Certified RD&i Management Systems

UNE 166002:2006

#### RD&i priority areas:

- Building Energy Efficiency
- Railway Infrastructures
- Maritime Construction Work
- BIM – Building Information Modelling
- Sustainable Construction

### Partnerships with benchmark innovation entities:

- Spanish Construction Technology Platform (PTEC)
- European Construction Technology Platform (ECTP)
- EsBIM (BIM Implementation in Spain)
- ENCORD Group
- SEOPAN RD&i Committee
- CEOE
- AENOR
- Adif Railway Technology Centre

### Creating social value



Investment of over  
**870,000 €**  
in 2017

- Adhered to the **United Nations Global Compact** since 2004.
- Active presence in numerous national and international **external sustainability-related forums**.
- Four social lines of action.



Social inclusion and  
access to basic services



Support for economic  
development



Assessment of the social  
and environmental impact  
of operations



Cooperation in  
education





# FCC Construcción in 2017

- The consortium including FCC Construcción was awarded a contract for the new Mexico City Airport terminal.
- FCC Construcción secures the "Calculo y Reduzco" (Calculate and Reduce) seal for registering carbon footprint, compensation and CO2 absorption projects.

## january

January

- FCC supports International Women's Day.
- The FCC-built Spanish National Courthouse secures its Universal Access certification.

## march

March

- FCC renews its commitment to the Diversity Charter.
- FCC Construcción, as part of the ROBIM consortium, has launched a research project to automate inspection and intervention processes in building assets.

## may

May

- FCC Group joins the Spanish Ministry of Health's Anonymous CV project for employment offers.
- FCC Construcción will build the pedestrian path between the Fuentebavía and Las Redes beaches (Cadiz).

## july

July

- Pablo Colio, new chief executive officer of the FCC Group.
- Construction of Panama Metro Line 2 is 53% complete.
- FCC Construcción recognised by the Vigo Mining and Energy Engineering School.
- CEMEX grants the Cañas-Liberia highway in Costa Rica recognition in technological innovation.

## september

September

- FCC Construcción holds the Positive Disability Seminars.
- The FCC-built Wanda Metropolitano Stadium wins the 2017 Best Municipal Public Works Prize.
- FCC Construcción in consortium wins the contract for expanding section I of the Pan-American Highway (Panama).

## november

November

December

## february

- FCC Construcción participates at the 2017 West Coast Rail Conference in Los Angeles (California).
- FCC Construcción presents "The business case for sustainable infrastructure" at the Harvard University Graduate School of Design, Cambridge, Massachusetts.

## april

- Inauguration of the FCC Construcción-built Coatzacoalcos tunnel (Mexico).
- FCC Construcción awarded contract of three new railway lines in Romania.
- The FCC Construcción built Almonte viaduct recognised at the ACHE Engineering Awards.

## june

- The FCC Construcción-built Almonte viaduct receives the Gustav Lindenthal Medal.
- FCC celebrates the World Environment Day.

## august

- FCC Construcción completes installation of the membrane for the Wanda Metropolitano Stadium.
- FCC receives a visit from the Riyadh Deputy Governor at the metro stations.

## october

- FCC Construcción, Aqualia and SUEZ selected to modernise and expand the Gilina wastewater treatment plant (Romania).
- FCC Construcción publishes the 2016 Update for its Sustainability Report.
- The FCC Construcción-built Almonte viaduct wins ENR's Global Best Project Award.
- The consortium including FCC Construcción and other companies completes the Mersey bridge in the UK.

## december

- FCC Construcción publishes the video on the FCC Ambassadors who took part in the #EnPositivoFCC Disability Seminars.
- FCC Construcción receives the New Civil Engineer Tunnelling award for the Bolaños Tunnel.
- FCC awarded the Los Chinamos-El Ayote road improvement contract in Nicaragua.



Metro line 5. Bucarest, Romania.

## Awards and recognitions for the work of FCC Construcción

New Civil Engineer Tunnelling award for the Bolaños Tunnel.

ENR Global Best Project Award for the Almonte viaduct.

Gustav Lindenthal Medal for the Almonte viaduct.

2017 Best Municipal Public Works Prize at the Demarcación de Madrid Awards from the Civil Engineers' Professional Association for the Wanda Metropolitano, built by FCC Construcción.

## Certified Management Systems

Management Area	Standard	2016		2017	
		Total	Spain	Total	Spain
Quality	ISO 9001	97.1%	100%	96.14%	99.77%
Environment	ISO 14001	95.9%	100%	95.18%	99.77%
Occupational Health and Safety	OHSAS 18001	93.5%	99.5%	90.10%	99.70%
GHG Emissions	ISO 14064	22.1%	62.4%	24.07%	65.44%
Information Security	ISO 27001	28.5%	80.3%	30.28%	82.30%
RD&i Management	UNE 166002	NA	62.4%	NA	65.44%

NOTE: The data corresponds to the certified turnover percentage, except in the case of Occupational Health and Safety, where the data correspond to the employee coverage percentage.

- Award for the University Area-T1 Airport section of Line 9 in the Barcelona Metro
- The EUIPO expansion project, executed by FCC Construcción, winner of the 2017 BREEAM Awards.
- The Cañas-Liberia highway in Costa Rica was awarded a prize in the Technological Innovation category during the 11th Cemex Projects Prize.
- FCC Industrial receives national prize at the European Business Awards in the Environmental and Corporate Sustainability category.
- Recognition to FCC Construcción América for Ciudad del Niño in Chorrera.
- Occupational Health and Safety Award to FCC Industrial by Asepeyo and the Community of Madrid.
- "2017 Germán Ignacio Gómez Pinilla National Environmental Award for the Bogotá River Hydraulic Adaptation and Environmental Recovery Project (Colombia).
- Matinsa, awarded for excellence in accident prevention and reduction by Asepeyo and the Community of Madrid.
- Qualification for the Advanced Level (Global Compact UN) for the FCC Construcción "Communication on progress" Report.
- Two FCC projects win distinction in the first edition of the Best Waterworks Award, organised by Smagua.

## Material topics and boundaries (102-43) (102-46) (102-47)

The present FCC Construcción Sustainability Report provides information on the management of social, environmental, ethical and economic topics of the company during 2017, structured around five areas: **Values and Good Governance; Our Professionals; Sustainable Construction; Managing impacts, working new opportunities; and Creating social value.**

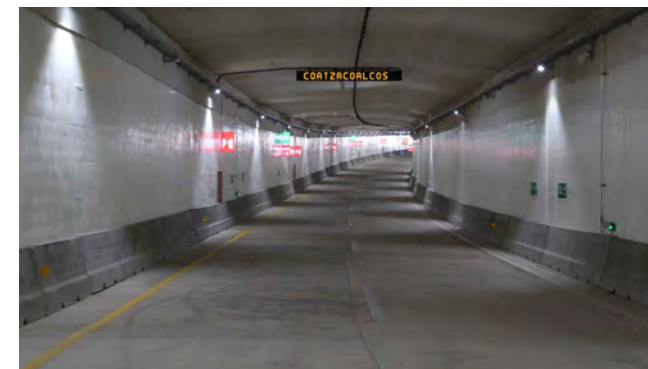
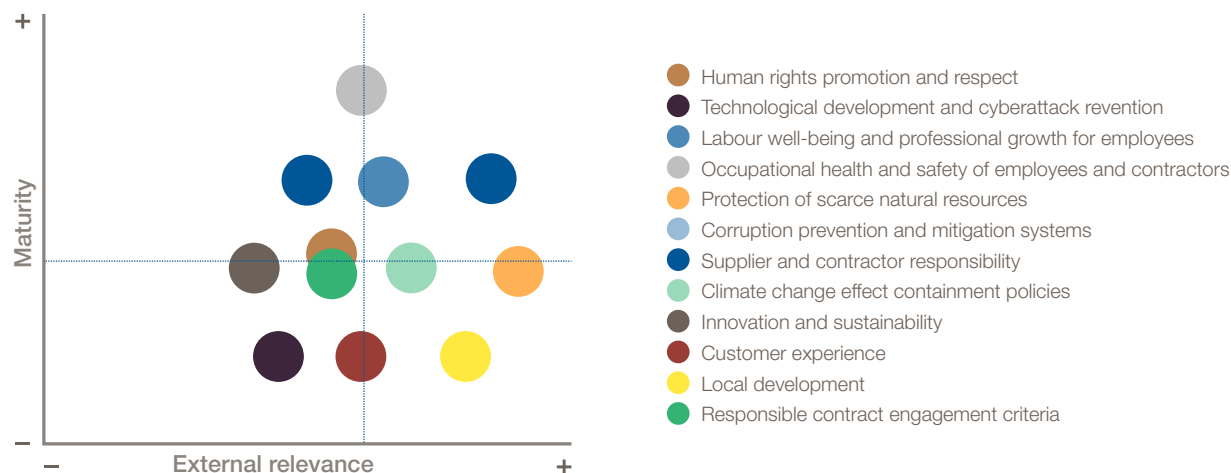
The content of this report responds to the materiality assessment conducted in 2017. This information regarding the company's environmental, social and ethical performance was carried out according to the Global Reporting Initiative (GRI) Sustainability Reporting Guidelines, in version *GRI Sustainable Reporting Standards* (GRI SRS), including the additional disclosure requirements as per GRI G4 "Construction and Real Estate".

Unless expressly indicated otherwise, the information reported herein refers to all the activities of FCC Construcción and the subsidiaries and affiliates thereof. In topics where information is available on the performance of the supply chain, this information is included in the corresponding sections. FCC Construcción contributes all the environmental values for temporary joint ventures (TJVs) of which it has operational control, regardless of its participation percentage.

## 2017 FCC Construcción Materiality Matrix (102-49)

FCC Construcción annually updates its materiality assessment, focusing on social, environmental, ethical and/or economic topics that are relevant for its business.

The result of this analysis is being written on the materiality matrix, which prioritises the material topics through classification in four quadrants –maintain, monitor, observe and promote– depending on the action that the company should perform to manage them properly. For example, highly relevant external issues and very mature FCC Construcción management matters should also be monitored. In contrast, highly relevant yet medium or low maturity issues in terms of management should be promoted.



Inauguration of the submerged tunnel of Coatzacoalcas, Mexico.

In addition to these highly critical topics for the company, the Report also covers other topics not underscored in the materiality assessment that FCC Construcción has been compiling and checking in recent years.



Rehabilitation of the Riudeperes monastery, Catalonia, Spain.

## Other data of interest

The present Sustainability Report is likewise useful as an **FCC Construcción Progress Report on the 10 Principles of the United Nations Global Compact**.

Please e-mail the Quality and CSR Director (calidad\_rsc\_construc@fcc.es) to address any matter related hereto.

## SDG-related material topics

The table below lists the material topics that FCC Construcción has prioritised in the order of relevance in relation to the Sustainable Development Goals.

Material topics in 2017	Relevance	Relationship with the SDG
Labour well-being and professional growth for employees Occupational health and safety of employees and contractors Corruption prevention and mitigation systems Protection of scarce natural resources	Very High	<div> <div>3 GOOD HEALTH AND WELL-BEING</div> <div>8 DECENT WORK AND ECONOMIC GROWTH</div> <div>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</div> <div>15 LIFE ON LAND</div> <div>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</div> <div>17 PARTNERSHIPS FOR THE GOALS</div> </div>
Responsibility in the supply chain Climate change effect containment policies Human rights promotion and respect Responsible contract engagement criteria	High	<div> <div>5 GENDER EQUALITY</div> <div>10 REDUCED INEQUALITIES</div> <div>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</div> <div>13 CLIMATE ACTION</div> <div>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</div> <div>17 PARTNERSHIPS FOR THE GOALS</div> </div>
Local development Innovation and Sustainability Customer experience Technological development and cyberattack prevention	Average	<div> <div>1 NO POVERTY</div> <div>8 DECENT WORK AND ECONOMIC GROWTH</div> <div>4 QUALITY EDUCATION</div> <div>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</div> <div>11 SUSTAINABLE CITIES AND COMMUNITIES</div> <div>17 PARTNERSHIPS FOR THE GOALS</div> </div>

## Letter of External Assurance of the Sustainability Report



# AENOR

## VERIFICATION OF SUSTAINABILITY REPORT

**VMS-2018/0030**

AENOR has verified the Report by the organization

**FCC CONSTRUCCIÓN**

**TITLE: Sustainability Report 2017-2018**

In accordance with: GRI Standards

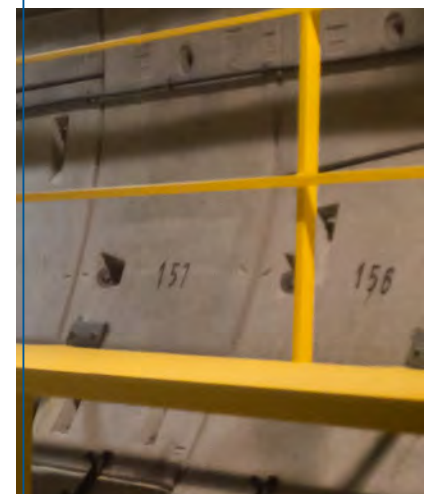
GRI option applied: Exhaustive

Verification Process: To grant this Verification Document, AENOR has verified that the report complies with GRI requirements and has checked the data and information contained in the report.

Issue date: 2018-08-08

  
**Rafael GARCÍA MEIRO**  
 Director General

**AENOR INTERNACIONAL, SAU**  
 Génova, 6. 28004 Madrid, España  
 Tel. 91 432 60 00- www.aenor.com





# Letter from the General Manager

Dear friends,

I have the pleasure of presenting FCC Construcción's eighteenth publication regarding the sustainability of the company's performance. First published back in 2000, for which we were our country's first construction company to do so, this report is a snapshot of our activities and efforts in response to the main challenges that we are currently facing with sustainable development.

It is well known that we are presently at a juncture of uncertainty, where the major challenges, primarily environmental, social, economic and geopolitical, pervade the world of complex and interconnected systems. Such a scenario requires the participation of the private sector, public administrations, society in general and other stakeholders, and we have been working together on a common agenda: **the Sustainable Development Goals (SDGs)**, the benchmark framework approved in 2015 by 193 Member States of the United Nations that we have adopted at **FCC Construcción as a guide for managing impacts and the contribution to local development**.

FCC Construcción views the Sustainable Development Goals as a new united and responsible approach from which companies can and should contribute to create a **more sustainable world**. Through our activities, we directly contribute to achieving more sustainable cities and communities (SDG11) as we work for innovation in the industry and infrastructures (SDG9) with a commitment to decent work and economic growth (SDG8). Likewise, through responsible management, we contribute to the SDGs related to clean water

and sanitation (SDG6), climate action (SDG13) and reduced inequalities (SDG10).

If we translate these corporate goals in their alignment with the Agenda for Sustainable Development to the activities carried out by FCC Construcción, we can affirm that we are working under a paradigm of the responsible use of resources, search for maximum efficiency, innovation in processes, new technologies and the application of production models advocated by the circular economy.

We are working under a paradigm of the **responsible use of resources**, search for **maximum efficiency, innovation** in processes, **new technologies** and the application of production models advocated by the **circular economy**





## FCC Construcción's business strategy includes numerous aspects and initiatives to contribute to the economic and social development of communities

We understand that our responsibility to the communities where we carry out our activities and our strategic commitment to operating efficiency allow us to continue making progress in seeking excellence in environmental affairs. We have thus adapted our Management and Sustainability system to the new ISO quality and environmental standards, applied to 25 countries worldwide.

We need to look to research and development to make even greater progress in responsible and efficient performance practices. In particular, some of the work lines entail our development and involvement in the **BIM concept** in response to the needs for greater efficiency, profitability and sustainability in construction processes by incorporating the general principles of **sustainable construction for technological, social, environmental and economic topics**, as we have been making in major projects such as the Riyadh metro, Mexico airport or Lima metro; or the implementation of a civil engineering sustainable performance assessment method; or the commitment of annual publication and verification of our carbon footprint.

FCC Construcción's business strategy across social lines includes numerous aspects and initiatives to contribute to the economic and social development of communities. The company has contributed to social inclusion and access to basic services through infrastructure construction projects in marginalised regions and collaborations with learning institutions to bolster education. FCC Construcción measures this positive social impact by assessing its contribution to improving the social conditions of the people, environmental protection and promotion of the infrastructures of the local communities with whom the company has a relationship. Examples of our engagements in this regard include projects for the Riyadh Metro, Corredor de las Playas I in Panama and the Lima Metro in Peru.

We would not have achieved any of this without the incredible team of professionals at FCC Construcción. At the heels of some very difficult years of recession that shook the entire sector, 2017 marked the beginning of a transitional stage towards stability for all the company employees. The company is at the dawn of a period in which an essential cornerstone of its strategy includes the goal of fortifying the trust and engagement of its workers by directing efforts to improve international mobility processes, attracting and retaining young talent, and bolstering training and promoting professional development and internal promotion.

We continue working on our current Equality Plan through peer tracking units comprising company and trade union representation, and drawing up the new Plan, which in 2019 will include more thorough monitoring and set new specific and more ambitious targets, thus reconfirming the company's resolve in the fight for equality.

FCC Construcción es la primera constructora que ha presentado un punto de encuentro de la diversidad, del dialogo, de la FCC Construcción is the first construction company to present a forum for diversity, dialogue, equality and the fight against domestic violence: enpositivofcc. These efforts fall within the "Diversity Add" project, which was created to accommodate a set of different talents, accepting, respecting and taking advantage of diverse perspectives through collaborative models that acknowledge and defend identity, uniqueness and dignity.

During the coming years, we want to continue our response to the challenges that the Sustainable Development Goals pose, moving forwards in the work lines and commitments assumed through the FCC Group SCR Master Plan to continue our contribution to creating prosperity, caring for people and protecting our planet.

I would therefore like to invite you to have a more in-depth look at our efforts in the following chapters of the present Sustainability Report.

**Pablo Colio Abril**

General Manager of FCC Construcción  
Chief Executive Officer of the FCC Group



# Our organization

Wanda Metropolitano Stadium, Madrid. Spain

# 1

Profile and business strategy	11
FCC Construcción CSR Milestones and Commitments	17
FCC Construcción aligned with the Sustainable Development Goals (SDG)	19

# Profile and business strategy



## 2017 Milestones

- 2017 turnover of € 1,682 million.
- 2017 EBITDA of € 70 million.
- Economic-financial stability recovery.
- 2017 closed with a portfolio of € 4,300 million. 27.8% increase in EBITDA margin.
- Contract award for the Corredor de las Playas I project (Panama) to FCC Construcción, with a budget of \$ 543 million.



## Future challenges

- Increasing revenue in international markets.
- Continuous improvement of production processes and cost optimisation.
- Limit international presence to profitable regions and activities.

With over 115 years of accumulated business experience, FCC Construcción brings together the construction activity of the FCC Group, an international benchmark for infrastructures, environmental services and water management.

The company's activity lies primarily in civil engineering, industrial and building construction works. FCC Construcción also has a group of subsidiaries dedicated to the industrial and energy sectors, and construction-related activities (engineering, prefabrication, facilities, etc.) with experience in implementing concession projects. The company is committed to creating value for its customers, employees, local communities and society in general.

**This report contains information concerning the company's sustainability performance and was completed according to the Comprehensive option of the Global Reporting Initiative's GRI Standards, and presents the company's contribution to achieving the Sustainable Development Goals (SDG) established by the United Nations in 2015.**

The company's key fields of engagement in terms of sustainability include creating jobs in the communities where it does business, assisting the development of local professionals, protecting the environment, bolstering the circular economy and fighting against climate change.



## Key figures in 2017



### BUSINESS

Turnover (M€) **1,682**

Business portfolio (M€) **4,300**

International invoicing **63%**  
of the business is generated outside Spain



### PROFESSIONALS

Staff **7,907**

Women executives **16%**  
Top management positions held by women

Training hours **52,768**



### INNOVATION

Investment in RD&i projects (M€) **Over 3.3**

Publication of the Technology Monitoring Journal

#### Priority areas:

Building energy efficiency  
Railway infrastructures  
Maritime construction work  
BIM – Building Information Modelling  
Sustainable Construction



### ENVIRONMENT

Water consumption in 2017 (millions of litres) **1.37**

Adaptation of the Management and Sustainability System to new standards ISO 14001 and ISO 9001

The emissions avoided by Good Practices in 2017 are **12,342**  
t CO<sub>2</sub>



### COMMUNITY

Investments in the community through donations (€) **396,885**

Foundations (ADECCO, INTEGRA, ONCE, PREVENT, PANAMÁ-ESPAÑA)

Relationship with over **11,408**  
Suppliers (94.5% local)  
10,004 in 2016

Part of the United Nations Global Compact since 2004

## International Presence

FCC Construcción continues its international expansion, carrying its activities in markets of elevated potential worldwide.

In this regard, the company is aware of the importance of stabilising its presence with a view to remaining in each country where it commences activities permanently, creating ties with the local communities in the 25 countries where we do business.

### Europa

1. United Kingdom
2. Ireland
3. Finland
4. Belgium
5. Italy
6. Romania
7. Bulgaria
8. Spain
9. Portugal

### América

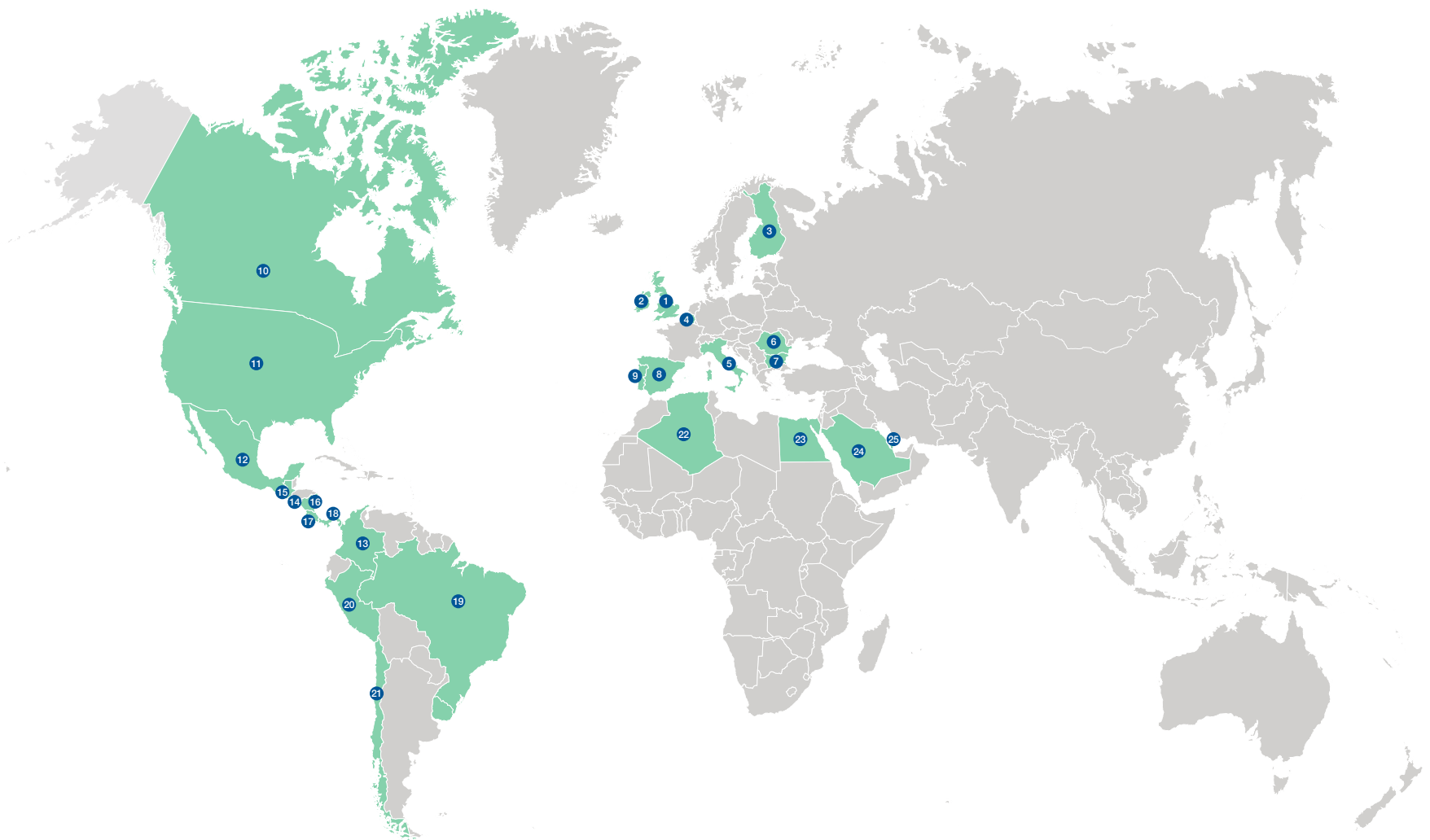
10. Canada
11. USA
12. Mexico
13. Colombia
14. El Salvador
15. Guatemala
16. Nicaragua
17. Costa Rica
18. Panama
19. Brazil
20. Peru
21. Chile

### Africa

22. Argelia
23. Egypt

### Oriente Medio

24. Saudi Arabia
25. Qatar





## Main Projects 2016-2017

Over the past two years, FCC Construcción has been awarded large contracts, which have helped the company consolidate its position as one of the most renowned and successful construction companies.



Airport Mexico New Terminal.

### Main contracts in execution

	Amount (M€)
1 <b>Riyadh Metro (Saudi Arabia):</b> Contract to design and build the 4 (Orange), 5 (Yellow) and 6 (Purple) lines.	6,300
2 <b>Line 2 and a branch of Line 4 of the Lima Metro (Peru):</b> Contract for the design, construction and operation line 2 of the Lima Metro for a term of 30 years, and the construction of the line 4 branch.	3,900
3 <b>Railway projects on the Transylvanian line (Romania):</b> Railway lines in Transylvania and new railway contract awards for three new section in consortium with other sector companies.	1,478
4 <b>New Terminal of the New Mexico City International Airport (Mexico):</b> FCC Construcción is part of the consortium that will build the new terminal at the new Mexico City International Airport. This project was catalogued as one of the most innovative worldwide.	3,770
5 <b>Doha Metro (Qatar):</b> Contract to build a section of the Doha metro red line.	695
6 <b>Gerald Desmond Bridge in Los Angeles (USA):</b> Design and construction of a replacement for California's historic Gerald Desmond Bridge in a consortium with several companies.	540
7 <b>Pan-American Highway in La Chorrera, Santa Cruz (Panama):</b> Expansion of the Pan-American Highway to six lanes.	522.1
8 <b>Toyo Tunnel, Port of Uraba (Colombia):</b> Construction, operation and maintenance contract for the tunnel.	366.7
9 <b>Castrovido Dam (Spain):</b> Regulation of the Arlanza river, a tributary of the Pisuerga, ensuring the drinking water supply, ecological flow and generation of electricity.	213.3
10 <b>Glina wastewater treatment plant and sludge incinerator in Bucharest (Romania):</b> FCC Construcción takes part in this project with Aqualia and SUEZ.	113



## Economic performance

FCC Construcción achieved a portfolio of €4,300 million in 2017. Our EBITDA reached €70 million, which is a significant increase compared to the €55 million reported in 2016.

Additionally, while international operations remained in line with last year's figures, improved national activities have entailed increased revenues for FCC Construcción, with a 2017 turnover figure standing at €1,682 million. This favourable situation is a result of the consolidation of the structural changes that the organization has been carrying out over the past years.

### Main financial figures (Millions of €)

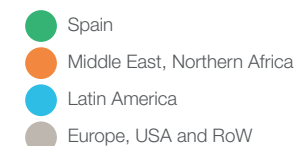
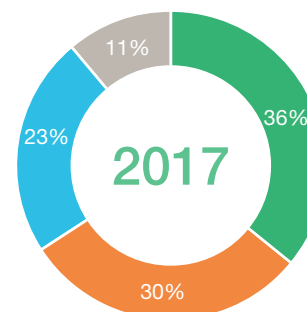
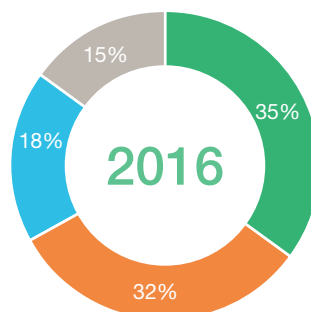
	2016	2017
<b>Turnover</b>	1,653	1,682
<b>Gross Operating Profit (EBITDA)</b>	55	70
<b>EBITDA Margin</b>	3.3%	4.2%
<b>Net financial debt</b>	0	0
<b>Portfolio</b>	4,482	4,300

### Turnover distribution by geographical area (Millions of €)

	2016	2017
Spain	581	610
Middle East, Northern Africa	534	508
Latin America	295	385
Europe, USA and RoW (Rest of World)	242	179
<b>Total</b>	<b>1,653</b>	<b>1,682</b>

FCC Construcción achieved a **portfolio of 4,300 million of euros**

Gross Profit Operating (EBITDA) reached **70 million of euros**

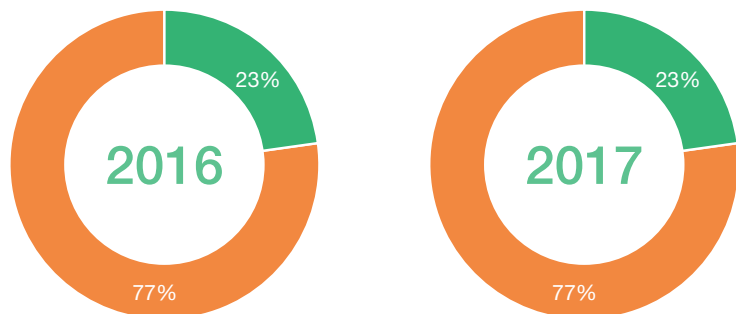






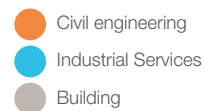
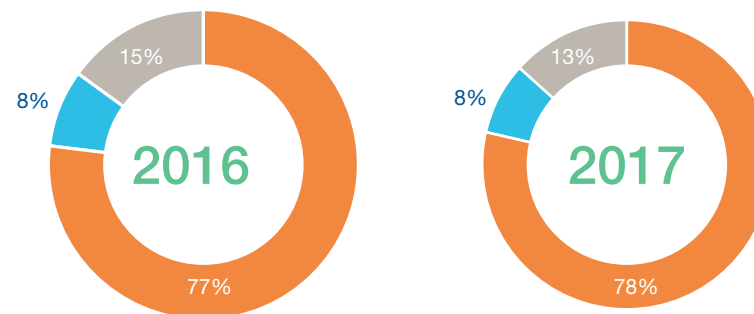
## Portfolio distribution by geographical area (Millions of €)

	2016	2017
Spain	1,039	998
International	3,443	3,302
<b>Total</b>	<b>4,482</b>	<b>4,300</b>



## Portfolio distribution by activity (Millions of €)

	2016	2017
Civil engineering	3,467	3,367
Building	655	575
Industrial Services	360	359
<b>Total</b>	<b>4,482</b>	<b>4,300</b>



# FCC Construcción CSR Milestones and Commitments



## 2017 Milestones

- Dissemination of the organization's performance by publishing the 2015-2016 Sustainability Report Update, 2017 Environmental Disclosure and the Progress Report submitted to the United Nations.
- FCC Construcción's participation in forums, discussion groups, workgroups and other CSR-related organizations.
- Definition of the disclosure mechanism for stakeholders in the new "PR-FCC-400 Stakeholder Relations".



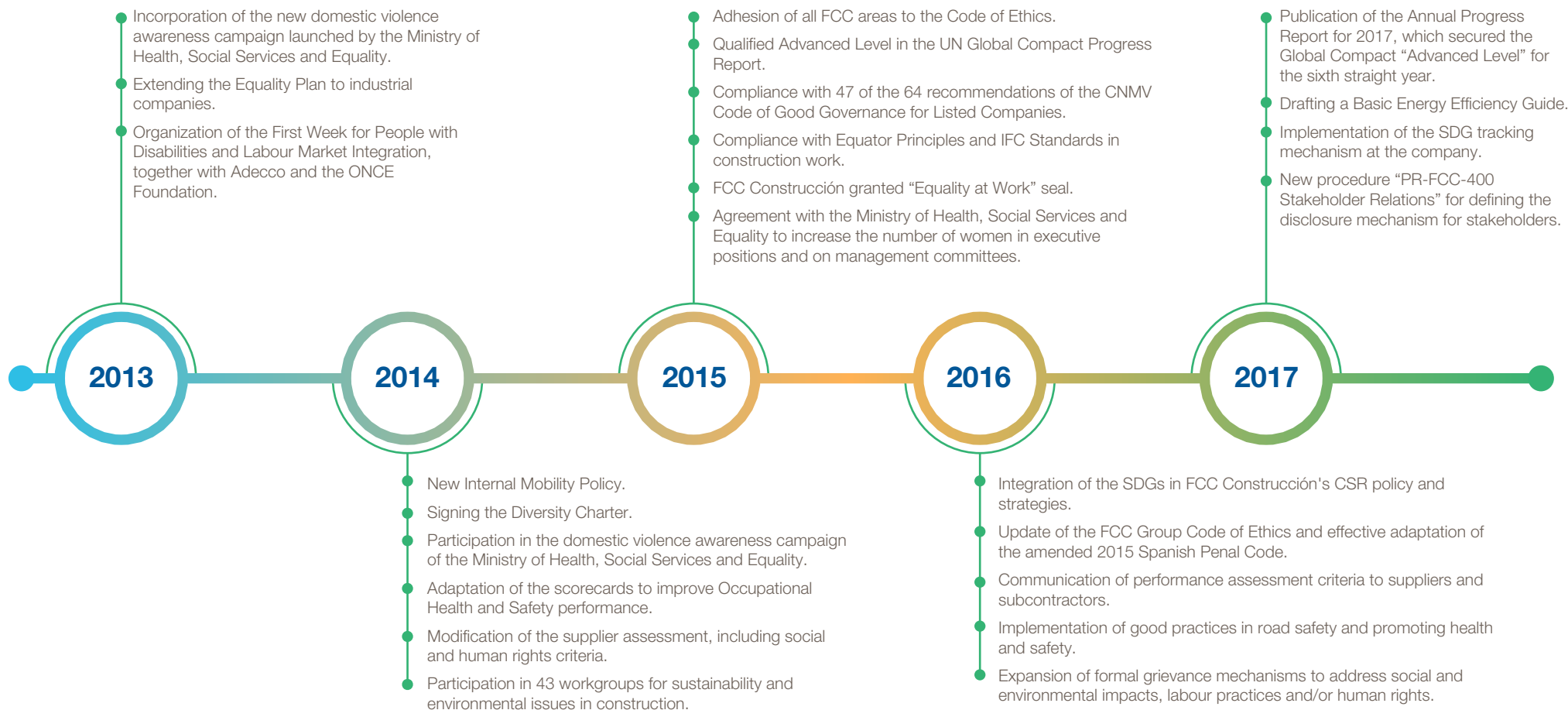
## Future challenges

- Developing the new procedure "PR-FCC-410 Corporate Social Responsibility" to define the CSR-related actions carried out by the organization.
- Analyse CSR-related trends to recognise the implications for the organization.



Gerald Desmond Bridge, Los Angeles, USA.

Through its activities, FCC Construcción is responding to the pervading challenges of communities of the future. Global trends are suggesting that demographic growth, climate change, the scarcity of natural resources and the equality gap will be the defining scenarios of our future.



FCC Construcción views Corporate Social Responsibility as a tool for identifying and responding to trends. Our CSR strategy is centred around efficiency, improved health and safety, the

creation of a corporate culture for our employees, environmental protection, the development of community facilities, ethics and compliance, and innovation for sustainable construction.



# FCC Construcción aligned with the Sustainable Development Goals (SDG)



## 2017 Milestones

- Implementation of the SDG tracking mechanism at FCC Construcción
- Incorporation of FCC Construcción's contribution to the SDGs in the 2015-2016 Sustainability Report Update and 2017 Environmental Disclosure
- Establishment of the relation between the company's material topics and the SDGs.
- Relation between the Sustainable Development Goals and the 2017-2020 Management Objectives for FCC Construcción's Management and Sustainability System.



## Future challenges

- Implement the SDG tracking mechanism during 2018.
- Disseminate and educate employees in SDG-related matters.

In 2015, the United Nations approved the 17 Sustainable Development Goals (SDGs), which in turn comprise 169 individual targets to provide countries, their citizens and companies with a global guide to minimise social, economic and environmental problems. FCC Construcción intends to use a responsible and sustainable business model to contribute to the achievement of the SDGs, growing efficiently and with innovation.

The company stays apprised of the methodologies and resources published to guide companies in integrating the SDGs into their strategies. FCC Construcción understands the steps to take to implement the SDGs in the company and is already on this path, guided by the SDG Compass and other resources<sup>(1)</sup>.

In the present Sustainability Report, FCC Construcción adheres to the line set by the FCC Group, FCC Construcción's 2015-2016 Sustainability Report and FCC Construcción's 2017 Environmental Disclosure, aligning its activities with its contribution to achieving the SDGs. The company also links its 2017-2020 Management Objectives to the SDGs, in that each management objective is related and contributes to one or multiple SDGs.

<sup>(1)</sup> Spanish Companies and SDG: Opportunities and challenges. Global Compact Network Spain.  
The Private Sector and the SDGs: A Practical Guide for Action. Global Compact Network Spain.  
Spain as the Driving Agent for the 2030 Development Agenda. Global Compact Network Spain.



FCC Construcción's activity contributes directly (SDGs 6, 7, 9, 11, 12 and 13) and indirectly

(SDGs 1, 2, 3, 4, 5, 8, 10, 14, 15, 16 and 17) to the achievement of the SDGs:



### Direct contribution



Build water management infrastructures, contributing to access to water for everyone.



Seek green energy solutions and build more energy-efficient infrastructures.



Execute sustainable infrastructures to benefit social well-being and the economic development of communities.



Build more sustainable and climate change resilient cities.

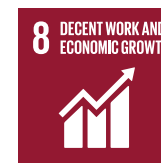


Cultivate a culture that reuses resources, reduces waste and consumes responsibly.



Seek to achieve a low-carbon economy by reducing emissions at worksites and adopting greener practices.

### Indirect contribution



1

FCC Construcción  
at a glance

2

**Company governstones:  
values and good governance**

3

Our professionals

4

Sustainable construction

5

Managing impacts, working  
on new opportunities

6

Creating Social Value

7

Annexes



# Company governstones: values and good governance

Nautical Services Building, Port of Valencia, Spain.

# 2

Good governance, ethics and integrity 22

ESG Risk Identification and Prevention 25







# Good governance, ethics and integrity



## 2017 Milestones

- Update of the FCC Group Code of Ethics.
- Integration of the SDGs in FCC Construcción's CSR policy and strategies.
- Definition of the formal grievance mechanisms to address social and environmental impacts, labour practices and/or human rights in the procedure "PR-FCC-400 Stakeholder Relations".
- FCC Construcción's adherence to the Circular Economy proposed by the Ministry of Agriculture, Fishing, Food and the Environment (MAPAMA) and applied to the construction sector.



## Future challenges

- Perform dissemination and training on the FCC Group's new Code of Ethics.
- Continue progress in adopting good practices regarding the Board of Directors.
- Modification of the DISCON incident module for recording claims under "PR-FCC-400 Stakeholder Relations", similar to the actions taken with customers.
- Promote local supplier contracts.

FCC Construcción assumes the management policy and governance structure of the FCC Group, which are in turn guarantees of responsible management characterised by transparent and ethical engagement with its stakeholders. These values are essential for establishing a relationship built on trust with customers, shareholders, employees and communities.

The FCC Group aligns its Corporate Governance guidelines with the recommendations of the Code of Good Governance for Listed Companies published by the Spanish National Securities Market Commission (CNMV) for Corporate Social Responsibility, the International Corporate Governance Network (ICGN); and other leading organizations in corporate governance.

In 2017, the Board of Directors issued a Report assessing the quality and efficiency of the operations of the Board and its committees, thus fulfilling recommendation 36 of the CNMV Code of Good Governance for Listed Companies. The results of this process were generally positive in terms of scores and conclusions concerning the Board's organization and discharge of duties. Turning to diversity within the Board, the percentages of women (27%) and foreign directors (53%) are well above the average figures for listed Spanish companies <sup>(2)</sup>.

All the information regarding Corporate Governance Management at FCC is available in the Corporate Governance section of the FCC Group's Corporate Social Responsibility Report and the Annual Corporate Governance Report.

<sup>(2)</sup> On the Boards of Directors, women represent an average of 17% and foreign directors represent 19% according to the Spencer Stuart Board Index for 2017.

## Ethics and integrity framework

FCC Construcción has adopted the FCC Group's ethics and integrity framework, whose performance is based on several elements responding to ethical, social and environmental issues. These elements are the FCC Group's Code of Ethics, which the Board of Directors first approved in 2008 and subsequently revised in 2017, the Crime Prevention and Response Manual, Risk Management Policy and System, Tax Code of

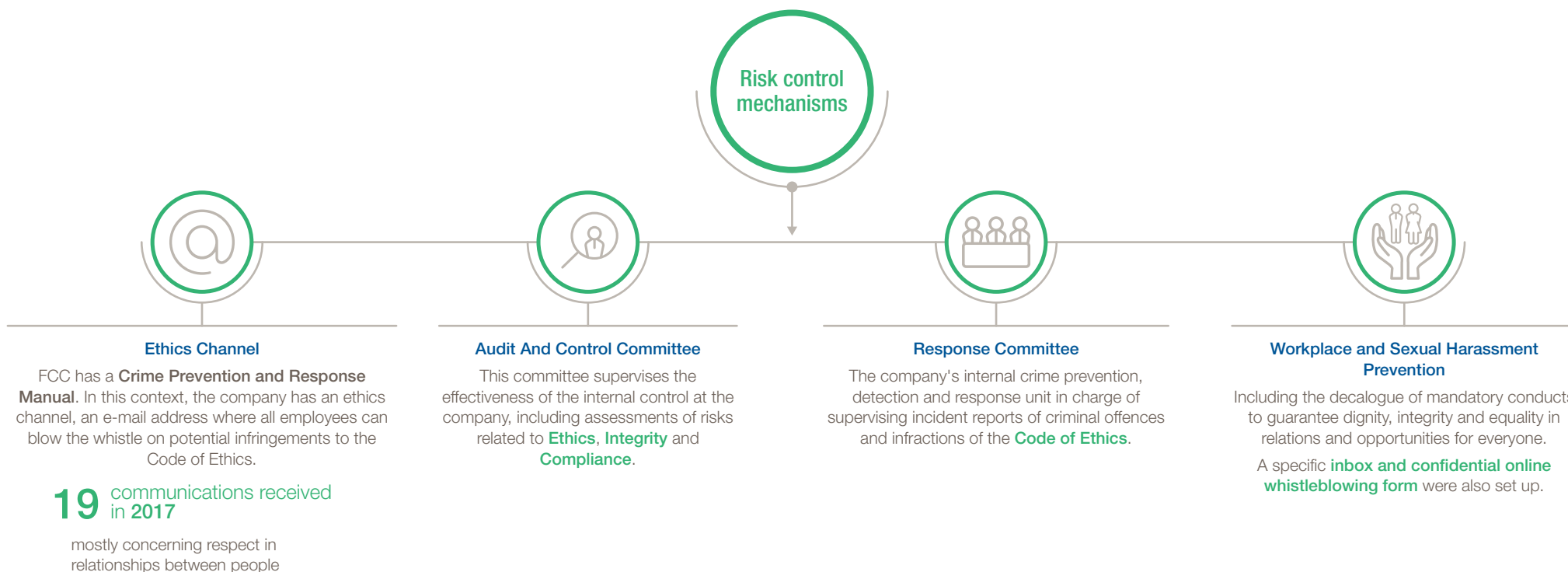


Conduct, Corporate Social Responsibility Policy and the Workplace and Sexual Harassment Prevention Protocol.

The FCC Group's Code of Ethics was revised in 2017 and a new version has been approved. This revision is a further manifestation of the company's commitment to ethics, the fight against corruption and compliance with the Spanish Penal Code with a view to maintaining the highest standards of integ-

ity and upstanding conduct. Additionally, compliance with the Code of Ethics extends across the company's entire value chain with the inclusion of a specific clause in all supplier and subcontracting contracts.

The risk control mechanisms in place at the FCC Group that are related to ethics and integrity are detailed and explained below.





*Ethics and Conduct Code approved by the Board of Administration of the FCC Group.*

The new FCC's Group new **2020 CSR Master Plan**, includes the development of a plan dissemination and training of the **Code of Ethics** for your employees

Lastly, the approval of the FCC Group's new 2020 CSR Master Plan entails the development of a Code of Ethics dissemination and training plan for employees. This measure seeks to cultivate a culture of ethics and compliance with the Code at all levels of the company, and also normalises the use of the ethics channel as a medium to address questions, concerns, suggestions, notifications and incidents.

## Respect for Human Rights (102-41)

The FCC Group's 2020 CSR Master Plan contemplates the development of a Human Rights Policy, which will apply to all companies in the organization, including FCC Construcción. This policy will be in line with the FCC Code of Ethics, principles of the Global Compact, United Nations' Guiding Principles for Business and Human Rights, Universal Declaration of Human Rights, OECD Guidelines for Multinational Enterprises, and National Action Plan on Business and Human Rights.

The Group has also pledged to bolster respect for Human Rights by assessing the impact of its activities on these rights in all the communities where it operates.

The company's present commitments concerning respect for Human Rights extend to all its employees, customers, suppliers and contractors with whom we work, regardless of where the company is operating. By tracking incidents reported via the whistleblowing channel (inbox), FCC Construcción ensures Human Rights compliance throughout its value chain.

Lastly, the FCC Group adheres to the different international standards in this regard, including:

- **The United Nations Global Compact**, which incorporates the OECD Guidelines for Multinational Enterprises as one of its guiding principles.
- **Framework of the Universal Declaration of Human Rights, Declaration of the Rights of the Child** and different **ILO agreements**.
- Negotiated agreements with the **Building and Wood Workers' International (BWI)** in countries that have yet to ratify International Labour Organization (ILO) agreements.





# ESG Risk Identification and Prevention



## 2017 Milestones

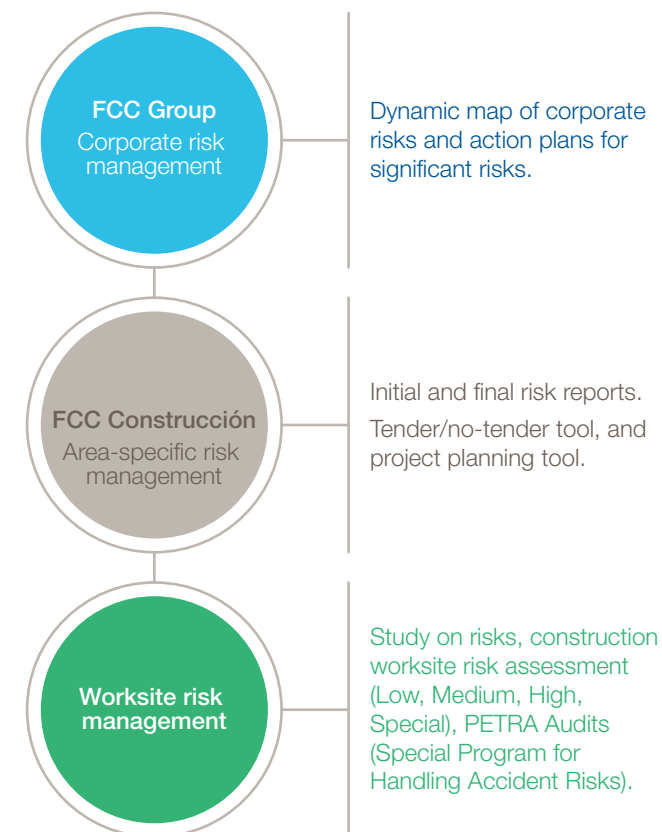
- Review of the context of the organization to establish risks and engagements.
- The “369 Environmental and Social Risks. Action Plan” format was developed so that each project can determine the corresponding associated environmental impacts and risks.



## Future challenges

- Risk Map Update.
- Risk assessment for all construction work phases.

### FCC Construcción risk management framework



FCC Construcción includes ESG (Environmental, Social and Governance) criteria in its risk management, which are integrated in the Risk Management System and Policy of the Group and area.

FCC Construcción risk management is undertaken at three hierarchical levels: corporate, by business area and at the construction worksite.



## Corporate risk management (FCC Group)

At the FCC Group, and in accordance with recommendation 53 of the CNMV Code of Good Governance for Listed Companies, the Board of Directors is tasked with not only identifying and assessing everything related to the risks of the company, including operating, technological, legal, social, environmental, political and reputational risks, that could potentially affect the business; but also establishing mechanisms to manage them to be integrated in the processes of the organization. The Board also establishes the proper level of risk tracking and control, including the implementation of reporting flows and communication mechanisms in place for permanent management revision and improvement.

Once risks have been categorised and assessed, the control mechanisms are established through Risk and Control Matrixes, which define the roles responsible for control/oversight activities. When certain risks exceed the accepted risk level, management establishes the specific actions plans.

### FCC risk management principles



## Risk management at FCC Construcción

FCC Construcción's risk and opportunity analysis considers internal and external factors that could affect its Management System. This regular analysis considers the characteristics of the context where the company operates, the needs and expectations of stakeholders, products supplied, construction work, global projects and services, and the company's unique particulars.

This analysis ultimately identifies the risks and opportunities so that management can establish actions to minimise the consequences of the risks while seizing the opportunities. These actions are defined in the corresponding action plans to address these risks and opportunities.

The main new risks and opportunities reported to the Management in 2017 are related with the BIM methodology, the economic responsibilities for guarantees of the worksites and the need for inclusion into the Industry 4.0.

### Project risk management

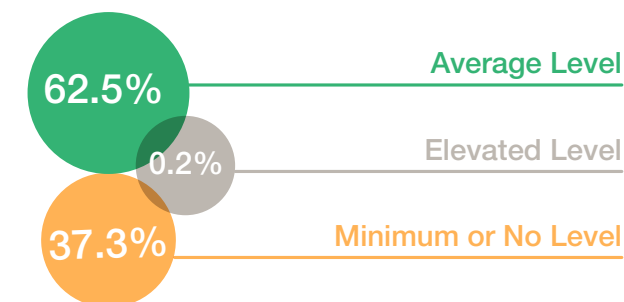
FCC Construcción conducts a thorough analysis of the risks before drawing up the tender. For this task, the company uses a Tender/No Tender report, relating each project to its possible risks. Risks are divided into six categories: customers, partners and third parties, tender documents, localisation, contract and strategy. This step identifies the most critical risks requiring greater study to decide whether to submit a tender, and classify the projects according to its risk level: High, Medium or Low.

When opting to submit a tender for a project, FCC Construcción draws up the "Initial Risk Report" for the detailed analysis of the risks involved in terms of the volume associated with the

project. The main risks of the construction work can be broken down into contractual, financial, insurance and tax-related, technical and economic.

FCC Construcción also has a measurement system for assessing the social and environmental sustainability of projects in the tendering stage to that the company categorise tendered projects on the basis of environmental and social risks. Use of this system was consolidated even further in 2017, with 440 projects studied and tendered throughout the year. In addition to the Initial Risk Report, which analyses contractual, financial, tax-related, technical and economic risks, this new measurement system provides all the information from all dimensions of sustainability for company decision-making processes.

### Results of project environmental and social risk assessments in 2017





## Risk management in the construction work execution process

Prior commencing the works and once the project has been awarded, the risks of each project activity are identified, taking into account criteria such as: price, term, technical difficulty of the construction processes, experience of the work team in similar projects, customer-related factors, environmental factors, subcontractor and supplier-related factors, reputational/high-profile repercussions, yet in any case following criteria defined by FCC Construcción guides and guidelines.

Construction work activities are classified according to their corresponding risks. Doing so identifies projects requiring greater control and monitoring. The internal audit plan for FCC Construcción is drawn up based on the identified risks, with a greater emphasis on construction work with higher risks.

After the Management System was adapted to ISO 14001:2015, all worksites and fixed centres must complete the "369 Environmental and Social Risks" form within the first four months of 2017. Action Plan".

In 2017, data referring to environmental risks and opportunities were gleaned from 70 worksites (85% of the total construction projects) and 31 regular centres (82% of the total regular centres).

The main identified risks are related to emissions exceeding the authorised levels, accidental discharges to the ground or water, elevated noise or vibration levels, etc. The main identified opportunities are related to the sensitisation or economic optimisation of the subcontracting chain, the minimisation of the likelihood of the occurrence of accidents, minimisation of the generation of waste, or the reduction of water consumption.

### Environmental risks and opportunities

	Construction Worksites	Regular Centres
Average identified risks/opportunities	32	7
Average identified actions	108	15

### Case Study

#### SAMCEW®, Sustainability Assessment Method for Civil Engineering Projects

SAMCEW® (Sustainability Assessment Method for Civil Engineering Works) is an internal methodology system for assessing the sustainability of a civil engineering project so that civil engineering managers can demonstrate the sustainability of their projects to third parties.


FCC Construcción uses this method to align its activities with the sustainability trends in its sector. Its objectives include minimising resource usage and waste generation, innovation and reducing environmental and social impacts.

SAMCEW is a self-assessment system based on 15 different categories that address relevant topics for the sustainability of the production process.

Each category considers a series of concepts, which the user must assess by answering certain questions that let project managers identify the most important areas of improvement and share the progress made in sustainability.

The initiative, which the Madrid Civil Engineers Association recognised with the Responsibility and Sustainability prize, is being internally and externally disseminated so that projects can begin using it in the short/medium term.

A related RD&i project is also being developed for calibrating the SAMCEW methodology.

- |  |   |  |
|--|---|--|
|  Project management           |  Participation and acceptability |  Ecosystems and biodiversity  |
|  Land planning                |  Cultural heritage elements      |  Use of natural resources     |
|  Lifecycle cost               |  Welfare                         |  Waste                        |
|  External cost                |  Effects on local company        |  Emissions to the environment |
|  Effects on the local economy |  Risk and Resilience             |  Noise and vibrations         |



# Our professionals

Completion of the tunnel line Metro of Riyadh, Saudi Arabia

## 3

Employee Health and Safety	29
Managing talent	32
Equality and Diversity	38



# Employee Health and Safety



## 2017 Milestones

- Progress in measuring Health and Safety Performance.
- Review of the national and international objectives for the coming year.
- Measuring the incidence of traffic accidents at the company.
- Reinforcement of the occupational risk prevention technical team at all company worksites where this need was detected, increasing the supervision hours by construction project and therefore reducing the number of occupational accidents.
- Maintaining the accident rates much lower than the sector average.
- Voluntary medical checkup campaign for office personnel.



## Future challenges

- Keep accident rates lower than the established target.
- Promote the implementation of good preventive practices.
- Measure the suitability of prevention-related resources in construction works.
- Work on implementing good practices in road safety and promoting health and safety.
- Conduct a wholly anonymous and confidential study of psychosocial factors for improving working conditions in the context of Occupational Health and Safety and psychosocial factors at all workstations.
- Regular training in occupational risk prevention appropriate for the workstation.
- Assessment of the environmental conditions and use of data display units.

FCC Construcción has an **Occupational Risk Prevention Policy** and a **Occupational Risk Prevention Management System**



FCC Construcción has an Occupational Risk Prevention Policy with guidelines to follow in all projects to ensure occupational health and safety.

The company also has an Occupational Risk Prevention Management System, certified under standard OHSAS 18001, implemented nationally and internationally, which presently covers 90.1% of the company's activity.

FCC Construcción's Management System implements the same safety and prevention requirements in all its projects worldwide. For countries with more stringent or restrictive legislation, the company adapts its processes accordingly. The system has a scorecard for measuring performance to streamline control and substantially optimise monitoring of the goals.



Coating of the Vallirana Tunnel, Catalonia, Spain.

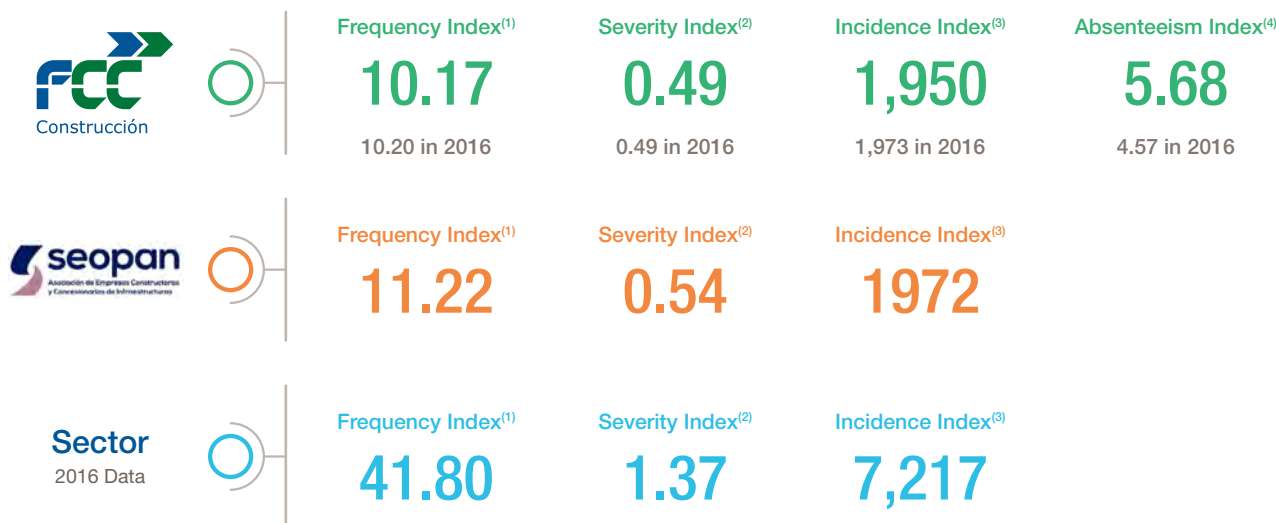
FCC Construcción obtains information on the accident and incident investigation reports, a basic work tool for monitoring the accident rate indexes on a monthly basis. This knowledge is essential for occupational safety management, since reducing the accident rate is a priority for the company.

In this regard, FCC Construcción defined prevention plans and guides for improving performance at all company work centres.

FCC Construcción launched a campaign in 2017 entailing consultations with construction work managers regarding needs

insofar as number of prevention technicians for the work. These consultations fully covered the detected deficiencies, giving priority to internal promotions or the incorporation of people with disabilities.

FCC Construcción also collaborates with national and international health and safety organizations and platforms, prominently including:



(1) Accidents with medical leave per 1,000,000 hours worked.

(2) Workdays lost because of accident recorded with medical leave per 1,000 hours worked.

(3) Accidents with medical leave per 100,000 workers divided by the average number of workers.

(4) Workdays lost because of sick leave divided by the number of workers.





## Road Safety at FCC Construcción

FCC Construcción continues developing actions for reducing traffic accidents and improving road conduct and behaviour. FCC has a Strategic Road Safety Plan for training all its workers in road education, sustainability mobility and the eradication of traffic accidents.

During 2017, FCC Construcción carried out several actions related to road safety, among which the following are particularly noteworthy:

- Construction work mobility plans such as the one when building the 129 homes in Cornellá, which entailed road safety training sessions, flexible entry and exit hours, shared care promotion, measures to simplify the use of bicycles and information on alternative routes.
- Use of speed reduction electronic message boards in construction detours.
- Campaigns to prevent the use of mobile phones while driving implemented at all Andalusian delegation centres.

## FCC Construcción, a Healthy Company

FCC Construcción adheres to the initiatives promoted from the Group matrix, internally promoting the “Healthy Company” project, which seeks to foster and safeguard the health, safety and well-being of employees. Within the framework of this project, we have carried out actions in 2017 to encourage healthy eating habits and physical exercise. Additionally, we have taken the first steps in establishing a psychosocial and cultural assessment of workers at the company.

This year, FCC Construcción received numerous awards and prizes in recognition of its performance in Health and Safety, including:

- FCC Industrial received the Occupational Health and Safety Award from Asepeyo and the Community of Madrid.
- Matinsa has been awarded for excellence in accident prevention and reduction within the framework of an event organised by Asepeyo and the Community of Madrid.
- FCC Construcción has published the Report on Good Practices in Occupational Health and Safety, a milestone in the construction sector.

### CASE STUDY



#### FCC collaborators reinforce their commitment to the fight against cancer

In October 2017, FCC Construcción América ran a breast and prostate cancer awareness and prevention campaign. The campaign was an awareness-raising initiative for collaborators and their families regarding the risk factors and symptoms of these diseases, and the importance of regular screening for early detection.

The “For your health, check yourself in time” slogan was at the heart of various activities that included informational brochures, placement of information panels at work centres and campaign souvenirs.

One of the most significant activities was when the collaborators joined the “Cinta Rosada y Celeste” campaign, which collected donations to purchase personal care products for patients at the National Cancer Institute in Panama. The donation was delivered by a group of collaborators to the Institute's director, who expressed his gratitude that companies such as FCC join initiatives of this sort.

# Managing talent



## 2017 Milestones

- Internationalisation of training by appointing international liaisons.
- Excellence cultivated through exams/scores in different training activities.
- Updated training following the inclusion of international legal references or for needs arising from technology and/or business advances.
- Digitised training.
- Transmission of know-how through internal trainers.
- Talent retention: priority for covering positions with employees instead of outsourcing.
- Design and implementation of Young Talent Programmes.
- Scholarship Programme: development of students with potential to assist their integration in the labour market.
- Executive Development Programme for management to identify and retain the best female talent.



## Future challenges

- Implementation of the BIM methodology as one of the governstones of digital transformation.
- Updated technical training and digitalisation.
- Increased skill e-training.
- Boost corporate training through e-learning and classroom learning to develop the international group in cross-cutting disciplines.
- Occupational Risk Prevention Training for all personnel in the Las Tablas office and other offices.
- Increase the presence of internal trainers and develop their activities through specific actions for developing their skills as trainers.
- Disability awareness-raising through training actions.
- Remain steadfast in our commitment to internal talent to fill vacancies.
- Development of our employees through the catalogue of training activities and ad hoc training as needed and approved by directors in specific and necessary topics for developing their functions and duties.
- Commissioning external suppliers with an elevated technical component to train employees, subject to analysis and approval by different divisions according to the knowledge area to upgrade.



*Samalayuca-Sasabe Pipeline. Mexico.*



As an entity operating in the construction sector, FCC Construcción was no stranger to the recession that alloyed the sector in recent years. After a series of organizational measures, including the partial restructuring between 2013 and 2016 of our professional staff, 2017 has been a transitional stage towards stability for all company employees. The company has begun a new period in which fortifying the trust and engagement of its workers is paramount.

The results of these measures include an increase in FCC Construcción staff, which tallied 7,907 employees worldwide at the end of 2017.

The company is currently immersed in a staff consolidation process. FCC Construcción believes that after weathering the restructuring period, the best professionals have remained with us. Our company philosophy therefore keenly focused on attracting and especially retaining talent to generate the culture and stimulation necessary to bring about innovation, engagement and professionalism.

The company has started a period in the one whose main objective is to reinforce **trust and enthusiasm of your workers**

FCC Construcción is a value-creating company whose infrastructure activities require the integration of complex teams.

With this in mind, the company has guided its efforts in 2017 towards prioritising the filling of vacancies with employees, promoting Internal Mobility (intra- and intergroup mobility). FCC Construcción views experiences as a key reason why employees stay with us. This initiative favours organizational flexibility, shores up motivation and exports knowledge and values.

Additional actions aim to attract and retain young talent, reinforce training, encourage professional growth and internal promotion. Regarding the actions for attracting talent, striking the right balance is a challenge that FCC Construcción is facing and intends to develop further in the future: young people with an elevated potential who feel at home at the Company could be the motto summing up our current position.

In addition to ethical and industrious work practices, professionalism and the satisfaction of a job well done, FCC Construcción believes that management should continue conveying this message to our talent every day.

A more in-depth explanation of some of the company's initiatives is given in this chapter.





## Workforce

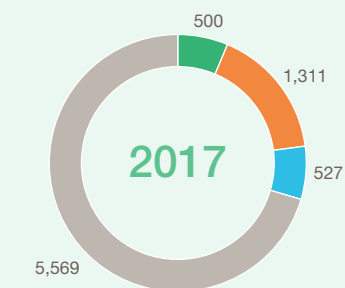
2017

7,907  
employees

Men

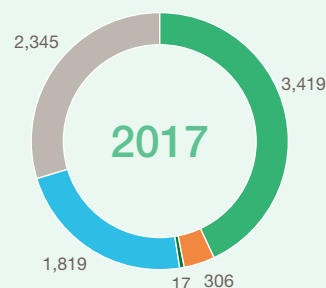
89%  
total84%  
executives

Women

11%  
total16%  
executivesDistribution by  
professional category

● Category 1    ● Category 3  
● Category 2    ● Category 4

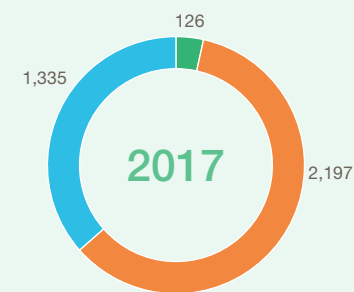
Geographic distribution



● Spain    ● Latin America  
● European Union (RoE)    ● Rest of World (RoW)  
● USA and Canada

Distribution by  
contract type

● Indefinite  
● Temporary  
● Assigned

Distribution by  
age range  
\*Only Spanish data

● < 30 years  
● 30-50 years  
● > 50 years

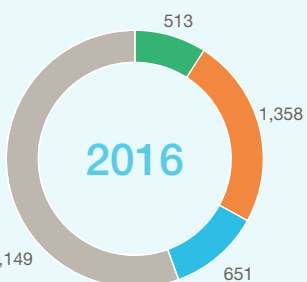
2016

5,671  
employees

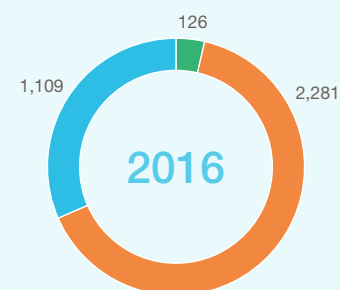
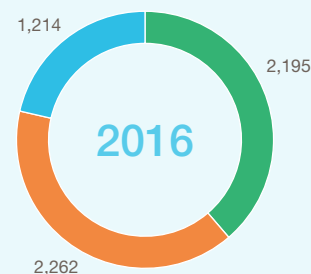
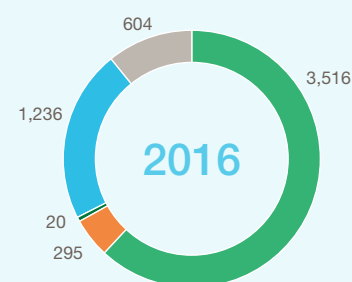
Men

87%  
total85%  
executives

Women

13%  
total15%  
executives

Category 1: Executives, Directors, Service Managers and Regional Managers  
 Category 2: University Graduates, Section Managers, Business Managers, Workshop Managers and Qualified Professionals  
 Category 3: Assistants, office workers and middle managers  
 Category 4: Operators and subordinates





## International mobility

FCC Construcción's business is currently embracing an internationalisation process that requires the company and its employees to adapt to the times. The company is aware of the need for local employees in order to have success in the foreign countries where it operates.

However, to transmit the company's culture to these new employees, we need experienced workers who have extensive knowledge of it to act as the nexus between the company and local employees. This clearly reveals the need for quality international mobility programmes that are not only beneficial for the company but also attractive for the employees involved in the process.

In this regard, FCC Construcción is working to improve its international mobility processes for employees. The best that the company can give to ensure that involved workers are satisfied is total transparency in the process in that previously agreed terms and conditions are always fulfilled. When regressing to the original country upon conclusion of the international assignment, the worker will return to a job of at least a similar organizational level as the one held before the international assignment, thus minimising uncertainty for the employee in this regard. This is also an essential point for the company, since reincorporating in the country of origin means that these employees can share and build on the experiences acquired abroad.



Bus station and metro. Toronto Canada.



## Training

FCC Construcción's Annual Training Plan includes a catalogue of training actions scheduled for the year on the basis of the existing situation, budget and detected needs, which also includes the needs that our divisions have classified as strategic.

This Plan addresses a range of knowledge areas: technical, legal, economic-financial, IT, quality, prevention and environmental, in addition to areas specifically for acquiring and developing soft skills.

In other words, these areas encompass facets that cultivate the personal and professional growth of employees to ensure that they have the tools they need on their chosen career path while reinforcing the achievement of professional objectives and bolstering talent, which are all part of the reason why FCC Construcción is a benchmark in competitive and globalised environments.

Training needs are mostly eminently technical in nature and requested for different projects through formal processes.

The Executive Development Programmes for management seek to identify and retain the best female talent, promoting their professional development, leadership and high-level training: Women with High Potential Programme carried out by the EOI and with the Promociona Programme.

These are custom-made programmes under a Personal Development Plan for female executives with a solid academic record and elevated potential for leadership. In this way, our achievement is twofold:

- Providing empowerment for leading cultural changes in workplace and social environments.
- Promoting women's presence in positions of responsibility, management committees and boards of directors.

One particularly salient engagement is the digitalisation of training through the gradual ramping up of e-learning formats. This strategic tool will permit access to courses through mobile devices and tablets so that our national and international employees can benefit from a broad selection of training in different knowledge areas.

The company is currently charting out a complex dynamic job map to characterise and identify the capabilities, knowledge and skills necessary for every job. This map will be the foundation for a continuity plan to manage knowledge at each job. This map will also be useful for designing a training itinerary for all employees according to their future professional development goals.

### CASE STUDY

#### FCC Construcción's International Young Talent Programme

Developed by FCC Construcción, this programme was designed to train 15 recent graduates with solid skills and elevated potential and thus guarantee a pool of young talent with high international potential as itinerant profiles that FCC Construcción can appoint to positions of responsibility at international, competitive and dynamic sites.

The programme lasts twelve months, during which the participants rotate across the different areas/business sites (national and international) in line with the previous study and design of personalised training itineraries.

This programme includes welcome training that addresses cross-cutting aspects common to all the disciplines with online modules according to the profiles and projects/divisions. The tutors assigned in each project and participating young talent assess the programme under previously established rules. They are then incorporated in international projects under one of the divisions of FCC Construcción.

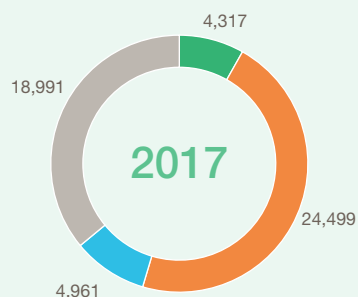


## Training

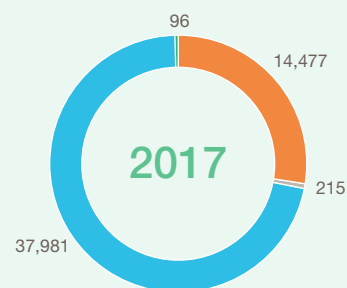
2017

3,059  
participants

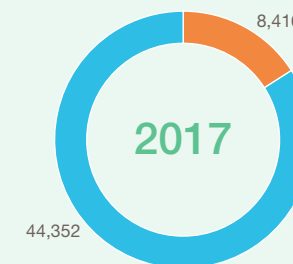
52,768

Over 1.2  
Millions of eurosTraining hours  
per professional category

● Category 1    ● Category 3  
● Category 2    ● Category 4

Training hours  
per topic

● Environment    ● Quality  
● Risk prevention    ● Other training areas

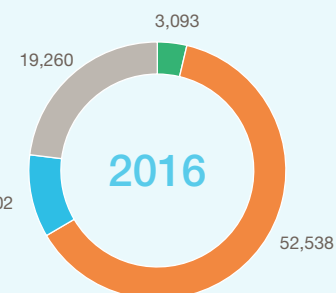
Training hours  
by gender

● Women  
● Men

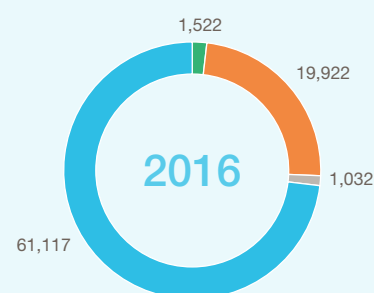
2016

4,340  
participants

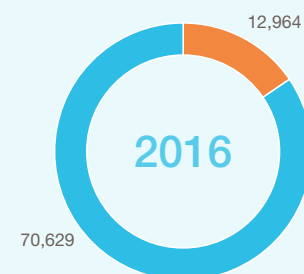
83,593

Over 1.5  
Millions of euros

● Category 1    ● Category 3  
● Category 2    ● Category 4



● Environment    ● Quality  
● Risk prevention    ● Other training areas



● Women  
● Men

Category 1: Executives, Directors, Service Managers and Regional Managers  
 Category 2: University Graduates, Section Managers, Business Managers, Workshop Managers and Qualified Professionals  
 Category 3: Assistants, office workers and middle managers  
 Category 4: Operators and subordinates



Training hours



Investment



Training hours



Investment





# Equality and Diversity



## 2017 Milestones

- FCC renewed commitment to the Diversity Charter.
- Participation in the “Executive Development Programme - Women with High Potential” carried out by the School for Industrial Organization (EOI).



## Future challenges

- Implement integration campaigns for people with disabilities.
- Promote equality in access to management posts.
- Instil a corporate culture committed to equality.
- Continue the participation in the “Executive Development Programme - Women with High Potential” carried out by the School for Industrial Organization (EOI).
- Participate in the Promociona Project, an Executive Programme for Women in Senior Management run by ESADE, promoted and developed by the Women’s Institute for Equal Opportunities and GEOE.

FCC Construcción develops initiatives to promote a **real and effective gender equality, inclusion of people with disabilities**, and the **diversity of nationalities** of company workers

FCC Construcción adheres to the FCC Group’s Equality and Diversity Policy, whose Code of Ethics also contains the principle of equal opportunities. The company goes further in its commitment, however, developing initiatives to promote a real and effective gender equality, inclusion of people with disabilities and the diversity of nationalities of company workers.

The company has also secured the Equality Seal as recognition of the application of equality and diversity policies. This seal is a mark of excellence that the Ministry of Health, Social Services and Equality confers on companies in recognition of exceptional work in developing gender occupational equality policies. This seal also entails a commitment of regularly reporting indicators.



## Promoting Equality

FCC Construcción is aware of its responsibility in promoting equal opportunities at the workplace and the prevention of harassment. In this regard, the company signed an agreement with the Ministry of Health, Social Services and Equality to increase the number of women in executive positions.

FCC Construcción also has an Equality Plan, which will remain valid until the end of 2018. The Plan is applicable throughout FCC Construcción and companies and temporary joint ventures in the Infrastructures area that do not have their own plan. These plans have their corresponding peer oversight bodies with company and trade union representation. Signing the next plan will entail more thorough monitoring and the establishment of specific and more ambitious objectives, thus reaffirming the company's pledge to fight for equality.

It should also be noted that the percentage of women executives at FCC Construcción (16%) is higher than total number of women employed (11%), which marks a trend at the company and is proof of our commitment to continue increasing the number of jobs offered to women throughout the company, beginning at the top.

FCC Construcción is committed in the fight against domestic violence, a fight which it promotes in the company through the Workplace and Sexual Harassment Prevention Protocol as a mechanism to ensure the prevention of such situations, their investigation, prosecution and eradication.

The Executive Development Programmes for management seek to identify and retain the best female talent, promoting their professional development, leadership and high-level training: Women with High Potential Programme carried out by the EOI and with the Promociona Programme, promoted by CEOE and the Ministry of Health, Social Services and Equality- Women's Institute for Equal Opportunities, and ESADE.

These are custom-made programmes under a Personal Development Plan for female executives with a solid academic record and elevated potential for leadership. The purpose is therefore twofold:

- Providing empowerment for leading cultural changes in workplace and social environments.
- Promoting women's presence in positions of responsibility, management committees and boards of directors.



## Integration for people with disabilities

FCC Construcción remains steadfast in its commitment to hiring people with disabilities, since this entails an important step for their social integration. To do so, the company works with entities specialised in consulting for managing the recruitment and support of people with disabilities and assisting workers who have family members with disabilities, and the development of programmes and events to raise the visibility of this group.

FCC Construcción has rolled out its "Diversity Add" project, which was conceived to give a space, voice and presence to groups of people with special potential. From acceptance and respect, the project seeks to benefit from different perspectives through collaborative models that recognise and defend identity, singularity and dignity. In this regard, FCC Construcción has presented the online platform [www.enpositivofcc.es](http://www.enpositivofcc.es) to address diversity, dialogue, equality and the fight against domestic violence.

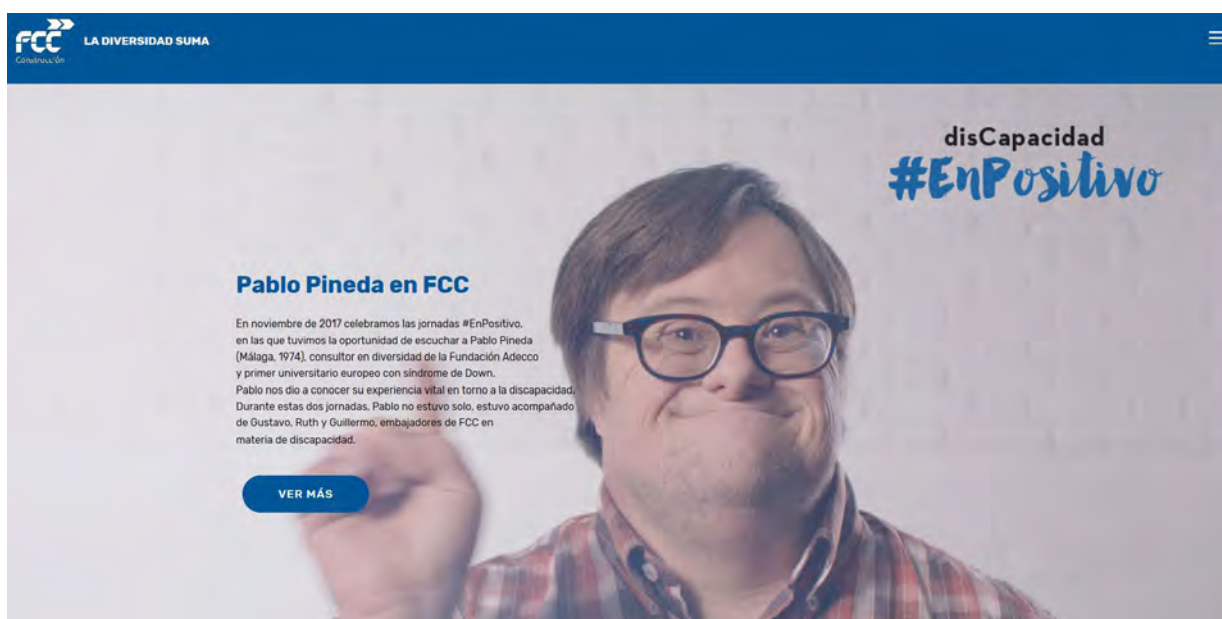
## CASE STUDY

## FCC Construcción committed to the integration of people with disabilities

In November 2017, FCC Construcción and the Adecco Foundation developed the Positive Disability Seminars as a channel for open dialogue between company workers, the ambassador of the Adecco Foundation Pablo Pineda, and the ambassadors of FCC Construcción. The video on the FCC #enpositivo Ambassadors who took part in the seminars was then posted on the FCC Construcción YouTube channel. This video showcases the benefits of incorporating people with disabilities in companies.

FCC Construcción has a collaboration agreement with the Adecco Foundation for integrating people with disabilities in social and labour dimensions. In the labour dimensions, all our construction area companies incorporate people with disabilities through the Adecco Foundation. The Foundation also conducts training actions for future employees to prepare them for the functions of their future jobs, thus guaranteeing a successful incorporation.

The Adecco Foundation and Construction Area have the Family Plan in place for employee family members with disabilities. El objetivo es dotar a los beneficiarios de este plan de un grado óptimo de autonomía personal, así como de los recursos necesarios para la búsqueda de empleo, realizando acciones formativas y otras actividades de ocio que fomenten la integración social y laboral de las personas con discapacidad.





# Sustainable construction

Aerial view of the Puerto de Granadilla, Tenerife, Spain.

## 4

Cities of the future: sustainable, social and accessible communities	42
Innovation for a more efficient industry	44
Singular projects. Local impact	47





Maintenance of municipal public lighting in Madrid, Spain.

## Cities of the future: sustainable, social and accesible communities



### 2017 Milestones

- Participation in over 40 sustainable construction workgroups.
- Generalisation of the risk assessment methodology in the offer phase considering social and environmental components.



### Future challenges

- Widespread application of the proprietary methodology SAMCEW to assess the sustainability of civil engineering projects and disseminate their existence in external forums.
- Adaptation of risk management to the new international standard ISO 31001:2018.
- Development and proposal of indicators regarding ISO and CEN international standards as the scorecard for assessing sustainability. Internal application throughout the company.



Dublin airport facilities. Ireland.



Given the nature of its activities, FCC Construcción directly contributes to achieving Sustainable Development Goals 9 (Industry, Innovation and Infrastructure), 11 (Sustainable cities and communities) and 12 (Responsible consumption and production) through activities such as the implementation of innovative technologies when designing and building infrastructure, measuring the environmental and social impacts of operations, and the efficiency criteria applied through best practices.

One of FCC Construcción's most salient lines of action is fostering sustainability in construction by not only applying actions in its own operations, but also actively participating in developing guidelines that promote all companies in the sector to engage. With this purpose, the company collaborates in different national and international working commissions created to frame standards for applying the principles of sustainability in the construction sector.

More specifically, progress is being made in the definition of terminology and general principles of sustainable construction, the description for the lifecycle of infrastructures, the establishment of sustainability indicators in the Environmental Product Declaration, and the incorporation of an environmental, economic and social performance assessment for building and civil engineering projects.

Some of the more relevant workgroups and organizations with which FCC Construcción collaborates to establish sustainability criteria for the construction sector include:

- International Technical Standardisation Committee ISO/TC59/SC17 "Building construction/Sustainability in building construction"
- European Committee CEN/TC350 "Sustainability of Construction Works"
- Technical Committee for Standardisation AEN/CTN198 "Sustainable Construction"
- International Initiative for a Sustainable Built Environment (iiSBE).
- Green Building Council España (GBCe), constituting the Spanish Council of the International Association "World Green Building Council", set up as a source in Spain for all the information on the LEED building certification tool.
- Advisory Committee of BREEAM Spain, responsible for drawing up its development strategy, representing stakeholders in the building sector.

One of FCC Construcción's most salient lines of action is fostering **sustainability in construction**



# Innovation for a more efficient industry



## 2017 Milestones

- Over €3.3 million invested in RD&i.
- Active participation of the company in different RD&i organizations.
- Increase the transmission of activities from the different RD&i organizations.
- Publication and dissemination of the Technology Monitoring Journal.



## Future challenges

- Consolidate and reinforce the involvement of customers and Public Authorities in developing innovation projects.
- Assist the company in gaining access to international RD&i funding programmes.
- Support the company's digital transformation and BIM implementation strategy through RD&i activities.
- Incorporate knowledge management as a strategic line in RD&i.
- Continue the improvement project certification process.
- Consider ideas received from inside and outside the organization as possible RD&i activities.



FFCC Construcción understands that in order to be a leading company in the sector, it must be involved in the most important advancements in technological innovation for processes, equipment and materials.

The use of innovative technologies in construction projects entails a considerable added value that could be the differentiating factor in the current highly competitive and internationalised market. In view of the foregoing, FCC Construcción has set out the following lines as priority for RD&i:

- Building energy efficiency
- Railway infrastructures
- Maritime construction work
- BIM – Building Information Modelling
- Sustainable construction

FCC Construcción understands that innovation is essential for integrating sustainability in all construction processes. The company's RD&i management is embodied in a series of projects that are occasionally coordinated with the rest of the Group areas, resulting in a total investment of over 3.3 million in 2017.





*Hospital del Este Station on Line 2 of the Panama metro.*

#### RD&i investment (euros)

	2016	2017
Total investment in the financial year	4,200,888	3,321,028
Received grants	279,602	160,753
Credits obtained in advantageous terms	678,873	919,201

FCC Construcción has a **technology monitoring process** with a view to **anticipate changes** and **guide its I+D+i strategy** towards areas with the most opportunities

To keep apprised of all the developments made along these lines of innovation, FCC Construcción has a technology monitoring process, which examines information from external sources and from inside the company with a view to anticipating changes and guide its RD&i strategy towards areas with the most opportunities. Based on the 2017 technology monitoring analysis, the company posted a compilation of the most relevant information in this regard on the corporate intranet. This journal was also distributed at all work centres.

FCC Construcción also actively participates in different national and international RD&i-related organizations. The company's participation in these organizations aims to reinforce its role as a driving force for RD&i in the construction sector in accordance with Horizon 2020 and the Spanish Strategy for Science, Technology and Innovation 2013-2020.



## Presence in RD&i organizations

1	<b>PTEC (Spanish Construction Technology Platform).</b> The aim of PTEC is to contribute to improving the construction sector through public-private cooperation in research, development and innovation (RD&i), carried out by companies, business associations, universities, research centres, technology centres and customers.	FCC Construcción participates with an active presence in the PTEC on its Permanent Committee and workgroups.
2	<b>ECTP (European Construction Technology Platform).</b> The ECTP acts as a channel for innovation in the European construction sector and deals directly with European Union organizations and sector-specific platforms with which it shares fields of innovation.	FCC Construcción is part of the ECTP.
3	<b>EsBIM (BIM Implementation in Spain).</b> Boosting BIM implementation in the Spanish construction sector, sensitising public authorities in establishing BIM requirements in infrastructure tendering processes, etc.	FCC Construcción participates in this organization with a view to detecting BIM-related innovations in Spain.
4	<b>ENCORD Group.</b> European Network of Construction Companies for Research and Development (ENCORD) for fostering and encouraging research, development and innovation (RD&i). Its main objective entails representing the interests of construction companies in Europe for Research, Development and innovation (RD&i).	FCC Construcción actively participates on the council and workgroups related to CO <sub>2</sub> emissions and H&S, coordinated with the Quality and CSR Division and other company organizations.
5	<b>SEOPAN RD&amp;i Commission .</b> The Commission represents companies of the association with regard to innovation.	FCC Construcción is a founding member of the SEOPAN RD&i Commission.
6	<b>CEOE (Spanish Confederation of Employer Organizations).</b> Non-profit entity whose primary purpose is the defence and representation of the interests of employers before public authorities and society in general.	FCC Construcción participates in the Internationalisation Committee of the CEOE's RD&i Commission, and also in the Digital Society Commission and Internationalisation Committee.
7	<b>AENOR (Spanish Association for Standardisation and Certification).</b> Certifying body for management systems, products and services, and responsible for developing and publishing UNE standards.	FCC Construcción participates in the AENOR forum of standards for Connected Industry 4.0. This initiative was conceived to respond to strategic area 4.2 Regulatory Framework and standardisation of Connected Industry 4.0 set out by the Spanish Ministry of Industry, Energy and Tourism.
8	<b>Adif Railway Technology Centre.</b> Open innovation and multidisciplinary centre with a stable presence in research groups. This centre seeks to bolster the position of the Spanish railway system as a European and Global benchmark in cutting-edge technology.	FCC Construcción has an active presence at the Adif Railway Technology Centre at the Andalusia Technology Complex in Malaga.
9	<b>RIH (Railway Innovation Hub).</b> Association boosting technology and knowledge in the international railway sector by generating collaborative R&D projects, the commercialisation of technology and know-how, entrepreneurship and acceleration and the provision of services.	FCC Construcción is an associate member of the Railway Innovation Hub, whose aim is to promote and contribute to the competitiveness of the railway sector to successfully meet the challenges of globalisation through innovation and internationalisation of associates and improved sector conditions.



# Singular projects. Local impact



## 2017 Milestones

- Increased number of RD&i creativity meetings to foster projects of internal interest.
- Active participation of the company in different RD&i organizations.
- RD&i initiatives related to reusing and recycling materials, generating new products of high added value for sustainability.
- Involvement of FCC Construcción organizations and subsidiaries companies in RD&i processes
- BIM-related initiatives in light of the requirement to use BIM in public tendering processes marked by the Ministry of Public Works.



## Future challenges

- Reinforce relationships with universities, technology centres and organizations working in innovation to increase the company's participation in innovation projects in countries where it carries out activities.
- Boost participation in R&D projects related to digital transformation at the company and the adoption of new technologies (drones, internet of things, laser-scanners, etc.)
- Support the strategy and implementation of BIM at work-sites through BIM-related projects and partnerships with BIM engineering firms.
- Foster engagement and participation through the formal delivery of RD&i certificates to different work centres that have participated in certified projects.
- Develop a Knowledge Management RD&i project.

FCC Construcción participates in the promotion of several **sector RD&i-related initiatives**, and the development of **national and international projects** in this area



FCC Construcción participates in the promotion of several sector RD&i-related initiatives and the development of national and international projects in this area.

Projects of this sort are done internally in partnership with universities, technology centres and entities from the sector or even with outside sectors, most often related to technologically based SMEs. This also encourages open innovation projects with participation in the value chain. This approach lets FCC Construcción generate a positive local impact through the students in these educational institutions becoming part of the labour market, thereby contributing to the social SDGs related to education and reducing inequalities.





## INNOVATIVE SUSTAINABILITY-RELATED PROJECTS

Project	Description
<b>NANOFASE</b>	The objective of the NanoFASE (Nanomaterial Fate and Speciation in the Environment) project is to assess the environmental fate of nanomaterials.
<b>REWASTE</b>	The main purpose of this project entails the industrial validation, market deployment and replication of a developed technology for recycling steelmaking wastes and manufacturing multifunctional building products.
<b>REFORM2</b>	The purpose of this Catalan Waste Agency funded project is to reclaim different plastic waste types to develop an innovative fireproof and lightweight concrete.
<b>SORT-i</b>	The main objective of this project is the development of tools based on optical systems and new technologies for identifying, tracking and managing structural risks in buildings and infrastructures intelligently, automatically and remotely as a means to maximise safety while minimising the risks of physical damage and injury in situations with an elevated potential of structural collapse.
<b>CYRENE</b>	The project seeks to develop a new comprehensive road tunnel management system with control of all the facilities and implementing optimised global-management strategies.

FCC Construcción's website provides further information regarding the company's innovation projects.

FCC Construcción has also carried out several RD&i-related training actions in 2017, e.g. the "2017 Challenges-Partnership Seminar. Circular Economy Cross-platform Workgroup", "Innovation Forum: Strategic priorities for the future" and the "Digital transformation and Construction 4.0 Workshop". These actions contribute to improving the knowledge and commitment of employees in the area of innovation, and have also had a positive impact on the company, as RD&i-related proposals submitted internally have increased.

### CASE STUDY



#### "REFORM2"

#### Recycling of Plastic for the Reformulation of Concrete

Our awareness of the real threat that the use of plastics is for our planet has grown in recent years. As of 2015, approximately 6,300 million tonnes of plastic waste had been generated, around 9% of which had been recycled with 79% ending up in landfills or the natural environment. The search for solutions to this dire problem in terms of plastic generation and reclamation has been gaining steam.

FCC Construcción is working with the Eurecat Technology Centre backed by funding from the Catalan Waste Agency to develop a plastic recycling research project. While the construction sector is not the largest plastic waste generator, it only recycles 1% of this waste.

The project is based on research of plastic waste created during civil engineering and residential construction projects to be able to incorporate the waste into concrete formulas with an aggregate and therefore produce a lightweight concrete with fireproof properties.

Thanks to this research, we will develop a new product for the construction market that is not only lighter and fireproof but also manufactured more sustainably, reducing the amount of raw materials by reclaiming a waste product.



Aerial view of Águas Santas Tunnel, Lisboa, Portugal.

## Development of BIM, Building Information Modelling at FCC Construcción

The construction sector is presently immersed in a digital revolution, primarily driven in these past ten years by the emergence of BIM, a collaborative working methodology that enables the virtual construction of infrastructures through the generation of three-dimensional models.

The company's RD&I division has established **BIM** as a priority line to **improve productivity and sustainability at the company** by automating control processes and project management

BIM has gained worldwide acceptance because it responds to needs for greater efficiency, profitability and environmental sustainability in construction processes. One example of such a shift is the obligation laid down by the Spanish Ministry of Public Works for using BIM in Public tendering processes for buildings and infrastructures in two years.

FCC Construcción is aware of the extensive implications of BIM and includes its implementation as a strategic objective accordingly. In this regard, the company's RD&I division has established BIM as a priority line to improve productivity and sustainability at the company by automating control processes and project management.

Consequently, BIM-related projects were given a certain priority in 2017, some of which are explained in the case studies below.

### CASE STUDY

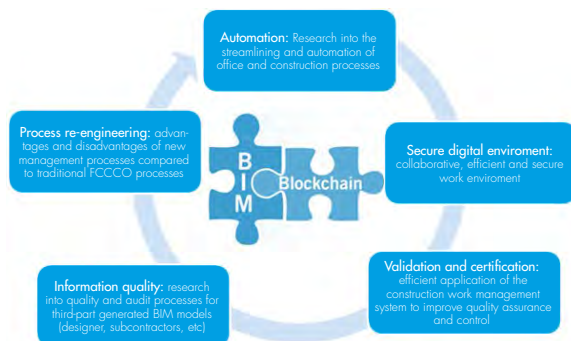


#### Case study: "ROBIM", technology for automating inspection and intervention processes in building assets with BIM integration

The ROBIM business consortium, of which FCC Construcción is a part, aims to obtain in-depth information on construction systems, existing pathologies and the energy services of buildings. This technology will be implemented using BIM to streamline decision-making through global data management.

This four-year project (2017-2020) will help position Spanish companies at the vanguard of building asset restoration and conservation. The results of this technology will optimise maintenance processes while reducing execution times and total costs, and contribute to achieving European Union goals in terms of energy efficiency and the renewal of housing stock.

## CASE STUDY

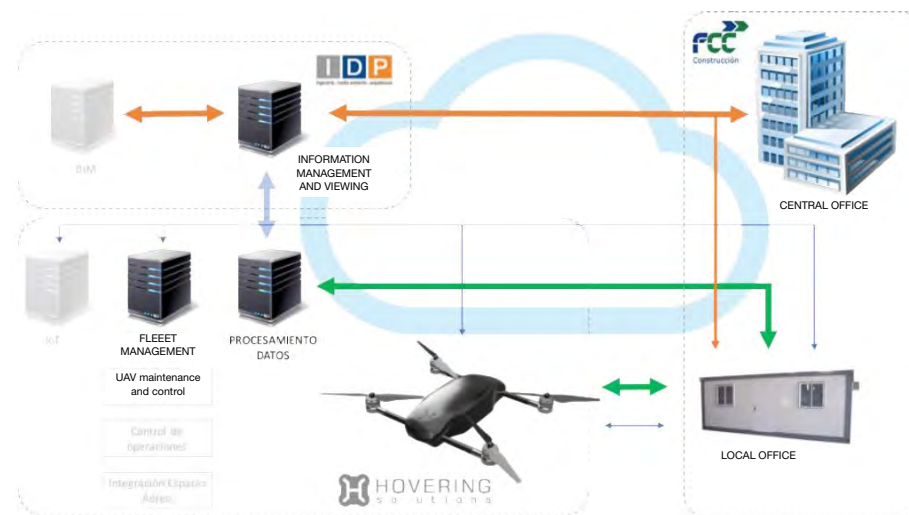


### Case study: “BIMCHECK”, a combination of BIM and Blockchain technologies for quality management at FCC Construcción

The Centre for Industrial Technological Development (CDTI) of the Ministry of Economy, Industry and Competitiveness has given FCC Construcción the green light to carry out the 1.5-year BIMCHECK project.

This project combines two technologies, BIM and Blockchain, for greater efficiency and safety in quality management processes through optimisation, automation and digitalisation.

These technologies will be used to increase accessibility of onsite documentation, improve the traceability of onsite materials, enhance geometric control processes, and improve document control processes, resulting in greater operating efficiency and higher levels of customer confidence.



### “PWDRON”, drone-based automated linear civil engineering infrastructure monitoring system

In recent years, the use of unmanned aerial vehicles (UAV) or drones in civil engineering has proven to be advantageous. There are currently many options for massive data capture devices for providing information about the surroundings and status of the work to assist in scheduling. However, the combination of an aerial vehicle and data manager is yet to exist.

The purpose of the PWDRON project in which FCC Construcción participates is to develop a centralised system to automatically track the execution of infrastructures in linear civil engineering projects. This system will be based on advanced drones specifically developed for this project, and a new tech-

nology platform will also be created to exchange, process and distribute data.

This project will enable us to automatically retrieve real-time worksite data through the rapid creation of three-dimensional models, with capture and integration of data exportable to mapping, design or tracing applications, and BIM systems. The solution will contemplate a universal design with consistent and replicable results regardless of the conditions.





# Managing impacts, working on new opportunities

Interior of the tunnel line 5 Riyadh Metro, Saudi Arabia.

## 5

Caring for and protecting the  
environment

52

FCC Construcción joins the circular  
economy

60

Risks and opportunities related  
to climate change

64



# Caring for and protecting the environment



## 2017 Milestones

- Development a Basic Energy Efficiency Guide.
- Drawing up the 2017 Environmental Disclosure.
- 12,342 tonnes of CO<sub>2</sub> equivalent avoided by implementing Good Practices.
- Adaptation of the FCC Construcción Management and Sustainability System to new standards ISO 14001 and ISO 9001.
- Incorporation of environmental legal requirements of some countries in which FCC Construcción has a certified environmental management system in the online CACUMEN system database.



## Future challenges

- Continue bolstering the collaboration and participation in national and international environment-related work-groups.
- Reinforce sensitisation efforts for own workers, suppliers and subcontractors.
- Draw up and implement a due diligence process for FCC Construcción regarding human rights, ethics and integrity, procurement practices and the EHS.
- Include environmental and social factors in the management of good practices, seeking compatibility and synergies, and punctuating the two dimensions of sustainability.
- Update the organization's online environmental training course.

FCC Construction's **Good Practices System®** adds significant engagements to legislative and contractual requirements to enhance environmental results

FCC Construcción is aware of the impacts that its activities have on the natural environment and that environmental care and protection yield positive returns. Measuring these impacts is the first step in establishing the appropriate measures to minimise them, in which regard one of the company's strategic objective entails planning and adopting good practices in the execution of construction work. FCC Construcción's Good Practices System® adds significant engagements to legislative and contractual requirements to enhance environmental results.

FCC Construcción's Good Practices System® establishes a series of engagements for each project selected based on the identification of environmental impacts following an assessment of their magnitude to detect the most significant ones. The applied good practices and the intensity of their implementation are based on the expected impacts, and the effectiveness and effects of the measures to adopt.

In 2017, all our construction projects have applied an average of 88% of the applicable good environmental practices, thus planning and improving their environmental performance. 93.67% of the construction work executed in 2017 achieved the organization's environmental target, which is an improvement compared to previous periods and also evidence of the company's improved environmental performance.



## Application of Good Practices

	2016	2017
Construction works contributing data on Good Practices	90/91 (99%)	79/82 (96%)
Application of Good Practices in construction works	26/29 (90%)	23/26 (88%)
Construction works that fulfil environmental goals	83/90 (92.2%)	74/79 (93.67%)

FCC Construcción draws up an Environmental Disclosure every two years. The most recent one (2017) contains more detailed and abundant information regarding the company's environmental management. The company also publishes a Greenhouse Emissions Report annually. Both reports are available on the company's website.



Tunnel in the A-23 highway of Congosto de Isuela, Huesca, Spain.

## Consumption management: water, energy and materials

FCC Construcción management has continue making progress in terms of the rational and more efficient consumption of resources such as water and energy. Even though they are necessary consumptions inherent in the projects per se, the company strives to optimise and quantify them, and applies good practices for their responsible use.

FCC Construcción has designed a good practices manual to reduce the consumption of water, an essential element in the construction sector. The most widely implemented measure in



this regard is the reuse of certain washing water. FCC Construcción's Environmental Disclosure provides detailed information on the company's main initiatives for reducing its consumptions.

The use of water in 2017 decreased by 17.89% compared to the 2016 figures, and surface water was the main source, representing 47.25% of FCC Construcción's water consumption.

### Water consumption (m<sup>3</sup>)

	2016		2017				
	Total	Total	Spain	FCC Industrial, Matinsa, Prefabricados Delta and Megaplas	Rest of Europe	Latin America	Middle East and Northern Africa
Surface water	776,684	646,311	527,987	0	1,233	117,092	0
Groundwater*	173,609	122,579	1,500	1,283	3,814	115,982	0
Municipal water supply	672,458	521,010	53,564	50,214	30,638	73,815	312,780
Water recycled or reused from the worksite	42,997	77,823	77,520	0	0	302	0
from other sources	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>1,665,749</b>	<b>1,367,724</b>	<b>660,571</b>	<b>51,497</b>	<b>35,684</b>	<b>307,191</b>	<b>312,780</b>

\*Estimated data based on authorised withdrawal.





Line 2-4 Lima Metro, Peru.

FCC Construcción's energy consumption in 2017, however, rose to 1,879,046.8 GJ, which is a 26.78% increase compared to 2016 figures. This apparent increase is in reality due to a significant improvement in data retrieval processes at FCC Industrial, as part of the continuous improvement to monitoring and reporting processes. Gasoil is the most used fuel, representing 87.92% of the company's total energy consumption.

**Gasoil** is the most used fuel, representing **87.92%** of the company's total **energy consumption**

### Energy consumption (GJ)

	2016	2017					
	Total	Total	Spain	FCC Industrial, Matinsa, Prefabricados Delta and Megaplas	Rest of Europe	Latin America	Middle East and Northern Africa
Direct energy consumption	1,295,599	1,756,391	141,720	501,430	27,204	209,312	876,725
Fuel-oil consumption	133,235	89,652	26,273	3,913	0	21,147	38,319
Natural gas consumption	1,045	762	115	63	584	0	0
Gasoil consumption	1,140,119	1,652,210	114,865	495,915	25,710	183,704	832,016
Gasoline consumption	21,200	13,767	467	1,539	910	4,461	6,390
Indirect energy consumption (electricity)	80,234	122,604	26,469	68,631	5,412	19,319	2,773
Propane and butane	0	51	0	51	0	0	0
<b>TOTAL</b>	<b>1,375,833</b>	<b>1,879,046</b>	<b>168,189</b>	<b>570,112</b>	<b>32,616</b>	<b>228,631</b>	<b>879,499</b>



Turning to material consumption, the consumption of asphalt agglomerate was 22.75% lower than the last period. There was a slight increase in the consumption of concrete (2.3%) compared with 2016. There were also reductions in the consumption of steel (-4%); glass and metals (-58.29%); aggregates, soils and ballast (-37.72%); and topsoil (-49%).



Aerial view of the Mersey Bridge, United Kingdom.

## Material consumption (t)

	2016	2017					
	Total	Total	Spain	FCC Industrial, Matinsa, Prefabricados Delta and Megaplas	Rest of Europe	Latin America	Middle East and Northern Africa
Asphalt agglomerate	344,896	266,443	79,567	42,566	46,148	62,678	35,484
Concrete	2,622,068	2,683,243	766,062	70,271	58,956	774,400	1,013,554
Steel	451,018	433,268	19,369	24,471	3,828	362,713	22,887
Bricks	5,073	6,152	4,560	915	108	78	491
Glass and metals	5,696	2,377	1,318	250	54	112	643
Aggregates, soils and ballast	18,050,098	11,241,551	5,934,843	34,971	1,082,947	1,639,612	2,549,178
Topsoil	406,288	206,897	118,512	7,533	52,891	27,961	0
Paints, solvents, release agents, concrete curing liquids, accelerators, concrete liquefiers, antifreeze and epoxy resins	7,660	23,414	18,894	2,633	29	1,854	4
Oil, grease and other harmful or hazardous substances	2,250	4,446	1,205	1,168	29	1,591	453



## Effluent and waste management

The construction sector generates a significant amount of waste. For this reason, the company's Environmental Management System particularly addresses comprehensive construction waste management, considering prevention, reuse, recycling, reclamation and, always as the last option, elimination in authorised dumpsites and landfills. In any case, the principle established by the circular economy is always present in our daily management. While ultimately the planet benefits from this principle, construction projects and overall activities of the company also benefit. A lower waste management cost and economised consumption of the recycled or reused resources are fortunately driving the concept of the circular economy in our activity. Moreover, if the construction sector is normally inclined to such dynamics, the efforts in this regard prove to be especially successful.

The amount of generated waste increased in comparison with the previous year. Broken down by countries, waste generation increased in Spain, Portugal and Rumania, but decreased in Qatar, Saudi Arabia and Mexico.

The principle established by the **circular economy** is always present in our daily management



### Generated waste (t)

	2016		2017				
	Total	Total	Spain	FCC Industrial, Matinsa, Prefabricados Delta and Megaplas	Rest of Europe	Latin America	Middle East and Northern Africa
Hazardous waste	587	663	82	255	114	61	151
Non-hazardous waste	1,698,176	1,844,342	790,518	30,679	97,524	760,109	165,511
<b>TOTAL</b>	<b>1,698,763</b>	<b>1,845,005</b>	<b>790,600</b>	<b>30,935</b>	<b>97,638</b>	<b>760,170</b>	<b>165,662</b>

The discharge of effluents into water resources or process water on land is inherent to construction activities. To reduce the risk of the impacts from these processes, the company carries out processing before dumping with measures to reduce consumption and, whenever possible, reuses effluents after the appropriate processing. In this process, all FCC Construcción construction projects and production centres request administrative authorisation for dumping and discharge, whether direct or indirect, that could contaminate or affect water masses so that these activities can be duly supervised by the corresponding environmental organization.

The most commonly used good practices in this regard are based on treating effluents before reuse or return to the aquatic medium through water purifiers or pH neutralisation. The com-

pany thus complies with all the parameters insofar as quality and control regularity in these authorisations.

Given the characteristics of the construction projects, wastewater volumes are normally very small. However, an initial analysis is made on the wastewater to ascertain whether the effluent is within the established quality parameters or needs to be treated before the return to the environment. In any case, effluents are also analysed after treatment in the established regularity.

The 2017 Environmental Disclosure contains more information on the initiatives of FCC Construcción to improve its waste and effluent management.



## CASE STUDY



King Abdulaziz Cultural Centre



Effluent Treatment



## Protecting biodiversity

The construction sector can occasionally cause relevant alterations in the project medium and adjacent areas. Not only do construction activities interfere with the landscape and relief, they also affect the lives of the flora and fauna in the zone.

During the execution and upon completion of our construction projects, we implement different measures to protect the environment and restore ecosystems that have been altered by our company's activities, accordingly drawing up specific biodiversity plans in this regard. This is a long-standing commitment of FCC Construcción to respond to the UN Sustainable Development Goals regarding the protection ecosystems against deterioration.

### Reuse of groundwater for watering at a cultural centre for the Riyadh Metro construction work

Part of line 5 in the Riyadh Metro construction project (Saudi Arabia) had a significant volume of groundwater (up to 1,000 m<sup>3</sup> per hour), which required control, treatment and discharge.

To prevent any possible environmental risk and arrive at a sustainable solution, the consortium and operator of the King Abdulaziz Centre for World Culture reached an agreement to

reuse the groundwater as much as possible after treatment instead of discharging the water into the public network. The water was reused to irrigate most of the parks, squares, museums and historical buildings at this cultural centre.

Since April 2016, 65% of these effluents have been used for watering plants at the King Abdulaziz Cultural Centre.





## Land adjacent to or located in protected natural areas or unprotected areas with elevated biodiversity

	2016		2017	
	Works	Surface (M. m2))	Works	Surface (M. m2)
Location in natural sites that are protected or highly valuable for biodiversity	5	1.13	7	3.44
Location where the landscape is catalogued as relevant	11	16.51	8	11.59
Impact on natural watercourses of a protected areas	1	0.02	4	0.21
Impact on natural watercourses in areas of high biodiversity value	5	8.39	4	9.38
Impact on watercourses of very high or relevant value for local or indigenous communities	8	8.98	11	9.95
Impact on catalogued or protected vegetation	12	9.90	11	10.90
Impact on catalogued or protected animal species	10	15.52	10	9.75

\* In 2017, the worksites located in the most relevant areas for biodiversity or local communities were in Chile, Panama, Portugal, Rumania and Spain. In 2016, also in Colombia

In 2017, the company restored 551.72 hectares of protected spaces, which is a notable increase compared to the previous period. The company also implemented protective measures across 543.65 hectares of vulnerable areas, a particularly large increase from last year, since the protection of areas of this sort, which form part of the company's activity, increased in this period.

## Vulnerable protected areas and restored affected areas (ha)

	2016	2017
Protected vulnerable areas	63.94	543.65
Restored affected areas	73.14	551.72

FCC Construcción's 2017 Environmental Disclosure provides detailed information on the company's main initiatives for protecting and restoring biodiversity.

In 2017, the company restored **551.72 hectares** of protected spaces, which is a notable increase compared to the previous period

## CASE STUDY



Geotextile rolls



Geogrid-covered embankment

## Placement of a 100% plant-based coconut fibre cover in the Tamadaba natural park – Agaete Motorway – La Aldea

A point along the work on the motorway from Agaete to La Aldea (Tenerife, Spain) required the incorporation of a large embankment for the connection to the G-220 motorway. A bare embankment would not only generate a significant visual impact but also need to be secured to ensure long-term maintenance. The impacts are much more noticeable because the embankment was in the Tamadaba Natural Park.

To solve this problem, the company installed a geogrid of 8,000 m<sup>2</sup> on the embankment. The coconut fibre grid was entirely plant-based, which differs from the geogrids commonly available in the marketplace today, which contain polypropylene fibres. Organic geogrids of this sort entail numerous advantages: they increase the ground's water retention capacity, regulate soil temperature, prevent erosion and, given that they are entirely organic, end up integrating into the ground.

After extending and securing the geogrid, we planted and seeded native plants of the Tamadaba Natural Park, including *Euphorbia canariensis* (Hercules club), *Euphorbia balsamifera*, *Argyranthemum frutescens* (Marguerite daisy), *Euphorbia regis-jubae* (King Juba's Euphorbia) and *Echium decaisnei*, etc.

The results of this case were enormously satisfactory, since the use of entirely organic geotextiles and native plant substantially reduced their visual and ecological impacts.





# FCC Construcción joins the circular economy



## 2017 Milestones

- Participation in the 2017 Challenges-Partnership Seminar with the circular economy cross-platform workgroup.
- Incorporation of a chapter dedicated to the circular economy in the 2017 Environmental Disclosure.
- FCC Construcción joins MAPAMA's circular economy pact.



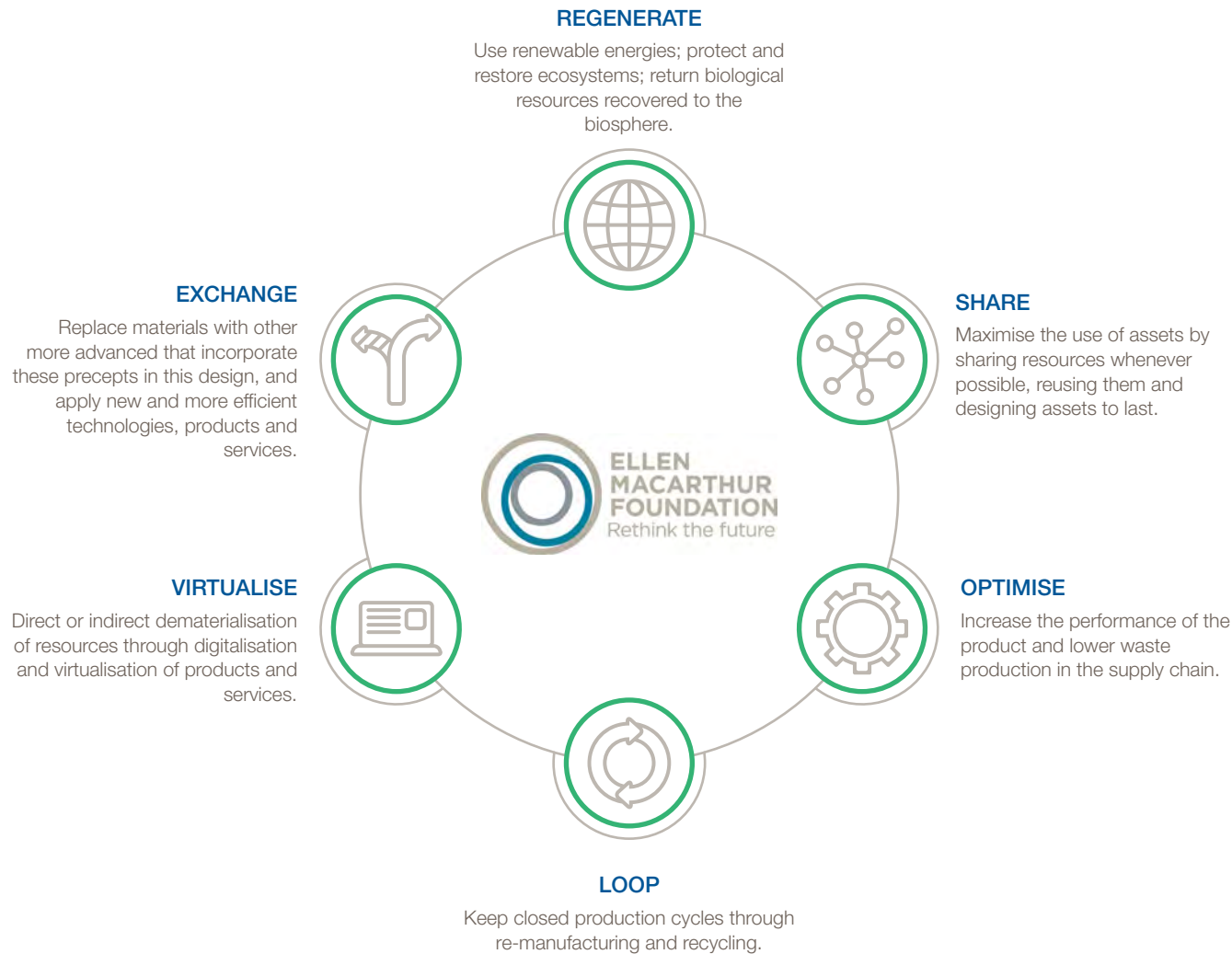
## Future challenges

- Increase the consideration of the lifecycle stages regarding the circular economy in environmental planning procedures.
- Incorporate new circular economy criteria in more company processes, establishing new work lines and specifying objectives.
- Bolster FCC Construcción's participation in forums, discussion groups, workgroups and other organizations in the field of circular economy, improving the company's internal knowledge.

The concept of a circular economy, which arose in the 1980s as a response to the overexploitation and depletion of natural resources and the deterioration of the environment, contemplates a transformation of the current production model into a new economic model based on efficient production by reincorporating resources into the production cycle and sustainable economic growth. While this concept is really nothing new, it has been gradually gaining steam in recent years as developments in technology have been simplifying its practical implementation. Moreover, increased social awareness of related problems and climate change issues has been a powerful impetus for governments and companies to look for solutions based on the circular economy.

The construction sector consumes massive amounts of natural resources, in terms of the ground where the worksites are located, and the materials, water and energy required for actually executing construction work. FCC Construcción is committed to the transition towards a circular economy that reduces waste by considering it to be a useful resource, and minimises the consumptions of water, energy and materials in every project.

In 2012, the Ellen MacArthur Foundation presented a methodology to help companies and countries take another step towards the circular economy model. Known as the ReSOLVE Framework, this methodology has six action areas, namely Regenerate, Share, Optimise, Loop, Virtualise and Exchange to extend the life of physical assets and promote the use of renewable sources of resources. FCC Construcción wants to structure its progress in this regard around this framework, which underscores the areas of Share and Loop (closing the circle) as having the greatest potential benefit in the construction sector.



## Sharing

FCC Construcción seeks to extend the life of resources through responsible consumption and reuse. The company contributes in this regard by applying measures such as:

- Collaboration between different construction worksites and projects for transferring excess materials from one to the other for reuse or reclamation for other purposes.
- Employment of unused zones for storing materials and tools, and using construction materials or equipment, optimising the space and resources.
- Employment, whenever possible, of own machinery that can be repaired and reused in new projects.

## Closing the circle

FCC Construcción understands the reasonable extent at which materials and products can be employed as part of a closed cycle, of which recycling and reuse are essential parts.

For the company, reducing the use of natural resources is already an enormous challenge, since the construction sector depends heavily on resources, in which regard their reincorporation into the production cycle may be the best contribution that it could make to the circular economy model. For this reason, FCC Construcción carries out actions such as using materials from excavations as fill material at its worksites, closing the circle and preventing them from being brought to landfills as waste.

Regarding the consumption of water, an essential resource in construction activities yet less intense than the use of materials, the company consumes water responsibly, prioritising the site recirculation of certain processing waters so long as the required quality levels permit such reuse.

The following table indicates the volume of materials recycled by FCC Construcción in its construction projects. There was a reduction of 1,087,949 m<sup>3</sup> of loaned soil compared to the 2016 figures, and an increase of 262,078 m<sup>3</sup> of temporary soil storage at the worksite for subsequent use.

## Recycled/Used materials

	2016	2017
<b>Excess soil or rocks (m<sup>3</sup>)</b>		
Obtained expressly (loans)	2,240,671	1,152,722
Employed from other sites	162,840	559,104
Employed at the same site (compensation-excavation-fill)	5,451,143	3,165,004
Temporary storage (before final employment)	37,510	299,588
Landfill/dumpsite	317,198	2,816,918
Employed at other sites	123,764	146,745
Total excavation	6,656,086	6,647,989
Total fill	9,658,170	5,163,577
<b>Clean rubble (concrete, mortar, bricks, prefabricated elements, other) (m<sup>3</sup>)</b>		
Landfill/dumpsite	45,282	63,271
Employed at the site	112,865	95,465
Employed from other sites	19,883	14,549
Employed at other sites	848	1,995
Delivered for reclamation	336,898	59,481



Labeling work done by Megaplas for Alfa Romeo.

\*The data reflect all construction work executed by FCC Construcción in 2016 and 2017, excluding data from FCC Industrial.



## Regenerate and optimise

FCC Construcción seeks to optimise its processes to increase their efficiency, and conceives its projects in terms of lifecycle, with a preference for the long term and overall benefits, durability, strength, economy and general resilience in decision-making. To do so, the company takes on projects with this vision from the design stage, correctly selecting materials to increase the sustainability of the infrastructures and contemplating the reduction in the use of resources as the reincorporation of waste into the cycle.

In this regard, FCC Construcción works on innovation techniques such as intelligent deconstruction, selective demolition, prefabricated construction, modular designs and 3D printing. Come of these innovative solutions are explained further in chapter 4.3 (Innovation for a more efficient industry).

## Digitalise and Replace

Digitalisation bolsters certain processes such as service maintenance, resource use reduction, cost minimisation and task simplification. In this regard, FCC Construcción fosters replacing traditional materials with more efficient and sustainable ones, and traditional solutions with more advanced technologies for extending the lifecycle of products and infrastructures.

### CASE STUDY



#### Reclamation of excavation materials in Iquique (Chile)

With a view to improving road connectivity between Iquique and Alto Hospicio, a second access was built to Iquique to connect the cities via a dual carriageway motorway. There was a limited working space in the third section, affecting the safety of the workers when building walls, baths, cleaning and moving machinery. There were also negative environmental impacts on a slope because of spill of material from the excavation, likewise entailing a risk for the safety of the workers.

Faced with this problem, a service road was created with the excavation material, which would have otherwise been transported to a landfill, thus creating more space for moving at the worksite.

In addition to solving the safety issues in the zone, the adopted solution increased mobility for machinery and enabled the installation of baths at the site. There was therefore less excavation material intended for the landfill and the negative environmental impact on the hillside was also reduced. This case illustrates how solutions based on the circular economy can often prove to be simple and yield more advantages over traditional solutions from several points of view.



# Risks and opportunities related to climate change



## 2017 Milestones

- Dissemination of the organization's emissions measurement methodology through personnel sensitisation actions.
- "Calculo y Reduzco" (Calculate and Reduce) seal secured for registering carbon footprint, compensation and CO<sub>2</sub> absorption projects.



## Future challenges

- Extend GHG emissions inventory verification internationally.
- Harmonise the activities carried out to fulfil SDG 13 with the other activities for the remaining Goals.
- Develop a strategic climate change plan and a portfolio of solutions of climate change adaptation projects.



As climate change increasingly threatens the future of our planet, authorities and governments have responded by increasing regulatory requirements and incentives to reduce emissions, demonstrating their commitment to this fight against climate change. After reaching the most recent global milestones in this regard, such as the agreements reached at the Conference of the Parties in 2015 (COP21) in Paris and 2016 (COP22) in Marrakech, companies are jockeying for position as essential agents in the solution.

In light of the ongoing developments in legislation, requirements and standards, FCC Construcción follows the report drawn up by the Financial Stability Board's Task Force on Climate Related Financial Disclosures (TFCD)<sup>(3)</sup>, which sets out a framework to assist companies understand and quantify climate change related risks and thus structure their progress in the management of risks and opportunities associated with climate change around four blocks, namely: "Governance", "Strategy", "Risk Management" and "Metrics and Objectives".

<sup>(3)</sup> Task Force on Climate Related Financial Disclosures (TFCD).  
Financial Stability Board.



## Governance

FCC Construcción understands the importance of incorporating climate change management at all levels of its organization. The company has already confirmed its commitment to the fight against climate change in 2010 by developing and implementing a protocol for measures Greenhouse Gases (GHG).

Since then, the company verifies its GHG emissions reports and has also secured the AENOR “Verified CO<sub>2</sub> Environment” Carbon Footprint Certificate since 2012. The company has also been registering its carbon footprint since 2012 in the registry of carbon footprints, compensation and absorption projects, created by the Ministry of Agriculture, Fishing, Food and the Environment (MAPAMA), and was the first company in its sector to appear on this public list. The company also secured the “Calculo y Reduzco” (Calculate and Reduce) seal for registering carbon footprint, compensation and CO<sub>2</sub> absorption projects.

## Strategy

FCC Construcción has several lines of action for fighting against climate change on two fronts: first, through the mitigation of its consequences and, secondly, through prevention by reducing greenhouse gas emissions.

- To tackle the consequences of climate change, FCC Construcción is researching the application of new materials to improve the energy efficiency of facilities and new designs to increase the resilience of infrastructures in facing the effects of climate change.



Castrovido Dam, Burgos, Spain.

- Regarding the reduction of emissions, FCC Construcción considers having quality emissions data to be essential in order to take the right steps to manage this reduction. To do so, the company has been conducting an inventory of emissions since 2010 according to the requirements in the GHG Protocol, standard ISO 14064 and the ENCORD<sup>(4)</sup> sector protocol. According to the collected data, the company established specific actions in its construction projects to reduce emissions further. The company's 2017 Environmental Disclosure contains detailed information on these actions.

FCC Construcción is presently committed to drawing up a climate change strategy to define the next steps to take in managing the associated challenges and opportunities.

## Risk Management

FCC Construcción is aware that climate change not only entails a series of risks for the company (physical, financial and regulatory) but also opens a window of new opportunities related to the mitigation of these risks, which should be identified and seized. The World Economic Forum's annual Global Risks Report<sup>(5)</sup> reiterates that the failure to mitigate and adapt to climate change is one of the most relevant risks that companies are presently facing.

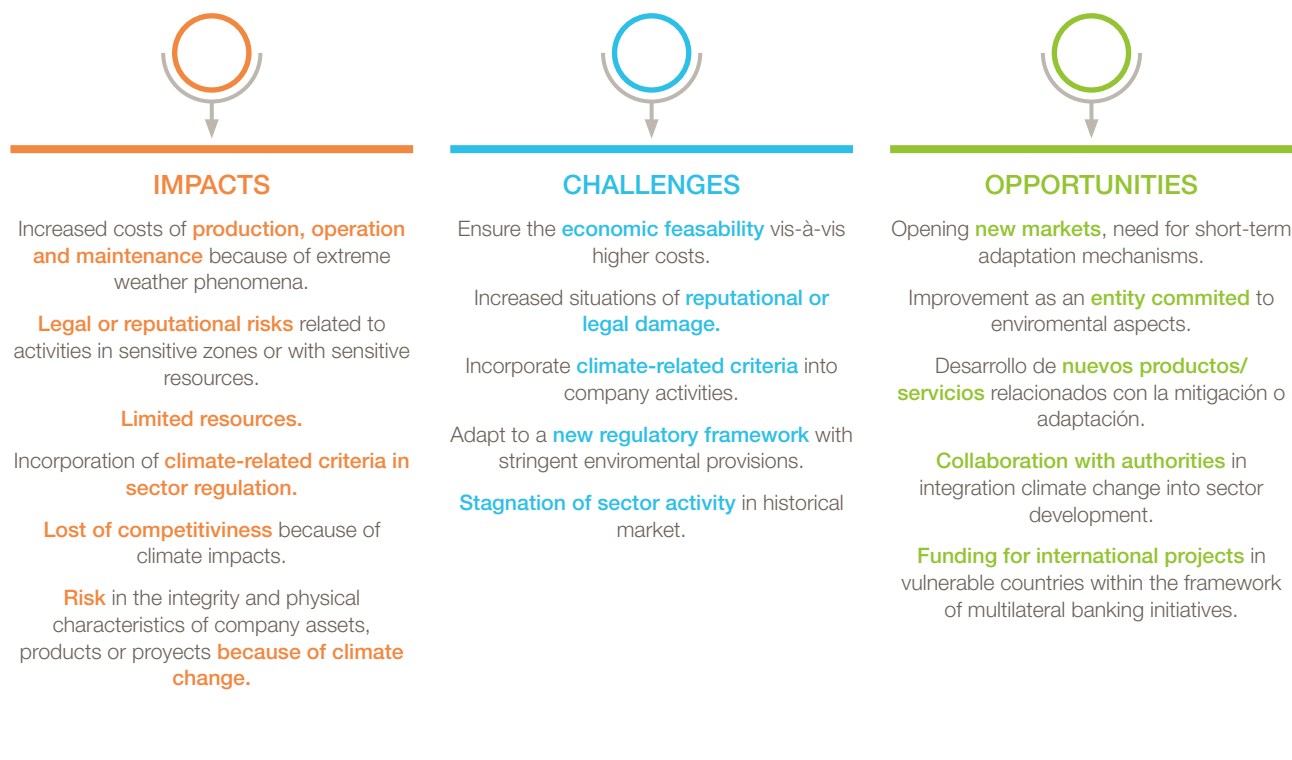
<sup>(4)</sup> European Network of Construction Companies for Research and Development.

<sup>(5)</sup> Global Risks Report 2018. World Economic Forum.





The following chart summarises the impacts, challenges and opportunities linked to climate change that FCC Construcción has identified as relevant.



The most significant risks for the construction sector include the impacts and damages on infrastructures caused by extreme weather phenomena.

The most significant risks for the construction sector include the impacts and damages on infrastructures caused by extreme weather phenomena. Nevertheless, climate change can also have other effects on infrastructures arising from alterations in weather patterns and their consequences. For instance, shipping patterns could be affected by weather, thus affecting transportation infrastructures.

FCC Construcción addresses these challenges by establishing lines of actions for designing infrastructures such as the use of strong structural reinforcement systems or materials that can tolerate high temperatures and thermal oscillations.

The key opportunities appearing with climate change for the sector include the adaptation of infrastructures to increase their resilience against climate change. Numerous investment firms, pension funds, multilateral institutions, green bonuses and long-term financial instruments back the need for taking measures in this regard. There are also European-wide initiatives that finance climate change adaptation projects such as the Green Climate Fund or the Adaptation Fund of the United Nations Framework Convention on Climate Change.

FCC Construcción understands the importance of incorporating projects to adapt infrastructures to climate change. One example of this is our SORT-i project, an innovative solution for developing tools based on optical systems and new technologies to automatically identify and manage structural risks in infrastructures to adapt them to the consequences of natural disasters.

## Metrics and Objectives

FCC Construcción uses a centralised approach to measure its carbon footprint, incorporating data received from each work-site and fixed centre. Each production centre compiles and reports its activity data through a corporate tool, defining the emission factors so that the company can quantify scope 1, 2 and 3 emissions.

Different measures are in place to reduce greenhouse gas emissions such as avoiding the transfer of waste to the landfill whenever possible by reusing materials, proper maintenance of machinery and work vehicles, and awareness-raising activities involving own workers, suppliers and subcontractors to reduce scope 3 emissions beyond the company's direct control.

FCC Construcción had a slight increase (1.4%) of its GHG emissions in 2017 compared with the previous year. In general, the changes in the values (increase of scope 1 emissions versus an equivalent reduction in scope 3) correspond to the different stages of the projects and intensity of the use of materials or activities during the reporting period. Most of the company's emissions are scope 3 (52.84%), generated primarily through material production and shipping. Dust emissions were reduced by 36%, to 11,669 t in 2017.

### Greenhouse Gas Emissions (t CO<sub>2</sub>eq)

	2016	2017
<b>Total GHG Emissions</b>	<b>296,784</b>	<b>300,975</b>
Direct emissions (scope 1)	96,446	129,473
Indirect emissions (scope 2)	7,977	12,469
Other indirect (scope 3) emissions	192,361	159,033
<b>GHG emissions avoided by implementing Good Practices</b>	<b>17,338</b>	<b>12,342</b>

\*Emissions reported by different organizations and countries; not verified by third parties.

### CASE STUDY

#### Case Study: Good Practices to minimise emissions in Doha (Qatar)

In 2017, FCC Construcción concluded the construction work for the railway lines in Doha (Qatar). In this area, dust emissions increase in the summer because of the dryness of the soil and elevated vehicle speeds. Moreover, some suppliers' vehicles keep their motors running while parked and fail to observe the speed limits, contributing to higher GHG emissions.

Different initiatives were carried out to solve this problem: access roads are watered to minimise dust particulates; 20 km/h speed limits were established; vehicles carrying excavation materials were covered with tarpaulins (daily inspections and monthly assessments); air pollution awareness campaigns were carried out; and an incentive system was created to foster good practices in this regard amongst workers.



There was an enormous decrease in pollution and dust thanks to these initiatives, and we achieved the established target figures. GHG emissions campaigns and training successfully helped reduce fuel consumption. This case demonstrates that better environmental results can be achieved through worker participation and motivation.



# Creating Social Value

Interior of the Wanda Metropolitan Stadium, Madrid, Spain.

## 6

Balanced relationships with our suppliers	69
Responsibility with our stakeholders	72
Impacting	76



# Balanced relationships with our suppliers



## 2017 Milestones

- Communication of performance assessment criteria to suppliers and subcontractors.



## Future challenges

- Draw up a Responsible Procurement Policy.
- Promote local supplier contracts.
- Foster mutually beneficial relationships between FCC Construcción and its suppliers, back the internationalisation of subcontractors and boost innovation locally.
- Create an explanatory guide for subcontractors regarding the information security management system at FCC Construcción.

The **purchasing** managers of the business areas, including FCC Construcción work with a **centralised model**, to access synergies and achieve a **better global management**

## Procurement procedure

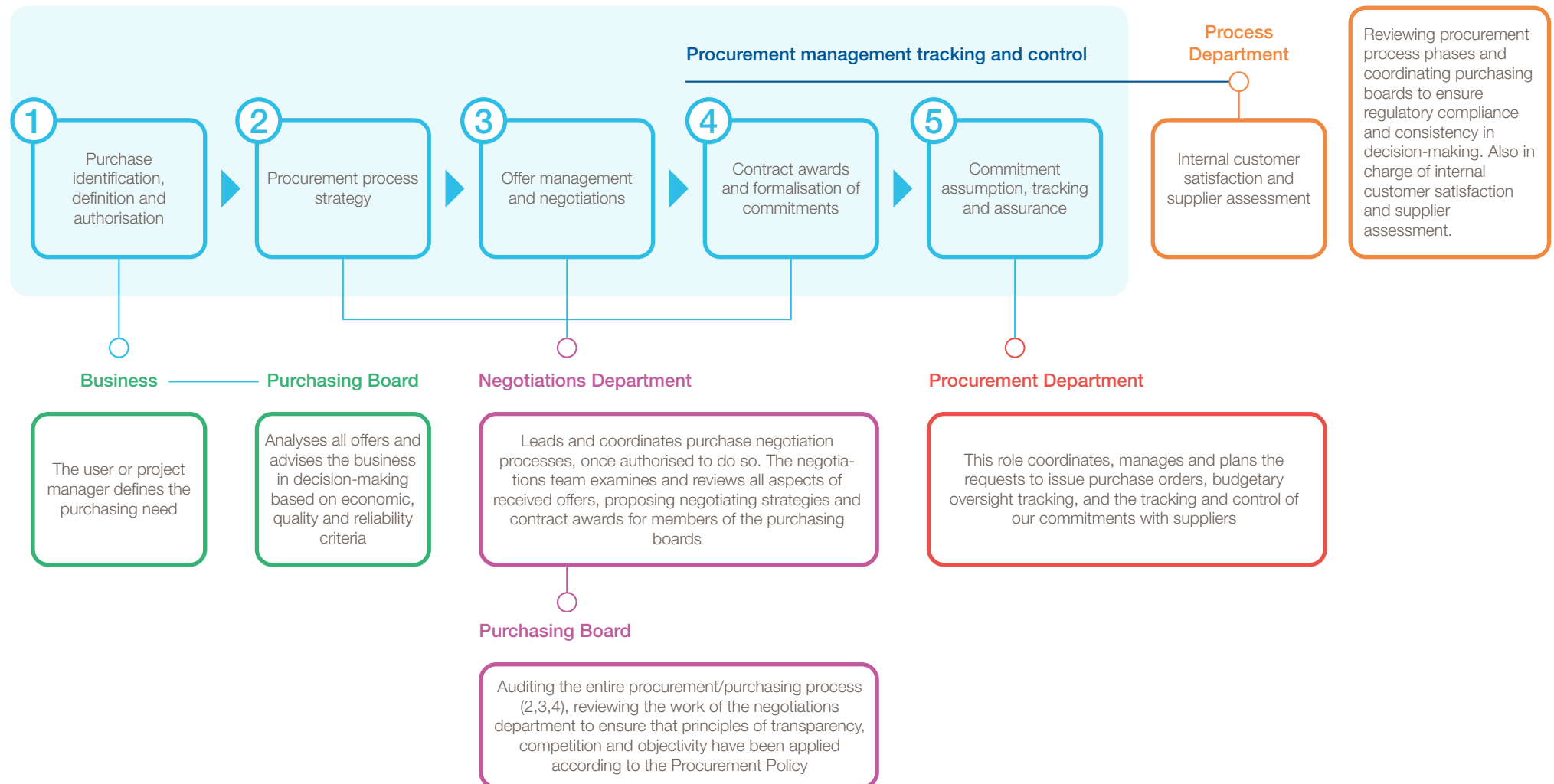
In February 2015, the Board of Directors approved the creation of the global procurement centre to control material and service purchasing processes. This initial step was taken with a view to optimising project planning, procuring competition and equal opportunities amongst the companies in the marketplace, and seizing the opportunities of the synergy between different operating units to secure the best services and supplies available in the best technical and economic terms and conditions. The Procurement Function has been reporting to the General Administration and Finance Division since 2016.

By working with this centralised model, the purchasing managers of the business areas, including FCC Construcción, can access synergies and achieve better global management.

Purchasing boards audit and oversee the purchasing process, with the intervention of the internal customer of the businesses and each area of the Purchasing Department (Negotiation and Processes) in each case. Management receives a regular report on procurement purchasing activities.



## Procurement process functions





### Geographic distribution of suppliers

	2016		2017		Local suppliers/ Total suppliers (%)
	Total suppliers	Local suppliers	Total suppliers	Local suppliers	
Spain	8,062	8,048	8,147	8,015	98%
European Union (Rest)	929	920	1,223	1,131	96%
USA and Canada	131	131	155	149	100%
Latin America	501	500	691	630	90%
Rest of World	381	365	1,192	858	88%
<b>TOTAL</b>	<b>10,004</b>	<b>9,964</b>	<b>11,408</b>	<b>10,783</b>	<b>92%</b>

### Supplier assessment\*

	2016				2017			
	Suppliers in the database	Irregular	Problematic	Banned	Suppliers in the database	Irregular	Problematic	Banned
<b>TOTAL*</b>	<b>118,262</b>	<b>3,877</b>	<b>663</b>	<b>79</b>	<b>120,800</b>	<b>4,267</b>	<b>673</b>	<b>79</b>

\* Accumulated data at origin.

FCC Construcción has the commitment to favour contracts with local supplier so long as they satisfy company requirements. Local suppliers represented 94.5% of the total in 2017.

## Risk assessment in the supply chain

FCC Construcción submits new suppliers to a screen process before formalising the commercial relationship with a view to minimising the risks associated with the company's supply chain. Suppliers have a critical role in the activities of any company, and it is therefore essential that they are efficient, contribute value, comply with the law and maintain good environmental, social and ethical practices. These approval screenings are currently being improved and unified at the Group level.

The preliminary analysis of new suppliers includes visits to their facilities, personal interviews with their management or the request for information in coordination with the Production Area. Likewise, and as mentioned above, the company has a clause in all contracts with suppliers stipulating compliance with the FCC Group Code of Ethics.

The FCC Group's 2020 CSR Master Plan contemplates the development and establishment of a new way to assess risks through an ESG risk map for suppliers and contractors.





# Responsibility with our stakeholders

## (102-40) (102-42) (102-43) (102-44)



### 2017 Milestones

- Expanded record of communication with stakeholders to register relations/environmental disclosures with other stakeholders.
- Change of the FCC Group's image on social networks.



### Future challenges

- Continue boosting FCC Construcción's presence on social networks.
- Complete publication of the websites in the countries where FCC Construcción is present.
- Increase the internationalisation of "FCC One", the internal communications channel to connect all employees.
- Improve customer satisfaction.
- Establish a mechanism to compile and record complaints lodged by stakeholders.
- Modify the Environmental Good Practices format to become environmental and/or social good practices.
- Incorporate social criteria into the company's management and sustainability system (procedures, guides, IT tools, etc.).

Through its activity, the company, **creates value for all its stakeholders**, by providing infrastructures and services that contribute to the well-being of our communities



With over 115 years of experience in the sector, FCC Construcción contributes with its extensive technical capabilities and efficiencies in processes, respecting the environment and employing the best technology possible. Through its activity, the company creates value for all its stakeholders by providing infrastructures and services that contribute to the well-being of our communities.

FCC Construcción maintains its stakeholders identified with a view to responding to their corresponding challenges and needs. The company's values guide its relationships with stakeholders, salient in the excellence of services, quality of its professional team and, especially, transparency in management and activities.



Additionally, for the sake of responding to the requirements of its stakeholders, FCC Construcción has a Management and Sustainability System, which the company adapts to the new challenges and processes in the marketplace.

To do so, the Management and Sustainability System was adapted in 2017 to the most recently published ISO standards for quality, the environment, RD&i (research, development and innovation) and information security.

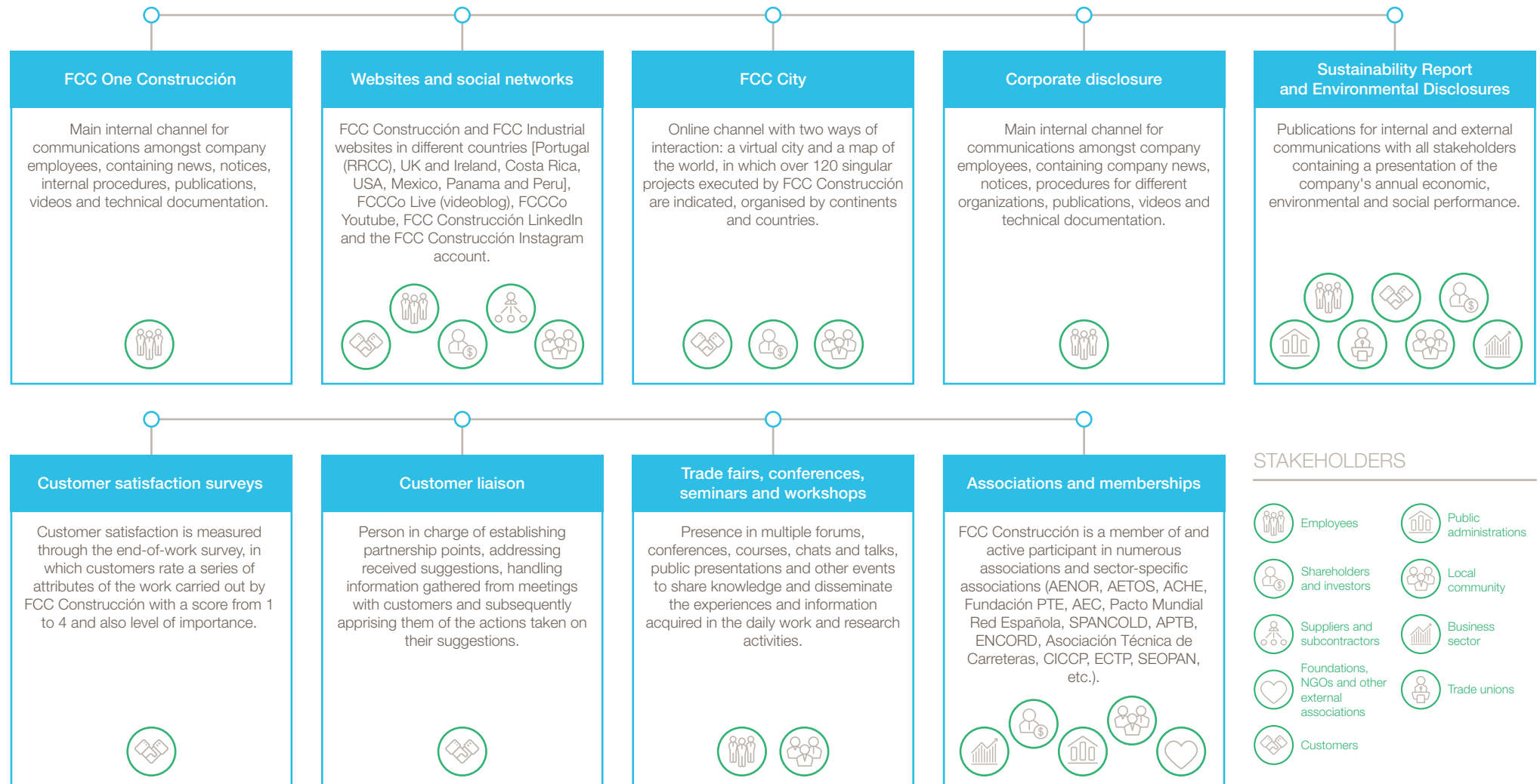
Through the channels designed to establish relationships with stakeholders, the Sustainability Committee, FCC's highest governance body, receives information and adopts the pertinent decisions regarding the stakeholders.

## Main stakeholder communication channels

FCC Construcción's relationship with its different stakeholders is based on an effective and transparent communication strategy. For this task, the company establishes several channels to maintain a dialogue that guarantees satisfactory communication. Continuous dialogue through these channels enables FCC Construcción to keep all its stakeholders involved in the company improvement process.



## FCC Construcción communication channels







## Excellence in customer service

One of FCC Construcción's essential objectives remains excellence in the performance of its activities with customer satisfaction through excellent and individualised customer support and a continuous dialogue to ensure that expectations are met.

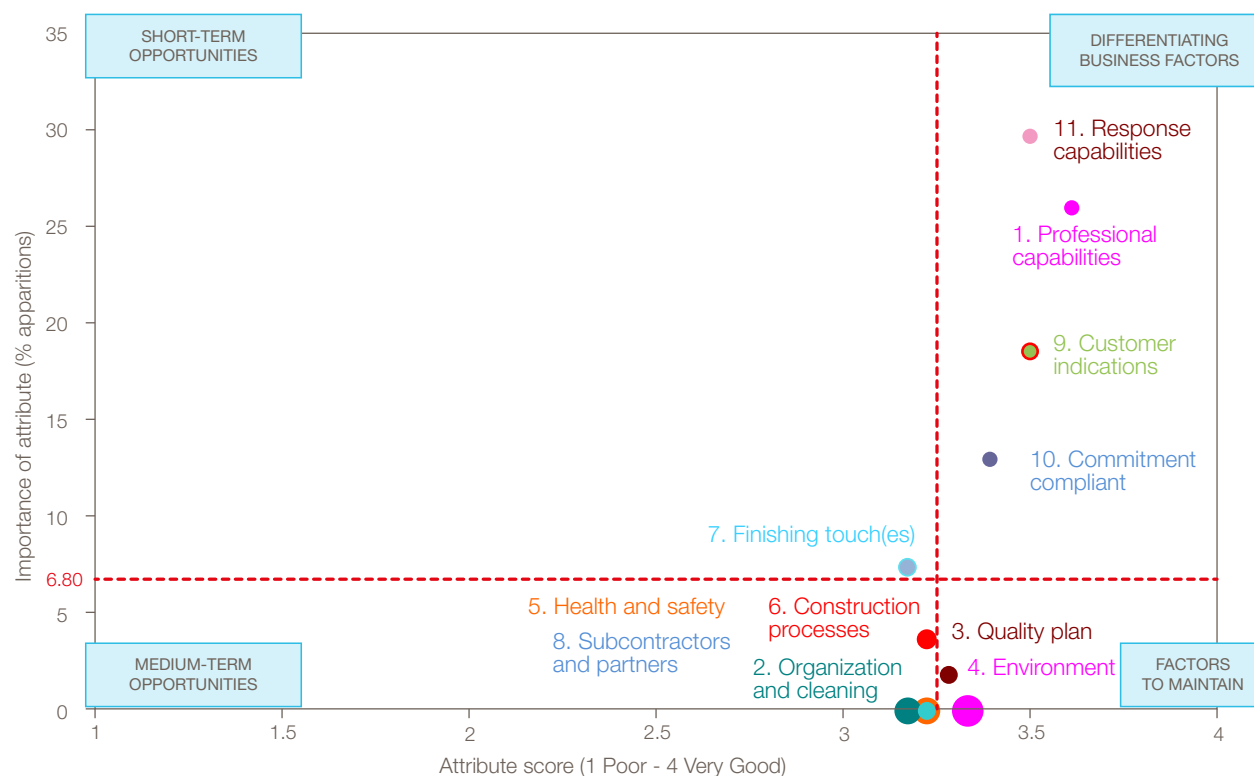
Public authorities are ever more demanding in terms of the sustainability requirements for public procurement contracts. Proof of this lies in recent regulations such as Spanish Royal Decree 6/2018, which created the joint ministerial commission for incorporating environmental criteria in public contracts or the requirements of public authorities and customers regarding the use of BIM.

To respond to these needs and streamline communication, FCC Construcción has a customer liaison in charge of handling received suggestions, addressing the information of relevance, managing the collaboration and notifying of actions to take or taken following received suggestions.

The company also makes "end-of-work surveys" that provide customers with an opportunity to rate the service by assessing different aspects of it. FCC Construcción also has a system in place for handling complaints and claims, information requests and satisfaction gauges that enable the company to conduct follow-ups and develop improvement plans.

The company conducted 18 end-of-work surveys in 2017, whose overall results were positive. Customers rated the company as good or very good in over 90% of the survey questions. Customers rated the company higher for topics related to quality of the professional team, honouring commitments, quality plans applied to the construction work and respect for the environment.

Decision dashboard



# Impacting



## 2017 Milestones

- Several social projects benefiting local communities through construction work executed by FCC Construcción.
- Participation in events for sharing and promoting knowledge.



## Future challenges

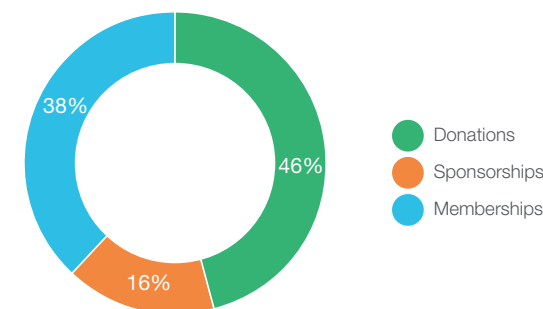
- Continue carrying out actions and initiatives to involve local communities in company activities.



Construcción's business strategy includes a wide range of aspects and initiatives to contribute to the economic and social development of communities.

Creating jobs is the most relevant way the company can contribute to the progress of communities. The company also carries out various activities to improve the social conditions of the people, protect the environmental and promote the infrastructures of local communities with whom the company has a relationship.

## 2017 Community Investments



871,452 €

**Creating jobs** is the most relevant way the company can contribute to the progress of communities

Overall, FCC Construcción's different community contributions can be classified along the following lines:

## FCC Construcción social lines of action



Social inclusion and access to  
basic services



Support for economic  
development



Assessment of the social and  
environmental impact of  
operations



Cooperation in education

FCC Construcción considers the specific characteristics of each construction project and region where it operates, launching different training, dissemination and citizen participation plans. In some regions, therefore, these plans are centred around raising the awareness of communities regarding the benefits of the projects, while health or environmental awareness campaigns are carried out in others.

## Social inclusion and access to basic services

FCC Construcción contributes to community access to basic services by building infrastructures in areas with disadvantaged populations, and programmes and initiatives for improving the access of communities to basic services and their social progress.

### CASE STUDY



#### FCC Construcción promotes health in communities

FCC Construcción has a broad social engagement programme in Panama with numerous initiatives to contribute to the development of communities. For example, in 2017 over 300 residents from different communities such as El Coco, Guadalupe and La Valdeza participated in the health seminars offered by the company in partnership with governmental and non-governmental entities.

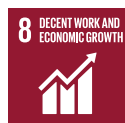
The seminars provided participants with general medical attention, vaccination, dentistry and other related health-care. In addition to receiving medication, they had social assistance and talks about the importance of health.

FCC Centroamérica has been carrying out seminars of this sort for several years to assist the residents of the communities in La Chorrera gain access to healthcare services.

## Support for economic development

FCC Construcción's business strategy includes a wide range of aspects and initiatives to contribute to the economic and social development of communities.

Creating jobs is the most relevant way the company can contribute to the progress of communities. The company also carries out various activities to improve the social conditions of the people, protect the environmental and promote the infrastructures of local communities with whom the company has a relationship.



Por otro lado, el uso de la propia infraestructura por parte de los usuarios de las comunidades locales, favorece el acceso a servicios básicos como el agua potable, la electricidad y el saneamiento, y también mejora la comunicación con otras zonas favoreciendo el desarrollo económico de sus áreas de influencia.

### CASE STUDY

#### Local community job creation in Panama

FCC Construcción has a solid track record in Panama, where the company is carrying out major projects such as:

- Line 2 of the Lima Metro, comprising the design and construction of civil engineering, auxiliary facilities of the line and supply and installation of the comprehensive railway system.
- Ciudad Hospitalaria, including the design, urban development, environmental impact, construction, financing and equipment.

In addition to undertaking various initiatives to promote health and safety, and the development of local communities in the country, FCC Construcción contributes to the economic progress of the region by hiring locally. In 2017, the company entered into a total of 2,726 local contracts and intends to continue promoting this practice by increasing local contracts for the coming year.

**Creating jobs** is the most relevant way the company can contribute to the progress of communities. The company also carries out activities to **improve social conditions** of the people, **protect the environment** and **promote infrastructures** of local communities



Viaduct of Almonte. Ave Madrid-Extremadura, Spain

## Assessment of the social and environmental impact of operations

FCC Construcción assesses its contribution to communities and its surroundings, and examines the impacts of its activity. To do so, the company has metrics for analysing the social and environmental results of the tenders in which it participates, assessing their sustainability.

## Cooperation in education

One of FCC Construcción's main lines of social action is cooperation in education through partnerships with educational institutions or by participating in educational events and workshops. In this line, the company has focussed on sustainability, the environment, health and safety, sustainable habits and dissemination of the activity.





## CASE STUDY



Aware of the benefits of working together with local communities, in this project FAST Consortium has not only ensured the best practices for the workers' health and safety but has also been involved in proactive programmes to educate the local population. For this, it is working together with other partners across the Riyadh Metro Project to deliver a Joint Technology Transfer Programme, carrying out the following initiatives:

- Seminars in various local universities on health and safety, environment, quality, project management, construction, transit systems, etc. Since the programme started, nine seminars have been held in four universities, and new seminars with the participation of more universities are scheduled till the end of construction.
- Summer internship programmes aimed at Saudi university students, lasting 10 weeks.
- To date, 60 students have participated in this programme with FAST Consortium, who, as well as spending three weeks each year hosted by partner companies in Europe and abroad, have worked for seven weeks with professional engineers on the project. In 2016, 10 students spent a week with FCC in Spain, before returning to their placements in Riyadh, and it is planned to continue this collaboration over the coming years.
- Three students who previously took part in the programme have been contracted by FAST Consortium as full time employees.
- Technical learning workshops aimed at students and professionals, lasting for one week. These cover various aspects, improving people's technical understanding of the Riyadh Metro project.

### Case study: Projects involving people: Riyadh Metro Project

FCC Construcción leads the FAST Consortium (which also includes as partners Samsung C&T (South Korea), Strukton (Netherlands), Alstom (France) and Freysinnet (Saudi Arabia)), responsible for designing and building lines 4, 5, and 6 of the new Riyadh Metro Project in Saudi Arabia, currently recognized as one of the largest public infrastructure projects in the world. Including the work of the two other D&B consortia, the Riyadh Metro Project – owned by Arriyadh Development Authority (ADA) – consists of 6 lines, totalling 176km of trackway, including 76km of tunnels, 7 depots (2 of them built by FAST), 85 stations, and 25 park and ride facilities.

This project is full of complex logistical challenges, but it is also transforming the economic environment and introducing important innovations. The Consortium has focused its efforts on people, specifically on supporting, training and developing the talent of its employees. Local staff are motivated towards becoming involved in the economic benefits of the project. Thanks to this, and the close interaction with the population, workers are keen to show the project as one which will benefit the Kingdom as a whole and the city of Riyadh in particular.

The benefit of opening the new public transport system in Riyadh will be enormous since it is calculated that it will provide up to 23,000 jobs, 10,000 of which will be direct, with 45% of them for the local population.



1

FCC Construcción  
at a glance

2

Letter from the  
General Manager

3

Our organization

Company governstones:  
values and good governance

4

Our professionals

Sustainable construction

5

Managing impacts, working  
on new opportunities

6

Creating Social Value

7

Annexes



# Annexes

Aerial view of the Alcoy bridge over the Barchell river, Alicante, Spain.

7

About this report

81

GRI Content Index

83





Rehabilitation of the Riudeperes monastery, Catalonia, Spain.

## About this report

### Reporting principles and scope (102-46)

The materiality analysis is based on the specific material topics defined by the GRI by the sectorial supplement GRI-G4 Construction and Real Estate. Material topics are selected at the Group level and then prioritised differently for each business in consideration of the individual characteristics of each one.

FCC Construcción draws up the Sustainability Report every two years, in this report the data for the 2016 and 2017 financial years are presented. However, and with a view to upholding its commitment to transparency and information to its stakeholders, the company prepares an informative list of the most significant indicators and events in that period.

This Sustainability Report was drawn up by FCC Construcción in accordance with GRI standards (Comprehensive option), and verified by an independent external entity (AENOR). The drawing up of the report also considered the GRI construction sector supplement.

- **Materiality and stakeholder engagement:** The result of the materiality assessment conducted by the FCC Group in accordance with standard AA 1000 was also considered when drawing up this report.
- **Sustainability context:** The present report analyses the results of the company, establishing the links between sustainability and strategy of the organization.
- **Comprehensiveness:** The information contained herein suffices to assess the economic, ethical, social and environmental performance of the organization. Additional sources are cited throughout the report for further information.
- **Reliability:** The information included herein was obtained from reliable sources that were validated and verified by independent third parties. The reported environmental information were gleaned from invoices, delivery notes and measurements. Estimated values are explained in the corresponding section.

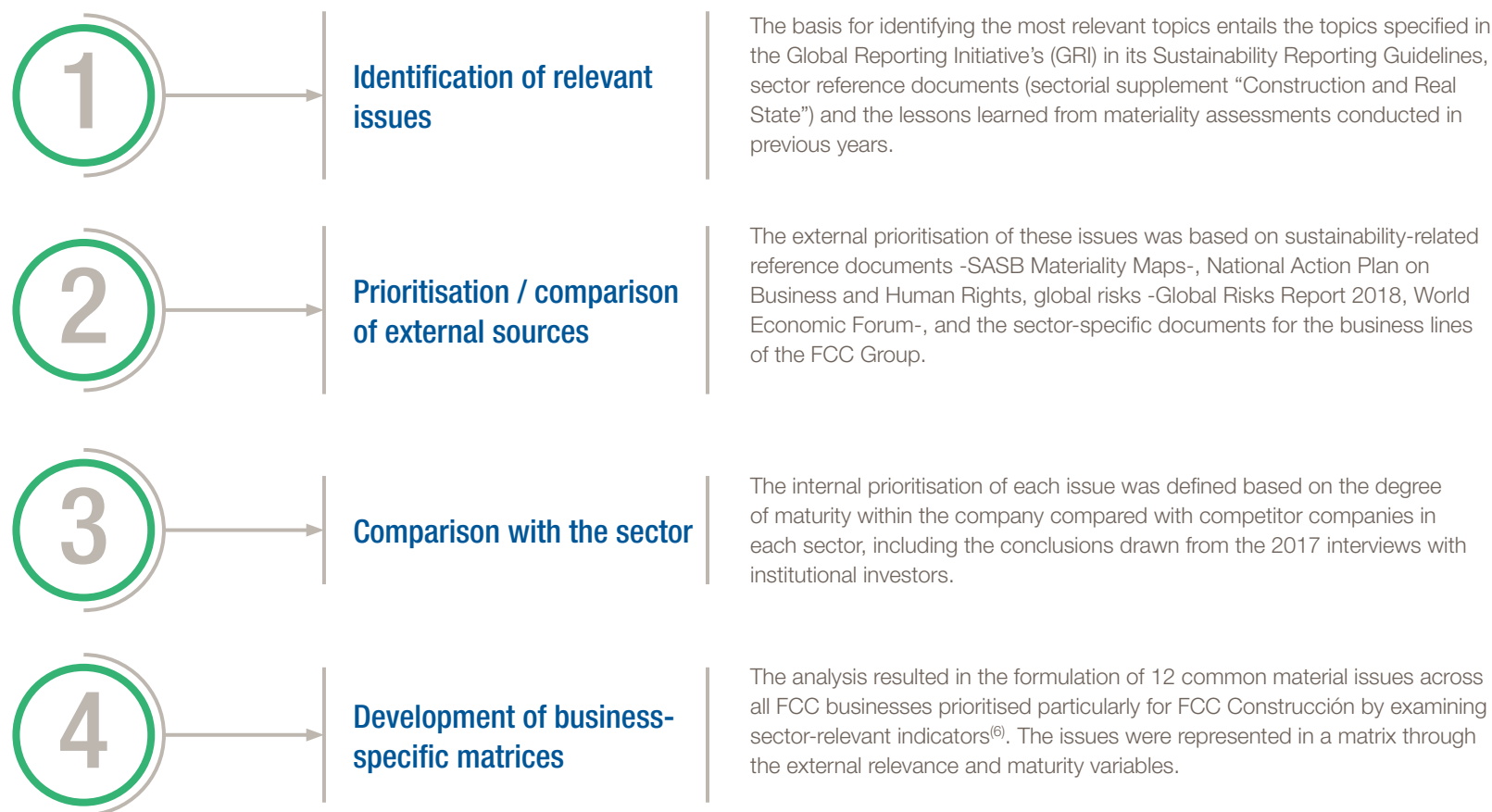
### Boundaries (102-46) (102-48)

Unless expressly indicated otherwise, the information reported herein refers to all the activities of FCC Construcción and the subsidiaries and affiliates thereof. In topics where information is available on the performance of the supply chain, this information is included in the corresponding sections.

FCC Construcción contributes all the environmental values for temporary joint ventures (TJVs) of which it has operational control, regardless of its participation percentage.

## Process of determining material topics

(103-1) (103-2) (103-3)



<sup>(6)</sup>KPMG's Infrastructure 100: World Markets Report, Recycling our Infrastructure for Future Generations WEF





# GRI Content Index

"This report was drawn up in accordance with GRI standards: Comprehensive option".



Indicator	Description	SDG Reference	Page/Observations	Omissions	External assurance
GRI 101: Foundation 2016					
GRI 102: General Disclosures 2016					
Organizational profile					
102-1	Name of the organization.		FCC Construcción.		✓
102-2	Activities, brands, products, and services.		Profile and business strategy (p. 11).		✓
102-3	Location of headquarters.		Avenida Camino de Santiago 40, Madrid 28050.		✓
102-4	Location of operations.		International presence (p. 2 and 13).		✓
102-5	Ownership and legal form.		FCC Construcción is a company of the FCC Group. Further information at (corporate area section): <a href="http://www.fccco.com/en/corporate-area/construction-company">http://www.fccco.com/en/corporate-area/construction-company</a>		✓
102-6	Markets served.		International presence (p. 13).		✓
102-7	Scale of the organization.		Key figures in 2017 (p. 13-16) Further information: <a href="http://www.fccco.com/en/corporate-area/construction-company">http://www.fccco.com/en/corporate-area/construction-company</a>		✓



Indicator	Description	SDG Reference	Page/Observations	Omissions	External assurance
102-8	Information on employees and other workers.		Our professionals (p. 29-40). In 2017, there has been a large hiring in the worksites of Riyadh (2029 workers) and Panama (841 workers). See more information in GRI 401-1. The construction sector normally handles a large number of specialized subcontractors. Whenever possible, the tasks are carried out with their own resources.		
102-9	Supply chain.		Balanced relationships with our suppliers (p. 69-71). The supply chain is composed of the construction materials, equipment and specialized subcontractors needed to carry out the works and their maintenance and operation.		
102-10	Significant changes to the organization and its supply chain.		Balanced relationships with our suppliers (p. 69-71).		
102-11	Precautionary principle or approach.		Risk management and mitigation (p. 22, p. 25-27).		
102-12	External initiatives.		Corporate Governance (p. 22). Human rights (p. 24).		
102-13	Membership of associations.		Human rights (p. 24). Health and Safety (p. 30-31). Sustainable construction (p. 42-43, p. 47).		
<b>Strategy and analysis</b>					
102-14	Statement from senior decision-maker.		Letter from the General Manager (p. 8-9).		
102-15	Key impacts, risks and opportunities.		Our organization (p. 11). Responsible management and business ethics (p. 22-24). Identification and prevention of risks (p. 25-27). We build the future: sustainable, social and accessible communities. (p. 42-43). Managing the environment (p. 52-59). Responsibility with our stakeholders (p. 72-74).		



Indicator	Description	SDG Reference	Page/Observations	Omissions	External assurance
<b>Ethics and integrity</b>					
102-16	Values, principles, standards and norms of behaviour.		Good Governance, Ethics and Integrity (p. 22-24).		✓
102-17	Mechanisms for advice and concerns about ethics.		Good Governance, Ethics and Integrity (p. 22-24). The FCC Group Code of Ethics establishes conduct guidelines to guarantee ethical and law-abiding conduct.		✓
<b>Governance</b>					
102-18	Governance structure.		2017 Corporate Governance Report (p. 7-26, sections B and C). <a href="http://www.fcc.es/documents/21301/841514/13_IAGC_2017_JGO+2018_i.pdf/fd0a480b-a383-e77a-203c-f841e7670958">http://www.fcc.es/documents/21301/841514/13_IAGC_2017_JGO+2018_i.pdf/fd0a480b-a383-e77a-203c-f841e7670958</a>		✓
102-19	Delegating authority.		2017 Corporate Governance Report (p. 7-26, sections B and C). <a href="http://www.fcc.es/documents/21301/841514/13_IAGC_2017_JGO+2018_i.pdf/fd0a480b-a383-e77a-203c-f841e7670958">http://www.fcc.es/documents/21301/841514/13_IAGC_2017_JGO+2018_i.pdf/fd0a480b-a383-e77a-203c-f841e7670958</a>		✓
102-20	Executive-level responsibility for economic, environmental and social topics.		Yes, Deputy Technical Services Director and Quality and CSR Director.		✓
102-21	Consulting stakeholders on economic, environmental and social topics.		Responsibility with our stakeholders (p. 72-75).		✓
102-22	Composition of the highest governance body and its committees.		2017 Corporate Governance Report (p. 7-10, section C). <a href="http://www.fcc.es/documents/21301/841514/13_IAGC_2017_JGO+2018_i.pdf/fd0a480b-a383-e77a-203c-f841e7670958">http://www.fcc.es/documents/21301/841514/13_IAGC_2017_JGO+2018_i.pdf/fd0a480b-a383-e77a-203c-f841e7670958</a>		✓
102-23	Chair of the highest governance body.		2017 Corporate Governance Report (p. 7-10, section C.1.2). <a href="http://www.fcc.es/documents/21301/841514/13_IAGC_2017_JGO+2018_i.pdf/fd0a480b-a383-e77a-203c-f841e7670958">http://www.fcc.es/documents/21301/841514/13_IAGC_2017_JGO+2018_i.pdf/fd0a480b-a383-e77a-203c-f841e7670958</a>		✓
102-24	Nominating and selecting the highest governance body.		2017 Corporate Governance Report (p. 13-15, sections C.1.12-C.1.19). <a href="http://www.fcc.es/documents/21301/841514/13_IAGC_2017_JGO+2018_i.pdf/fd0a480b-a383-e77a-203c-f841e7670958">http://www.fcc.es/documents/21301/841514/13_IAGC_2017_JGO+2018_i.pdf/fd0a480b-a383-e77a-203c-f841e7670958</a>		✓
102-25	Conflicts of interest.		2017 Corporate Governance Report (p. 28. Apartado D.6). <a href="http://www.fcc.es/documents/21301/841514/13_IAGC_2017_JGO+2018_i.pdf/fd0a480b-a383-e77a-203c-f841e7670958">http://www.fcc.es/documents/21301/841514/13_IAGC_2017_JGO+2018_i.pdf/fd0a480b-a383-e77a-203c-f841e7670958</a>		✓





Indicator	Description	SDG Reference	Page/Observations	Omissions	External assurance
102-26	Role of highest governance body in setting purpose, values and strategy.		Regulations of the FCC Group Board of Directors (p. 11-14, article 8-13). <a href="http://www.fcc.es/documents/21301/799420/20170321_Reg_Cons_Admon_28-07-2016_i.pdf/734f9d4c-af17-4e99-88b9-90f139706c36">http://www.fcc.es/documents/21301/799420/20170321_Reg_Cons_Admon_28-07-2016_i.pdf/734f9d4c-af17-4e99-88b9-90f139706c36</a>		✓
102-27	Collective knowledge of highest governance body.		The skills, knowledge and experience necessary in the Board are evaluated defining the necessary candidate functions and qualifications that each vacancy should entail, and assessing the time and dedication needed to discharge their duties properly.		✓
102-28	Evaluating the highest governance body's performance.		I2017 Corporate Governance Report (p. 15-17. Section C.1.20-C.1.29). <a href="http://www.fcc.es/documents/21301/841514/13_IAGC_2017_JGO+2018_i.pdf/fd0a480b-a383-e77a-203c-f841e7670958">http://www.fcc.es/documents/21301/841514/13_IAGC_2017_JGO+2018_i.pdf/fd0a480b-a383-e77a-203c-f841e7670958</a>		✓
102-29	Identifying and managing economic, environmental and social impacts.		Regulations of the FCC Group Board of Directors (p. 37-41, article 37). <a href="http://www.fcc.es/documents/21301/799420/20170321_Reg_Cons_Admon_28-07-2016_i.pdf/734f9d4c-af17-4e99-88b9-90f139706c36">http://www.fcc.es/documents/21301/799420/20170321_Reg_Cons_Admon_28-07-2016_i.pdf/734f9d4c-af17-4e99-88b9-90f139706c36</a> ESG Risk Identification and Prevention (p. 23-25).		✓
102-30	Effectiveness of risk management processes.		2017 Corporate Governance Report (p. 29-33, section E). <a href="http://www.fcc.es/documents/21301/841514/13_IAGC_2017_JGO+2018_i.pdf/fd0a480b-a383-e77a-203c-f841e7670958">http://www.fcc.es/documents/21301/841514/13_IAGC_2017_JGO+2018_i.pdf/fd0a480b-a383-e77a-203c-f841e7670958</a>		✓
102-31	Review of economic, environmental and social topics.		All FCC Construcción Committees meet every four months as defined by the company's internal procedures.		✓
102-32	Highest governance body's role in sustainability reporting.		Chairman and General Manager of FCC Construcción.		✓
102-33	Communicating critical concerns.		Ad hoc meetings between the FCC Construcción Chairman and FCC Group CEO.		✓
102-34	Nature and total number of critical concerns.		They are identified by the Sustainability Committee and then conveyed to the FCC Group CEO. FCCCO Risk Management (p. 25-27).		✓



Indicator	Description	SDG Reference	Page/Observations	Omissions	External assurance
102-35	Remuneration policies.		FCC reports on the remuneration of members of the Board of Directors through the Annual Remuneration Report for the Board of Directors, available at the website of the Spanish National Securities Market Commission (CNMV).		✓
102-36	Process for determining remuneration.		FCC reports on the remuneration of members of the Board of Directors through the Annual Remuneration Report for the Board of Directors, available at the website of the Spanish National Securities Market Commission (CNMV).		✓
102-37	Stakeholders' involvement in remuneration.		2017 Annual Remuneration Report (p. 9 and 15, section C). <a href="http://www.fcc.es/documents/21301/841514/IRC_2017_i.pdf/e2afad63-8481-ce96-9ef2-aa9f679416a1">http://www.fcc.es/documents/21301/841514/IRC_2017_i.pdf/e2afad63-8481-ce96-9ef2-aa9f679416a1</a>		✓
102-38	Annual total compensation ratio.		Unavailable.	The relation between the criteria that are to be met by the company's remuneration policy is expressly published (art. 28 of the Regulations), which is the reasonable proportion with the Company's size, economic situation at any given time and the market standards of comparable companies, and the established remuneration system must be oriented to promote profitability and long-term sustainability of the Company, though the relation or proportion in terms of actual values is not publicly disclosed between the Board or senior management staff in each country. The quantitative relationship between top management and the staff in each country was not published, because the latter are not representative due to the great variation that there is from one work to another, the different volumes of subcontracting, the percentages of participation in the consortiums and because detailed information is not always available when the works are carried out in a consortium.	✓
102-39	Percentage increase in annual total compensation ratio.		Unavailable.	Refer to omission 102-38.	✓
<b>Stakeholder engagement</b>					
102-40	List of stakeholder groups.		Responsibility with our stakeholders (p. 72-75).		✓



Indicator	Description	SDG Reference	Page/Observations	Omissions	External assurance
102-41	Collective bargaining agreements.		Human rights (p. 24). FCC Construcción's entire staff in Spain is covered through collective bargaining agreements. FCC has negotiated different agreements with the Building and Wood Workers' International (BWI) in countries that have yet to ratify International Labour Organization (ILO) agreements.		✓
102-42	Identifying and selecting stakeholders.		Responsibility with our stakeholders (p. 72-75).		✓
102-43	Approach to stakeholder engagement.		Material topics and Boundaries (p. 5). Responsibility with our stakeholders (p. 72-75).		✓
102-44	Key topics and concerns raised.		Responsibility with our stakeholders (p. 72-75).		✓
<b>Identified material topics and boundaries</b>					
102-45	Entities included in the consolidated financial statements.		2017 FCC Group Integrated Report (p. 334). <a href="http://www.fcc.es/fcc_docs/informe_anual_fcc/2017/FCC_Annual_report_2017.pdf">http://www.fcc.es/fcc_docs/informe_anual_fcc/2017/FCC_Annual_report_2017.pdf</a>		✓
102-46	Defining report content and topic Boundaries.		Material topics and Boundaries (p. 5). About this report (p. 81-82). FCC Group Integrated Report (About this report, p. 202-205) <a href="http://www.fcc.es/fcc_docs/informe_anual_fcc/2017/FCC_Annual_report_2017.pdf">http://www.fcc.es/fcc_docs/informe_anual_fcc/2017/FCC_Annual_report_2017.pdf</a>		✓
102-47	List of material topics.		Material topics and Boundaries (p. 5).		✓
102-48	Restatements of information.		There are no restatements of information provided in earlier reports.		✓
102-49	Changes in reporting.		Material topics and Boundaries (p. 5).		✓
<b>Report profile</b>					
102-50	Reporting period.		About this report (p. 81).		✓
102-51	Date of most recent report.		2015.		✓



Indicator	Description	SDG Reference	Page/Observations	Omissions	External assurance
102-52	Reporting cycle.		About this report (p. 81-82).		✓
102-53	Contact points for questions regarding the report.		Other data of interest (p. 6).		✓
102-54	Claims of reporting in accordance with GRI Standards.		About this report (p. 80-82).		✓
102-55	GRI Content Index.		p. 83-108.		✓
102-56	External assurance.		About this report (p. 81). Letter of external assurance (p. 7).		✓
Material topic FCC Co: Innovation and Sustainability (GRI 201)					
Material topic: Economic performance					
GRI 103. Management approach 2016					
103-1	Explanation of the material topic and its Boundaries.		Economic performance (p. 15-16).		✓
103-2	The management approach and its components.		Economic performance (p. 15-16).		✓
103-3	Evaluation of the management approach.		Economic performance (p. 15-16).		✓
GRI 201. 2016 Economic Performance					
201-1	Direct economic value generated and distributed.		Economic performance (p. 15-16).		✓
201-2	Financial implications and other risks and opportunities due to climate change.		Risks and opportunities related to climate change (p. 64-66).		✓
201-3	Defined benefit plan obligations and other retirement plans.		There are no retirement plans for employees.		





Indicator	Description	SDG Reference	Page/Observations	Omissions	External assurance
201-4	Financial assistance received from government.		2017: Grants (bonuses for training): €312,112. Subsidies for RD&i: €1,079,953. Tax relief: €502,432.47. 2016: Grants (bonuses for training): €520,627.30. Subsidies for RD&i: €958,475. Tax relief: €979,887.76 (European data included).		
Material topic FCC Co: Local development (GRI 203, 413)					
Material topic: Indirect economic impacts					
103-1	Explanation of the material topic and its Boundaries.		Impacting (p. 76-79).		
103-2	The management approach and its components.		Impacting (p. 76-79).		
103-3	Evaluation of the management approach.		Impacting (p. 76-79).		
GRI 203. Indirect economic impacts 2016					
203-1	Infrastructure investments and services supported.		All investments made in infrastructures and rendered services are part of the business.		
203-2	Significant indirect economic impacts.		Impacting (p. 76-79).		
Material topic: Local communities					
GRI 103. Enfoque de gestión 2016					
103-1	Explanation of the material topic and its Boundaries.	SDGs 4 and 16	Human rights (p. 24). Impacting (p. 76-79). In the section "Sustainability > The community" on the FCC Construcción website.		



Indicator	Description	SDG Reference	Page/Observations	Omissions	External assurance
103-2	The management approach and its components.	SDGs 4 and 16	Human rights (p. 24). Impacting (p. 76-79). In the section "Sustainability > The community" on the FCC Construcción website.		✓
103-3	Evaluation of the management approach.	SDGs 4 and 16	Human rights (p. 24). Impacting (p. 76-79). In the section "Sustainability > The community" on the FCC Construcción website.		✓
<b>GRI 413. Local communities 2016</b>					
413-1	Operations with local community engagement, impact assessments and development programmes.	SDGs 4 and 16	Impacting (p. 76-79).		✓
413-2	Operations with significant actual and potential negative impacts on local communities.	SDGs 4 and 16	Impacting (p. 76-79). The main impacts on local communities are expropriations, cuts in traffic routes, spillages in water channels, generation of noise by circulation of vehicles and machinery, emission of dust, vibrations, relocation of the population or disturbance of the tourist activity of the zone.		✓
<b>Material topic FCC Co: Principles for responsible contracts (GRI 204)</b>					
<b>Material topic: Procurement practices</b>					
<b>GRI 103. Management approach 2016</b>					
103-1	Explanation of the material topic and its Boundaries.	SDG 12	Balanced relationships with our suppliers (p. 69-71).		✓
103-2	The management approach and its components.	SDG 12	Balanced relationships with our suppliers (p. 69-71).		✓
103-3	Evaluation of the management approach.	SDG 12	Balanced relationships with our suppliers (p. 69-71).		✓
<b>GRI 204. Procurement practices 2016</b>					
204-1	Proportion of spending on local suppliers.	SDG 12	Balanced relationships with our suppliers (p. 69-71).		✓



Indicator	Description	SDG Reference	Page/Observations	Omissions	External assurance
<b>Material topic FCC Co: Systems for the prevention and mitigation of the corruption (GRI 205, 206, 415)</b>					
<b>Material topic: Anti-corruption</b>					
103-1	Explanation of the material topic and its Boundaries.	SDG 16	Ethics and integrity framework (p. 22-23). In the section "Sustainability > Responsible Construction > Code of Ethics" on the FCC Construcción website.		✓
103-2	The management approach and its components.	SDG 16	Ethics and integrity framework (p. 22-23). In the section "Sustainability > Responsible Construction > Code of Ethics" on the FCC Construcción website.		✓
103-3	Evaluation of the management approach.	SDG 16	Ethics and integrity framework (p. 22-23). In the section "Sustainability > Responsible Construction > Code of Ethics" on the FCC Construcción website.		✓
<b>GRI 205. Anti-corruption 2016</b>					
205-1	Operations assessed for risks related to corruption.	SDG 16	Ethics and integrity framework (p. 22-23). The 100% of the centres have been analysed.		✓
205-2	Communication and training about anti-corruption policies and procedures.	SDG 16	Ethics and integrity framework (p. 22-23). There is a crime prevention and response manual.		✓
205-3	Confirmed incidents of corruption and actions taken.	SDG 16	There were no reported cases of corruption in 2016, nor during 2017.		✓
<b>Material topic: Anti-competitive behaviour</b>					
<b>GRI 103. Management approach 2016</b>					
103-1	Explanation of the material topic and its Boundaries.	SDG 16	Ethics and integrity framework (p. 22-23). In the section "Sustainability > Responsible Construction > Code of Ethics" on the FCC Construcción website.		✓
103-2	The management approach and its components.	SDG 16	Ethics and integrity framework (p. 22-23). In the section "Sustainability > Responsible Construction > Code of Ethics" on the FCC Construcción website.		✓



Indicator	Description	SDG Reference	Page/Observations	Omissions	External assurance
103-3	Evaluation of the management approach.	SDG 16	Ethics and integrity framework (p. 22-23). In the section "Sustainability > Responsible Construction > Code of Ethics" on the FCC Construcción website.		✓
<b>GRI 206. Anti-competitive behaviour 2016</b>					
206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices.	SDG 16	There were no legal actions carried out in this regard.		✓
<b>Tema material GRI: Política pública</b>					
<b>GRI 103. Enfoque de gestión 2016</b>					
103-1	Explanation of the material topic and its Boundaries.	SDG 16	Ethics and integrity framework (p. 22-23).		✓
103-2	The management approach and its components.	SDG 16	Ethics and integrity framework (p. 22-23).		✓
103-3	Evaluation of the management approach.	SDG 16	Ethics and integrity framework (p. 22-23).		✓
<b>GRI 415. Public policy 2016</b>					
415-1	Political contributions.	SDG 16	FCC Construcción makes no financial, cash or other sort of contribution to political parties.		✓
<b>Material topic FCC Co: Protection of the limited natural resources (GRI 301, 304, 306)</b>					
<b>Material topic: Materials</b>					
<b>GRI 103. Management approach 2016</b>					
103-1	Explanation of the material topic and its Boundaries.	SDG 12	Managing impacts, working on new opportunities (p. 52-56; p. 60-63). 2017 Environmental Disclosure (p. 48-52). <a href="http://www.fccco.com/construccion_docs/medioambiental/2017/index.html">http://www.fccco.com/construccion_docs/medioambiental/2017/index.html</a>		✓





Indicator	Description	SDG Reference	Page/Observations	Omissions	External assurance
103-2	The management approach and its components.	SDG 12	Managing impacts, working on new opportunities (p. 52-56; p. 60-63). 2017 Environmental Disclosure (p. 48-52). <a href="http://www.fccco.com/construccion_docs/medioambiental/2017/index.html">http://www.fccco.com/construccion_docs/medioambiental/2017/index.html</a>		✓
103-3	Evaluation of the management approach.	SDG 12	Managing impacts, working on new opportunities (p. 52-56; p. 60-63). 2017 Environmental Disclosure (p. 48-52). <a href="http://www.fccco.com/construccion_docs/medioambiental/2017/index.html">http://www.fccco.com/construccion_docs/medioambiental/2017/index.html</a>		✓
<b>GRI 301. Materials 2016</b>					
301-1	Materials used by weight or volume.	SDG 12	Consumption management: water, energy and materials (p. 55). FCC Construcción joins the circular economy (p. 60-63).		✓
301-2	Recycled input materials used.	SDG 12	FCC Construcción joins the circular economy (p. 60-63).		✓
301-3	Reclaimed products and their packaging materials.	SDG 12	FCC Construcción joins the circular economy (p. 60-63).		✓
<b>Material topic: Water</b>					
<b>GRI 103. Management approach 2016</b>					
103-1	Explanation of the material topic and its Boundaries.	SDGs 6 and 14	Managing impacts, working on new opportunities (p. 52-57).		✓
103-2	The management approach and its components.	SDGs 6 and 14	Managing impacts, working on new opportunities (p. 52-57).		✓
103-3	Evaluation of the management approach.	SDGs 6 and 14	Managing impacts, working on new opportunities (p. 52-57).		✓
<b>GRI 303. Water 2016</b>					
303-1	Water withdrawal by source.	SDGs 6 and 14	Consumption management: water, energy and materials (p. 53).		✓
303-2	Water sources significantly affected by withdrawal of water.	SDGs 6 and 14	Withdrawal surface water from natural channels in protected areas or in areas that are highly valuable to local communities: 69,000 m <sup>3</sup> . Withdrawal surface water from natural channels in unprotected areas which have a high biodiversity value or are relevant for local communities: 32,921 m <sup>3</sup> .		✓



Indicator	Description	SDG Reference	Page/Observations	Omissions	External assurance
303-3	Water recycled and reused.	SDGs 6 and 14	Recycled water 2017: 77,823 m <sup>3</sup> (5.69%). Total water consumption 2017: 1,367,724 m <sup>3</sup> . Recycled water 2016: 42,997m <sup>3</sup> (3.25%). Total water consumption 2016: 1,665,749 m <sup>3</sup> .		✓
<b>Material topic: Biodiversity</b>					
<b>GRI 103. Management approach 2016</b>					
103-1	Explanation of the material topic and its Boundaries.	SDG 15	Managing impacts, working on new opportunities (p. 57-59). 2017 Environmental Disclosure (p. 62-68). <a href="http://www.fccco.com/construccion_docs/medioambiental/2017/index.html">http://www.fccco.com/construccion_docs/medioambiental/2017/index.html</a>		✓
103-2	The management approach and its components.	SDG 15	Managing impacts, working on new opportunities (p. 57-59) 2017 Environmental Disclosure (p. 62-68) <a href="http://www.fccco.com/construccion_docs/medioambiental/2017/index.html">http://www.fccco.com/construccion_docs/medioambiental/2017/index.html</a>		✓
103-3	Evaluation of the management approach.	SDG 15	Managing impacts, working on new opportunities (p. 57-59) 2017 Environmental Disclosure (p. 62-68) <a href="http://www.fccco.com/construccion_docs/medioambiental/2017/index.html">http://www.fccco.com/construccion_docs/medioambiental/2017/index.html</a>		✓
<b>GRI 304. Biodiversidad 2016</b>					
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	SDG 15	Managing impacts, working on new opportunities (p. 58).		✓
304-2	Significant impacts of activities, products and services on biodiversity.	SDG 15	2017 Environmental Disclosure (p. 63) <a href="http://www.fccco.com/construccion_docs/medioambiental/2017/index.html">http://www.fccco.com/construccion_docs/medioambiental/2017/index.html</a>		✓
304-3	Habitats protected or restored.	SDG 15	Managing impacts, working on new opportunities (p. 58).		✓



Indicator	Description	SDG Reference	Page/Observations	Omissions	External assurance
304-4	IUCN Red List species and national conservation list species with habitats in areas affected by operations.	SDG 15	<p>Currently, this information is not being gleaned for all the countries in which FCC Construcción carries out its activities. However, all production centres have a register of threatened species.</p> <p>The 2017 Environmental Disclosure contains examples related to these flora and fauna management plans (section 06. Environmental footprint and Good practices).</p> <p><a href="http://www.fccco.com/construccion_docs/medioambiental/2017/index.html">http://www.fccco.com/construccion_docs/medioambiental/2017/index.html</a></p>		
<b>Material topic: Effluents and waste</b>					
<b>GRI 103. Management approach 2016</b>					
103-1	Explanation of the material topic and its Boundaries.	SDGs 6 and 14	<p>Effluent and waste management (p. 56-57).</p> <p>2017 Environmental Disclosure (p. 59-65; 79-84).</p> <p><a href="http://www.fccco.com/construccion_docs/medioambiental/2017/index.html">http://www.fccco.com/construccion_docs/medioambiental/2017/index.html</a></p>		
103-2	The management approach and its components.	SDGs 6 and 14	<p>Effluent and waste management (p. 56-57).</p> <p>2017 Environmental Disclosure (p. 59-65; 79-84).</p> <p><a href="http://www.fccco.com/construccion_docs/medioambiental/2017/index.html">http://www.fccco.com/construccion_docs/medioambiental/2017/index.html</a></p>		
103-3	Evaluation of the management approach.	SDGs 6 and 14	<p>Effluent and waste management (p. 56-57).</p> <p>2017 Environmental Disclosure (p. 59-65; 79-84).</p> <p><a href="http://www.fccco.com/construccion_docs/medioambiental/2017/index.html">http://www.fccco.com/construccion_docs/medioambiental/2017/index.html</a></p>		



Indicator	Description	SDG Reference	Page/Observations	Omissions	External assurance
<b>GRI 306. Effluent and waste 2016</b>					
306-1	Water discharge by quality and destination.	SDGs 6 and 14	<p>2017:</p> <p>Discharge Total: 289,766 m³.</p> <ul style="list-style-type: none"> <li>• Hydraulic Public Domain: 236,300 m³.</li> <li>• Septic tank: 30,303 m³.</li> <li>• Sanitation network: 23,164 m³.</li> </ul> <p>2016:</p> <p>Discharge Total: 310,563 m³.</p> <ul style="list-style-type: none"> <li>• Hydraulic Public Domain: 233,049 m³.</li> <li>• Septic tank: 11,519 m³.</li> <li>• Sanitation network: 66,177 m³.</li> </ul> <p>Refer to the 2017 Environmental Disclosure for further information.  <a href="http://www.fccco.com/construccion_docs/medioambiental/2017/index.html">http://www.fccco.com/construccion_docs/medioambiental/2017/index.html</a></p>		
306-2	Waste by type and disposal method.	SDGs 6 and 14	Effluent and waste management (p. 56-57).		
306-3	Significant spills.	SDGs 6 and 14	<p>In 2017, there were 320 spills for a total of 33.96 m³.</p> <p>In 2016, there were 212 spills for a total of 62 m³.</p>		
306-4	Transport of hazardous waste.	SDGs 6 and 14	<p>Effluent and waste management (p. 56-57).</p> <p>2017 Environmental Disclosure (p. 79-84).  <a href="http://www.fccco.com/construccion_docs/medioambiental/2017/index.html">http://www.fccco.com/construccion_docs/medioambiental/2017/index.html</a></p>		





Indicator	Description	SDG Reference	Page/Observations	Omissions	External assurance
306-5	Water bodies affected by water discharge and/or runoff.	SDGs 6 and 14	<p>In 2017:</p> <p>Significant discharges in protected natural areas: 4 works.</p> <p>Significant discharges in areas of high value for biodiversity: 4 works.</p> <p>Significant discharges into watercourses of very high value for local communities and indigenous populations: 1 works.</p> <p>Significant discharges into watercourses with a relevant value for local communities and indigenous populations: 7 works.</p> <p>Significant discharges along natural coastline: 3 works.</p> <p>In 2016:</p> <p>Significant discharges in protected natural areas: 2 works.</p> <p>Significant discharges in areas of high value for biodiversity: 6 works.</p> <p>Significant discharges into watercourses of very high value for local communities and indigenous populations: 2 works.</p> <p>Significant discharges into watercourses with a relevant value for local communities and indigenous populations: 4 works.</p> <p>Significant discharges along natural coastline: 4 works.</p>		
<b>Material topic FCC Co: Policies to contain the effects of climate change (GRI 302, 305)</b>					
<b>Material topic: Energy</b>					
103-1	Explanation of the material topic and its Boundaries.	SDG 7	Managing impacts, working on new opportunities (p. 52-57).		
103-2	The management approach and its components.	SDG 7	Managing impacts, working on new opportunities (p. 52-57).		
103-3	Evaluation of the management approach.	SDG 7	Managing impacts, working on new opportunities (p. 52-57).		
<b>GRI 302. Energy 2016</b>					
302-1	Energy consumption within the organization.	SDG 7	Managing impacts, working on new opportunities (p. 52-55).		



Indicator	Description	SDG Reference	Page/Observations	Omissions	External assurance
302-2	Energy consumption outside the organization.	SDG 7	External energy consumption was 117,196 GJ in 2017. External energy consumption was 148,833 GJ in 2016. The consumption associated with electricity transmission losses and the energy used for earthmoving (subcontractors) were considered.		✓
302-3	Energy intensity.	SDG 7	In 2017, the energy consumption per employee was 237.64 GJ. In 2016, the energy consumption per employee was 242.61 GJ.		✓
302-4	Reduction of energy consumption.	SDG 7	Managing impacts, working on new opportunities (p. 53-55).		✓
302-5	Reduction in energy requirements of products and services.	SDG 7	Singular projects. Local impact (p. 47-50).	FCC Construcción's activity is related to the construction of infrastructures. There is therefore no certification for reduced end user consumption. The products and services we offer are determined by the customer. It is possible to reduce energy consumption in the construction processes, in this case the measures are adopted.	✓

#### Material topic: Emissions

#### GRI 103. Management approach 2016

103-1	Explanation of the material topic and its Boundaries.	SDG 13	Risks and opportunities related to climate change (p. 64-67). 2017 Environmental Disclosure (p. 97-103). <a href="http://www.fccco.com/construccion_docs/medioambiental/2017/index.html">http://www.fccco.com/construccion_docs/medioambiental/2017/index.html</a>		✓
103-2	The management approach and its components.	SDG 13	Risks and opportunities related to climate change (p. 64-67). 2017 Environmental Disclosure (p. 97-103). <a href="http://www.fccco.com/construccion_docs/medioambiental/2017/index.html">http://www.fccco.com/construccion_docs/medioambiental/2017/index.html</a>		✓
103-3	Evaluation of the management approach.	SDG 13	Risks and opportunities related to climate change (p. 64-67). 2017 Environmental Disclosure (p. 97-103). <a href="http://www.fccco.com/construccion_docs/medioambiental/2017/index.html">http://www.fccco.com/construccion_docs/medioambiental/2017/index.html</a>		✓



Indicator	Description	SDG Reference	Page/Observations	Omissions	External assurance
<b>GRI 305. Emissions 2016</b>					
305-1	Direct GHG emissions (scope 1).	SDG 13	Risks and opportunities related to climate change (p. 67).		✓
305-2	Energy indirect (Scope 2) GHG emissions.	SDG 13	Risks and opportunities related to climate change (p. 67).		✓
305-3	Other indirect (Scope 3) GHG emissions.	SDG 13	Risks and opportunities related to climate change (p. 67).		✓
305-4	IGHG emissions intensity.	SDG 13	Emissions per employee were 38.1 t CO <sub>2</sub> eq in 2017. Emissions per employee were 52.33 t CO <sub>2</sub> eq in 2016.		✓
305-5	Reduction of GHG emissions.	SDG 13	Risks and opportunities related to climate change (p 64-65; p. 67).		✓
305-6	Emissions of ozone-depleting substances (ODS).	SDG 13	Not applicable.	Emissions of this sort are not produced in the construction sector.	✓
305-7	Nitrogen oxides (NOx), sulphur oxides (SOx), and other significant air emissions.	SDG 13	2017 • NOx: 119,409.54 kg. • SOx: 3,304.03 kg. • Particles: 811,743.66 kg. 2016 • NOx: 82,816.35 kg. • SOx: 1,330.95 kg. • Particles: 790,383.67 kg.		✓
<b>Material topic FCC Co: Responsibility in the supply chain (GRI 308, 414)</b>					
<b>Material topic: Supplier environmental assessment</b>					
<b>GRI 103. Management approach 2016</b>					
103-1	Explanation of the material topic and its Boundaries.	SDG 12	Balanced relationships with our suppliers (p. 69-71).		✓
103-2	The management approach and its components.	SDG 12	Balanced relationships with our suppliers (p. 69-71).		✓
103-3	Evaluation of the management approach.	SDG 12	Balanced relationships with our suppliers (p. 69-71).		✓



Indicator	Description	SDG Reference	Page/Observations	Omissions	External assurance
<b>GRI 308. Supplier environmental assessment 2016</b>					
308-1	Porcentaje de nuevos proveedores que se examinaron en función de criterios ambientales.	SDG 12	Balanced relationships with our suppliers (p. 69-71). All FCC Construcción suppliers are screened according to environmental criteria.		✓
308-2	Negative environmental impacts in the supply chain and actions taken.	SDG 12	Unavailable.	While FCC Construcción does not collect information on the negative environmental impacts on the supply chain, there is currently a project underway to glean this type of information.	✓
<b>Material topic: Supplier social assessment</b>					
<b>GRI 103. Management approach 2016</b>					
103-1	Explanation of the material topic and its Boundaries.	SDG 16	Balanced relationships with our suppliers (p. 69-71). Impacting (p. 76-79).		✓
103-2	The management approach and its components.	SDG 16	Balanced relationships with our suppliers (p. 69-71). Impacting (p. 76-79).		✓
103-3	Evaluation of the management approach.	SDG 16	Balanced relationships with our suppliers (p. 69-71). Impacting (p. 76-79).		✓
<b>GRI 414. Supplier social assessment 2016</b>					
414-1	New suppliers screened using social criteria	SDG 16	Balanced relationships with our suppliers (p. 69-71). All FCC Construcción suppliers are screened according to social criteria.		
414-2	Negative social impacts in the supply chain and actions taken	SDG 16	Unavailable.	While FCC Construcción does not collect information on the negative social impacts on the supply chain, there is currently a project underway to glean this type of information.	✓





Indicator	Description	SDG Reference	Page/Observations	Omissions	External assurance
Material topic FCC Co: Employee welfare and professional growth (GRI 401, 402, 404, 405)					
Material topic: Employment					
GRI 103. Management approach 2016					
103-1	Explanation of the material topic and its Boundaries.	SDGs 4, 5 and 8	Our professionals: managing talent (p. 32-40).		✓
103-2	The management approach and its components.	SDGs 4, 5 and 8	Our professionals: managing talent (p. 32-40).		✓
103-3	Evaluation of the management approach.	SDGs 4, 5 and 8	Our professionals: managing talent (p. 32-40).		✓
GRI 401. Employment 2016					
401-1	New employee hires and employee turnover.	SDGs 4, 5 and 8	Our professionals (p. 32-40). Spanish new hirings in 2017: 752 employees. By gender: Men: 723; Women 29. Spanish new hirings in 2016: 774 employees. By gender: Men: 717; Women 57. Due to the variable duration of the works where the personnel is incorporated and those whom are lay-off, and the overlapping or continuity of some works with another. Hirings/lay-off details at international level are not available, showing a total net balance of 2236 persons as new hirings. See more information in GRI 102-8.		✓
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees.	SDGs 4, 5 and 8	All employees have the same benefits regardless of how many hours they work.		✓
401-3	Parental leave.	ODS 5, 8 y 10	In 2017, the 97% of employees who took maternity/paternity leave reincorporated upon conclusion of the leave. In 2016, the 99% of employees who took maternity/paternity leave reincorporated upon conclusion of the leave. These records are National/Spanish data.		✓



Indicator	Description	SDG Reference	Page/Observations	Omissions	External assurance
<b>Material topic: Labour/management relations</b>					
<b>GRI 103. Management approach 2016</b>					
103-1	Explanation of the material topic and its Boundaries.	SDGs 8 and 10	Our professionals (p. 32-35).		✓
103-2	The management approach and its components.	SDGs 8 and 10	Our professionals (p. 32-35).		✓
103-3	Evaluation of the management approach.	SDGs 8 and 10	Our professionals (p. 32-35).		✓
<b>GRI 402. Labour/management relations 2016</b>					
402-1	Minimum notice periods regarding operational changes.	SDGs 8 and 10	Specified in the General Construction Bargaining Agreement.		✓
<b>Material topic: Training and education</b>					
<b>GRI 103. Management approach 2016</b>					
103-1	Explanation of the material topic and its Boundaries.	SDGs 4, 5 and 8	Our professionals: managing talent (p. 36-37).		✓
103-2	The management approach and its components.	SDGs 4, 5 and 8	Our professionals: managing talent (p. 36-37).		✓
103-3	Evaluation of the management approach.	SDGs 4, 5 and 8	Our professionals: managing talent (p. 36-37).		✓
<b>GRI 404. Training and education 2016</b>					
404-1	Average hours of training per year per employee.	SDGs 4, 5 and 8	Average of 6.67 hours/employee in 2017. Average of 14.74 hours/employee in 2016. Further information in the Our Professionals section: Managing talent (p. 31-36).		✓
404-2	Programs for upgrading employee skills and transition assistance programs.	SDGs 4, 5 and 8	Our professionals: managing talent (p. 36-37).		✓



Indicator	Description	SDG Reference	Page/Observations	Omissions	External assurance
404-3	Percentage of employees receiving performance reviews.	SDGs 4, 5 and 8	Unavailable.	The FCC Group is working on the design and implementation of the Development function through a competency model, which encompasses a performance review, career plans and succession plans. Implementation is also underway for an agile and global system to support performance review and selection processes.	✓
403-4	Health and safety topics covered in formal agreements with trade unions.	SDGs 4, 5 and 8	The health and safety issues covered in formal agreements are the minimum provisions in risk prevention for construction and specific health and safety training for workers.		✓
<b>Material topic: Diversity and equal opportunities</b>					
<b>GRI 103. Management approach 2016</b>					
103-1	Explanation of the material topic and its Boundaries.	SDGs 5, 8 and 10	Our professionals: Equality and Diversity (p. 38-40).		✓
103-2	The management approach and its components.	SDGs 5, 8 and 10	Our professionals: Equality and Diversity (p. 38-40).		✓
103-3	Evaluation of the management approach.	SDGs 5, 8 and 10	Our professionals: Equality and Diversity (p. 38-40).		✓
<b>GRI 405. Diversidad e igualdad de oportunidades 2016</b>					
405-1	Diversity of governance bodies and employees.	SDGs 5, 8 and 10	Our professionals (p. 39) 2017 FCC Group Corporate Governance Report (p. 10-11, section C.1.4-C.1.6) <a href="http://www.fcc.es/documents/21301/841514/13_IAGC_2017_JGO+2018_i.pdf/fd0a480b-a383-e77a-203c-f841e7670958">http://www.fcc.es/documents/21301/841514/13_IAGC_2017_JGO+2018_i.pdf/fd0a480b-a383-e77a-203c-f841e7670958</a>		✓
405-2	Ratio of basic salary and remuneration of women to men.	SDGs 5, 8 and 10	Basic salaries are set by collective bargaining agreements and there are no differences between men and women.		✓



Indicator	Description	SDG Reference	Page/Observations	Omissions	External assurance
Material topic FCC Co: Occupational health of employees and subcontractors (GRI 403)					
Material topic: Occupational health and safety					
GRI 103. Management approach 2016					
103-1	Explanation of the material topic and its Boundaries.	SDGs 3, 8 and 10	Employee Health and Safety (p. 29-31).		✓
103-2	The management approach and its components.	SDGs 3, 8 and 10	Employee Health and Safety (p. 29-31).		✓
103-3	Evaluation of the management approach.	SDGs 3, 8 and 10	Employee Health and Safety (p. 29-31).		✓
GRI 403. Occupational health and safety 2016					
403-1	Workers representation in formal joint management-worker health and safety committees.	SDGs 3, 8 and 10	100% of the employees of FCC Construcción are represented in the Health and Safety Committees.		✓
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities.	SDGs 3, 8 and 10	Employee Health and Safety (p. 29-31). In 2017, there were 2 fatalities. In 2016, there were no fatal accidents. There were 41 accidents without leave in Spain (versus 135 in 2016). There is no availability of representative data for subcontractors, due to the heterogeneity of criteria applied in different countries. To monitor health and safety incidents, the preventive measures set out in the Incident Investigation Report, as stated in the Prevention Management System, are checked to ensure that they are being implemented.		✓
403-3	Workers with high incidence or high risk of diseases related to their occupation	SDGs 3, 8 and 10	The construction sector is not a sector of high risk of diseases related to the activity.		✓
403-4	Health and safety topics covered in formal agreements with trade unions	SDGs 3, 8 and 10	The health and safety issues covered in formal agreements are the minimum provisions in risk prevention for construction and specific health and safety training for workers.		✓





Indicator	Description	SDG Reference	Page/Observations	Omissions	External assurance
<b>Material topic FCC Co: Promotion and respect of human rights (GRI 406,407)</b>					
<b>Material topic: Non-discrimination</b>					
<b>GRI 103. Management approach 2016</b>					
103-1	Explanation of the material topic and its Boundaries.	SDGs 5, 8 and 10	Our professionals: Equality and Diversity (p. 38-40).		✓
103-2	The management approach and its components.	SDGs 5, 8 and 10	Our professionals: Equality and Diversity (p. 38-40).		✓
103-3	Evaluation of the management approach.	SDGs 5, 8 and 10	Our professionals: Equality and Diversity (p. 38-40).		✓
<b>GRI 406. Non-discrimination 2016</b>					
406-1	Incidents of discrimination and corrective actions taken.	SDGs 5, 8 and 10	There has not been any type of discrimination. This is set by the Code of Ethics and the Equality Plan. There is a follow-up commission within the Equality Plan, collecting 0 complaints. In the same way, the Response Committee receives and registers complaints, without having received any of this type.		✓
<b>Material topic: Human Rights</b>					
<b>GRI 103. Management approach 2016</b>					
103-1	Explanation of the material topic and its Boundaries.	SDG 16	Human rights (p. 24).		✓
103-2	The management approach and its components.	SDG 16	Human rights (p. 24).		✓
103-3	Evaluation of the management approach.	SDG 16	Human rights (p. 24).		✓



Indicator	Description	SDG Reference	Page/Observations	Omissions	External assurance
<b>GRI 412. Derechos Humanos 2016</b>					
412-1	Operations that have been subject to human rights reviews or impact assessments.	SDG 16	<p>FCC Construcción is a signatory of the 10 Principles of the Global Compact, respects human rights and observes the pertinent legislation in force in the countries where it operates.</p> <p>These principles have been included in the management system and are monitored through scheduled systematic audits at all the organization's centres and worksites.</p> <p>Additionally, projects funded by the signatories of the Equator Principles undergo an annual third-party audit.</p>		
412-2	Employee training on human rights policies or procedures.	SDGs 8 and 10	All FCC Construcción employees must receive training on the Code of Ethics.		
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening.	SDGs 5, 8, 10 and 16	All company contracts include clauses regarding compliance with the UN Global Compact including principles related to respecting labour and human rights.		
<b>Material topic FCC Co: Technological development and prevention of cyber attacks</b>					
<b>GRI 103. Management approach 2016</b>					
103-1	Explanation of the material topic and its Boundaries.	SDG 16	<p>Identification and prevention of ESG risks (p.25-27).</p> <p>Innovation for a more efficient industry (p.44-50).</p> <p>To deal with the risks related to information security, the company has an Information Security Management System designed in accordance with the international standards, and that has a third-party certification in certain business areas.</p>		
103-2	The management approach and its components.	SDG 16	<p>Identification and prevention of ESG risks (p.25-27).</p> <p>Innovation for a more efficient industry (p.44-50).</p> <p>To deal with the risks related to information security, the company has an Information Security Management System designed in accordance with the international standards, and that has a third-party certification in certain business areas.</p>		



Indicator	Description	SDG Reference	Page/Observations	Omissions	External assurance
103-3	Evaluation of the management approach.	SDG 16	<p>Identification and prevention of ESG risks (p. 25-27). Innovation for a more efficient industry (p. 44-50).</p> <p>To deal with the risks related to information security, the company has an Information Security Management System designed in accordance with the international standards, and that has a third-party certification in certain business.</p>		

#### Material topic FCC Co: Customer experience

##### GRI 103. Management approach 2016

103-1	Explanation of the material topic and its Boundariess.	SDG 16	Responsibility with our stakeholders (p. 72-75).		
103-2	The management approach and its components.	SDG 16	Responsibility with our stakeholders (p. 72-75).		
103-3	Evaluation of the management approach.	SDG 16	Responsibility with our stakeholders (p. 72-75).		



Av. del Camino de Santiago, 40. Madrid 28050. Tel +34 91 757 38 00  
[www.fcc.es](http://www.fcc.es) [www.fccco.com](http://www.fccco.com) [calidad\\_rsc\\_construc@fcc.es](mailto:calidad_rsc_construc@fcc.es)