



# Sustainability Report 2017-2018

2018 update

# Summary

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The Sustainability Report prepared by FCC Construcción is valid over a two year period and is published every two years. This document summarises the most relevant information of the 2017-2018 Sustainability Report and contains the update of the main indicators of the past year.

# FCC Construcción at a glance

## Progress of the main indicators

|  | 2017   | 2018   | Progress |
|--|--------|--------|----------|
| <b>Business</b>  |        |        |          |
|  Turnover (million €)         | 1,682  | 1,655  | ▼        |
| Portfolio (million €)  | 4,300  | 4,516  | ▲        |
| Percentage of international turnover   | 64%    | 63%    | ▼        |
| <b>People</b>  |        |        |          |
|  Employees                  | 7,907  | 9,309  | ▲        |
| Women (over the total staff)   | 10.6%  | 10.9%  | ▲        |
| Training hours   | 52,768 | 70,682 | ▲        |
| Training expenses (thousand €)   | 1,272  | 1,663  | ▲        |
| Environment, quality and occupational health-safety training hours   | 14,788 | 16,759 | ▲        |
| Accident incidence rate <sup>(1)</sup>   | 551    | 346    | ▼        |
| Accident frequency rate <sup>(1)</sup>   | 2.87   | 1.85   | ▼        |
| Accident severity rate <sup>(1)</sup>  | 0.14   | 0.10   | ▼        |
| <b>Innovation</b>  |        |        |          |
|  R&D investment (million €) | 3.3    | 2.1    | ▼        |

<sup>(1)</sup> Data from Spain.



## Environment

|   | 2017      | 2018                             | Progress |
|---|-----------|----------------------------------|----------|
| Certified activity according to ISO 14001<br>(99.8% in Spain)   | 95.2%     | <b>92.9%</b><br>(99.4% in Spain) | ▼        |
| % of sites meeting the environmental objective set forth by the company <sup>(2)</sup>                  | 93.7%     | <b>97.5%</b>                     | ▲        |
| Use of resources recovered from waste <sup>(2)</sup> (soil and debris reused on site) (m <sup>3</sup> ) | 3,834,121 | <b>3,118,691</b>                 | ▼        |
| Energy consumption (GJ)   | 1,879,046 | <b>1,339,335</b>                 | ▼        |
| Water consumption (m <sup>3</sup> )   | 1,367,724 | <b>1,429,379</b>                 | ▲        |
| GHG emissions (t CO <sub>2</sub> eq)  | 300,975   | <b>301,659</b>                   | ▲        |
| GHG emissions avoided by implementation of Good Practices (t CO <sub>2</sub> eq)                        | 12,342    | <b>8,899</b>                     | ▼        |



## Community

|   |         |                                   |   |
|---|---------|-----------------------------------|---|
| Website visits  | 151,200 | <b>202,412</b>                    | ▲ |
| Number of suppliers   | 11,408  | <b>11,724</b>                     | ▲ |
| Percentage of local suppliers                                 | 94.5%   | <b>96.5%</b>                      | ▲ |
| Certified activity according to ISO 9001<br>(99.8% en España) | 96.1%   | <b>93.5%</b><br>(99.4% en España) | ▼ |
| Customer satisfaction <sup>(3)</sup>                          | 3.46    | <b>3.51</b>                       | ▲ |
| Number of external communications received <sup>(2)</sup>     | 212     | <b>362</b>                        | ▲ |

<sup>(2)</sup> It does not include data from FCC Industrial.

<sup>(3)</sup> This is the weighted rating of the company's performance at construction sites of FCC Construcción and FCC Industrial. It is rated from 1 to 4, 4 being the maximum level of satisfaction.





114 RESIDENTIAL BUILDINGS IN MÁLAGA (SPAIN)



















## Certified activity

| Management Area                | Standard                 | 2017               |                       | 2018               |              |               |                            |                       |
|--------------------------------|--------------------------|--------------------|-----------------------|--------------------|--------------|---------------|----------------------------|-----------------------|
|                                |                          | Total Construction | Construction in Spain | Total Construction | Total FCC Co | Total FCC Ind | International Construction | Construction in Spain |
| Quality                        | ISO 9001                 | 96.1%              | 99.8%                 | 93.5%              | 99.7%        | 69.0%         | 90.1%                      | 99.4%                 |
| Environment                    | ISO 14001                | 95.2%              | 99.8%                 | 92.9%              | 99.7%        | 65.6%         | 89.0%                      | 99.4%                 |
| Occupational Health and Safety | OHSAS 18001<br>ISO 45001 | 90.1%              | 99.7%                 | 93.3%              | 89.2%        | 98.3%         | 80.7%                      | 99.9%                 |
| GHG Emissions                  | ISO 14064                | 24.1%              | 65.4%                 | 44.5%*             | 55.6%        | 0.0%          | 33.0%                      | 64.0%                 |
| Information Security           | ISO 27001                | 30.3%              | 82.3%                 | 29.1%              | 27.4%        | 35.5%         | 0.0%                       | 78.3%                 |
| R&D                            | UNE 166002               | N/A                | 65.4%                 | N/A                | N/A          | N/A           | N/A                        | 59.1%                 |

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

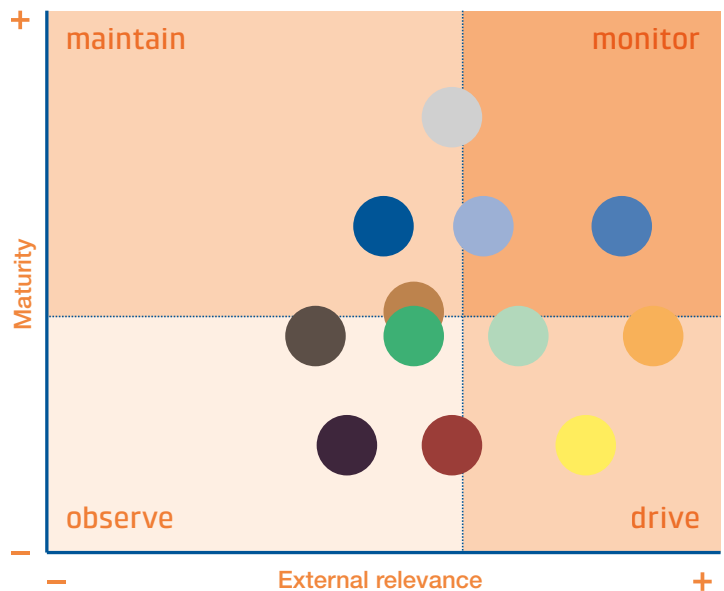
(\*) In 2018, the emissions of the activity executed by FCC Construcción in Spain, Panama, Portugal and Peru were verified; while in 2017 only the emissions of the activity executed by FCC Construcción in Spain were verified.

# FCC Construcción Materiality Matrix

| Material topics in 2018  | Relevance           | Relation with the SDGs  |
|--|---------------------|---|
| <ul style="list-style-type: none"> <li>Occupational health and safety of employees and contractors.</li> <li>Liability for suppliers and subcontractors.</li> <li>Employee well-being and professional growth.</li> <li>Corruption prevention and mitigation systems.</li> </ul> | Very high relevance |   <br>            |
| <ul style="list-style-type: none"> <li>Promotion of and respect for human rights.</li> <li>Protection of scarce natural resources.</li> <li>Policies to contain the effects of climate change.</li> <li>Responsible hiring criteria.</li> </ul>                                  | High relevance      |   <br>            |
| <ul style="list-style-type: none"> <li>Innovation and sustainability.</li> <li>Local development.</li> <li>Technological development and cyberattack prevention.</li> <li>Customer experience.</li> </ul>  | Medium relevance    |   <br>   |

## Material matters identified

- Promotion of and respect for human rights
- Technological development and cyberattack prevention
- Employee well-being and professional growth
- Occupational health and safety of employees and contractors
- Protection of scarce natural resources
- Corruption prevention and mitigation systems
- Liability for suppliers and contractors
- Policies to contain the effects of climate change
- Innovation and sustainability
- Customer experience
- Local development
- Responsible hiring criteria





# 1.

## Our organisation

SAN JUAN DE DIOS HOSPITAL, SEVILLA (SPAIN)

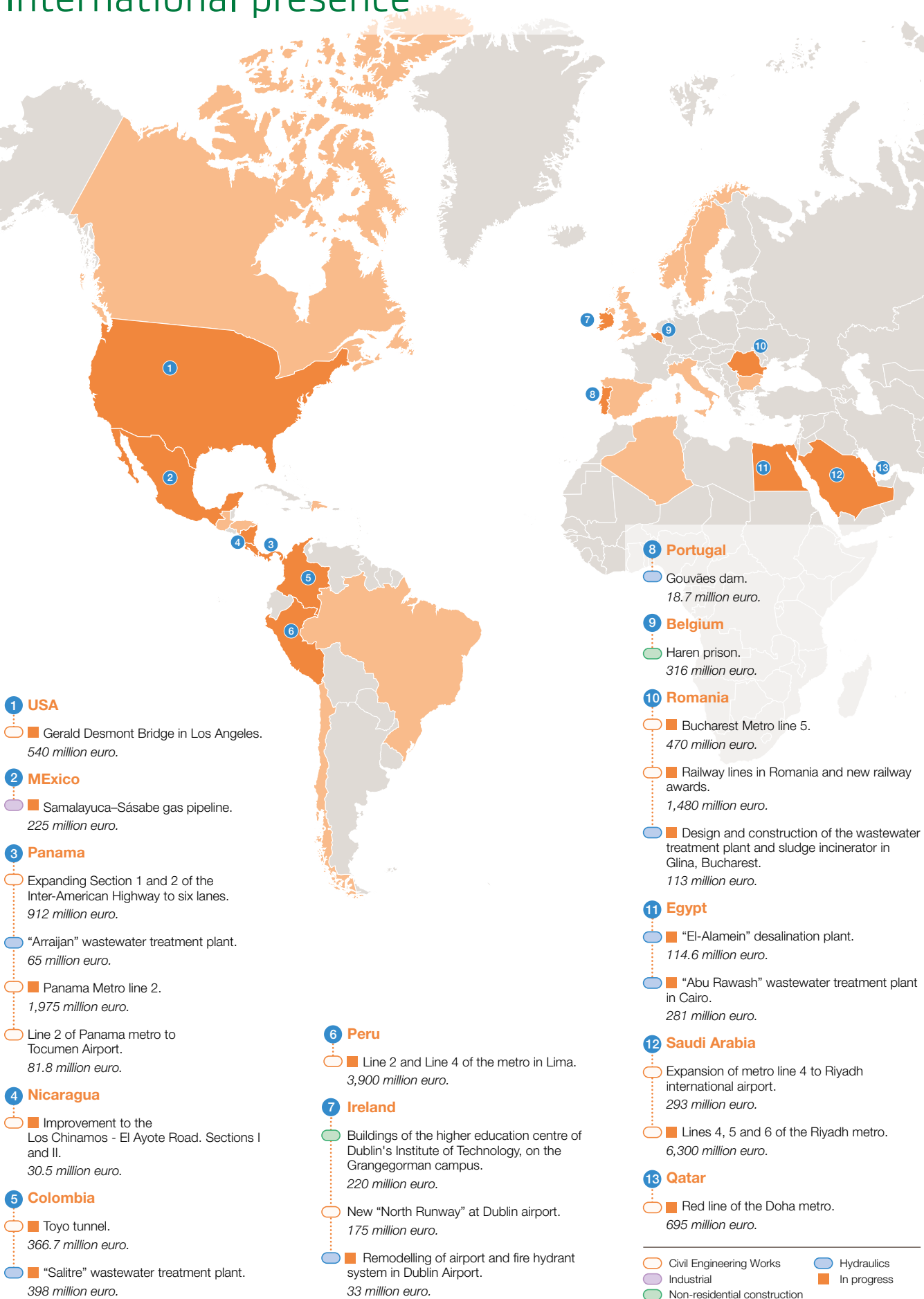
### 2018 MILESTONES

- 59 contracts awarded, worth almost 2,000 million euros.
- Projects awarded to FCC Construcción for the expansion of the “Jorge Chavez” new international airport (Peru); six-lane extension of sections 1 and 2 of the inter-American highway (Panama); buildings of the Dublin Institute Centre of Technology on the campus of Grangegorman (Ireland) and the Loeches environmental recycling complex (Spain).
- Signature of the concession contract for the Haren prison complex (Brussels).
- Inauguration of Mersey Bridge (United Kingdom) and the Panama Metro line 2 (Panama).
- Completion of the Doha metro works (Qatar).
- Global benchmark in the execution of large-scale infrastructures, with more than 8,500 km of roads, more than 2,600 km of railways, more than 4,500,000 m<sup>2</sup> of airport runways, 48 dams and 1,650 bridges executed.
- 2018 closed with a turnover of €1,655 million.
- Portfolio expanded to €4,516 million.
- International activity contributes 63% of revenues.
- Dissemination of the organisation’s performance by publishing the 2017-2018 Sustainability Report and the Communication on Progress submitted to the United Nations.
- FCC Construcción’s participation in forums, discussion groups, working groups and other CSR-related organisations.
- Analysis of CSR-related trends to ascertain the implications for the organisation.
- Linking 2017-2020 Management objectives to the SDGs.
- Dissemination and training of employees on SDGs, through the training pill “FCC Construcción and its commitment to the Sustainable Development Goals”.

### FUTURE CHALLENGES

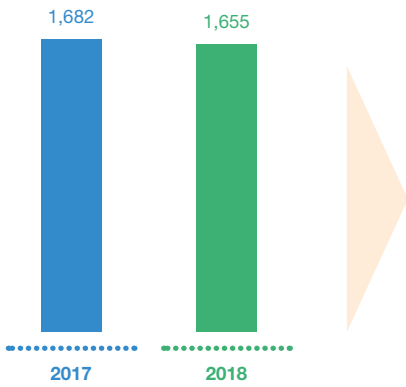
- Promote synergies between different business areas, to act as a single company and be even more efficient.
- Continue making progress in our international expansion, while strengthening the presence in the consolidated markets of FCC Construcción.
- Select flagship and singular projects in which FCC Construcción can provide a differential value.
- Improve production processes and optimise costs.
- Submit bids for tenders in markets where our historical experience and our technical capacity differentiate us and allow us to achieve a higher profitability.
- Draw up the new procedure “PR-FCC-410 Corporate Social Responsibility” to define the CSR-related actions carried out by the organisation.
- Raise awareness among employees on CSR matters.
- Implement SDG monitoring mechanisms.

# International presence

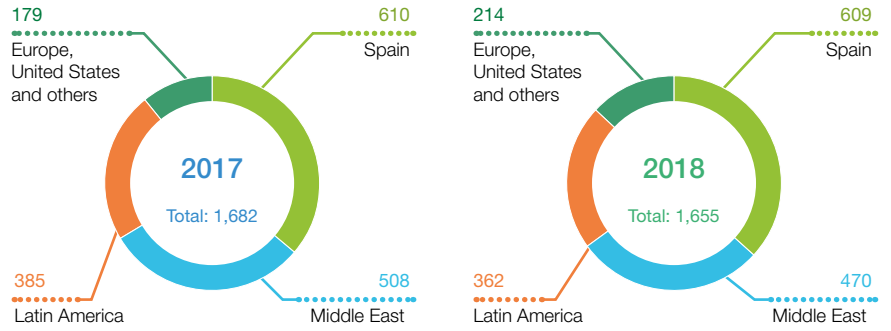


# Economic performance

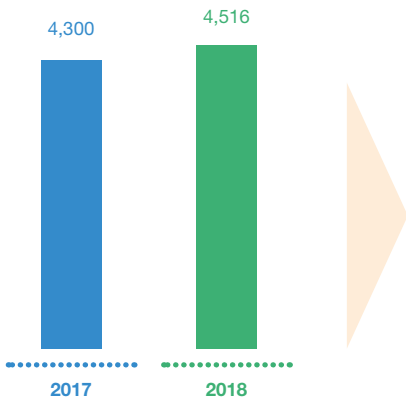
**Turnover.** Million euro



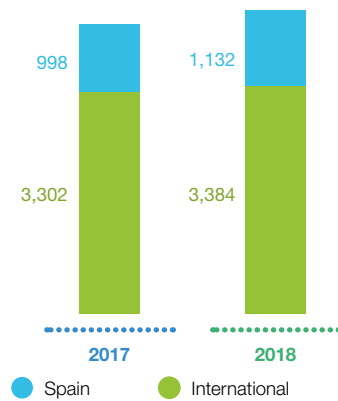
**Turnover distribution by geographic region.** Million euro



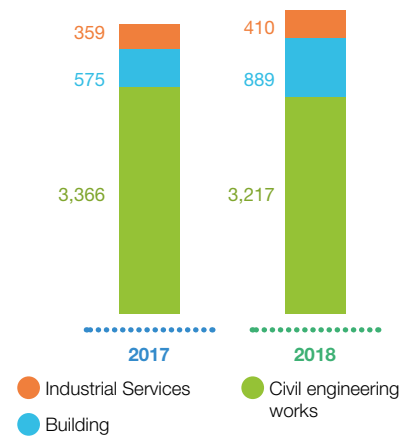
**Portfolio.** Million euro



**Portfolio distribution by geographic region.** Million euro

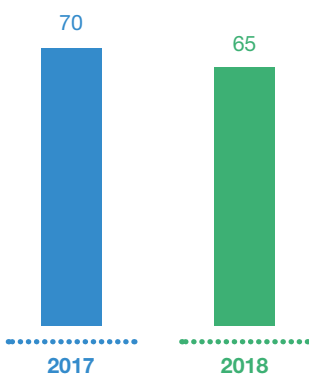


**Portfolio distribution by activity.** Million euro

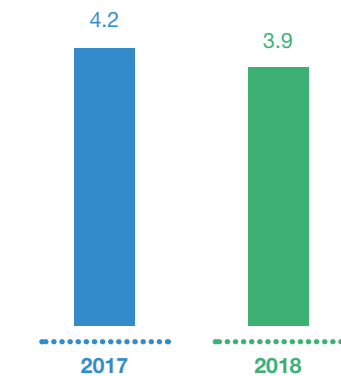


**Gross Operating Profit (EBITDA).**

Million euro



**EBITDA margin.** %





# 2.

## The company's fundamentals: values and good governance



PANAMA METRO LINE 2 (PANAMA)

### 2018 MILESTONES

- Wide diversity of gender and nationalities on the FCC Board of Directors.
- Return to ordinary remuneration to shareholders, with the proposal to pay a 'scrip dividend', according to the results of the 2018 financial year.
- Approval of the new Code of Ethics and Conduct to reinforce the culture of compliance in the organisation.
- Development of a criminal offence prevention manual.
- Creation of the compliance department and appointment of a compliance officer in FCC Construcción.
- Training related to the Code of Ethics and compliance for the management team and users of controls and processes of FCC Construcción.
- Approval of the anti-corruption policy of the FCC Group.
- Development of a Human Rights Policy within the framework of the CSR Master Plan.

### FUTURE CHALLENGES

- Risk Map Update.
- Conducting risk assessments for all construction work stages.
- Provision of training in relation to the Code of Ethics and Conduct to all personnel in the Construction Area.
- Preparing a scheme that sums up the due diligence process for FCC Construcción regarding human rights, ethics and integrity, procurement practices, the environment and OH&S.
- Submitting the Human Rights Policy for consideration by the Board of Directors.
- Development of a counterpart assessment system, including agents, business partners, suppliers and third parties.

## Good governance, ethics and integrity



### Ethics Channel

The FCC Group has an internal whistleblowing channel and procedure that allows its employees to send their questions and report irregular behaviours related to the Code of Ethics and Conduct confidentially.

**45 communications** received through FCC Group's Ethics Channel in 2018

### Regulatory Block

- Code of Ethics and Conduct.
- Criminal offence prevention manual.
- Anti-corruption policy.
- Investigation and response procedure.
- Procedure of the Ethics Channel.
- Compliance Committee Regulations.
- Workplace and sexual harassment prevention protocol.

### Audit and Control Committee

Its main role is to provide support to the Board of Directors in its monitoring tasks through the periodic review of its internal controls, among other tasks.

### Compliance Committee

It is responsible for ensuring the proper functioning of the Ethics Channel and assessing possible improvements in the controls and systems established in the company, with the capacity to recommend corrective actions if deemed necessary.

## ESG Risk Identification and Prevention



### Social and environmental risk of projects in the tender stage

| Social-Environmental risk level            | 2017       | 2018         |
|--|------------|--------------|
| Projects with a high risk                  | 37.3%      | 8.1%         |
| Projects with a medium risk                | 62.5%      | 91.9%        |
| Projects with a minimal or no risk         | 0.2%       | 0.0%         |
| <b>Total projects studied and tendered</b> | <b>440</b> | <b>1,093</b> |

### Environmental risks and opportunities of projects in the construction stage

|  | 2017       | 2018       |
|--|------------|------------|
| Number of identified risks/opportunities           | 2,454      | 2,664      |
| Average identified risks/opportunities             | 24         | 23         |
| Number of identified actions                       | 4,979      | 5,099      |
| Average identified actions                         | 49         | 44         |
| <b>Total projects with environmental risk data</b> | <b>101</b> | <b>117</b> |



# 3

## Our people

PORTÓN ROAD, ASTURIAS (SPAIN)

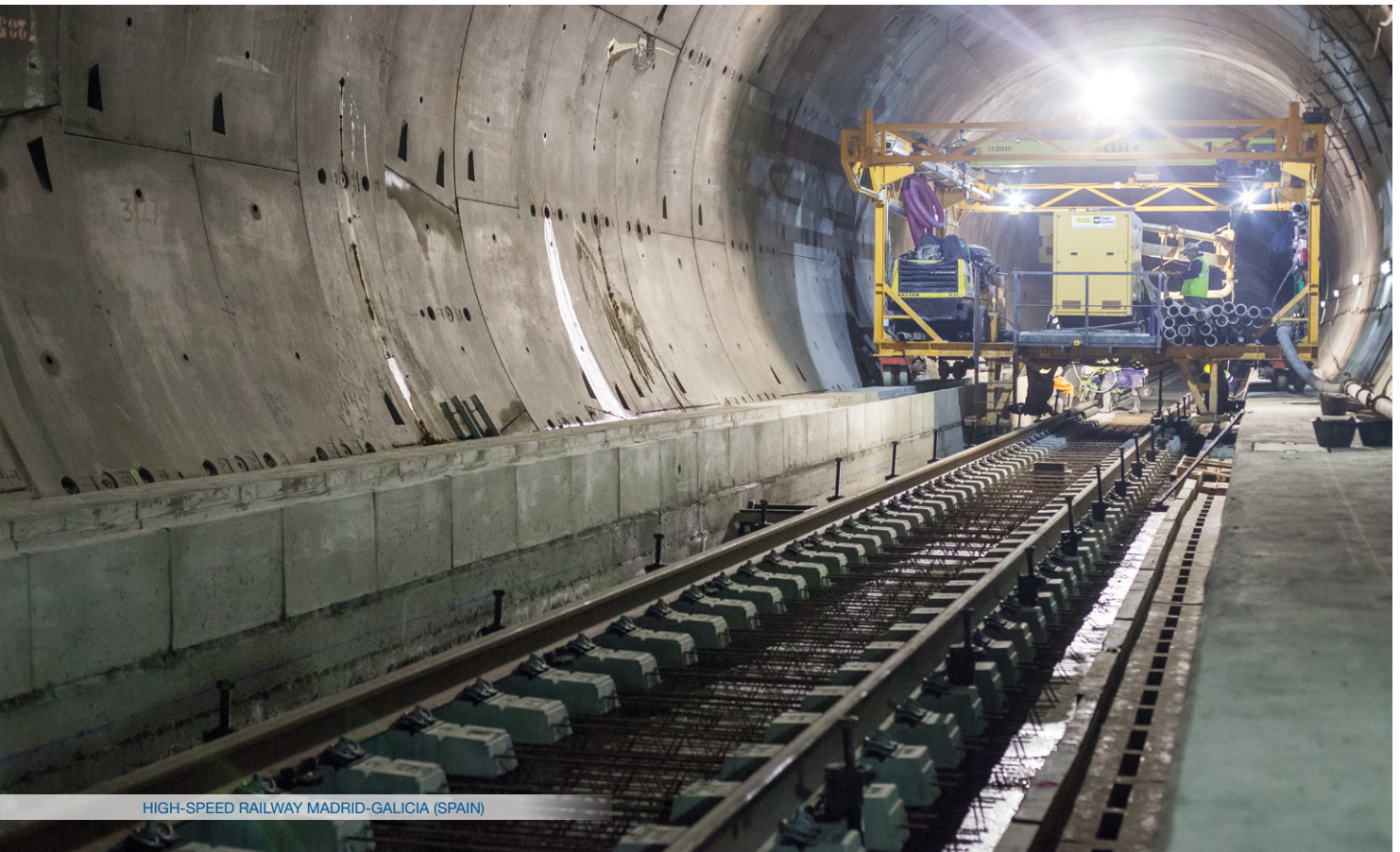
### 2018 MILESTONES

- Adaptation of the Management System to the new ISO 45001 Standard, which will replace the OHSAS Standard.
- 20 million hours worked without accidents with lost time in the Riyadh metro project.
- Zero accidents with lost time in 2018 during the assembly of signs (Megaplas), tasks carried out through subcontractors.
- Continuous implementation of good practices in occupational health and safety, related to the execution of activities, work teams and auxiliary means, road safety and health promotion.
- 37% reduction of the accident frequency rate compared to the previous fiscal year.
- ACEX National Prize for Road Conservation Safety for the Vehicle Adaptation Project, which involved installing MATINSA's safety improvement system for rail operators.
- Increase in the number of employees.
- New hires and integration of people with disabilities in the Construction area.
- Talent retention: priority for covering positions with the company's employees instead of outsourcing.
- Integration of almost all of the construction area staff in the same personnel control system.
- Increase in the number of training hours of our professionals in 2018.
- Average increase in training hours received per worker.
- Update of technical courses, in its online version.
- Adhesion to the "Women Empowerment Principles", of the United Nations' Global Compact and to the Diversity Charter.
- New information channel on diversity and equal opportunities, in collaboration with the Adecco Foundation, to inform employees about diversity and equal opportunity initiatives.
- 10 years of the Family Plan.
- Round table debate to observe the International Day for the Elimination of Violence against Women.
- FCC Construcción celebrates Disability Day.
- Renewal of the "Business equality" seal.

### FUTURE CHALLENGES

- Keep accident rates lower than the established target.
- Promote the implementation of good practices related to health and safety, road safety and the promotion of well-being and health.
- Certify the Health and Safety Management System based on the ISO 45001 standard.
- Develop an awareness campaign on the correct use of ladders.
- Implement a program to monitor the safety status of work centres.
- Make a diagnosis on the healthy habits of workers through surveys.
- Strengthen the workforce and stabilise it, providing the best professionals for the construction projects.
- Increase online training.
- Promote training in BIM methodology to designated personnel.
- Identify and train internal training staff to develop their activity through specific actions that allow the development of their skills.
- Continue with the Young Talent Program and the Scholarship Program, in order to enhance the career progress of talented students and ease their entrance in the job market.
- Participate in executive development programmes for management to identify and retain the best female talent.
- Remain steadfast in our commitment to internal talent retention to fill vacancies.
- Create a welcome handbook for new hires.
- Disability awareness-raising through training actions.
- Promote equality in access to management positions.
- Spread a corporate culture committed to equal opportunities.





HIGH-SPEED RAILWAY MADRID-GALICIA (SPAIN)

## Occupational health and safety

|      |                            | Frequency Rate<br>LTIR <sup>(1)</sup> | Seriousness Rate<br>SR <sup>(2)</sup> | Incidence Rate<br>IR <sup>(3)</sup> | Absentee Rate <sup>(4)</sup> |
|------|----------------------------|---------------------------------------|---------------------------------------|-------------------------------------|------------------------------|
| 2017 | National Construction      | 2.87                                  | 0.14                                  | 551                                 | 5.68                         |
|      | International Construction | 3.07                                  | 0.05                                  | 672                                 | 1.67                         |
| 2018 | National Construction      | 1.85                                  | 0.10                                  | 346                                 | 6.48                         |
|      | International Construction | 4.34                                  | 0.05                                  | 1,119                               | 0.99                         |

Note: The breakdown of the accident rate by gender is not relevant in the construction sector, given that almost all workers on site are men.

<sup>(1)</sup> **LTIR: Frequency rate:** number of accidents requiring sick leave per 1,000,000 hours worked.

<sup>(2)</sup> **SR: Seriousness rate:** working days lost because of accidents recorded and requiring sick leave per 1,000 hours worked.

<sup>(3)</sup> **IR: Incidence rate:** accidents requiring sick leave per 100,000 workers, divided by the average number of workers.

<sup>(4)</sup> **Absentee rate:** actual days lost by an absent worker, expressed as a percentage of the total working days scheduled for workers during the same period.

# Managing talent

## Workforce

### 9,309 employees



**8,294**  
Men

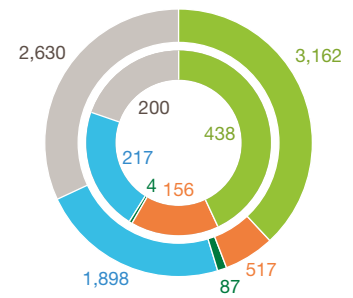


**1,015**  
Women

### Workforce distribution, by gender, type of contract and region

|                              | 2017         | 2018         |                         |              |                                   |              |
|------------------------------|--------------|--------------|-------------------------|--------------|-----------------------------------|--------------|
|                              |              | Total        | Distribución por género |              | Distribución por tipo de contrato |              |
|                              |              |              | Women                   | Men          | Open-ended                        | Temporary    |
| Spain                        | 3,419        | 3,600        | 438                     | 3,162        | 2,196                             | 1,404        |
| Europe                       | 306          | 673          | 156                     | 517          | 165                               | 508          |
| USA and Canada               | 17           | 91           | 4                       | 87           | 12                                | 79           |
| Latin America                | 1,820        | 2,115        | 217                     | 1,898        | 1,071                             | 1,044        |
| Rest of World <sup>(1)</sup> | 2,345        | 2,830        | 200                     | 2,630        | 146                               | 2,684        |
| <b>Total</b>                 | <b>7,907</b> | <b>9,309</b> | <b>1,015</b>            | <b>8,294</b> | <b>3,590</b>                      | <b>5,719</b> |

<sup>(1)</sup> Rest of World: Northern Africa and the Middle East.



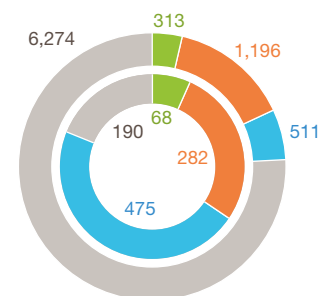
- Spain
- Europe
- USA and Canada
- Latin America
- Rest of World (Northern Africa and the Middle East)

Internal circle: women  
External circle: men

### Workforce distribution, by gender and professional category

|              | 2017         |            |              | 2018         |              |              |
|--------------|--------------|------------|--------------|--------------|--------------|--------------|
|              | Total        | Women      | Men          | Total        | Women        | Men          |
| Category 1   | 500          | 80         | 420          | 381          | 68           | 313          |
| Category 2   | 1,311        | 217        | 1,094        | 1,478        | 282          | 1,196        |
| Category 3   | 527          | 268        | 259          | 986          | 475          | 511          |
| Category 4   | 5,569        | 275        | 5,294        | 6,464        | 190          | 6,274        |
| <b>Total</b> | <b>7,907</b> | <b>840</b> | <b>7,066</b> | <b>9,309</b> | <b>1,015</b> | <b>8,294</b> |

- 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.



- Category 1
- Category 2
- Category 3
- Category 4

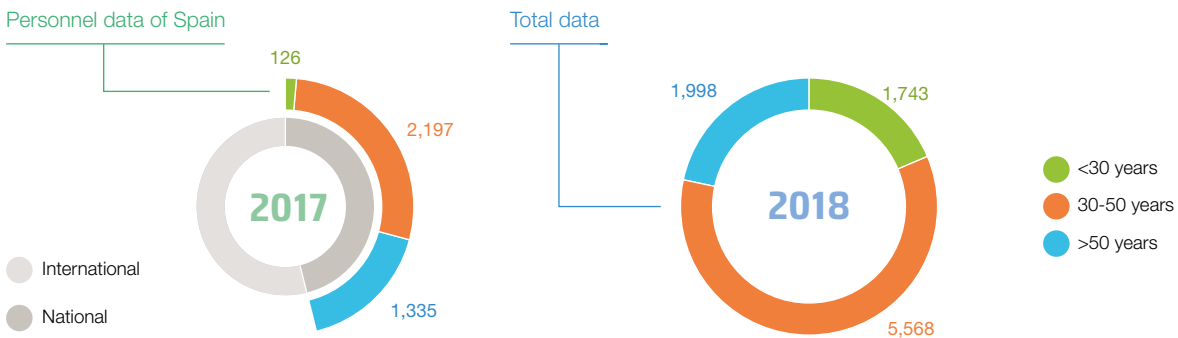
Internal circle: women  
External circle: men

### Workforce distribution, by age and professional category

|              | 2017 <sup>(1)</sup> |            |              |              | 2018         |              |              |              |
|--------------|---------------------|------------|--------------|--------------|--------------|--------------|--------------|--------------|
|              | Total               | < 30 years | 30-50 years  | > 50 years   | Total        | < 30 years   | 30-50 years  | > 50 years   |
| Category 1   | 241                 | 0          | 107          | 134          | 381          | 6            | 187          | 188          |
| Category 2   | 881                 | 29         | 622          | 230          | 1,478        | 167          | 992          | 319          |
| Category 3   | 353                 | 4          | 203          | 146          | 986          | 315          | 468          | 203          |
| Category 4   | 2,183               | 93         | 1,265        | 825          | 6,464        | 1,255        | 3,921        | 1,288        |
| <b>Total</b> | <b>3,658</b>        | <b>126</b> | <b>2,197</b> | <b>1,335</b> | <b>9,309</b> | <b>1,743</b> | <b>5,568</b> | <b>1,998</b> |

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.

<sup>(1)</sup> Personnel data of Spain.



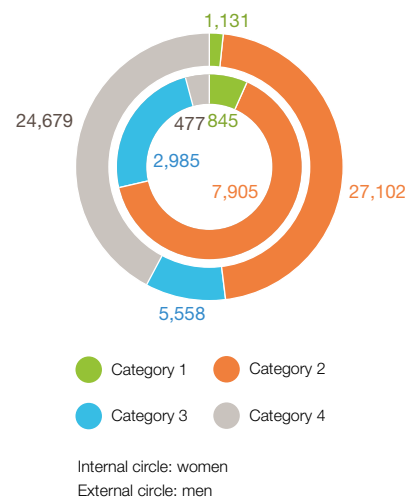
Training

Training hours ▶ 70,682

Expenses ▶ 1,662,468 €

### Number of training hours, distributed by gender and employee category

|              | 2017          | 2018          |               |               |
|--------------|---------------|---------------|---------------|---------------|
|              | Total         | Total         | Women         | Men           |
| Category 1   | 4,317         | 1,976         | 845           | 1,131         |
| Category 2   | 24,499        | 35,007        | 7,905         | 27,102        |
| Category 3   | 4,961         | 8,543         | 2,985         | 5,558         |
| Category 4   | 18,991        | 25,156        | 477           | 24,679        |
| <b>Total</b> | <b>52,768</b> | <b>70,682</b> | <b>12,212</b> | <b>58,470</b> |

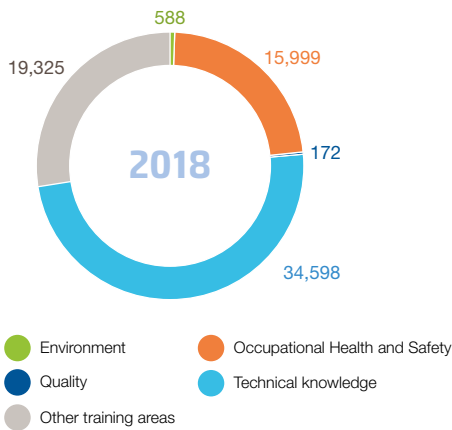


Category 1: Executives, Directors, Service Managers and Regional Managers.  
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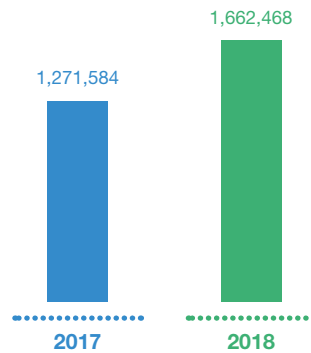
Internal circle: women  
 External circle: men

### Training hours, distributed per topic

|                                | 2017          | 2018          |
|--------------------------------|---------------|---------------|
| Environment                    | 96            | 588           |
| Occupational Health and Safety | 14,477        | 15,999        |
| Quality                        | 215           | 172           |
| Technical knowledge            | 37,981        | 34,598        |
| Other training areas           |               | 19,325        |
| <b>Total</b>                   | <b>52,768</b> | <b>70,682</b> |



### Training expenses (€)



## Equal opportunities and diversity

### Percentage of women

|  | 2017 | 2018 |
|--|------|------|
| Over the total workforce                   | 11%  | 11%  |
| Over the total number of manager positions | 16%  | 18%  |
| In the Board of Directors                  | 27%  | 27%  |

### Minority or vulnerable groups of employees<sup>(1)</sup>

| Distribution by category | 2017      |           | 2018                   |           |                           |             |            |
|--------------------------|-----------|-----------|------------------------|-----------|---------------------------|-------------|------------|
|                          | Total     | Total     | Distribution by gender |           | Distribution by age group |             |            |
|                          |           |           | Women                  | Men       | < 30 years                | 30-50 years | > 50 years |
| Category 1               | 1         | 1         | 0                      | 1         | 0                         | 0           | 1          |
| Category 2               | 10        | 10        | 2                      | 8         | 0                         | 5           | 5          |
| Category 3               | 9         | 23        | 10                     | 13        | 1                         | 13          | 9          |
| Category 4               | 24        | 26        | 3                      | 23        | 0                         | 13          | 13         |
| <b>Total</b>             | <b>44</b> | <b>60</b> | <b>15</b>              | <b>45</b> | <b>1</b>                  | <b>31</b>   | <b>28</b>  |

<sup>(1)</sup> Personnel data of Spain.



# 4

## Sustainable construction

GERALD DESMONT BRIDGE (USA)

### 2018 MILESTONES

- Participation in over 45 workgroups related with sustainability, innovation and environmental issues in construction.
- Creation of a coordination department for the implementation of the BIM methodology in the Technical Services of FCC Construcción.
- Review of the Sustainability Management System, to adapt its procedures to the BIM methodology.
- Over €2 million invested in R&D.
- Publication and dissemination of the Technological Surveillance Newsletter.
- Definition of Knowledge Management as a strategic line of R&D for FCC Construcción.
- Focus of the R&D activity on large-scale projects.
- Start of the "BIMCHECK" project, combining BIM and Blockchain technologies for quality management at FCC Construcción.
- Promotion of R&D projects in Occupational Health and Safety, applying the BIM methodology.

### FUTURE CHALLENGES

- Improvement of our own methodology for the assessment of sustainability in civil engineering works, SAMCEW®, and its application to ongoing construction projects.
- Adaptation of risk management to the new international standard ISO 31001:2018.
- Development and proposal of indicators regarding ISO and CEN international standards as a balanced scorecard for assessing sustainability. Internal application in the company.
- Raising awareness among company personnel in sustainability assessment methodologies.
- Consolidation and reinforcement of customer and Public Authority involvement in the development of innovation projects.
- Assisting the company in gaining access to international R&D funding programmes.
- Promotion of the involvement and participation of different organisations in the certification of projects.
- Promotion of R&D projects related to Health and Safety and the circular economy.
- Boosting 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.).
- Backing the strategy and implementation of BIM at worksites through BIM-related projects and partnerships with BIM engineering firms.





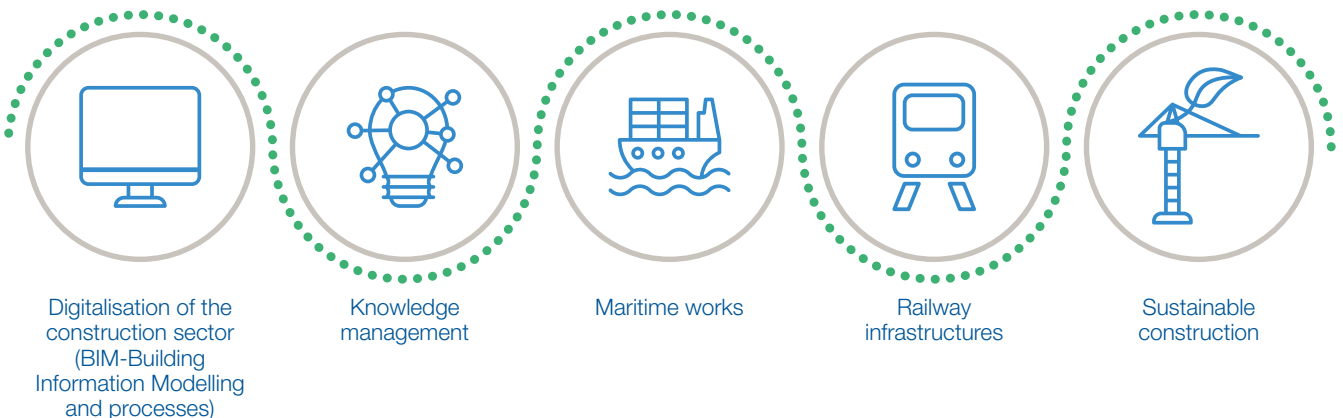
RAIL STATION IN GERONA (SPAIN)

## Innovation for a more efficient industry

### R&D investment

|   | 2017      | 2018      |
|---|-----------|-----------|
| Total investment in the year  | 3,321,028 | 2,099,817 |
| Percentage of the investment allocated to sustainability and environment related projects | 64.1%     | 49.2%     |
| Received grants   | 160,753   | 122,307   |
| Credits obtained in advantageous conditions   | 919,201   | 1,179,252 |

### Priority lines of R&D at FCC Construcción



# Singular projects. Local impact

## SAFE

### Development of an autonomous system for anchoring structures executed in maritime works

The main goal is to develop an advanced and standardised autonomous caisson anchoring system, reducing dependence on human resources, minimising risks and maximising the efficiency of field operations. The new development will integrate the knowledge and experience of the consortium, with the development of advanced numerical models for the study of the dynamic behaviour of caissons, calibrated and validated thanks to a laboratory campaign. This will allow the empirical validation of the proposed autonomous system that will include different state-of-the-art control techniques that allow the maximisation of anchoring windows.

## LIFE IMPACTO CERO

### Development and demonstration of a tubular anti-bird strike screens for high-speed rail lines

The interaction between high-speed transport infrastructures and the local fauna of the territory crossed is a growing concern both for infrastructure and biodiversity managers. The problem of bird collisions on high speed lines (HSL) has increased significantly in recent years. In the case of birdlife, specific and complex measures are necessary, depending on the territory crossed and the species to be preserved, and diverse and adaptive measures must be frequently applied to the circumstances. This project develops a proposed methodology for the determination of optimum measures for protecting birds in new HSL areas, as well as a series of recommendations for the development of environmental monitoring programmes during the construction of new lines.

## NANOFASE

### Prediction of environmental distribution, concentration and form (speciation) of nanomaterials

The project will deliver an integrated exposure assessment framework that will allow all stakeholders to assess the environmental fate of nano releases from industrial nano-enabled products. Therefore, an early assessment of exposure and potential environmental and human risks can be carried out, which will facilitate the safe design of the product.

## BIMCHECK

### Combination of BIM and Blockchain technologies for quality management at FCC Construcción

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 improve the accessibility to onsite documentation, the traceability of onsite materials, site document control processes, resulting in greater operating efficiency and higher levels of customer trust.

## PIELSEN

### Homeostatic 3D surround architecture to create an adaptive intelligent sensitive skin on building facades

The project is aimed at developing a smart building envelope that acts as a Sensitive Skin. The starting point is based on 3 components (3P): hydrogel/piezoelectric polymer shell (skin), support structure of the wrapping material (folds) and 3D sensor meshing system (pores). The operation of the set is initiated by the signals captured in the pore, consisting of sensors that are self-powered by latent energies in the building, which will be developed to be customisable for the building, so that it is sustainable and according to the skin to be executed.



R&D PROJECT. PORT OF GRANADILLA (SPAIN)



# 5.

## Managing impacts, working on new opportunities



RESIDENTIAL BUILDINGS IN CARMONA ROAD, SEVILLA (SPAIN)

### 2018 MILESTONES

- Implementation and development of good environmental practices in the projects of FCC Construcción and FCC Industrial.
- Consideration of the life cycle stages in environmental planning procedures.
- Identification of environmental risks and opportunities in 98% of the construction worksites and premises of FCC Construcción.
- Replacement of plastic on caisson launching and laying processes of FCC Construcción's maritime works.
- Reuse of more than three million cubic metres of soil in the construction projects executed in 2018.
- Approval and publication of the FCC Construcción climate change strategy.
- Obtaining "Calculo y Reduzco" (calculate and reduce) seal of the Carbon Footprint, Compensation and CO<sub>2</sub> Absorption Projects Register, granted by the Spanish Ministry for the Ecological Transition to FCC Construcción.
- Training the staff on the climate change strategy and the quantification methodology of the GHG emissions of the organisation.

### FUTURE CHALLENGES

- Incorporation of good social practices to the current Good Environmental Practices, seeking compatibility and synergies, and rating the two dimensions of sustainability.
- Raising the environmental awareness of own workers, suppliers and subcontractors.
- Incorporation of new circular economy criteria to the processes of the company.
- Expanding the verification of the inventory of greenhouse gas emissions to 100% of the countries in which FCC Construcción is located, by adding firstly the construction sites and premises of Panama, Peru and Portugal.
- Establishment of strategies for adapting the company's operation to climate change.



# Caring for and protecting the environment

## Application of Environmental Good Practices

|   | 2017        | 2018        |
|---|-------------|-------------|
| ○ Worksites supplying data on Good Practices              | 79/82 (96%) | 81/84 (96%) |
| ○ Application of Good Practices in construction worksites | 23/26 (88%) | 24/27 (89%) |
| ○ Worksites meeting the environmental objective           | 74/79 (94%) | 79/81 (98%) |

## Consumption management: water, energy and materials

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

|                     | 2017      | 2018      |                               |                  |        |               |             |
|---------------------|-----------|-----------|-------------------------------|------------------|--------|---------------|-------------|
|                     | Total     | Total     | FCC Industrial <sup>(1)</sup> | FCC Construcción |        |               |             |
|                     |           |           |                               | Spain            | Europe | Latin America | Middle East |
| ○ Water consumption | 1,367,724 | 1,429,379 | 80,528                        | 660,702          | 54,699 | 272,761       | 360,689     |

### Energy consumption (GJ)

|   | 2017      | 2018      |                               |                  |        |               |             |
|---|-----------|-----------|-------------------------------|------------------|--------|---------------|-------------|
|   | Total     | Total     | FCC Industrial <sup>(1)</sup> | FCC Construcción |        |               |             |
|   |           |           |                               | Spain            | Europe | Latin America | Middle East |
| ○ Direct energy consumption                 | 1,756,442 | 1,232,225 | 121,788                       | 109,297          | 46,992 | 155,918       | 798,230     |
| ○ Indirect energy consumption (electricity) | 122,604   | 107,110   | 53,192                        | 19,862           | 5,993  | 26,705        | 1,358       |
| ● Total                                     | 1,879,046 | 1,339,335 | 174,980                       | 129,159          | 52,985 | 182,623       | 799,588     |

### Material consumption (t)

|  | 2017       | 2018      |                               |                  |           |               |             |
|--|------------|-----------|-------------------------------|------------------|-----------|---------------|-------------|
|  | Total      | Total     | FCC Industrial <sup>(1)</sup> | FCC Construcción |           |               |             |
|  |            |           |                               | Spain            | Europe    | Latin America | Middle East |
| ○ Asphalt concrete   | 266,443    | 1,813,209 | 1,702,549                     | 49,275           | 8,697     | 28,993        | 23,695      |
| ○ Concrete   | 2,683,243  | 2,447,291 | 21,224                        | 957,700          | 216,959   | 582,293       | 669,115     |
| ○ Steel  | 433,268    | 123,546   | 27,697                        | 34,398           | 14,226    | 25,626        | 21,599      |
| ○ Bricks   | 6,152      | 6,236     | 32                            | 5,633            | 244       | 0             | 327         |
| ○ Glass and metals   | 2,377      | 5,229     | 417                           | 1,154            | 3,041     | 176           | 441         |
| ○ Aggregates, soils and graded aggregate   | 11,241,551 | 6,052,898 | 46,341                        | 2,907,066        | 2,100,021 | 562,291       | 437,179     |
| ○ Topsoil  | 206,897    | 209,789   | 149                           | 115,251          | 80,475    | 13,914        | 0           |
| ○ Oil, grease and other harmful or hazardous substances<br>Paints, solvents, release agents, concrete curing liquids, accelerators, concrete liquefiers, antifreeze and epoxy resins | 23,414     | 6,626     | 384                           | 4,516            | 281       | 1,442         | 3           |
| ○ Oil, grease and other harmful or hazardous substances  | 4,446      | 6,293     | 66                            | 5,107            | 25        | 777           | 318         |

<sup>(1)</sup> FCC Industrial is a brand of various specialised companies. It includes the data of FCC Industrial e Infraestructuras Energéticas (FCC IIE), Matinsa, Prefabricados Delta and Megaplas.

## Effluent and waste management

### Generated waste (t)

|                     | 2017             | 2018                  |                               |                  |                |                |                |
|---------------------|------------------|-----------------------|-------------------------------|------------------|----------------|----------------|----------------|
|                     | Total            | Total                 | FCC Industrial <sup>(1)</sup> | FCC Construcción |                |                |                |
|                     |                  |                       |                               | Spain            | Europe         | Latin America  | Middle East    |
| Hazardous waste     | 663              | 78,642 <sup>(2)</sup> | 215                           | 282              | 77,655         | 256            | 234            |
| Non-hazardous waste | 1,844,342        | 1,641,539             | 51,246                        | 309,079          | 383,533        | 356,371        | 541,310        |
| <b>Total</b>        | <b>1,845,005</b> | <b>1,720,181</b>      | <b>51,461</b>                 | <b>309,361</b>   | <b>461,188</b> | <b>356,627</b> | <b>541,544</b> |

<sup>(1)</sup> FCC Industrial is a brand of various specialised companies. It includes the data of FCC Industrial e Infraestructuras Energéticas (FCC IIE), Matinsa, Prefabricados Delta and Megaplas.

<sup>(2)</sup> Hazardous waste has increased in 2018, mainly due to the management of contaminated soils at a railway project in Rumania.



### Land adjacent to or located in natural protected areas or areas of high biodiversity value outside protected areas

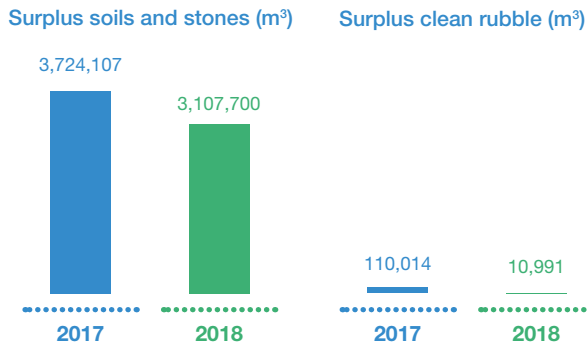
| Type of impact  | 2017                         |  | 2018                         |  |
|---|------------------------------|--|------------------------------|--|
|   | Number of construction works | Surface area (million m <sup>2</sup> ) | Number of construction works | Surface area (million m <sup>2</sup> ) |
| Location in natural protected areas or areas of high biodiversity value                               | 7                            | 3.44                                   | 9                            | 5.22                                   |
| Location in areas with landscape listed as relevant   | 8                            | 11.59                                  | 10                           | 13.76                                  |
| Impact on natural watercourses in protected areas   | 4                            | 0.21                                   | 6                            | 0.30                                   |
| Impact on natural watercourses in areas of high biodiversity value                                    | 4                            | 9.38                                   | 4                            | 8.44                                   |
| Impact on watercourses of very high value or relevant for local communities or indigenous populations | 11                           | 9.95                                   | 13                           | 8.90                                   |
| Impact on catalogued or protected vegetation  | 11                           | 10.90                                  | 12                           | 13.85                                  |
| Impact on catalogued or protected animal species  | 10                           | 9.75                                   | 12                           | 13.67                                  |

# FCC Construcción joins the circular economy

## Use of resources from waste (m³)\*

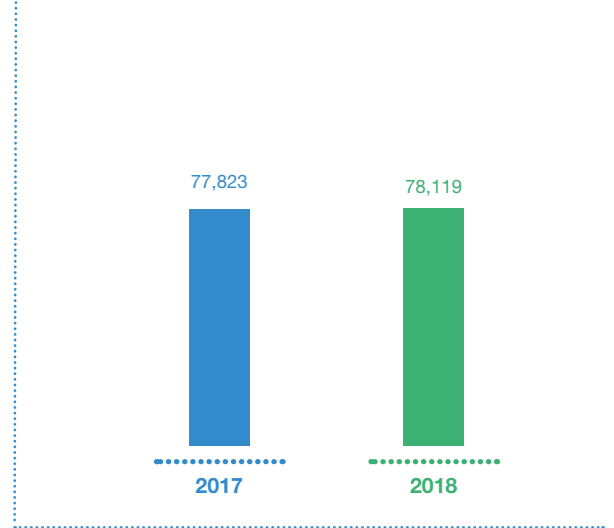
|                          | 2017             | 2018             |
|--------------------------|------------------|------------------|
| Surplus soils and stones | 3,724,107        | 3,107,700        |
| Surplus clean rubble     | 110,014          | 10,991           |
| <b>Total</b>             | <b>3,834,121</b> | <b>3,118,691</b> |

(\*) Data of the projects executed by FCC Construcción (does not include data of FCC Industrial).



## Water reuse (m³)

|                                  | 2017   | 2018   |
|----------------------------------|--------|--------|
| Recycled or reused water on site | 77,823 | 78,119 |



# Risks and opportunities related to climate change

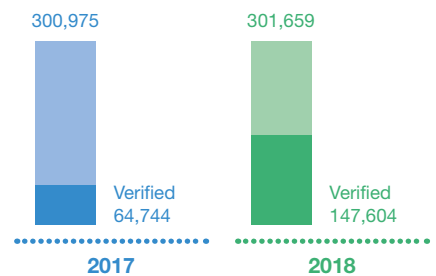
## Greenhouse Gas Emissions (t CO<sub>2</sub>e)

|   | Total <sup>(1)</sup> |                | Total verified <sup>(2)</sup> |                |
|---|----------------------|----------------|-------------------------------|----------------|
|   | 2017                 | 2018           | 2017                          | 2018           |
| <b>GHG Emissions</b>  | <b>300,975</b>       | <b>301,659</b> | <b>64,744</b>                 | <b>147,604</b> |
| Direct Emissions (Scope 1)                                  | 129,473              | 98,611         | 6,536                         | 17,791         |
| Indirect Emissions (Scope 2)                                | 12,469               | 10,972         | 3,165                         | 4,212          |
| Other indirect emissions (Scope 3)                          | 159,033              | 192,076        | 55,043                        | 125,601        |
| <b>GHG emissions avoided by implementing Good Practices</b> | <b>12,342</b>        | <b>8,899</b>   | <b>4,267</b>                  | <b>3,813</b>   |

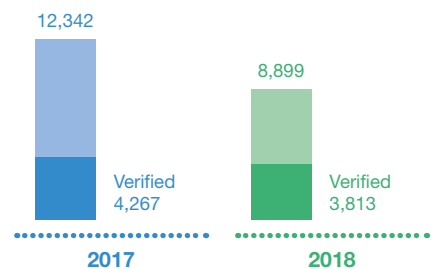
<sup>(1)</sup> Emissions reported by different organisations and countries; not verified by third parties.

<sup>(2)</sup> Emissions verified by AENOR. The 2017 figures include verified emissions from worksites and premises located in Spain, while the 2018 figures include the verified emissions of the worksites and premises located in Spain, Panama, Peru and Portugal.

### Total GHG emissions



### GHG emissions avoided by implementing Good Practices





# 6.

## Creating social value

RAILWAY RENOVATION (ROMANIA)

### 2018 MILESTONES

- Hiring local suppliers.
- Creation of the Materials Master of the FCC Group.
- Development of an explanatory guide for subcontractors on the Information Security Management System (ISMS) of FCC Construcción.
- Completion of the structure and content review process, in all languages, of the FCC Construcción and FCC Industrial website, making them more visual, agile and dynamic.
- Launching of dissemination campaigns to internally promote actions that could interest the people of the organisation.
- Issue of 12 information capsules, to communicate to employees news of special interest within the organisation.
- Design and launch of the CONVENSA website.
- Instagram contests, rewarding the 12 best photos related to occupational health and safety initiatives and the 12 best work-site photos.
- Creation of a Twitter account.
- Participation in numerous events for sharing and promoting knowledge.
- The professional capacity of our work teams is given a very high rating, as well as catering to customer requirements (3.6 out of 4) by our customers in the final work surveys.
- Implementation of several social initiatives that benefit local and nearby communities of the construction projects of FCC Construcción.

### FUTURE CHALLENGES

- Initiating the supplier approval process.
- Completing the computer development of the purchasing tool, for its homogenisation in the FCC Group.
- Establishment of greater control over international purchases.
- Continuing to boost FCC Construcción's presence on social networks.
- Reviewing the websites of the countries and of the FCC City.
- Incorporation of social criteria into the company's management and sustainability system (procedures, guides and IT tools).
- Modification of the DISCON incident module to register claims from stakeholders, additional to those of customers.
- Development of guidelines for maintenance and operation activities, to be applied in the contracts extending the presence of FCC Construcción beyond the date of completion of the work (Commissioning).
- Continuing with the initiatives aimed at involving local communities in company activities.
- Implementation of a knowledge management system, being its first stage the improvement of the document management.
- Development of a Collaborative Business Relationship Management System and its certification in accordance with the ISO 44001 standard.

## Balanced relationships with our suppliers

### Number and cost of suppliers, by region

|   | 2017                      |                           |                              |                              | 2018                      |                           |                              |                              |
|---|---------------------------|---------------------------|------------------------------|------------------------------|---------------------------|---------------------------|------------------------------|------------------------------|
|   | Total number of suppliers | Number of local suppliers | Total cost of suppliers (M€) | Cost of local suppliers (M€) | Total number of suppliers | Number of local suppliers | Total cost of suppliers (M€) | Cost of local suppliers (M€) |
| Spain                                     | 8,147                     | 8,015                     | 467                          | 457                          | 8,406                     | 8,279                     | 581                          | 518                          |
| Europe                                    | 1,223                     | 1,131                     | 84                           | 81                           | 1,486                     | 1,293                     | 112                          | 92                           |
| USA and Canada                            | 155                       | 149                       | 24                           | 24                           | 129                       | 110                       | 12                           | 10                           |
| Latin America                             | 691                       | 630                       | 48                           | 43                           | 790                       | 763                       | 95                           | 91                           |
| Asia, Northern Africa and the Middle East | 1,192                     | 858                       | 749                          | 663                          | 913                       | 870                       | 664                          | 638                          |
| <b>Total</b>                              | <b>11,408</b>             | <b>10,783</b>             | <b>1,372</b>                 | <b>1,268</b>                 | <b>11,724</b>             | <b>11,315</b>             | <b>1,464</b>                 | <b>1,348</b>                 |

### Supplier assessment

|  | 2017         | 2018         |
|--|--------------|--------------|
| Suppliers in the database                        | 120,800      | 123,699      |
| Suppliers with a low rating after the assessment | 5,019 (4.2%) | 5,051 (4.1%) |
| Irregular  | 4,267        | 4,299        |
| Problematic                                      | 673          | 672          |
| Banned   | 79           | 80           |

## Responsibility with our stakeholders

### Main communication channels with stakeholders

#### FCC One Construcción

Main internal channel for communications amongst employees, containing company news, notices, procedures for different organisations, publications, videos and technical documentation.

#### Websites and social networks

Websites of FCC Construcción and FCC Industrial in different regions (Portugal (RRC), UK and Ireland, Romania, Brazil, Canada, Chile, Costa Rica, US, Mexico, Panama and Peru), FCCCO Live, created as an external communication videoblog, FCCCO Youtube, FCC Construcción LinkedIn and the FCC Construcción Instagram account.

#### FCC City

Online channel with two ways of interaction: a virtual city and a map of the world, in which over 120 singular projects executed by FCC Construcción are marked, organised by project typology and geographic area

#### Corporate disclosure

The company's corporate communication actions are materialised in press articles, publications, posters, brochures, the Friday newsletter, the "Information capsule" channel, thematic videos or corporate videos, manuals, presentations and reports, both as hard copies in paper and in digital platforms.



## Sustainability Report and Environmental Report

Publications for internal and external communications with all stakeholders containing a presentation of our company's annual economic, environmental and social performance. They are published in alternate years, however, the data is updated annually.

### Customer satisfaction surveys

Customer satisfaction is measured through the end-of-work survey, in which our customer rate a series of attributes of the work carried out by FCC Construcción with a score from 1 to 4 and also level of importance.

### Customer liaisons

Area and/or person in charge of establishing partnerships, addressing received suggestions, handling information gathered from meetings with customers and subsequently apprising them of the actions taken on their suggestions.

## Trade fairs, conferences, seminars and workshops

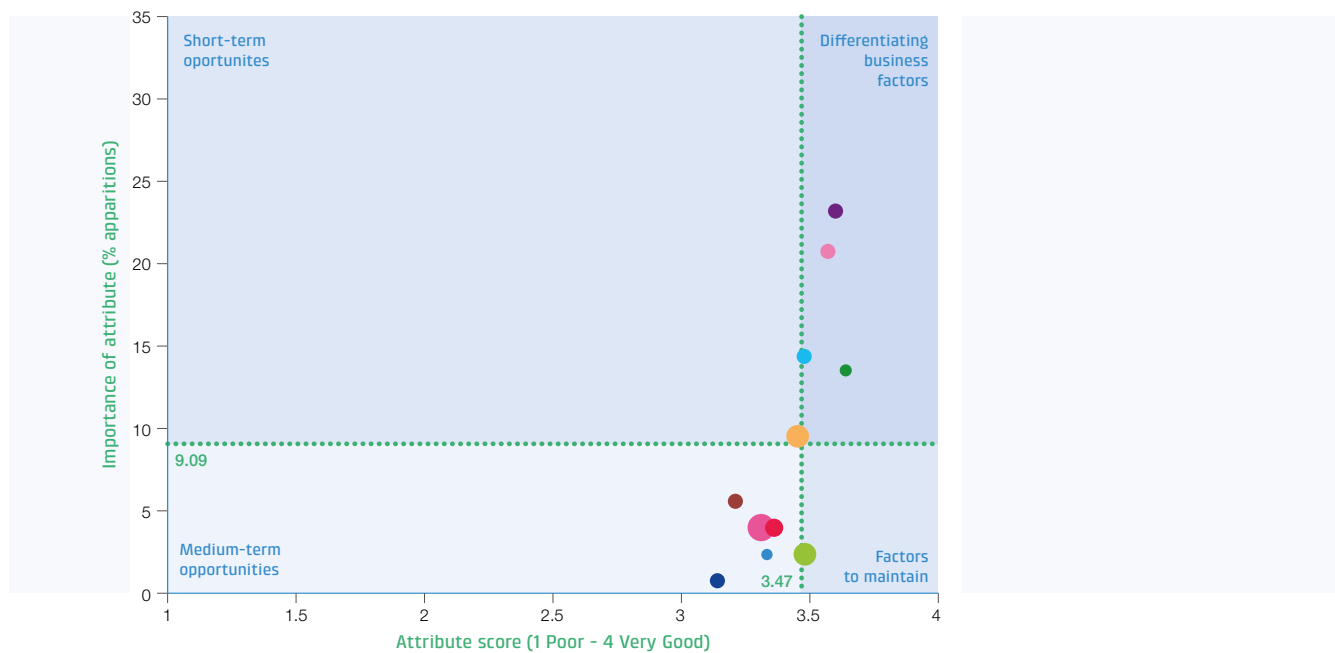
Presence in multiple forums, conferences, courses, chats and talks on current affairs, public presentations, working groups and other events to share knowledge and disseminate the experiences and information acquired in the daily work and research activities.

### Associations and memberships

FCC Construcción is a member of and active participant in numerous associations and sector-specific organisations (AENOR, Spanish Association of Rock Mechanics, AETOS, ACHE, Fundación PTEC, Railway Innovation Hub, Technical Association of Ports and Coasts, AEC, Spanish Network of the Global Compact, SPANCOLD, APTB, ENCORD, Technical Road Association, CICCOP, ECTP, SEOPAN, etc.).

## Excellence in customer service

### Decision dashboard



### Attribute

- 01. Professionalism capabilities
- 07. Quality finishes
- 02. Organisation and cleaning
- 08. Subcontractor and partners collaboration
- 03. Quality Plan
- 09. Responsiveness to customer requirements
- 04. Environmental protection
- 10. Commitment compliance
- 05. Health and safety
- 11. Responsiveness to problems and contingencies
- 06. Suitability of construction processes



DOHA METRO PROJECT (QATAR)

## Impact

### Some social initiatives of our projects

#### La Valdeza (Panama)

As part of the Social Responsibility Plan implemented at the La Valdeza quarry, in the district of La Chorrera, FCC Construcción does an important job in local communities, developing multiple activities. In 2018, three clean-up days were held with the “19 de Abril” community, in which FCC Construcción Central America’s employees voluntarily collected waste from homes and roads, in order to eliminate the rubbish that could be a risk for the health of the community, under the motto “Zero rubbish in your community”.

Other important actions included teaching dressmaking courses promoted by FCC together with INADEH, the first course of action for children organised by FCC Construcción America in partnership with the National Institute of Culture (INAC), and the three medical days that FCC

organised together with the Ministry of Health in Altos de San Francisco, aimed at providing free attention in different medical services to more than 500 people.

#### Chinamos-El Ayote Highway (Nicaragua)

15,200 inhabitants of local communities will benefit with the development of this infrastructure constructed by FCC Construcción, since it will improve the connection between towns and cities, optimise driving time and road safety of the route, currently compromised by the poor condition of the road. In addition, its construction will have other advantages and improve the quality of life of communities, as well as promote trade, tourism and economic and social growth.





RIYADH METRO PROJECT (SAUDI ARABIA)

### Lima Metro (Peru)

The Lima metro is a project that is characterised by its social management approach with its different stakeholders, who are engaged in all areas of the project. Specifically, different activities have been carried out in 2018 to improve environmental awareness.

A prize has been awarded to those subcontractors who, after being assessed every six months, have demonstrated their commitment to the environmental management of the project. Likewise, an event for promoting the environmental care has been held with the students, teachers and parents of a school, whose gardens were replanted.

### Riyadh Metro (Saudi Arabia)

An initiative that is part of the collaboration agreement between the FAST Consortium, which is building lines 4, 5 and 6 of the Riyadh Metro, and ADA (High Commission for the Development of Riyadh), the customer, was the visit of a group of

industrial engineering students to different construction sites of FCC Construcción. This initiative is held once a year and allows students of the engineering degree in their last year to learn about the company's experience and capacity to carry out any type construction project. In 2018, students visited different construction sites, such as the Wanda Metropolitan Stadium, the Sol suburban train station, the floating docks of the Port of Algeciras and the works at La Sagrera station.

### FCC Construcción (Corporate)

FCC Construcción is responsible for the "La Diversidad Suma" social project. This project, a pioneer in the construction sector, has managed to raise awareness of the company's commitment to the social and labour inclusion of people of minority groups (people with disabilities, women victims of gender-based violence, etc.). This initiative has been developed through employees of FCC Construcción, linked to disability, along with Pablo Pineda, Diversity consultant at the Adecco Foundation and the first European university student with Down syndrome.







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