



Annual Report  
**2023**

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Annual Report 2023  
Full version

# 1 Letter from the Chairwoman



Dear shareholders,

In this Annual Report you will find a summary of the main figures and the most important milestones that have defined FCC's activity in 2023.

A year as demanding as it was, extraordinary in terms of results, a year in which we have once again proven our ability to turn every challenge into an opportunity to continue serving and accompanying our society.

With this background, the FCC Group has moved forward, controlling the phases involved in the end-to-end water cycle; optimising resources and applying circular economy principles; developing infrastructures; producing the associated materials necessary to execute them; and entering the world of real estate management.

The results that we as a Group have achieved are extremely satisfying.

We have once again proven our ability to **make each challenge an opportunity**

With a **turnover** of 9,026 million euros, 17.1% more than in 2022. The Cement and Construction activities have made a significant contribution to this growth, followed by a sharp rise in the Water Area.

Due to our progress in the Group's main business areas, in 2023 we improved our **Ebitda** by 16.6%, up to 1,529 million euros.

**Ebit** also grew 49.1% to 910.3 million euros due to the rise in Ebitda, the base effect of the 2022 adjustment of 200 million euros in the value of various property, plant and equipment elements and goodwill in the Cement Area.

At year end 2023, Group **financial debt** stood at 3.1 million euros, 2.9% less than in 2022.

The **backlog** reached 41.62 million euros at 31 December, 3.3% up compared to the previous year end and largely attributable to the notable increase in Water activity.

These results are largely due to the strategic commitment made for some years now, focused on transformation as a cross-cutting foundation of our business and on optimising our technical, operational and financial efficiency. In doing so, we have again demonstrated that it is possible to achieve highly satisfactory results through responsible growth, combined with the pursuit of profitability in our businesses.

Results that allow us to propose a flexible dividend for our shareholders of over 283.4 million euros at our AGM, equivalent to 0.65 euros per share, charged to available reserves and 30% more than was offered the previous year.

I would like to reiterate our gratitude to investors, shareholders, strategic partners and clients for their support and trust in our project, with a special mention for our best capital: each and every professional within the FCC Group, who make it possible on a daily basis; I thank them for their engagement and unconditional commitment.

In this last year, **we have kept on adding** and we are still doing it properly

As engineer Carlos Slim usually says:

"Profitability comes from productivity, efficiency, management, austerity and how business is managed. Everything adds up if you do it properly".

And we are. This last year, 2023, we have kept on adding, and we are still doing it properly.

Finally, please allow me to share my sincere optimism and firm hope in the future. The passion for a job well done, the resilience and team spirit that characterise FCC are the best guarantee for success in the new times to come.

**Esther Alcocer Koplowitz**  
Chairwoman of the FCC Group

# 2 Letter from the CEO



Dear shareholders,

Welcome to the 2023 FCC Group Annual Report. Over the following pages, you will be able to review the activity and evolution throughout last financial year, as well as our performance and progress in environmental, social and corporate governance matters.

The last few years have presented a changing and uncertain context for world economic activity, and 2023 was no exception due to of different geopolitical conflicts. Also, the macroeconomic environment has been characterised by high interest rates and persistently high inflation, with the contribution of the global energy crisis. Another important question for the private sector are regulatory changes in various business areas, which require companies to implement essential procedural changes, requiring investments and the mobilisation of additional resources.

However, since our company was created at the beginning of last century, we have proven that our business model has the capacity to adapt to different challenges. So in 2023, the Group has continued to strengthen its leading position worldwide, operating in more than 38 countries and reaching a turnover of 9,026 million euros (17.1% higher than 2022). This increase is an accurate reflection of the good performance of all business lines with significant improvements in Construction (43.5%), Cement (18.9%) and Water (12.4%).

I am proud to present these results, proof of the continuous improvement of this Group and the excellent performance in its activities. Our business model is solid, built on the foundation of our values, which guide our decision making, and our governance structure based on transparency and responsibility.

As a leading international company in public service provision with a mission to efficiently and sustainably design, implement and manage environmental services, end-to-end water cycle management and major infrastructure construction to improve quality of life,

we feel the obligation to relentlessly face the challenge represented by the 2030 Agenda. We will continue in our efforts to adopt the **Sustainable Development Goals** as our own, searching for and promoting new actions.

Moreover, we are fully aware of the role played by **R&D&i investments** to optimise our resources, offer better services and find more effective solutions for the public. In 2023, we therefore allocated 13.5 million euros and more than 100 professionals to promoting research, development and innovation at FCC Group. I would also like to emphasise the active participation of different Areas of our company in various research projects, especially the LIFE programme projects promoted by the EU and dedicated to the environment and climate action. Research and innovation are key to improve our Group's competitiveness. We will need new technologies to face the main challenges of the cities of tomorrow, offering innovative and sustainable solutions.

Turnover amounted to  
**9,026 million euros, 17.1%**  
more than in 2022

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The Group obtained a gross operating result (Ebitda) of **1,529 million euros**, **16.6% more than the previous year**

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In terms of the **environment**, we believe that FCC Group can play a key role in the challenges and that is why we are firmly committed to contributing to the fight against climate change. By implementing adaptation solutions as part of the 2050 Climate Change Strategy, in 2023 we have reduced our greenhouse gas (GHG) emissions by 8% compared to the previous year. This is an example of the contributions we feel we can make, suitably managing our interactions with the natural environment by setting ambitious environmental goals and transparent practices.

In relation to our **social management**, we have reinforced our workforce compared to the previous year with over 3,000 new recruitments in our Group. We are currently more than 67,000 people with values including our search for community well-being and development, which explains our participation and active collaboration in social programmes and initiatives. In recognition of these efforts, FCC has received the 2023 ONCE Social Group Region of Madrid Charity Award in the Business category, in appreciation of our projects to tackle aspects such as inequality, poverty or the risk of social exclusion.

Another of our shared values is honesty and respect, pillars of our performance in **corporate governance**. Together we all promote transparency, ethics and respect for the law and we want to be part of this culture. In this vein, this year we have adapted the Group Compliance Model to the requirements introduced by the new Law 2/2023, of 20 February, regulating the protection of people who report breaches of regulations and the fight against corruption.

Entering into more detail in the **economic sphere**, the Group obtained a **gross operating result (Ebitda)** of 1,529 million euros, **16.6%** more than the previous year. Meanwhile, our **net operating result (Ebit)** saw a rise in **49.1%** compared to last year, up to 910.3 million euros. The company's **attributable net result** was 591 million euros, a significant increase of **87.5%** on the previous year. This is a direct consequence of the operating result as well as using the equity method to include the Metrovacesa stake in the Real Estate Area. As for the **business portfolio**, the figure recorded at the end of last year was 41,620 million euros, with a **3.3%** increase on the previous year and a notable rise in Water business.

Each business area of our company has stood out in 2023 for some relevant milestones, which I would like to highlight:

Firstly, in 2023 we closed the sale of 24.99% of the **Environmental Services Area** parent company to the Canadian investment fund CPP Investment. The new shareholder will reinforce the positioning and strategic development of the subsidiary, its areas and regions where it operates. Furthermore, the Area agreed to buy the business of Urbaser group, UK, and has reinforced its presence in the US, becoming one of the 15 main companies in that country in solid waste management and recycling. Milestones worthy of note at national level include a contract to modernise and operate the Jerez region treatment plant in Cádiz (Spain), which will serve around half a million people.

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Ebit rose by **49.1% in 2023** to **910.3 million euros**

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The **Water Area** entered into the US market by acquiring 97% of MDS (Municipal District Services, LLC) is worthy of note. With this operation, Aqualia begins to provide service to a population of over 364,000. Specialisation in end-to-end water cycle management maintains our position and competitiveness in Europe. In Spain, new desalination and reuse actions stand out. Finally, in 2023, Aqualia was awarded relevant contracts in France, Colombia and Saudi Arabia which reinforced its position.

Meanwhile, the **Construction Area** has bolstered its position in the main markets in Spain with the award of construction works for the new ONCE headquarters in Madrid; underground work on the R-2 Cercanías commuter train line through Montcada i Reixac (Barcelona); or the engineering and construction projects for photovoltaic plants in Seville and Cáceres by FCC Industrial.

At international level, the consortium led by FCC Construcción was chosen as the preferred bidder to execute works on the new underground line in Porto, an additional 6.3 kilometres for the city's underground network. FCC Industrial has also obtained a major contract to build a regasification terminal in Germany, with a portfolio of 270 million euros, which will be the country's second LNG (liquefied natural gas) regasification plant. The company continues its activity in the Netherlands with new contracts including one to build a modern Pallas reactor, a key project that will help treat multiple patients to treat multiple patients suffering from cancer and cardiovascular diseases. Also, a contract to modernise a series of bridges in Pennsylvania (US A).

The **Cement Area** saw a significant increase in sales despite a slowdown in the Spanish sector during the last months of 2023. In this context, the Area redefined the values and behaviours of its business culture seeking the alignment with the new purpose to Promote Sustainable Progress: be stronger, more solid and sustainable in operations and decision making. The goal is to remain a benchmark in the sector in all countries where the Area operates.

Finally, in 2023, the **Real Estate Area** boosted its consolidation by increasing the FCC Property (of which it controls 80.03% of the capital) stake in the investee companies Realia Business, S.A. and Metrovacesa, S.A., increasing its stake to 66.29% and 21.21%, respectively. With this movement, the Group's Real Estate Area continues to enhance its assets and make the most of property business opportunities.

We close 2023 as a year in which we have reinforced our leadership position, achieving major economic results and strengthening our human capital. Despite the challenges facing today's society, FCC Group has been able to generate and create opportunities for growth.

Lastly, I would like to sincerely thank you all, shareholders, investors, strategic partners and clients, for your ongoing support and the trust you place in our company year after year. Having you by our side on this journey means we can maintain our growth over time. You give us the strength we need to advance in fulfilling our corporate missions: improving quality of life.

With my final words, I would like to stress the admirable daily work of every member of the FCC Group workforce. This team, made up of excellent professionals, continuously proves their talent and vocation and are the foundations for building our corporate culture. Please continue to show your best version, defending our values in an honest and exemplary way. No company achieves business success without its main asset: a great team behind it. You are the real success of FCC.

**Pablo Colio Abril**  
CEO of the FCC Group

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**No company achieves  
business success without  
its main asset: a great team**

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# 3

## Governing Bodies

The FCC Group corporate governance structure comprises several bodies that are fundamental for strategic and efficient decision making that favours of a responsible corporate culture: the General Shareholders' Meeting, the Group's ultimate decision-making body that sets the Group strategy; the Board of Directors, which represents the highest powers for managing, administering and representing the company; and three specific committees, the Executive Committee, the Audit and Control Committee and the Appointment and Remuneration Committee, which favours effective and transparent management and supervision.

Within its commitment to ethical and transparent management, each year FCC Group publishes the Corporate Governance Report that includes information on the governance structure, best practices and follow-up on Code of Good Governance recommendations.

During 2023, the **Board of Directors** met a total of **14 times**, with an average attendance of **91.52%**

### Composition of the Board of Directors and its Committees

Members of the Board of Directors	Position on the Board	Nature	Executive Committee	Audit and Control Committee	Appointment and Remuneration Committee
Esther Alcocer Koplowitz	Chairwoman	Proprietary	○		○
Juan Rodríguez Torres	Director	Proprietary	○	○	○
Carlos Slim Helú	Director	Proprietary			
Álvaro Vázquez de Lapuerta	Director	Independent		●	○
Esther Koplowitz Romero de Juseu	First Vice Chairwoman	Proprietary			
Pablo Colio Abril	Chief Executive Officer	Executive	○		
Alejandro Aboumrad González	Vice Chairman	Proprietary	●		
Carmen Alcocer Koplowitz	Director	Proprietary			
Alicia Alcocer Koplowitz	Director	Proprietary	○		
Manuel Gil Madrigal	Director	Independent		○	●
Gerardo Kuri Kaufmann	Director	Proprietary	○		

● Chairman/Chairwoman  
○ Member



# 4

## Value creation in FCC

### Mission, vision and values

FCC's vision defines the future sought by the company and gives a purpose to its action. Therefore, all its components share the same culture and are part of the same project: a single FCC.

To achieve its vision, FCC develops and manages environmental services, end-to-end water cycle management, infrastructures, cement and associated products and real-estate management while maintaining the highest standards of operating excellence and applying the strictest ethical principles set out in the FCC Group's Code of Ethics and Conduct in all its regions and activities.

For the people who belong to the company, this Code of Ethics and Conduct represents the highest-ranking standard in the FCC Group's range of policies and procedures, which strengthens the culture of compliance and supports its long-term value creation project.

## Strengths of the business

- **Experience**

**More than 120 years of experience**, creating value for citizens. A service structured around specialist and quality work by the best professionals in each one of the FCC Group areas.

- **Ethics and integrity**

An ethical, responsible culture that encompasses the **Compliance Model**, in addition to the plans and strategies of the FCC Group and its business lines.

- **Quality and Innovation**

**Continuous improvement** to identify, satisfy and anticipate the needs of its customers (internal and external) and stakeholders.

- **Health and Safety**

Care for the **maximum health, safety and well-being** of professionals, in particular for activities that represent an added risk.

- **Care for the Environment**

**Caring for and protecting the environment** by implementing the circular model in the business.



**MISSION** | *What we do*

Design, carry out and efficiently and sustainably manage environmental services, end-to-end water cycle management and the construction of large infrastructure works to improve the lives of citizens.

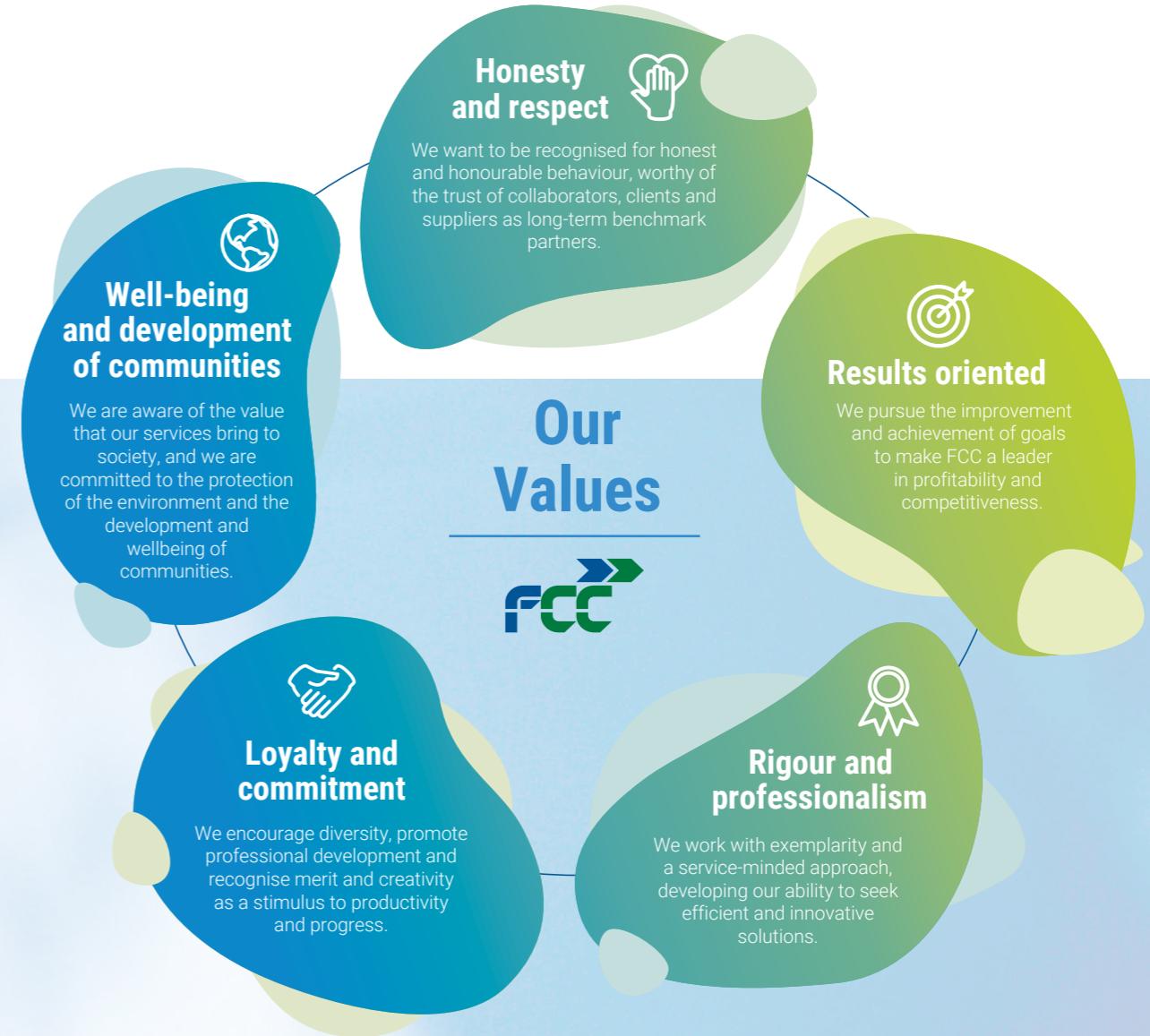
**VISSION** | *What we want to be*

To be an international benchmark Group in citizen services, offering global and innovative solutions for the efficient management of resources and improvement of infrastructure, contributing to improving the quality of life of citizens, and the sustainable progress of society.

**VALUES**

Beyond the leadership position in the different businesses – key in the communities of the future and as a result of its technical and professional capacities – FCC has established certain inalienable conduct guidelines, which are essential for the Group to operate successfully in a sustainable and responsible manner. These are the Group's values.

These values form part of the FCC Group's Code of Ethics and Conduct and are intended to transmit and instil the principles to everyone working in the company.



# 5

## FCC, prepared for the future

### FCC Strategy: focus on growth with profitability

FCC has proven its resilience and adaptation throughout its history based on three main components: a leadership position in the different businesses; sustainability as a source of income; and the strength of its balance sheet and shareholder structure.

The FCC Group's model of value creation aims to foster the sustainable evolution of cities, positioning FCC at the forefront of its competitive environment, taking into account quality and innovation, integrity in its actions, efficiency in management, proximity and commitment in the way it acts. The FCC Group and each of its businesses focus their strategy primarily on:

- **Strengthen** their competitive position in key markets in which it is currently present.
- **Selective growth** in new markets that are attractive and aligned with the corporate culture and risks of the company.

### Maintain leadership in key markets and selective growth in new markets

In the countries where it operates, FCC focuses its efforts on guaranteeing the quality and continuity of its services and products with the aim of retaining a competitive position in each market. Given the diversity and how they complement each of the businesses, the synergies between them help to correctly assess the risks and potential of each of project, which translates into a sustained increase in the Group's different key geographical areas. FCC intends to be a partner to its customers, establishing long-term relationships, providing guarantees and the reliability of a big leading company, while also remaining local and focused in the long-term on each of the regions where it operates.

Meanwhile, each of the FCC Group business areas detects opportunities of interest in the markets in which it operates, as well as in new markets. The Group's strategic planning means it can establish objectives to be achieved by each area of activity. These objectives consider market opportunities and the risk appetite deemed acceptable in each country where these opportunities arise.

FCC focuses its efforts on **ensuring quality and the continuity of its products and services**



## Environmental Services

The Environmental Services Area is in a process of transformation caused by the different environmental demands from regulations mainly related with the circular economy and climate change. New opportunities therefore focus primarily on improving energy efficiency, in smart cities and urban mobility. The area's strategic objective is to increase the quality and quantity of reusable raw materials by investing in selective collection and automatic sorting facilities to comply with regulatory objectives.

Moderate growth is expected in **Spain**, competing in tenders that are attractive as they are strategic or profitable. Waste collection and street cleansing activities are expected to maintain a contract renewal rate of over 90% and also to obtain new contracts, mainly related with applying municipal waste regulations and as part of regional Waste Master Plans. In the industrial

waste activity, the goal is to diversify the business with types of treatment other than those currently applied and to increase the portfolio of major clients.

Strategic actions in Spain will focus on maintaining competitiveness and a leadership position, combining technical knowledge and the development of innovative technologies, offering respectful and sustainable services related to climate change and the reduction of the carbon footprint. On the other hand, as previously indicated, the Area will try to leverage potential opportunities arising from more stringent regulations and new services, such as smart city development, which aims to apply a circular model that reintroduces waste materials into the production processes based on R&D&i projects.

In **Portugal**, business opportunities are also expected in urban waste disposal and industrial waste treatment.

A slowdown is expected in the **United Kingdom** despite governmental objectives setting a recycling expectation of 65% in 2024 and a maximum of 10% of waste ending up in landfill. However, delays in different environmental regulations linked to the extended producer responsibility, the container return system or implementation of a tax in 2028 on sector emissions are generating certain short-term uncertainty.

In **Central Europe**, the medium-term strategy may lead to a change in the business model in the Czech Republic, Poland and Slovakia towards greater treatment and the development of energy recovery from waste motivated by the legal situation that will tax and ban landfilling.

As for the **USA**, various contracts initiated in 2022 have been consolidated in 2023, including other major ones in California, Florida and Texas. Work also continues to extend and modernise the

first recycling centre in Placer County in California, with the final handover expected in December 2024. It will be one of the biggest environmental compounds of its kind with capacity to treat 650,000 tonnes per year. In total, US sales have grown by 46% in 2023 and FCC is among the top 15 sector companies in the country; it is the largest recycling processor in Texas with a major presence in Florida and significant operations in the west.

In the coming years, the company will continue to consolidate its presence by the growth of more residential contracts and boosting the commercial collection activity.

## Water

In the Water Area, the aim is to maintain a competitive position in the markets where it operates and make the most of opportunities arising in consolidated markets for end-to-end water cycle management, mainly in Europe. In other

expanding markets, the plans are to promote end-to-end cycle management as well as growth via BOT (Build-Operate-Transfer) and O&M (Operation & Maintenance) in North Africa, Latin America and the Middle East. New opportunities will also be studied in markets like the USA and other countries provided they have a stable political-social context that allows for long-term project development.

Full recovery of pre-pandemic levels in non-residential consumption is expected in consolidated markets. This situation will be reinforced by new contracts added in 2023 in Colombia, France and the USA.

By geographic area, in **Spain** normalisation of electricity rates is expected, an increase in contracts that mitigate price volatility that set a larger volume of consumption at a fixed price, as well as the municipalities managed by Aqualia considering applying the Consumer Price Index

(CPI) accumulated over the last two years. The PERTE programme (Strategic Projects for Economic Recovery and Transformation) project award process is expected to be streamlined to promote the digitalisation of the end-to-end water cycle management. Note that, at national level and some autonomous regions have approved emergency plans for the construction of new infrastructure, new deep catchments, extending desalination plants and improving the use of surface water. New actions in Barcelona, Almería and Málaga in desalination stand out, as well as reuse in Andalusia and Alicante, valued overall at 1.4 billion euros and set to increase in 2024 and beyond. The Government of Spain also approved the third cycle of hydrological planning for all national basins, with a joint budget for necessary actions of 22.8 billion euros, so opportunities are expected from the proposals that may be submitted.



In the **rest of Europe** concessions are expected to continue, such as Caltanisseta in Sicily (Italy), for which 14 million euros were obtained from the REACT-EU programme to improve remote control and reading services. Also in **France**, with contracts in Pays de Dreux and the renewal of Andres. Numerous proposals have been submitted to water tenders in the Czech Republic with various awards achieved.

In **Saudi Arabia** there is an ambitious programme for the modernisation and optimisation of end-to-end water cycle services; and in **Egypt** an ambitious Desalination Plan associated with the generation of photovoltaic energy will begin with Aqualia leading a multidisciplinary and multinational consortium.

Meanwhile in **LATAM**, in addition to contracts in Mexico and Colombia, Peru is in the process of assessing the efficiency of public supply services to allow the incorporation of private initiative. Aqualia has participated in various initiatives for wastewater

treatment and desalination plants currently at an advanced stage.

Finally, in the **USA**, we have acquired a majority stake in the company Municipal District Service, LLC (MDS), whose main goal is comprehensive water and sanitation infrastructure services in Municipal Utility Districts (MUD) to develop the US market. Water scarcity, the obsolescence of hydraulic infrastructure, low penetration by private operators and the demand for regulating pollution are the main opportunities for growth in the different states.

### Construction

In the Construction Area, the **international market** focuses on countries and markets with a stable presence and secured project financing. The Area currently has a selective presence in more than 16 countries in Europe, MENA and America. The search for new contracts always follows a stringent risk management procedure that ensures profitability and cash flow generation of a selective portfolio of projects.

Turnover is expected to be similar in 2024 to 2023 thanks to the development of infrastructure work from previous years in various markets (America, Middle East and Europe). In 2024, new project contracts have been formalised, such as the EPC (Engineering, Procurement and Construction) for the liquefied natural gas (LNG) storage and regasification terminal in Stade (Hamburg), construction of the Rubi Metro line in Porto (Portugal), "Pape Tunnel and the Underground Station" for the Toronto Underground (Canada) and the construction of a nuclear reactor in Petten (Netherlands), to name just a few.

Highlights at **national level** include awards for the construction project to bury the R-2 train line as it passes through Montcada i Reixac (Barcelona); the demolition of buildings, refurbishment of the Auditorium and completion of the new ONCE headquarters (Madrid); the new hospital in Aranda de Duero (Burgos); A-73 motorway construction project (Burgos); phase 3 development in Los Berrocales (Madrid) or the new engineering and

construction projects for photovoltaic plants in Seville and Cáceres by Industrial.

### Cement

The Cement Area's main objective is to remain competitive in terms of both costs and market share in the markets in which it operates, attempting to retain its status as an industry benchmark in all the countries in which it has a presence. The Area enjoys a position of leadership in its main market, Spain, and a relevant position in Tunisia.

However, the cement sector in **Spain** has seen a slowdown in consumption in recent months, a slight drop in exports, which we are trying to boost, and a sharper fall in imports.

Internal consumption in 2024 is expected to fall 4% in **Tunisia**, mainly due to the economic, social and political crisis experienced by the country in recent years.

In this context, the Area will continue to pursue its policies of optimisation of expenditure and investments and

adaptation of all its organisational structures to the reality of the various markets in which it operates in order to improve cash flow generation and support sustainable development.

### Real Estate

In 2023, the Real Estate Area has continued its consolidation in the Group by increasing the stake of FCC Real Estate, a company in which FCC has an 80% stake in listed companies Realia Business, S.A. and Metrovacesa, S.A. These operations, together with those carried out in the previous two years have made it possible to take advantage of opportunities for growth in the sector, diversify risk and the presence of FCC Real Estate in Spain by expanding its activity to new areas of operations where it was not present; and finally, a notable increase in recurring rental asset activity as a whole. Equity assets were measured in December 2023 and account for over 73% of total group assets.

Furthermore, gaining representation on the Metrovacesa governance bodies in December 2023 reinforces the real estate group's solidity, benefiting from its ability to generate cash flow.

In terms of future forecasts, the **equity Area** will continue to work on increasing its portfolio of BREEAM sustainability certified buildings managed and improving performance in offices, business premises and shopping centres regarding energy and water consumption and waste management with continuous, automated and digital monitoring.

The **Real Estate Area** will maintain its development activity by completing ongoing projects and starting new ones, seeking profitability and viability.

Finally, a new investment in Build to Rent (BtR) projects in Tres Cantos (Madrid) with a total of 59% of the homes completed. The Area will continue its operations and analyse opportunities provided there is a guaranteed return on investment.



# 6

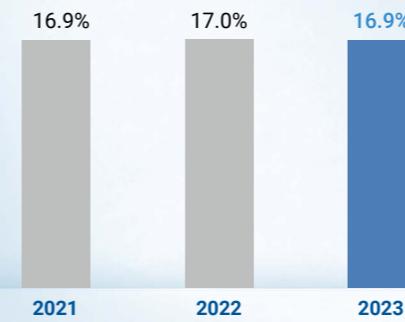
## FCC in 2023

### Key figures

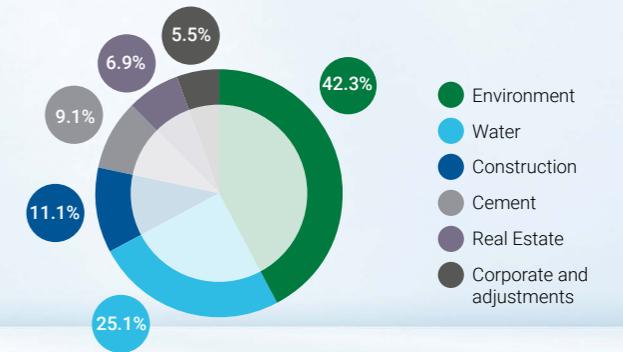
Revenue. Millions of euros



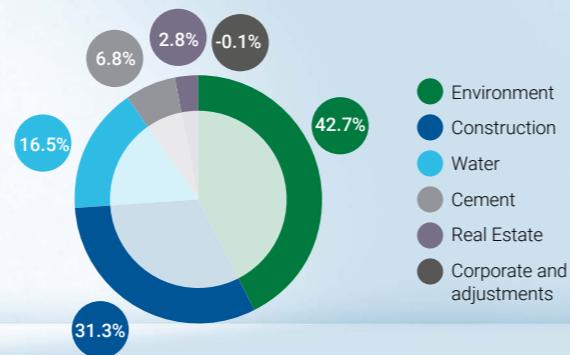
Ebitda margin. %



2023 Ebitda by activity. %



2023 turnover by activity. %



Net financial debt. Millions of euros



Investments. Millions of euros



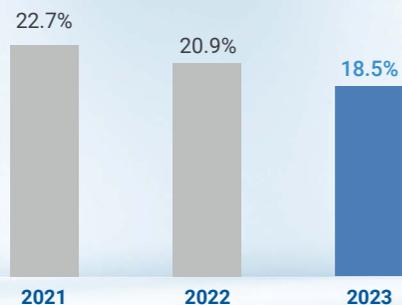
**Total assets.** Millions of euros



**Earnings attributable to the parent.** Millions of euros



**Financial leverage. Net debt / Total assets.** %



**Equity.** Millions of euros



## Stock market performance

### Evolution of the stock market and share price

On the monetary policy front, the year 2023 was characterised by the market's conviction that we were nearing the end of the process of rate hikes on the part of the Federal Reserve (Fed) and the European Central Bank (ECB) which started in 2022 and was aimed at halting the generalised increase in prices, with its dangerous spiralling impact on wages. Although the euro zone economy suffered low growth, close to stagnation

in some countries during the year, it managed to avoid going into recession, the greatest signs of which were seen in April with the banking crisis in the United States, which led to the rescue of several entities such as Silicon Valley Bank and First Republic Bank, which ended up being taken over by JPMorgan. In Europe, lack of confidence in the sector led to the collapse of Credit Suisse, which was acquired by its rival UBS with support from the Swiss authorities.

Even so, the ECB raised interest rates six times in 2023, by a total of 200 basis points, while the Fed did so four times for a total of 100 bps. The Fed ended the process in July and the ECB did so in September, thanks to the signs of easing inflation and cooling of economic growth, a trend that looks set to continue during the coming year. All this in spite of the renewed upsurge in geopolitical tensions. On top of the conflict in Ukraine, in October war broke out between Israel and Hamas in the Middle East.



According to the IMF's forecast of October 2023, world growth will have moderated from 3.5% in 2022 to 3.0% in 2023 and it estimates 2.9% for 2024, well below the historical (2000-19) average of 3.8%. Growth of the advanced economies is expected to slow to 1.5% in 2023 and 1.4% in 2024 as the tightening of policies starts to take effect. For emerging markets economies, a moderate decline is foreseen, from 4.1% in 2022 to 4.0% in 2023 and 2024. Global inflation is expected to decline at a constant pace, from 8.7% in 2022 to 6.9% in 2023 and

5.8% in 2024, due to the hardening of monetary policy and with the help of lower international commodity prices. In general, core inflation is expected to fall more gradually, and in most cases inflation is not expected to return to the level set as target until 2025.

Growth in GDP (gross domestic product) of the euro zone will also slow sharply, from 3.3% in 2022 to 0.7% in 2023 and 1.2% in 2024.

Spain has been one of the euro zone economies with the biggest positive contribution to growth of the zone,

with the GDP growth forecast at 2.5% in 2023 and 1.6% in 2024, and average inflation forecast at 3.6% for 2023 and 3% for 2024.

As regards the stock market, the Spanish stock exchange ended the year among the best in 2023. It ended the year on 10,102.10 points, having exceeded 10,258 points at the beginning of December, its highest point since 2018. The index rose by 22.8% from January, being surpassed, in Europe, only by the Milan stock exchange, which gained 28.0% over the course of the year.

## Annual evolution of FCC's shares

In this context, FCC shares were also affected by corporate transactions such as the scrip dividend and the OPA (public acquisition offer) for 7% of the company's capital, which led to an increase of 65% in the share price over the course of the year. At year-end, the share price was €14.56, a high of €15.40 having been reached on 21 December and a low of €8.16 (adjusted for dividend) on 15 March 2023. FCC ended the year with a market capitalisation of 6,350 million euros.

## Trading

Total trading volume this year was over 14 million securities, with a daily average exceeding 55,000 shares. The brokered volume is conditioned by the level of market liquidity with a 9% estimated free float and by the type of long-term minority investors, with a long time as a shareholder and, therefore, a low turnover ratio.



Annual evolution of Ibex35 and FCC's share price

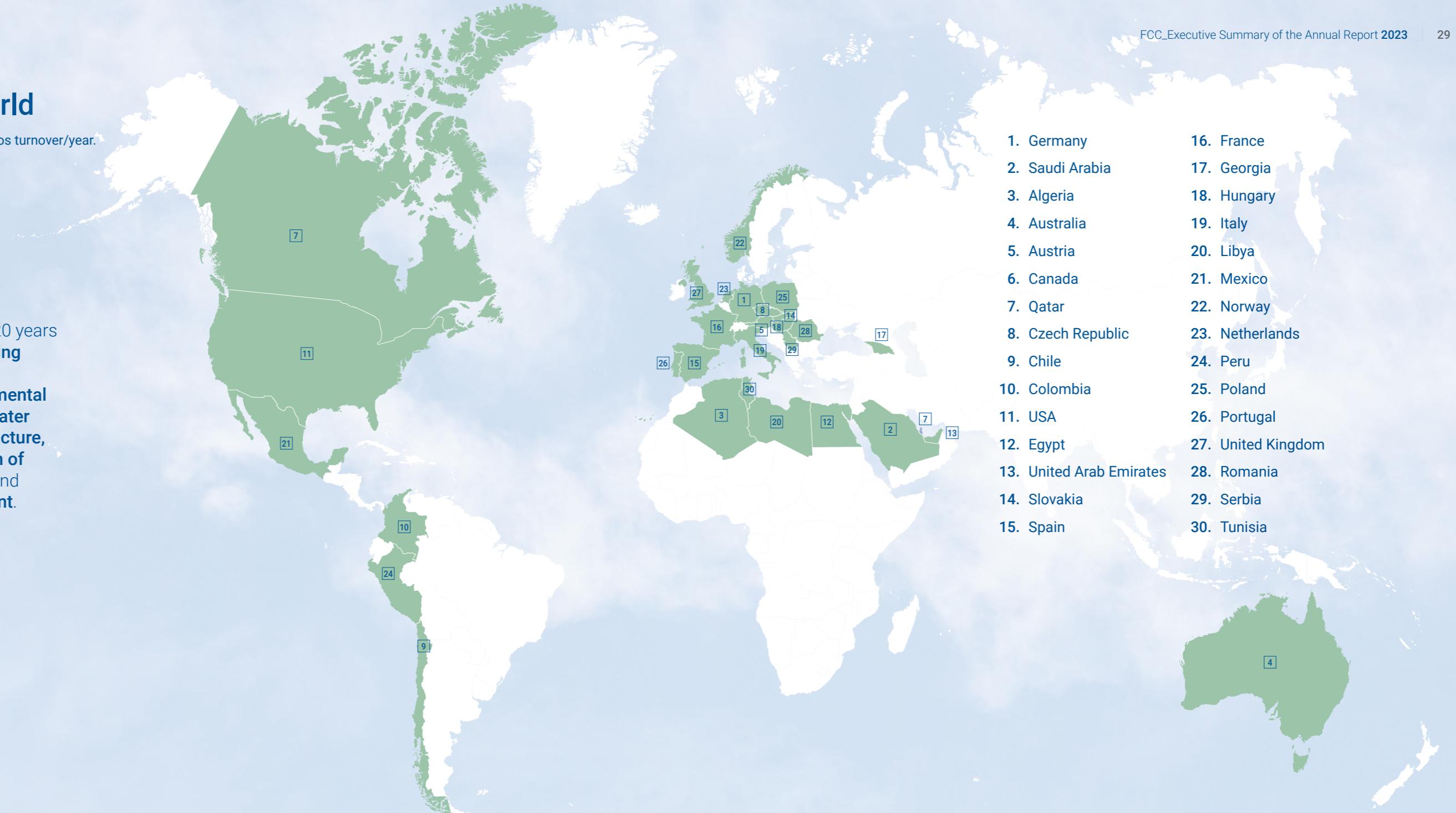


% Chg. FCC	1.1%	2.5%	-1.5%	1.9%	-1.9%	31.3%	2.0%	-1.5%	0.3%	0.7%	2.5%	18.4%	65.1%
% Chg. Ibex35	9.8%	4.0%	-1.7%	0.1%	-2.1%	6.0%	0.5%	-1.4%	-0.8%	-4.4%	11.5%	0.4%	22.8%

# FCC in the world

With criterion of >5 million euros turnover/year.

FCC, with more than 120 years of experience, is a **leading international company** specialising in **environmental services, end-to-end water management, infrastructure, cement and production of associated materials** and **real estate management**.



- |                          |                    |
|--------------------------|--------------------|
| 1. Germany               | 16. France         |
| 2. Saudi Arabia          | 17. Georgia        |
| 3. Algeria               | 18. Hungary        |
| 4. Australia             | 19. Italy          |
| 5. Austria               | 20. Libya          |
| 6. Canada                | 21. Mexico         |
| 7. Qatar                 | 22. Norway         |
| 8. Czech Republic        | 23. Netherlands    |
| 9. Chile                 | 24. Peru           |
| 10. Colombia             | 25. Poland         |
| 11. USA                  | 26. Portugal       |
| 12. Egypt                | 27. United Kingdom |
| 13. United Arab Emirates | 28. Romania        |
| 14. Slovakia             | 29. Serbia         |
| 15. Spain                | 30. Tunisia        |

## Activity in the Environment Area

Most relevant contracts in 2023

FCC Servicios Medio Ambiente is the **leader of its sector in Spain** and among the **seven most important environmental services companies in the world**. It manages about **25 million tonnes of waste** per year and produces **4.9 million tonnes of secondary raw materials (SRM)** and **refuse-derived fuel (RDF)**, providing municipal and end-to-end waste management services to **over 67 million people** in **5,400 municipalities** around the world.

FCC Medio Ambiente continues to comply with its **2050 Sustainability Strategy**, which governs the development of its business activities over 30 years.

### 1. USA

#### FCC Environmental Services

St. Johns County (Florida)

Waste Collection.  
€523.3 million.

Polk County (Florida)

Western area Waste Collection.  
€140 million.

Volusia and Flagler counties (Florida)

Waste Collection from Public School Districts.  
€2.8 million.

### 2. ENGLAND

#### FCC Environment

Cheshire West and Chester

Waste Disposal.  
€40.35 million.

Herefordshire

Waste Collection.  
€4.35 million.

### 3. POLAND

#### FCC Environment

Nowy Targ

Waste Collection and Treatment.  
€1.5 million.

Lubliniec

Waste Collection and Treatment.  
€1.5 million.

### 4. AUSTRIA

#### FCC Environment

Leibnitz

Waste Collection and Treatment by the AWM.  
€1.5 million.

### 5. HUNGARY

#### FCC Environment

Miscellaneous Waste Management for MOHU MOL Waste Management Ltd.

### 6. CZECH REPUBLIC

#### FCC Environment

Nošovice

Comprehensive Waste and Recycling Management for Hyundai Motor Manufacturing.  
€10.8 million.

Vysoké Mýto

Comprehensive Waste and Recycling Management at three IVECO plants.  
€6 million.

Ostrava-Kunčice

Management of a Recycling Centre.

### 7. ROMANIA

#### FCC Environment

Braila County

Operation of Integrated Waste Management System Facilities (zones 2 and 3).  
€8.54 million.

### 8. SLOVAKIA

#### FCC Environment

Hlohovec

Collection, Transport, Disposal of Waste and two Household Recycling Centres.  
€1.8 million.

### 9. SPAIN

#### FCC Medio Ambiente

Valencia

Lot 2 Waste Collection and Street Cleansing (northern area of the city).  
€525.89 million.

Jerez de la Frontera (Cádiz)

Refurbishment and Operation of the Las Calandrias Environmental Compound.  
€317 million.

Torrent (Valencia)

Waste Collection and Street Cleansing.  
€101 million.

San Sebastián (Gipuzkoa)

Waste Collection.  
€67.3 million.

Bilbao (Biscay)

Facility Management for the City Hall.  
€53.4 million.

Sant Adrià de Besòs (Barcelona)

Operation of Ecoparc 3.  
€28.3 million.

Lepe (Huelva)

Waste Collection and Street Cleansing.  
€27.06 million.

Santanyí (Mallorca)

Waste Collection.  
€20.91 million.

Barcelona

Cleaning of graffiti and Removal of other elements from the public thoroughfare.  
€14.57 million.

Badajoz

West Lot 2 Waste Collection for the Environmental Municipalities Association of the Regional Council.  
€13.59 million.

San Miguel de Abona (Tenerife)

Waste Collection.  
€13.17 million.

Alcudia (Mallorca)

Lot 1 Waste Collection.  
€12.83 million.

Ripollès (Girona)

Waste Collection.  
€12.5 million.

### FCC Àmbito

Basque Country

Management of Environmental Incidents and Emergencies and their Waste for the Basque Government.

La Muñoz (Madrid)

Waste, Household Recycling Centres and Treatment Plants Comprehensive Management for IBERIA.

### 10. PORTUGAL

#### FCC Environment

Vila Real

Waste Collection and Street Cleansing.  
€18.22 million.

## Activity in the Water Area

Most relevant contracts in 2023

Aqualia is the **fourth largest water company** in Europe in terms of population served, is among the **nine largest water companies in the world<sup>(1)</sup>** and provides service to **45.2 million users in 18 countries**.

### 1. USA

Texas

Acquisition of MDS for end-to-end water cycle management of 140 contracts in 8 counties.

### 2. COLOMBIA

Riohacha

Management, financing, operation, refurbishment, construction, design, expansion, replacement and maintenance of household public service infrastructure of the aqueduct and sanitation sewer network in the district of Riohacha for a period of 30 years.

### 3. SAUDI ARABIA

Riyadh

Services to improve the storm water network in Al Nesai Street for Riyadh underground line X for a period of over 4 and a half months.

Shuqaiq

Operation and maintenance of three floating reverse osmosis desalination plants on barges (50,000 m<sup>3</sup>/day each; 150,000 m<sup>3</sup>/day total capacity) for a 3-year period.

### 4. QATAR

Services to improve water assets in southern Qatar.

Services to improve sewer and sanitation connections.

### 5. FRANCE

Dreux

Public service concession for collective sanitation in Dreux (Centre-Loire Valley region) for a period of 6 years and 3 and a half months.

Various municipalities

Six awards for work and operation and maintenance services with portfolios under 2 million euros.

### 6. CZECH REPUBLIC

Dolní Domaslavice

Operation and maintenance of the sewer system in the town of Dolní Domaslavice, Frýdek-Místek district, Moravian-Silesian region, for 50 years.

### 7. SPAIN

ANDALUSIA

San Roque (Cádiz)

Construction of the discharge grouping for some municipalities in the Campo de Gibraltar and the new San Roque WWTP. 3-year contract with ACUAES.

ARAGÓN

Plaza, La Muela and Épila (Zaragoza)

Operation, maintenance and conservation service of the Plaza, La Muela and Épila WWTP for a period of 3 years.

CANARY ISLANDS

Santa María de Guía (Las Palmas de Gran Canaria)

Concession of the public water supply and sanitation service of Santa María de Guía for a period of 40 years.

Pájara (Las Palmas de Gran Canaria)

Maintenance service for the supply, sewer, treatment and desalination service in Costa Calma, in the municipal district of Pájara, for a period of 2 years.

Santa Cruz de Tenerife

Extension work at the Fonsalía Seawater Desalination Plant for a period of 9 and a half months.

Granadilla de Abona (Santa Cruz de Tenerife)

Extension work at the Granadilla Seawater Desalination Plant for a period of 10 months.

Fuerteventura

Work to replace osmosis modules at the Puerto del Rosario Seawater Desalination Plant for 1 year.

CATALONIA

Mollerussa (Lérida)

DBO (Design, Building and Operation) of the Fortune Pig Industrial Wastewater Treatment Plant in Mollerussa for a period of 8 years.

EXTREMADURA

Fuente del Maestre (Badajoz)

Concession of the public drinking water supply, sewerage and treatment service for a period of 10 years.

MADRID

Work to improve the sanitation networks managed by Canal de Isabel II (Lot 1).

Operation and maintenance service for the sewer network and complementary services in the municipality of Madrid; Canal de Isabel II Metropolitan sewer network (Lot 5, Viveros sub-basins) for a period of 4 years.

Operation and maintenance service for the sewer network and complementary services in the municipality of Madrid; Canal de Isabel II Metropolitan sewer network (Lot 5, La Gavia, south and south-east sub-basins) for a period of 4 years.

Various municipalities

58 work and service and maintenance awards

With portfolios under 2 million euros.

<sup>(1)</sup> Latest ranking of Global Water Intelligence (December 2022).

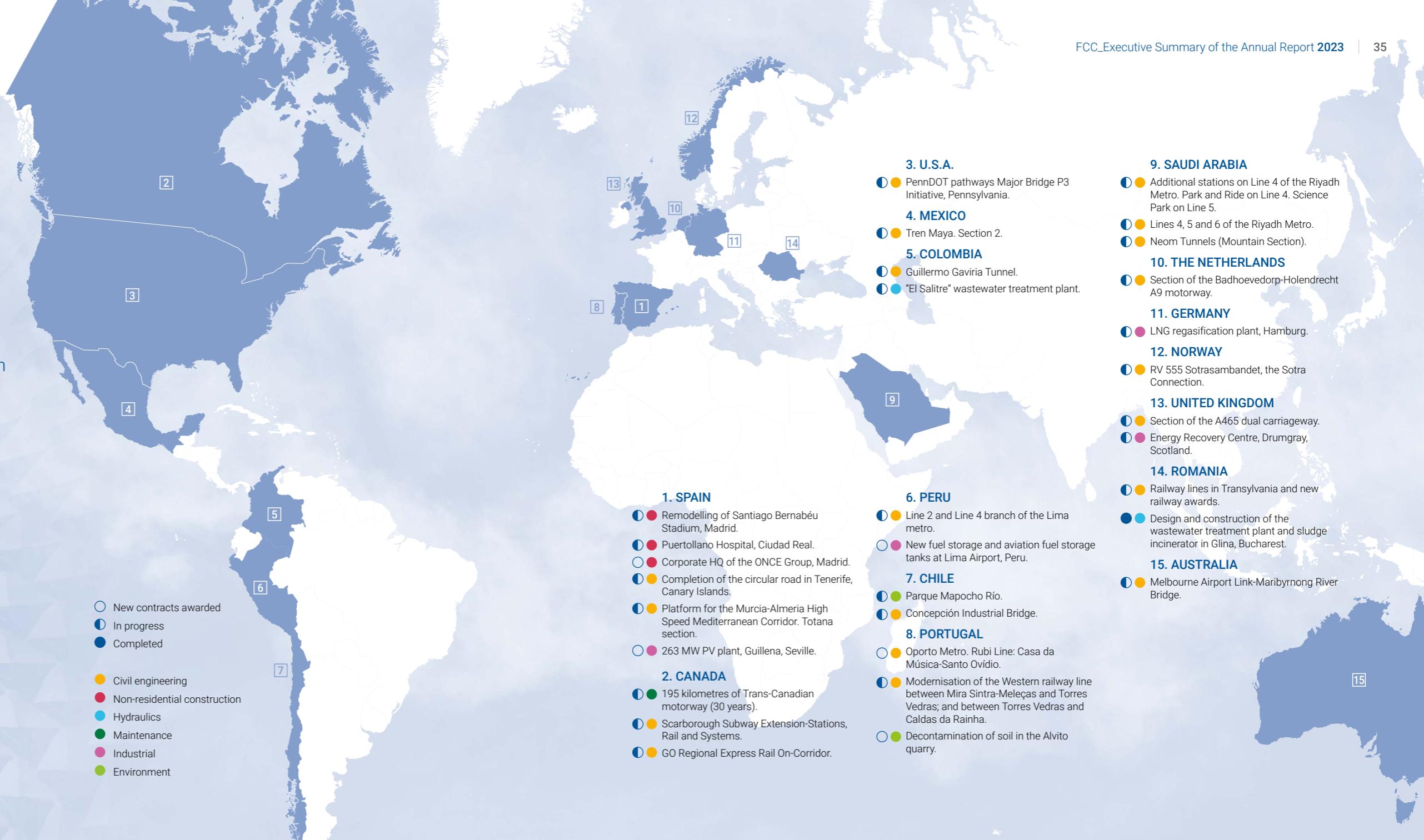
# Activity in the Infrastructure Area

Most relevant contracts in 2023

With more than 120 years of experience, FCC Construcción is an international benchmark for the **execution of urban and transport infrastructure**, as well as in **residential and non-residential construction projects** (healthcare, sporting, cultural, etc.). It is currently the **fourth largest construction company in Spain** and among the **top 30 in the world**.

- New contracts awarded
- ◐ In progress
- Completed

- Civil engineering
- Non-residential construction
- Hydraulics
- Maintenance
- Industrial
- Environment



### 3. U.S.A.

- ◐ ● PennDOT pathways Major Bridge P3 Initiative, Pennsylvania.

### 4. MEXICO

- ◐ ● Tren Maya. Section 2.

### 5. COLOMBIA

- ◐ ● Guillermo Gaviria Tunnel.
- ◐ ● "El Salitre" wastewater treatment plant.

### 9. SAUDI ARABIA

- ◐ ● Additional stations on Line 4 of the Riyadh Metro. Park and Ride on Line 4. Science Park on Line 5.

- ◐ ● Lines 4, 5 and 6 of the Riyadh Metro.
- ◐ ● Neom Tunnels (Mountain Section).

### 10. THE NETHERLANDS

- ◐ ● Section of the Badhoevedorp-Holendrecht A9 motorway.

### 11. GERMANY

- ◐ ● LNG regasification plant, Hamburg.

### 12. NORWAY

- ◐ ● RV 555 Sotrasambandet, the Sotra Connection.

### 13. UNITED KINGDOM

- ◐ ● Section of the A465 dual carriageway.
- ◐ ● Energy Recovery Centre, Drumgray, Scotland.

### 14. ROMANIA

- ◐ ● Railway lines in Transylvania and new railway awards.
- Design and construction of the wastewater treatment plant and sludge incinerator in Glina, Bucharest.

### 15. AUSTRALIA

- ◐ ● Melbourne Airport Link-Maribyrnong River Bridge.

### 1. SPAIN

- ◐ ● Remodelling of Santiago Bernabéu Stadium, Madrid.
- ◐ ● Puertollano Hospital, Ciudad Real.
- ● Corporate HQ of the ONCE Group, Madrid.
- ◐ ● Completion of the circular road in Tenerife, Canary Islands.
- ◐ ● Platform for the Murcia-Almeria High Speed Mediterranean Corridor. Totana section.
- ● 263 MW PV plant, Guillena, Seville.

### 2. CANADA

- ◐ ● 195 kilometres of Trans-Canadian motorway (30 years).
- ◐ ● Scarborough Subway Extension-Stations, Rail and Systems.
- ◐ ● GO Regional Express Rail On-Corridor.

### 6. PERU

- ◐ ● Line 2 and Line 4 branch of the Lima metro.
- ● New fuel storage and aviation fuel storage tanks at Lima Airport, Peru.

### 7. CHILE

- ◐ ● Parque Mapocho Río.
- ◐ ● Concepción Industrial Bridge.

### 8. PORTUGAL

- ● Oporto Metro. Rubi Line: Casa da Música-Santo Ovídio.
- ◐ ● Modernisation of the Western railway line between Mira Sintra-Meleças and Torres Vedras; and between Torres Vedras and Caldas da Rainha.
- ● Decontamination of soil in the Alvito quarry.

# Industrial facilities of Cementos Portland Valderrivas Group

The Cementos Portland Valderrivas Group is a multinational company present on 3 continents and the leading cement Group in Spain. Its production capacity exceeds 10 million tonnes of cement per year.

## USA<sup>(1)</sup>

### Cement production plant

- 1 Harleyville (Giant Cement Company)
- 2 Bath (Keystone Cement Company)
- 3 Thomaston (Dragon Products Company)

### Cement terminal

- 4 Newington
- 5 Boston
- 6 Durham
- 7 Charlotte
- 8 Savannah
- 9 Wilmington
- 10 Youngstown
- 11 Portsmouth
- 12 Spartanburg
- 13 Charleston

### Aggregate production plant

- 14 Bath (Keystone Cement Company)
- 15 Thomaston (Dragon Products Company)

### Recycling

- 16 Attalla
- 17 Harleyville Grr
- 18 Sumter
- 19 Bath (Grr-Keystone)

## SPAIN

### Cement production plant

- 20 El Alto (Madrid)
- 21 Olazagutía (Navarre)
- 22 Hontoria (Palencia)
- 23 Mataporquera (Cantabria)
- 24 Alcalá de Guadaíra (Seville)
- 25 Monjos (Barcelona)
- 26 Vallcarca (Barcelona)
- 27 Intermonte (Jerez de la Frontera, Cádiz)
- 28 Noblejas (Toledo)

### Cement terminal

- 29 Puerto de Raos (Cantabria)
- 30 Puerto de Sevilla (Seville)
- 31 Barcelona
- 32 Tarragona

### Concrete production plant

- 33 Zona Franca (Barcelona)
- 34 Trinitat (Barcelona)
- 35 Vallcarca (Barcelona)
- 36 Amposta (Tarragona)

### Aggregate production plant

- 37 Olérdola (Barcelona)
- 38 Vallcarca (Barcelona)
- 39 Tiebas (Navarre)
- 40 Villallano (Cantabria)

### Mortar production plant

- 41 El Alto (Madrid)
- 42 Esparraguera (Barcelona)
- 43 Dericem (Cantabria)
- 44 El Papiol (Barcelona)
- 45 Vallcarca (Barcelona)

## UNITED KINGDOM

### Cement distribution plant

- 46 Dragon Alfa Cement (Sharpness)
- 47 Dragon Portland (Portland)
- 48 Plymouth Cement Wharf (Plymouth)

## TUNISIA

### Cement production plant

- 49 Société Des Ciments d'Enfidha

### Concrete production plant

- 50 Centrale Sousse
- 51 Centrale Bouficha
- 52 Centrale Ben Arous
- 53 Saida
- 54 Sfax (Sidi Salah)
- 55 Le Blanc Mobile
- 56 El Feija

- Cement production plant
- Cement terminal and cement distribution plant
- Concrete production plant
- Aggregate production plant
- Mortar production plant
- Recycling

<sup>(1)</sup> The Cementos Portland Valderrivas Group has a presence in America through Giant Cement Holding, where it owns 45% of the company.

## Activity in the Real Estate Area

The Real Estate Area of the FCC Group comprises FCC Inmobiliaria -which heads up and acts as holding company for the area- and by the Realia Group, whose parent company is a listed company, **with more than 30 years' experience**, its corporate object being the **development, management and operation of all types of real estate**, and Jezzine Uno S.L.

### INVESTMENT PROPERTY

Area: more than 550,000 m<sup>2</sup>

#### Buildings

- 16 Barcelona \_ 1 building
- 20 Madrid \_ 26 buildings
- 7 Seville \_ 1 building

#### Shopping and leisure centres

- 14 Guadalajara \_ 1 shopping centre
- 20 Madrid \_ 2 shopping centres  
1 wellness centre
- 26 Murcia \_ 1 shopping centre
- 24 Santiago de Compostela \_ 1 shopping centre

#### Residential rental (BtR)

- 20 Madrid \_ 3 assets in operation

#### Industrial warehouse

- 29 Logroño \_ 1 warehouse

#### Jezzine

More than 400 commercial premises in Spain

### DEVELOPMENT (in progress)

#### 29 Madrid

##### Alcalá de Henares

Parque del Ensanche II \_ 80 homes

##### Valdemoro

Benevivere \_ 98 homes

##### Tres Cantos

Residencial Egeo \_ 74 homes  
Arabona Residencial \_ 64 homes

##### Arroyo del Fresno

Borea Portablanca \_ 73 homes  
Borea Quintablanca \_ 42 homes

#### 16 Barcelona

Portum Badalona 10<sup>a</sup>. Badalona \_ 141 homes  
Les Masies II. Sant Joan Despí \_ 61 homes

#### 21 Alicante

Levante Dreams. San Juan \_ 48 homes

#### 7 Seville

Hato Verde Soul. Guillena \_ 64 homes

### LAND

#### Andalusia

##### 1 Almería

Garrucha

##### 2 Cádiz

San Fernando  
San Roque

##### 3 Granada

Granada

##### 4 Huelva

La Palma del Condado  
Lepe

##### 5 Jaén

Linares

##### 6 Málaga

Estepona  
Fuengirola  
Málaga  
Manilva  
Torremolinos

##### 7 Seville

Alcalá de Guadaíra  
Espartinas  
Guillena  
San Juan de Aznalfarache

#### Aragón

##### 8 Zaragoza

Cuarte de Huerva  
Embid Ribera  
La Puebla de Alfinden  
San Mateo de Gallego  
Zaragoza

#### Cantabria

##### 9 Santander

Santa Cruz de Bezana  
Santander

#### Castilla y León

##### 10 León

Villaquilambre

##### 11 Salamanca

Salamanca

##### 12 Segovia

Segovia

##### 13 Valladolid

Arroyo de la Encomienda  
Valladolid

#### Castilla-La Mancha

##### 14 Guadalajara

Chiloeches  
Guadalajara

##### 15 Toledo

Illescas  
Seseña  
Toledo  
Villaseca de la Sagra

#### Catalonia

##### 16 Barcelona

Badalona  
Granollers  
Sant Vicenç de Montalt  
Sant Joan Despí

##### 17 Gerona

Lloret del Mar  
Tossa

##### 18 Lleida

Lleida

##### 19 Tarragona

Camí de Ronda  
El Vendrell  
Mont-roig del Camp  
San Carlos de la Rapita

#### 20 Madrid Region

Alcalá de Henares  
Alcorcón  
Algete  
Campo Real  
Ciempozuelos  
El Molar  
Fuenlabrada  
Galapagar  
Leganés  
Madrid  
Moraleja de Enmedio  
Rivas Vaciamadrid  
Tres Cantos  
Valdemoro  
Vicalvaro

#### Valencian Region

##### 21 Alicante

Denia  
Jávea  
Monovar

##### 22 Castellón

San Jorge

##### 23 Valencia

Massarrochos  
Rocafort  
Sagunto  
Valencia

#### Galicia

##### 24 A Coruña

Brión  
Santiago de Compostela

#### Canary Islands

25 Las Palmas de Gran  
Canaria

#### Murcia

26 Murcia  
La Unión

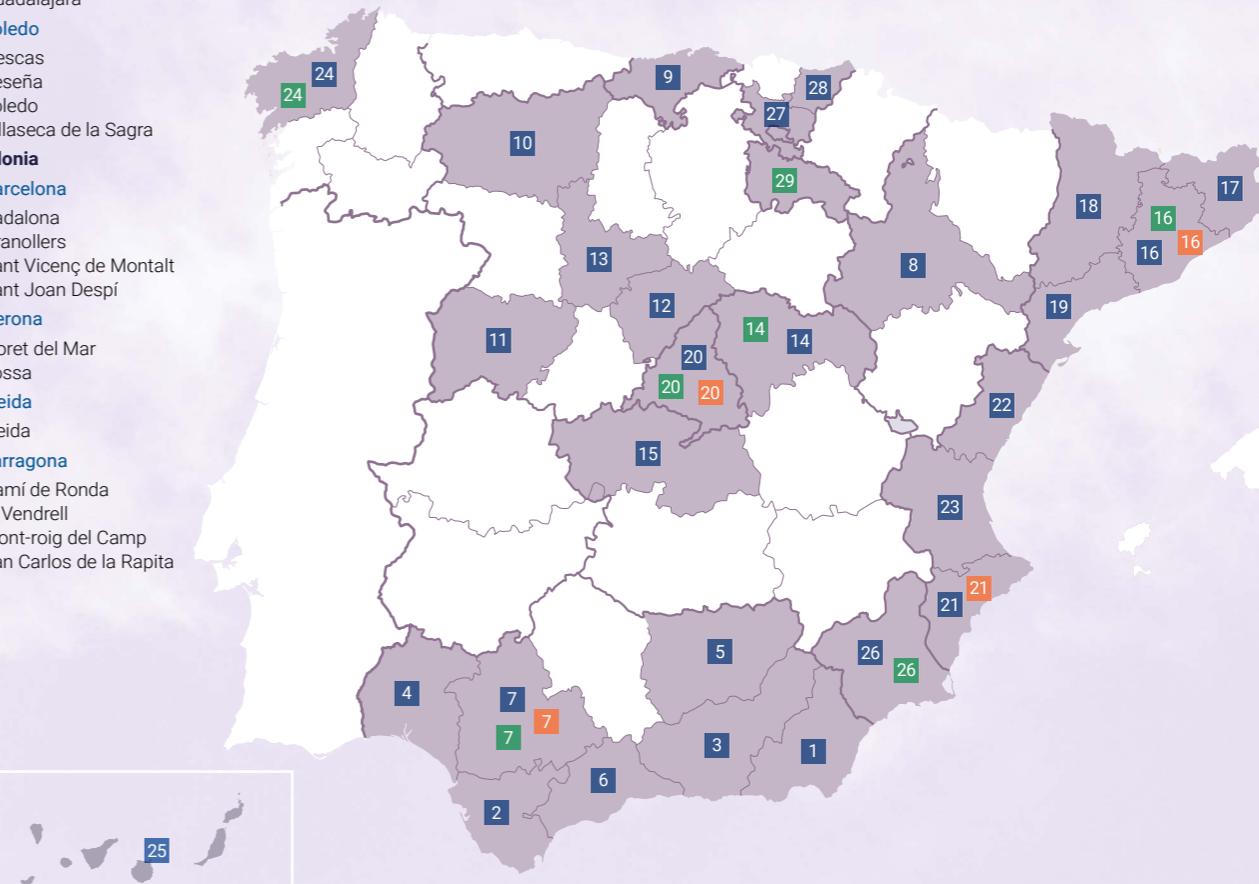
#### Basque Country

##### 27 Álava

Tres Puentes

##### 28 Gipuzkoa

Aduna



## 7

## Sustainability in action

A company's sustainability objectives and strategy are fundamental for mitigating risks, creating innovation opportunities, growth and attracting and retaining talent, as well as for improving the company's reputation and value.

FCC Group's sustainability principles, commitment and good performance are laid out in the **Sustainability Policy** approved by the Board of Directors. It sets out the Group's main strategic priorities for environmental, social and good governance (ESG) development. The Sustainability Policy provides FCC Group with the ESG approach needed to meet stakeholder demands, to contribute to the achievement of the 2030 Agenda and the Sustainable Development Goals (SDG), and to respond to the commitment acquired as a partner of the United Nations Global Compact, which includes ten universal principles based on human rights, work, environment and the fight against corruption.

Sustainability at FCC Group is spearheaded by the company's maximum governance bodies; the **Sustainability Committee** is responsible for implementing the policy and common strategy, the ESG Framework,

which sets out the guidelines for business **sustainability strategies**. The strategies are the basis for addressing the main sustainability challenges, creating a solid, ethical and sustainable business approach.

In 2023, FCC Group developed a **double materiality assessment**, considering the impact materiality and financial materiality according to the new European Sustainability Reporting Standards (ESRS). The study has identified the sustainability impacts, risks and opportunities for each Group business, with an output of **material topics** from a cross-cutting perspective: for the environment, climate change and energy; for social, working conditions and subcontracting and suppliers; and for governance, integrity of conduct. Other resulting matters are especially relevant compared to previous studies, such as pollution, biodiversity, equality and diversity, data protection and innovation and digitalisation.

As part of its comprehensive commitment to sustainability, FCC Group maintains relationships of trust and transparency with **stakeholders** and with the **value chain** through constant dialogue, using various communication

and participation channels, and generating solid relationships based on trust, honesty and the guarantee of maximum service quality.

Regarding **supply chain** management, considering that FCC Group has relations with over **46,000 suppliers**, strategies are adopted to ensure the selection of and collaboration with responsible, efficient, ethical and sustainable partners. To achieve this, several tools are used to extend the Group's commitments to its partners, such as the FCC Group Code of Ethics and Conduct, the Purchasing Manual, general contracting terms and conditions and a thorough due diligence process for supplier assessment and approval.

This **supply chain due diligence** process focuses on ESG risk analysis and requires suppliers and contractors to guarantee their alignment with the standards set by the company to start and maintain contractual relations. Suppliers and contractors are assessed and graded according to their risk level in financial matters, in human resource management and working and occupational health and safety conditions, in their commitment

and respect for human rights, ethical standards and the compliance model, and in information security and data protection measures and systems, in addition to evaluating environmental commitments and performance.

To foster operational efficiency and sustainable growth, FCC is committed to **innovation** focused on urban development, the design of new sustainable products, process optimisation and technology development for data processing. The Group innovation strategy is rolled out in a collaborative environment, the Digital Innovation\_Lab, and an Innovation Forum with the participation of company business areas to develop new ideas, solutions and products. Innovation management aims to increase process efficiency and contribute to efficiently coordinating innovation efforts throughout FCC Group, generating a greater impact at business, social and environmental level.

Specifically, in 2023 **over 13.5 million euros were invested in R&D&I** and solutions to progress in optimising efficiency, address digital challenges and promote practical, sustainable solutions.





## Governance with values

The foundations for developing corporate governance are the **FCC Group Code of Ethics and Conduct** and the **Compliance Model**, which set out the standards for behaviour and integrity at FCC and throughout the value chain, developed in a consolidated regulatory block, policies and measures for prevention and control.

The Model includes the **Compliance Committee**, a high-level body dependant on the FCC Board of Directors Audit and Control Committee. The Committee's duties include monitoring and supervising regulatory compliance programmes, encouraging the ethical culture and preventing behaviours that could lead to criminal offences. Compliance committees have also been set up in the businesses with a

similar composition and duties so as to provide support to their decision-making bodies and the Committee itself.

Various actions have been carried out in 2023, including the approval of the FCC Group **Internal Reporting System Policy** and the **Compliance Training Plan 2024-2026**. Other actions include an independent assessment conducted by an external firm; compliance tool certification; review of criminal offences, their risks and controls; as well as risk assessments on 771 new suppliers and 220 third-party due diligence assessments.

To prevent regulatory non-compliance and report possible infringements of the FCC Group Code of Ethics and Conduct and the Model, the Group has a **Whistleblowing Channel** available to

the workforce and stakeholders so they can anonymously and confidentially identify possible violations without repercussion. This Channel is managed by the Compliance Committee according to specific procedures and 137 notifications classified as relevant were received in 2023, of which 77% were related to labour issues.

FCC Group has a firm commitment to **zero tolerance for corruption, kickbacks, bribery and all forms of extortion**. This is developed in the Compliance Model with policies and procedures applicable to all Group employees and companies regarding Anti-corruption, Agents, Gifts, Tenders and Competition. FCC Group also rigorously complies with regulations **against money laundering** and the

financing of terrorism in all its financial operations, implementing measures that ensure integrity, transparency and compliance, as well as preventing potential crimes from materialising.

With its **Human Rights Policy**, FCC is committed to and declares protection and respect for human rights as a fundamental element of the company's corporate culture and values. It also implements due diligence mechanisms according to the United Nations Guiding Principles on Business and Human Rights.

As for the Group's commitment to tax transparency and compliance, the company has a **Tax Strategy** supported by a risk identification and management system, which comprises a Code of Tax Conduct and a Control Framework

Standard, on the principles, values and behaviours necessary for management in accordance with tax regulations, as well as effective and ethical governance in all operations. In 2023, the FCC Board of Directors approved the Group Tax Compliance Policy and certified the FCC Tax Compliance Management System according to the UNE 19602:2019 standard.

Protecting the organisation's information assets and guaranteeing data privacy, integrity and availability is fundamental for FCC Group, complying with regulations and preventing risks and emerging threats. FCC has developed a **Cybersecurity Model** and in 2023 continued to reinforce the security monitoring systems, implementing measures and controls to ensure

information and data protection and security.

**Dissemination and training in the Compliance Model** are important tools for promoting the corporate culture and for the prevention of crimes, offences and regulatory breaches. To respond to this need, more training sessions were given in 2023 on the FCC Group Code of Ethics and Conduct, reaching 26 countries; on anti-corruption, with a course that was completed by more than 5,000 people from the risk group; and on harassment, with over 6,000 people trained. Training on Conflicts of Interest was also launched during the year, reaching 12 countries and available in eight languages, and 10,000 training actions on cybersecurity, data protection and the use of technology were held.

## Environmental achievements and challenges

To lead the way to a sustainable and environmentally-friendly future, FCC Group guarantees appropriate environmental management with its corporate Sustainability Policy, which is also implemented in the specific **environmental policies** for each business. The company endeavours to assign resources to comply with its commitments and mitigate negative impacts. Around 83% of its activity is covered by ISO 14001-certified environmental management systems and more than 100 million euros were assigned to environmental risk prevention in 2023, in addition to arranging guarantees to repair damage in case of accidental pollution.

In the fight against **climate change**, the Group has a Climate Change Strategy that sets long-term objectives to mark the path for business commitments and strategies according to an analysis of climate risks and opportunities. The procedure for the identification, assessment and prioritisation of climate-related events was updated in 2023, making it possible to identify priority physical and transition climate risks, as well as climate opportunities for the Group.

Direct and indirect energy consumption accounts for most of FCC Group's

**carbon footprint**. Calculating the footprint each year means we can comply with GHG (greenhouse gas) reduction commitments, define improvement actions and demonstrate FCC's efforts in the fight against climate change. Group GHG emissions fell by 8.1% in 2023 compared to the previous year while total energy consumption was 1.5% less. The commitment to renewable energies meant that 32.5% of all energy consumed came from a renewable source.

FCC Group identifies the main sources of pollution in its operations and defines actions and measures to prevent or mitigate the possible negative impacts. It considers maintaining control over those Group activities that produce atmospheric, water, soil, light or noise pollution to be fundamental.

Meanwhile, **responsible management and sustainable use of water** are a cornerstone for protecting the environment. FCC works to control its consumption and provide solutions in view of water shortage and stress in the areas where it operates; the Group is committed to optimising water use to favour sustainable community development.

Another challenge for the Group is the need to **protect biodiversity**



**and ecosystems**, as well as the preservation of natural capital and recovery of spaces. FCC is concerned with understanding the footprint of its activities in sensitive areas and with ensuring the well-being and preservation of vulnerable species present near its facilities. Furthermore, in 2023 sensitive areas with protection and restoration measures applied increased 170% compared to the previous year, clear

evidence of the commitment to find actions to mitigate negative impacts.

Finally, FCC Group implements circular practices for long-term success, playing a leading role in the transition towards a **circular economy and the fight against resource shortage**. Practices to reduce pollution, preserve natural resources and mitigate climate change are implemented for responsible waste

management. Measures are also promoted for the efficient and conscious use of resources, raw materials and products until the end of their useful life. Hazardous waste fell by 42% in 2023 and more than 84% of waste generated was not sent for disposal. Resources consumed increased by 5% compared to the previous year, in line with the projects developed.

## Human commitment

FCC Group closes 2023 with more than **67,000 professionals**, a workforce spread around 38 countries, 84% with permanent contracts and 88% with full-time working hours.

In its commitment to talent management and professional development, the company has given more than **700,000 hours of training**, 100,000 more than the previous year, and more training actions were offered on the Group's e-learning platform **Campus FCC**, which already includes content in 14 languages. Training designed for offline employees was also extended this year.

On 28 November 2023, the FCC Group Board of Directors approved the **Equal Opportunities - Opportunities and Safe Environments -, Diversity and Inclusion Policy**, a commitment FCC has been working on with company equality plans, programmes for training, awareness, and promoting women to positions of responsibility; and employment and social action initiatives to foster diversity and inclusion within the company.

During this campaign, the focus was on inclusive language and leadership, the commitment to the Diversity Charter was renewed and the FCC platform *you\_diversity* was completed with related content. Safe and respectful

working environments were a priority for yet another year, as well as the company's position against gender violence and supporting victims. At year end, more than 2,200 people with disability are employed by FCC, as well as 170 contracts for vulnerable people at risk of social exclusion are in force.

Regarding Group management of **health, safety and well-being**, in 2023 notable milestones include a reduction in workplace accidents with leave and accident rates compared to the previous year. Health and safety management systems at FCC are certified according to recognised international standards such as ISO 45001 and occupational

health and safety control processes are consolidated in the supplier approval process.

Lines of action for health and safety with a gender perspective were developed this year and efforts have focused on promoting healthy habits, with special emphasis on cardiovascular risk prevention and mental and emotional well-being. The FCC **VIVE Saludable** health platform was implemented; available for employees on the website and app, it has content, resources and programmes to promote healthy habits.

## Transforming communities

As part of FCC's commitment to promoting community well-being and development where it operates, interaction and creating solid relationships is fundamental for the Group to generate a significant, positive impact on its social, economic and environmental surroundings.

The company materialises its **social contribution** with different lines of actions based on the creation of value, promoting a positive socioeconomic impact through job creation and contracting local suppliers; fostering knowledge, education and awareness as a basis for progress and social development, especially among younger generations; a commitment to integration and inclusive environments

with awareness actions and social and labour integration for people who are vulnerable or at risk of exclusion; and also with charity actions and partnerships with associations and foundations to improve the quality of life of people and communities.

Specifically, in 2023, FCC assigned more than 5.5 million euros to sponsorships and donations to non-profit organisations, foundations and sector associations it collaborates with according to objective criteria. It also materialises, through financial contributions, its support for social action and the promotion of solidarity, inclusion, progress and the economic and social development of communities.



