From commitments to action

Sustainability Report 2017 - 2018

Medio Ambiente

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Presentation

In this report, FCC Medio Ambiente reflects on the **progress** made in terms of **sustainability** over the **past two years** (2017-2018) and how the organisation has promoted a **model for the management** of economic, social and environmental matters involved in the **services** it renders with a view to **promoting** the **transformation** of the **communities** in which it operates in **sustainable cities**.

We are guided by the three principles set out in the **4th CSR Master Plan 2018-2020** approved by the **FCC Board of Directors** at the end of 2017, and as set out in the **CSR Policy** to respond to commitments made to society. These principles or strategic lines are: FCC CONNECTED, SMART SERVICES and FCC ETHICS, and **they underpin** an **action plan aligned** with the **Sustainable Development Goals** (SDG) of the 2030 Agenda considered **priority** as part of the performance of our activities.

This report has been prepared in accordance with the requirements and principles established by the Global Reporting Initiative (GRI) on the preparation of sustainability reports as set out in its most recent version **GRI STANDARDS** in line with the **core option. Furthermore**, it has been **verified** by an **independent external entity**, which has also endorsed the **alignment** of its **content** with the **SDGs prioritised** by the organisation.

The **economic and social data** contained here reflect the main figures according to the **consolidation principle**, which the **FCC Group** applies to the companies that make up the National Division at FCC Medio Ambiente, while the **environmental data** correspond to the information on activities provided by these companies, within the scope of the agreements over which we have **operational control**.

The Sustainability Report is available on FCC Medio Ambiente website: **www.fccma.com**

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(*) The indicators for which the reporting year has not been specified correspond to 2018.

Message from the Managing Director

Once again, I have been given the opportunity to present the Sustainability Report for **FCC Medio Ambiente**, now in its 7th edition. We started our journey down the **path of sustainability** more than 15 years ago; this represents the hallmark in terms of the performance of the environmental activities and services that we provide in the different communities where we operate.

I have to thank our different **stakeholders,** in particular the team of **31,040 employees**, their **support** and **collaboration** as part of this **continuous process of transformation and adaptation** to new **expectations and demands**.

We find ourselves faced with **uncertainty**, as part of which both the **public sector** and the **private sector** and **civil society** must face the challenges presented by working together with a common roadmap, the **17 Sustainable Development Goals** (SDGs) of the **2030 Agenda**. The SDGs are **an ambitious global challenge** that require the support of the **business sector** if we are going to achieve them.

Following the approval of the 2030 Agenda in 2015, FCC Medio Ambiente **brought** its **responsible management model** in line with the **SDGs** that are most directly related to its activities, integrating them into the corresponding strategy **to:**

- boost the **ecological growth of the city** under the principles of the **circular economy, the fight against climate change, the reduction of water stress and the protection of biodiversity;**
- ensure the **involvement** and **enthusiasm** of the best **professionals;**
- **and connect** with **citizens** to improve their quality of life, promoting long-lasting **alliances** and a relationship of trust with our **stakeholders**.

To achieve these goals we are committed to **environmental** and **social innovation** as the **catalyst** of **progress** and **transformation** offering solutions (SHES or *Smart Human & Environmental Services*) to make cities more **sustainable, efficient** and **socially responsible** places.

Three years since the approval of the SDGs, it's time to **take stock** of our **accomplishments** and the **challenges** that remain ahead. The SDGs have managed to establish a **common language** and a **shared vision** in terms of the definition of sustainable development and offer companies an **agenda** and a **universal platform** for their **commitment**.

In parallel to the preparation of this report, we have designed a **Strategic Sustainability Plan 20-22** in line with the SDGs prioritised by the organisation and based on an **integrated and integrating** management model within the framework of the global challenges that define the way of achieving **green, smart, sustainable and inclusive growth**.

Over the course of the coming chapters, we reflect on how FCC Medio Ambiente has been achieving the objectives set out in the last report published and on the sustainability **challenges** we face between now and **2020 and 2022,** under a common motto: **"From commitments to action".**

Jorge Payet
Managing Director
FCC Medio Ambiente

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Commitments that generate results

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1. A leading industry organisation

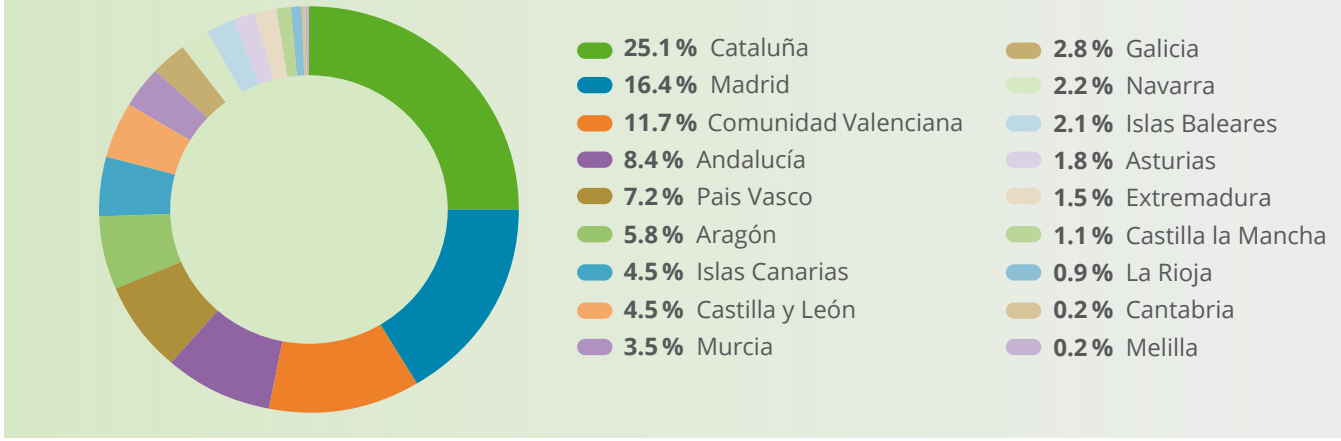
FCC Medio Ambiente, which represents **28.1%** of **FCC Group's EBITDA**, provides urban services in **3,434 Spanish towns and cities**, serving a **population** of **more** than **29 million inhabitants** and boasts a **team** of **professionals** made up of **31,040 employees.**

During the course of **2018,** FCC Medio Ambiente in Spain was **awarded** a total of **123 tenders** for **urban services,** with a **total contracting volume** of **EUR 946.2 million** and **annual turnover** of **EUR 1,503.8 million**, of which **91.4 %** is **billed** to **customers from the public sector.**

Thanks to a **regionalised commercial structure**, distributed through 16 delegations, FCC Medio Ambiente offers its customers **local services** that are tailored to the needs of the communities in every part of Spain. Although we have a prominent presence in the **main cities** in **Spanish provinces**, **65%** of **our public customers** are located in **towns and cities** with **less** than **50,000 inhabitants.**

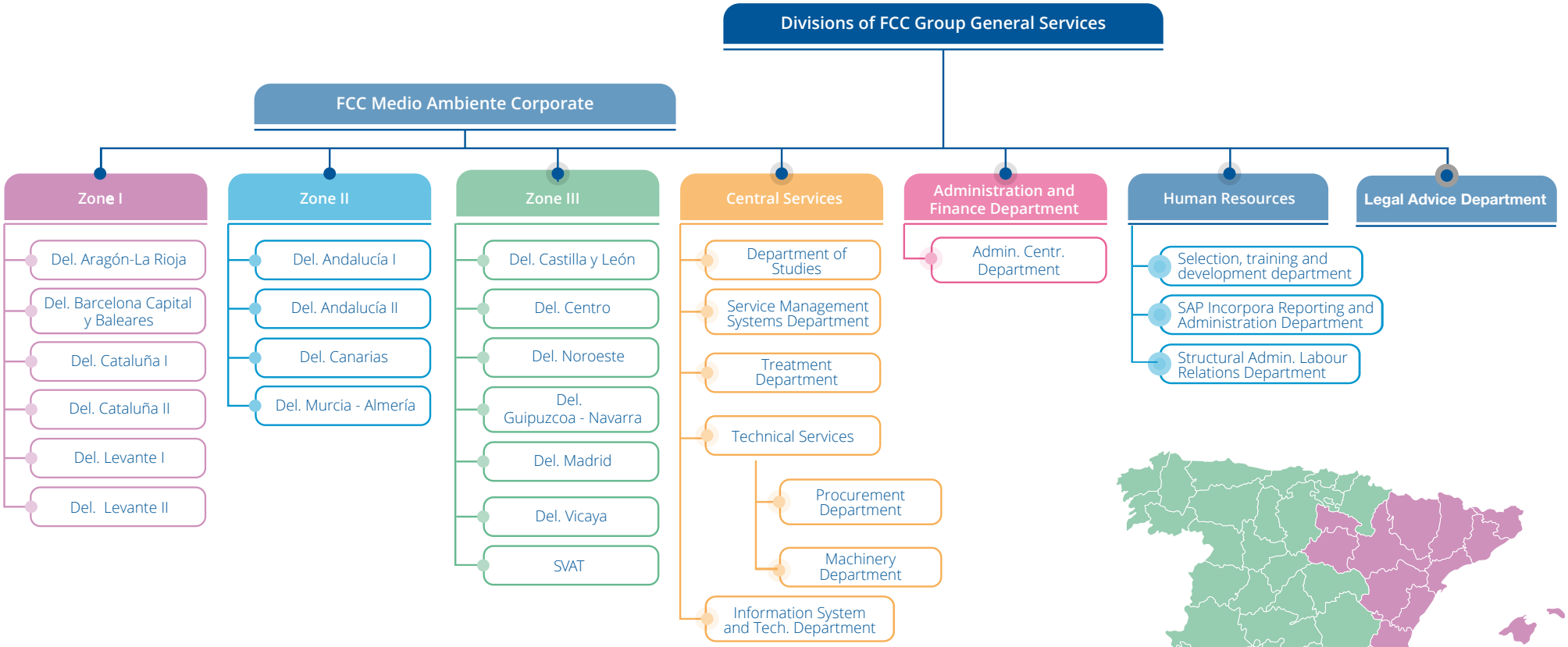
FCC Medio Ambiente serves a population more tan **29 million inhabitants**

FCC Medio Ambiente in Spain. 2018 Turnover. Geographic Area



Turnover evolution, public and private clients (€ millions)

Commercial structure of FCC Medio Ambiente



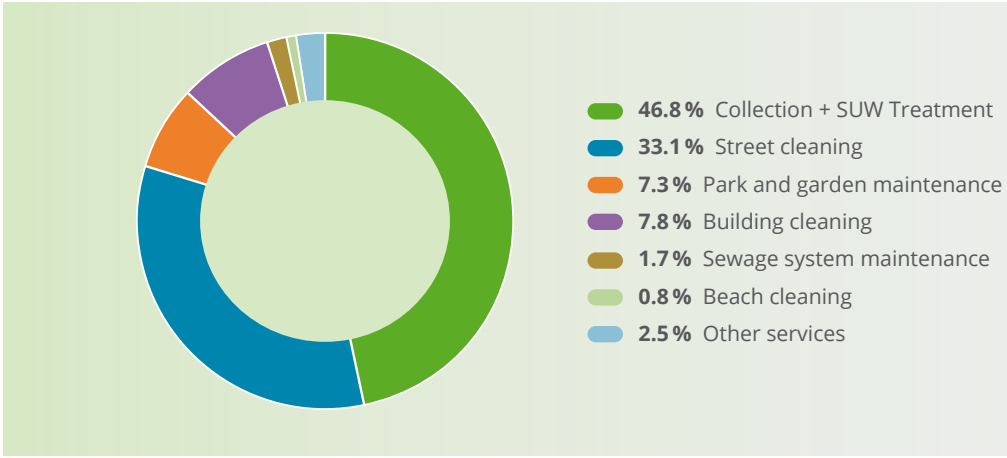
Note: In 2018, there were two relevant changes at the organisation: on the one hand, the Galicia and North Delegations have been merged, forming the Northwest Delegation; on the other, the Coordination and Development Department has been merged into the Service Management Systems Department.

2. An environmental service provider

The **1,090** environmental services management contracts are divided among a portfolio of **695 customers**, of which **75 %** are **public customers** and **25 % are private**.

Waste collection and **treatment activities**, which constitute **46.8 %** of the company's **turnover**, represent the large part of the services provided by the organisation, followed by **street cleaning,** representing **33.1 %**. The remaining percentage, **20.1 %,** is divided between **building cleaning services**, the **conservation and maintenance of parks and gardens**, **sewerage maintenance** and other services such as the **maintenance of public beaches and fountains**.

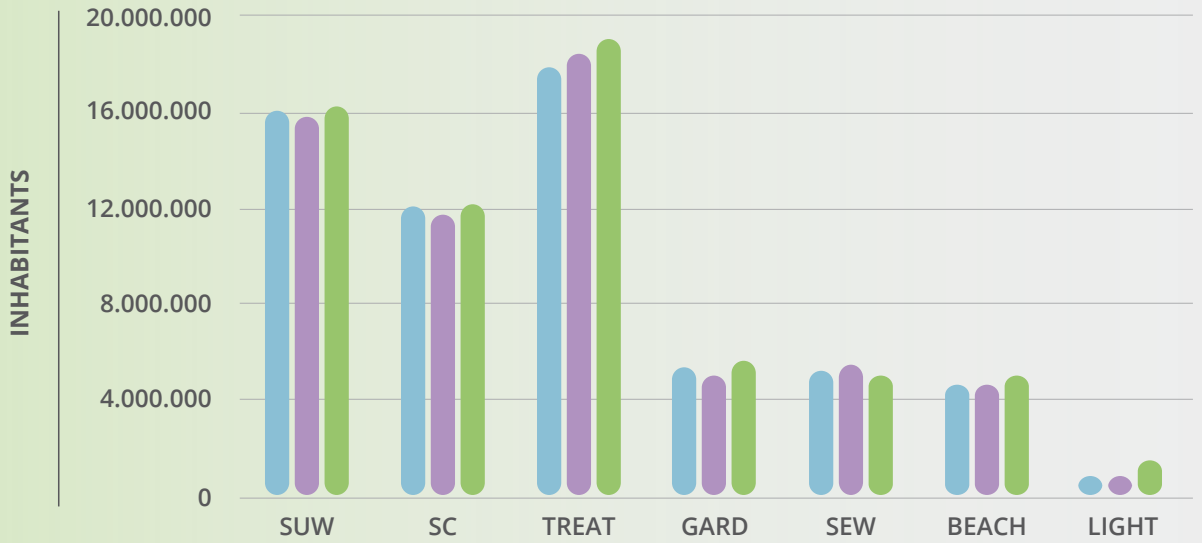
Distribution of turnover by activity 2018 (%)



Distribution of clients and contracts by type (2016-2018)

The **population served** by the company's different activities **increased** between 2016 and 2018, mainly in the case of **beach cleaning, waste treatment and disposal** and **gardenaintenance and conservation** services. Only one decrease has been seen, in the maintenance of sewerage networks. The **biggest increase** in absolute terms has been in the **energy management of municipal facilities (lighting)** with **more than 800,000 new inhabitants served** in 2018 compared to 2016.

Evolution of population served from 2016 to 2018 (100 %)



SUW: SUW collection

SC: Street cleaning

TREAT: Waste treatment

GARD: Garden maintenance

SEW: Maintenance of sewage systems

BEACH: Beach cleaning

LIGHT: Lighting (energy management)

3. A stable industry

This year, there has been a **slight increase** in the **municipal budgets** for the services provided by FCC Medio Ambiente, as well as an **improvement** in the **weight** of **technical** and **quality criteria** in the call for tenders. The **readjustment** of the **waste management master plans** in different **autonomous communities** and large **city halls** has been the source of **business opportunities**.

In this context, **annual turnover** comes to **EUR 1,504 million**, which represents an **increase** of **2.6%** compared to 2017. **Gross operating profit is also up, to EUR 242 million**, which is equivalent to a margin of **16 %**. The services **portfolio** stood at **EUR 5,530.4 million**, for street cleaning, collection and transport, waste treatment and disposal maintenance of green areas, maintenance of sewer networks, beach cleaning, building cleaning and maintenance services and energy efficiency services, among others.

4. A business that promotes sustainable management

The strategy of FCC Medio Ambiente in Spain to maintain its competitiveness is structured around **combining the *know-how*** it has developed over **more than 100 years of business** with the development of **innovative technologies** that allows it to offer its customers **Smart Human & Environmental Services,** i.e. more efficient services that cause minimal inconvenience to citizens (concept of '**friendly**' service), more **respectful** in the consumption of **resources**, and that contribute to genuinely making **cities more sustainable and inclusive**.

Equality policies and the **occupational integration** of disadvantaged groups will be of particular importance. All **actions** that **reinforce the commitment** in the **fight against climate change** and reducing the carbon footprint will be emphasised. The use of **alternative energies** and **efficiency** in their use for the provision of urban and environmental services, both at **facilities** and by service **vehicles** represent **two strategic pillars** where important steps have been taken, especially in the **development of electric mobility technologies** in the fleet of vehicles. In this strategic line of action, in November, FCC Medio Ambiente presented within the framework of the Smart City Expo World Congress in Barcelona, the **first industrial e-mobility platform** for urban service vehicles.

The **experience** and **professionalism** of our company have allowed us to **anticipate and face** both the recent **legislative changes** and those that are yet to come, mainly in matters of **climate change** and the **circular economy**.

5. A catalyst for sustainability

European Directive 2014/95/EU and **Law 11/2018**, both of which address matters of **non-financial information and diversity**, and the **new demands** of **society** and **investors** represent a new context in the history of sustainability reporting. The motivation of companies is the use of **"non-financial" information** for **improving the management** of their **business** and **informing their stakeholders**, in particular their investors.

The past three years represent a fifth of the time we have to achieve the Sustainable Development Goals. Companies play a fundamental role in their achievement and FCC Medio Ambiente is headed in the right direction. In addition to taking the SDGs to a **strategic level** and closely following the **new regulations**, companies must **play their part, which includes measuring and communicating** results **transparently** and using **data verified** independently. This is what investors and the most demanding regulators are asking for. Although **governments** are primordially responsible, **investors** may continue to be the main catalyst behind the SDGs.

Finally, it is important to bear in mind that no company, no government, no individual can achieve the SDGs alone. **Partnerships (SDG 17) are fundamental**; however, for them to be successful, a key element is trust, which will only be achieved if the company demonstrates results.

For more than 15 years, FCC Medio Ambiente has been implementing and undertaking initiatives and good practices that have allowed our organisation to **consolidate a sustainable management model that progressively contributes to the achievement of the Sustainable Development Goals** (SDG) under the **2030 Agenda**. We are making progress towards a**circular economy, and a digitised** and **decarbonised** model, where **innovation** and a **"fair transition"** mark the path to development.

6. Milestones of the year

January
FCC Medio Ambiente launches the annual campaign to request sustainability indicators.

March
The City Council of Logroño renewed its confidence in FCC Medio Ambiente in March and extended the Street Cleansing and Waste Collection contract for another eight years.

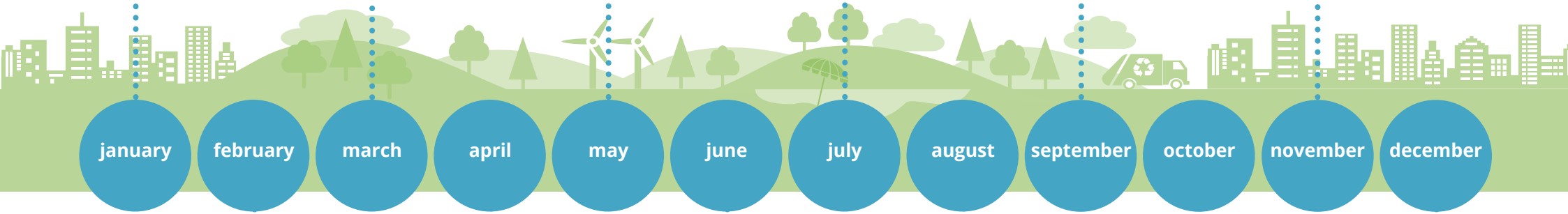
May
FCC Medio Ambiente and FCC Industrial work successfully on energy efficiency contracts for various Spanish municipalities.

July
Cuenca City Council awards FCC Medio Ambiente the waste collection and street cleansing contract.

September
FCC Medio Ambiente signs the contract for the construction of the second phase of the Environmental Complex of Gipuzkoa (CMG-2).

November
FCC Medio Ambiente makes the global presentation of the affordable e-mobility platform for urban service vehicles.

FCC Medio Ambiente presents its LIFE4FILM project on the circular economy and plastics strategy to the European Commission in Brussels.



February
FCC Medio Ambiente obtains the Reduzco seal from the Spanish Office for Climate Change.

April
FCC Medio Ambiente is awarded the contract for the street cleansing, beach cleaning and collection and transport of waste services in Vigo.

June
Parla City Council, in Madrid, awards FCC Medio Ambiente the street cleansing and waste collection service.

August
FCC Medio Ambiente renews the maintenance and conservation contract for the parks, gardens and green spaces in the city of Oviedo.

October
Together with the City Council of Jaén, FCC Medio Ambiente presents the new machinery for the waste collection and street cleansing service.

December
FCC Medio Ambiente develops in VISION the tool for calculating environmental indicators for Non-Financial Information Report.

Other milestones of the year | Medio Ambiente Spain

Awarding of the service to maintain and conserve green spaces and urban trees and maintenance service of playgrounds in the city of Las Palmas de Gran Canaria.

The set of the four contracts awarded to FCC in the first months of the year represents a com-bined order book of close to 52 million euro for a period of four years, with the possibility of extending it for two more years. It involves managing 253 hectares of green spaces, 152 playgrounds, 17,800 palm trees and more than 41,000 trees. It will count on a workforce of 370 people and a fleet of 106 vehicles, of which about 60 will be electric or hybrid Zero Emission.

FCC Medio Ambiente wins the contract for urban sanitation in the municipality of Sestao, in Vizcaya.

In April, FCC Medio Ambiente was leading the joint venture that was awarded the contract for waste collection and street cleansing, as well as the rat extermination, fumigation and disinfection service, for a period of four years, with the possibility of a two-year extension. It will count on a workforce of 55 people and a newly acquired fleet of eight vehicles for the waste collection service, one jet-vac tanker for gully and drain cleaning and 16 vehicles and machines and various auxiliary material for the street cleansing service, including various elec-trical equipment. The total amount of the contract is 13.42 million euro.

Awarding of the public space cleaning service and waste collection, and the renewal of the contract for cleaning municipal offices and buildings in El Prat de Llobregat, in Barcelona.

In May, the City Council of El Prat de Llobregat and FCC Medio Ambiente signed a new con-tract for the public space cleaning service and waste collection for eight years and, in Sep-tember, another for cleaning municipal offices and buildings for two years through the sub-sidiary SELSA. The combined amount is over 75 million euro. It will count on a workforce of 250 workers and will invest more than 10 mil-lion euro in collection and cleansing vehicles and office and building cleaning machinery. It also gives consideration to active measures on gender equality and fighting social exclusion.

Construction of the new Environmental Recycling Complex for the Mancomunidad del Este Association in Madrid.

It will be the first of its type built in the Madrid Region for the end-to-end management of waste. The Community will allocate almost 58 million euro to finance the works that began in October 2018. The facility will commence oper-ations in 2020. The Complex will be located on lands of approximately 60 hectares north of the municipality of Loeches and will process the waste from the 31 municipalities of the Manco-munidad del Este Association that, until now, was sent to the current landfill of Alcalá de Henares. It will be designed to operate with five processing lines, differentiating between resid-ual, packaging, commercial, bulky and vegeta-ble waste, with a total of 254,000 tonnes/year.

Other milestones of the year Medio Ambiente Spain

FCC Medio Ambiente is awarded the contract for the street cleansing , beach cleaning and collection and transport of waste services in Vigo.

In April, the City Council of Vigo, a city in which FCC Medio Ambiente has been providing ser-vices since 1989, awarded lots 2 and 3 of the street and beach cleaning services, collection and transport of various waste fractions and other special services for two years with the possible extension of another two. The con-tract amount is almost 58 million euro. The aim is to reinforce and consolidate the sense of citizen participation, promote the vision of waste as a resource, increase reuse from the perspective of a circular economy, to make Vigo the first 100 % selective Spanish city .

Awarding of the contract for waste collection and street cleansing in Cuenca.

In July, Cuenca City Council and FCC Medio Ambiente signed the contract for the collec-tion and transport of solid urban waste, street cleansing and management of the municipal-ity's recycling centre for 10 years; an order book of nearly 37 million euro. FCC has been providing services in Cuenca for 22 years. FCC will have a workforce of over 100 people, of which at least seven will come from a special employment centre for disabled staff.

Renewal of maintenance and conservation contract for the parks, gardens and green spaces of Oviedo.

In August, the City Council of Oviedo awarded a joint venture led by FCC Medio Ambiente the contract to mantain and conserve parks, gardens and green areas, for four years with a possible extension of two. The total value, excluding extensions, is almost 17 million euro. The service will have a workforce of 115 and a fleet of 64 vehicles. It is noteworthy that 30 % will be electric and 46 % Compressed Natural Gas.

Signing of the contract for the construction of the second phase of the Environmental Complex of Gipuzkoa (CMG-2).

Construction, implementation and operation of the CMG-2 for 20 years, with an investment of 32.2 million euro and an order book estimated at 95 million euro. The new facility will have two plant types; one for biomethanisation and another to recycle slag from the waste-to-en-ergy plant of phase 1 (CMG-1). Operations are expected to commence in the summer of 2019. The new infrastructure will allow the current tariffs to be maintained and will improve recy-cling, reuse and recovery of waste rates between 7 and 8 percentage points in Guipúz-coa to reach 60 %, in line with the most advanced countries in Europe and will exceed the goal of 50 % set by Europe 2020.

Key figures 2018 of our activities

Waste collection

5.4 million of tonnes
of waste collected

16.1 million of inhabitants
served

Street cleaning

12.1 million of inhabitants
served

268 municipalities
in Spain

Gardens maintenance

3,973 hectares
managed

35.5 hectares
rated of special interest

771,563 trees managed

Waste treatment

8.9 million of tonnes
of waste managed

19 million of inhabitants
served

Sewage maintenance

4.9 million of inhabitants
served

100 municipalities
in Spain

Beach cleaning

1,119 km of coast managed

103 municipalities
in Spain

3 A driving strategy for the SDGs

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1. Our prioritisation of the SDGs

The **17 Sustainable Development Goals (SDGs)** are **an ambitious global challenge** that require the support of the **business sector** for their achievement. In this context and following the approval of the 2030 Agenda, FCC Medio Ambiente performed an **exhaustive analysis** applying the guidelines set out in the "SDG Compass" Guide[1] and **prioritised,** on the one hand, the **SDGs** that it could directly influence through technological improvements and the implementation of good practices, and on the other, the cross-cutting SDGs on which its activities tend to have a favourable impact.

In the attached figure, the **direct and cross-cutting action** SDGs prioritised by the organisation can be consulted, based on which we have aligned our sustainability strategy:

The **SDGs prioritised** by FCC Medio Ambiente will have a **positive effect** on:

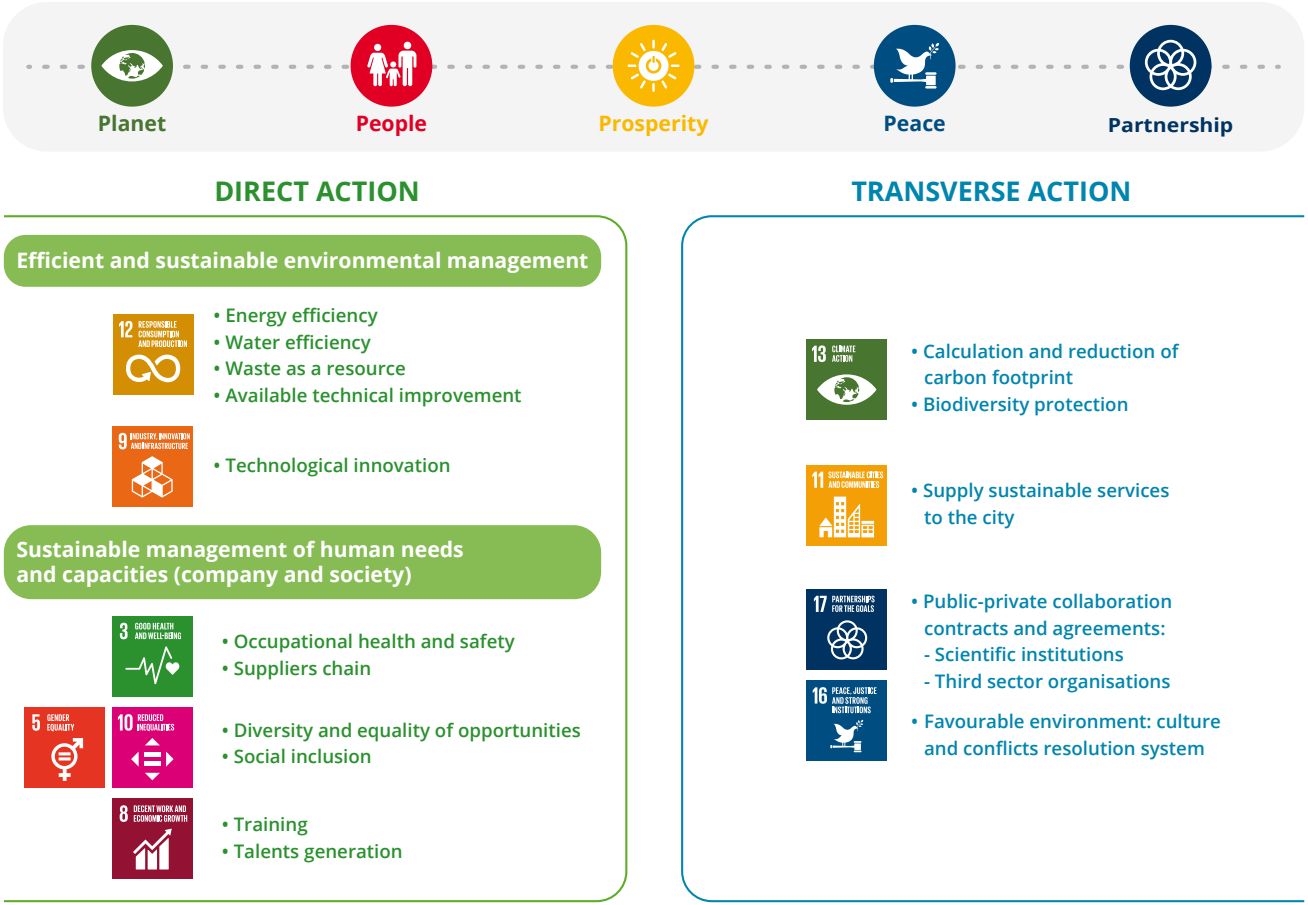
> **Staff development**: generation of talent; diversity and equal opportunities, occupational safety and health, social inclusion.

> **Green growth and the fight against climate change:** efficient consumption of resources; waste prevention; technological innovation; low carbon processes and services; circular economy and biodiversity protection.

> **A favourable work environment**: fight against corruption, peace and social stability, quality and transparency in the value chain.

> **Public-private partnership and opening up to the third sector.**

Contribution to the prioritised SDGs



(1) The guide for business action in the SDGs.

2. A Strategic Sustainability Plan 20-22 linked to the SDGs

In parallel to the preparation of this report, FCC Medio Ambiente has designed its **Strategic Sustainability Plan 20-22**, **integrated and integrating management model** within the framework of the global challenges that define the way of achieving the SDGs.

For the first time, **two time frames** have been chosen as a horizon for the fulfilment of the objectives: a shorter term (**2020**) and a medium-term (**2022**). The **publication** of the **two-yearly** report will allow us to **take stock** and **assess** the progress made in the **achievement** of the **objectives** and **goals** established for indicated **periods**.

The plan was drawn up on based on an in-depth analysis of social and environmental needs and trends in the long and medium terms. New **regulatory developments,** the global challenges identified in the **United Nations 2030 Agenda, environmental demands,** and the aim of adding value to the business itself, have been essential in the definition of **19 strategic objectives and 146 goals.**

Through the **208 compliance indicators** defined (drivers and KPIs: Key Performance Indicators), every two years **we will report** to our stakeholders on the **degree of progress** with the actions undertaken*. The company's contribution to the fulfilment of the prioritised SDGs will gain in maturity over time and **transversality will be emphasised** for certain SDGs, reinforcing the implementation of sustainable development within the organisation.

The following figure shows the main lines of the **Strategic Sustainability Plan 20-22** at FCC Medio Ambiente, linked to the **pillars of the CSR 2020 Plan** of the FCC Group and in **line** with the **prioritised SDGs** that the organisation will integrate into its activity and governance.

(*) Legend degree of fulfillment of the challenges 2017-2018 shared in the previous report:

Achieved. In process. Not achieved.

Sustainable Commitment

STRATEGIC PLAN 20-22
OUR COMMITMENT WITH SUSTAINABILITY

FCC Medio Ambiente

FCC ETHICS

1. Set the standard in ethical management and transparency
2. Create stable employment
3. Encourage training and promote talent
4. Promote the healthy business model
5. Reduce accident and absenteeism rates
6. Promote an inclusive and discrimination-free work environment
7. Promote responsible procurement

SMART SERVICES

1. Implement the "Smart Human & Environmental Service" model
2. Commit to the principles of the circular economy
3. Take climate action: improve energy efficiency and promote decarbonisation
4. Promote the efficient use of water and tackle water stress
5. Preserve natural urban capital and protect biodiversity
6. Open new lines of research: adaptation to climate change and circular economy
7. Promote a cultural change: our employees as ambassadors for good practices

FCC CONNECTED

1. Increase our adherence to national and international general interest initiatives
2. Share and disseminate knowledge and improve our visibility in the media
3. Encourage dialogue with our stakeholders to meet their expectations
4. Consolidate a volunteer programme at FCC Medio Ambiente
5. Evaluate the sustainable management of the services provided in a transparent and objective way

3. SHES: the sustainable management model for our services

Sustainability, resilience, responsibility and social inclusion play an ever-increasingly important role in the planning and management of the city. To address these new challenges, public institutions will collaborate with private companies given their ability to respond in terms of designing and implementing socially and environmentally responsible urban services.

The experience and professionalism of FCC Medio Ambiente allow us to focus the management model based on **sustainability objectives and criteria** that have been proven to guarantee the minimisation of the impacts linked to the performance of the services, as our **efficient management** incorporate the **environmental and social initiatives** that improve the provision of such services.

In order to contribute to the development of sustainable cities and communities we have opted for an FCC Medio Ambiente service model: the **"Smart Human and Environmental Service" (SHES).** Based on sustainable objectives and priorities, it has a network of interconnected technological supports to record, analyse and inform our stakeholders of the relevant parameters in terms of the economic, environmental and social impacts of the activities provided.

To date, the **new service model** has been **offered** in **renewed contracts** covering a total population of **2.2 million inhabitants**.

ACHIEVEMENTS 2018:

Implementation of the "Smart Human and Environmental Service" (SHES) model

- Increase the **population served** by the **Smart Human & Environmental Service** by **40 %**.* ✓
- Promote the creation of **environmental observer** and **agent profiles** in the workforce.* ✓
- Increase the training actions under the **responsible environmental management plan**.* ✓
- Step up the initiation of operations staff in the **professional use of digital tools**.* ✓

(*) Reintegrate the objectives indicated in the Plan 20-22.

COMMITMENTS PLAN 20-22

Roll out the "Smart Human and Environmental Service" (SHES) model

- **Implementation** of the **SHES model** in the contracts in which it has been offered.
- **Automate** and **promote information management** through the service management **IT platform (VISION)**.

4 Corporate governance and risk management

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1. FCC's commitment to Corporate Social Responsibility

The development of cities entails significant challenges such as **population growth**, **climate change**, the **shortage of natural resources** and **increased inequality**. As part of our mission, to improve people's quality of life through the efficient and sustainable design, implementation and management of environmental services, at **FCC Medio Ambiente we are striving to respond to these challenges.**

The company's **Code of Ethics** and **Conduct**, updated as approved by the Board of Directors in February 2018, shapes compliance with ethical, environmental and social aspects, which in turn are reflected in the different corporate policies, responsibilities and action plans.

The **Corporate Social Responsibility (CSR)** Policy, approved in July 2016 at the meeting of FCC's Board of Directors, establishes the commitments assumed by the company's businesses in terms of integrity and business ethics, respect for the environment and the creation of shared value with the society in which FCC Medio Ambiente operates.

It is worth noting that FCC's Board of Directors approved the **4th CSR Master Plan 2018-2020** in November 2017, to ensure compliance with the provisions of the CSR Policy and respond to its commitments made with society. The plan was drawn up on based on an in-depth analysis of social and environmental needs and trends in the long and medium terms. The FCC Group has defined 15 action programs, structured around the following three pillars:

CSR 2020 MASTER PLAN FCC GROUP

SUSTAINABLE DEVELOPMENT GOALS

A CSR Master Plan aligned with the 2030 Agenda for Sustainable Development, the Sustainable Development Goals

1 FCC Connected

FCC is a catalyst driving citizens to become the protagonists of a sustainable city.

2 Smart Services

FCC is a leader in designing the sustainable cities of the future.

3 FCC Ethics

FCC is an example of authenticity in its commitment.

Main actions of the 2020MP FCC GROUP

- Protocol for the evaluation of the social contribution.
- Global Volunteer Programme FCC Educa Roundtable.
- Sustainability awareness and training programme for schools.
- Map of interest groups.
- Roundtable discussion on target cities.
- Method for measuring environmental and economic impact.

- Circular Economy Plan with specific lines of work.
- Review of the Climate Change Strategy.
- Definition of quantitative objectives and commitment to initiatives to combat climate change.
- Calculating the water footprint.
- Mapping areas of interest for biodiversity.
- Space for exchange and debate on R&D&I.

- Dissemination and training plan for the new Code of Ethics and Conduct.
- Commitment to training in responsible purchasing ESG risk map for suppliers.
- Development of a human rights policy.
- Actions to promote equality extended to suppliers.
- Preventive culture improvement and empowerment plans.

In addition to the Code of Ethics and Conduct, the CSR Policy and the CSR Master Plan 2020, the FCC Group has additional policies and action plans that contribute to the response to the challenges facing the Group in terms of social matters and human and environmental resources.

SOCIAL AND HUMAN RESOURCE POLICIES

Human resources policy

Human resources policy Its objective is excellence in perfor-mance and commitment to employees, favouring a healthy and non-discriminatory environment in which to attract and encourage talent with a long-term vision.

Social dialogue and liaising policy

It seeks to promote the implementation of agreements through collective bargaining, as well as to ensure that the different collec-tive processes are carried out transparently, setting up monitoring committees and providing employees and employee representa-tives with all the necessary information.

Equal opportunities plans

The different equal opportunity plans of the FCC companies ex-pound the company's comm itment to equal opportunities through specific measures adapted to the reality of its businesses and the particularities of its sectors of activity. These plans include specific measures adapted to the reality of each business and have the corresponding monitoring bodies, composed in equal numbers with business and trade union representation, which promote the development and integration of the different subjects and meas-ures referred to in the plans.

Human Resources Policy

Its objective is to prevent, detect and eradicate human rights viola-tions. It reflects its commitments around seven basic pillars:

- Freedom of association and collective bargaining.
- Decent and paid employment.
- Forced and child labour.
- Diversity and inclusion.
- Health and safety.
- Data privacy.
- Respect for communities.

COMPLIANCE POLICIES

Anti-corruption policy

It complies with the principles contained in the Code of Ethics and Conduct, in which fraud and corruption activities are not tolerated. It is based on nine fundamental principles:

- Compliance with legality and ethical values.
- Zero tolerance for bribery and corruption.
- Prevention of money laundering and transparent communication.
- Transparent relationship with the community.
- Conflicts of interest.
- Surveillance of ownership and confidentiality of data.
- Rigour in control, reliability and transparency.
- Extension of commitment to business partners.
- Promotion of continuous training on ethics and compliance.

Policy on Relationship with Shareholders and counterparties

It establishes uniform principles and criteria to be followed in terms of communication, acceptance and implementation of the compli-ance mechanisms established in FCC Group's Crime Prevention Model, in all relations with business partners, with the aim of guaranteeing reliability and transparency in these relations.

ENVIRONMENTAL POLICIES

FCC's Environmental Policy

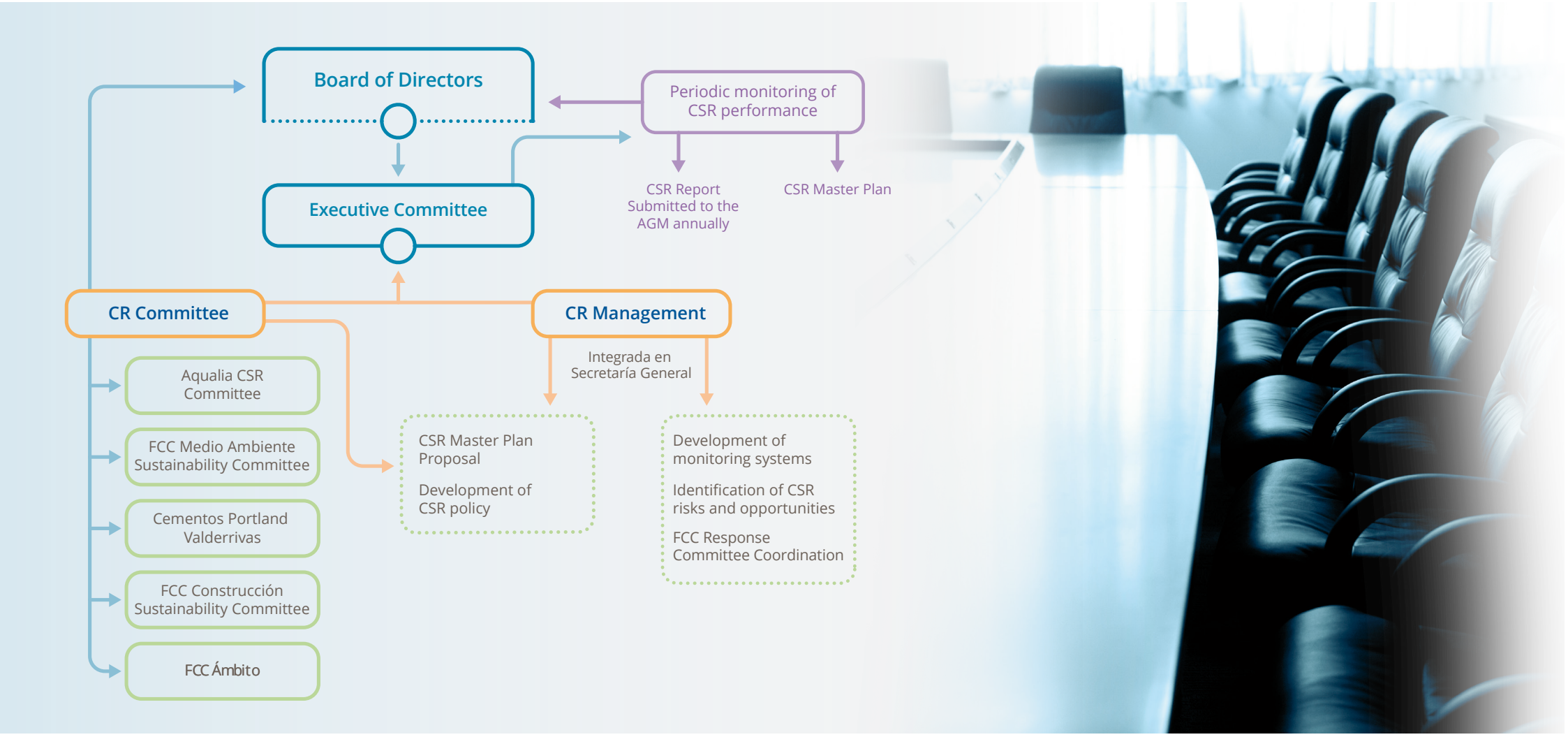
It reflects the Group's commitment to preserve the environment and the use of the resources available around it:

- Continuous improvement.
- Control and monitoring.
- Climate change and pollution prevention.
- Care for the environment and innovation.
- Life cycle of our product and services.

Climate Change Strategy (currently under review)

Its main objective is to reduce greenhouse gas (GHG) emissions into the atmosphere by improving efficiency in the use of resources.

Coordination and materialisation of the CSR Policy in FCC



2. Our corporate governance and compliance model

The FCC corporate governance model acts as a **guarantee the responsible and effective management** of the company in line with FCC's values, set out in its Code of Ethics and Conduct.

As part of its commitment to **Good Governance**, the FCC Group ensures its corporate governance **guidelines** are in line with the recommendations set out in the **Code of Good Governance of Listed Companies** issued by the National Securities Market Commission (CNMV) applicable to the Group, and, in particular, those that indicate that CSR is a responsibility of the Board of Directors (Recommendations 53, 54 and 55). Furthermore, the FCC Group applies international good practices including those issued by the **International Corporate Governance Network** (ICGN) and other leading organisations in corporate governance.

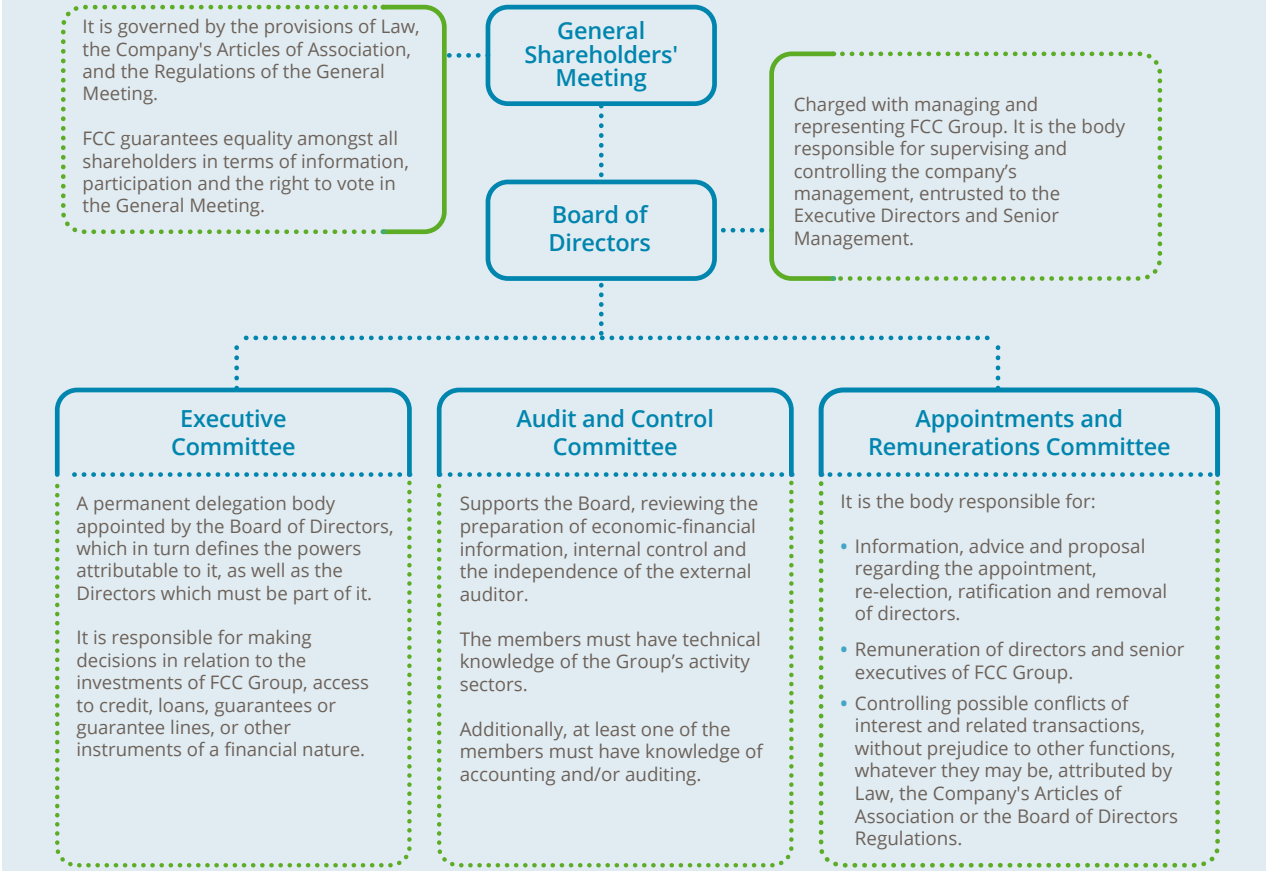
The FCC Group has **five governing bodies**, each of which has specific duties and competences, as indicated in the accompanying table.

In 2018, the FCC Group took the decision to implement a compliance model based on the highest international standards to strengthen the company's culture of ethics and prevent illegal conduct. In July 2018, a series of documents that constitute the **FCC Group Compliance Model** were approved. They include: the **Anti-Corruption Policy**, the **Partner Relationship Policy**, the **Crime Prevention Manual**, the **Compliance Committee Regulations**, the **Ethics Channel Procedure** and the so-called **Investigation and Response Procedure**, including the **Harassment Prevention and Eradication Protocol**, which was already in force.

Subsequently, in October 2018, the **Compliance Committee of the Environmental Services Area** was constituted, on which the following individuals sit: as the Chairwoman, the **Compliance Officer** of the business area, and as members, the Director of Legal Advice and the Director of Human Resources. Furthermore, the Compliance Officer of the business area attends the FCC Group Compliance Committee in a guest capacity, at which the guidelines to be followed in this connection by all FCC Group business areas are disclosed.

For furthermore information, consult the FCC Group's Annual Report 2018, available at: www.fcc.es

Governing bodies and associated responsibilities



3. Effective risk management

Currently, FCC has **Risk Committees for each business area** and their responsibility is to inform to the **FCC Group's Audit and Control Committee** of the materialisation of any operational and financial risks; the probability of occurrence and their potential impact, to allow the Committee to perform its prevention and mitigation duties, including other non-economic, financial or operational risks, such as strategic and reputational risks.

From the highest level of the organisation, **the Board Committees and Executive Risk Committees**, both at the corporation and at the business units, are responsible for the **correct management and control of risks.**

The **risk maps** contain the **details** of the **business areas' main risks**, in addition to the **controls established** by Management to **mitigate** their effects, and the **assessment** in **terms** of the **probability** of them **occurring** and the **impact** they would have on the **financial statements** of the area in question.

The following illustration indicates the risks identified by FCC Medio Ambiente:

Risks in the FCC Medio Ambiente

COMPLIANCE RISKS

Applicable legislation
Contracts with third parties
Code of Ethics and Corporate Social Responsibility

FINANCIAL RISKS

Liquidity risks
Exchange rate/interest rate risks
Fiscal risks

STRATEGIC RISKS

Markets/Sector/Competence
Reputation/Corporate governance
Innovation
Economic planning

OPERATIONAL RISKS

Bidding and approval of files
Provision of services and client satisfaction
Choice of partners, sub-contractors and suppliers
Employment
Internal information control systems
Accidents management
Heritage

FCC Group's risks

STRATEGIC RISKS

Those that are considered key to the organisation and must be managed proactively and prioritised. Should these risks materialise, they could seriously compromise the achievement of strategic objectives.

OPERATIONAL RISKS

Those risks related to the operational management and value chain of each of the business lines and functions of the organisation and the protection of its assets against possible losses.

COMPLIANCE RISKS

These are those that affect both internal and external regulatory compliance.

FINANCIAL RISKS

Risks associated with financial markets, the generation and management of cash.

REPORTING RISKS

Risks relating to internal and external financial information, covering aspects such as reliability, opportunity and transparency.

For further information about the risk management model, consult the FCC Group's Annual Report, available at: www.fcc.es

Main risks that may affect FCC Group

STRATEGIC RISKS

They are considered to be key to the Organisation and must be proactively managed on a priority basis. Should these risks materialise, they would seriously compromise the attainment of strategic objectives.

- Impairment of reputational image
- Changes in hiring models
- Political and socio-economic changes
- Drop in demand
- Increased competition

FINANCIAL RISKS

They affect internal and external regulatory compliance.

- Exchange rate fluctuation
- Interest rate fluctuations
- Liquidity risk
- Leverage ratio
- Delay in collections

OPERATIONAL RISKS

Related to operational management and the value chain in each line of business and area at the organisation, and the protection of its assets against potential losses.

- Volatility of raw materials and energy
- Lack of water supply guarantees
- People's health and safety
- Environmental risks
- Rescheduling of projects
- Links with third parties
- Termination or modification of the contract
- Catastrophic events
- Information security

ACHIEVEMENTS 2018:

Implement the compliance model at FCC Medio Ambiente

- Implement the **new model** of **Compliance** at FCC Medio Ambiente.

COMMITMENTS PLAN 20-22:

Set the standard in ethical management and transparency

- Implement **compliance policies** in relation to **third parties** (partners, agents, suppliers, etc.).
- **Increase** the **dissemination** of the **Code of Ethics and Conduct** to the entire organisation.
- **Certify compliance controls**.
- **Revise** the **Management Policy** and include our **commitment to the SDGs**.
- **Decrease** the **number** of **incidents due** to **breach of the Code of Ethics**.

5 Smart services

1. Mitigate the environmental impact of our activities and services 30

2. Commitments and actions in terms of sustainable environmental management 33

2.1. Our commitment to the circular economy 33

2.2. FCC Medio Ambiente in climate action 42

2.3. Promoting the efficient use of water and tackle water stress 47

2.4. Preserving natural capital and protect biodiversity 51

2.5. Driving the innovation in a changing context 56

2.6. Our team: ambassador of good practices 63

In the **transition towards a sustainable economy, the efficient use of resources and the competitive** we face, and while we wait for governments to set goals for the implementation of framework agreements to adapt to climate change, **FCC Medio Ambiente, as a leading economic agent, will continue to promote responsible consumption,** involving its **entire chain of value** through the **implementation** of **good practices**, **which will contribute to strengthening its commitments to complying with the SDGs**.

The KPIs or, *drivers*, that will demonstrate compliance with the SDGs prioritised by our organisation are based on the progress with the **relevant indicators in terms of the environmental performance of business activities, all underpinned by 15 years historical data and information, verified by a third party in accordance with the guidelines of the *Global Reporting Initiative* (GRI).**

Efficient and sustainable environmental management

KPI: Relevant Indicator with **traceability verifiable**.
DRIVERS: Replicable and **verifiable** best practices (tangible and comparable return effect). FCC service brand.

Prosperity · Partnership · Planet

KEY PERFORMANCE INDICATORS (KPIs)

- Energy Efficiency
- Water efficiency
- Waste as a resource
- Available technical improvement

KPIs:
- 30 % Increase the production of biogas using biomethanisation (2022).
- 5 % Reduction of GHG Emissions (2015-2022).

- Technological innovation

KPIs:
- Increase investment and the number of project ideas, proposals in R&D&I.

BEST PRACTICES

Pilot contracts:
Biddings with proposals presented for sustainable management

Calculation and reduction of the carbon footprint

Public-private collaboration contracts and agreements:
– Scientific institutions (CI; Clúster, RIS3)
– Third sector organisations

1. Mitigate the environmental impact of our activities and services

Reduction of the environmental impact of our services

The consolidated results and trends confirm the progress made by our organisation to reduce the impact of negative environmental factors in favour of:

- **The efficient use of energy resources:** the **use** of **energy** from **renewable sources** has increased **by 7.4 %** since 2016 and we have **generated 42,404 Gj** using **renewable sources.**
- **The reduction of GHG* emissions:** in 2018, they were **reduced by 5 %** and **413,006 tCO_2e were avoided, 34.2 % up on 2016, thanks** to the **degasification of landfills** and **improvements made to treatment plants.**
- **Minimisation of dependence on tap water: 24.8 %** of our **water consumption** comes from **alternative sources.**
- **Optimisation of waste recovery and recycling:** there has been a **20.3 % increase** in the **retrieval of recoverable materials** at treatment plants.

(*) GHG: Greenhouse Gas.

The ce2d® of FCC Medio Ambiente (2018)

Key Environmental Footprint Indicators according to GRI GSSB standards

AVOID
Prevention of and fight against the effects of climate change. Energy Efficiency.

305-5 GHG Emissions avoided[1]:	**413,006 tCO_2e**
Direct GHG Emissions avoided:	410,192 tCO_2e
Indirect GHG Emissions avoided:	2,814 tCO_2e
303-1-3 Saving of water resources[2]:	**2,504,698 m^3 mains water**
302-5 Electricity Saving[1]:	**17,697 GJ**

RETURN[1]
Generation of ressources.

306-2 Recovered materials*:	**92,050 t**
306-2 Compost*:	**82,046 t**
302-4 Electricity co-generated:	**42,404 GJ**
302-1 Sold:	24,707 GJ
Self-consumed:	17,697 GJ
303-3 Treated water re-used:	**17,124 m^3**

(*) Amounts of compost and recovered materials sold.

SUSTAINABLE DEVELOPMENT GOALS

EMIT
Control and reduction of emissions, discharges and waste production.

305-1-2 GHG emissions:	**363,466 tCO_2e**
305-1 Direct GHG Emissions:	346,152 tCO_2e
305-2 Indirect GHG Emissions:	17,315 tCO_2e
305-1 Emissions of biogenic CO_2:	**60,707 tCO_2biogénic**
305-7 Emissions of NOx:	**26,221 kg**
305-7 Emissions of SOx:	**4,278 kg**
305-7 Emissions of particles:	**5,721 kg**
306-1 Discharges of treated industrial waste water:	**28,001 m^3**
306-1 Wastewater discharges into public channels:	**13,753 m^3**
306-2 Leached transferred to external water treatment plant:	**14,248 m^3**
306-2 Waste generation:	**771,676 t**
Generation of non-hazardous waste:	771,356 t
Generation of hazardous waste:	319 t

INTAKE[2]
Responsible consumption.

303-1 Water*:	**10,087,552 m^3**
Mains water:	7,582,854 m^3
Water from other sources:	2,504,698 m^3
302-1 Total energy consumption:	**2,570,084 GJ**
302-1 Electrical power:	**206,871 GJ**
Consumption:	206,871 GJ
302-1 Fuel:	**2,363,213 GJ**
Non-renewable sources:	2,099,660 GJ
Renewable sources:	263,553 GJ
301-1 Materials:	**936,174 t**

(*) Does not include water consumption associated with municipal services (mainly washing) nor part of the irrigated area of parks and gardens.

Field of action and perimeter of influence

- Urban services
- Treatment and valorization
- Conservation and maintenance of parks and gardens
- Urban infrastructures energy management
- Work centres

(1) According to Scope (see Index GRI 102-46). (2) According to Operational Perimeter (GRI 102-46).

ACHIEVEMENTS 2017-2018:

Reduce and improve the impacts of the most relevant environmental performance factors caused by the services provided

- **Improve** the **energy efficiency** of processes and services with the subsequent **reduction** of **direct and indirect GHG emissions**.*
- **Optimise contro**l of **water consumption** in favour of the use of **water** from **alternative sources** in **street cleaning services** and the **irrigation** of **parks** and **gardens**.*
- **Give waste** a **second chance** as a **by-product**, through selective collection systems and treatment and recovery processes.*
- **Implement practices** that are **respectful** of the **preservation** of **urban biodiversity**.*

(*) Reintegrate the objectives indicated in the new Plan 20-22.

2.1. Our commitment to the circular economy

The ambitious package of new EU measures on the circular economy will result in **a deep transformation of legislation concerning waste** and the four European Directives relating to waste will have to be transposed before July 2020.

MITECO has already launched several public information processes concerning royal decrees relating to waste and is preparing a **new draft waste law,** which will represent the general framework for the sector in Spain. Furthermore, the short-term review and approval of the **Spanish Circular Economy Strategy** is expected to take place.

FCC Medio Ambiente has signed up to the "**Pact for a Circular Economy**" organised by MITECO, as part of which Spain and Europe are committed to replacing a linear economy (structured around extracting, producing, consuming and throwing away) with a circular economy, which materials containing waste are reintroduced into the productive process to produce new resources or raw materials. Furthermore, it is involved in the **CTN 323 "Circular Economy",** which seeks to create a **new ISO dedicated to the management of the circular economy** at a European level, the application of which will involve an internal reorganisation to guide companies towards the circular economy.

The **FCC Medio Ambiente Strategic Sustainability Plan 20-22** contains a specific section on the **circular economy** and our company works in a cross-cutting manner to improve internal knowledge of these issues. Raising awareness among our team will be one of the catalysts of **the cultural transformation at FCC towards a true circular economy**. One of the key aspects will be the **separate collection of bio-waste,** necessary to hit EU recycling targets.

Key milestones - Circular Economy

- Dec. 2015: **EU Circular Economy Package.**
- June 2018: **Publication in the OJEU of 4 European Waste Directives:**
  - Directive (EU) 2018/851 on waste.
  - Directive (EU) 2018/850 on waste disposal.
  - Directive (EU) 2018/852 on packaging and packaging waste.
  - Directive (EU) 2018/849 amending the directives on vehicles at the end of their useful life (VFU), batteries and accumulators and waste electrical and electronic equipment (WEEE).
- 2019-2020: The **Spanish Circular Economy Strategy** is due to be approved.
- Before 5 July 2020: **Transposition of directives into Spanish law.**

Objectives for 2035

65 % **75 %**

65 % of municipal waste and 75 % of packaging waste, **RECYCLED.**

10 %

Reducing landfill disposal to a maximum of 10 % of all waste.

Madrid gets it right with organic waste

Under the slogan "**Get it right with Organic Waste**", **Madrid City Council** has rolled out a **new city-wide organic waste collection system**. This implementation has been carried out in two phases: the first began on 1 October 2018, with the selective collection of this waste being implemented in 12 of the city's districts (Arganzuela, Chamberí, Ciudad Lineal, Hortaleza, Latina, Moncloa-Aravaca, San Blas-Canillejas, Tetuán, Puente de Vallecas, Villa de Vallecas, Vicálvaro and Villaverde). The second phase will gradually begin on 1 November 2019 and will focus on the remaining 9 districts (Centro, Retiro, Salamanca, Chamartín, Fuencarral-El Pardo, Carabanchel, Usera, Moratalaz and Barajas).

FCC Medio Ambiente has successfully participated in the transformation of waste management in Madrid, with activities ranging from **the implementation of the Pilot Programme** and the **roll-out of the fifth type of waste container** in the districts of Tetuán, Chamberí, Moncloa-Aravaca and Latina (648,000 residents) to **final bio-waste treatment**. In the second phase, the company will be responsible for the implementation of the Fuencarral-El Pardo district first and the Centro district in 2020 (375,280 residents).

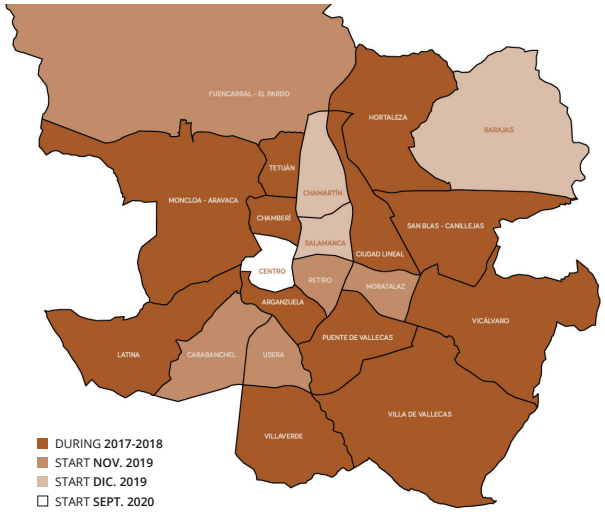
To separately process the organic waste of the rest of the city of Madrid, the **Dehesas Biomethanisation Plant** has had to be adapted, incorporating a series of improvements that have amounted to an **investment of EUR 6,636,051.08.**

The selective collection and treatment of bio-waste places a **Madrid "shoulder to shoulder" with other European cities** and allows for the achievement of two environmental benefits:

> **Bio-waste becomes an energy resource** (biogas).

> **The process digest is used as an organic fertiliser.**

The biomethanisation of organic matter in Madrid will help to **avoid emissions of around 98,000 tCO2e into the atmosphere per year** and reduce **the amount of waste destined for disposal in landfill**, increasing its useful life as a consequence.



Interactive map of Madrid City Council's campaign

Video of improvements at Las Dehesas to receive bio-waste from Madrid City Council

"Biogas" and "biomethane", by-products for the circular economy

At FCC Medio Ambiente, we manage a network of ten biomethanisation plants, two of which are located in Madrid and Barcelona.

The biogas generated through the anaerobic digestion of waste constitutes a valuable source of renewable energy.

Spain ranks tenth in Europe in terms of Biogas production (Source: EurObserv'ER 2017); our company is a point of reference, managing ten processing plants that produce and recover biogas, converting it into electricity using cogeneration equipment.

In 2018, our plants generated **44.65 MWh** from biogas produced by means of biomethanisation. When our two new plants (Gipuzkoa and Ibiza) go into operation, the production of biogas is expected to increase by around 30 % in the medium term.

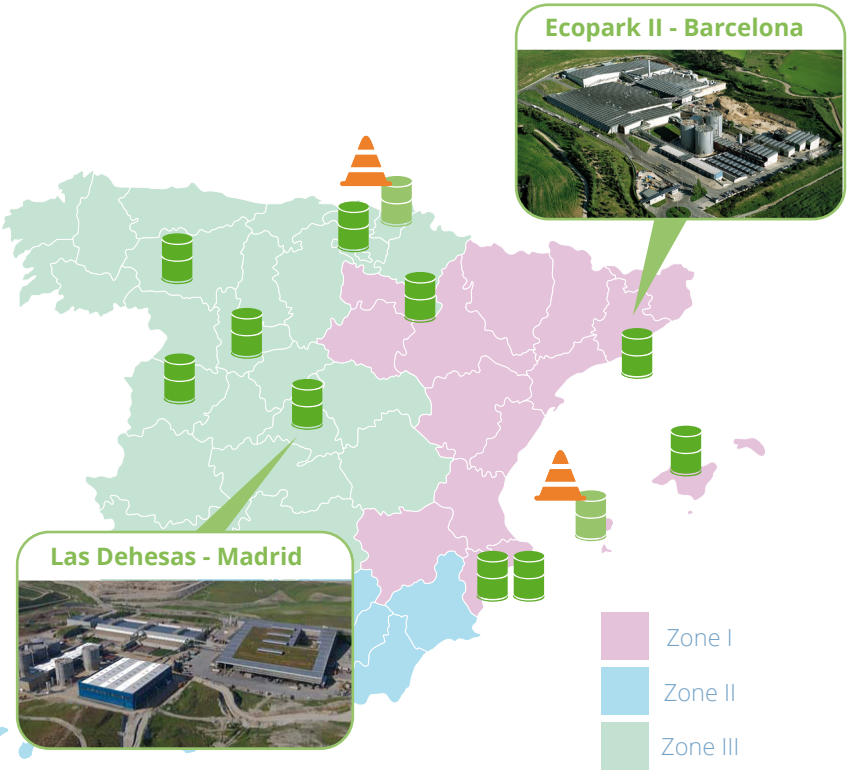
KEY FIGURES 2018

10 Biomethanisation Plants and 2 under construction
(About 30 % of the plants managed nationwide)

407,797 tonnes produced by means of biomethanisation

44.3 Million Nm³ of biogas generated

44.65 MWh of electricity generated



Biomethane: a by-product for the circular economy

Currently, the **Valdemingómez Technology Park (PTV) in Madrid** is the only facility in our country that produces biomethane from biogas before sending it to the grid; a large part of the biogas is supplied by the **Dehesas Plant**, managed by FCC Medio Ambiente since 2009.

Our aim is to remain a national point of reference in the management of the biomethanisation process, underpinned by research and development activities. The **LIFE METHAmorphosis** project, performed at **EcoparcII in Barcelona**, represents a major circular economy proposal, converting the "**waste treatment plant**" into a "**producer of fuel**" fit for use in all types of vehicles.

The future development of biogas plants in Spain at which biogas is transformed into biomethane and used in transport would represent a huge step forward, since our country is well behind other European countries when it comes to the production of biomethane.

The Environmental Centre in Gipuzkoa (CMG-2): a commitment to circularity

The contract for phase 2 of the Gipuzkoa Environmental Centre (CMG), being developed by "Gipuzkoa Ingurumena Bi, S.A." led by **FCC Medio Ambiente** for the province's Waste Consortium (GHK), was entered into in September 2018 and entails the construction, commissioning and operation of CMG-2 for a period of **20 years**, with an investment of EUR **32.2** million and an estimated portfolio worth EUR **92** million.

The new facility will be spread across two plants, one for the **biomethanisation** of biowaste and another for the **recovery of slags (ecoaggregates plant)**, which will form part of the **Gipuzkoa Environmental Centre** and will represent **two keys in ensuring the circularity** of the global treatment of waste in Gipuzkoa.

Biomethanisation plant

It will use dry DRANCO technology under thermophilic conditions (55 ºC). The innovation of the process is that it will be divided across two stages: "digestion" and "post-digestion". The dual purpose is to increase the availability of the process and ensure an anaerobic digestion volume from the outset for a capacity of biowaste of 60,000 t/year, ensuring the future expansion of the facilities.

To this end, two vertical single-stage cylindrical reactors are used, without internal mixing equipment, made from steel and thermally insulated to reduce heat loss.

The first phase, which will take place in a 4,000 m3 digester, is equivalent to the process normally carried out at other biomethanisation facilities, while the second, performed in a 2,000 m^3 digester, will provide an additional amount of generated gas.

This process will thus improve overall performance and increase the production of biogas, with the expectation that electric generation will come to around 15 million kWh/year, covering the annual electricity needs of more than 4,300 households[1].

Slag treatment plant

It will be one of a few of its kind in Spain and the second owned by the FCC Group. There will be a high level of automation for the manufacture of recycled aggregates from MSW incineration slags. It will be **designed to treat 52,000 t/year of wet slag from CMG-1**.

The process will consist of the following stages:

- **Drying process:** a continuous process that will operate 24 hours a day, 7 days a week. This process takes place in 4 parallel units, beneath a fully automated crane bridge.
- **Mechanical treatment:** a nominal flow of 24 tonnes/hour will be achieved, up to a maximum of 30 tonnes/hour. Combustibles will be separated and ferrous and non-ferrous metals will be classified for recycling. Finally, an aggregate of two possible sizes will be obtained: Up to 10 mm and 10-30 mm.
- **Maturation process:** this is a continuous process that will operate 24 hours a day, 7 days a week. It will take place in a series of parallel units operated by a second automated overhead crane.

The new infrastructures will make it possible to **improve recycling rates** and waste recovery in Gipuzkoa, to around 60 %, in line with the most advanced countries in Europe, thus beyond the 50 % target set by Europe for 2020.

Click here to watch the CMG-2 project development video.

(1) Source IDAE: Average Electricity Consumption per Home: 3,487 kWh.

The sustainable path in waste management: compost optimisation

Gipuzkoa Environmental Centre (CMG-2): VERMI-COMPOSTING.

The digested materials generated at the CMG-2 will be recycled at an adjoining facility with **vermi-composting** procedures to manufacture **compost**.

Vermi-composting is a new technique that consists of the **bio□oxidation and stabilisation of organic matter**, involving the combined action of earthworms and microorganisms, from which a stabilised, homogeneous and fine-grained final product called vermi-compost or worm humus is obtained, which is highly regarded by the market.

The CTR in "Las Marinas" (El Campello): Microorganisms that create extra oxygen.

The **"Las Marinas" Integral Waste Treatment Plant in El Campello** applies a "**cocktail**" of microbiological species to the entire organic range of the waste, including bacteria, fermentative fungi, yeasts, actinomycetes and enzymes, to increase the supply of oxygen into the environment under static plateau conditions and reduce odours, following the success of the R&D&I project entitled "**Composting trial with the application of microbiological products**".

This project is based **on the application of a beneficial microbiological combination** for the composting process, as its application produces extra oxygen, preventing anaerobic conditions from being produced. Also, by inoculating these microorganisms, it is possible to reduce the generation of odours, as well as reducing ammonia emissions. In addition, it is an environmentally friendly product.

INSECTUM R&D&I Project:

CDTI's CIEN programme project, led by FCC Medio Ambiente, is entitled: "This Recovery of urban and bio-waste by-products through **bioconversion with insects** to generate innovative products in strategic sectors". Its goal is the implementation of an innovative urban bio-waste recovery system based on its bioconversion by insects in products with a high added value for the industry (human food sector, nutraceutics/pharma, animal feed, fertilisers and chemicals). Feeding insects with organic matter from selective waste collection, organic matter recovered from MSW and biomethanisation digestion is being considered.

Leader: FCC Medio Ambiente

Partners: Fertinagro, Bioento, Grupo Dibaq, Polysistec, Tradichem

Technology Centres: tecnalia, LEITAT managing technologies, CTAGUA Centro Tecnológico del Agua, CETEMET, Visavet, Universidad Zaragoza

Good practices that pave the way for the circular economy

The facilities in CM Valsequillo and CMR in the Community of Madrid: two excellent examples of waste mitigation.

In 2019, the new **Recovery and Composting Plant** at the **Valsequillo Environmental Centre** (Antequera, Málaga) came into operation and in 2020, the new **Environmental Recycling Centre at the East Community of Municipalities in Loeches (CMR)** in the Community of Madrid will come into operation. Both facilities provide for the incorporation of a **Waste Derived Fuel (WDF) production line** harnessing the high calorific value of certain waste and converting it into fuel to generate energy. The inclusion of a **rejected waste gasification module**, to obtain a gas that can be burned in engines for the production of electricity.

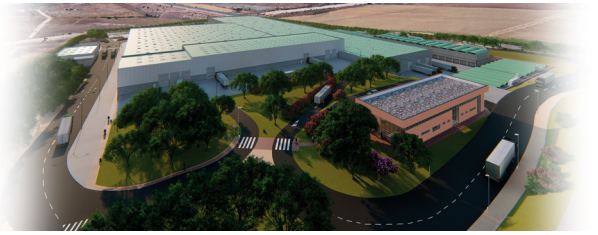
PLANTA DE RECUPERACIÓN Y COMPOSTAJE DEL CM DE VALSEQUILLO (MÁLAGA).

- **Investment:** EUR 19 million (financed with European funds).
- **Commissioning:** 2019.
- **Capacity:** 240,000 t/year (generated by 1/3 of the population of the province of Malaga).
- **Estimate of Avoided Emissions:** around 121,000 tCO_2e per year.

COMPLEJO MEDIOAMBIENTAL DE RECICLAJE DE LA MANCOMUNIDAD DEL ESTE (CMR) (LOECHES, MADRID). (Financed by the CA of Madrid).

- **Investment:** 118 EUR million.
- **Commissioning:** 2020.
- **Capacity:** 254.000 t/year.
- **Estimate of Avoided Emissions:** around 208,000 tCO_2e per year.

CM de Valsequillo (Málaga)



CMR (Loeches, Madrid)

329,000 tCO_2e AVOIDED EACH YEAR
for the biological treatment of the organic matter, for the recovery of materials and for the generation of electricity, instead of controlled disposal.

EQUIVALENT TO....

The annual emissions generated by 26,320 homes.[2]

The annual emissions generated by 151,530 vehicles.[3]

(2) Source: The average emissions per household are around 12.5 tCO_2e. The responsibility of the Spanish economy for global warming. "Colección Economía crítica & ecologismo social. UHEM Ecosocial y La Catarata. Madrid 2013".

(3) According to the GHG Inventory Report 1990-2017 (2019 Edition), emissions associated with passenger cars in Spain amounted to 51,024 tCO_2 in 2017 and 23,500,401 passenger cars were counted (Anuario Estadístico de la Dirección General de Tráfico del Ministerio del Interior - DGT).

New rejected waste stabilisation plant at the "El Culebrete" Waste Treatment Centre in Tudela.

The new plant has six units with a treatment capacity of 11,000 tonnes per year of rejected waste from dry and wet pre-treatment at the biomethanisation plant. As a result, **the organic matter** of this type of waste will be **stabilised** before being deposited in the landfill, **minimising GHG emissions**. Furthermore, it is designed to treat 3,000 tonnes of selective organic matter per year, which will increase following the planned implementation of selective organic collection.

Good practices that pave the way for the circular economy

Organic Matter Selection and Treatment Plant in Ibiza-Formentera: Automation and artificial intelligence in favour of recycling.

UTE Giref, in which FCC Medio Ambiente holds a 20% interest, is building a new **Mechanical-Biological Waste Treatment Plant** next to the controlled deposit of Ca na Putxa (Ibiza) to serve the towns and cities on the islands of **Ibiza** and **Formentera.** This plant includes **a biomethanisation facility.**

ORGANIC MATTER SELECTION AND TREATMENT PLANT IN IBIZA-FORMENTERA:

- **Investment**: EUR 67.7 million.
- **Commissioning**: 2020.
- **Capacity:** 163,000 tonnes per year.
- **Electricity Generation**: 15.55 MWh of electricity, equivalent to the electricity consumed by 4,459 households.

New features:

1. **Weighing of lorries and access control**, by means of automatic barriers, a card reader and registration plate reader, **operated automatically**, without the involvement of an operator.
2. **Automatic crane bridges**, which do not require any operator to use them.
3. Three automatic sorting lines with header crushers to **minimise the need for sorting bulk material by hand**.
4. **Optical separators** with the pre-installation of "**Deep learning**", combining the system inherent to the optics and artificial intelligence. One of them, in which PET is captured, will be installed so that it learns by shapes, colours, etc. like a robot, to improve blowing tasks and avoid mistakes.
5. **Quality control of the material recovered** by automatic systems.
6. **Handling bales of rejected waste by crane and electrohydraulic clamp**, to simultaneously load and transport them.
7. **Camera control** of the entire installation from the control room.

84,700 tCO_2e AVOIDED EACH YEAR
for the biological treatment of the organic matter, for the recovery of materials and for the generation of electricity, instead of controlled disposal.

EQUIVALENT TO....

The annual emissions generated by 6,776 homes.[4]

The annual emissions generated by 39,011 vehicles.[5]

(4) The average emissions per household are around 12.5 tCO_2e. Source: The responsibility of the Spanish economy for global warming. "Colección Economía crítica & ecologismo social. UHEM Ecosocial y La Catarata. Madrid 2013".
(5) According to the GHG Inventory Report 1990-2017 (2019 Edition), emissions associated with passenger cars in Spain amounted to 51,024 tCO_2 in 2017 and 23,500,401 passenger cars were counted ("Anuario Estadístico de la Dirección General de Tráfico del Ministerio del Interior- DGT").

Good practices that pave the way for the circular economy

Containers and supply areas with access control systems to improve the quantity and quality of selective collection.

Performance of different **pilot tests** applying **different technologies** to both individual **containers** with **closed access**, as and containers grouped together in **supply areas with limited access**, by means of **user identification systems** with card readers.

The ultimate goal is to control waste inputs to **improve selective collection rates** both in terms of the quantity and quality of potentially recyclable materials.

Applications: District of Anoia, Tiana, Hospitalet de Llobregat, city of Girona.

Installing sensors on containers/bins to optimise routes.

Remote management system, which consists of installing **ultrasound sensors** inside containers and bins to ascertain **how full they are remotely** from a computer or mobile phone device. The data is transmitted **in real time** by means of a hybrid communications system to **optimise routes**, so that only full containers are emptied.

Applications: Beaches in the Metropolitan Area of Barcelona and the municipalities of Cabrera, Mataró, El Prat de Llobregat, etc.

Water optimisation through the remote management of the irrigation network in public gardens.

Remote management system, consisting of the installation of **timers** on irrigation boxes and **control elements with communication by means of radio frequency** at different points of the gardens. The aim is to **control of irrigation across the city in real-time**, saving water, optimising human resources, locating incidents, etc.

Applications: Mataró, L'Hospitalet de Llobregat, Santa Coloma de Gramenet, Castellar del Vallès, Cornellà de Llobregat and currently being rolled out in Viladecans and Argentona.

ACHIEVEMENTS 2017-2018:

Optimise facilities for the retrieval and recovery of by-products

- Implement initiatives to give unused waste a second chance in **clean points**.* ✓
- Adapt processes at treatment plants to **increase the collection of recyclable waste** and introduce **new recovery lines** to **transform waste into by-products** (waste-derived fuel).* ✓

(*) Reintegrate the objectives indicated in the new Plan 20-22.

COMMITMENTS PLAN 20-22:

Commit to the principles of the circular economy. Increase the CIRCULARITY of our SERVICES

- **Improve selective waste collection** rates.
- Define **improvement actions** and **reduction, reuse and recovery targets** for outflows from **treatment plants.**
- Give **waste** a **second chance** as a **by-product**, through selective collection systems and treatment and recovery processes.
- Enhance **awareness** of the **new circular economy model** throughout the organisation by implementing initiatives (ATHOS, specific training, etc.).
- Harmonisation of **"circular economy indicators"** and **"following up and monitoring"** these indicators in terms of waste treatment and disposal services and facilities.
- Participation on the **"Technical Standardisation Committee (CTN) 323 "Circular Economy".**
- Participation in **"Waste Paper"** as part of the **Circular Economy Commission** created by the **Spanish Chamber of Commerce**.
- **Increase** the **production of biogas** using **biomethanisation by 30%** (13 million Nm^3 more per year).
- Implementation of **initiatives and good practices** to promote circularity at our treatment facilities.
- Participation **of the FCC dining room** in the "**Madrid gets it right with organic waste**" campaign when the roll-out of the **fifth bio-waste container is launched in the Las Tablas district** and this matter is subsequently treated at the **Las Dehesas Plant**.

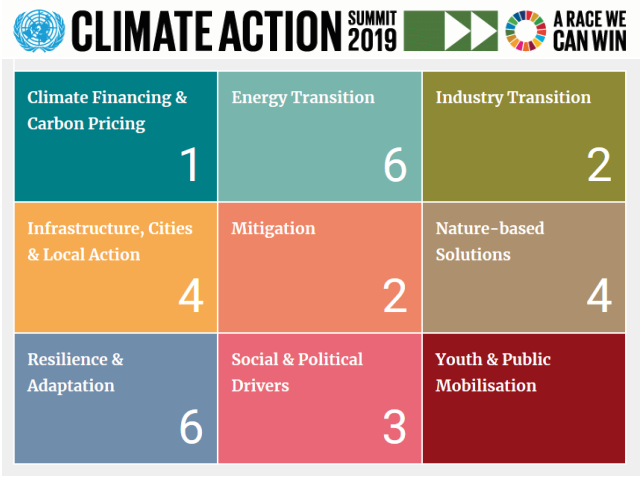
2.2. FCC Medio Ambiente in climate action

Progress in favour of mitigating greenhouse gas (GHG) emissions

United Nations Climate Action Summit.

The **UN** is calling on all countries to submit **concrete and realistic plans to enhance their national determined contributions by 2020, in line with reducing greenhouse gas emissions by 45% over the next decade and to net zero emissions by 2050.** New contributions must be approved with sufficient notice prior to the **COP26** to be held in **Glasgow** at **the end of 2020**.

In 2014, **Europe** established the strategic climate and energy framework for 2020-2030 (“**2030 Framework**”), that has set the target of achieving at least a **40% reduction in GHG emissions** and **27% energy savings by 2030**. Looking further down the line, the European Commission has developed the **Roadmap to achieve a low-carbon competitive economy by 2050**, in which it is committed to **reducing GHG emissions by 80% by 2050**, below levels recorded in 1990.



Source: https://climateaction.unfccc.int/views/events.html [1]

Spain: GHG Emissions associated with the waste sector came to 13,599,900 tCO2e in 2018.[2]

The waste sector accounted for 4.1% of Spain’s GHG emissions in 2018, of which 76.6 % came from diffuse landfill emissions.

Before the **Climate Action Summit**, Spain approved the **Integrated Energy and Climate Plan 2021-2030**, the **National Fair Transition Strategy**, the **Strategy for fighting Energy Poverty** and the draft **Climate Change and Energy Transition Law.** This future Law will facilitate, in the medium and long term, the creation of a **new sustainable, low-carbon** and **climate-resilient development model,** pursuant to the commitments assumed under the Paris Accord. Furthermore, Spain has announced that it will contribute **EUR 150 million to the Green Climate Fund** in the coming years.

(1) 9 PRIORITY AREAS OF ACTION: Mitigation, Social and Political Drivers, Youth and Public Mobilization, Energy Transition, Industry Transition, Infrastructure, Cities and Local Action, Nature-based Solutions, Resilience and Adaptation, Climate Finance and Carbon Pricing.
(2) Spanish progress with Greenhouse Gas Emissions corresponding to 2018: https://www.miteco.gob.es/es/calidad-y-evaluacion-ambiental/temas/sistema-espanol-de-inventario-sei-/avance-gei-2018_tcm30-496677.pdf

Our commitment to reducing emissions from the waste sector.

FCC Medio Ambiente is accountable for 18% of the emissions associated with the waste sector in Spain; therefore, we are very committed to the **fight against climate change** and the achievement of **SDG 13 "Climate Action"** of the **2030 Agenda**.

In 2018, our company adhered to the **Climate Change Cluster**, led by Forética and, for the sixth consecutive year, we have registered our **GHG Emissions Report** in the **Carbon Footprint Registry**, Compensation, and Carbon Dioxide Absorption Projects of the Spanish Climate Change Office (OECC Oficina Española de Cambio Climático) at the Ministry for the Ecological Transition (MITECO).

In recent years, our organisation has been working on the definition and validation of **tools for the efficient management of energy resources** as well as on calculation methodologies, such as the **carbon footprint and intensity indicators**[3]. The Carbon Footprint is quantified using an in-house tool, the **VISION platform**, which makes it possible to identify emissions by contract, type of activity, installation and process used.

This methodology is based on the guidelines and **methodologies recommended by MITECO** and developed by **the IPCC**[4], as well as the standards set out in the **GHG Protocol** and the **Sector guide for the management of MW - EpE Protocol**. An external entity is responsible for verifying compliance with the international standard ISO 14064-3:2006.

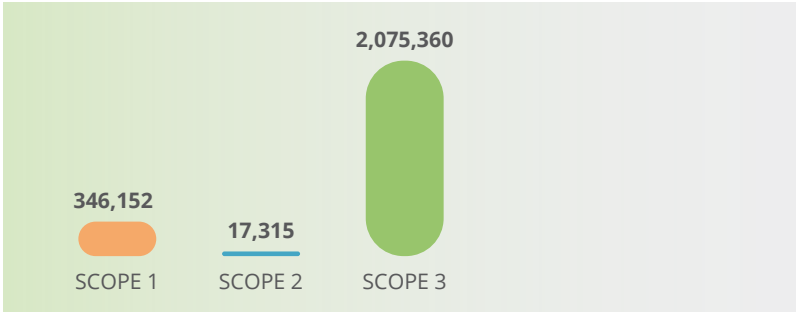
Furthermore, a **carbon footprint calculation procedure** has been drawn up for the organisation and two **specific procedures prepared for the quantification of GHG**[5] **emissions** at **treatment and disposal plants** (one for the construction phase and one for the operation phase).

In our first **GHG emission reduction plan (2013-2016)**, FCC Medio Ambiente achieved to reduce diffuse GHG emissions by **9.56 %** at the level of Scope 1 and 2.

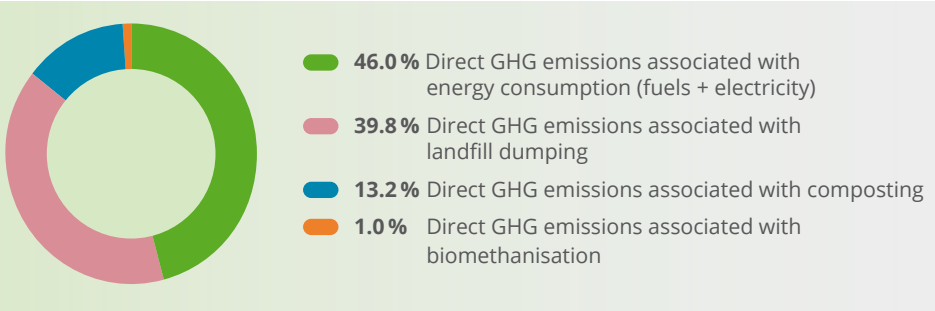
Since then, we have stepped up mitigation projects and actions and have proposed **new short and long term targets for reducing emissions**, which have been embodied in a **New Climate Change Strategy for 2050,** in line with the objectives set out under the **EU's 2050 Roadmap**.

FCC Medio Ambiente reduces its GHG emissions under operational control by **5 % (2016-2018)** and avoid **2,965,700.22 tCO_2e** globally in **2018**.

Carbon Footprint (tCO_2e)



Distribution of GHG emissions where FCC Medio Ambiente has operational control (Scopes 1 + 2)



(3) FCC Medio Ambiente was the first company in the sector to verify its corporate GHG emissions inventory (Carbon Footprint) in 2011, as well as the environmental performance or intensity indicators for urban services, in 2014.
(4) *Intergovernmental Panel on Climate Change.*
(5) GHG: Greenhouse Gases.

Scope 1 + 2 GHG emissions came to 363,466 tCO_2e in 2018, which can be divided into three large groups, which have served as a reference for classifying mitigation measures:

A. Emissions associated with energy consumption (46 %):

Mainly associated with the operation of our vehicles fleet. The new **Climate Change Strategy** is based on the monitoring of consumption, the optimisation and improvement of processes and services, the implementation of efficient driving systems and the incorporation of more energy efficient vehicles into the fleet. Furthermore, the **E-MOBILITY platform for Urban Services vehicles** is worth particular note; this tool was developed by FCC Medio Ambiente and Irízar, whose technology is **100 % plug-in electric** (described in the chapter 5.2.5. Driving innovation in a changing context).

It should also be noted that energy efficiency measures are being implemented in contracts. For example, in the case of the **energy management contract for street lighting in Ametlla de Mar**, software has been installed that allows **monitoring energy consumption** for each switchboard or groups of switchboards. This tool facilitates the analysis of the cost and return on investment of the different efficiency measures (**CBA: Cost-benefit Analysis**) that are being implemented over the course of the contract, through reports with the savings obtained. It also integrates the following modules, such as: Cartography, Inventory, Maintenance, Remote management and Electricity. As the modules are interconnected to each element of street lighting, it is possible to detect anomalies, identify patterns and therefore optimise energy management from a financial perspective. The modules allow, among other features: sequentially switching electric meters on and off, alarm messages (out-of-hours consumption, opening of electrical switchboard doors, when protection elements come loose, etc.), integration and management of the end-to-end system, continuous communication and adjustment of timetables, etc

B. Emissions associated with landfill deposits (39.8 %):

Scope 1 includes diffuse emissions from six of the tailings landfills at the seven WTP under the scope of operational control. **Ecocentral in Granada (Alhendín)**, given its size, represents the main focus of **diffuse emissions;** however, these will be reduced progressively as part of **two CLIMATE projects**[6] approved in 2016 and 2017 and that are being rolled out in two consecutive phases culminating in the **complete degasification of the landfill in 2020**.

Based on biogas capture forecasts (around 4 Million Nm^3 per year), the two engines installed will allow for the generation of around **8,000 MWh/year of electricity**, equivalent to the **electricity consumed by more than a thousand Spanish homes.**

C. Emissions associated with biological treatment (13.2 % composting and 1 % biomethanisation):

Biological treatment offers clear advantages compared to disposals at landfills in terms of emissions. The **new biological treatment plants**, which are under construction, will **increase biogas production** by around **30 %**. Furthermore, new technologies will be applied to optimise composting (vermi-composting, microorganisms, etc.), which will reduce emissions in composting processes (described in the chapter 5.2.5. Driving innovation in a changing context).

(6) CLIMATE Projects "Active degasification at the Ecocentral Granada landfill (Alhendín, Granada)". 2016 and 2017 MITECO programmes.

Climate action partnerships

➜ **In 2017, FCC Medio Ambiente joined the "#PorelClima" Community**, a project which picks up on the "One million commitments for Climate" initiative in which we collaborated in 2015 to support the participation of Spain at the COP 21 in Paris. The initiative is based on an **open community**, as part of which citizens, companies, administrations and organisations can create a "climate profile", which sets out individual commitments. The driving force that has promoted this initiative is formed by the Spanish Climate Change Office, the Biodiversity Foundation, the Spanish Green Growth Group, the Global Compact, the Red Cross, the World Wide Fund for Nature (WWF), SEO/BirdLife and Ecodes.

➜ The **SEEEUS® initiative** (***S**ystem for **E**nvironmental **E**fficiency **E**valuation of **U**rban **S**ervices*) presented by FCC Medio Ambiente in July 2017 as part of the new edition of the **Sustainable Life in Cities Initiative** and promoted by **Forética**, was **one of the 59 initiatives selected from the 520 initiatives presented** by companies, NGOs, educational institutions and other Spanish organisations.

➜ **FCC Medio Ambiente joined the Climate Change Cluster at Forética** and participated in its first annual meeting with a view to analysing the main global trends associated with the **financial impacts** of **climate change** and presenting the agenda and composition of the group in **2018.**

ACHIEVEMENTS 2017-2018:

Implement monitoring instruments to calculate and mitigate GHG emissions from processes and services

- **Improve** the **energy efficiency** of processes and services with the subsequent **reduction** of **direct and indirect GHG emissions***.
- Position the **carbon footprint calculation** as a **useful** and **integrated instrument** for **monitoring** the organisation's **GHG emissions**.*
- **Monitor** the calculation of **intensity indicators** to assess and improve the energy impact and mitigate GHG emissions from the services provided in the communities in which we operate.
- Employ **energy audits** to analyse **opportunities** for improvement in matters of energy consumption **efficiency**.*

(*) EReintegrate the objectives indicated in the new Plan 20-22.

COMMITMENTS PLAN 20-22:

Take climate action: improve the energy efficiency of the services provided.

Calculation of the Carbon Footprint and GHG Indicators and "Emission Reduction Strategy".

- Obtain the **OECC Reduction seal** from MITECO corresponding to the 2019 Carbon Footprint Registry for the organisation.
- **Monitor**, using the **VISION platform**, the **calculation** of the Carbon Footprint **and intensity indicators** to assess and improve the energy impact and mitigate GHG emissions from processes and services provided in the communities in which we operate.
- Prepare the organisation's **Climate Change Strategy** with reduction plans to be achieved by **2020**, **2030** and **2050**.
- Analyse **opportunities** for **improvement** in matters of **energy consumption efficiency**, supported by energy audits.
- **Expand** the **scope** of the **carbon footprint**, including GHG emissions associated with **HCFCs**.

Mitigation Measures.

- **Reduce GHG Emissions** by **more than 5 %**[7] compared to the **base year** (2016)[8].
- Take the necessary **mitigation measures** to achieve a **reduction** of **more than 26 %** by **2030**[9].
- **Purchase electricity** with a **Guarantee of Origin** at the main Scope 1 treatment and disposal facilities. Estimated reduction in emissions: **4,328.53 tCO_2e** per year associated with consumption of **16,031.58 MWh**.
- **Increase** the **proportion** of **vehicles** powered **by alternative energies** (CNG, hybrids, electric, etc.) in our fleet.
- **Promote sustainable mobility** (for example, implement carpooling initiatives).

Adaptation Measures.

- **Review the map of risks** and opportunities at FCC Medio Ambiente to **tackle Climate Change**.
- Take **climate adaptation measures** to **minimise the risks** detected on this map.

(7) As part of Decision No. 406/2009/EC, of 23 April 2009, on the effort of Member States to reduce their greenhouse gas emissions, the target for Spain was to reduce GHG emissions by 10% compared to 2005 emissions.
(8) For European targets, the base year has been set as 2005; however, at FCC Medio Ambiente, the base year is 2016, as this constituted an important milestone, when Alhendín entered Scope 1.
(9) Regulation (EU) 2018/842 of the European Parliament and of the Council of 30 May 2018 on binding annual greenhouse gas emission reductions by Member States from 2021 to 2030 contributing to climate action to meet commitments under the Paris Agreement and amending Regulation (EU) No 525/2013, Spain committed to reducing its 2005 emissions by 26% by 2030.

2.3. Promoting the efficient use of water and tackle water stress

According to forecasts in Spain, **climate change** will have a **negative impact on water**, causing a reduction in water resources and an increase in extreme phenomena such as floods and droughts. The extent of this impact will largely depend on how we use this resource.

Within the framework of the SDGs and given that water is a **key factor for the performing of our activity**, one of the goals prioritised by FCC Medio Ambiente is Goal No. 12 Responsible Consumption and Production which encompasses "Water".

Our organisation is making every effort to adapt to the consequences derived from **climate change and to mitigate,** as far as possible, its **adverse effects**. Therefore, favouring **rational and efficient consumption** of this resource and encouraging the **use of water from alternative sources** has become a priority for us.

At FCC Medio Ambiente, priority is given to **water-economising technologies and equipment** in the provision of services, mainly **irrigating parks and gardens** and **washing streets**, and we promote **water-saving devices** at our **facilities.**

It is worth noting that following the implementation of the VISION Platform, it has been possible to **improve the monitoring and control of water consumption**, increasing the scope of the indicator to all Urban Services facilities.

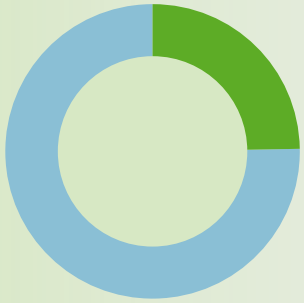
1.1 %

increase in the use of water from alternative sources over the past three years

2.5

million m³ of water from alternative sources

Water consumption (m³) (operational control 2018)



Optimisation of water use in parks and gardens.

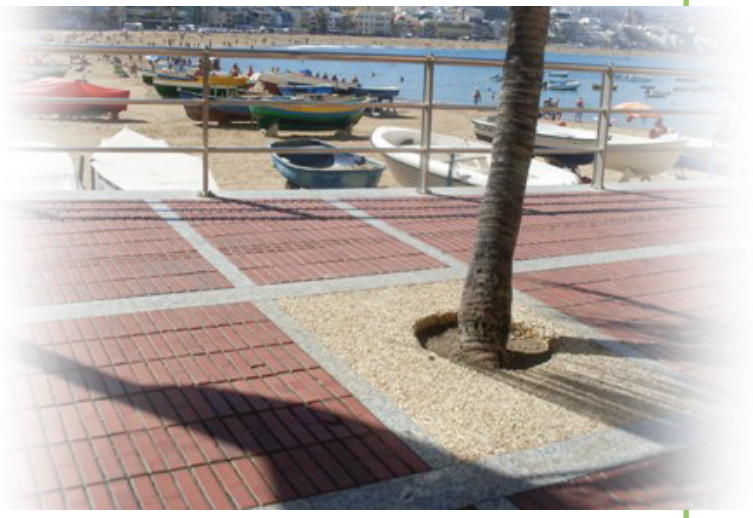
Actions promoted by FCC Medio Ambiente:

- Increase in the use of water from **alternative sources**.
- Performance of **surveys** in large parks to **harness groundwater**.
- Promotion of **automatic irrigation**.
- Implementation of **remote irrigation management systems**.

Implementation of remote-managed irrigation.

- Optimise watering by using **local systems, underground systems** or **drip systems**, or **watering at night**.
- Installation of **micro weather stations** to adapt the watering to the actual needs of plants.
- Improve the use of technology in control systems, including the use of **geophones** to **detect leaks** in the irrigation network.
- Installation of **recirculation systems** in **ornamental fountains**.
- Installation of **draining pavement** in cork oaks to improve the use of irrigation water.
- Selection of **plant species resistant to drought**.
- Application of **long-lasting surfactants** to encourage the circulation and distribution of water in the soil.
- Use of **Mulching**: spreading crushed plants and other materials on the soil as a non-compact top layer, the main advantages of which are: increasing soil temperature, reducing water evaporation and the presence of weeds and plying the soil with organic matter.

Promotion of automatic irrigation.



Installation of draining pavement in cork oaks.

Reducing the consumption of water in urban cleaning tasks.

- Incorporation of **high-pressure, low-flow pumping systems** in **water tank truck.**
- Installation of **adjustable water irrigation devices** with **programmable automaton.**
- Less water consumed by the **Dual Street Washer-Sweeper** compared to standard flushers.

Use of recycled water.

IInstallation of adjustable sluicing units with programmable automaton in the flushers.

Efficient use of water at our facilities.

Managing the decrease in water availability at **MSW treatment plants**:

- Installation of rainwater collection systems together with recovery rafts that allow their use in biological waste treatment processes and street cleaning.

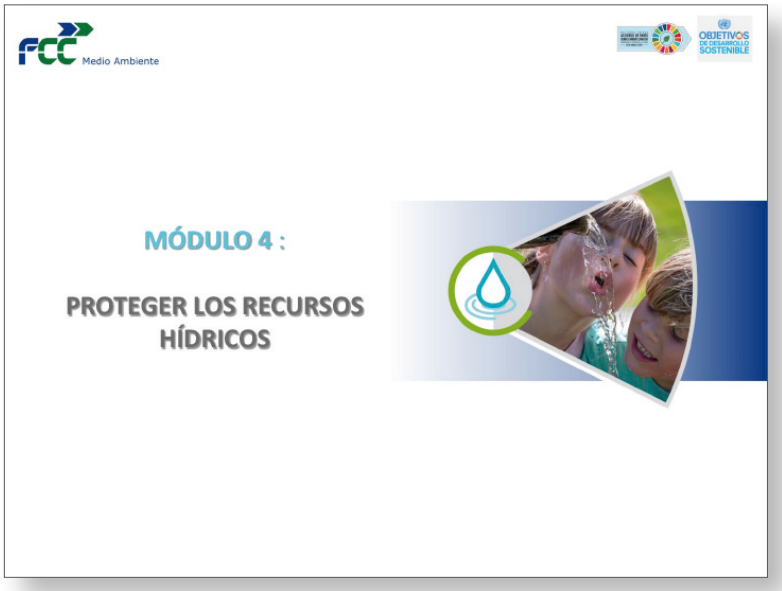
Our **fleet of vehicles**: a model for using **water from alternative sources**:

- Purification and recycling of flushed water for reuse in car washing tasks.
- Recirculation of the car washing water, facilitating its reuse.
- Collection and retention of rainwater on the roof for use by container washers.
- Collection and storage system for rainwater, groundwater and purified water prior to transfer to mixed cleaning equipment and other uses.

Recycled shower water for use in laundry facilities.

Raising awareness among our staff on the rational use of water.

We promote water savings among operating staff through the **"Ecological Office" initiative and the "Integrated Sustainability Training Plan"**, which addresses the rational use of this resource.



We also equip our facilities with:

- ➜ Taps fitted with flow systems.
- ➜ Direct-action thermostatic push buttons.
- ➜ Flow reducers in showers and timed switches with flow restrictors in washbasins.

ACHIEVEMENTS 2018:

Reduce environmental impacts

- **Optimise** control of **water consumption** in favour of the use of water from **alternative sources** in **street cleaning** services and the irrigation of **parks and gardens**.*

(*) Reintegrate the objectives indicated in the new Plan 20-22.

COMMITMENTS PLAN 20-22:

Promote the efficient use of water and tackle water stress

- **Use VISION** to monitor **water consumed** by **street cleaning services** and in the **irrigation of parks and gardens**.
- Implement **initiatives and good practices** to **improve** the **efficiency** of the **water use** at our **facilities** and in the provision of street cleaning **services** and the irrigation of parks and gardens.

2.4. Preserving natural capital and protect biodiversity

FCC Medio Ambiente is an organisation recognised for its engagement in the **protection of biodiversity in an urban context** through its activities in **maintenance and conservation of parks and gardens** (3,973 ha of green areas and 771,563 trees managed) and also for some **more specific initiatives** undertaken at its **industrial facilities for the treatment and disposal of municipal solid waste MSW. In addition, through beach cleaning services we contribute to the improvement of the Spanish coastline.**

It should be noted that our role in the **protection of urban biodiversity** has been strengthened by the FCC Group joining the **Spanish Enterprise and Biodiversity Initiative** (IEEB) in 2013 and **signing** the **Biodiversity Pact.**

SDGs 14 and 15 relating to the protection of land and marine biodiversity, although they were not prioritised in the materiality analysis carried out in 2016, will be integrated transversally across all the activities performed by our organisation, through the implementation of a **Programme** aimed at promoting the performance **biodiversity protection** actions.

14 VIDA SUBMARINA — Conserve and sustainably use the oceans, seas and marine resources.

15 VIDA DE ECOSISTEMAS TERRESTRES — Sustainably manage forests, combat desertification, halt and reverse land degradation, halt biodiversity loss..

The care and conservation of urban natural capital.

Measures that we carry out:

- Incorporation of **feeders, nests, places of refuge** and **homes for insects, birds, bats and other animals**.
- **Census** of botanical species and fauna.
- Participation in **park and garden planning** in our city, defending a landscape that is home to green belts, wildlife crossings, protected electricity pylons and large, tree-lined gardens.
- Introduction of **cultural practices that are more respectful of biodiversity**: biological control, endotherapy, use of ecological products and/or products with a low toxicity, etc. Examples of biological control in gardens managed by FCC Medio Ambiente: Zaragoza, Hospitalet de Llobregat, Valencia, Madrid and Cartagena.
- Use of **wood from sustainable forest management systems in the** purchasing of furniture.
- **Implementation of ICTs** for the management of trees.

Butterfly farm in urban park of (San Juan in Telde).

Caring for the Spanish coastline.

FCC Medio Ambiente is involved in beach cleaning activities in cities including **Malaga, Alicante, Castellón, Vigo, Mallorca, Menorca, Ibiza, Las Palmas de Gran Canaria, Puerto del Rosario, San Sebastián,** etc. It is also worth noting that **43% of 103 coastal towns and cities** where we provide beach cleaning services have been awarded a "**Blue Flag".**

Furthermore, we were the first Spanish company to obtain the Q Tourism certificate from ICTE, which has awarded the Q Mark specifically to services relating to the conservation of parks, gardens and green areas, in addition to the cleaning of beaches, coasts and coastal waters.

A number of the initiatives undertaken include:

- Participation in the **cleaning** of **seabeds** off the coast of **Almuñécar**.
- Collaboration with **Vigo City Council** in the **recycling campaign** on the Cíes Islands: **"Porque o que vaí a cíes, ten que volver de Cíes"**.

Landfills: places rich in biodiversity.

Measures that we carry out:

- Collaboration in **bird tracking** processes involving endangered species.
- **Prevention** of the possible risks derived from the **overpopulation** of certain opportunistic species. Our actions are focused on deterrents such as falconry or the use of air cannons to avoid risks to our personnel and annoyance in the local population.
- **Revegetation** of **sealed** landfills.

Revegetation of the Cartagena landfill (Murcia).

The scientific partnership involved in the fight against invasive species.

- Study carried out in collaboration with **the Department for Agroforestry Ecosystems at the Polytechnic University of Valencia** to assess the **influence of the environment on the biodiversity of arthropods and the number of *psylla* in ficusses and** the number of **cochineal insect in holm oaks** in the city of **Valencia.**
- Collaboration with the **Canary Islands Institute of Agricultural Research** (ICIA) as part of a study to develop a pheromone and to design a trap to control *Diocalandra frumenti*, a plague affecting Canary Island date palms.
- Collaboration in a **trial in gardens across Las Palmas de Gran Canaria** to determine the effectiveness of mass trapping with a view to drawing up a report that would facilitate the registration of the trap in the Official Registry of Phytosanitary Products and Material maintained by MITECO.

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Gobierno de Canarias

Dissemination, training and awareness raising actions.

The **Comprehensive Training Plan for responsible management** , which objective is to report on and raise awareness amongst employees about activities that improve and consolidate the sustainable environmental management of the services provided, with a **module dedicated to biodiversity protection.** For example, the training imparted to our operators on the **control and detection of invasive species, such as the Asian wasp.**

Also worth note is training to be imparted in collaboration with **Seo Bird Life**, which aims to **include biodiversity** in the **management** of **Parks** and **Public Gardens** in the city of **Oviedo** as part of a **biodiversity action plan**, **training imparted to** key agents, the **implementation** and **monitoring** of **good practices** and **initiatives** to **raise awareness** that **promote awareness** and **civic action.**

Furthermore, FCC Medio Ambiente reports on its actions to conserve natural capital through:

- **Three-yearly publication of the Spanish Enterprise and Biodiversity Initiative (IEEB)**.
- **Participation of its employees at conferences, forums and workshops** (for example: PARJAP conference, Annual Conference of the Association of professionals working in the green spaces of Catalonia, ECOPLAYAS Conference).
- **Publication of articles in specialist magazines**.
- Undertaking various **initiatives to raise awareness among schoolchildren, students taking specific courses in environmental techniques, technical staff and professionals in the sector.**
- Collaboration in the organisation of **"Tree Day".**
- **Education at the "Coto de la Isleta Environmental Education Centre" in Cádiz**.
- **Participation** at the **Biodiversity Forum** organised by **Forética. Attendance of meetings held by the IEEB:** worth note is the participation of FCC Medio Ambiente at the Spanish Companies and Protection of Biodiversity workshop organised by the Spanish Enterprise and Biodiversity Initiative (IEEB), under the Biodiversity Foundation of the Ministry of Agriculture and Fisheries, Food and the Environment.
  At this meeting, the **first IEEB results report** was presented, disclosing the actions carried out in biodiversity matters by these companies in Spain between 2013 and 2015.
  Public-private collaboration projects and training and support activities for companies were also presented, in addition to research, awareness raising and volunteering actions.
  At this event, we highlighted our role in the preservation of biodiversity through activities involving the care and maintenance of parks and gardens.
- **Publication** of the **Annual FCC Group Report and the FCC Medio Ambiente Sustainability Report:** including information on the initiatives implemented in terms of biodiversity protection and containing data on GRI indicators relating to this aspect.
- **Sponsorship** of the **"vivirlosparques"** initiative to publish the parks and gardens in Spanish cities where we manage urban plant heritage.
- **Presentation** of **reports** on the **sustainable management** of **parks and gardens** delivered to our **customers** (for example: gardens in Zaragoza)
- **"Sustainable garden management" and "Sustainable treatment and disposal facilities management" portals,** to which the more than 150 managers handling contracts managed by FCC Medio Ambiente have access. Biodiversity information is shared interactively.

ACHIEVEMENTS 2017-2018:

Preserve and learn to preserve urban natural capital

- Promote **new lines** of **collaboration** with **public institutions** concerning the **protection of urban biodiversity**. ✓
- Step up the implementation of **public awareness sessions** that promote the care and conservation of **flora and fauna** of **urban ecosystems**. ✓
- **Raise awareness** among **operators** about biodiversity protection through the implementation of the **Comprehensive Training Plan for sustainable environmental management**. ✓
- Expand **integrated pest control** and **control** of the **expansion** of **invasive species** in parks and gardens.

(*) Reintegrate the objectives indicated in the new Plan 20-22.

COMMITMENTS PLAN 20-22:

Preserving natural capital and protecting biodiversity

- **Work** on **SDGs 14 and 15** relating to the protection of land and marine biodiversity.
- Implement **practices** that are **respectful** of the **preservation** of **urban biodiversity**.
- **Foster alliances** (SEO BirdLife, Biodiversity Foundation, Universities, etc.)
- **Integrate biodiversity** into the **management** of **Parks** and **Public Gardens** in the city of **Oviedo** (SEO-BirdLife Agreement).
- **Disseminate** our **initiatives** and **good practices** in terms of **biodiversity protection** (IEEB, magazine articles, PARJAP, etc.)

2.5. Driving innovation in a changing context

Spain is working on a **new Strategy for Science, Technology and Innovation (EECTI) 2021-2028**, which will include the priorities set out in the **Spanish R&D&I Strategy for Artificial Intelligence** and whose objectives will be achieved **through the State Science, Technology and Innovation Plans (PECTI: "Planes Estatales de Ciencia, Tecnología e Innovación"),** mobilising synergies between the different echelons of the public administration and through the co-development of **public and private sector**.

At FCC Medio Ambiente, we remain committed to research and development and technological innovation and we have an **R&D management system in place pursuant to UNE 166.002** with a view to innovating the **urban services of the future**, which will have to be adapted to **the rapid transformation of cities**.

The **R&D&I projects** in the development or launch phase, for which **investment over the past two years came to EUR 3.74 million**, can be divided into three main scopes:

EFFICIENT MANAGEMENT AND SMART URBAN SERVICES

vision

Plataforma inteligente para la gestión de servicios de Medio Ambiente

Platform developed and designed entirely by FCC Medio Ambiente for the integrated management of the company and the services it provides.

TECHNOLOGICAL INNOVATION IN MACHINERY

New **ZEV** vehicles (vehicles with zero emissions), electric cars, smart containers, etc.

WASTE TREATMENT AND CIRCULAR ECONOMY

Development of European Projects as a firm commitment to the circular economy: METHAmorphosis, SCALIBUR, B-FERST and DEEP PURPLE, LIFE4FILM, INSECTUM, etc.

A. Efficient management and smart urban services: VISION Platform

Within the framework of providing services to cities, it is essential to have **ICT tools** that support the **provision of effective, efficient, sustainable and comprehensive services: truly intelligent services**.

This goal cannot be achieved if there are no systems available allowing to collect company's know-how, capitalizing on these systems the **best practices**, **efficient processes**, **optimized communications**, etc. and offering all the agents that interact in a city (administration - citizens - companies) **modern and collaborative tools** that make possible an **agile management of the information** that results in an optimal service provision.

At FCC Medio Ambiente we have developed "**VISION - Intelligent platform for the provision of citizen services**" which allows us meeting the objectives described, responding to the current requirements of our customers and being prepared for the future challenges that appear in the provision of our services.

A **comprehensive service management focused on excellence** in its provision requires maximum coordination of all areas that affect a given operation.

It is necessary for production-, legal-, environmental-, human resources-, machinery- and training-related aspects, etc. to be jointly managed through an **integrated system**.

VISION incorporates the different functional modules in a single environment, sharing information, processes, validations and services that facilitate an orientation towards excellence in the workplace.

B. Technological innovation in machinery

First e-mobility platform for Urban Services.

FCC Medio Ambiente and Irizar e-mobility, in cooperation with others, have developed **the first e-mobility platform for Urban Services vehicles**. The vehicle is the result of the ambitious technological innovation project known as VEMTESU ("Vehicular, Modular and Self-supporting High-Efficiency Electric Traction Platforms for Urban Services"), co-financed by the European Regional Development Fund (ERDF) through the Centre for the Development of Industrial Technology (CDTI).

100 % electric, plug-in and self-recharging.

The vehicle is equipped with side loading bodywork to collect waste. The fully electric Plug-in technology means that the lorry drives out of the operations base with the batteries fully charged and completes the service in a fully electric mode, therefore, operating as a ZEV vehicle (Zero-Emissions Vehicle). If the operating time needs to be extended, it uses a thermal/compressed natural gas (CNG) motor, which is solely used to charge the batteries. This auxiliary motor operates at a constant rate in its maximum efficiency point, achieving the minimum energy consumption and lowest possible emission level. Therefore, the vehicle's batteries are charged during the trip to and from the urban waste treatment plant, after which the vehicle can start a new shift, if required. As an alternative, the vehicle can be designed to operate in full-electric mode or driven by a fuel battery (hydrogen).

The result obtained makes it possible to offer the same services currently performed by a conventional collector with the same equipment, while **reducing the energy consumed by more than 50 % and drastically cutting emissions and annual CO_2 (26.12 tCO_2e savings compared to a diesel alternative working a double shift 80 % of all days)**.

B. Technological innovation in machinery

Weight control system and user access for scale- containers Green Recycling.

FCC Medio Ambiente and Deusto Sistemas have developed **a user identification system** (via RF-ID card) **and integrated weight control** in a **smart container equipped with an electronic lock**. The weight is taken using 4 weighing points located on the supports of the container or 2 transversal weights bars, depending on the design of the container.

EUSKO JAURLARITZA GOBIERNO VASCO
EKONOMIAREN GARAPEN ETA LEHIAKORTASUN SAILA
DEPARTAMENTO DE DESARROLLO ECONÓMICO Y COMPETITIVIDAD

GRUPO spri

New FCC PELUSA 1 cleaning equipment.

The **FCC VERSION PELUSA 1** is a highly manoeuvrable device equipped with an **assisted pedal cycle with auxiliary electric motor**. It makes it possible to increase the efficiency of street cleaning and garden maintenance services by optimising urban travel with **Zero Emissions** and minimising noise.

C. Waste treatment and circular economy

Creating a circular economy for plastic film (LIFE4FILM).

(Post-Consumption Film Plastic Recycling From Municipal Solid Waste) Spain and Germany (01/07/2018 – 31/12/2020)

LIFE 4FILM, a project managed by **FCC Medio Ambiente** seeks to **prevent the plastic film (LDPE) present in municipal waste** from being sent to landfills or recycling sites by implementing an **innovative semi-industrial recycling process**, with the installation of a recovery line with a 10,000 t/year capacity at the **Ecocentral de Granada**, aimed at demonstrating its profitability and how it can be replicated across Europe.

Ecocentral de Granada, a pioneer in the transformation of film

Leader: FCC Medio Ambiente

Partners: AIMPLAS Instituto Tecnológico del Plástico; STADLER Technik von ihrer besten Seite; Universidad de Granada

Ecodesign: Creation of new by-products and biomaterials.

Scalable technologies for bio-urban waste recovery.

SCALIBUR a **Horizon 2020** project, led by ITENE (ES), in which the FCC Group (through FCC Medio Ambiente and Aqualia) and various institutions from different EU countries participate. **Prototypes will be rolled out in three pilot cities** across **Europe** (Madrid, Albano and Kozani) to perform a comprehensive study on **municipal waste quality, logistics and treatment systems** and **WWTP* sludge** to obtain **new by-products and biomaterials** with a high-added value for the chemical industry. FCC Medio Ambiente will apply a biolectrochemical process to biogas obtained by means of biomethanisation to produce alcohols and provide biowaste to CENER, which will investigate the production of biopesticides and bioplastics by enzymatic hydrolysis followed by fermentation.

Creation of Biowaste Clubs: in addition, social awareness raising actions will be performed as part of strategies to stimulate participation among society.

(*) WWTP: Wastewater Treatment Plant

Leader: **Partners:** ITENE; FCC Medio Ambiente; Madrid; SmVaK Severomoravské vodovody a kanalizace Ostrava a.s.; CluBE Bioenergy & Environment Cluster; CENER ADItech; visum #SeeingNewData; exergy; City of Lund; Greenovate! Europe; anci lazio; aeris; Novamont; Unimore Università degli Studi di Modena e Reggio Emilia; Zetadec; wetsus; Kour Energy Srl Sviluppiamo Energia; cscp Collaborating Centre on Sustainable Consumption and Production; Waterschap Brabantse Delta; A8A

C. Waste treatment and circular economy

Projects funded by Public-Private partnership Bio-Based Industries (BBI JV)

DEEP PURPLE.

Domestic Extraction of Emerging Products with Purple Phototrophic Bacteria.

Objective: investigate, at a pilot scale, the integrated application of the most innovative techniques in the management of the different effluents generated by the waste treatment facility (digest, leachate and biogas), by applying purple phototropic bacteria for the recovery of by-products, such as: polyhydroxyalkanoates and hydrogen, single cells, or nitrogen and phosphorus for use as fertilisers.

Leader:

Partners:

B-FERST.

Bio-based Fertilising products as the best practice for agricultural management sustainability.

Objective: Integrate the recovery of biowaste in agriculture by creating new mineral and organomineral fertilisers as well as developing the corresponding nutrient mixtures for agricultural application.

Leader:

Partners:

ACHIEVEMENTS 2017-2018:

Drill down into the fields investigated and open new lines in adapting to climate change

- **Innovate** in terms of the **technological** and **digital environment** of **smart services**: generate instruments to support decision-making, foster interoperability between systems. ✓
- **Expand** the field of **research** in terms of **water**: risks and opportunities of using recycled water in urban services. ⊘
- Detect commercial technological development **opportunities** for **by-products**.* ⊘
- Harness collaboration **opportunities** through **European Innovation Partnerships** (EIP).* ✓
- **Double** the number of **R&D proposals** in national and international **calls for tenders**.* ✓

(*) Reintegrate the objectives indicated in the new Plan 20-22.

COMMITMENTS PLAN 20-22:

Open new lines of research in adapting to climate change and the principles of the circular economy

- **Increase investment in R&D&I projects** that **reduce the environmental impact** of processes.
- **Increase the number of** R&D project ideas and proposals by **promoting creativity** at the organisation.
- **Increase the** number of **bids** submitted to customers that include **R&D partnership proposals.**
- **Consolidate** the **Avanza awards** as a **means** of **promoting** innovative **initiatives within** the organisation.

2.6. Our team: ambassador of good practices

Integration of the sustainable management model with the corporate culture.

Given the essential role of environmental education and the involvement and commitment of all civil sectors in solving urban sustainability problems, in 2015 FCC Medio Ambiente began implementing **"Comprehensive sustainable environmental management training plan."** This internally crafted plan seeks to improve the environmental capabilities and involvement of employees working on the streets 24 hours a day, 365 days a year, **turning them into ambassadors of good social and environmental practices. The conduct of our professionals is a cornerstone** for improving the sustainable development of cities while also being a **paradigm for citizens to emulate**.

Priority objectives of the training action:

- Identify and understand the positive and negative environmental impacts of professional work.
- Belong to a team that is aware and sharing common goals and objectives of general interest.
- Provide and share suggestions as a result of professional experience.
- Periodically assess and analyse (for the entire contract duration) the return effect of the improvements and suggested good practices.
- Transmit exemplary conduct to citizens.
- Participate in the dissemination and demonstration of responsible actions.

The first implementation was carried out in the San Sebastián street cleaning contract, and has been offered in contracts for urban service management (street cleaning and waste collection) and renovated garden maintenance in the past two years in municipalities with a total population of at least **1.4 million inhabitants**.

The positioning of a new professional profile: the "environmental observer".

The Comprehensive **Training Plan** favours the **re-qualification** of a part of the jobs and the emergence of **new professional profiles** such as the **environmental observer**, whose mission is to **enhance** the **awareness** of operators in order to improve environmental performance in their functions and, consequently, the **quality of services** and **citizen satisfaction**.

Our employees **become responsible agents**, transmitters and drivers of the change of model towards sustainable social and environmental management, where people are involved in achieving the efficiency of services.

Observers are previously **trained on environmental issues** to be capable of distinguishing environmentally-friendly conducts that must be implemented in the service. In short, they act as a **transmission belt between citizens, employees and company.**

Our field staff's training in **efficient environmental management will positively affect** the environment and society where we operate, which can also be **evaluated and demonstrated by measuring the performance of environmental indicators:** environmental footprint, carbon footprint and intensity indicators.

The **demonstration of the beneficial return on society of this new organisational and management model "*Smart & Human Service*" shines the spotlight on good transferable practices** that characterise our organisation **as a brand of competitive, groundbreaking and differential urban services.**

Donostia - San Sebastián: Environmental Observer at Street Cleaning.

Collaboration of our professionals in educational and public awareness projects.

Through **initiatives for participating in educational tasks and vocational training, FCC Medio Ambiente has worked with 31,000 students**, entailing partnerships with several entities and institutions. We have incorporated **environmental educators** into our teams to lead some of the awareness-raising activities.

The pedagogic work is also carried out via **guided visits** to FCC Medio Ambiente's main **treatment plants**, **clean points**, **vehicle workshop-parks, environmental classrooms**, **parks and gardens**, etc., and involve schools, students and courses specialising in environmental subjects, technical personnel and sector professionals on a yearly basis. In addition to its technical nature, initiatives of this sort promote and cultivate social awareness in the selective collection of waste and responsible citizenship.

Tarragona environmental educators.

FCC FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A. · AJUNTAMENT DE VALÈNCIA REGIDORIA DE PARCS I JARDINS · vicent ventura CCOO · UNIVERSITAT POLITÈCNICA DE VALÈNCIA

SEMBRANDO DIVERSIDAD

La Concejalía de Parques y Jardines del Ayuntamiento con la colaboración de distintas organizaciones está experimentando técnicas alternativas al uso de plaguicidas en los alcorques urbanos.

OBJETIVO : Sembrar 500 alcorques.

DONDE : En el barrio de La Trinidad.

BENEFICIOS : Hacer más atractivo el espacio urbano, reducir el uso de plaguicidas, aumentar la biodiversidad y mejorar la calidad del suelo donde viven los árboles.

Rogamos tenga en cuenta el trabajo que estamos realizando y cuide la calle por donde camina.

Poster. The "Sowing Diversity".
Valencia City Council Gardening Service,

Participation in renowned conferences and forums.

FCC Medio Ambiente's participation has paired with the attendance of renowned professionals in various national and international conferences such as:

- **ASPLARSEM biennial seminar 'Packaging and Horizon 2020'** (2017)
- **Conference on Spanish companies and biodiversity protection** organised by the IEEB (Spanish Enterprise and Biodiversity Initiative) of the MAPAMA Biodiversity Foundation (2017)
- **Smart City Expo World Congress** in Barcelona (2017-2018)
- **15th EAEC European Automotive Conference** (2017)
- Eighth edition of **Greencities Urban Intelligence and Sustainability Conference** in Malaga (2017)
- **Forum on Public-Private Partnerships in Public Services** (2017)
- 15th "**Rethinking Cities"** seminar held in Madrid (2017)
- **Expoelectric Barcelona** (2017-2018)
- **Waste in Progress held in Girona** (2017-2018)
- **XIX International Beach Conference and Exhibition-ECOPLAYAS** in San Sebastián (2017)
- **19th edition of Municipalia** in Lleida (2017)
- **ECOFÒRUM** in Valencia (2017)
- **Annual APEVC Conference** (Association of professionals of the green spaces of Catalonia, 2017)
- **Environmental Conferences** of Diario Levante (2017)
- **Human Resources Bechmarking Club** of the Instituto de Empresa (2017)
- **Diversity Management Seminars** held in Zaragoza (2017)
- **Inserta Forum - ONCE Foundation** "Strategic management of diverse talent" (2017)
- **7th International Conference of Ergonomics and Applied Psychology** (2017)
- **Conference on wellness and health** organised by the Cabildo de Gran Canaria (2017)
- **Presentation of the e-mobility platform at the International Summit on Climate Change (COP24)** (2018)
- **16th Madridiario Environment Seminar** (2018)
- **Technical Seminars of the National Association of Spanish Public Environmental Companies** (2018)
- **Platinum sponsor of the fifth Recuwaste conference on recycling and sustainability**
- **2nd awareness seminars on beach clean-up management in Menorca**

Actions related to the transmission of knowledge in matters such as waste management, circular economy, fighting against climate change, biodiversity protection, improving air quality, smart cities, road safety, occupational and psychosocial risk prevention, corporate social responsibility, and the maintenance of parks and gardens.

ACHIEVEMENTS 2017-2018:

Promoting cultural change and turning our employees into ambassadors of good practices

- A potential staff of 3,200 employees to become **good practice ambassadors**.*
- Promoting the new professional profile of an **environmental observer** could benefit 31 employees.*

(*) Reintegrate the objectives indicated in the new Plan 2020-2022.

COMMITMENTS PLAN 20-22:

Promoting cultural change and turning our employees into ambassadors of good practices

- Extending the **Cultural Change Plan implemented** in L'Hospitalet de Llobregat to other contracts.

6 Exemplary performance

1. Generating stable and quality employment 70
2. Promoting the training and the talent 71
3. Leading a safe and healthy business model 73
4. Encouraging equal opportunities and diversity 76
5. Guaranteeing trust, quality and transparency in the value chain 78

FCC Medio Ambiente continues working on the strategic lines aimed at: **supporting the ethical framework and common culture of the company, boosting the talent of its team, improving the health and wellness of its employees, fostering a diverse work environment on equal terms for all, and promoting dialogue with its stakeholders.** In terms of **integrity** and **good governance**, we abide by the **principles** of **transparency** and the **policies** and **codes** approved by the FCC Group, supporting and promoting them[1].

Through the **sustainable management** of human needs and capabilities and the implementation of **initiatives and good practices**, FCC Medio Ambiente **contributes** to the **achievement** of the **prioritised SDGs** shown:

A **professional, qualified, responsible and inclusive** team

Sustainable management of human needs and capacities

GRI

KPI: Relevant indicator **with traceability, verifiable.**
DRIVERS: Good practices, **replicable, verifiable** (tangible and verifiable return effect). FCC Service Brand.

People · Peace · Partnership

KEY PERFORMANCE INDICATORS (KPIs)

3 GOOD HEALTH AND WELL-BEING
- Occupational health and safety
- Supplier chain

KPIs:
- 20 % of the employees of each Delegation included within the Healthy Company certification.
- Development of green, responsible and innovative purchasing catalogs.

5 GENDER EQUALITY
10 REDUCED INEQUALITIES
- Diversity and equal opportunities
- Social inclusion

KPIs:
- 26 % of female personnel.
- Distribution of new hiring of men and women within a range of 40 % to 60 %.
- Increase the activity and employment volume of FCC Equal.

8 DECENT WORK AND ECONOMIC GROWTH
- Training
- Talents generation

KPIs:
- 12 training hours per participant.
- Increase the annual hiring of young people.

BEST PRACTICES

11 SUSTAINABLE CITIES AND COMMUNITIES
17 PARTNERSHIPS FOR THE GOALS
16 PEACE, JUSTICE AND STRONG INSTITUTIONS

- Collaboration agreements
  - Social institutional companies
  - Universities
- Volunteering
- Training actions: FCC employee good practice ambassador
- Establish alliances:
  - EWWR
  - Other initiatives...

(1) For further information, refer to the FCC Group Annual Report available on its website at www.fcc.es

Key social footprint indicators 2018 according to GRI GSSB standards

HEALTH AND SAFETY
Permanent commitment to occupational health and safety

403-2 Accident rates	Frequency index:	36.14 accidents per 10^6 hrs worked
	Seriousness index:	1.27 days lost per 10^3 hrs worked
Healthy company		17 delegations and SVAT

TRAINING
Promotion of training and talent generation

404-1 Hours of training	150,446 hours
Female: 14 %	Male: 86 %
Hours per employee and year:	5.1 horas

EQUAL OPPORTUNITIES
Solidarity commitment to diversity and equality

405-1 Breakdown of the workforce by gender	Female:	24.4 %
	Male:	75.6 %
405-1 Staff with disabilities		3.68 %
405-1 Social and occupational insertion of disadvantaged groups		113 initiatives
405-1 University Agreements for hiring		26 trainees
405-3 Maternity/paternity return rates	Female:	96.1 %
	Male:	97.4 %
405-2 Average male/female salary ratio		1.36

EMPLOYMENT STABILITY
Safeguard employment: a shared priority

102-7-8 Total number of employees	31,040 employees
Attached (79 %)	24,538 employees
Non-attached (21 %)	6,502 employees
Fixed (79 %)	5,164 employees
Temporary (21%)	1,338 employees
401-1 New hires	6,513 hires
401-1 Turnover rate	2.85 %
402-1 Minimum notice period	4 weeks

1. Generating stable and quality employment

Job creation is the most significant **contribution** of FCC Medio Ambiente to the **social and economic progress** of the **communities** in which it operates.

We have a team of **31,040 professionals**, representing 53 % of the total FCC Group staff. The **generation of stable and quality employment** is undoubtedly one of the greatest contributions that our organisation makes to achieve the goals included in **SDG 8** "**Decent Work and Economic Growth".**

How we generate stable and quality employment

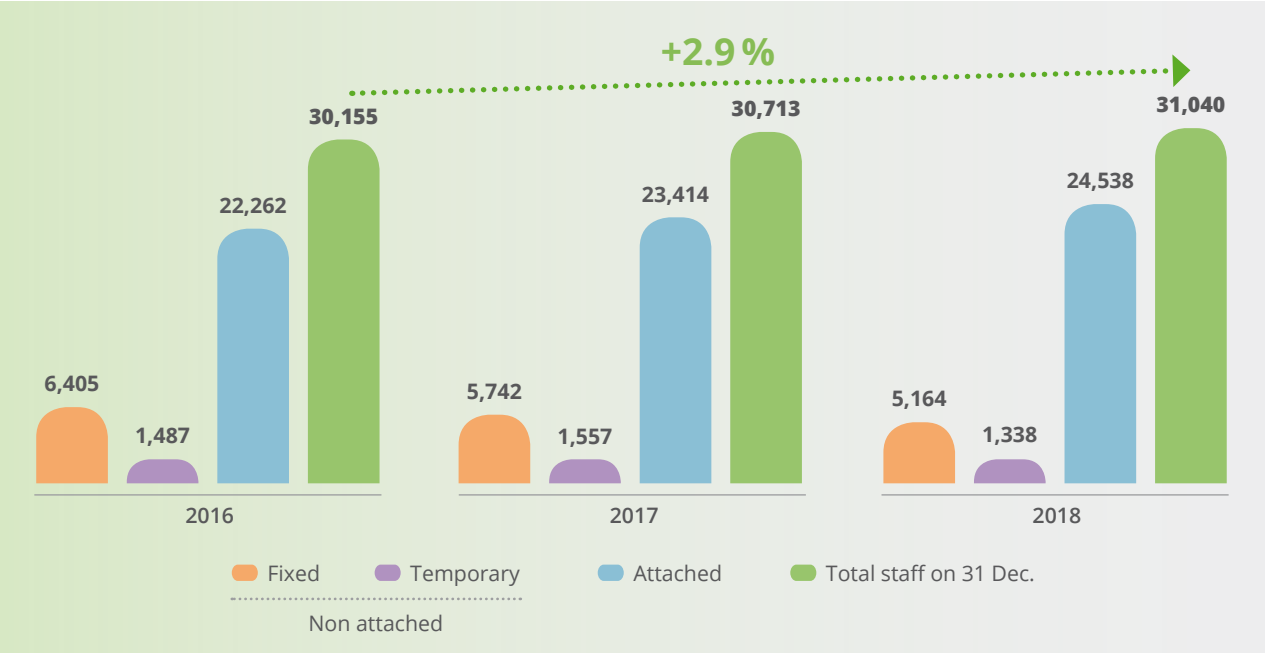
- **A 2.6 times increase** in the number of **temporary contracts transformed into indefinite** with respect to 2016.
- **3,736** transformations of temporary contracts to indefinite in the past two years.*
- **Staff turnover** of **2.85 %***.
- **78.2 %** of employees with **full-time contracts***.

Remuneration and social benefits.

- Staff Expenses: **62.9 %** of turnover.
- Average wage **2.5 times** higher than the minimum inter-professional salary in Spain.
- **€945.8 million**, distributed between wages, salaries and social charges.

(*) About staff registered in SAP-HR: 29,558

Total workforce at 31 December



COMMITMENTS PLAN 20-22:

Be a company model to work for: create stable employment

- Create **quality jobs**.
- Boost the **stability** of employment.
- **Increase** the organization's **wage floor**.
- Conduct **surveys on work environment** and implement actions to **improve it**.
- Boost the **pride** of **belonging** to the **organization** and **favor** the **identification** of the **employee** with the **company.**
- Foster the **flexibility initiatives** and **cultivate a work/private-life balance.**
- **Promote social dialogue** and **agreed social policy adoption.**

2. Promoting the training and the talent

FCC Medio Ambiente is **committed to talent** and **fosters the professional development** of its employees through **training**, which improves the **efficiency of the organisation** and contributes to the **attraction and retention** of the **best professionals**.

In terms of selection, **164** job offers were published in 2017-2018 through the various search sources available to the organisation. Likewise, **internal mobility** offers new development opportunities and favours the **exchange of knowledge** between the different businesses that make up the FCC Group.

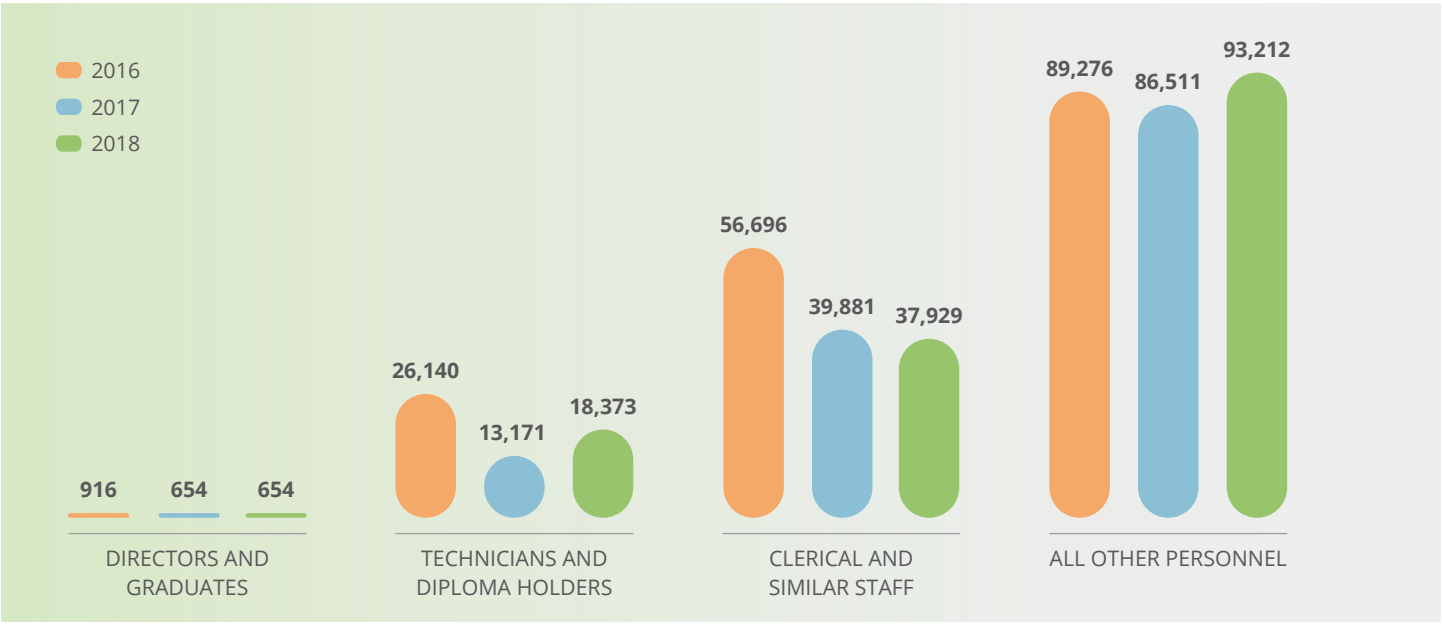
Technological advances and **innovation applied** to **processes** require that our employees have **technical and management training** for their jobs. Therefore, each FCC Medio Ambiente regional local offices detects training needs of all personnel appropriate to the needs and characteristics of their job and to the expectations of professional development, which translates into an **Annual Training Plan** for updating **knowledge** and reinforcing the **skills** of our employees, **favouring** their **professional** and **personal development** and **growth**.

FCC Medio Ambiente benefits from the **training devices** and **initiatives developed** at the **corporate level** and establishes the **complementary training lines** to meet the more specific needs of **environmental activities**. In addition, we have developed an **internal training system** supported by the **direct transmission** of our **own experience among employees**.

Promoting training and generating talent

- **16,841** participants in training courses.
- **150,446** training hours.
- **8.9** training hours per participant.
- Over **800 employees** trained in **CSR** and the **Code of Ethics and Conduct.**

Training hours provided by professional category 2016-2018



An **initiative implemented** by the **Catalonia I local office** of FCC Medio Ambiente, it is worth highlighting the cultural change programme **"New role of public cleaning professionals."**

The main objective of the project is the design, execution and subsequent evaluation of a process of **cultural change** for FCC workers belonging to the **L'Hospitalet de Llobregat** contract. This change will allow the transformation from the current style of work (mechanical and impersonal) to one that is more professional and closer to the reality of the city's neighbourhoods, with a much higher degree of **integration and collaboration** with its **citizens.**

The entire contract **staff participated** in the programme, which also had the indirect participation of the technical staff responsible for the City Council of L'Hospitalet, which gives a new approach to FCC **public-private partnerships** with administrations with which it tenders.

ACHIEVEMENTS 2017-2018:

Training and promoting talent

- **Reach 12 hours of training per participant**, which represents an increase of 15 %.*

(*) Reintegrate the objectives indicated in the Plan 20-22.

COMMITMENTS PLAN 20-22:

Encourage training and promote talent

- Boosting **young talent ensuring** the % of **hires correspond** to **newly graduated youth.**
- **Renew and update the definition of the skills and abilities required for each job.**
- Develop **female leadership** through **specific programmes.**
- Promote **internal mobility** to favour the **opportunity** for **professional development** and **growth.**
- **Optimise** the **processes** of **management** and **interpretation** of **information** related to the **selection, engagement** and **development** of **talent** through the **implementation** of **new interconnected electronic platforms.**
- **Increase levels** of **training** in **environmental matters** to **improve ecoefficiency** in the **management** of the **services provided** by our **employees.**
- **Deploy training** to **disseminate** the **values** of the **organisation,** the **CSR Plan 20-22** and its **contribution** to the **SDGs.**
- **Train** the staff of **executives** and **technicians** in **risk management,** applying **ESG criteria.**
- **Develop** a **Cultural Change Plan** between **Managers** and **teams** through **coaching.**
- **Hold internal technical seminars** (treatment and disposal, carbon footprint, park and garden maintenance, SDGs, sustainability, etc.).

3. Leading safe and healthy business model

In order to **achieve safety**, **health** and **wellness objectives** and **reduce frequency**, **severity** and **absenteeism rates**, FCC Medio Ambiente promotes **training in risk prevention**, reinforces **health surveillance**, provides a **healthy working environment** and involves each and every one of its collaborators through **awareness actions**.

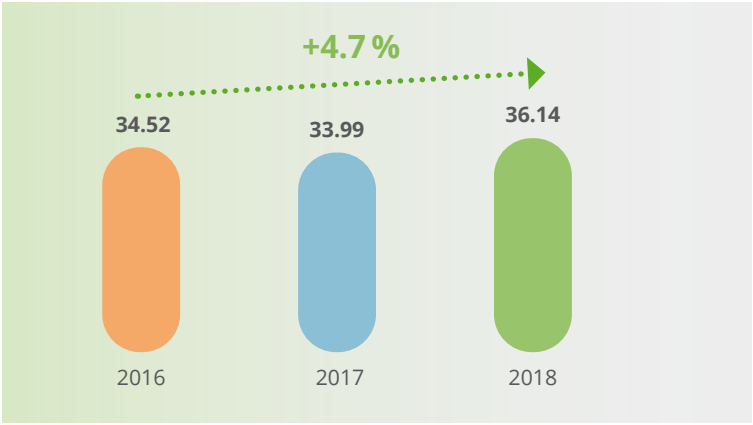
We have a **Joint Prevention Service** that promotes the integration and development of preventive activity and evaluates the implementation of the Occupational Risk Prevention Management System in all the member companies.

From the organisation, and with the **direct involvement** of the **General Management** of **FCC Medio Ambiente**, we continue to implement **good preventive practices** with proven effectiveness and we will continue to use **innovative information analysis tools** that allow us to improve the identification of the causes of accidents, thus preventing them from occurring again, applying a **medium-term prevention policy**.

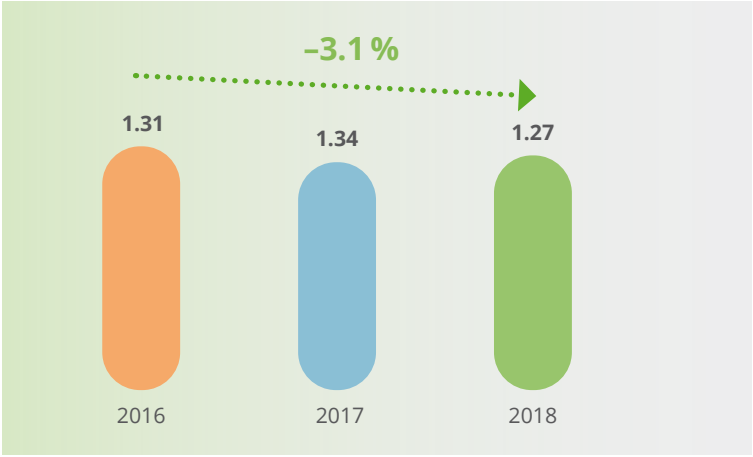
Promoting a safe and healthy company model

- **Certification** of the **Healthy Company Model** for all FCC Medio Ambiente **local offices.**
- Continued deployment of the **Road Safety Plan** of the Environment Division (**2015-2018).**
- Participation in **forums, conferences** and **seminars** to share experiences and good practices in **Health** and **Safety**.
- Creation of the "**FCC Chair in Occupational Risk Prevention and Human Resources**" by FCC Medio Ambiente and the University of Zaragoza with the aim of supporting studies and research on ORP and HR.
- Design and launch in 2018 of a **health and safety management model** at the **Salamanca Waste Treatment Centre**, which will be exported to the rest of the company's waste treatment centres.
- **Hosting open days** aimed at two essential pillars such as **road safety** and **occupational risk prevention**.

Frecuency index



Seriousness index



Actions for promoting health at work that have a positive impact on the company's results:

- **Increase** the **participation** of the **workforce** in the **process** of **improving** the **work organisation** and **environment.**
- Implement organisational **measures** to **increase wellness** at work from **work flexibility**.
- Promote **healthy eating habits** at work, providing information on nutrition, offering a healthy diet in lunchrooms or making adequate facilities and services available.
- **Raise awareness** of **addictive substances** that are harmful to health, such as tobacco, and offer quit smoking programmes, also promoting the widespread ban on smoking in all facilities and buildings of the company.
- **Promote mental health**, offering activities and training to manage stress and tension, and psychological support services.
- Inculcate and promote the practice of **physical activity** and an active and **healthy work mentality**.
- **Raise awareness** about **health control**, offering medical check-ups that control risk factors for cardiovascular disease, blood pressure or cholesterol problems, etc.

FCC Medio Ambiente has several programmes we implemented to promote physical exercise, healthy nutrition, restful rest, healthcare and the promotion of culture.

Some of the **initiatives that are already working** in the company are:

- **The Social Network of Sport.**
- **Workshops to promote physical exercise**, such as the case with Levante II Local Office, which promotes healthy habits in its work centre in Benidorm.
- Actions for promoting physical activity:

  "For a million steps", a Malaga initiative that got a group of workers to walk two million steps.

  "Step by step for your health", initiative to promote the use of stairs, includes messages in elevators and steps.

  "To work by bike", installation of parking areas for bicycles at centres in Andalusia and Ávila, giving informative talks and promoting activities such as rewarding the kilometres travelled. Ávila has been awarded a prize for the implementation of the initiative.

- **"Five a day"** or **"Take care of your food from the base"** campaigns in rest areas.
- **Prevention and treatment of obesity** (Medical Services) and promotion of clean and healthy eating with activities such as: "Healthy tapas contest" in Malaga or "Healthy Christmas".
- **Awareness** and **information campaigns** on **back care, visual health, fatigue, healthcare** and **disease prevention.**

ACHIEVEMENTS 2017-2018:

Extend the healthy company model throughout the entire organisation and reduce absenteeism rates

- **Certify** the **Healthy Company Management System** in **local offices** that are **not yet certified**.
- **Reduce absenteeism rates** in 2017, for the whole of each business area.

COMMITMENTS PLAN 20-22:

Foster and promote the healthy company model and reduce accident rates and absenteeism

Healthy company:

- **Create** a **specific Health** and **Wellness Department.**
- **Increase** the **scope** of the **Healthy Company certification** until at least **20%** of **workers** are **included** in the **certification** at each **local office.**
- **Integrate** FCC Medio Ambiente as an **observer company** in the **Forética Health** and **Sustainability Action Group.**
- **Promote** the **performance** of **medical checks.**
- **Increase** the **participation** of our **employees** in **organisation-backed health, happiness** and **wellness programmes.**

ORP strategy lead by Managing Director:

- **Decrease absenteeism rates** (illness + accident), for the whole of each local office and business area in 2019.
- Prepare **Strategic Plans** for reducing absenteeism (illness + accident) in all FCC Medio Ambiente local offices.
- **Creation** of **Absenteeism Monitoring Committees** at all levels.
- **Foster** a **culture** of **safety among employees** through **training.**
- **Implement** a **system** of **variable remuneration** among **managers** linked **to compliance** with the **objectives** of **reducing absenteeism rates.**
- **Optimize information management processes** related **to health surveillance, risk assessment, accident rates, etc.,** through the implementation of the **VISION tool.**
- Obtein the **certification** for **Occupational Health** and **Safety Management Systems** under **ISO 45.001:2018.**
- **Export** the **health** and **safety management model** designed and implemented at the **Salamanca Waste Treatment Centre** to the **rest** of the **company's treatment centres.**
- **Promote** the **investigation** and **analysis** of **accidents** to **focus** on **training** by **accident types.**
- **Reduce traffic accidents** with the **implementation** of **initiatives** and **training** in **efficient** and **safe driving.**
- **Review** and update the **FCC Medio Ambiente Road Safety Plan.**

4. Encouraging equal opportunities and diversity

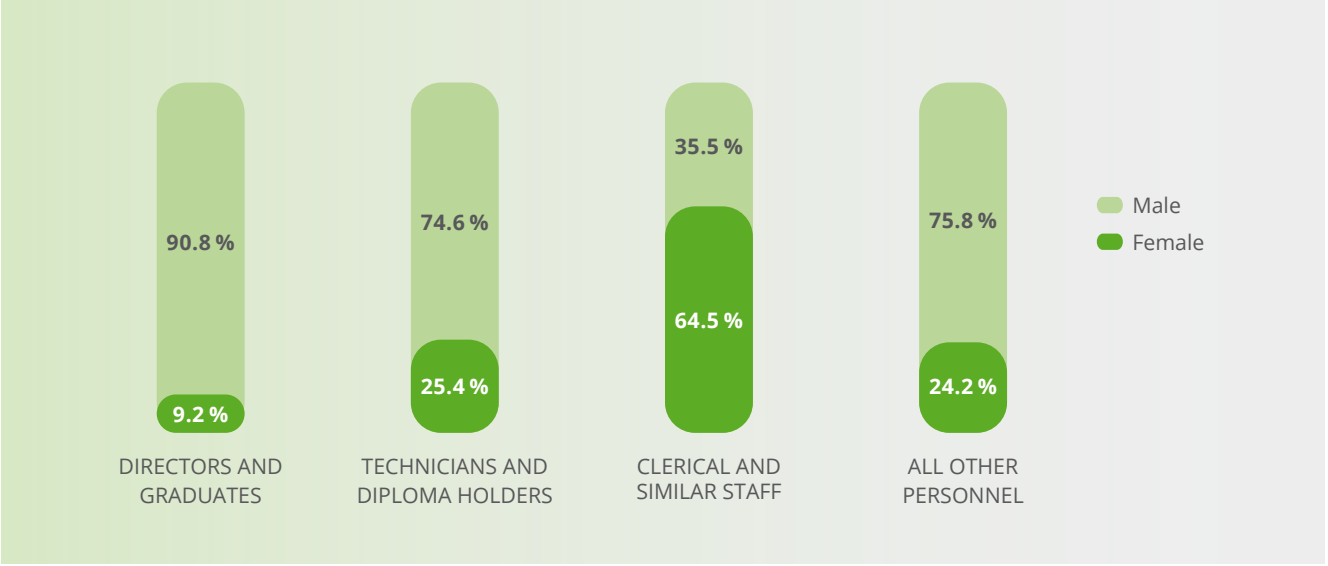
At FCC Medio Ambiente, we **promote equal opportunities** and the **diversity** of our **workforce** through the implementation of **programmes, plans** and **initiatives** that allow us to contribute to the achievement of **SDG 5** "GENDER EQUALITY" and SDG 10 "REDUCTION OF INEQUALITIES". We are committed to **cultural change** and **diversity management** as competitive and differential values that result in the provision of public services with the **highest levels of excellence.**

Although our sector has been characterised by a greater male presence, the **technological improvements** introduced, **implementation** of **equality plans** and **reconciliation** and **labour flexibility measures** have led to an **increase** in the **presence of women** on our teams over recent years. We also promote the inclusion and access to work of people from **disadvantaged groups** through our own initiatives and others in **partnership** with **foundations** and other **organisations.**

Promoting equal opportunities and diversity

- **113 social and labour insertion initiatives** for disadvantaged groups effectively valid in 2018 (**9.7 % increase** over the previous year).
- **24.4 %** women on staff.
- **8 % increase** in the **number of women technicians** and/or **with positions of responsibility** compared to 2016.
- **3.7 % of employees with disabilities. 47.2 % increase** compared to 2016.
- **48** students in internships in the last two years (increased 2.5 times compared to the previous two-year data).
- **Signing** of the **second Equality Plan** and obtaining the **equality mark** in the company **granted** by the **Ministry** of **Health, Social Services** and **Equality.**

Percentage distribution by gender and professional category of the workforce at 31 December 2018



ACHIEVEMENTS 2017-2018:

Fostering diversity, equal opportunities and social inclusion

- **Reach 26 %** for **female staff.***
- Distribution of **new hiring** of **women** and **men** within a **range** of **40 %** and **60 %**.*
- **Exceed annually a number of hiring of 80 people from disadvantaged groups**.*

(*) Reintegrate the objectives indicated in the Plan 20-22.

COMMITMENTS PLAN 20-22:

Promote an inclusive and discrimination-free work environment (diversity, equal opportunities and inclusion)

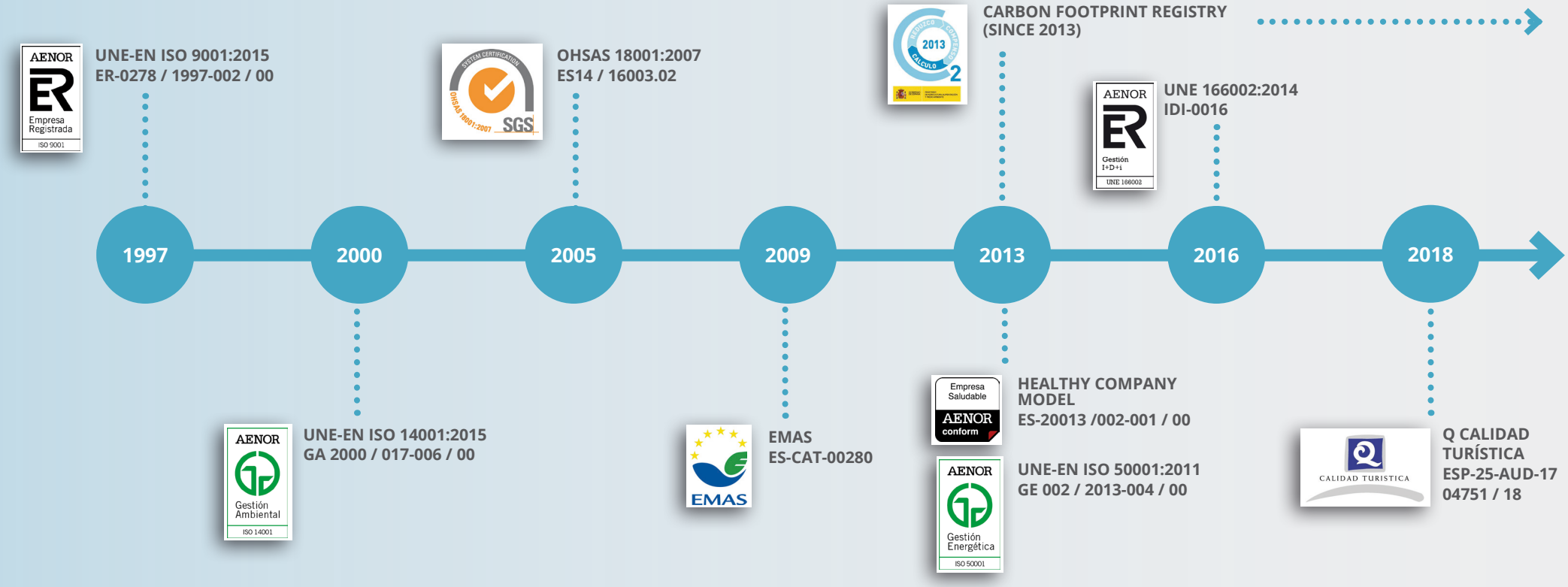
- **Define homogeneous performance criteria** and **indicators.**
- **Analyse** and **evaluate equal opportunities** (salary, professional development, access to training, performance evaluation, etc.) in the organisation.
- **Increase** the % of **women** in **technical and responsibility positions.**
- **Promote gender diversity** in **selection** processes.
- **Promote gender diversity** in **hiring** staff.
- **Increase activity** and **employment volume** at **FCC Equal.**
- **Increase** the **%** of **unemployed youth hired.**
- Establish **strategic partnership** with **entities** dedicated to the attention of **disadvantaged groups.**
- Frame our **commitment to the Diversity Charter.**

5. Guaranteeing trust, quality and transparency in the value chain

Accompanying clients, suppliers, citizens and employees, FCC Medio Ambiente participates in the same **value chain** whose benefits return to society as a whole. It is important to note that the services we provide to our clients, mostly public, have **citizens as their ultimate beneficiaries**, so we must design and offer forward-looking solutions in partnership with all involved parties and adapted to the concerns of an environment that will continue to evolve in the medium and long terms.

We are aware that as public service managers, we must **provide added value** to anticipate possible changes in the expectations of the communities in which we operate. Our organisation thus offers a **Service Management Plan** in tenders that includes actions based on criteria of economic, social and environmental sustainability with monitoring indicators to assess compliance.

FCC Medio Ambiente management system certificates



Trust, quality and transparency in the value chain

New certifications of the 2017-2018 management systems:

- **FCC Medio Ambiente, first Spanish entity to receive ICTE's Q Tourism certificate.** The Spanish Institute for Tourism Quality (ICTE) has certified FCC Medio Ambiente with the Q Brand, specifically in relation to the **park, garden and green space conservation services**, and those related to **beach, coast and sea water cleaning services**. This certificate complies with the specifications of the **UNE-EN-ISO 9001 standard**, with a series of own specifications developed by the ICTE.
- **81.8 %** of the turnover corresponds to activities certified according to ISO 9001.
- **82 %** according to ISO 14001 and **9.3 %** under EMAS Regulation.
- Of the **197 suppliers** with effective orders placed from Central Services, **64 %** are **certified** in any of the management systems and represent **93 % of the purchase volume**.

In order to **offer our clients products and services that contribute to the development of sustainable cities and communities,** FCC Medio Ambiente invests in the development of its own new technologies and implementation of good practices. The organisation also has management systems based on **UNE-EN ISO 9001, UNE-EN ISO 14001** and **EMAS**, and also recent certifications in Energy Management **UNE-EN ISO 50001** and **RD&I UNE 166002** to gain efficiency and effectiveness.

Our **Management System** has been maturing since its first implementation **over 20 years ago**, developing into a **360º System Model** (quality, environment, ORP, RD&I and energy efficiency). This system is a **tool** to **ensure** that our clients get a **quality, sustainable, social and innovative service**.

FCC Medio Ambiente offers **its clients proximity services** tailored to the needs of communities in all corners of Spain, thanks to our regionalised commercial structure. We also have **VISION**, an **intelligent platform** for **Citizen Services Management** that lets us respond automatically to the needs of our clients.

We also encourage **responsible management of purchases**, seeking to have both the acquisition of products and the contracting of services in the supply chain as sustainable and respectful as possible.

A responsible purchasing management model

- The **Purchasing Management Model implemented** is governed by the principles contained in the Purchasing Policy common to the entire company, based on the principles **of transparency, competitiveness** and **objectivity**. It was created to simplify **competition** between suppliers, **transparency** in contract award processes and harness of **synergies** that provide **efficiency** and **generate business value**. It is also intended to encourage the **commitment** of suppliers and contractors with **sustainability** and with the principles of the FCC Code of Ethics and Conduct.
- The objective is to obtain the collaboration of the most competitive top-level companies in their markets, following responsible principles in the selection process and making them participate with appropriate conduct. We also seek to **boost the local purchasing** following the ascending criteria "municipality-community-country".
- Since 2016, the purchasing function reports to **General Administration** and **Finance Management.**
- **FCC identifies** and **assesses the environmental, social** and **economic risks** associated with the **supply chain** through an analysis conducted on all new suppliers, including visits to their facilities, interviews with management or requests for relevant information.
- **Failure** by suppliers to adhere to any of the principles of the **FCC Code** of **Ethics** and **Conduct** or of the **United Nations Global Compact**, in any of their commercial operations**, may result** in the **cancellation** of contracts by FCC.

COMMITMENTS PLAN 20-22:

Promote responsible procurement

- Integrate **environmental, social and ethical issues** into the **approval** of **suppliers.**
- **Support** the **Responsible Purchasing Policy** of the **FCC Group.**
- **Define** the **procedure** to **evaluate** and **prioritise integrity** and **sustainability** in **suppliers** and **contractors.**
- **Develop green, responsible** and **innovative purchasing catalogues** that include criteria, suppliers and products.
- **Prepare** a **map** of **environmental, social** and **governance risks** for **suppliers** and **contractors.**

7

Connection with citizens

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1. Committed to local development: key projects and figures

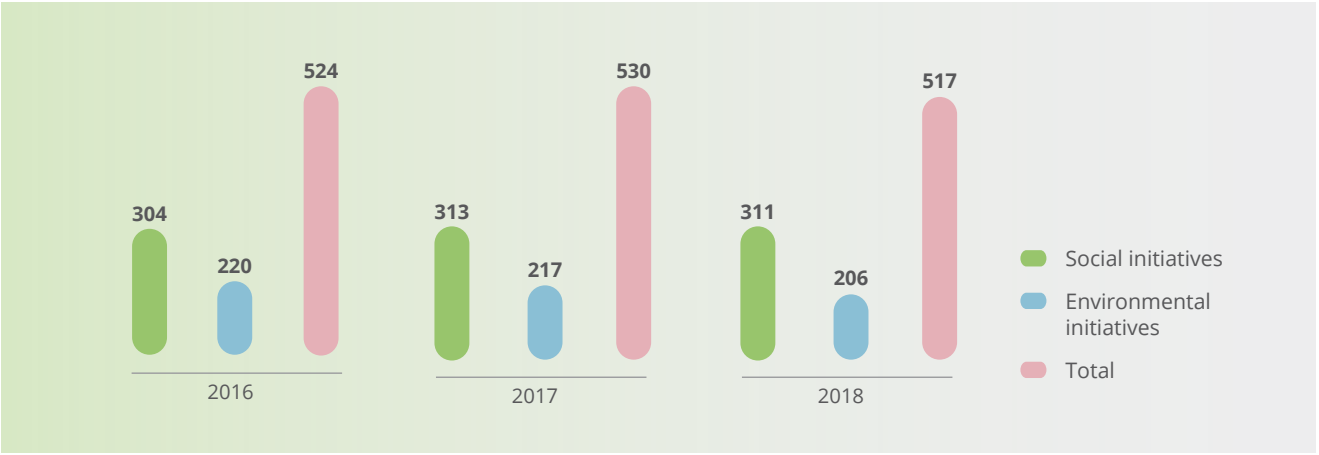
The final pillar of the CSR Plan, **"FCC CONNECTED"** aims to **maximise** the **positive impact** of the organisation's activities in the communities, by promoting actions among citizens that **improve** the **quality** of **life** in **cities**. To do so, we maintain a **constant dialogue** with our **stakeholders**, which lets us know their **expectations** at all times.

At FCC Medio Ambiente, we contribute to the **social and economic development** of local communities where we provide services through **social** and **environmental actions** and **initiatives** and **framework agreements** with **institutions** and **associations.**

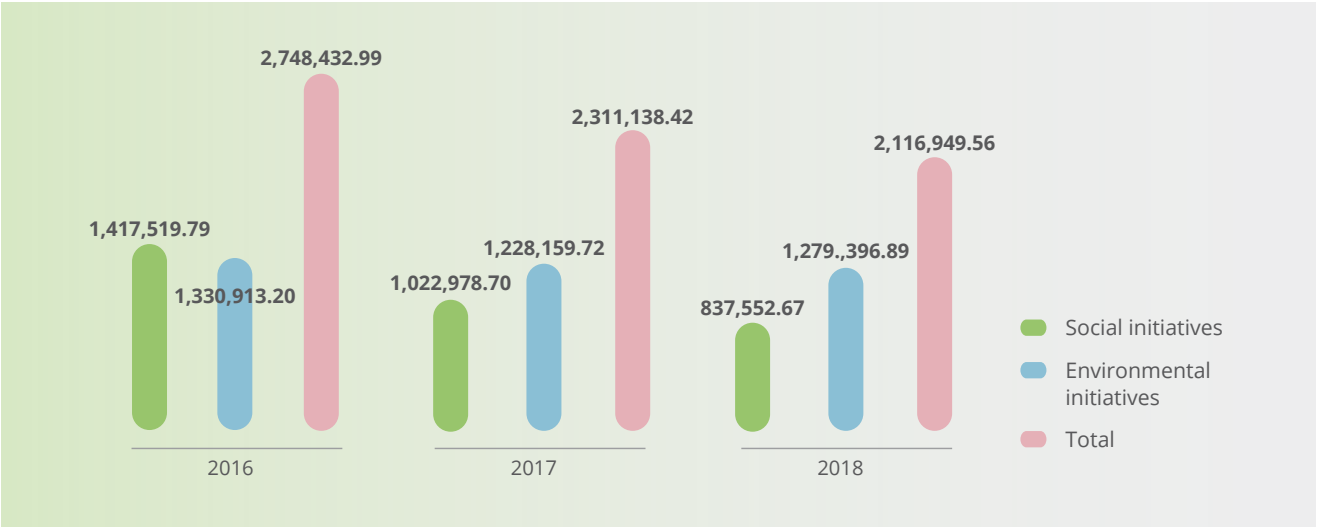
In 2018, the resources provided by FCC Medio Ambiente for developing and implementing initiatives whose benefits directly or indirectly reverted to society, have resulted in an **economic assessment of 4.4 million euros in the last biennium.**

According to the classification criteria, **60%** of the **resources** were allocated to **environmental initiatives** and the remaining **40%** to **social actions**. Regarding the distribution of initiatives **in number, environmental** actions **also predominate with 60 %.**

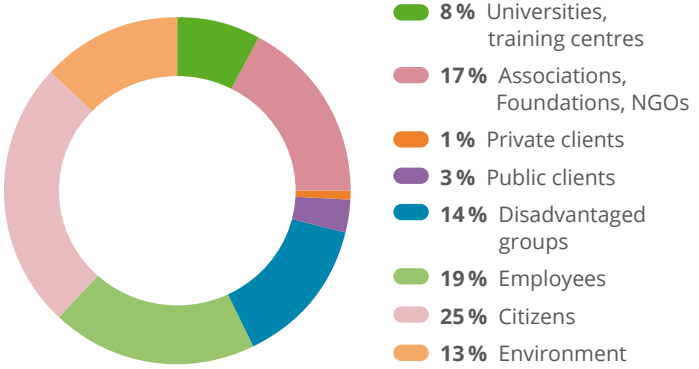
Sustainable initiatives FCC Medio Ambiente (2016-2018)



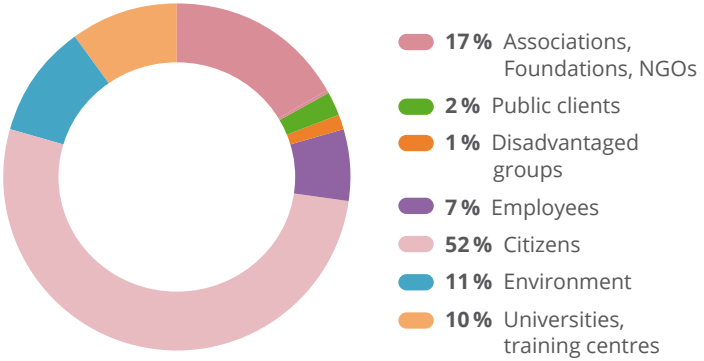
Value (€) of sustainable initiatives FCC Medio Ambiente (2016-2018)



Distribution of the initiatives by recipient 2018



Economic assessment of initiatives by recipient 2018



2. Social inclusion through partnerships

Social inclusion constitutes one of the **five priority objectives** within the framework of the **Europe 2020 Strategy**. At the national level, the Plans and Strategies of application focus their actions on bases such as equality, employment, education and accessibility. Along the same lines, **SDGs 5 and 10** will mark the challenges of political agendas in these areas by 2030.

For FCC Medio Ambiente, the **direct hiring** of **people** in a situation of **social exclusion** is one of the **main contributions** that can be made **for the integration** of these **vulnerable groups**. Therefore, as an organisation committed to the achievement of the SDGs, we implement policies and plans for labour insertion of groups with integration difficulties in the labour market. With this objective, we sign **agreements** and **collaborations** with different **entities** such as **associations**, **foundations** and **municipalities** to facilitate the labour access for these groups, while also promoting partnerships that **promote** the **creation** of an **associative net** to **support** the principles of a **social** and **solidarity economy** (**SDG 17**).

ACTIONS FOR SOCIAL INCLUSION:

- One that stands out in particular is the agreement between FCC Medio Ambiente and **Obra Social "a Caixa"** to promote the employability of people at risk of social exclusion through the **Incorpora Programme**, promoted by the financial institution, which houses 372 labour insertion entities that have exponentially increased labour, doubling insertion figures in less than three years.
- **Once Foundation's Inserta Programme**: Through this programme, FCC Media Ambiente is supporting many projects and promoting social and labour inclusion through workshops, training courses and other actions such as awareness campaigns.
- With the creation of the **FCC EQUAL CEE** special employment centres, we provide auxiliary services through the hard work of 78 employees with disabilities in the Communities of **Madrid, Valencia and Andalusia**.
- In terms of **youth employability**, from FCC Ambiente we encourage the **internships** at the company to **streamline** the **academic** to **professional transition**, for which we partner with the **top universities** and **training centres** (signature of scientific and educational cooperation agreements).
- **Recycle to Change Lives Programme** (ECOEMBES): FCC Medio Ambiente maintains a collaboration with this specific insertion programme for people who have been outside the labour market.

Awards and recognition to FCC Medio Ambiente in 2017-2018

- **Equality Seal** from the **Ministry** of **Health, Social Policy and Equality.**
- **Award** given by the **Integra Foundation** for the commitment of our organisation to the **employment** of **people** at **risk** of **social exclusion**.

Participation in business associations.

- Association of Public Cleaning Companies (ASELIP).
- Spanish Association of Parks and Garden Companies (ASEJA).
- Spanish Association of Cleaning Companies (ASPEL).
- Association of Comprehensive Maintenance and Energy Service Companies (AMI).
- Association of Municipal Packaging Recovery and Selection Plants (ASPLARSEM).
- Forum of Waste Energy Generators (FGER).
- Technical Association for Waste and Environment Management (ATEGRUS).
- Environmental Forum Foundation.

Main agreements with solidarity entities of the third sector and institutions

FRAMEWORK ORGANISATION AGREEMENTS 2017-2018

PROMOTED COLLABORATIONS FROM FCC MEDIO AMBIENTE CENTRAL SERVICES

SOCIAL INCLUSION

Fundación ONCE
fundación integra desde 2001
Cruz Roja Española
inserta
incorpora OBRA SOCIAL "LA CAIXA" CON LA INTEGRACIÓN LABORAL
GOBIERNO DE ESPAÑA MINISTERIO DE TRABAJO, MIGRACIONES Y SEGURIDAD SOCIAL

SUSTAINABLE ENVIRONMENTAL INITIATIVES

SUSTAINABLE CITIES

CLÚSTER CAMBIO CLIMÁTICO
Forética

BIODIVERSITY

Fundación Biodiversidad
GOBIERNO DE ESPAÑA MINISTERIO PARA LA TRANSICIÓN ECOLÓGICA

COMMUNITY FOR THE CLIMATE

COMUNIDAD #POR EL CLIMA ¿a qué esperas?
ecodes tiempo de actuar
GOBIERNO DE ESPAÑA MINISTERIO PARA LA TRANSICIÓN ECOLÓGICA

PROMOTION OF SCIENTIFIC COLLABORATION EMPLOYMENT

POLITÉCNICA
Universidad Rey Juan Carlos
UAM UNIVERSIDAD AUTÓNOMA DE MADRID
UNIVERSIDAD COMPLUTENSE MADRID
Universidad Carlos III de Madrid

EQUAL OPPORTUNITIES AND LOCAL SCIENTIFIC COLLABORATION 2017-2018

WASTE COLLECTION

FUNDACIÓ FORMACIÓ I TREBALL
FUNDACIÓ ENGRUNES en Barcelona

ASAFES, ONCE y la **ASOCIACIÓN DE SORDOS** de Vitoria

FUNDACIÓN MAPFRE y **ADECCO** en Tarragona

FUNDACIÓN INTERMEDIA en Tarragona y Barcelona

ASOCIACIÓN RECIKLA en Zaragoza

XARXA AMBIENTAL en El Prat de Llobregat

PARK AND GARDEN MAINTENANCE

ASTUS en Cartagena

ASPROS en Montoliu (Lleida)

RECOLLIM, TALLERS BELLVITGE, TEB VERD y **EL LLINDAR** de L'Hospitalet de Llobregat

STREET AND BUILDING CLEANING

LANTEGI-BATUAK de Bilbao

ASOCIACIÓN SINDROME DE DOWN y **TRAPEROS DE EMAÚS** en Navarra

FUNDACIÓN MERCÈ PLA y **FUNDACIÓN ONADA** en Tarragona y El Vendrell y **CÁRITAS** en Logroño

CIRE en Reus y Tarragona y **CRUZ ROJA** y **PLENA INCLUSIÓN ARAGÓN** en Zaragoza

CEE CALTOR en Badalona; **CERCA** en Tarragona; **TALLER AURIA** en Igualada y **AURIA FIL** en Olesa de Montserrat.

CIE en Tarragona; **MAS CARANDELL** en Reus.

FUNDACIÓN CARMEN PARDO VALCÁRCEL en Madrid

FUNDACIÒ TALLERS DE CATALUNYA en Santa Coloma de Gramenet

OTHER AUXILIARY SERVICES

CET XARXA SANITÀRIA I SOCIAL SANTA TECLA y **FUNDACIÓ GENTIS** en Tarragona

TIRGI de Girona

FUNDACIÒ MARESME de Mataró

UNIVERSITIES AND TRAINING CENTERS

YOUTH EMPLOYMENT

SCIENTIFIC COLLABORATION

3. Dialogue with citizens: principles of action

- Our activities must understand and **connect with the real needs** of citizens better, while **driving changes** that promote **cleaner, smarter and more inclusive development**. To do so, we try to maintain a constant dialogue that helps us know the different expectations of all stakeholders at all times.
- We work to **maximise the positive impact** of FCC activities in the communities, with the promotion among citizens of actions that improve the development of cleaner cities and in dialogue with administrations to understand and respond to the current and future needs of urban centres.
- We develop our actions under the **principle of precaution**, previously establishing systems that allow us to assess and mitigate the impacts that our activities may have on people or the environment.

The LSIC: A platform to foster dialogue and exchange

To keep a line open for listening to the communities where we operate, in 2006, the FCC Medio Ambiente Pilot Committee approved the implementation of Local Sustainable Initiative Committees (LSIC) in each of its commercial local offices.

These committees have become platforms for exchanging ideas and experiences and serve as a transmitting body for suggestions received from employees and any other request received from social responsibility stakeholders.

KEY FIGURES:

- **160 employees directly participate in Local Sustainable Initiative Committees (LSIC).**
- **€0.83 million earmarked for social initiatives.**
- **€1.28 million invested in environmental actions.**
- **ECONOMIC ASSESSMENT INITIATIVES: 2.11 million euros[1].**

(1) Consolidated figures.

ACHIEVEMENTS 2017-2018:

Increase our adherence to national and international general interest initiatives

- **Recommit ourselves to participating** in **European Waste Prevention Week** through the **ATHOS** project.*
- **Add** our **participation** in **Communities and Platforms** of **leading sustainability organisations**.*

(*) Reintegrate the objectives indicated in the Plan 20-22.

COMMITMENTS PLAN 20-22:

Increase our presence and collaboration with communities

- **Increase** the **number** of **implemented sustainable initiatives.**
- **Enhance** the **network** of **collaborators** and **recipients** of the **initiatives.**
- **Increase** the **number** of **beneficiaries** of the **initiatives.**
- **Boost** our **alignment** and **commitment** to the **SDGs.**
- **Deepen social, Environmental** and **ethical communication.**
- **Define** an **Awareness** and **Training Program** in **Sustainability** for **schools.**
- **Add** our **active participation** in **#Communities and Platforms** of organizations **Leaders** in **sustainability.**
- **Intensify** our **collaboration** with **entities** of **social inclusion.**
- **Establishment** a **dual training programme aimed** at **families without resources** with the objective of **labor inclusion** in the organization.
- **Encourage dialogue** with our **stakeholders** to meet their **expectations** regarding **sustainability.**
- **Consolidate** an **environmental volunteer programme** at FCC Medio Ambiente.
- **Implant** a **social volunteer programme** at FCC Medio Ambiente (main beneficiaries: senior citizens).
- **Transparently** and **objectively assess** the **sustainable management** of the **services provided.**

8

About this report

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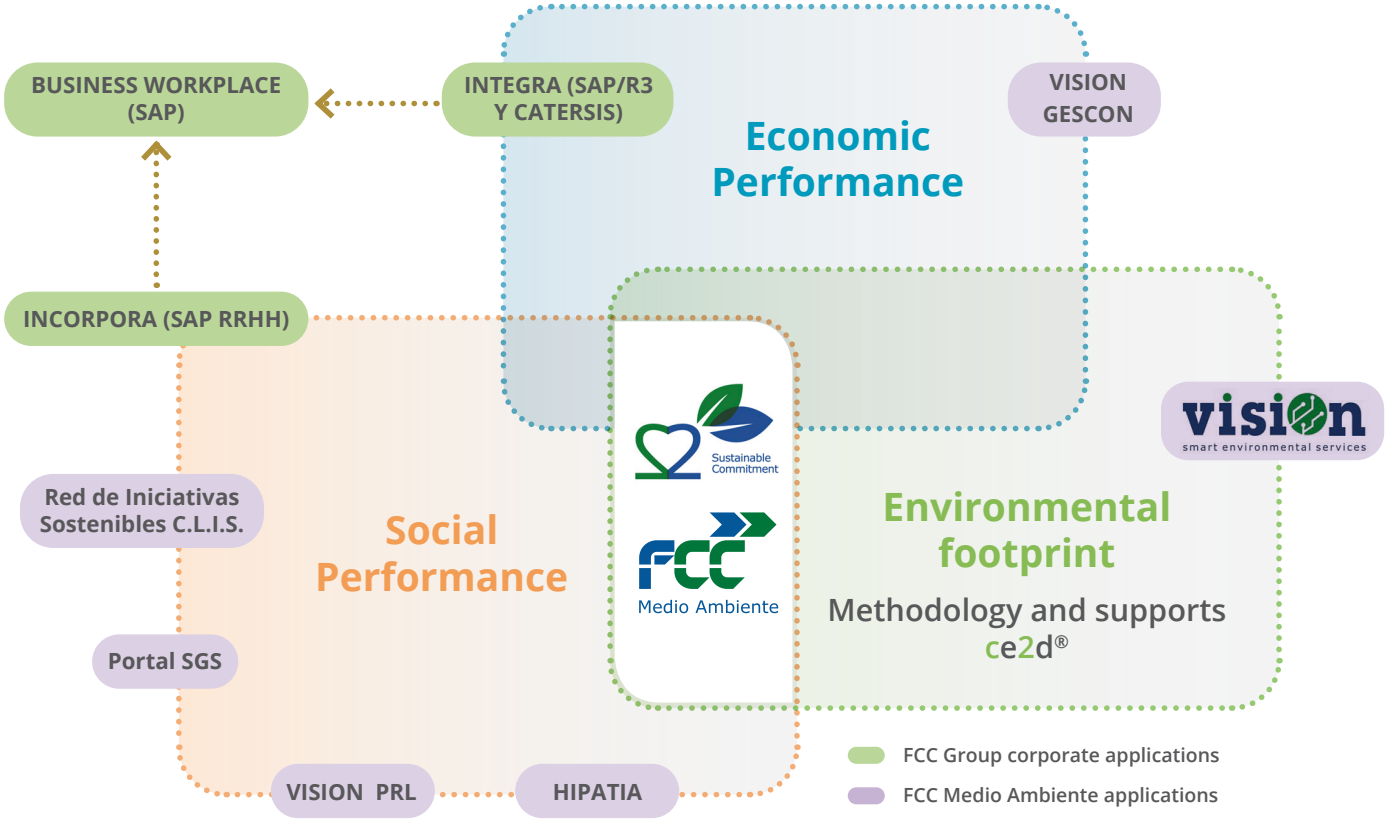
1. Information systems

The information published in this Sustainability Report has been compiled through different **information collection systems** developed internally to provide the organisation with support tools to strengthen its operational capacity in the process of identifying significant variables and indicators. This thus guarantees our various stakeholders, a **reliable, traceable** and **verifiable source** of **information**.



2. Reporting principles

In order to define the content and guarantee the quality of the published information, reporting adhered to the Universal Standard GRI 101 "Foundation" of the sustainability reporting guidelines of the Global Reporting Initiative in its 2016 GRI Standards version, applying the principles:

Sustainability context:

When preparing the report, the strategic framework and trends observed at national and international levels have been considered for each relevant issue reported.

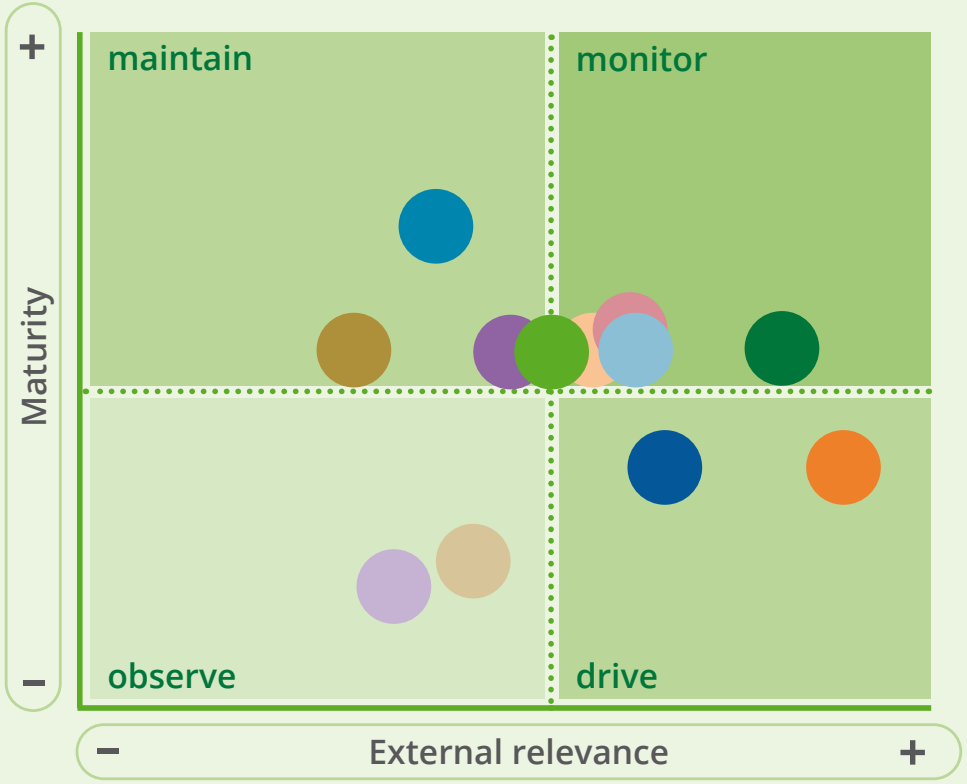
Completeness:

All aspects requested by the 2016 GRI Standards version have been covered, highlighting the matter identified as material, with a record of 3 years.

Materiality:

In 2018, the FCC Group updated the materiality study to identify the relevant matters of each of the business areas that make up the organisation. At FCC Medio Ambiente, we will pay attention to those social, environmental and economic matters that have the most impact on our activity and our stakeholders.

The matrix orders the material matters according to a classification of four quadrants (monitor, promote, maintain and observe), depending on the action that the organisation must carry out to manage them properly.



Material matters identified

- Promotion of and respect for human rights
- Technological development and cyberattack prevention
- Employee well-being and professional growth
- Occupational health 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
- The customer experience
- Local development
- Responsible hiring criteria

A **materiality matrix** has also been developed this year in line with the **Sustainable Development Goals** and **linked** to the three strategic pillars of the **FCC Medio Ambiente Sustainability Plan**. This study has allowed us to select the priority SDGs for our organisation for the second consecutive year. Given the growing importance of biodiversity protection and the actions promoted by FCC Medio Ambiente in this area, this year **will also incorporate SDG 14** "Life Below Water" and **SDG 15** "Life of Land" for the first time.

Materiality matrix aligned with the SDGs

		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
MONITOR	Protection of scarce natural resources												●					
	Occupational health of employees			●														
	Liability for suppliers and contractors								●				●					●
	Local development			●		●			●	●	●	●		●				●
	Responsible contracting criteria								●								●	●
DRIVE	Employee well-being and professional growth			●		●			●		●							
	Policies to contain the effects of climate change									●		●		●				●
MAINTAIN	The customer experience									●		●						●
	Corruption prevention and mitigation systems																●	
	Innovation and sustainability			●		●			●	●	●	●	●	●	●	●	●	●
OBSERVE	Promotion of and respect for human rights								●								●	
	Technological development and cyberattack prevention									●								

STRATEGIC LINES FCC MEDIO AMBIENTE

- FCC Smart Services
- FCC Ethics
- FCC Connect

PRIORITISED SDGs

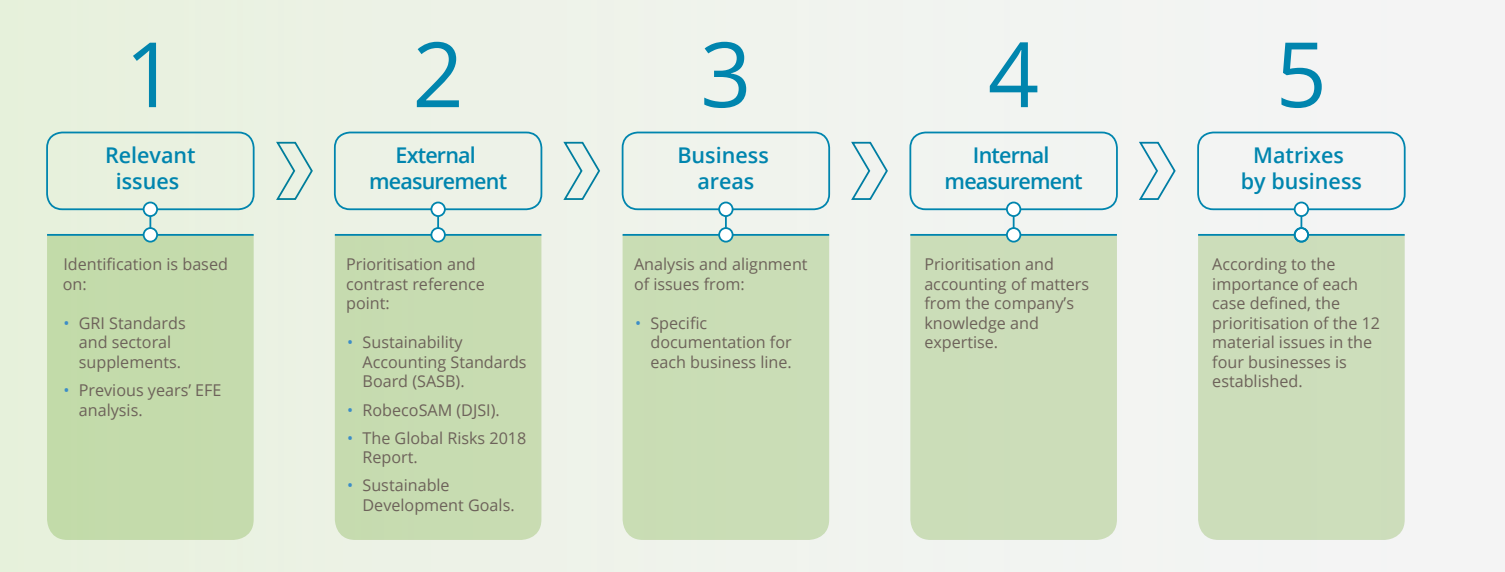
- Direct Action
- Transverse action
- New

		MATERIALITY MATTERS GSSB
MONITOR	Protection of scarce natural resources	**301-Materials** **303-Water** **306-Effluents and Waste**
	Occupational health of employees and contractors	**403-Occupational health and safety**
	Liability for suppliers and contractors	**204-Procurement practice** **308-Supplier Environmental Assessment** **414-Supplier social Assessment**
	Local development	**102-37,40,42,43,44** **203-Indirect economic impacts** **413-Local Communities**
	Responsible hiring criteria	**204-Procurement practice**
DRIVE	Employee well-being and professional growth	**401-Employment** **402-Labor/management relations** **404-Training and education** **405-Diversity and equal opportunity**
	Policies to contain the effects of climate change	**201-Economic performance** **302-Energy** **305-Emissions**
MAINTAIN	The customer experience	**102-2,43,44** **417-Marketing and labeling** **418-Customer privacy**
	Corruption prevention and mitigation systems	**102-16,17,18,19,20,22,23,24,25,26,27,28,29,30,31,33,34,35,36 / 38,39 (N.A.)** **205-Anti-corruption**
	Innovation and sustainability	**304-Biodiversity** **Indicators defined in the Sustainability Plan 20-22**
OBSERVE	Promotion of and respect for human rights	**406- Non-discrimination** 407- Freedom of association and collective bargaining (N.A.) Country: Spain 408 -Child labour (N.A.) Country: Spain 409-Forced or compulsory labour (N.A.) Country: Spain 411- Right of indigenous people (N.A.) Country: Spain **412-Human rights assesment** **414-Supplier social Assessment**
	Technological development and cyberattack prevention	**418-Customer privacy**
	TRANSVERSAL / COMMON TO ALL THEMES	**103- Management approach**

102 required, 307, 410, 415 and 416 are also reported

Participation of stakeholders and definition of relevant matters:

All the matters of the 2016 GRI Standards version were considered when conducting the materiality study, contrasting them with external sources based on sustainability-related reference documents (SASB Materiality Maps), global risks (Global Risk Forum 2018, from the World Economic Forum) and sector documents. The internal prioritisation of each subject was defined based on the degree of maturity within the company compared with competitor companies in the same sector, also including the conclusions drawn from the 2017 interviews with institutional investors.



3. Report Quality Principles

BALANCE	COMPARABILITY	ACCURACY	TIMELINESS	CLARITY	RELIABILITY
The report reflects both the positive and negative aspects of the organisation's performance.	The Report has been prepared based on historical data for 2016, 2017 and 2018.	The quantitative and qualitative data collected in the Report are duly documented and the system for their collection is supervised by those responsible for its preparation.	The first Sustainability Report prepared by FCC Medio Ambiente was published in 2006. Since then, it has been published every two years, with the exception of the report due to be published in 2016; therefore, this document represents the seventh report published by the organisation.	The quantitative and qualitative information included in the Report presents the necessary and sufficient level of clarity to allow it to be understood by stakeholders.	This Sustainability Report has been verified by AENOR, in accordance with the guide for the preparation of sustainability reports in the 2016 GRI Standards version of the Global Reporting Initiative.

4. Stakeholders and their communication channels

At FCC Medio Ambiente, we define stakeholders as all the people, institutions or groups that may be affected or that significantly affect any of our decisions and activities.

The different departments and business local offices that make up FCC Medio Ambiente have specific and effective identification mechanisms and communication channels through which they interact with the different stakeholders. This lets us know their expectations and thus be able to respond well in advance.

However, the **existing participation processes in the Group** have allowed us to identify the main concerns regarding the company, the trends in the relevant issues, and the risks and opportunities that we must consider when managing corporate responsibility.

Our organisation informs stakeholders through the **Sustainability Report** published every two years and the **dissemination of news and information in general and specialised media.**

Finally, it should be noted that the corporate website has established itself as the channel most used by the FCC Group to disseminate information to its stakeholders.

Stakeholders and dialogue and/or communication channels

Stakeholders		Dialogue and/or Communication Channels	
Corporation	**FCC Group**	Committees: CSR, Risk and Compliance, Management, Climate Change	
Shareholders	**FCC**	Board of Directors	
		Corporate shareholder relations office	
		Corporate and business area websites	
		Shareholders and Directors Meeting	
Public adminis-trations	**Municipal Autonomous State European**	Official bulletins	
		Meetings and informative breakfasts	
		Specific basic applicable legislation	
		Institutional dialogue	
		Specific figures at each level	
		Participation in work groups	
		E-mail	
Employees	**Operational structure Functional structure Middle management Production staff**	HR department	
		Company committees	
		One FCC Group Intranet	Corporate notifications
			Employee portal
			Internal communication channel
			Suggestions mailbox
		We are FCC corporate magazine	
		E-mail	

Stakeholders		Dialogue and/or Communication Channels
Community	**Citizens Associations and NGOs Universities and training centres**	Visits to our facilities
		Press releases
		Citizen information offices
		Service web pages
		Collaboration agreements
		Local sustainable initiative committees
		Participation in forums and conferences
Clients	**Public**	Tender procedures
		Client service
	Private	Participation at fairs and conferences
		Local Office level contract managers
Suppliers	**Machinery Treatment and disposal Energy and Water Materials**	Purchasing Management Department
		E-commerce tool
		Collaboration initiatives from Central Services
		Local Office level contract managers
Press/media	**Local National Client press offices News agencies**	Communications Department
		Corporate website
		E-mail
		Collaboration initiatives from Central Services

Additional universal communications channels

FCC Group CSR Report and for each business area

Corporate and area websites

FCC social networks

55.627 followers in **LinkedIn**
525 subscribers on **Youtube**
19.900 followers on **Twitter**

5. External assurance report

AENOR

VERIFICATION OF SUSTAINABILITY REPORT

VMS-2019/0044

AENOR has verified the Report by the organization

FCC MEDIO AMBIENTE, S.A.

TITLE: Sustainability Report 2017 - 2018

In accordance with:	GRI STANDARS
GRI option applied:	Exhaustive
Verification Process:	To grant this Verification Document, AENOR has verified that the report complies with GRI requirements and the correlation of the GRI Standards with the ODS linked by the organization and has checked the data and information contained in the report.
Issue date:	2019-11-18

Rafael GARCÍA MEIRO
Chief Executive Officer

Original Electrónico

AENOR INTERNACIONAL S.A.U.
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9 GRI GSSB contents

GRI 102: General Contents

GRI STANDARD	DESCRIPTION	REFERENCE/LOCATION	Omissions	External assurance	SDG
1. ORGANISATIONAL PROFILE					
102-1	Name of the organisation.	Page 1,3.		•	
102-2	Activities, brands, products and services.	Page 6-9.		•	
102-3	Location of headquarters.	Avda. Camino de Santiago, 40 28050 MADRID, SPAIN.		•	
102-4	Location of operations.	Page. 6-7.		•	
102-5	Ownership and legal form.	FCC Medio Ambiente performs its activities through subsidiaries and joint ventures, whose parent company is FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A. In 2019 FCC Medio Ambiente, S.A.		•	
102-6	Markets served.	Page 6-9.		•	
102-7	Scale of the organisation.	Page 6-9.		•	
102-8	Information on employees and other workers.	Page 69-70. 2018 data. SAP HR staff base: Men on permanent contracts: 4,035. Women on permanent contracts: 1,095. Men on temporary contracts: 1,044. Women on temporary contracts: 252. Men affiliated: 16,782. Women affiliated: 6,350.		•	
102-9	Supply chain.	Page 78-80. FCC GROUP ANNUAL REPORT 2018 (Page 487). https://www.fcc.es/fcc_docs/informe_anual_fcc/2018/FCC_Informe_anual_2018.pdf		•	

GRI STANDARD	DESCRIPTION	REFERENCE/LOCATION	Omissions	External assurance	SDG
102-10	Significant changes to the organisation and its supply chain.	There have been no significant changes. Page 7, 78-80.		•	
102-11	Precautionary principle or approach.	Page 87. FCC GROUP ANNUAL REPORT 2018 (Pages 464-466).		•	
102-12	External initiatives.	Page 16-19, 84-86.		•	
102-13	Membership of associations.	Page 84-86.		•	
2. STRATEGY					
102-14	Statement from senior decision-makers.	Page 4. FCC GROUP ANNUAL REPORT 2018 (Pages 3-5).		•	
102-15	Key impacts, risks and opportunities.	Page 25-27. FCC GROUP ANNUAL REPORT 2018 (Pages 430-434).		•	
3. ETHICS AND INTEGRITY					
102-16	Values, principles, standards and norms of behaviour	Page 16-18, 21-24. FCC GROUP ANNUAL REPORT 2018 (Page 445-446).		•	
102-17	Mechanisms for advice and concerns about ethics	Page 21-24, 95. FCC GROUP ANNUAL REPORT 2018 (Page 445-446).		•	

GRI STANDARD	DESCRIPTION	REFERENCE/LOCATION	Omissions	External assurance	SDG
4. GOVERNANCE					
102-18	Governance structure.	Page 6-7, 21-24. FCC GROUP ANNUAL REPORT 2018 (Pages 7-12) CORPORATE GOVERNANCE REPORT 2018 FCC GROUP_ Section C.		•	
102-19	Delegating authority.	Page 21-24. FCC GROUP ANNUAL REPORT 2018 (Page 24).		•	
102-20	Executive-level responsibility for economic, environmental and social topics.	Page 24-27. FCC GROUP ANNUAL REPORT 2018 (Pages 7-12).		•	
102-21	Consulting stakeholders on economic, environmental and social topics.	Page 95-96. Employees: Internal Communication Channel; Shareholders: Postal address: C/ Federico Salmón, 13 - 28016 - Madrid. C/ Avenida Camino de Santiago, 40 - 28050 Las Tablas - Madrid. Telephone: 902 109 845. Fax: 91 350 71 54. E-mail Address: ir@fcc.es. FCC GROUP ANNUAL REPORT 2018.		•	
102-22	Composition of the highest governance body and its committees.	Page 21-23. FCC GROUP ANNUAL REPORT 2018 (Pages 7-12).		•	
102-23	Chair of the highest governance body.	FCC GROUP ANNUAL REPORT 2018 (Pages 7-12).		•	
102-24	Nominating and selecting the highest governance body.	FCC GROUP ANNUAL REPORT 2018 (Pages 7-12). CORPORATE GOVERNANCE REPORT SECTION A.		•	

GRI STANDARD	DESCRIPTION	REFERENCE/LOCATION	Omissions	External assurance	SDG
102-25	Conflicts of interest.	FCC GROUP ANNUAL REPORT 2018 (Pages 7-12). CORPORATE GOVERNANCE REPORT SECTION G.		•	
102-26	Role of highest governance body in setting objectives, values and strategy.	FCC GROUP ANNUAL REPORT 2018 (Pages 7-12). CORPORATE GOVERNANCE REPORT SECTION C.		•	
102-27	Collective knowledge of highest governance body.	FCC GROUP ANNUAL REPORT 2018 (Pages 7-12). CORPORATE GOVERNANCE REPORT SECTION C.		•	
102-28	Evaluating the highest governance body's performance.	FCC GROUP ANNUAL REPORT 2018 (Pages 7-12). CORPORATE GOVERNANCE REPORT SECTION E.		•	
102-29	Identification and management of economic, environmental and social impacts.	FCC GROUP ANNUAL REPORT 2018 (Pages 430-434).		•	
102-30	Effectiveness of risk management processes.	Page 25-27. FCC GROUP ANNUAL REPORT 2018 (Pages 48-51 and 430-434).		•	
102-31	Review of economic, environmental and social topics.	FCC GROUP ANNUAL REPORT 2018 (Pages 50-51 and 572-584).		•	
102-32	Highest governance body's role in sustainability reporting.	The FCC Group's CSR Committee and FCC Medio Ambiente's Sustainability Committee. Page 21-23.		•	
102-33	Communicating critical concerns.	FCC GROUP ANNUAL REPORT 2018 (Pages 561-562).		•	
102-34	Nature and total number of critical concerns.	Page 4, 16-18, 91-93.		•	

GRI STANDARD	DESCRIPTION	REFERENCE/LOCATION	Omissions	External assurance	SDG
5. STAKEHOLDER ENGAGEMENT					
102-35	Remuneration policies.	FCC GROUP ANNUAL REPORT 2018 (Pages 12, 436 and 441). Furthermore, each year the company publishes its Annual Corporate. Governance Report and its Annual Remuneration Report, which is submitted to the CNMV.		•	
102-36	Process for determining remuneration.	FCC GROUP ANNUAL REPORT 2018 (Pages 12, 436 and 441). Furthermore, each year the company publishes its Annual Corporate. Governance Report and its Annual Remuneration Report, which is submitted to the CNMV.		•	
102-37	Stakeholders' involvement in remuneration.	FCC GROUP ANNUAL REPORT 2018 (Pages 12, 436 and 441). Furthermore, each year the company publishes its Annual Corporate. Governance Report and its Annual Remuneration Report, which is submitted to the CNMV.		•	
102-40	List of stakeholder groups.	Page 96.		•	
102-41	Collective bargaining agreements.	One hundred percent of the FCC Medio Ambiente workforce is covered by collective, sectoral, or corporate bargaining agreements. the organisation recognises the rights of workers to organise and collective bargaining established in the Spanish Constitution.		•	
102-42	Identifying and selecting stakeholders.	Page 96.		•	

GRI STANDARD	DESCRIPTION	REFERENCE/LOCATION	Omissions	External assurance	SDG
102-43	Approach to stakeholder engagement.	Page 82-85, 90-94, 95, 96. The LOCAL SUSTAINABLE INITIATIVE COMMITTEES set up at the Regional Delegations meet at least quarterly and consult their different stakeholders (customers, employees, guardianship administration, suppliers, local community) as often as they deem necessary, although there is no fixed frequency between them. In addition to the preparation of the materiality study, international organisations and sector prescribers are consulted every two years before the report is published. FCC GROUP ANNUAL REPORT 2018 (Page 460).		•	
102-44	Key topics and concerns raised.	Page 82-83, 87, 92,93.		•	
6. REPORTING PRACTICES					
102-45	Entities included in the consolidated financial statements.	FCC GROUP ANNUAL REPORT 2018. ANNEX I FINANCIAL STATEMENTS.		•	
102-46	Defining report content and topic boundaries.	Page 17-18, 91-93. OPERATIONAL PERIMETER: managed contracts in which FCC Medio Ambiente has the necessary resources to implement its environmental policies, without resorting to third party intervention. The following activities are included: Collection and Treatment of RU, Street Cleaning, Maintenance of Parks and Gardens and Public Lighting. SCOPE TREATMENT: In some indicators the scope for those operations in which control is limited has been limited, limiting the information to the following contracts: CTRs of Alhendín, Barbanza, Campello, Cartagena, Gomecello, Segovia and Tudela.		•	
102-47	List of material topics.	Page 17-18, 91-93.		•	
102-48	Restatements of information.	The GHG emissions in 2016 and 2017 have been recalculated in line with the new methodology implemented.		•	

GRI STANDARD	DESCRIPTION	REFERENCE/LOCATION	Omissions	External assurance	SDG
102-49	Changes in reporting.	There have been no significant changes.		•	
102-50	Reporting period.	Page 3, 94. Base year 2016. Historic 2017-2018.		•	
102-51	Date of most recent report.	Page 94. The last Sustainability Report (2015-2016) was published in 2017.		•	
102-52	Reporting cycle.	It is published every two years.		•	
102-53	Contact points for questions regarding the report.	Page 3.		•	
102-54	Claims of reporting in accordance with GRI Standards.	Page 3. This report has been prepared in accordance with GRI standards: essential option.		•	
102-55	GRI Content Index.	Page 98.		•	
102-56	External assurance.	Page 97. The verifying entity is independent. The Sustainability Committee, headed by the Managing Director, decides on the verification of the Sustainability Report.		•	

GRI STANDARD	DESCRIPTION	REFERENCE/LOCATION	Omissions	External assurance	SDG
GRI 103: Management approach					
103-1	Explanation of the material topic and its boundaries.	Page 89-96. In order to facilitate and speed up the reading and understanding of the report, the material aspects and the management approach have been analysed over the course of the main sections of the document.		•	
103-2	Management approach and its components.			•	
103-3	Management approach assessment.			•	
GRI 200: Economic Standards					
GRI 201: Economic Performance.					
MANAGEMENT APPROACH		Page 5-14		•	
201-1	Direct economic value generated and distributed.	Staff expenses 2018: € 945.8 million. Staff expenses increase by 3% compared to the previous year FCC Medio Ambiente's EBITDA increases by 1.3% compared to 2017. EBITDA 2018: €241.6 million. Page 82-83. FCC GROUP ANNUAL REPORT 2018 (Page 447).		•	

GRI STANDARD	DESCRIPTION	REFERENCE/LOCATION	Omissions	External assurance	SDG
201-2	Financial implications and other risks and opportunities due to climate change.	Page 21-23, 42-46. FCC GROUP ANNUAL REPORT 2018 (Pages 477-480).		•	
201-3	Defined benefit plan obligations and other retirement plans.	There are no retirement plans for employees.		•	
201-4	Financial assistance received from government.	2017 data: R&D&I. Subsidies = €135,017.33 / Loans received = €455,597.33. 2018 data: R&D&I. Subsidies = €693,910.71 / Loans received = €435,337.44. TRAINING. 45 % of the € 2.71 million allocated to training has been funded through the subsidised training system. In 2017 (48 % / €2.4 million).		•	
GRI 203: Indirect economic impacts.					
MANAGEMENT APPROACH		Page 56, 82.		•	
203-1	Infrastructure investments and services supported.	Page 56, 82.		•	
203-2	Significant indirect economic impacts.	Page 56, 82.		•	

GRI STANDARD	DESCRIPTION	REFERENCE/LOCATION	Omissions	External assurance	SDG
GRI 204: Procurement Practices.					
MANAGEMENT APPROACH		Page 78-80.		•	
204-1	Proportion of spending on local suppliers.	Purchases from suppliers made by Central Services at the Division grow by 72 % in the 2017-2018. The entire amount allocated to purchases made from the 10 main suppliers (representing 71 % of the annual investment made from Central Services) corresponds to local suppliers (companies residing in Spain).	Information not available for 100 % of purchases. All information will be provided in the next publication.	•	
GRI 205: Anti-corruption.					
MANAGEMENT APPROACH		Page 22, 25-27.		•	
205-1	Operations assessed for risks related to corruption.	Page 21-24. FCC GROUP ANNUAL REPORT 2018 (Page 7-12).		•	
205-2	Communication and training about anti-corruption policies and procedures.	Page 22-24, 7.		•	
205-3	Confirmed incidents of corruption and actions taken.	There have been no cases of corruption, confirmed by a final sentence being handed down.		•	

GRI STANDARD	DESCRIPTION	REFERENCE/LOCATION	Omissions	External assurance	SDG
GRI 300: Environmental standards					
GRI 301: Materials.					
MANAGEMENT APPROACH		Page 31.		•	
301-1	Materials used by weight or volume.	2016 data: 457,292 t. 2017 data: 818,701 t. 2018 data: 936,174 t. Informed according to operational perimeter.		•	
301-2	Recycled input materials used.	2016 data: 383,181.98 t. 2017 data: 608,010.6 t. 2018 data: 569,422.97 t. Informed according to operational perimeter.		•	
301-3	Reclaimed products and their packaging materials.	The following % of materials used are recovered (recycled aggregates and compost). 2016 data: 83.79 %. 2017 data: 74.26 %. 2018 data: 60.82 %. Informed according to operational perimeter.		•	
GRI 302: Energy.					
MANAGEMENT APPROACH		Page 29-32.		•	
302-1	Energy consumption within the organisation.	Page 31. 2016 data: 2,741,113.28 Gj (Non-renewable sources: 2,495,766.46 + renewable: 245,346.82 GJ). 2017 data: 2,691,585.35 Gj (Non-renewable sources: 2,457,012.74 + renewable: 234,572.61 GJ). 2018 data: 2,570,083.87 Gj (Non-renewable sources: 2,306,531.13 + renewable: 263,552.74 GJ). Reported according to the scope of the verified carbon footprint.		•	

GRI STANDARD	DESCRIPTION	REFERENCE/LOCATION	Omissions	External assurance	SDG
302-2	Energy consumption outside the organisation.	Page 31. 2016 data: 5,197,069.75 GJ. 2017 data: 5,561,325.67 GJ. 2018 data: 6,346,209.93 GJ. The increase is mainly due to the increase in Natural Gas consumption. Reported according to the scope of the verified carbon footprint.		•	
302-3	Energy intensity (within and outside the organisation).	4.68 GJ/thousand € (Total consumption against production data of 1,903,771 thousand euros). Increase by 12.32 % compared to 2016. The increase is mainly due to the increase in Natural Gas consumption.		•	
302-4	Reduction of energy consumption.	Internal energy consumption is down by 6.24 % compared to 2016.		•	
302-5	Reduction in energy requirements of products and services.	Page 30, 43, 56-62.		•	
GRI 303: Water and effluents.					
MANAGEMENT APPROACH		Page 47-50.		•	
303-1	Water withdrawal by source.	Page 30-31, 47-50. 2016 data: 8,061,450 m^3. 2017 data: 9,043,979 m^3. 2018 data: 10,087,552 m^3. In 2018, 24.8 % of the water consumed came from alternative sources (well, ground water, recirculated / regenerated), 68.6 % of which was recirculated / regenerated. Informed according to operational perimeter. The increase with respect to 2016 is due to an improvement in the quality of the data.		•	

GRI STANDARD	DESCRIPTION	REFERENCE/LOCATION	Omissions	External assurance	SDG
303-2	Water sources significantly affected by withdrawal of water.	Water collection has had no significant impact on water sources.		•	
303-3	Water recycled and reused.	2016 data: 1,300,716.41 m^3. 2017 data: 1,823,775.44 m^3. 2018 data: 1,718,297.00 m^3.		•	
GRI 304: Biodiversity.					
MANAGEMENT APPROACH		Page 51-54.		•	
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Page 14. Management of 35.5 ha of parks and gardens of special interest (under operational control) in Valencia, Cartagena and Malaga. We also operate in a protected space adjacent area, which is the case of the management of the Golf Course at Parque de la Grajera in Logroño (450 ha), where we operate in an area close to the wetlands of Parque de la Grajera (within the Special Plan for the Protection of the Natural Environment of La Rioja).		•	
304-2	Significant impacts of activities, products and services on biodiversity.	Page 51.		•	
304-3	Habitats protected or restored.	Page 51-53.		•	
304-4	Species on the IUCN Red List of Threatened Species or national conservation lists whose habitats are in areas affected by the operations.	Our operations do not affect species identified as such.		•	

GRI STANDARD	DESCRIPTION	REFERENCE/LOCATION	Omissions	External assurance	SDG
GRI 305: Emissions					
MANAGEMENT APPROACH		Page 43-46. EMISSIONS FACTORS MITECO (https://www.miteco.gob.es/es/cambio-climatico/temas/mitigacion-politicas-y-medidas/factores_emision_tcm30-479095.pdf) If they are not published, the factors defined by GHG Protocol apply. In the case of landfills, the IPCC model is used.		•	
305-1	Direct GHG emissions (scope 1).	Page 30-31, 43, 46. 2016 data: 365,839.49 tCO_2e. 2017 data: 361,451.48 tCO_2e. 2018 data: 346,151.58 tCO_2e. Informed according to the scope of the previously verified Carbon Footprint. The 2016 emission differences with respect to the 2015-2016 sustainability report are due to the incorporation of the Granada Ecocentral in scope 1 and the new calculation method approved in the Carbon Footprint procedure.		•	
305-2	Indirect (scope 2) GHG emissions when generating energy.	Page 30-31, 43, 46. 2016 data: 16,500.08 tCO_2e. 2017 data: 20,223.26 tCO_2e. 2018 data: 17,314.75 tCO_2e. Informed according to the scope of the previously verified Carbon Footprint.		•	
305-3	Other indirect (scope 3) GHG emissions.	Page 31, 43-44. 2016 data: 1,803,313.78 tCO_2e. 2017 data: 1,971,825.86 tCO_2e. 2018 data: 2,075,360.15 tCO_2e. (The increase with respect to 2016 is mainly due to the increase in Natural Gas consumption and diffuse emissions in landfills). Informed according to the scope of the previously verified Carbon Footprint.		•	
305-4	GHG emissions intensity.	1,281 tCO_2e/thousand € (Scope 1+2+3: Total emissions against production data of 1,903,771 thousand euros). Constant, slightly down on 2016 (-0.26 %)		•	

GRI STANDARD	DESCRIPTION	REFERENCE/LOCATION	Omissions	External assurance	SDG
305-5	Reduction of GHG emissions.	Page 29, 43-46, 62.		•	
305-6	Emissions of ozone-depleting substances (ODS).	Disregarded for not being significant and representing <1 % of emissions.		•	
305-7	Nitrogen oxides (NOx), sulphur oxides (SOx) and other significant air emissions.	Page 31. 2016 data: NOx = 41,339 kg/SOx = 2,410 kg/Part = 4,383 kg. 2017 data: NOx = 26,795 kg/SOx = 19,320 kg/Part = 5,007 kg. 2018 data: NOx = 26,220.76 kg/SOx = 4,278.16 kg/Part = 5,721.13 kg. Informed according to scope of treatment and emissions of torches, engines and boilers are reported. For 2019, the estimation of vehicle emissions is planned.		•	
GRI 306: Effluents and Waste (Circular Economy).					
MANAGEMENT APPROACH		Page 33-41.		•	
306-1	Water discharge by quality and destination.	Page 31. Purified water released into public network. 2016 data: 12,387 m^3. 2017 data: 6,411 m^3. 2018 data: 13,753 m^3. Informed according to scope of treatment. The decline in effluents in 2017 is explained by the low rainfall levels of that year and the decrease in leachate purification.		•	

GRI STANDARD	DESCRIPTION	REFERENCE/LOCATION	Omissions	External assurance	SDG
306-2	Waste by type and disposal method.	Page 31. 2016 data. HW: 345 t/NHW: 455,317 t. 2017 data. HW: 342 t/NHW: 734,500 t. 2018 data. HW: 319 t/NHW: 771,356 t. Informed according to scope of treatment. The destination data of the generated waste is not available. We are working on the development of tools for this. However, all waste is managed through authorized managers in compliance with current legislation.		•	
306-3	Significant spills.	There is no evidence that minimally significant accidental spills have occurred.		•	
306-4	Transport of hazardous waste.	Does not apply. Our organization does not have as a significant activity the transport of hazardous waste.		•	
306-5	Water bodies affected by water discharge and/or runoff.	Our operations do not significantly affect the biodiversity of water resources and related habitats, since there is an exhaustive control of both the discharge parameters and the receiving environment, with a view to guaranteeing the necessary conditions for the development of aquatic fauna.		•	
GRI 307: Environmental Compliance.					
MANAGEMENT APPROACH				•	
307-1	Noncompliance with environmental laws and regulations.	No event has occurred that has resulted in a significant fine or penalty.		•	

GRI STANDARD	DESCRIPTION	REFERENCE/LOCATION	Omissions	External assurance	SDG
GRI 308: Supplier Environmental Assessment.					
MANAGEMENT APPROACH		Page 78-80.		•	
308-1	New suppliers that were screened using environmental criteria.	Page 79-80.		•	
308-2	Negative environmental impacts in the supply chain and actions taken.	Page 79-80.		•	
GRI 400: Social Standards					
GRI 401: Employment.					
MANAGEMENT APPROACH		Page 68.		•	
401-1	New employee hires and employee turnover.	Page 68-69. New employee hires 2018: 6,513 / 71.3 % male and 28.7 % female. Turnover 2017 data: 1.37. Breakdown turnover by gender 2018 data: Men: 2.77/Women: 3.09.	The breakdown by age will be reported in future publications.	•	
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees.	This covers employees included in the group of executives, technicians, administrative staff and subordinates, on an indefinite contract at companies belonging to consolidated Group companies. Those who have been at the company for more than one year enjoy social benefits such as special medical care, disabled coverage and subsidised loans.		•	

GRI STANDARD	DESCRIPTION	REFERENCE/LOCATION	Omissions	External assurance	SDG
401-3	Parental leave.	Page 69. 97.2 % of the employees who took maternity or paternity (569) leave returned to work after finishing their leave. 18.1 % were women.		•	
GRI 402: Labor / management relations.					
MANAGEMENT APPROACH		Page 69.		•	
402-1	Minimum notice periods regarding operational changes.	The information relating to organisational changes that have taken place at the Group are provided in the legal provisions of the applicable collective agreements, always providing a minimum period of four weeks of notice.		•	
GRI 403: Occupational health and safety.					
MANAGEMENT APPROACH		Page 73-75.		•	
403-1	Workers representation in formal joint management–worker health and safety committees.	Currently, the company is unable to confirm the actual percentage of employees sitting on health and safety committees, although the Health and Safety policy and the monitoring of accident rates and the effectiveness of measures through indicators cover the entire workforce.		•	
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities.	Page 69, 73. Absenteeism rates due to illness: 2016: 6.08 2017: 6.64 2018: 7.14 Number of fatal accidents: 2016: 2 2017: 1 2018: 2	Information systems currently do not contemplate the exporting of indicators by gender.	•	
403-3	Workers with high incidence or high risk of diseases related to their occupation.	The ORP Department conducts studies on occupational illnesses. In 2018, there were 13 occupational illnesses reported resulting in leave, 45.8% down on 2017.		•	

GRI STANDARD	DESCRIPTION	REFERENCE/LOCATION	Omissions	External assurance	SDG
403-4	Health and safety topics covered in formal agreements with trade unions.	Agreements with trade union organisations are made through sector agreements that specifically regulate issues such as training and information, collective protection, work equipment, etc.		•	
GRI 404: Training and education.					
MANAGEMENT APPROACH		Page 71-72.		•	
404-1	Average hours of training per year per employee.	Page 71-72. 2018 data: 5.1 hrs/employee.* 8.9 hrs/participant. 9.9 hrs/male participant. 5.6 hrs/female participant. 2017 data: 4,8 hrs/employee.* (*) Against SAP-HR workforce.		•	
404-2	Programs for upgrading employee skills and transition assistance programs.	Page 71-72.		•	
404-3	Percentage of employees receiving regular performance and career development reviews.	FCC Medio Ambiente 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.Training programs on quality and environment, ORP, skills, finance, languages, legislation, CSR, training, code of ethics, office automation, clients.		•	

GRI STANDARD	DESCRIPTION	REFERENCE/LOCATION	Omissions	External assurance	SDG
GRI 405: Diversity and equal opportunity.					
MANAGEMENT APPROACH		Page 76-77, 84-87.		•	
405-1	Diversity of governance bodies and employees.	Page 76-77.	In future publications, the breakdown by age group will be reported.	•	
405-2	Ratio of basic salary and remuneration of women to men.	The average salary of men is 1.36 times that of women. The average salary is 2.5 times the interprofessional minimum in Spain.	In future publications, the breakdown by professional category will be reported.	•	
GRI 406: Non-discrimination.					
MANAGEMENT APPROACH				•	
406-1	Incidents of discrimination and corrective actions taken.	No cases of discrimination have been detected. Staff training and information on this matter has been reinforced.		•	
GRI 410: Security Practices.					
MANAGEMENT APPROACH				•	
410-1	Security personnel trained in human rights policies and procedures.	All security guard staff have received training on fundamental Human Rights and the public freedoms of individuals.		•	

GRI STANDARD	DESCRIPTION	REFERENCE/LOCATION	Omissions	External assurance	SDG
GRI 412: Human Rights Assessment.					
MANAGEMENT APPROACH		Page 78-80.		•	
412-1	Operations that have been subject to human rights reviews or impact assessments.	Page 78-80. All contracts with suppliers include human rights clauses. The Environment Division operates in Spain.		•	
412-2	Employee training on human rights policies or procedures.	In total, 2,068 hours of training in CSR and the Code of Ethics have been imparted to 903 employees over the past two years.		•	
412-3	Significant investment agreements and contracts that include human rights clauses.	All contracts with suppliers.		•	
GRI 413: Local Communities.					
MANAGEMENT APPROACH		Page 82-88.		•	
413-1	Operations with local community engagement, impact assessments and development programmes.	82 % of our turnover is certified according to ISO 14001 and 9.3 % under the EMAS Regulation. An environmental impact assessment is carried out on all these contracts.		•	
413-2	Operations with significant, actual or potential, negative impacts on local communities.	There are no operating centres that have or could have significant negative impacts on local communities.		•	

GRI STANDARD	DESCRIPTION	REFERENCE/LOCATION	Omissions	External assurance	SDG
GRI 414: Supplier social assessment.					
MANAGEMENT APPROACH				•	
414-1	New suppliers that were screened using social criteria.	Central Services at the FCC Group is designing a new system for the approval of suppliers that considers the possibility of carrying out "Due Diligences" on the suppliers considered necessary.		•	
414-2	Negative social impacts in the supply chain and actions taken.	FCC Medio Ambiente does not believe that any of its suppliers pose risks with a negative social impact; therefore, no evaluations have been carried out.		•	
GRI 415: Public Policy.					
MANAGEMENT APPROACH		Page 22.		•	
415-1	Contributions to political parties and/or representatives.	Page 22. The FCC Group's Code of Ethics and Conduct expressly states that the company performs its business without interfering with or participating in the political processes of the countries and communities where it carries out its activities.		•	
GRI 416: Customer health and safety.					
MANAGEMENT APPROACH		Page 32, 46, 55, 62.		•	
416-1	Assessment of the health and safety impacts of product and service categories.	Page 32, 46, 55, 62.		•	

GRI STANDARD	DESCRIPTION	REFERENCE/LOCATION	Omissions	External assurance	SDG
416-2	Incidents of noncompliance concerning the health and safety impacts of products and services.	There is no record of any incident of this nature.		•	
GRI 417: Marketing and labelling.					
MANAGEMENT APPROACH				•	
417-1	Requirements for product and service information and labelling.	With regard to the labelling of products and services, the quality of the by-products sold is being increased by introducing technical improvements on selection lines (optical separators, ballistic selection, etc.).		•	
417-2	Incidents of noncompliance concerning product and service information and labelling.	There is no record of any incident of this nature.		•	
417-3	Incidents of noncompliance concerning marketing communications.	There is no record of any incident of this nature.		•	
GRI 418: Customer privacy.					
MANAGEMENT APPROACH				•	
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data.	There is no record of any incident of this nature.		•	

Medio Ambiente

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