Sustainability Report 2015-2016

FCC Medio Ambiente

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Presentation

In this report, the Environment Division of FCC Group* details how during the last two years (2015-2016) it has been able to react and adapt to an environment in which actions must be aimed at implementing an efficient services management model that favours the development of sustainable cities and communities. We continue to be governed by the three principles in the Group's Corporate Responsibility Master Plan (2011-2014), extended to 2016, and the CSR Policy approved by FCC's Board of Directors on 28 July 2016 -exemplary commitment, smart services and connecting citizens - that support a programme of actions aligned with the SDGs (Sustainable Development Goals) considered a priority within the framework of undertaking our business activity.

This Sustainability Report, prepared according to the Global Reporting Initiative (GRI) Guide for preparing sustainability reports, has been verified by an independent external organisation that endorses the compliance of content with version G4, in accordance with its essential version and its correlation with the SDGs prioritised by the organisation.

The financial and social data reflect the main scales, according to the consolidation principle applied by FCC Group to the companies in the Environment Division. The environmental data refers to the activities provided by those companies within the perimeter of contracts over which we have operational control.

The Sustainability Report is available on FCC Group's website: **www.fcc.es**

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(*) The Environment Division of FCC Group = FCC Medio Ambiente (Spain)

Message from the Managing Director

We are in a global and local environment undergoing constant change. A period of transition has been marked by new ideas in economic/financial and contractual matters and revisions to environmental and social regulations. In the medium and long terms this will drive the modernisation and transformation of Europe's economy, channelling it towards greater sustainability and competitiveness in the context of globalisation.

For example, the transition driven by Europe towards the circular economy model opens new roads and encourages the business sector to take the leading role in the change, presenting new opportunities. In FCC Medio Ambiente we are anticipating it, gradually transforming our offer of services in everything relating to the prevention of waste.

It will also be necessary to count on the territorial and sectoral repercussions of the ratification of the Paris Agreement (COP21), for which the countries in the EU such as Spain now face the challenge of articulating the measures for complying with it through their internal legal systems. Neither can we remain detached from the objectives of the Agenda 2030 for sustainable development. The 17 SDGs of the Global Agreement represent an ambitious global challenge that the business sector and our company in particular must promote and support.

For the Environment Division, 2016 marks an inflection point. As we describe in the report below, our responsible management model will be aligned with the five dimensions set for the Spanish private sector in the Spanish Global Agreement Network. These are: people, the planet, prosperity, peace and alliances. The organisation will prioritise the objectives most directly related to its activities and will always contribute to compliance with the other SDGs according to the opportunities encountered.

As a starting point and to frame the unavoidable changes involved in this transition period, we have set up a roadmap (2017-2018) to meet commitments and priorities that will consolidate the development of our sustainable and responsible business model.

The scope of the milestones that we have set and shared among all the agents in our value chain, must allow us to offer our clients services with a distinctive nature of "Smart Human and Environmental Services". The benefits of these will revert to the public in favour of green, smart, sustainable and inclusive urban growth.

We have a long road before us, full of uncertainties, opportunities and also successes that will involve all social actors. Aware of this, FCC Medio Ambiente will continue reinforcing long-lasting alliances with its stakeholders in the public/private spheres and civil society. As a front-line economic and social actor, we will reinforce public/private collaboration for greater economic/financial commitment and promote the undertaking of general interest services in which we take part daily through our public service activities.

Jordi Payet
Managing Director

02

Data that shows trends

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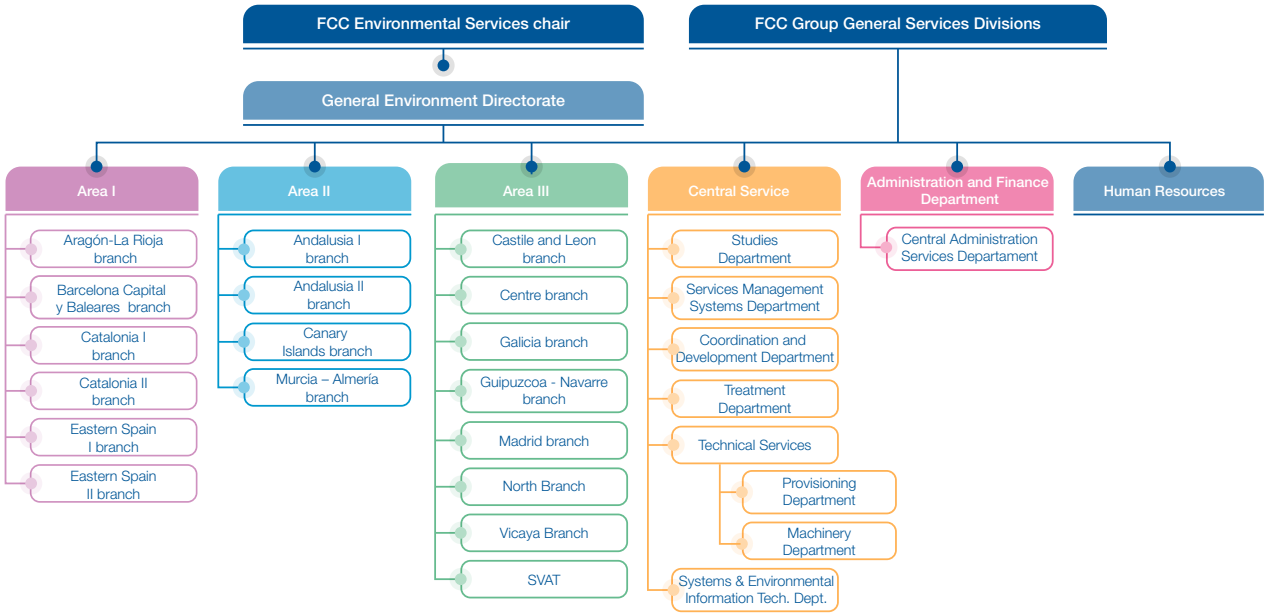
An activity with a strong territorial anchoring

The Environment Division, which represents **30.8% of FCC Group's EBITDA**, provides urban services in **3,670 Spanish municipalities**, serving **a population of more than 28 million** with the **professionalism of a team of 30,155 employees**.

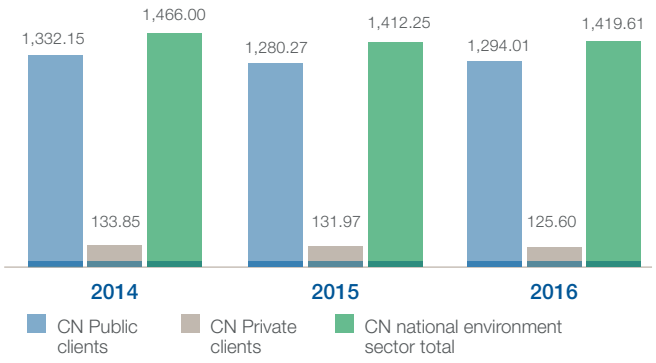
Thanks to a **regionalised commercial structure** divided among 17 branches, FCC offers its clients **services of proximity** matching the needs of communities in all corners of Spain.Although we have a notable presence in the **main Spanish provincial capital cities, 65% of our public clients** are in **cities with fewer than 50,000 inhabitants**.

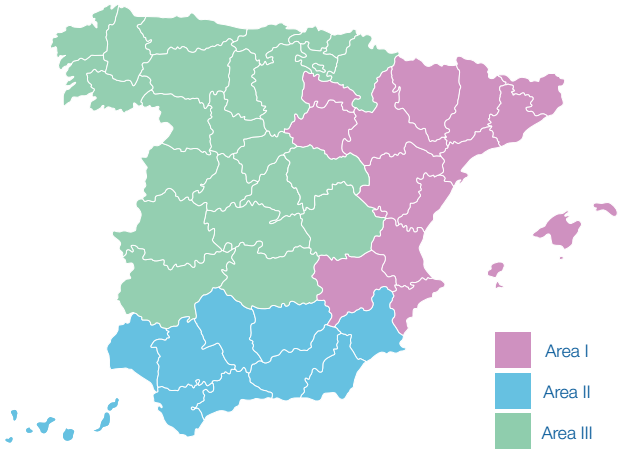
In 2016, the overall contracting volume was €1,011.8 million and the annual turnover, €1,419.6 million, with **91.2%** being **invoicing to public client**s.



Turnover evolution, public and private clients

(€ millions)





A regionalised and close **commercial structure**

A leading city services supplier and manager

The 1,037 environmental management services contracts are distributed across a portfolio of 701 **clients, 74%** of which are public and **26% private.**

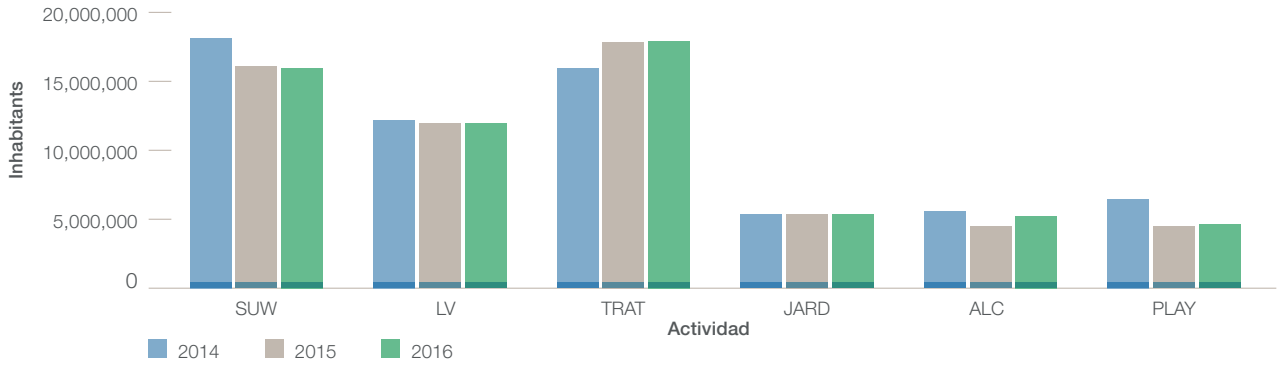
The **waste collection** and handling activities, which account for **48% of turnover**, lead the services provided by the organisation, followed by 30.5% of urban cleaning activity. The remaining 21.5% is shared between building cleaning, the conservation and maintenance of parks and gardens, sewerage maintenance and other services such as, for example, the maintenance of beaches and public fountains.

The levels of the public served have been maintained between 2015 and 2016. Only the penetration of the energy management and urban infrastructure sector has progressed notably to reach a global population of the order of 625,210 through the various contracts managed in this area.

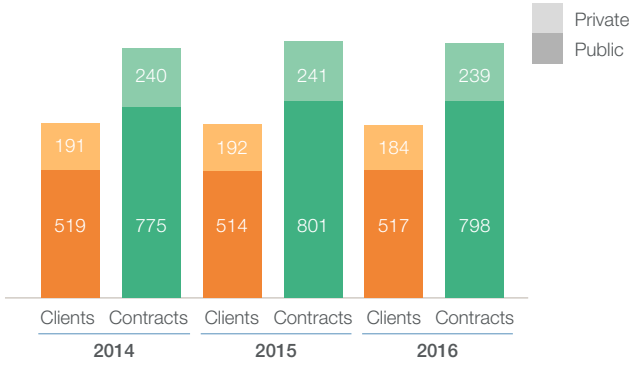
FCC manages 1,037 environmental services contracts

28 million inhabitants served for environmental services

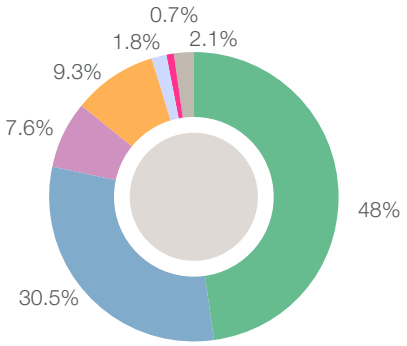
Evolution of population served from 2014 to 2016



Evolution of share-out of number of clients and contracts by types (2014-2016)



Turnover distribution by activity 2016 (%)



- **48%** CN Collection (SUW)+SUW treatment (TRAT)
- **30.5%** CN Street cleaning (LV)
- **7.6%** CN Maintenance of parks and gardens (JARD)
- **9.3%** CN Building cleaning
- **1.8%** CN Sewerage maintenance (ALC)
- **0.7%** CN Beach cleaning (PLAY)
- **2.1%** CN Other services

The stability of a responsible environmental and social behavior

Within a trend for budgetary constraint maintained by our public clients, the contracts achieved for renewals, extensions and gains and the losses suffered have no specific weight or sufficiently long duration or cut-off period to cause a notable change in trend to the development of the organisation's relevant social and environmental performance indicators.

The vast majority of the services provided during 2016 continue to function on the basis of the contractual conditions implemented with continuous improvement criteria. In the social area, the guarantee of employment has been maintained. From the environmental impact point of view, in terms of the consumption of energy and water resources, greenhouse gas emissions and waste generation, as well as the protection of the biodiversity, the responsible and solidarity management objectives committed to with our clients continue to be complied with.

New **business opportunities** through the **packet of measures** for the **circular economy**

Contribute to compliance with the **Sustainable Development Goals (SDGs)**

A business open to new opportunities

The new economic-financial, fiscal and regulatory dispositions and the public contracting model, under way and in preparation, will drive the **modernisation and transformation of Europe's economy and its member states** in the medium and long terms. This will lead to **greater sustainability for the private and public sectors in their management model.** An environment in full transformation changes to open up opportunities for companies to maintain their competitiveness.

Regarding the urban services sector directly, **the implementation of the packet of measures for building an ecological, circular and sustainable Europe** will directly introduce notable changes in the performance of the key activities in our business linked to **the prevention, recovery and re-use of waste.**

It will also be necessary to count on the **territorial and sectorial repercussions** of the ratification of the Paris Agreement (COP21) in which the EU countries now face the challenge of articulating, through their internal legal systems, the measures to comply with it by **implementing and undertaking an integral energy and climate plan.**

Neither can we distance ourselves from the SDGs, for which the EU has presented the **priority policies for applying the United Nations Agenda 2030 for sustainable development** in three recent publications, counting on the leading role of the private sector.

An organisation prepared to tackle the challenges of Agenda 2030

Throughout the last decade, thanks to the initiatives and best practices undertaken and implemented, **the organisation has consolidated progress based on a sustainable management model prepared to contribute progressively to compliance with the Agenda 2030 Sustainable Development Goals** (SDGs). This first step will help the company to provide solutions and undertake transformational changes that will accompany its contribution to the SDGs adopted. It will also help its stakeholders to understand the organisation's degree of involvement in attaining them.

The Granada.eco centre managed by FCC.

03

Progress towards the model change

The **17 SDGs** of the Global Compact are an ambitious global challenge that the business sector must support. However, it is for **every organisation to set priorities according to their own activity and the environment in which they operate.**

In the Environment Division, the responsible management model will be aligned with the five dimensions set for the Spanish private sector by the Spanish Global Compact Network – persons, the planet and prosperity, peace and alliances. **Our organisation will focus its actions on those objectives most closely related to its activities to maximise the effect on the set of the 17 SDGs.**

In its prioritising of objectives, the organisation will contribute to greater economic and social prosperity that will support and favour:

- **The development of people** – generation of talent, diversity and equality of opportunities, occupational health and safety, and social inclusion.
- **Green growth and the fight against climate change:** efficient consumption of resources, prevention of waste, technological innovation, low-carbon processes and services, and the protection of the biodiversity.
- **A favourable working environment:** fight against corruption, peace and social stability and quality, and transparency in the value chain.
- **Public-private collaboration and the opening to the third sector.**

The following chart shows FCC Environment Division's commitments to sustainable development, related to the prioritised SDGs that the organisation will integrate into its activity and governance.

The 17 Agenda 2030 SDGs

FCC Medio Ambiente commitments aligned with the five dimensions of the SDGs.

04

Corporate governance and risk management

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FCC's commitment to CSR

For a decade, FCC has demonstrated its commitment to CSR through its **three master plans** approved by its **Board of Directors** under the responsibility and supervision of the Corporate Responsibility Directorate and the coordination of the **CSR Committee**. This commitment was formalised in 2008 in the widest-ranging standard in FCC, its Code of Ethics, now in the process of reformulation.

The current **CSR Policy** defines the commitments acquired by all the company's businesses, including the FCC Environment Division. These relate to the **framework of business integrity and ethics**, to **respect for the environment** and to the **creation of values shared with communities** in which FCC undertakes its activities. The policy includes the **principles and commitments** that FCC assumes regarding its stakeholders and observes the **setting of objectives** which, as already mentioned, are structured on the axes of exemplary commitment, smart services and connecting citizens.
The following chapters of this report explain how the FCC Environment Division has, in the last three years, complied with the commitments set and present the challenges committed to for the start of 2019.

The commitment to ethics and integrity

- As part of FCC Group, the Environment Division **complies with standards and laws in the jurisdictions** in which it operates, as well as through its code of ethics that raise the standard of ethical behaviour expected of **its employees and managers.**
- The requirements of the **Spanish Criminal Code** set a **rigorous guideline for identifying and controlling criminal acts.** FCC includes them in its code of ethics that applies to all the businesses and geographical areas.
- The **health and safety** of FCC's employees are a **priority** for the company above all other considerations.
- FCC integrates requirements into is **value chain** in relations with **partners, suppliers and contractors to ensure** their commitments are consistent with its own ethical, social and environmental ones.

For further information, see FCC Group's CSR Report and Corporate Governance Report available on the website: **www.fcc.es**

FCC's corporate governance model

acts as a **guarantee of responsible and effective management**

Effective risk management

Currently, **FCC has risk committees in each business area.** Their responsibility is to transfer the appearance of operational and financial risks, the probability of occurrence and the potential impact to the **FCC Group Audit and Control Committee.** This enables it to undertake its prevention and mitigation function, including other risks that are not economic, financial or operational such as strategic risks and risks to reputation.

From the highest levels in the organisation, **the Board committees and the Executive Risks Committees** in the corporation and business units are responsible for the suitable management and control of the risks.

The **risks maps identify the main risks in the business areas** and the **controls set** by management **to mitigate their effects** and **to assess them in terms of their probability of occurrence** and their **impact** on the financial states of the area analysed.

The following diagram shows the risks identified by the FCC Environment Division:

For further information on the risk management model, see FCC Group's Annual Report on the website: **www.fcc.es**

Risks in the FCC Environment Division

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

The Granada eco centre managed by FCC.

05

Smart services

Contribute to the development of sustainable cities and communities 15

Mitigate the impact of our activities and services on the environment 17

Move towards efficiency: best practices that promote the new smart service model 19

- Innovation driving business progress and transformation 19
- Converting waste into a resource 29
- Action for the climate 32
- Conserve and protect the biodiversity 33
- Count on professionals as ambassadors for best practices 34

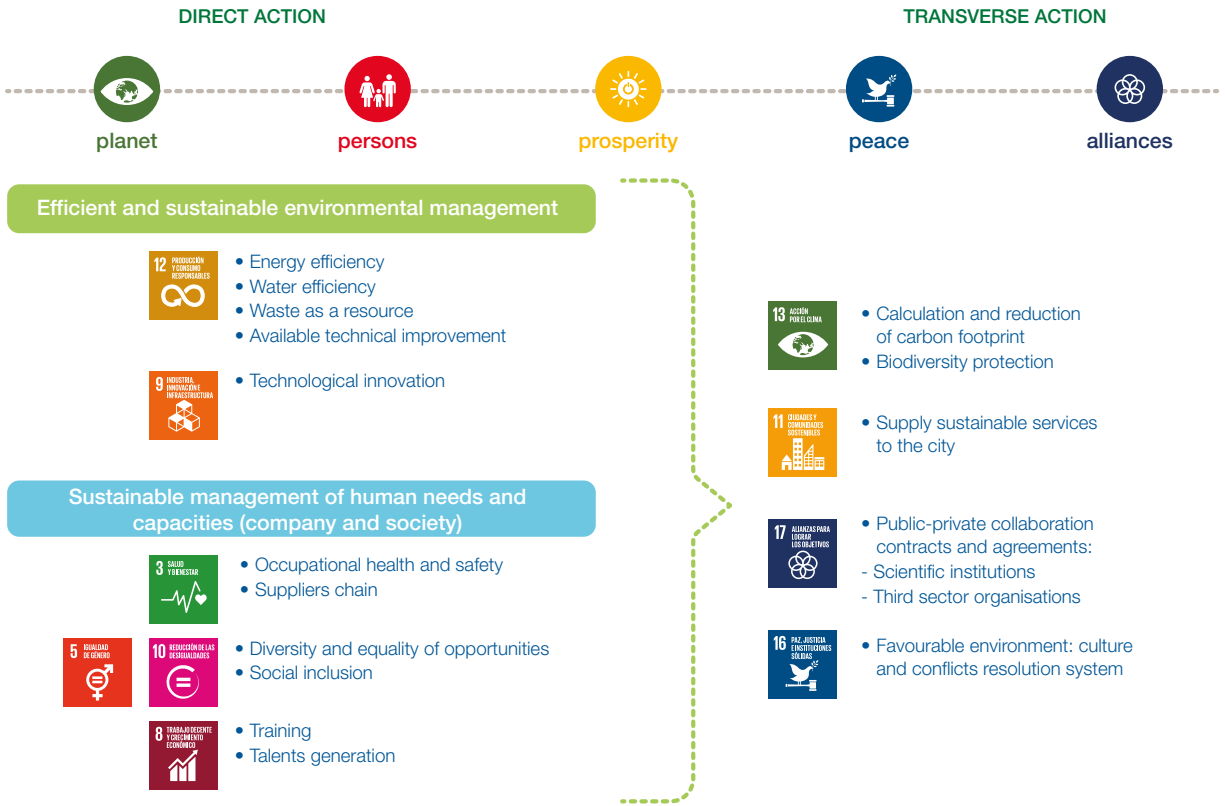
An offer of services for sustainable cities: the service vocation
"Smart Human and Environmental Service"

Contribute to the development of sustainable cities and communities: the "Smart Human and Environmental Service"

FCC Medio Ambiente seeks solutions to attain greater efficiency in the management of its processes and services to consolidate its competitiveness in an increasingly demanding business environment. At the same time it aims to **demonstrate its contribution to complying with the Agenda 2030 Sustainable Development Goals.**

In accordance with the idiosyncrasy of our businesses, we have **prioritised the SDGs that we directly impact with the intermediation of the technological improvements integrated in our production processes as well as the best practices implemented in the services we provide** on the one hand and, on the other, **the transverse SDGs that may favourably impact our actions** as a consequence.

Contribution to the prioritised SDGs



FCC is committed to a new service model aimed at the **"Smart Human and Environmental Service".** Based on the Smart City objectives and priorities, this supports our role in the sustainable development of the cities in which we operate. It has a network of interconnected technological supports to record, analyse and communicate to our stakeholders the relevant parameters of the impacts linked to the economic, environmental and social performance of the activities provided.

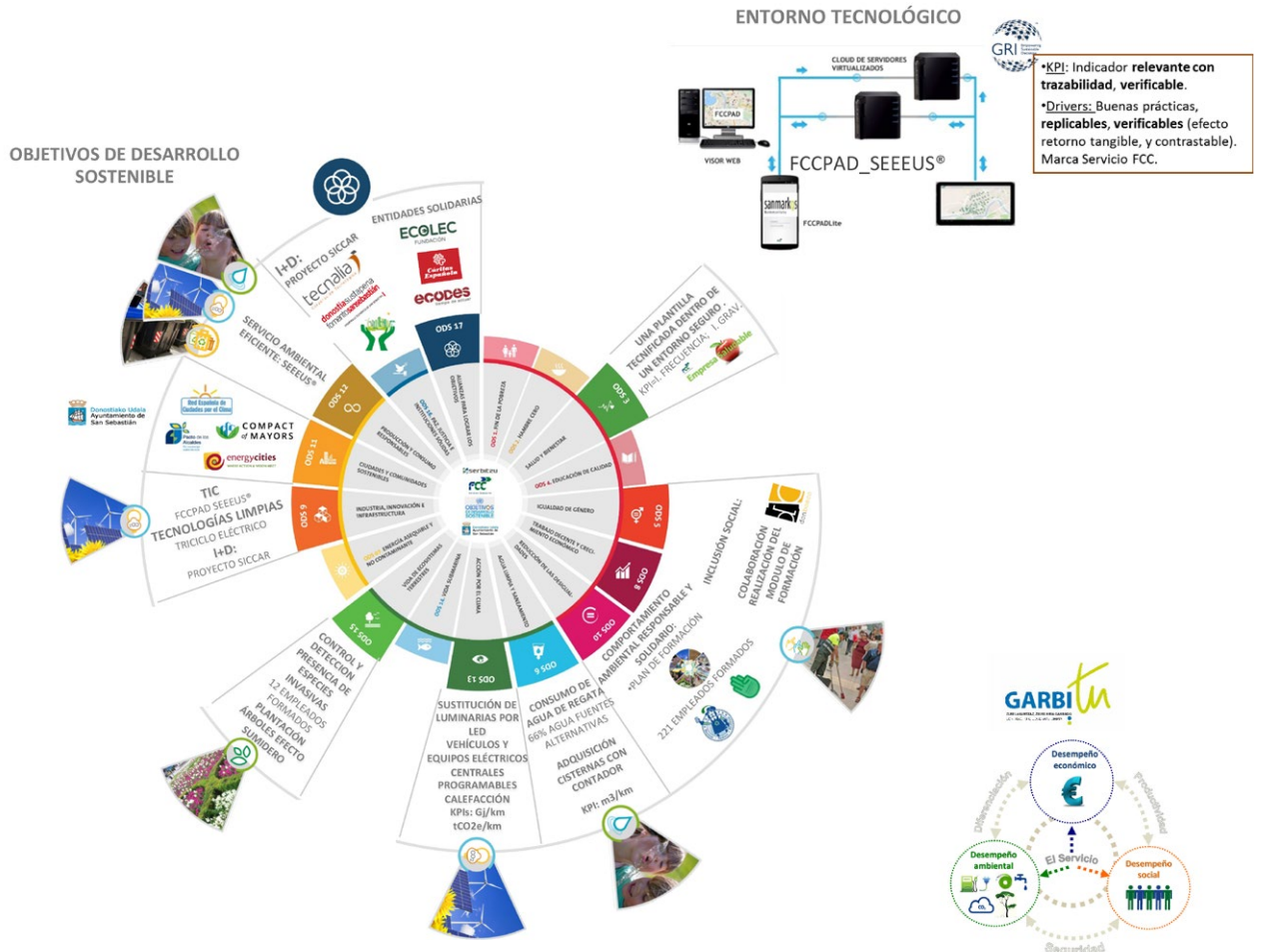
The organisational planning of the service offers sufficient flexibility to adapt itself to the specific needs of each client. It is currently in the pilot phase of implementation in the selective collection services contracts in the San Marcos Community and for street cleaning in San Sebastián.

To date, the new service model has been offered in contracts under renewal with a total population of 1,450,619.

2018 MILEPOST. Implementation of the "Smart Human and Environmental Service"

- Increase of 40% of the population served by the "Smart Human and Environmental Service" model.
- Favours the creation in staff of environmental observer and agent.
- Increases the training actions in the responsible environmental management plan.
- Intensifies the initiative of the operational personnel in the professional use of digital tools.

A sustainable service model for FCC aligned with the SDGs for LV San Sebastián. "Smart Human and Environmental Service"



Mitigate the impact of our activities and services on the environment

The consolidated results and trends confirm the progress reached by the organisation to reduce the impact of its negative environmental externalities in favour of:

- **The efficient use of energy resources:** the use of alternative energy has increased by 18.1% and we have generated 29.2% more energy from renewable sources.
- **Reduction of greenhouse gas emissions:** 478,186 tCO_2e have been avoided, 54.4% more than in 2014. This was due to the degasification of lanfills and improvements in treatment plants allowing more materials to be recovered and reducing rejections disposed of them.
- **The minimising of the dependence on mains water:** 30.7% of our water consumption is covered by alternative sources.
- **The optimising, recovery and recycling of waste:** increase of 9% in the efficiency of recovering re-usable materials in biological treatment plants and the stabilising of the output of packaging sorting plants, allowing the entry of rejections to lanfills to be reduced by 8%.

(2016)

The ce2d® of the Environment Division (2016)
Key environmental footprint indicators Operational perimeter as per the G4.*

avoid
Prevention of and fight against the effects of climate change. Energy efficiency.

EN19 Greenhouse gas emissions avoided:	478,186	tCO_2e
Direct greenhouse gas emissions avoided:	475,128	tCO_2e
Indirect greenhouse gas emissions avoided:	3,058	tCO_2e
EN27 Saving of water resources:	2.476,483	m^3 mains water
EN6 Electricity saving:	12,594	GJ

return
Generation of resources

EN19, EN27 Materials re-used(1):	37,749 t
EN19, EN27 Compost(1):	15,778 t
EN6, EN27 Electricity co-generated:	43,176 GJ
EN10, EN27 Treated water re-used:	35,912 m^3

(1) Amounts of compost and recovered materials sold.

emit
Control and reduction of emissions, discharges and waste production

EN15, EN 16 Greenhouse gas emissions:	254,577	tCO_2e
EN 15 Direct greenhouse gas emissions:	238,077	tCO_2e
EN 16 Indirect greenhouse gas emissions::	16,500	tCO_2e
EN15 Emissions of biogenic CO2:	27,910	tCO_2biogénic
EN21 Emissions of NOx:	41,339	kg
EN21 Emissions of SOx:	2,410	kg
EN21 Emissions of particles:	4,383	kg
EN22 Discharges of treated industrial waste water:	12,387	m^3
EN23 Waste generation:	444,846	t
Generation of non-hazardous waste:	444,501	t
Generation of hazardous waste:	345	t
EN23 Leachings transferred to external plant:	18,479	m^3

intake
Responsible consumption

EN8 water(2):	8,061,450 m^3
Mains water:	5,584,967 m^3
Water from other sources:	2,476,483 m^3
EN 3 Internal power consumption:	2,502,261 GJ
Electricity:	165,001 GJ
Fuel:	2,337,260 GJ
EN1 Materials (3):	422,277 t

(2) Does not include the consumption of water for urban surfaces (mainly washing) nor the 17.3% of area irrigated in parks and gardens.

(3) Aggregates, organic matter and others.

Field of action and perimeter of influence

Urban services	Treatment and elimination	Conservation and maintenance of parks and gardens	Urban infrastructures energy management	Work centres
Population served: 20.1 million inhabitants				
4,625,738 tonnes collected	1,069,554 tonnes treated and eliminated	4,382.5 ha of parks and gardens maintained	29,854 lighting points managed	– 20 regional branch offices and central head office – 9 parks and central garages

The KPIs or drivers that show the compliance with the SDGs prioritised by the FCC Medio Ambiente organisation are based on the evolution of the **relevant indicators of the business activities' environmental performance. These are all backed by a history of 10 years of data and information, and are verified by third parties according to the Global Reporting Initiative (GRI).**

San Bartolomé de Tirajana collection service.

2018 MILEPOST. Reduce and improve the impact of the most relevant externalities of the environmental performance of the services provided

- Improve the energy efficiency of the processes and services and their outcome, reduction of direct and indirect greenhouse gas emissions.
- Optimise the control of water consumption in favour of the use of water from alternative sources in street cleaning and parks and gardens irrigation services.
- Give a second opportunity to waste as a sub-product from the selective collection systems to the handling and valuing processes.
- Implement practices that respect the preservation of the urban biodiversity.

Efficient and sustainable environmental management

- **KPI:** Relevant indicator with traceability, verifiable. Milestone 2018, base year 2016.
- **Drivers:** Replicable and verifiable best practices (tangible and comparable return effect).. FCC service brand.

prosperity · alliances · planet

KEY PERFORMANCE INDICATORS (KPIs)

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

KPI = 40% increase in population served by contracts with SEEEUS service®

- Technological innovation

KPI = Duplicates our presentation of R&D projects in national and international competitions

BEST PRACTICES

Pilot contracts
– Collection, San Marcos community
– LV Donostia
– Barcelona sewerage

Calculation and reduction of the carbon

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

Move towards efficiency: best practices that promote the new smart service model

In the **transition phase towards a sustainable economy and the efficient and competitive use of resources,** which we are crossing and while waiting for governments to set objectives for applying the framework agreements for adapting to climate change, **as a leading economic actor FCC Medio Ambiente will continue to promote the efficient use of resources. This** involves the **entire value chain through the implementation of best practices that will strengthen its commitments to the SDGs.**

To offer our clients products and services that contribute to the development of sustainable cities and communities, FCC Medio Ambiente invests in its own development of new technologies as well as the implementation of best practices. The organisation also has management systems based on the UNE-EN ISO 9001, UNE-EN ISO 14001 and EMAS standards and recent UNE-EN ISO 50001 and R&D UNE 166002 energy management certificates for gaining in efficiency and effectiveness.

The new services management model offered to our clients will strengthen the green growth of the communities in which we operate through five priority action lines:

1. Innovating to drive business progress and transformation.
2. Converting waste into a resource
3. Acting for the climate.
4. Conserving and protecting biodiversity.
5. Counting on professionals as ambassadors for best practices.

Through the Certified Energy Management System, FCC is implementing measures of efficiency that affect a fleet of more than 7,000 vehicles and more than 300 work centers, covering the practically all of the activity of FCC Medio Ambiente in Spain.

Delivery the certificate of the Integrated Energy Management System ISO 50001 (2016) to the Director General of FCC Medio Ambiente

1. Innovating to drive business progress and transformation

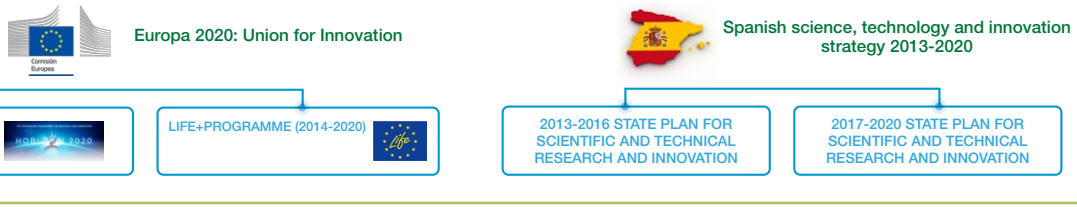
FCC has historically been committed to research, development and technological innovation to offer its clients attractive services and solutions. **This promotes new forms of interaction between manager, client and the public, using a new model through a focus on "smart sustainable service".**

To carry out its various research projects, the company always **looks for the greatest possible synergies in collaboration with public and private scientific institutions and organisations,** as well as with **companies f**rom industrial and technology sectors that are related and complementary to ours.

The research lines undertaken by FCC are entered in the **2020 European and national innovation strategy driven for smart,** sustainable and integrating European growth by the Union for Innovation, participated in by European institutions, national and/or regional public authorities and companies. Within this framework of collaboration, in 2016 FCC **benefited from financing funds** that covered the order of **27% of the investments made.**

The **R&D projects** under way or being launched, which reach an **investment of €3,472,552.37**, have pursued objectives in favour of a greater **eco-efficiency of processes and services** in the following areas.

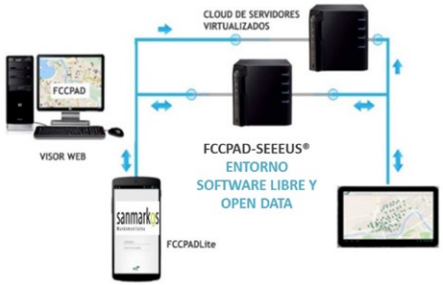
The strategic framework of European and Spanish innovation 2020



A

Efficient management and smart urban services

ITC method and systems for monitoring the indicators for the eco-efficient management of the services provided.



B

Technological innovation in electrical automation for industrial vehicles

Collaboration with technology suppliers to reduce emissions and noise in the fleet, with equal performance and output of vehicles with internal combustion engines.

C

Optimising of processes for the biological treatment of urban waste

Introduction of technological improvements to improve the production and energy performance of processes for valuing FORM.

D

Protection of biodiversity

Increase the fight against plagues and the control of the expansion of invasive species in parks and gardens.

A. INTEGRATING SMART SERVICES FOR THE SUSTAINABLE AND RESILIENT CITY

Barcelona sewerage Smart Maintenance Service

The Barcelona sewerage maintenance contract is a commitment with a long term strategic vision for innovation and efficiency in the provision of a service that is especially important in matters of **urban resilience.** It helps face and minimise the urban and human consequences of the weather events associated with torrential rain in the Mediterranean arc and the possible increase arising from climate change.

The recently implemented service offers cutting-edge solutions based on **innovative, efficient and interconnected technologies** to guarantee results that satisfy the principles of sustainability required today by the public managers of the smart city of the future:

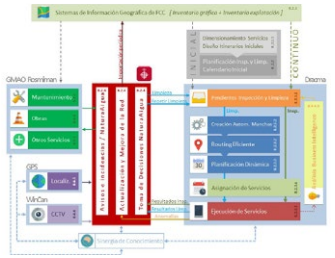
- Introduction of automation using the **drone called ARSI** (**A**erial **R**obot for **S**ewer **I**nspection) designed, made and proven for undertaking quicker and more precise sewerage inspections and that can reach places inaccessible to land vehicles, reducing the **occupational risks arising from sewerage maintenance.**
- **Interconnectivity between information systems and interoperability with the Smart City platform for undertaking and controlling sewerage inspection and cleaning services – the ROSMIMAN® platform** with integral management system provides compliance with the Cloud4Cities strategies of scalable and collaborative solutions. The teams are equipped with an innovative **off-line mobility app** for updating inventory, maintenance and operations with base cartography and treatment of linear elements in the system and the equipment in the mobile device.

All the elements in the system are identified with QR technology. The Barcelona City Council municipal technical services can monitor the operations from the **Operation Service and the BCASA control centre** where all the actions in the service and emergency notification warnings are coordinated as well as the use of information through reports, dashboards and GIS queries on the system in the field.

ECHORD++ FCC eurecat Centre Tecnològic de Catalunya IBAK SIMTECH DESIGN

ROSMIMAN® platform

SMART**BCN** DRACMA



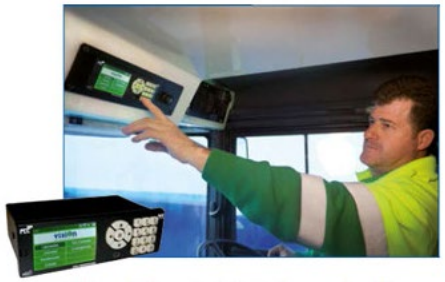
VISION platform "Advanced Platform for the global management of all the processes in FCC Environment's services"

vision
smart environmental services

FCC Environment has a smart platform for the Management of Citizen Services called VISION that allows the needs to be addressed of all the agents involved in the service provided: Client, company and citizens.

This global management platform, developed by the company, is a competitive advantage to operate in an increasingly high-tech and global environment. Continuous improvements are made to the monitoring and definition of processes in addition to maintaining the platform updated with the technologies deployed at present. This improvement and updating is fundamental to being able to meet the growing challenges that arise in the recruitment of new services.

The system is accessible from all the necessary environments: Web, mobile phones, onboard devices, etc. In order to obtain and use the information at the place and time required.



The main features of the platform are:

- Global platform: establishes a system to manage all the processes and agents involved in in the Environment contracts from one single environment.
- Flexibility of response, both in the design and in the realisation and deployment of the new requirements arising from the management of the business.
- Accessibility to the functionalities of the platform for the most favourable environment for each agent. Adapt technologies to both the situations and the people who use them.
- Georeferenced information that allows users to know where things happen, to analyse the information and present the results in different cartographies.
- Mobile apps. Own development for mobility, fully integrated with the platform.
- It allows the interconnection and integration between multiple devices and systems.
- Treatment, homogenisation, translation and storage system for the dynamic and efficient management of all the information received.
- Control and management of fleets and all associated functionalities.
- Management of documentation to manage the flow of documents that are generated in the organisation.

Continues on next page

VISION platform "Advanced Platform for the global management of all the processes in FCC Environment's services"

Following on from previous page

Within the global platform, access is personalised in interconnected modules adapted to the specific needs of each user. The main modules deployed are:

- Material resources: Facilities, vehicles and machinery.
- Human Resources: Relations, statuses, absenteeism, presence control, episodes.
- Organising the service: Planning, programming and delivery.
- Fleet Control: Vehicle tracking and activity control.
- Machinery maintenance: Legal, preventive, corrective.
- Consumption: Source inventory, consumption control, energy efficiency.
- Applications and incidents: Registration, assignment, follow-up and resolution.
- Waste: Inventory of containers, elevations, maintenance, recycling centres, transfer plants, landfills.
- Inspections: Service monitoring, execution and analysis.
- Inventories: Gardens, bins, containers, sewage.
- Communication with customers: Automated services via web services, exports, etc.

The following diagram shows an overall image of what the system intends to cover:

Continues on next page

VISION platform "Advanced Platform for the global management of all the processes in FCC Environment's services"

Following on from previous page

In 2016, within the continuous evolution, a further step was taken with the implementation of new aspects:

- Management of gardens: Inventory of elements and trees, scheduling activities, control of pruning works, monitoring of schedules.
- Recycling centres: Control of incoming data, waste provided, identification to reward recycling, WEEE waste registration, waste output register.
- Global system to supply fuel to vehicles: System of global points for refuelling, connection with supply posts, electrical refuelling systems and external systems (SOLRED, DISESELPLUS, etc.), distribution of consumptions to outsourced companies, controls of tanks, invoicing costs.
- Energy efficiency: Technological support for obtaining the ISO 50001 certificate in all Group companies, integration of data for the presentation of documentation in the different administrations.
- Mobilisation of processes: Development and deployment of the APPVision for the on-site management of different aspects: Inventories, inspections, gardens, recycling centres, incidents, container management, bins, identification of elements, etc.
- Electric vehicles: Control of the loading and unloading cycle: defining recharge time curves, availability control panels for the service, monitoring of the status of the batteries.
- Waste treatment: Controlling scales at the entrance of transfer and landfills sites, control of waste transport between plants, monitoring of the production in the treatment and disposal process.
- Inspecting gardens Madrid: Integrated system for reception, transmission and undertaking of inspections to be carried out on a daily basis via web services, mobile applications and digital signature and data control systems.
- Definition and monitoring of waste collection routes: Inventory of locations, assigning routes, calculating efficient routes, tracking and comparing routes carried out.

Acces webpage to VISION platform is *https://visiondoc.fccma.com/index.html*

SICCAR® project (service to encourage environmentally responsible public behaviour)

FCC and Tecnalia have joined in a collaborative association to implement a **pilot demonstration project** developed in a digital environment within the **Fomento de San Sebastián SmartKalea** initiative. Its purpose is to **encourage environmental sustainability, energy efficiency, public participation and transparency** using cutting-edge technology and undertaking various innovative actions in the Calle Mayor, one of the main streets in the old part of San Sebastián.

The **SICCAR project** is designed to detect and measure the possibilities and limits **for driving changes in the public behaviour** through **campaigns of awareness, participation and the measurement of the public perception,** which may influence both the **improvement of the environmental quality of the city and the efficiency of the street cleaning service.**

It is planned to **develop an app that is adaptable** to the various areas of the urban services operating in the city of San Sebastián and **transferable to other municipalities.** This new app will, **allow the service to be controlled and managed in real time**, involving all its personnel. It will also **quantify its environmental performance.** It is designed to facilitate the interaction of all those involved in urban cleaning such as the Council, the management company, hotels and users.

FCCPAD SEEEUS® system

This consists of an **in-house development** in an open digital environment (open source software and data) of **a SEEEUS®** (System for Environmental Efficiency Evaluation of Urban Services) **computer system**. This system is **based on innovative ITCs that integrate the monitoring, calculation and communication of environmental information,** allowing:

- **Support for the environmental consultancy service** based on a verified method and links to the various phases in the contract management from the design phase (tender) to the implementation and daily operation of the processes and services.
- **Communication to our stakeholders** of the relevant indicators in terms of energy efficiency, water saving and mitigation of greenhouse gas emissions and the reduction of waste through compatible and systems interconnectable with the Smart city platforms promoted and implemented by our clients.
- **Setting up of indicators to help decisions (KPIs)** that allow the manager and the local organisations to share and obtain relevant information to undertake plans to improve the efficiency of the management of the use of resources in favour of the sustainable environmental management of the services provided.

B. AUTOMOTIVE TECHNOLOGICAL INNOVATION

Innovation in automotive technology was focused in 2016 on the **definition, design and development of electric prototypes for providing urban services** within the framework of the following two projects:

- **"Development of 100% electric national cleaning trucks for use in multiple services** (2015-16)".*
- **VEMTESU project (development of modular and self-supporting electric traction vehicle platforms of high efficiency for urban services)** (2014-17).*

These projects have the following notable advantages:

- Reduction or elimination of greenhouse gas emissions in the urban area in equal conditions regarding performance and output as the current vehicles equipped with internal combustion engines.
- Minimum greenhouse gas emissions outside the city and none in the urban area (VEMTESU project). Standard hybrid vehicle.
- No greenhouse gas emissions in its entire working area (project to develop 100% electric national trucks).
- Reduction of noise emissions.
- Saving in vehicle maintenance by eliminating the current mechanical transmission, very costly in an urban application, especially for collecting urban waste.
- Communication system that can collect data, process them and manage them intelligently to be able to increase the efficiency of the service in each truck in real time.

(*) These projects have been financed by the Center for Industrial Technological Development (CDTI), through the granting of aid co-financed by the European Regional Development Fund (FEDER).

100% electric heavy truck prototype

These new technological prototypes may be added in the future to the 540 electric and hybrid vehicles introduced into the Environment Division fleet, which currently has 14.3% of vehicles operating with alternative energy.

C. USE OF BIOGAS FROM TREATING URBAN WASTE AS BIOFUEL

LIFE METHAmorphosis project (LIFE14/CCM/ES/000865)

The METHAmorphosis project, financed by the EU LIFE programme, is an example of the use of synergies in FCC Group, between FCC Medio Ambiente and FCC Aqualia. Its object is to develop an innovative process for treating effluents and obtaining biofuel (bio methane) from municipal waste as well as from agricultural and industrial waste. Vehicles from Seat and FCC Medio Ambiente will test the biogas produced in the project over 120,000 km. Two prototypes will be built during 2017:

- **UMBRELLA (FCC MA and FCC aqualia - ECOPARC DEL BESÒS)**: anaerobic membranes bioreactor (AnMBR: anaerobic MBR) + patented system for the autotrophic elimination of nitrogen (ELAN) and the installation of biogas upgrading-enrichment.
- **METHAGRO (GAS NATURAL)** in an agricultural and industrial waste plant.

  Expected impact: reduction of greenhouse gas emissions thanks to the reduction by 70% of the power required and 80% of CO_2 emissions.

D. PROTECTION OF THE BIODIVERSITY

Scientific collaboration associated with fight against invasive species

- Signing of a collaboration agreement with the Polytechnic University of Valencia for phytosanitary consultancy for the integrated management of plagues (GIP) in green spaces in the northern area of the city.
- Undertaking of a study for the “Early detection and control of Thielaviopsis paradoxa in Phoenix genus palm trees in Las Palmas de Gran Canaria”.
- Collaboration with the Polytechnic University of Cartagena in the research project “Behaviour of overhead roots in singular Ficus”.
- Study of fractures in trees in the parks and gardens service in Cartagena (Murcia).

2018 MILESTONE

Deepening in research fields and opening of new lines in matters of adapting to climate change

- Innovation in the technological and digital environment of the smart service: generate decision making aids, encourage interoperability among systems.
- Enlarge the research field to the water area: risks and opportunities of the use of recycled water in urban services.
- Detect the opportunities for commercial technological development for the sub-products.
- Take advantage of the collaboration opportunities through European Innovation Partnerships (EIP).

2. Converting waste into a resource

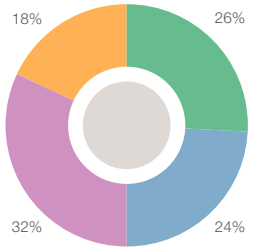
Through its urban waste collection and treatment services, FCC's Environment Division contributes to meeting the objectives for preparing for re-use and recycling set by the State Framework Waste Management Plan (PEMAR) 2016-2022. Within the framework of the transition to the circular economy system, we are leading initiatives which will improve industrial processes for the recovery, re-use and transformation of waste into sub-products, as well as enabling us to accompany the change in the consumer behaviour to giving a second chance to unused materials.

• Treatment and re-use in industrial installations

315,626 tCO_2e have been avoided by re-using and recovering 626,511 t of waste and subproducts.

• Selective collection of urban waste

556,511 t of waste collected selectively and **destined to recycling in 2016**

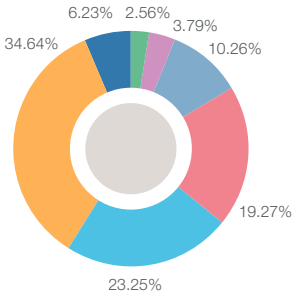


- **26%** Collection in packaging
- **24%** Collection of FORM (bio waste)
- **32%** Collection of paper/cardboard
- **18%** Collection of glass

• Receipt and selection in clean points

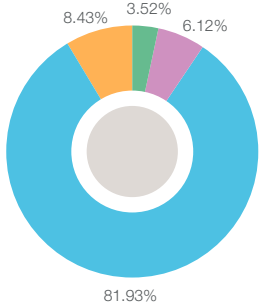
56.2% of waste collected in clean points are recoverable

Share-out of non-hazardous waste recycled, 2016



- **2.56%** Scrap
- **3.79%** Paper and cardboard
- **10.26%** Green waste
- **19.27%** Wood
- **23.35%** Furniture
- **34.64%** Rubble
- **6.13%** Other non-hazardous waste recycled

Share of hazardous waste recycled, 2016



- **3.52%** Contaminated packaging
- **6.12%** Automotive mineral oil
- **81.93%** Hazardous WEEEs recycled
- **8.43%** Other hazardous waste recycled

Best practices that open the way to the circular economy. WASTE COLLECTION

Materials selection in clean points

The initiative with Tecmasa in the clean points in Valdemoro, Pozuelo and Galapagar for recovering wood **has allowed the recycling of 3,700 tonnes of this material, avoiding 6,600 tCO_2e since its implementation.**

Voluntary contribution in work centres

Almost 700 kg of textile and WEEE waste was recovered with the **ATHOS initiative** within EWWR 2016 week for the prevention of waste, **avoiding the emission of 4.5 t of CO2e with a saving of 72 m^3 of water** with re-used textiles.

Selective collection of bio waste

The recovery of the organic fraction in the municipalities we manage has increased by 27.5% (2013-2016). This is due to various initiatives being undertaken to encourage the selective collection of bio waste.

TIANA. Awarded by the EU and the Fundación Fórum Ambiental for its **"In Tiana we are reducing waste"** plan. Incorporation of RFID tags in the bins for better controlling public participation (a prior step to payment for generation).

DONOSTI. High quality organic fraction with access controlled by electronic locks on the bins.

GERONA. ARC award as the city with > 50,000 inhabitants that most recycle most of Catalonia.

MATARÓ. Installation of filling sensors on the selective collection bins.

Best practices that open the way to the circular economy. TREATMENT AND RECOVERY OF URBAN SOLID WASTE

Encourage the recovery of materials in waste treatment and the re-use plants

In the next 10 years, 87,797 tonnes of **glass will be recovered** in **the sorting lines in Alhendín and Campello** in the contract with **ECOVIDRIO,** avoiding **15,803 tCO_2e.**

The enlargement, automation and reorganisation of the sorting lines, and the improvement of the composting process in the Cartagena waste treatment plant allow the recovery of more materials and reduce the selection rejection for sending to landfills. 24,239 tCO_2e have been avoided in this installation.

Energy generation from bio methane from bio waste

The **generation of electricity from biogas was 43,168 GJ (*),** 19% more than in 2015, mainly due to the entry into operation of the Gomecello CTR bio methane plant and the substantial improvement of the Campello CTR.

This has avoided **3.058 tCO_2e.**

(*) This data is for the treatment and elimination centres with operational control.

CTR Gomecello.

Transformation of waste into fuel

The Jundiz (Álava) packaging sorting plant transforms packaging waste into **fuels derived from CDWs.**

The plant has improved its energy efficiency by installing an area of radiant floor for drying rejections. This material is then subjected to a shredding and compacting process using specialised machinery.

The **final objective** is towards "zero waste," that is, minimising rejections to be sent to landfills so that the destination of the flow entering the plant is to the **recycling of sub-products and the energy use of the rejections.**

2018 MILESTONE
Optimising installations in favour of recovery and re-use of sub-products

- Implement initiatives in clean points to give a second opportunity to unused waste.
- Adapt the processes in treatment plants to increase the intake of recyclable waste and introduce new re-usage lines to transform waste into sub-products (CDW).

3. Action for the climate

Progress in favour of mitigating greenhouse gas emissions

For the third year running, FCC Medio Ambiente is joining the 360 organisations that have calculated and registered their carbon footprints in the Carbon Footprint, Compensation and CO_2 Absorption Projects Register of the **Spanish Climate Change Office (OECC) of the Ministry of Agriculture, Food and the Environment** in section a) for carbon footprints and greenhouse gas emissions reduction commitments.

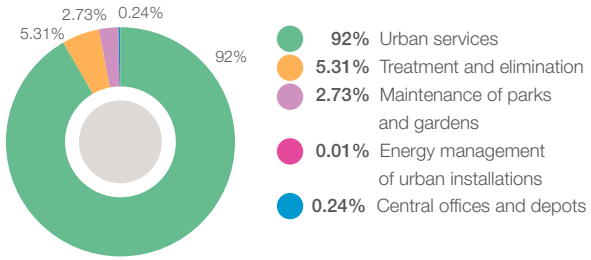
In its first **plan to reduce** greenhouse gas emissions, FCC's Environment Division **reached a reduction of 26.25% in its greenhouse gas emissions in three years thanks to the mitigation of 75,848 tCO_2e in landfills.**

Within the diffuse greenhouse gas emissions associated with energy consumption, **the vehicles fleet** has become the main source of emission. Therefore, the **next reduction plan** will be supported on the monitoring of consumption, the optimising and improving of processes and services and the incorporation in the vehicles fleet of greater energy efficiency (see the figure below).

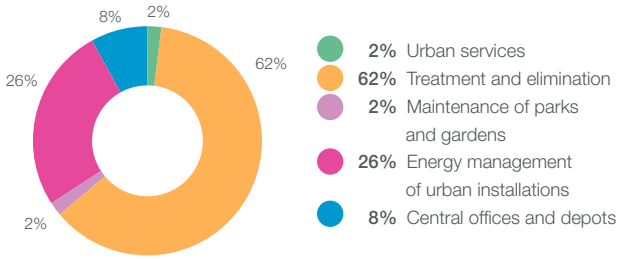
Degasification and restoration, Barbanza landfill.

Distribution in percentage of tCO_2e in greenhouse gas emissions produced by the organisation's activities

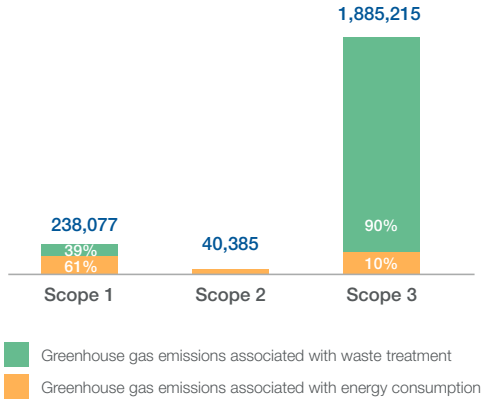
Scope 1 (2016). tCO2e
Share-out of emissions associated with fuel consumptions



Scope 2 (2016). tCO2e
Share-out of emissions associated with power consumption



Environment Division carbon footprint 2016 (tCO2e)



2018 MILESTONE. Implement the monitoring instruments to calculate and mitigate greenhouse gas emissions from processes and services

- Position the calculation of the carbon footprint as a useful and integrated control and monitoring tool for the organisation's greenhouse gas emissions.
- Monitor the calculation of the intensity indicators to assess and improve the energy impact and mitigate the greenhouse gas emissions of the services provided in the communities in which we operate.
- Use the energy audits as a support to analyse opportunities for improvement in energy consumption efficiency matters

4. Conserve and protect the biodiversity

Through FCC Group, the Environment Division signed the Biodiversity Agreement of the Spanish Ministry of Agriculture, Fishing, Food and the Environment and of the Fundación Biodiversidad. It is an organisation recognised for its commitment to **protecting the biodiversity in the urban context** through its **parks and gardens maintenance and conservation** activities (4,519.9 ha of green areas and 792,817 trees managed), its initiatives for fighting against invasive species and also for its **restoration** activities carried out in its **industrial plants for treating and eliminating solid urban waste.**

Care of the urban plant life heritage

- Incorporation of feeders, nesting areas, refuges and resting places for insects, birds, bats and other animals. Census of plant life and wildlife species.
- Introduction of cultural practices that are more respectful to the biodiversity: biological fight, endotherapy, use of ecological and/or low toxicity products, etc.
- Implementation of ITCs for managing trees.

Care of the Spanish coastline

FCC Medio Ambiente is present in the beach cleaning activity in cities such as Málaga, Tarragona, Castellón, Cartagena, Vigo, Mallorca, Menorca, Ibiza, Melilla, Las Palmas de Gran Canaria, Puerto del Rosario, San Sebastián, etc. **39% of the 96 coastal municipalities** in which we provide the beach cleaning service have the **"Blue Flag."**

Some of the initiatives carried out include:

- Collaboration with Vigo City Council in the recycling campaign on the Cies Islands.
- Participation by FCC in the "Clean up the world" initiative for collecting waste around the island in Benidorm.

Alliance and collaboration with scientific institutions

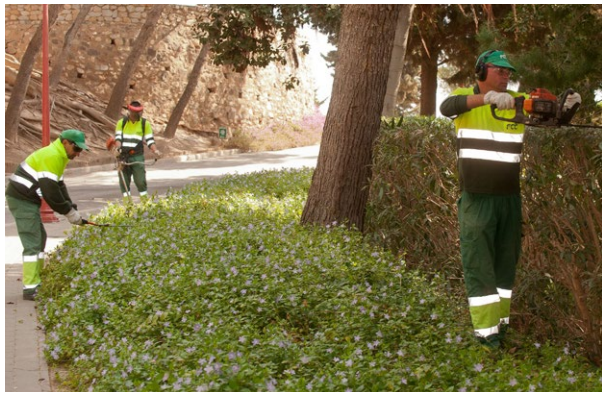
- Signing of collaboration agreements for the monitoring and system of warnings and detection of plagues, illnesses and invasive species and scientific advice for setting up integrated fighting protocols.

Training and awareness actions

- FCC Medio Ambiente **promotes the conservation of natural capital** through congresses, forums and seminars, the publication of articles, the undertaking of various awareness initiatives for schoolchildren and students of specific environmental technique courses, collaboration in the holding of the "Day of the Tree," and also education in the Environmental Education Centre in Coto de la Isleta in Cádiz

Landfills: enclaves rich in biodiversity

- Collaboration in the processes of monitoring birds in danger of extinction.
- Prevention of risks arising from the overpopulation of some opportunist species.
- Re-planting of 20 ha of landfill with more than 20 local species, taking advantage of stored rain water (Cartagena).



Gardens in Cartagena.

2018 MILESTONE. Preserve and learn to preserve the natural urban capital

- Drive new lines of collaboration with public institutions for the protection of the urban biodiversity.
- Increase the implementation of public awareness seminars to encourage the care and conservation of the plant life and wildlife in urban ecosystems.
- Increase workers' awareness in matters of biodiversity protection through the implementation of an integral training plan for sustainable environmental management.
- Increase the integrated fight against plagues and the control of the expansion of invasive species in parks and gardens.

5. Count on professionals as ambassadors for best practices

Integrate the sustainable model culture in training actions and professional practices

FCC Medio Ambiente has designed **an "Integral training plan for sustainable environmental management"** for progressive implementation, aimed at the attention of its employees for their conversion into ambassadors for best social and environmental practices. The business objective is to **involve the employees** so that they become **leaders to be followed by the public**, whose behaviour is key for improving the sustainable development of cities.

The training action, which falls within the general framework of the general training actions plan, is given in **the classroom and online** and consists of eight modules the **duration and contents** of which **have been adapted to each participant's profile** (technicians, managers and workers).

Training technicians and managers in Donostia.

Plan contents

Favour the emergence of a new professional profile: the environmental observer

The Integral Training **Plan** favours the **reclassification** of part of the **work posts** and the emergence of **new professional profiles as environmental observers.** Their mission consists of **enhancing** the awareness of **workers to improve the environmental behaviour** in undertaking their functions and, as a consequence, **the quality of the services and the public satisfaction.**

The **training** of our staff in **efficient environmental management matters will have favourable** repercussions on the surroundings and the society in which we operate. This will translate into the **improvement of the evolution of the environmental performance indicators of the services provided** –environmental footprint, carbon footprint and intensity indicators.

Associate our employees with public education and awareness projects

Through initiatives of participation in education and professional training tasks, FCC Medio Ambiente has benefited 6,300 students for which it has collaborated with various organisations and institutions. Environmental educators have been incorporated into our teams to carry out some awareness activities.

Our participation in the **creation of value** and the **transfer of knowledge to the public** has also involved the presence of respected FCC professionals in various **congresses, forums and** national and international **fairs.**

Finally, it is important to note the teaching work carried out through **guided visits** to FCC's main treatment plants, clean points, vehicle depots, environmental classrooms, parks and gardens, etc, attended annually by schools, students of specific environmental techniques courses and technical and professional personnel in the sector.

Street cleaning environmental observer (Donostia).

"The challenge of glass" campaign (Melilla).

2018 MILESTONE

Drive the cultural change and convert our employees into best practices ambassadors

- A potential of 3,200 employees to become best practices ambassadors.
- Promoting the new professional profile of environmental observers may benefit 31 collaborators.

06

Exemplary commitment

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The promotion of training and of talent generation 39

The permanent demand for health and employment security 40

The solidarity commitment to diversity and equal opportunities 41

The drive to social inclusion 42

Confidence, quality and transparency in the value chain 44

A professional, qualified, responsible and inclusive staff

In accordance with the priority actions in the FCC Group's "Exemplary commitment" described in the Corporate Social Responsibility Policy approved by Board of Directors, the Environment Division continues to act on working lines aimed at **strengthening the company's ethical framework, empowering the training of its collaborators, improving occupational health and safety, favouring diversity and equality of conditions as well as maintaining an active dialogue with its stakeholders.** In matters of **integrity and good governance,** FCC's Environment Division is governed by the **principles of transparency** and the **policies** and **codes** approved by FCC Group which it supports and backs. For further information on the matter, see FCC's Group Annual Report available on its website www.fcc.es.

Sustainable management of human needs and capacities

- **KPI: Relevant** indicator **with traceability and verifiable**. Milestone 2018, base year 2016.
- **Drivers:** best practices that are **replicable** and **verifiable** (tangible and comparable return effect). FCC Citizen Service brand.

persons · peace · alliances

KEY PERFORMANCE INDICATORS (KPIs)

• Occupational health and safety • Suppliers chain	KPI = 100% of branches with the company management system certification
• Diversity and equality of opportunities • Social inclusion	KPIs = • 26% of female personnel. • Distribution of new hiring of men and women within a range of 40% to 60%. • Annually exceed the number of hirings of: - 40 persons at risk of social exclusion. - 20 disabled persons. - 20 women victims of gender violence.
• Training • Talents generation	KPI = 12 training hours per participant.

BEST PRACTICES

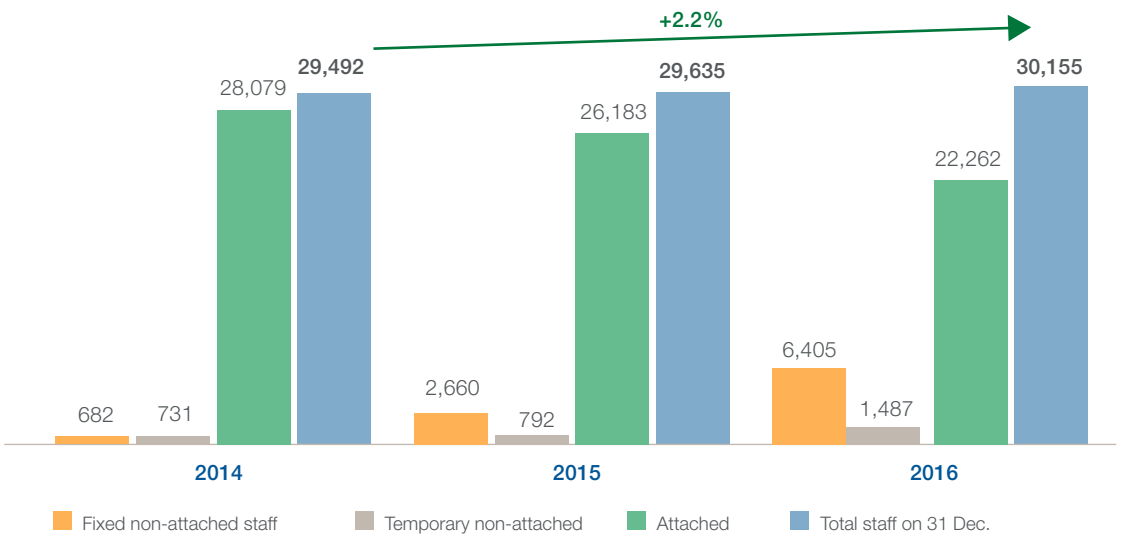
- Collaboration agreement contracts
  - Social institutional companies
  - Universities
- Volunteering
- Training actions: FCC employee as best practices ambassadors
- Joining (accompany the change of the activity sector model and society)
  - EWWR
  - Other initiatives.....

A stable social structure

The Environment Division undertakes activities notable for their strong human component – its 30,155 employees represent 54% of FCC Group's total staff.

Its 30,155 employees represent 54% of the total of FCC Group's staff.

Evolution of the total staff on 31 December



Preserving employment: the shared priority

The human team in figures

- **Increase** of nearly **10 times** in the number of **fixed employees** on the staff compared to 2014.
- **4,240** conversions of temporary to contracts permanent in the last two years*.
- **Turnover rate 2.17%.***
- **82.6%** of employees with **full-time contracts.***

Retribution and social benefits

- Personnel costs: **62.7%** of turnover.
- Average salary **2.7 times** greater than the Spanish minimum inter-professional salary.
- **€890.3 million** distributed among wages, salaries and social benefits.

(*) Of a staff registered in SAP-HR of 28,625 persons.

The promotion of training and of talent generation

Training is one of the key factors of the company's economic and social growth. Our activities are in constant development and the confidence level of our collaborators must anticipate and assimilate these changes. The annual continuous training plan involves the formalising, enriching and transmitting of experience acquired so that each employee has an opportunity for personal development and evolution.

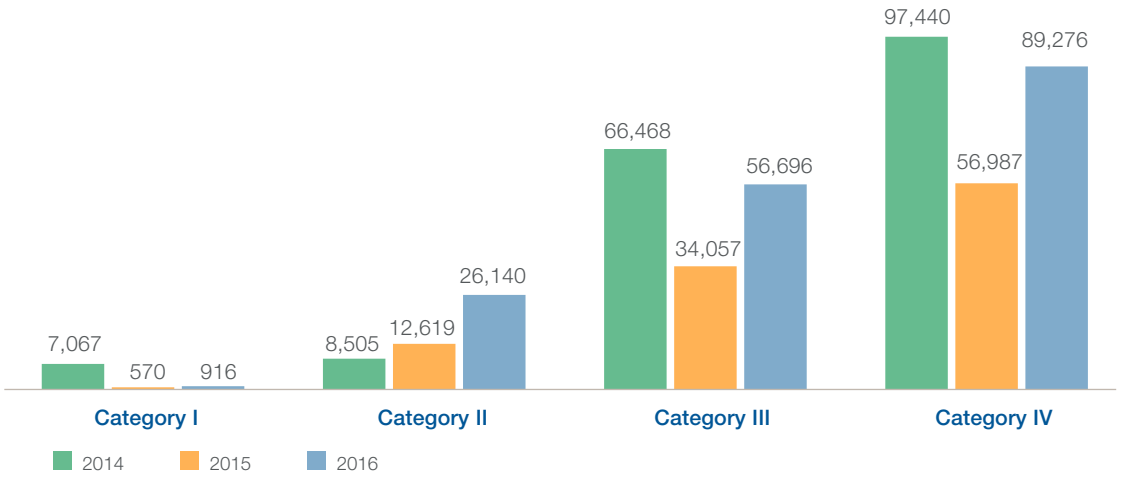
The Environment Division benefits from the training devices and initiatives developed at the corporate level. It sets the complementary training lines to meet the more specific needs of environmental activities.

2018 MILESTONE

Training and talent promotion

- Reach 12 hours' training per participant, an increase of 15%.

Evolution of number of training hours given by professional category, 2014-2016



Drive training and talent generation

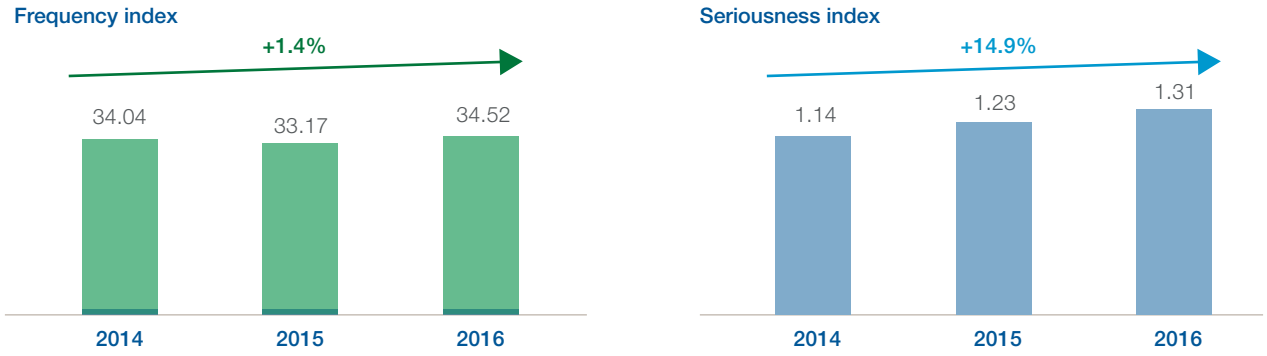
- **16,452 participants** have attended training courses.
- **173,028 hours'** training given.
- **10.5 hours'** training per participant.

The permanent demand for health and employment security

Achieving the objectives in health and safety matters and improvement of frequency, seriousness and absenteeism indices requires prioritising risks prevention training, strengthening monitoring and the permanent effort to sensitise and mobilise all collaborators. For this, we continue to deploy devices that have shown their effectiveness and we support ourselves on analysis tools for the better identification of the determining aspects in the improvements we must follow, introducing them in the prevention policy in the medium term.

- It is important to note that the Environment Division **Road Safety Plan** continues to be deployed, covering the period **2015-2018.**
- FCC Medio Ambiente has participated in numerous **forums, seminars and congresses** to share experiences and best practices in **health and safety** matters such as the 4th OHS Business Meeting, the European Mobility Week and the DISEV Commission promoted by the DGT.
- The **Andalusia II and Aragon La Rioja** branches have obtained the **award** in the **Health Promotion** category within the framework of the **third edition of the Health and Safety Awards** organised by FCC and two of our employees have received the personal trajectory prize for their work in promoting healthy values, habits and practices.
- To reduce accident and absenteeism rates, work is being undertaken on the training and awareness of middle management.

Evolution of accident rate indices 2014-2016



Calculation base: workers within the Group Prevention Service (30,074 in 2016).

Eight branches with certification

Empresa Saludable

- Catalonia II: all contracts and companies.
- Aragón La Rioja-Soria: RBU Zaragoza.
- Galicia: RBU, LV and LP Vigo.
- Madrid: RBU Madrid.
- Barcelona Capital and Balearic Islands: RBU, LV and Barcelona workshop.
- Eastern Spain II: RBU and LV Benidorm.
- Andalusia II: LE Benalmádena, RBU Moguer, RBU and LV Bollullos Par del Condado and LV Valverde del Camino.
- Canary Islands: ULPGC gardens, ASTICAM cleaning, LE Telde.

2018 MILESTONE

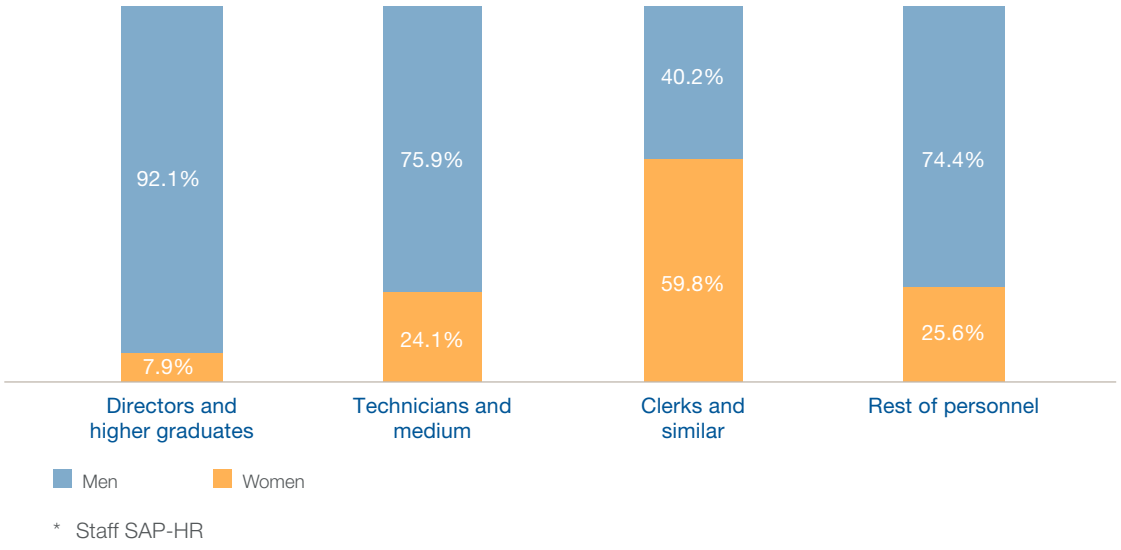
Extend the healthy company model to the entire organisation and reduce absenteeism indices

- Certify the healthy company management system in the branches that still have no certification.
- Reduce the frequency, seriousness and illness absenteeism indices for all of each business area during 2017.

The solidarity commitment to diversity and equal opportunities

Maintain and take initiatives in favour of diversity and equal opportunities, reinforcing and affirming the solidarity commitment required by FCC, above all when this is weakened by a social/economic context that increases inequality of conditions and the risk of the marginalising of the least favoured.

Percentage distribution by gender and professional category of the staff on 31/12/2016*



* Staff SAP-HR

Solidarity commitment to diversity and equal opportunities

- **102** social-employment insertion **initiatives** for disadvantaged groups current in 2016 (**increase of 37%** over the previous year).
- **24%** of female personnel.
- **2.6%** of disabled employees. Increase of **9.2%** over 2015.
- **19** students benefiting from internships during the last two years.
- **FCC Medio Ambiente and SELSA (Servicios Especiales de Limpieza, S.A.)** have their own **Equality Plan**.

The drive to social inclusion

The **Europe 2020 strategy** considers social inclusion as one of the five priority objectives. Likewise, at the national level there are multiple plans and strategies for application that focus their actions on axes such as equality for all persons, employment, education and accessibility. In the same line, **SDG 5 GENDER EQUALITY** and **SDG 10 REDUCTION OF INEQUALITIES** set the challenges for political agendas from now to 2030.

Committed to the scope of the SDGs, FCC Medio Ambiente practices a **policy** of **employment insertion** for **groups** with **difficulties** of **integration** in the **employment market** – the young, women, the disabled, etc. With this purpose, it has been signing **agreements** and practising **collaborations** with various organisations such as associations, foundations and local councils to facilitate employment access to those groups (see figure on page 43), **promoting alliances and driving the growth of an associative fabric around the principles of social economy and solidarity (SDG 17).**

Likewise, through the recently-created company FCC Equal Cee, SL, it has started a new activity dedicated entirely to the management and undertaking of special employment centres (CEE) and the presentation of auxiliary services for the disabled. Currently its activity is undertaken in the Region of Madrid and during 2016 has been extended to the Regions of Valencia, Andalusia and Murcia.

To improve youth employability, FCC Medio Ambiente encourages the undertaking of internships in the company through the signing of numerous educational cooperation agreements with the main universities and training centres in Spain as well as scientific así como de acuerdos de colaboración collaboration agreements as shown in the figure on page 43.

2018 MILESTONE

Drive in favour of diversity, equal opportunities and social inclusion

- Reach 26% of female personnel.
- Distribution of new hirings of men and women without a range of 40% to 60%.
- Annually exceed the number of hirings of:
  - 40 persons at risk of social exclusion.
  - 20 disabled persons.
  - 20 women victims of gender violence.

Prizes and awards

FCC Medio Ambiente ha recibido durante 2016 los siguientes premios y reconocimiento a su labor:

- **Equality award** granted by the **Ministry** of Health, Social Policy and Equality
- **Award** granted by the **Fundación Integra** for our organisation's **commitment** to the **employment insertion** of persons at risk of social exclusion.
- **"Companies with a heart" prize** from **Cáritas Chavicar** in **La Rioja** for its commitment to **disadvantaged groups**.

17 PARTNERSHIPS FOR THE GOALS

FRAMEWORK ORGANISATION AGREEMENTS 2016

SOCIAL INCLUSION

Fundación ONCE · fundación integra desde 2001 · Cruz Roja Española · Down Madrid · OBLATAS · Gobierno de España, Ministerio de Empleo y Seguridad Social · Adoratrices

SUSTAINABLE ENVIRONMENTAL INITIATIVES

ATHOS

Cáritas Española · Semana Europea de la Prevención de Residuos · Prevenir · Reducir · Reutilizar · Life · ECOLEC Fundación · Traperos de Emaús Navarra · fundabem Fundación Abulense para el Empleo · Porsiete · Ajuntament

A MILLION FOR THE CLIMATE

PARIS2015 COP21·CMP11 · ecodes · Gobierno de España, Ministerio de Agricultura y Pesca, Alimentación y Medio Ambiente

1 millón de compromisos por el clima

ENCOURAGE EMPLOYMENT AND SCIENTIFIC COLLABORATION

UAM Universidad Autónoma de Madrid · Universidad Complutense Madrid · Universidad Politécnica de Madrid · POLITÉCNICA · Universidad Carlos III de Madrid

Confidence, quality and transparency in the value chain

Through the undertaking of its activities, the Environment Division must sustainably accompany the well- being of the public. To achieve this, we must design and offer solutions with an ambition for the future in agreeing with all the parties involved and in perfect match with the concerns of an environment that will continue to evolve in the medium and long terms.

To progress in and offer services that allow us to anticipate the requirements of our clients and meet the needs of change and evolution in the communities in which we operate, we have developed initiatives and devices that transversely and recurrently involve the participation of the interested parties in the development of an integrated progress policy.

A responsible purchase management model

The **purchase management model implemented,** governed by the principals in the Purchases Policy common to the entire company, is designed to facilitate **competence** between suppliers, **transparency** in the adjudications process and to **take advantage of synergies** that provide **efficiency** and **generate value** to FCC's businesses. It is also designed to encourage the **commitment** of suppliers and contractors to **sustainability** and to the principles of FCC's code of ethics.

The objective is to achieve the collaboration of the most competitive **first level companies** in their markets, with the **selection process** following **responsible principles** and making them participants in **integral behaviour.** It tries to **encourage local purchases** following the ascending "municipality – region – country" criterion.

Since 2016 the **General Administration and Finance Directorate** has been responsible for purchases.

FCC identifies and assesses the environmental, social and economic risks associated with the supply chain through an analysis of all new suppliers that includes visits to their premises, interviews with management and the request for relevant information.

The **failure** of suppliers to comply with any of the principles in **FCC's Code of Ethics or with the United Nations Global Compact in any of their commercial operations** may give rise to the **cancellation** of the contracts by FCC.

Annually, the FCC Group **certifies the purchase management model** according to the **UNE-CWA 15869 Added Value Purchasing Management** standard.

Confidence, quality and transparency in the value chain

New management systems certificates 2015-2016:

- Servicios Medioambientales del Baix Penedés, SL local company as per the UNE-EN ISO 14001 standard.
- UTE Melilla as per the UNE-EN ISO 14001 and UNE-EN ISO 9001 standards.
- Waste collection and street cleaning contracts in Torrent and Reus and the central depot of the Eastern Spain I Branch according to the European eco management and eco auditing scheme (EMAS).
- Palacio de Exposiciones y Congresos de Granada, SA as per the UNE-EN ISO 14001 and UNE-EN ISO 9001 standards.
- Contracts for the collection of solid urban waste and selective collection, gardens and buildings cleaning in Benicarló according to the European eco management and eco auditing scheme (EMAS).
- Environment Division in UNE-EN ISO 50001:2011.
- FCC Equal in UNE-EN ISO 9001:2008 and UNE-EN ISO 14001:2004.
- R&D management system as per the UNE 166002 standard.

Confidence, quality and transparency in the value chain

- **81.2% of turnover** is for activities certified as per the ISO 9001 standard.
- **80.6%** as per the ISO 14001 standard and **11.3%** under EMAS regulations.
- Of the **118 suppliers** with effective orders issued from Central Services, **78%** are **certified** in any of the management systems and represent **91% of the purchasing volume.**

07

Connecting citizens

Our contribution to creating social value

Our contribution to creating social value

The "**CONNECTING CITIZENS**" guiding principle in the Corporate Responsibility Policy approved by the FCC Group's Board of Directors in July 2016 states that:

- Our activities must better understand and connect with the real needs of the public and drive changes that promote a cleaner, more intelligent and inclusive development. For this, we will try to maintain a constant dialogue that helps us to know the expectations of all stakeholders at all times.
- We work to maximise the positive impact of FCC's activities in communities with the promotion among the public of actions that improve the development of cleaner cities and in the dialogue with the authorities to understand and respond to the current and future needs of urban centres.
- We undertake activities under the principle of precaution, firstly setting up systems that allow us to assess and mitigate the impact that our activities may cause on persons and the environment.

CLIS: a platform to encourage dialogue and interchange

To remain attentive to each of the areas in which we operate, in July 2006 the Environment Division Piloting Committee approved the implementing of Local Sustainable Initiatives Committees (CLISs) in each of its commercial branches.

The CLISs have become platforms for the exchange of ideas and experiences and serve to transmit suggestions from employees and any other request received from the stakeholders in social responsibility matters.

Open doors seminar, Zaragoza

Key figures

- **160 employees** participating directly in the Local Sustainable Initiatives Committees (CLISs).
- **1.42 million** for social initiatives
- **1.33 million** invested in environmental actions.

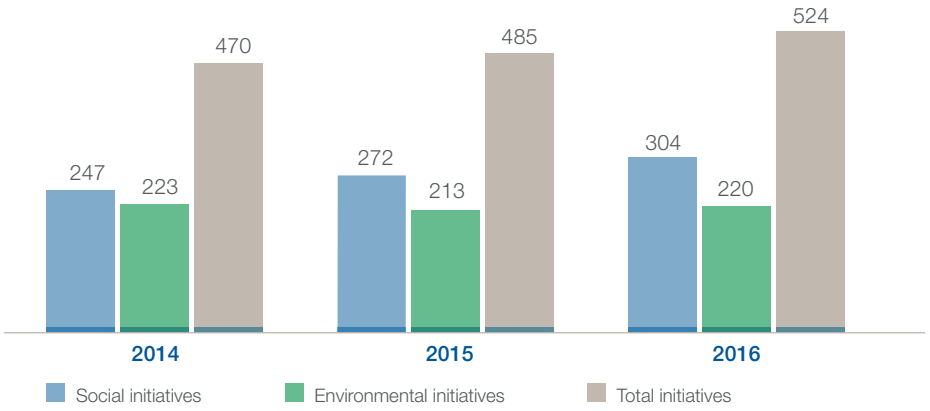
Financial value of initiatives: €2.75 million

FCC Medio Ambiente notably participated in 2016 in the EWWR Week (*), an initiative described below.

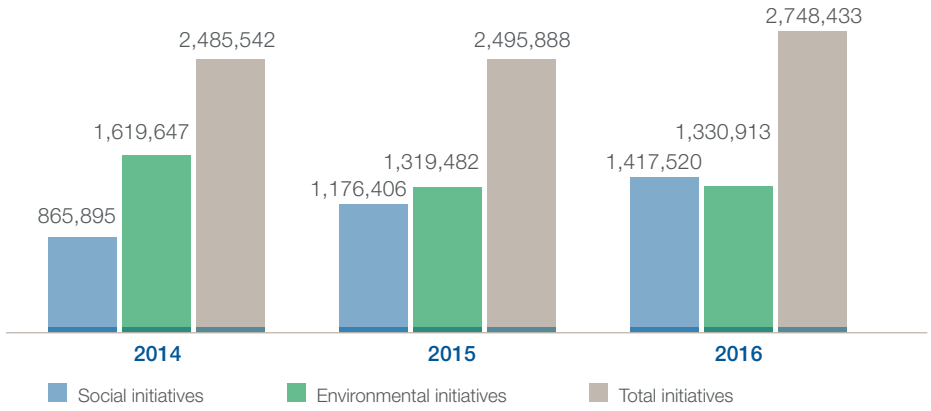
(*) EWWR: European Week for Waste Reduction.

Our contribution in figures

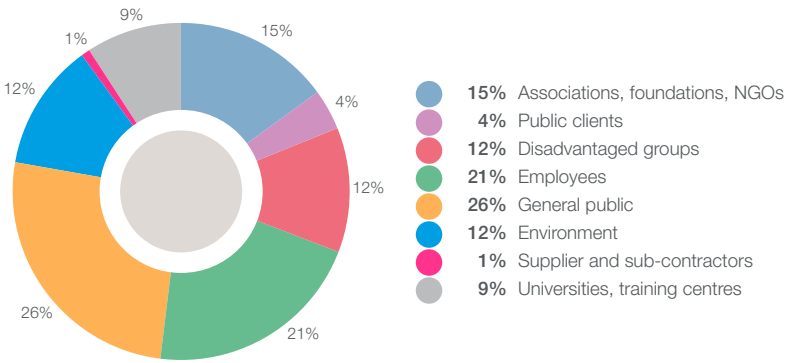
Evolution of the number of sustainable initiatives. Environment Division (2014-2016)



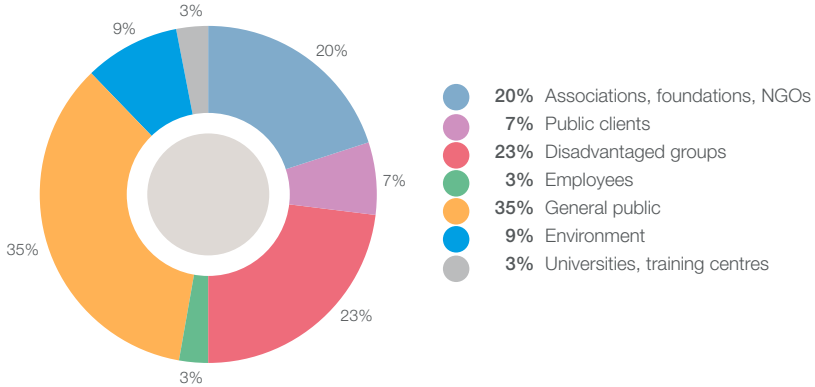
Evolution of the economic value (€) of sustainable initiatives. Environment Division (2014-2016)



Share-out of the number of initiatives per receiver (2016)



Economic value of initiatives per receiver (2016)



The "ATHOS: All advancing towards sustainable objectives" pilot project. Our participation in the EWWR 2016 week

17 PARTNERSHIPS FOR THE GOALS

In the week 19 to 27 November, FCC Medio Ambiente launched the **solidarity and sustainable ATHOS** initiative (All advancing towards sustainable objectives) framed within the European Week for Waste Reduction. The project's objective was to increase the personnel awareness of the **circular economy, social and solidarity** principles, promoting the **recovery of textiles and small WEEE** (Waste Electrical and Electronic Equipment) for re-use and encouraging and achieving the employees' voluntary participation.

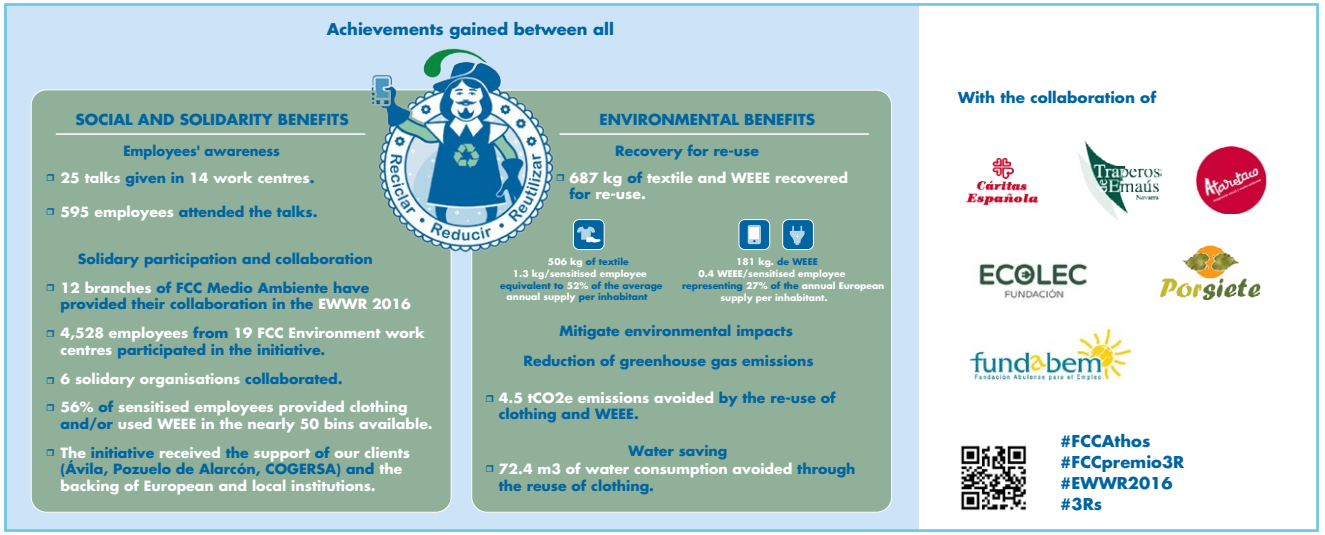
Thanks to the ATHOS project, the company has achieved the following objectives:

- Supporting a general interest awareness action from Europe and focused on the circular economy, generating changes and opportunities for our businesses.
- Associating its staff in a responsible and collective business project, and encouraging its employees to become ambassadors for exemplary environmental behaviour, key to the sustainable development of our services. The action was carried out in 19 work centres in 16 Spanish cities (5,000 employees involved).
- Joining numerous Spanish local and regional public organisations, both clients and FCC prescriptors, involved with the company in the great challenges of reducing waste.
- Opening new ways to a stronger and longer-lasting collaboration with like-minded organisations joining the ATHOS project from the first moment and with great spontaneity. Cáritas, Ecolec, Ataretaco, Traperos de Emaús, Fundabem and Porsiete made specific bins available and collected the materials for re-use and/or recycling.
- Compliance with the environmental objective of the EWWR 2016 week for reducing waste.
- Profit from the experience and results of the ATHOS project to undertake new initiatives for proximity to our stakeholders to consolidate and enrich our value chain.

2018 MILESTONE

Increase our adhesion to national and international initiatives of general interest

- Increase loyalty to and renew our participation in the European Week for Waste Reduction through the ATHOS project.
- Add our participation in # communities and platforms of leading sustainability organisations.



08

Triple account

GRI G4 contents

Basic general contents

Basic general contents		Page/Reference	Omission	External verification	SDG
Strategy and analysis					
G4-1	Provide a statement from the most senior decision-maker of the organization (such as CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and the organisation's strategy for addressing sustainability.	01 MESSAGE FROM THE MANAGING DIRECTOR (Page 3). FCC GROUP 2016 ANNUAL REPORT (Pages 2-6)			
G4-2	Provide a description of key impacts, risks, and opportunities.	02 DATA THAT SHOWS TRENDS (Page 8). 04 CORPORATE GOVERNANCE AND RISK MANAGEMENT (Page 13). FCC GROUP 2016 ANNUAL REPORT (Pages 37-40).			
Organisation profile					
G4-3	Report the name of the organisation.	PRESENTATION (Page 2).			
G4-4	Report the primary brands, products, and service.	02 DATA THAT SHOWS TRENDS (Page 6).			
G4-5	Report the location of the organization's headquarters	Av. del Camino de Santiago 40, 28050 Madrid, Spain.			
G4-6	Report the number of countries where the organization operates, and names of countries where either the organization has significant operations or that are specifically relevant to the sustainability topics covered in the report.	02 DATA THAT SHOWS TRENDS (Page5).			

Basic general contents		Page/Reference	Omission	External verification	SDG
G4-7	Report the nature of ownership and legal form	The Environment Division undertakes its activities through subsidiaries and JVs; the parent company is FOMENTO DE CONSTRUCCIONES Y CONTRATAS, S.A.			
G4-8	Report the markets served (including geographic breakdown, sectors served, and types of customers and beneficiaries).	02 DATA THAT SHOWS TRENDS (Page 5 and 6).			
G4-9	Report the scale of the organization, including: total number of employees, total number of operations, net sales (for private sector organizations) or net revenues (for public sector organizations), total capitalization broken down in terms of debt and equity (for private sector organizations), quantity of products or services provided.	02 DATA THAT SHOWS TRENDS (Page 5-6).			
G4-10	a. Report the total number of employees by employment contract and gender. b. Report the total number of permanent employees by employment type and gender. c. Report the total workforce by employees and supervised workers and by gender. d. Report the total workforce by region and gender. e. Report whether a substantial portion of the organization's work is performed by workers who are legally recognized as self-employed, or by individuals other than employees or supervised workers, including employees and supervised employees of contractors. f. Report any significant variations in employment numbers (such as seasonal variations in employment in the tourism or agricultural industries).	06 EXEMPLARY COMMITMENT (Page 38; 41). 2016 data. Base staff SAP-RRHH: - Fixed men: 4,963 - Fixed women: 1,413 - Temporary men: 1,088 - Temporary women: 337 - Supervised men: 15,080 - Supervised women: 5,744			
G4-11	Report the percentage of total employees covered by collective bargaining agreements.	One hundred per cent of the Environment Division staff is covered by collective negotiation, either sectorial, or company. The Environment Division recognises the workers' rights to organise and to collective negotiation as per the Spanish Constitution.			
G4-12	Describe the organization's supply chain.	06 EXEMPLARY COMMITMENT (Page 44). FCC GROUP 2016 ANNUAL REPORT (Pages 202-204).			

Basic general contents		Page/Reference	Omission	External verification	SDG
G4-13	Report any significant changes during the reporting period regarding the organization's size, structure, ownership, or its supply chain, including: changes in the location of, or changes in, operations, including facility openings, closings and expansions, changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organizations), changes in the location of suppliers, the structure of the supply chain, or in relationships with suppliers, including selection and termination.	No significant changes have occurred. 06 EXEMPLARY COMMITMENT (Page 44). FCC GROUP 2016 ANNUAL REPORT (Pages 2-7, 110).			
G4-14	Report whether and how the precautionary approach or principle is addressed by the organization.	FCC GROUP 2016 ANNUAL REPORT (Page 39).			
G4-15	List externally developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes or which it endorses.	03 ADVANCE TOWARDS THE MODEL CHANGE (Page 10). 06 EXEMPLARY COMMITMENT (Pages 42-43). FCC GROUP 2016 ANNUAL REPORT (Page 122).			
G4-16	List memberships of associations (such as industry associations) and national or international advocacy organizations in which the organization: holds a position on the governance body, participates in projects or committees, provides substantive funding beyond routine membership dues, views membership as strategic.	06 EXEMPLARY COMMITMENT (Pages 42-43). FCC GROUP 2016 ANNUAL REPORT (Pages 182-183)			
Identified Material Aspects and Boundaries					
G4-17	a. List all entities included in the organization's consolidated financial statements or equivalent documents. b. Report whether any entity included in the organization's consolidated financial statements or equivalent documents is not covered by the report.	FCC GROUP 2016 ANNUAL REPORT Annual accounts 2016, (Page 342).			
G4-18	a. Explain the process for defining the report content and the Aspect Boundaries. b. Explain how the organization has implemented the Reporting Principles for Defining Report Content.	03 ADVANCE TOWARDS THE MODEL CHANGE (Page 10). 09 ABOUT THIS REPORT (Pages 78-81).			
G4-19	List all the material Aspects identified in the process for defining report content.	03 ADVANCE TOWARDS THE MODEL CHANGE (Page 10). 09 ABOUT THIS REPORT (Pages 78-81). FCC GROUP 2016 ANNUAL REPORT (Page 213).			

Basic general contents		Page/Reference	Omission	External verification	SDG
G4-20	For each material Aspect, report the Aspect Boundary within the organization, as follows: - Report whether the Aspect is material within the organization. - If the Aspect is not material for all entities within the organization - Report any specific limitation regarding the Aspect Boundary within the organization.	09 ABOUT THIS REPORT (Pages 78-81). FCC GROUP 2016 ANNUAL REPORT (Pages 212, 213, 215).			
G4-21	For each material Aspect, report the Aspect Boundary outside the organization, as follows: report whether the Aspect is material outside of the organization. If the Aspect is material outside of the organization, identify the entities, groups of entities or elements for which the Aspect is material. In addition, describe the geographical location where the Aspect is material for the entities identified, Report any specific limitation regarding the Aspect Boundary outside the organization.	09 ABOUT THIS REPORT (Page s 78-81). FCC GROUP 2016 ANNUAL REPORT (Pages 212, 213, 215).			
G4-22	Report the effect of any restatements of information provided in previous reports, and the reasons for such restatements.	The environmental indicators have been reported for the contracts under the operational control of the Environment Division. 09 ABOUT THIS REPORT (Pages 78-81).			
G4-23	Report significant changes from previous reporting periods in the Scope and Aspect Boundaries.	The environmental indicators have been reported for the contracts under the operational control of the Environment Division.			
Stakeholder Engagement					
G4-24	Provide a list of stakeholder groups engaged by the organization.	09 ABOUT THIS REPORT (Page 81)			
G4-25	Report the basis for identification and selection of stakeholders with whom to engage.	09 ABOUT THIS REPORT (Page 81).			
G4-26	Report the organization's approach to stakeholder engagement, including frequency of engagement by type and by stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.	07 CONNECTING CITIZENS (Pages 47-48). 09 ABOUT THIS REPORT (Page 81). The LOCAL SUSTAINABLE INITIATIVES COMMITTEES implemented in the regional branches meet at least quarterly and consult their various stakeholders (clients, employees, tutoring authority, suppliers, local community) with the frequency considered necessary, there being no guideline common to them all. In addition, to prepare the materiality report, international organisations and sectorial prescriptors are consulted every two years before the publication of the report.			

Basic general contents		Page/Reference	Omission	External verification	SDG
G4-27	Report key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting. Report the stakeholder groups that raised each of the key topics and concerns.	07 CONNECTING CITIZENS (Pages 47-48). 09 ABOUT THIS REPORT (Page 81). FCC GROUP 2016 ANNUAL REPORT (120-123).			
Report Profile					
G4-28	Reporting period (such as fiscal or calendar year) for information provided.	PRESENTATION (Page 2). 09 ABOUT THIS REPORT (Page 78)			
G4-29	Date of most recent previous report (if any).	09 ABOUT THIS REPORT (Page 80).			
G4-30	Reporting cycle (such as annual, biennial).	09 ABOUT THIS REPORT (Page 80).			
G4-31	Provide the contact point for questions regarding the report or its contents.	PRESENTATION (Page 2).			
G4-32	a. Report the 'in accordance' option the organization has chosen. b. Report the GRI Content Index for the chosen option (see tables below). c. Report the reference to the External Assurance Report, if the report has been externally assured.. GRI recommends the use of external assurance but it is not a requirement to be 'in accordance' with the Guidelines.	PRESENTATION (Page 2). 08 TRIPLE ACCOUNT(Pages 51-76). 09 ABOUT THIS REPORT (Page 82).			
G4-33	a. Report the organization's policy and current practice with regard to seeking external assurance for the report.ia. b. If not included in the assurance report accompanying the sustainability report, report the scope and basis of any external assurance provided. c. Report the relationship between the organization and the assurance providers. d. Report whether the highest governance body or senior executives are involved in seeking assurance for the organization's sustainability report.	PRESENTATION (Page 2). 08 TRIPLE ACCOUNT (Pages 51-75). 09 ABOUT THIS REPORT (Page 80). The assurance organisation is independent. The Sustainability Committee, headed by general management, decides on the assurance of the Sustainability Report.			

Basic general contents		Page/Reference	Omission	External verification	SDG
Governance					
G4-34	Report the governance structure of the organization, including committees of the highest governance body. Identify any committees responsible for decision-making on economic, environmental and social impacts.	02 DATA THAT SHOW STRENDS (Page 5). 04 CORPORATE GOVERNANCE AND RISK MANAGEMENT (Pages12-13). Corporate Governance Report 2016, section C. Pages 547-549, 565-571.			
G4-35	Report the process for delegating authority for economic, environmental and social topics from the highest governance body to senior executives and other employees.	04 CORPORATE GOVERNANCE AND RISK MANAGEMENT (Pages 12-13). FCC GROUP 2016 ANNUAL REPORT (115-116).			
G4-36	Report whether the organization has appointed an executive-level position or positions with responsibility for economic, environmental and social topics, and whether post holders report directly to the highest governance body.	04 CORPORATE GOVERNANCE AND RISK MANAGEMENT (Pages 12-13). FCC GROUP 2016 ANNUAL REPORT (115-116).			
G4-37	Report processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics. If consultation is delegated, describe to whom and any feedback processes to the highest governance body.	Employees: internal communication channel; Shareholders: Mail address: C/ Federico Salmón 13, 28016 Madrid C/ Avenida Camino de Santiago 40, Las Tablas, 28050 Madrid Telephone: 902 109 845 Fax: 91 350 71 54 E-mail: ir@fcc.es FCC GROUP 2016 ANNUAL REPORT (115-116).			
G4-38	Report the composition of the highest governance body and its committees by: executive or non-executive, independence, tenure on the governance body, number of each individual's other significant positions and commitments, and the nature of the commitments, gender, membership of under-represented social groups, competences relating to economic, environmental and social impacts, stakeholder representation.	04 CORPORATE GOVERNANCE AND RISK MANAGEMENT (Pages 12-13). FCC GROUP 2016 ANNUAL REPORT (547-553).			5 GENDER EQUALITY
G4-39	Report whether the Chair of the highest governance body is also an executive officer (and, if so, his or her function within the organization's management and the reasons for this arrangement).	FCC GROUP 2016 ANNUAL REPORT (Pages 547-548, 565-566).			

Basic general contents		Page/Reference	Omission	External verification	SDG
G4-40	Report the nomination and selection processes for the highest governance body and its committees, and the criteria used for nominating and selecting highest governance body members, including: whether and how diversity is considered, whether and how independence is considered, whether and how expertise and experience relating to economic, environmental and social topics are considered, whether and how stakeholders (including shareholders) are involved.	CC GROUP 2016 ANNUAL REPORT (Pages 571-574).			
G4-41	Report processes for the highest governance body to ensure conflicts of interest are avoided and managed. Report whether conflicts of interest are disclosed to stakeholders, including, as a minimum: cross-board membership, cross-shareholding with suppliers and other stakeholders, existence of controlling shareholder, related party disclosures.	FCC GROUP 2016 ANNUAL REPORT (Pages 576-577).			
G4-42	Report the highest governance body's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to economic, environmental and social impacts.	FCC GROUP 2016 ANNUAL REPORT (Pages 115, 14-15).			
G4-43	Report the measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics.	FCC GROUP 2016 ANNUAL REPORT (Pages 16-17, 115-116).			
G4-44	a. Report the processes for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics. Report whether such evaluation is independent or not, and its frequency. Report whether such evaluation is a self-assessment. b. Report actions taken in response to evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics, including, as a minimum, changes in membership and organizational practice.	FCC GROUP 2016 ANNUAL REPORT (Page 556).			
G4-45	a. Report the highest governance body's role in the identification and management of economic, environmental and social impacts, risks, and opportunities. Include the highest governance body's role in the implementation of due diligence processes. b. Report whether stakeholder consultation is used to support the highest governance body's identification and management of economic, environmental and social impacts, risks, and opportunities.	FCC GROUP 2016 ANNUAL REPORT (Page 37).			

Basic general contents		Page/Reference	Omission	External verification	SDG
G4-46	Report the highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics.	FCC GROUP 2016 ANNUAL REPORT (Pages 578-583).			
G4-47	a. Report the frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities.	FCC GROUP 2016 ANNUAL REPORT (Pages 578-583).			
G4-48	Report the highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material Aspects are covered.	The FCC Environment Division Sustainability Committee.			
G4-49	Report the process for communicating critical concerns to the highest governance body.	FCC GROUP 2016 ANNUAL REPORT (Pages 593-594).			
G4-50	Report the nature and total number of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them.	FCC GROUP 2016 ANNUAL REPORT (Pages 593-594, 185-186).			
G4-51	a. Report the remuneration policies for the highest governance body and senior executives for the below types of remuneration: – Performance-based pay – Equity-based pay – Bonuses – Deferred or vested shares Sign-on bonuses or recruitment incentive payments, termination payments, clawbacks, retirement benefits, including the difference between benefit schemes and contribution rates for the highest governance body, senior executives, and all other employees. b. Report how performance criteria in the remuneration policy relate to the highest governance body's and senior executives' economic, environmental and social objectives.	FCC reports on the remuneration of the members of the Board of Directors through the Annual Remunerations Report available on the National Stock Market Commission (CNMV) Web site.			
G4-52	Report the process for determining remuneration. Report whether remuneration consultants are involved in determining remuneration and whether they are independent of management. Report any other relationships which the remuneration consultants have with the organization.	FCC reports on the remuneration of the members of the Board of Directors through the Annual Remunerations Report available on the National Stock Market Commission (CNMV) Web site.			

Basic general contents		Page/Reference	Omission	External verification	SDG
G4-53	Report how stakeholders' views are sought and taken into account regarding remuneration, including the results of votes on remuneration policies and proposals, if applicable.	Annual Remunerations Report 2016.			
G4-54	Report the ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees (excluding the highest-paid individual) in the same country.	Annual Remunerations Report 2016.			
G4-55	Report the ratio of percentage increase in annual total compensation for the organization's highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees (excluding the highest-paid individual) in the same country.	Annual Remunerations Report 2016.			
Ethics and Integrity					
G4-56	Describe the organization's values, principles, standards and norms of behaviour such as codes of conduct and codes of ethics.	04 CORPORATE GOVERNANCE AND RISK MANAGEMENT (Pages 12-13). FCC GROUP 2016 ANNUAL REPORT (Pages 185-187).			
G4-57	Report the internal and external mechanisms for seeking advice on ethical and lawful behaviour, and matters related to organizational integrity, such as helplines or advice lines.	FCC GROUP 2016 ANNUAL REPORT (Pages 185-187).			
G4-58	Report the internal and external mechanisms for reporting concerns about unethical or unlawful behaviour, and matters related to organizational integrity, such as escalation through line management, whistleblowing mechanisms or hotlines.	FCC GROUP 2016 ANNUAL REPORT (Pages 593-594, 185-187).			

Obligatory for essential version

Omissions may apply exceptionally

Category: economic		Page / Reference	Omission	External verification	SDG
Aspect: Economic performance					
G4-DMA	MANAGEMENT FOCUS	02 DATA THAT SHOWS TRENDS (Pages 5-8).			
G4-EC1	DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED	Salary costs increased by 3% compared to the previous year. The EBITDA of the Environment Division decreased by 0.09% compared to 2015. FCC GROUP 2016 ANNUAL REPORT (Page 206).			
G4-EC2	ECONOMIC CONSEQUENCES AND OTHER RISKS AND OPPORTUNITIES FOR THE ORGANISATION'S ACTIVITIES DERIVED FROM CLIMATE CHANGE	05 SMART SERVICES (Page 32).			
G4-EC3	COVERAGE OF THE ORGANISATION'S OBLIGATIONS DERIVED FROM ITS PENSIONS PLAN	There are no pension plans for employees.			
G4-EC4	ECONOMIC AIDS GRANTED BY GOVERNMENT ORGANISATIONS	2016 data **R&D.** Grants received = €1,369,295.02/Loans received = €985,679.77. **TRAINING**. 47% of the €2.76 million for training was financed through the subsidised training system.			
Aspect: Market presence					
G4-DMA	MANAGEMENT FOCUS	06 EXEMPLARY COMMITMENT (Page 38).			
G4-EC5	RATIO BETWEEN THE INITIAL SALARY BROKEN DOWN BY GENDER AND THE LOCAL MINIMUM SALARY WHERE SIGNIFICANT OPERATIONS ARE CARRIED OUT	06 EXEMPLARY COMMITMENT (Page 38). The average salary of men is 1.37 times that of women.			
G4-EC6	PERCENTAGE OF SENIOR MANAGEMENT FROM THE LOCAL COMMUNITY IN PLACES WHERE SIGNIFICANT OPERATIONS ARE CARRIED OUT	All significant operations are carried out in Spain. 94% of the Division's managers are from Spain, 100% from the European Union.			

Category: economic		Page / Reference	Omission	External verification	SDG
Aspect: Indirect economic impacts					
G4-DMA	MANAGEMENT FOCUS	05 SMART SERVICES (Pages 20-28). 07 CONNECTING CITIZENS (Pages 47-49).			
G4-EC7	DEVELOPMENT AND IMPACT OF THE INVESTMENT IN INFRASTRUCTURES AND TYPES OF SERVICES	05 SMART SERVICES (Pages 20-28). 07 CONNECTING CITIZENS (Pages 47-49).			
G4-EC8	SIGNIFICANT INDIRECT ECONOMIC IMPACTS AND THEIR SCOPE	05 SMART SERVICES (Pages 20-28). 07 CONNECTING CITIZENS (Pages 47-49).			
Aspect: Acquisition practices					
G4-DMA	MANAGEMENT FOCUS	06 EXEMPLARY COMMITMENT (Pages 44-45).			
G4-EC9	PERCENTAGE OF COST IN PLACES WITH SIGNIFICANT OPERATIONS OF LOCAL SUPPLIERS	Purchases from suppliers made from the Division's Central Services grew by 1.3% in 2015-2016. 94% of the amount for purchases was for local suppliers (companies registered in Spain).			

Material aspects

Category: environmental		Page / Reference	Omission	External verification	SDG
Aspect: Materials					
G4-DMA	MANAGEMENT FOCUS	05 SMART SERVICES (Page 17).			
G4-EN1	MATERIALS BY WEIGHT AND VOLUME	05 SMART SERVICES (Page 17). 2014 datum: 85,943 t. 2015 datum: 87,369 t.			
G4-EN2	PERCENTAGE OF MATERIALS USED THAT ARE RECYCLED MATERIALS	05 SMART SERVICES (Page 17). 90.74% of the materials used are re-used (recycled aggregates and compost). 2014 datum: 62.47%. 2015 datum: 43.77%.			
Aspect: Energy					
G4-DMA	MANAGEMENT FOCUS	05 SMART SERVICES (Pages 15-19).			
G4-EN3	INTERNAL ENERGY CONSUMPTION	05 SMART SERVICES (Page 17). 2014 datum: 2,528,668 GJ. 2015 datum: 2,369,520 GJ.			
G4-EN4	EXTERNAL ENERGY CONSUMPTION	05 SMART SERVICES (Page 17). 2014 datum: 5,342,859 GJ. 2015 datum: 5,165,521 GJ. Datum 2016: 5,476,968 GJ.			
G4-EN5	ENERGY INTENSITY	0.1246 Gj / inhabitant served (internal consumption). Reduced by 8% compared to 2014.			
G4-EN6	REDUCTION OF ENERGY CONSUMPTION	05 SMART SERVICES (Page 17). Internal fuel energy consumption reduced by 3% compared to 2014.			
G4-EN7	REDUCTIONS OF ENERGY REQUIREMENTS FOR PRODUCTS AND SERVICES	05 SMART SERVICES (Pages 17-28, 32).			

Category: environmental		Page / Reference	Omission	External verification	SDG
Aspect: Water					
G4-DMA	MANAGEMENT FOCUS	05 SMART SERVICES (Pages 15-18).			
G4-EN8	TOTAL WATER WITHDRAWAL BY SOURCE	05 SMART SERVICES (Page 17). 2014 datum: 7,754,934 m^3. 2015 datum: 7,845,754 m^3.			
G4-EN9	WATER SOURCES SIGNIFICANTLY AFFECTED BY WITHDRAWAL OF WATER	The water withdrawal has had no significant effect on the water sources.			
G4-EN10	PERCENTAGE AND TOTAL VOLUME OF WATER RECYCLED AND REUSED	05 SMART SERVICES (Page 17). 30.7% of the water consumed is from alternative sources (well, water table, regenerated). 52.5% of the water from alternative sources is recirculated/regenerated. 2014 data: 34.4% - 55.3% (volume = 1,474,263 m^3). 2015 data: 34.2% - 52% (volume = 1,395,707 m^3).			
Aspect: Biodiversity					
G4-DMA	MANAGEMENT FOCUS	05 SMART SERVICES (Pages 28,33)..			
G4-EN11	IOPERATIONAL SITES OWNED, LEASED, MANAGED IN, OR ADJACENT TO, PROTECTED AREAS AND AREAS OF HIGH BIODIVERSITY VALUE OUTSIDE PROTECTED AREAS	05 SMART SERVICES (Page 33). Management of 35.53 ha of parks and gardens of special interest (under operational control) in Valencia, Cartagena and Málaga. We also act in an area next to a protected space such as the case of the golf course in the Parque de la Grajera in Logroño (450 ha) where we operate in an area near the Parque de la Grajera wetland.			
G4-EN12	DESCRIPTION OF SIGNIFICANT IMPACTS OF ACTIVITIES, PRODUCTS, AND SERVICES ON BIODIVERSITY IN PROTECTED AREAS AND AREAS OF HIGH BIODIVERSITY VALUE OUTSIDE PROTECTED AREAS	05 SMART SERVICES (Page 33).			
G4-EN13	HABITATS PROTECTED OR RESTORED	05 SMART SERVICES (Page 33).			
G4-EN14	TOTAL NUMBER OF IUCN RED LIST SPECIES AND NATIONAL CONSERVATION LIST SPECIES WITH HABITATS IN AREAS AFFECTED BY OPERATIONS, BY LEVEL OF EXTINCTION RISK	Our operations do not affect species identified as such.			

Category: environmental		Page / Reference	Omission	External verification	SDG
Aspect: Emissions					
G4-DMA	MANAGEMENT FOCUS	05 SMART SERVICES (Pages 15-19, 32).			
G4-EN15	DIRECT GREENHOUSE GAS (GHG) EMISSIONS (SCOPE 1)	05 SMART SERVICES (Pages 17,32). 2014 datum: 293,631 tCO_2e. 2015 datum: 224,438 tCO_2e.			
G4-EN16	ENERGY INDIRECT GREENHOUSE GAS (GHG) EMISSIONS (SCOPE 2)	05 SMART SERVICES (Pages 17, 32). 2014 datum: 28,552 tCO_2e. 2015 datum: 31,330 tCO_2e.			
G4-EN17	OTHER INDIRECT GREENHOUSE GAS (GHG) EMISSIONS (SCOPE 3))	05 SMART SERVICES (Page 32). 2014 datum: 1,471,284 tCO_2e. 2015 datum: 1,353,471 tCO_2e.			
G4-EN18	GREENHOUSE GAS (GHG) EMISSIONS INTENSITY	0,0119 tCO_2e/inhabitant served (Scope 1). Reduced by 24% compared to 2014.			
G4-EN19	REDUCTION OF GREENHOUSE GAS (GHG) EMISSIONS	05 SMART SERVICES (Pages 17, 23-32).			
G4-EN20	EMISSIONS OF OZONE-DEPLETING SUBSTANCES (ODS)	Dismissed as insignificant, involving < 1% of emissions.			
G4-EN21	NOX, SOX, AND OTHER SIGNIFICANT AIR EMISSIONS	05 SMART SERVICES (Page 17). 2014 datum: NOx = 11,941 kg/SOx = 1,341 kg/Part = 5,065 kg. 2015 datum: NOx = 19,183 kg/SOx = 4,192 kg/Part = 1,781 kg.			
Aspect: Effluents and Waste					
G4-DMA	MANAGEMENT FOCUS	05 SMART SERVICES (Pages 15, 17-18, 29-31).			
G4-EN22	TOTAL WATER DISCHARGE BY QUALITY AND DESTINATION	05 SMART SERVICES (Page 17). Discharge of treated water to public water course 2014 datum: 13,132 m^3. 2015: datum: 15,943 m^3.			

Category: environmental		Page / Reference	Omission	External verification	SDG
G4-EN23	TOTAL WEIGHT OF WASTE BY TYPE AND DISPOSAL METHOD	05 SMART SERVICES (Pages 17, 29-31). 2014 datum. RP: 392 t / RNP: 473,721 t. 2015 datum. RP: 341 t / RNP: 440,498 t.			
G4-EN24	TOTAL NUMBER AND VOLUME OF SIGNIFICANT SPILLS	There is no record of minimally significant accidental spills occurring.			
G4-EN25	WEIGHT OF TRANSPORTED, IMPORTED, EXPORTED, OR TREATED WASTE DEEMED HAZARDOUS UNDER THE TERMS OF THE BASEL CONVENTION 2 ANNEX I, II, III, AND VIII, AND PERCENTAGE OF TRANSPORTED WASTE SHIPPED INTERNATIONALLY	05 SMART SERVICES (Pages 17, 29-31).			
G4-EN26	IIDENTITY, SIZE, PROTECTED STATUS, AND BIODIVERSITY VALUE OF WATER BODIES AND RELATED HABITATS SIGNIFICANTLY AFFECTED BY THE ORGANISATION'S DISCHARGES OF WATER AND RUNOFF	Our operations do not significantly affect the biodiversity of water resources and related habitats since an exhaustive control is made of both the discharge parameters and the receiving medium to guarantee the necessary development of the aquatic wildlife.			
Aspect: Products and services					
G4-DMA	MANAGEMENT FOCUS	05 SMART SERVICES (Page 20).			
G4-EN27	EXTENT OF IMPACT MITIGATION OF ENVIRONMENTAL IMPACTS OF PRODUCTS AND SERVICES	05 SMART SERVICES (Pages 17-28).			
G4-EN28	PERCENTAGE OF PRODUCTS SOLD AND THEIR PACKAGING MATERIALS THAT ARE RECLAIMED BY CATEGORY	The information systems do not currently provide this indicator.			
Aspect: Compliance					
G4-DMA	MANAGEMENT FOCUS	NOT REPORTED.			
G4-EN29	MONETARY VALUE OF SIGNIFICANT FINES AND TOTAL NUMBER OF NON-MONETARY SANCTIONS FOR NON-COMPLIANCE WITH ENVIRONMENTAL LAWS AND REGULATIONS	NOT REPORTED.			

Category: environmental		Page / Reference	Omission	External verification	SDG
Aspect: Transport					
G4-DMA	MANAGEMENT FOCUS				
G4-EN30	ISIGNIFICANT ENVIRONMENTAL IMPACTS OF TRANSPORTING PRODUCTS AND OTHER GOODS AND MATERIALS FOR THE ORGANISATION'S OPERATIONS, AND TRANSPORTING MEMBERS OF THE WORKFORCE	The transportation of products, goods and materials is not significant for the FCC Medio Ambiente. Despite having no data to estimate the emissions associated with professional movements and those of workers to and from work, and being unable to assess the effect of the corporate measures implemented for its optimising, the use of video conference rooms in our offices continues to be increased to hold meetings with persons in other cities in Spain and abroad.			
Aspect: General					
G4-DMA	MANAGEMENT FOCUS				
G4-EN31	TOTAL ENVIRONMENTAL PROTECTION EXPENDITURES AND INVESTMENTS BY TYPE	07 CONNECTING CITIZENS (Pages 47-48). (50.7% of the economic resources for undertaking initiatives have been destined to environmental actions.) 2014 datum: 65.2%. 2015 datum: 52.9%.			
Aspect: Supplier Environmental Assessment					
G4-DMA	MANAGEMENT FOCUS	06 EXEMPLARY COMMITMENT (Pages 44-45).			
G4-EN32	PERCENTAGE OF NEW SUPPLIERS THAT WERE SCREENED USING ENVIRONMENTAL CRITERIA	06 EXEMPLARY COMMITMENT (Pages 44-45).			
G4-EN33	SIGNIFICANT ACTUAL AND POTENTIAL NEGATIVE ENVIRONMENTAL IMPACTS IN THE SUPPLY CHAIN AND ACTIONS TAKEN	06 EXEMPLARY COMMITMENT (Pages 44-45).			
Aspect: Environmental Grievance Mechanisms					
G4-DMA	MANAGEMENT FOCUS	NOT REPORTED.			
G4-EN34	NUMBER OF GRIEVANCES ABOUT ENVIRONMENTAL IMPACTS FILED, ADDRESSED, AND RESOLVED THROUGH FORMAL GRIEVANCE MECHANISMS	NOT AVAILABLE.			
	Material aspects				

Category: social		Page / Reference	Omission	External verification	ODS
LABOUR PRACTICES AND DECENT WORK					
Aspect: Employment					
G4-DMA	MANAGEMENT FOCUS	06 EXEMPLARY COMMITMENT (Page 38).			
G4-LA1	TOTAL NUMBER AND RATES OF NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER BY AGE GROUP, GENDER AND REGION	06 EXEMPLARY COMMITMENT (Page 38, 41).			
G4-LA2	BENEFITS PROVIDED TO FULL-TIME EMPLOYEES THAT ARE NOT PROVIDED TO TEMPORARY OR PART-TIME EMPLOYEES, BY SIGNIFICANT LOCATIONS OF OPERATION	Covers the employees in the group of managers, technicians, clerks and subalterns with indefinite contracts in the companies belonging to the consolidable companies in the Group. Those with more than one year's service enjoy social benefits such as special doctors, disablement coverage and subsidised loans.			
G4-LA3	RETURN TO WORK AND RETENTION RATES AFTER PARENTAL LEAVE, BY GENDER	100% of the employees who enjoy maternity or paternity leave return to work after the end of their leave (except those whose temporary contract ended during the leave period). 16.6% were men.			
Aspect: Labour/Management Relations					
G4-DMA	MANAGEMENT FOCUS				
G4-LA4	MINIMUM NOTICE PERIODS REGARDING OPERATIONAL CHANGES, INCLUDING WHETHER THESE ARE SPECIFIED IN COLLECTIVE AGREEMENTS	The information on organisational changes occurring in the Group is included in the legal dispositions of the applicable collective agreements, always complying with a minimum prior notification period of four weeks.			
Aspect: Occupational Health and Safety					
G4-DMA	MANAGEMENT FOCUS	06 EXEMPLARY COMMITMENT (Page 40).			
G4-LA5	PERCENTAGE OF TOTAL WORKFORCE REPRESENTED IN FORMAL JOINT MANAGEMENT–WORKER HEALTH AND SAFETY COMMITTEES THAT HELP MONITOR AND ADVISE ON OCCUPATIONAL HEALTH AND SAFETY PROGRAMES	The company does not currently have the precise percentage of employees that form part of the health and safety committees although the Health and Safety policy and the monitoring of the accident rate and the effectiveness of the measures through indicators cover all the staff.			

Category: social		Page / Reference	Omission	External verification	ODS
G4-LA6	TYPE OF INJURY AND RATES OF INJURY, OCCUPATIONAL DISEASES, LOST DAYS, AND ABSENTEEISM, AND TOTAL NUMBER OF WORK-RELATED FATALITIES, BY REGION AND BY GENDER	06 EXEMPLARY COMMITMENT (Page 40). Illness absenteeism indices: 2014: 7.04 2015: 5.45 2016: 6.08 Number of fatal accidents: 2014: 3 2015: 3 2016: 2 Currently, the information systems do not provide the indicators by gender. An increase has been seen in the seriousness index arising from the type of accidents that occurred during 2015-2016.			
G4-LA7	WORKERS WITH HIGH INCIDENCE OR HIGH RISK OF DISEASES RELATED TO THEIR OCCUPATION	The OHS Department studies occupational illnesses. In 2016 eight occupational illnesses with sick leave were declared, 20% less than in 2015.			
G4-LA8	HEALTH AND SAFETY TOPICS COVERED IN FORMAL AGREEMENTS WITH TRADE UNIONS	The agreements with trade unions were reached through the sector agreements that specifically regulate matters such as training and information, group protections, working equipment, etc.			
Aspect: Training and Education					
G4-DMA	MANAGEMENT FOCUS	06 EXEMPLARY COMMITMENT (Page 39).			
G4-LA9	AVERAGE HOURS OF TRAINING PER YEAR PER EMPLOYEE BY GENDER, AND BY EMPLOYEE CATEGOR	6 h/employee*. 3.25 h/Category IV employee. 10.5 h/participant. 11.2 h/male participants. 7 h/female participants. * Of staff SAP-HR.			
G4-LA10	PROGRAMMES FOR SKILLS MANAGEMENT AND LIFELONG LEARNING THAT SUPPORT THE CONTINUED EMPLOYABILITY OF EMPLOYEES AND ASSIST THEM IN MANAGING CAREER ENDINGS	FCC GROUP ANNUAL REPORT 2016 (Page 191).			
G4-LA11	PERCENTAGEOF EMPLOYEESRECEIVINGREGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEWS, BY GENDER AND BY EMPLOYEE CATEGORY	FCC Group is working on the design and implementation of the development function through a competences model that covers an assessment of performance, career plans and succession plans. Work is under way on the implementation of a fast and overall system that supports the performance assessment and selection processes. Its implementation is planned for 2018.			

Category: social		Page / Reference	Omission	External verification	ODS
Aspect: Diversity and Equal Opportunity					
G4-DMA	MANAGEMENT FOCUS	06 EXEMPLARY COMMITMENT (Pages 41-42).			
G4-LA12	COMPOSITION OF GOVERNANCE BODIES AND BREAKDOWN OF EMPLOYEES PER EMPLOYEE CATEGORY ACCORDING TO GENDER, AGE GROUP, MINORITY GROUP MEMBERSHIP, AND OTHER INDICATORS OF DIVERSITY	06 EXEMPLARY COMMITMENT (Pages 41-42).			
Aspect: Equal Remuneration for women and men					
G4-DMA	MANAGEMENT FOCUS				
G4-LA13	RATIO OF BASIC SALARY AND REMUNERATION OF WOMEN TO MEN BY EMPLOYEE CATEGORY, BY SIGNIFICANT LOCATIONS OF OPERATION	The average salary of men is 1.37 times that of women.			
Aspect: Supplier Assessment for Labour Practices					
G4-DMA	MANAGEMENT FOCUS	06 EXEMPLARY COMMITMENT (Pages 44-45).			
G4-LA14	PERCENTAGE OF NEW SUPPLIERS THAT WERE SCREENED USING LABOUR PRACTICES CRITERIA	06 EXEMPLARY COMMITMENT (Pages 44-45).			
G4-LA15	SIGNIFICANT ACTUAL AND POTENTIAL NEGATIVE IMPACTS FOR LABOUR PRACTICES IN THE SUPPLY CHAIN AND ACTIONS TAKEN	06 EXEMPLARY COMMITMENT (Pages 44-45).			
Aspect: Labour Practices Grievance Mechanisms					
G4-DMA	MANAGEMENT FOCUS				
G4-LA16	NUMBER OF GRIEVANCES ABOUT LABOUR PRACTICES FILED, ADDRESSED, AND RESOLVED THROUGH FORMAL GRIEVANCE MECHANISMS	INDICATOR NOT AVAILABLE.			
	Material aspects				

Category: social		Page / Reference	Omission	External verification	SDG
HUMAN RIGHTS					
Aspect: Investment					
G4-DMA	MANAGEMENT FOCUS	06 EXEMPLARY COMMITMENT (Pages 44-45).			
G4-HR1	TOTAL NUMBER AND PERCENTAGE OF SIGNIFICANT INVESTMENT AGREEMENTS AND CONTRACTS THAT INCLUDE HUMAN RIGHTS CLAUSES OR THAT UNDERWENT HUMAN RIGHTS SCREENING	06 EXEMPLARY COMMITMENT (Pages 44-45). 100% include human rights clauses.			
G4-HR2	TOTAL HOURS OF EMPLOYEE TRAINING ON HUMAN RIGHTS POLICIES OR PROCEDURES CONCERNING ASPECTS OF HUMAN RIGHTS THAT ARE RELEVANT TO OPERATIONS, INCLUDING THE PERCENTAGE OF EMPLOYEES TRAINED	177 employees trained and 354 hours in 2016.			
Aspect: Non-discrimination					
G4-DMA	MANAGEMENT FOCUS				
G4-HR3	TOTAL NUMBER OF INCIDENTS OF DISCRIMINATION AND CORRECTIVE ACTIONS TAKEN	No communications were recorded in 2016 in the discrimination reporting channels.			
Aspect: Freedom of Association and Collective Bargaining					
G4-DMA	MANAGEMENT FOCUS				
G4-HR4	OPERATIONS AND SUPPLIERS IDENTIFIED IN WHICH THE RIGHT TO EXERCISE FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING MAY BE VIOLATED OR AT SIGNIFICANT RISK, AND MEASURES TAKEN TO SUPPORT THESE RIGHTS	The Environment Division recognises the workers' rights of association and collective bargaining established in the Spanish Constitution.			

Category: social		Page / Reference	Omission	External verification	SDG
Aspect: Child Labour					
G4-DMA	MANAGEMENT FOCUS				
G4-HR5	OPERATIONS AND SUPPLIERS IDENTIFIED AS HAVING SIGNIFICANT RISK FOR INCIDENTS OF CHILD LABOUR, AND MEASURES TAKEN TO CONTRIBUTE TO THE EFFECTIVE ABOLITION OF CHILD LABOUR	Given the ambit of action of FCC's Environment Division, no activities or operations of risk have been identified			
Aspect: Forced or Compulsory Labour					
G4-DMA	MANAGEMENT FOCUS				
G4-HR6	OPERATIONS AND SUPPLIERS IDENTIFIED AS HAVING SIGNIFICANT RISK FOR INCIDENTS OF FORCED OR COMPULSORY LABOUR, AND MEASURES TO CONTRIBUTE TO THE ELIMINATION OF ALL FORMS OF FORCED OR COMPULSORY LABOUR	Given the ambit of action of FCC's Environment Division, no activities or operations of risk have been identified			
Aspect: Security Practices					
G4-DMA	MANAGEMENT FOCUS				
G4-HR7	PERCENTAGE OF SECURITY PERSONNEL TRAINED IN THE ORGANISATION'S HUMAN RIGHTS POLICIES OR PROCEDURES THAT ARE RELEVANT TO OPERATIONS	100% of the security staff have received training in fundamental human rights and the public liberties of persons.			
Aspect: Indigenous Rights					
G4-DMA	MANAGEMENT FOCUS	NOT APPLICABLE.			
G4-HR8	TOTAL NUMBER OF INCIDENTS OF VIOLATIONS INVOLVING RIGHTS OF INDIGENOUS PEOPLES AND ACTIONS TAKEN	NOT APPLICABLE.			

Category: social		Page / Reference	Omission	External verification	SDG
Aspect: Assessment					
G4-DMA	MANAGEMENT FOCUS				
G4-HR9	TOTAL NUMBER AND PERCENTAGE OF OPERATIONS THAT HAVE BEEN SUBJECT TO HUMAN RIGHTS REVIEWS OR IMPACT ASSESSMENTS	100% of the contracts with suppliers include human rights clauses. None have been rejected. The Environment Division operates in Spain.			
Aspect: Supplier Human Rights Assessmen					
G4-DMA	MANAGEMENT FOCUS	06 EXEMPLARY COMMITMENT (Pages 44-45).			
G4-HR10	PERCENTAGE OF NEW SUPPLIERS THAT WERE SCREENED USING HUMAN RIGHTS CRITERIA	100% of the contracts with suppliers include human rights clauses. None have been rejected.			
G4-HR11	SIGNIFICANT ACTUAL AND POTENTIAL NEGATIVE HUMAN RIGHTS IMPACTS IN THE SUPPLY CHAIN AND ACTIONS TAKEN	06 EXEMPLARY COMMITMENT (Pages 44-45).			
Aspect: Human Rights Grievance Mechanisms					
G4-DMA	MANAGEMENT FOCUS				
G4-HR12	NUMBER OF GRIEVANCES ABOUT HUMAN RIGHTS IMPACTS FILED, ADDRESSED, AND RESOLVED THROUGH FORMAL GRIEVANCE MECHANISMS	No communications were recorded in 2016 in the channels for reporting human rights matters.			

Material aspects

Category: social		Page / Reference	Omission	External verification	SDG
SOCIETY					
Aspect: Local Communities					
G4-DMA	MANAGEMENT FOCUS	07 CONNECTING CITIZENS (Pages 47-48).			
G4-SO1	PERCENTAGE OF OPERATIONS WITH IMPLEMENTED LOCAL COMMUNITY ENGAGEMENT, IMPACT ASSESSMENTS, AND DEVELOPMENT PROGRAMMES	9.9% of contracts with public clients include social development programmes in the local community. 78% of contracts certified as per the UNE EN ISO 14001 standard include an assessment of the environmental impact.			
G4-SO2	OPERATIONS WITH SIGNIFICANT ACTUAL AND POTENTIAL NEGATIVE IMPACTS ON LOCAL COMMUNITIES	07 CONNECTING CITIZENS (Pages 47-48).			
Aspect: Anti-corruption					
G4-DMA	MANAGEMENT FOCUS	03 ADVANCE TOWARDS THE MODEL CHANGE (Page 10).			
G4-SO3	TOTAL NUMBER AND PERCENTAGE OF OPERATIONS ASSESSED FOR RISKS RELATED TO CORRUPTION AND THE SIGNIFICANT RISKS IDENTIFIED	100% of the business units analysed. Annual Report (Pages 185-186).			
G4-SO4	COMMUNICATION AND TRAINING ON ANTI-CORRUPTION POLICIES AND PROCEDURES	1% was trained in 2016.			
G4-SO5	CONFIRMED INCIDENTS OF CORRUPTION AND ACTIONS TAKEN	No complaints were received through the internal communication channel in matters of corruption and bribery.			
Aspect: Public Policy					
G4-DMA	MANAGEMENT FOCUS	03 ADVANCE TOWARDS THE MODEL CHANGE (Page 10).			
G4-SO6	TOTAL VALUE OF POLITICAL CONTRIBUTIONS BY COUNTRY AND RECIPIENT/BENEFICIARY	FCC Group's Code of Ethics specifically states that the company undertakes its business model without interfering with the political processes in those countries and communities in which it undertakes its activity.			

Category: social		Page / Reference	Omission	External verification	SDG
Aspect: Anti-competitive Behaviour					
G4-DMA	MANAGEMENT FOCUS	03 ADVANCE TOWARDS THE MODEL CHANGE (Page 10).			
G4-SO7	TOTAL NUMBER OF LEGAL ACTIONS FOR ANTI-COMPETITIVE BEHAVIOUR, ANTI-TRUST, AND MONOPOLY PRACTICES AND THEIR OUTCOMES	No actions have occurred for causes related to monopoly practices and against free competition.			
Aspect: Compliance					
G4-DMA	MANAGEMENT FOCUS	03 ADVANCE TOWARDS THE MODEL CHANGE (Page 10).			
G4-SO8	MONETARY VALUE OF SIGNIFICANT FINES AND TOTAL NUMBER OF NON-MONETARY SANCTIONS FOR NON-COMPLIANCE WITH LAWS AND REGULATIONS	NOT REPORTED.			
Aspect: Supplier Assessment for Impacts on Society					
G4-DMA	MANAGEMENT FOCUS	06 EXEMPLARY COMMITMENT (Pages 44-45).			
G4-SO9	PERCENTAGE OF NEW SUPPLIERS THAT WERE SCREENED USING CRITERIA FOR IMPACTS ON SOCIETY	06 EXEMPLARY COMMITMENT (Pages 44-45).			
G4-SO10	SIGNIFICANT ACTUAL AND POTENTIAL NEGATIVE IMPACTS ON SOCIETY IN THE SUPPLY CHAIN AND ACTIONS TAKEN	The information systems do not currently allow the obtaining of these data.			
Aspect: Grievance Mechanisms for Impacts on Society					
G4-DMA	MANAGEMENT FOCUS				
G4-SO11	NUMBER OF GRIEVANCES ABOUT IMPACTS ON SOCIETY FILED, ADDRESSED, AND RESOLVED THROUGH FORMAL GRIEVANCE MECHANISMS	INDICATOR NOT AVAILABLE.			

Material aspects

Category: social		Page / Reference	Omission	External verification	SDG
PRODUCT RESPONSIBILITY					
Aspect: Customer Health and Safety					
G4-DMA	MANAGEMENT FOCUS	05 SMART SERVICES (19-28).			
G4-PR1	PERCENTAGE OF SIGNIFICANT PRODUCT AND SERVICE CATEGORIES FOR WHICH HEALTH AND SAFETY IMPACTS ARE ASSESSEDFOR IMPROVEMENT	05 SMART SERVICES (Pages 19-28).			
G4-PR2	TOTAL NUMBER OF INCIDENTS OF NON-COMPLIANCE WITH REGULATIONS AND VOLUNTARY CODES CONCERNING THE HEALTH AND SAFETY IMPACTS OF PRODUCTS AND SERVICES DURING THEIR LIFE CYCLE, BY TYPE OF OUTCOMES	There is no record of any incident of this nature.			
Aspect: Product and Service Labelling					
G4-DMA	MANAGEMENT FOCUS				
G4-PR3	TYPE OF PRODUCT AND SERVICE INFORMATION REQUIRED BY THE ORGANISATION'S PROCEDURES FOR PRODUCT AND SERVICE INFORMATION AND LABELLING, AND PERCENTAGE OF SIGNIFICANT PRODUCT AND SERVICE CATEGORIES SUBJECT TO SUCH INFORMATION REQUIREMENTS	Regarding the labelling of products and services, the quality of the sub-products sold is increasing by introducing new techniques in selection lines (optical selectors, ballistic selection, etc).			
G4-PR4	TOTAL NUMBER OF INCIDENTS OF NON-COMPLIANCE WITH REGULATIONS AND VOLUNTARY CODES CONCERNING PRODUCT AND SERVICE INFORMATION AND LABELLING, BY TYPE OF OUTCOMES	There is no record of any incident of this nature.			
G4-PR5	RESULTS OF SURVEYS MEASURING CUSTOMER SATISFACTION	No customer satisfaction surveys were made in the 2015-2016 period.			

Category: social		Page / Reference	Omission	External verification	SDG
Aspect: Marketing Communications					
G4-DMA	MANAGEMENT FOCUS				
G4-PR6	SALE OF BANNED OR DISPUTED PRODUCTS	FCC Group's Environment Division does not adhere to any voluntary marketing communications standard or code.			
G4-PR7	TOTAL NUMBER OF INCIDENTS OF NON-COMPLIANCE WITH REGULATIONS AND VOLUNTARY CODES CONCERNING MARKETING COMMUNICATIONS, INCLUDING ADVERTISING, PROMOTION, AND SPONSORSHIP, BY TYPE OF OUTCOMES	The Environment Division has no record of incidents of this nature occurring.			
Aspect: Customer Privacy					
G4-DMA	MANAGEMENT FOCUS				
G4-PR8	TOTAL NUMBER OF SUBSTANTIATED COMPLAINTS REGARDING BREACHES OF CUSTOMER PRIVACY AND LOSSES OF CUSTOMER DATA	The Environment Division has no record of incidents of this nature occurring.			
Aspecto: Compliance					
G4-DMA	MANAGEMENT FOCUS	NOT REPORTED			
G4-PR9	MONETARY VALUE OF SIGNIFICANT FINES FOR NON-COMPLIANCE WITH LAWS AND REGULATIONS CONCERNING THE PROVISION AND USE OF PRODUCTS AND SERVICES	NOT REPORTED			

Material aspects

09

About this report

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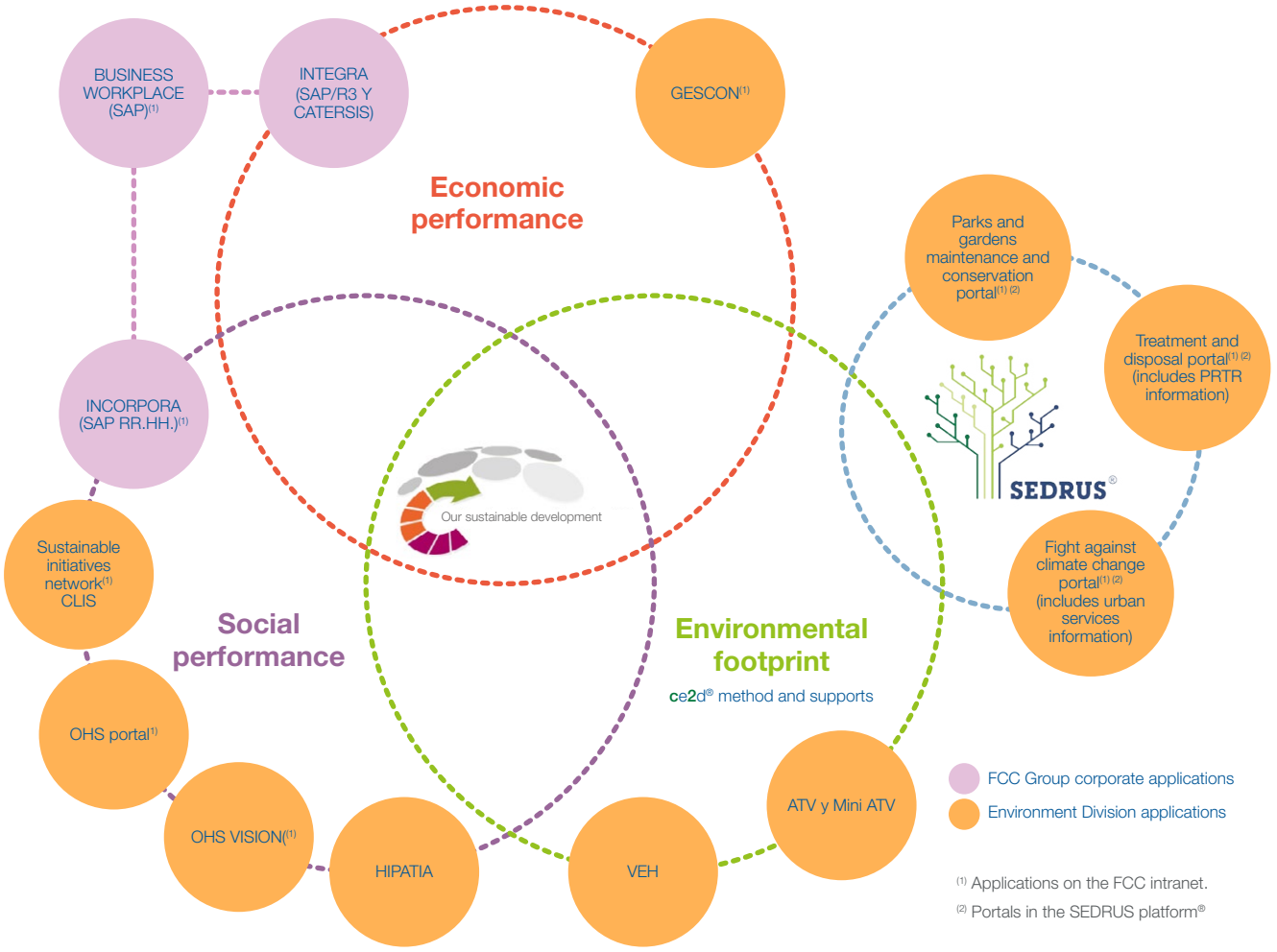
Information systems

The information published in the Sustainability Report has been compiled using various **information collection systems**. These have been developed internally to give the organisation the support tools to reinforce its operational capacity in the process of identifying the significant variables and indicators. This guarantees a reliable, ascertainable and comparable information source.



Reporting principles

The process set in the "Reporting Principles for Defining Report Content" in version 4 of the GRI Guide has been followed and its principles applied to define the contents and guarantee the quality of the information published.

Sustainability context

For each of the relevant aspects reported in preparing the report, the strategic framework and the trends observed nationally and internationally have been taken into account.

Completeness

All the aspects requested in the GRI Guide 4 have been covered, notably the matters identified as material, with a history of three years.

Participation of stakeholders and definition of relevant matters

All the aspects in GRI Guide 4 have been taken into account to prepare the materiality study and a comparison made with external sources based on reference documents relating to sustainability (SASB Materiality Maps), the global risks (Global Risk 2017 from the World Economic Forum) and sectorial documents.

The internal prioritising of each matter was defined based on its degree of maturity within the company compared to competing companies in the sector itself, including conclusions taken from interviews with institutional investors given in 2015.

Materiality

In 2016 FCC Group updated the materiality study to identify the relevant matters of each of the business areas in the organisation, in our case of Environmental Services. To classify the matters obtained in this study, the sections defined in the 2011-2014 Corporate Responsibility Master Plan – extended to 2016 – were taken into account. The crossing of the relevant matters and the three pillars of FCC's recently-renovated Corporate Responsibility policy (Smart services, exemplary commitment and connecting citizens) allowed the better anchoring of the GRI aspects with the Group's Master Plan so that we can align reporting and strategy.

In line with each of the axes set by the FCC Group's CSR policy, the Environment Division has prioritised the objectives for sustainable development for which the implementation of best practices and policies defined by its sustainable business model will progressively sustain its compliance in the long-term. Drivers and KPIs (Key Performance Indicators) will be used to report the degree of progress of the actions undertaken to our stakeholders every two years.

The following presents the material matters of the Environmental Services Area sorted by relevance level [1].

Environmental Services

Protection of scarce natural resources. Responsibility over suppliers and contractors. Occupational health of employees and contractors. The client's experience.
Local Development. Politics to contain the effects of climate change. Corruption prevention and mitigation systems. Innovation and sustainability.
Well-being and professional growth of employees. Promotion of and respect for human rights. Technological development and prevention of cyber attacks.

- Very high relevance
- High relevance
- Medium relevance

Note: the material matters shown in the attached table have been identified by Environmental Services Area and the material aspects given in the GRI table (Chapter 08 Triple Account) to which this report responds are for their adaptation to the specific nature of the Environment Division.

[1] The very high, high and medium relevances have been set based on percentages 33 and 66.

Report quality principles

Balance

The report reflects both the positive and negative aspects of the organisation's performance.

Comparativeness

The report has been prepared using historic data for 2014, 2015 and 2016.

Precision

The quantitative and qualitative data given in the report are duly documented and the system for compiling them is supervised by those responsible for its editing.

Punctuality

The first Sustainability Report prepared by the FCC Environment Division was published in 2006. Since then it has been published every two years except in 2016. This document is therefore being the sixth report published by the Environment Division.

Clarity

The quantitative and qualitative information in the report present the necessary and sufficient level of clarity to allow its understanding by the stakeholders.

Reliability

This Sustainability Report has been verified by AENOR in accordance with the Global Reporting Initiative G4 Guide.

Stakeholders and their communication channels

In FCC Environment Division we understand stakeholders to be all persons, institutions and groups who may be affected by or who significantly affect the decisions and activities undertaken by it.

The departments and business branches in the Division have specific and effective methods of identification and communication channels for interacting with the stakeholders. This allows the organisation to know their expectations and thus be able to respond sufficiently beforehand.

On the other hand, the participation Group processes have allowed the identification of the main concerns regarding the company, the trends in relevant matters and the risks and opportunities that we must consider in managing corporate responsibility.

Likewise, in our organisation we inform the stakeholders through the Sustainability Report published every two years and the publishing of news and information in the generic and specialised communications media.

Stakeholders and communication channels

Stakeholders	Communication channels	
Corporation	CSR, Risk and Compliance, Management, Climate Change committees	
Employees	Human Resources Department.	
	Company committees	
	FCC Group intranet	Corporate notifications
		Internal communication channels
		Suggestions box
Community (the public, associations, NGOs, universities and training centres)	Specific corporate-level communications	
	Local sustainable initiatives committees	
	Public service office	
	Services' websites	
Public and private clients	Tendering procedures	
	Customer service	
	Branch-level contracts managers	
Suppliers	Purchases Management Directorate	
	Central Services collaboration initiatives	
	E-commerce tool	
Guardianship administrations	Official bulletins	
	Applicable basic specific regulations	
	Specific figures in each Regionw	

External verification report

AENOR

VERIFICATION OF SUSTAINABILITY REPORT

VMS-2017/0025

AENOR has verified the Report by the organization

DIVISIÓN DE MEDIO AMBIENTE DEL GRUPO FCC

TITLE: SUSTAINABILITY REPORT 2015-2016

In accordance with:	G4 Guide of the Global Reporting Initiative
GRI option applied:	Core
Verification Process:	To grant this Verification Document, AENOR has verified that the report complies with GRI requirements and the correlation of the indicators with the ODS prioritized by the organization, and has checked the data and information contained in the report.
Issue date:	2017-09-29

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