



Actions showing our commitment
Sustainability report 2019 - 2020





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Presentation

This FCC Medio Ambiente report covers the **progress** made in the **last couple of years**¹ within the framework of its **20-22 Sustainability Action Plan** and how the organisation has fostered an economic, social and environmental **management model** for its **services**, thus **promoting** the **transformation** of the **communities** where it operates into **sustainable, resilient, efficient and socially responsible cities**.

The organisation also reflects the **new medium- and long-term action commitments** defined in **FCC Medio Ambiente Iberia's** recently presented **2050 Sustainability Strategy**. The **Strategy** and the **20-22 Action Plan**² are **aligned** with the **Sustainable Development Goals** (SDGs) of the 2030 Agenda, which we assume as **priorities** when developing our business.

This report, which covers **FCC Medio Ambiente España** and is **published every two years**, has been prepared **in accordance** with the requirements and principles established by the **Global Reporting Initiative** (GRI) in its reporting standards (GRI STANDARDS), in its **essential option**. In order to guarantee the quality and transparency of the information, the document has been **verified** by an **independent external entity**.

The subjects and content published in this report were selected based on the results of the 2020 **materiality analysis**, which appear in **chapter 9, About this report**.

The **economic and social data** included here reflect the main figures according to the **consolidation principle** that the **FCC Group** applies to the companies included in **FCC Medio Ambiente España**, while **environmental data** refer to the information on the activities provided by these companies, within the scope of the contracts over which we have **operational control**. Indicators with no specified reporting year refer to 2020.

The Sustainability Report is available at the FCC Medio Ambiente website, at www.fccma.com

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(1) Period 2019-2020.

(2) The **20-22 Action Plan** is governed by the three principles of the **FCC Group's Fourth CSR Master Plan**, approved by the **Board of Directors** in late 2017, and by the provisions of the **CSR Policy**, thus addressing the expectations of our **stakeholders**. These principles or strategic lines are: **Connection with citizens** (FCC CONNECTED), **Smart Services** (SMART SERVICES) and **Exemplary Performance** (FCC ETHICS).

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Message from the Managing Director

First of all, before presenting this report, I would like to thank the **great team** of over **32,000 employees** for their **commitment** and **dedication** during a period marked by the toughest **health, social and economic crisis** ever experienced in this century triggered by the coronavirus pandemic. COVID-19 has impaired the development of the entire range of economic activities and emphasised the importance of our **environmental services**, which were declared **essential** for citizens and which have continued to be provided even in the most adverse circumstances.

In this **process** of **adaptation** and transformation that we are undergoing, our organisation has been able to face **new challenges** as demonstrated throughout its more than 110 years of activity and has continued to work on the common roadmap, the **17 Sustainable Development Goals (SDGs)** of the **2030 Agenda**. There is just under a decade left to reach the defined targets and the **economic and health crisis** has been a turning point.

It has been precisely during this year, in which the world has been paralysed and has shown its fragility, that we have set to work on the preparation of **FCC Medio Ambiente Iberia's 2050 Sustainability Strategy**, which establishes the **guidelines** that will mark the development of our organisation for the **next thirty years**. The strategy is integrated throughout the organisation and focuses on combining the **know-how** developed in more than **110 years of activity** with **innovative technologies**. There are **4 axes** of sustainable management: **Environment, Social, Excellence and Governance**, with specific objectives in each field of activity that are presented and described in this report.

We will also show you our **progress** over the **last two years** within the framework of the **20-22 Action Plan**, aligned with the principles of the **2050 Sustainability Strategy** and within the framework of the **global challenges** that mark the path to **achieving the SDGs**. Here is a summary of some of the **milestones achieved** during this period.

Firstly, and despite the global crisis, it is worth highlighting the **continued growth** of FCC Medio Ambiente's **annual turnover**, which reached **€1,607.3 million** in 2020, an **increase of 7%** over the 2018 figure. **The gross operating profit of €233 million** is equivalent to a margin of **14.5%**. The **portfolio** of services amounted to **€4,825.7 million**. As a key milestone, in 2019, FCC Servicios Medio Ambiente Holding, S.A.U³ successfully completed a **€1.1 billion green bond issue** and, in July 2020, registered a **€300 million promissory note programme**. The **Economic and Social Recovery Funds** (Next Generation EU) promoted by the European Union will provide a **development opportunity** for many of FCC Medio Ambiente's **client municipalities**.

Our commitment to **excellence**, another axes of our strategy, benefits the entire **value chain**, from customers, suppliers, employees and **citizens** as a whole, so that our service offerings benefit from the **alliances** of all **stakeholders** and respond both to their **expectations** and to **trends** in **sustainability**, in a **constantly evolving context**.

We **lead the way in environmental services**, and in this line we have made significant **achievements** in the areas of: **circular economy, climate action, efficient water management, biodiversity protection and pollution reduction**. In the field of the **circular economy** there are many examples of innovative projects we are working on, including those related to the **use of film and multilayer plastics**, or the **production of biomethane** from landfill biogas for use as **vehicle fuel**. In terms of the **fight against climate change**, it is worth noting the double **"Calculo-Reduzco"** seal awarded by the Spanish Climate Change Office in **2019**, which has been maintained for the **2020** financial year, given that the average **emission intensity** has been **reduced by 4.28%** compared to the previous three-year period. Our long-term goal is to achieve **carbon neutrality by 2050**.

The **star project of R&D&I** (Research, Development and Innovation) is the **ie-urban**, a **100% electric chassis-platform** for heavy **urban service vehicles** developed by a team led by FCC Medio Ambiente, which achieves **energy savings of around 50%** compared to a **conventional thermal vehicle** and a huge reduction in polluting emissions and noise, as well as in the carbon footprint. This team has received important awards such as Best Innovative Idea at the **Smart City Awards 2019**, **Best Product or Service at the European Business Awards (EBAE) 2020** and, recently, during the creation process of this report, the award for **Best Environmentally Friendly Industrial Vehicle 2021** at the **National Transport Awards**.

We are aware that one of the main **strategic values** of FCC Medio Ambiente is the **experience, professionalism and talent** of its teams of **collaborators**. During this period, safeguarding **everyone's health** has been at the centre of our attention and efforts. It is worth mentioning that despite the pandemic, the accident rate has been reduced, with a **27% reduction** in the **frequency rate** and a **20.7% reduction** in the **severity rate**.

We continue to work on lines aimed at strengthening the **ethical framework** and supporting the company's **common culture**, fostering **talent** through **training and development, attracting and retaining the best people, promoting a safe and healthy environment** and the well-being of the workforce, ensuring a **diverse, inclusive, equal and non-discriminatory working environment**, and fostering **transparency, communication and dialogue** with our stakeholders. The development of internal physical and emotional health programmes has enabled us to be certified as a **Healthy Organisation** with AENOR, and close collaboration with organisations such as **Incorpora**, of the La Caixa Foundation, or **Norte Joven**, to promote the social and labour **inclusion of vulnerable groups**.

In short, we will continue to work for a **better world** in which **public-private partnerships** will be key to **recovery**.

Jorge Payet
Managing Director
FCC Medio Ambiente Iberia

(3) FCC Medio Ambiente S.A.U. becomes part of FCC Servicios Medio Ambiente Holding, S.A.U.



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Commitments that generate results

1. A leading sector organisation

2. An environmental service provider

3. A stable sector full of development opportunities

4. Issuing green bonds

5. 2019–2020 milestones

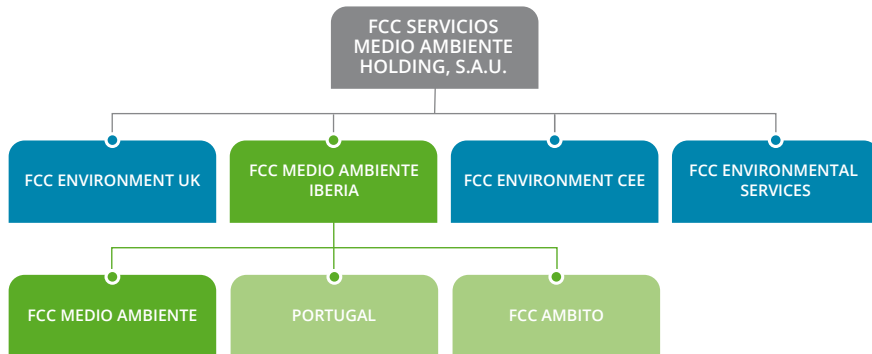
1. A leading sector organisation

Representing **22.2%** of the FCC Group's **EBITDA**, **FCC Medio Ambiente** renders urban services in **3,577 Spanish municipalities**, serving a **population of well over 30 million inhabitants**, backed by the **professionalism** of a team of **32,543 employees**.

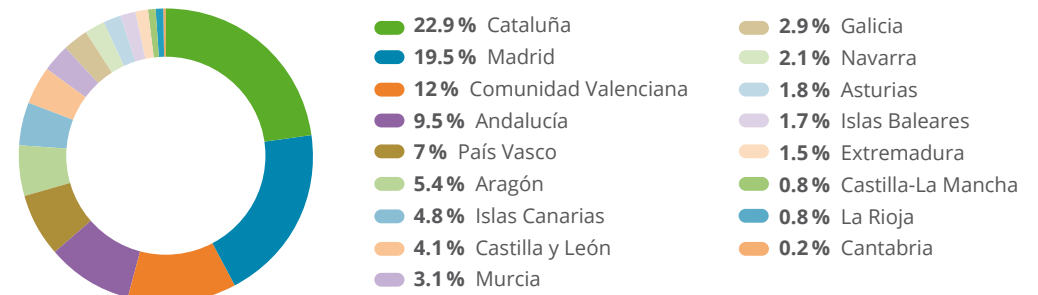
Throughout **2020**, FCC Medio Ambiente secured a total of **142 tenders** in Spain for urban services, with an overall **contracting volume** of **€1,118.5 million** and annual **turnover** of **€1,607.3 million**, **92.6% from public clients**.

FCC Medio Ambiente harnesses a regionalised commercial structure spread across 16 branches to furnish its clients **local services** tailored to the needs of communities in each and every corner of Spain. While it is firmly established in Spain's **main provincial capitals**, **65% of its public clients** are **cities with less than 50,000 inhabitants**.

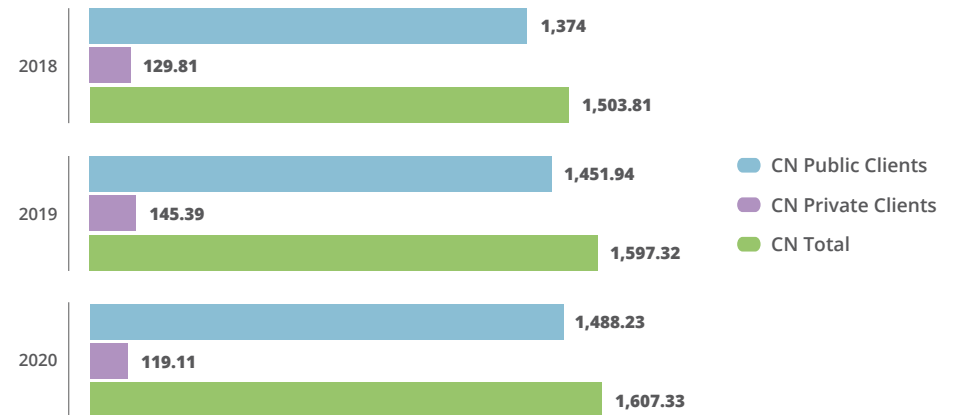
Business structure



€ FCC Medio Ambiente España. 2020 Turnover. Geographic Area



FCC Medio Ambiente España. Turnover evolution public and private clients (€ millions)



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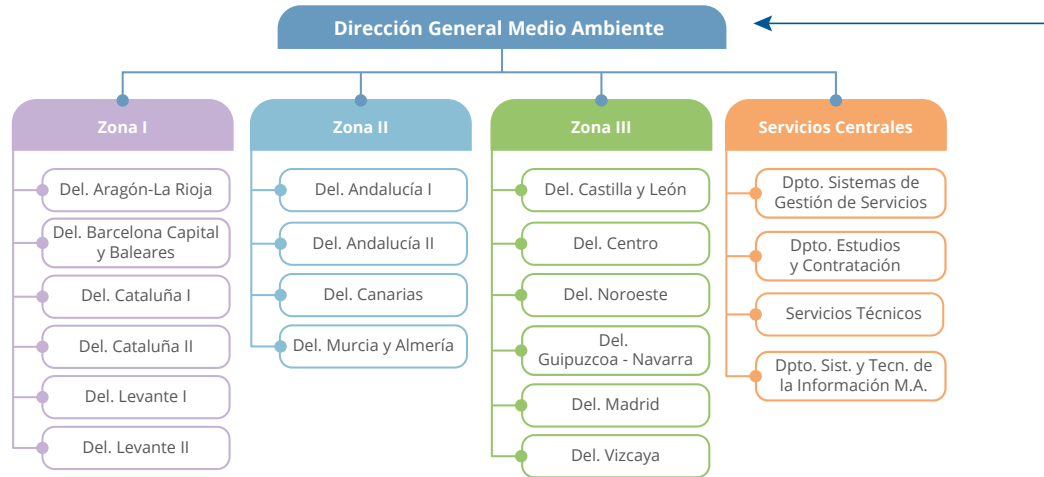
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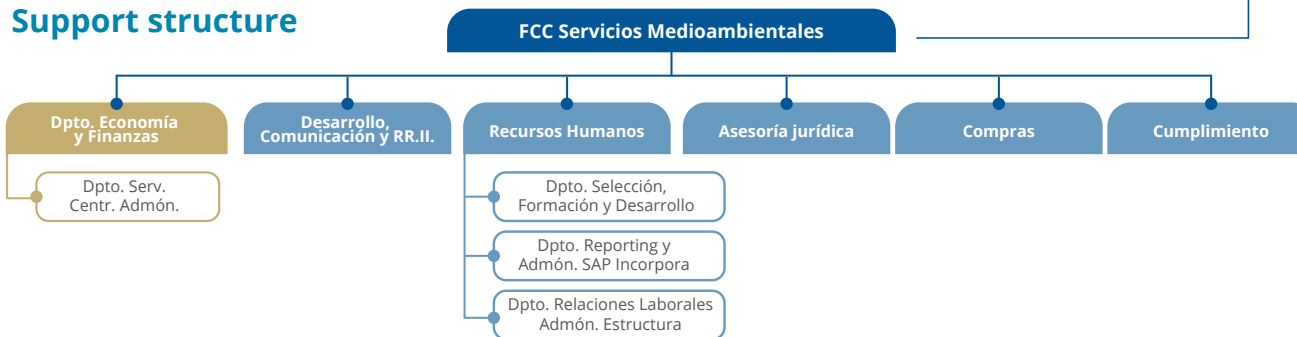
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GRI content table

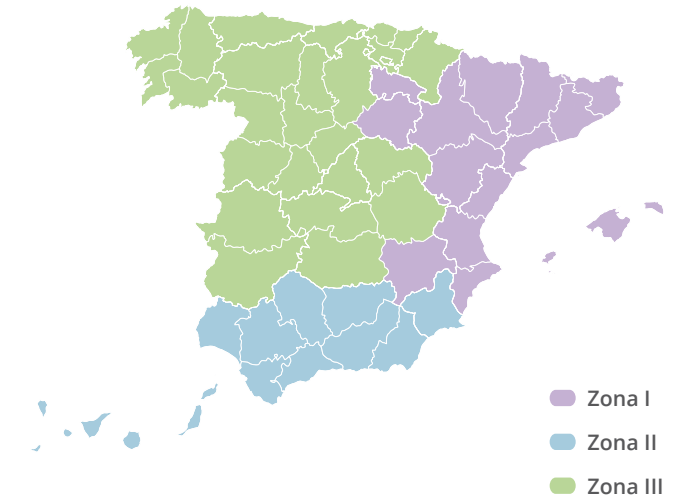
Commercial structure of FCC Medio Ambiente



Support structure



 FCC Medio Ambiente serves a population of well over **30 million people.**



 Operating in **3,577 Spanish municipalities.**

Nota: In the period 2019-2020 there has been a relevant change in the organization: the Waste Treatment Department and the Studies Department have been merged into the Department of Studies and Recruitment.

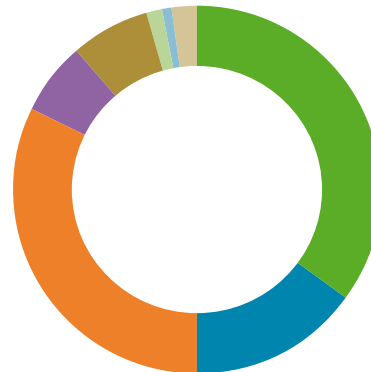
2. An environmental service provider

The **1,098 environmental services management contracts** are spread across a portfolio of **706 clients**, **72% public** and **28% private**.

Waste collection and treatment activities, generating **50.3% of turnover**, account for the bulk of the services provided by the organisation, followed by **urban cleaning activities with 32.1%**. The remaining **17.6%** covers **building cleaning, parks and gardens maintenance and upkeep, sewerage maintenance** and other services such as **beach and public fountain maintenance** and **energy management**.



Distribution of turnover by activity 2020 (%)



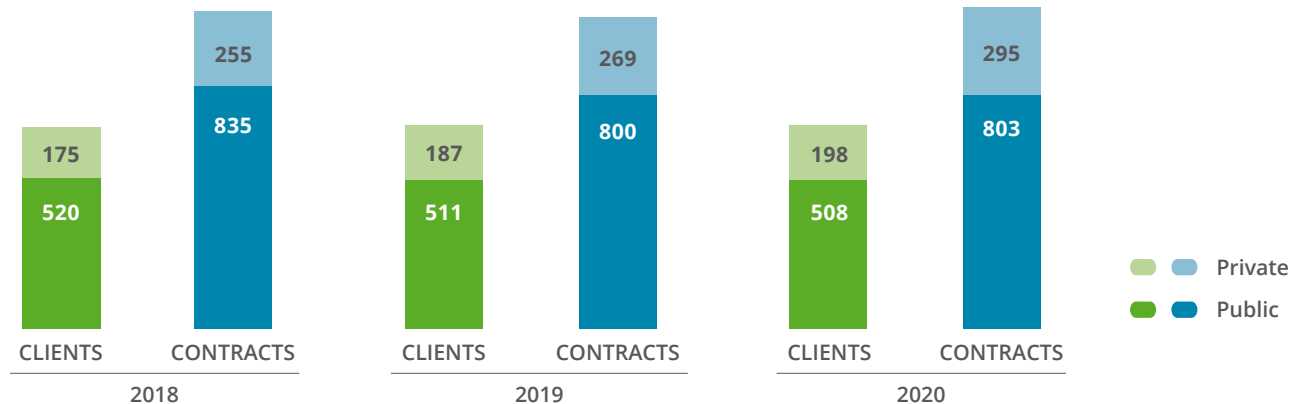
- 35.4% Collection SUW
- 15% Treatment SUW
- 32.1% Street cleaning
- 6.6% Ground maintenance
- 6.9% Building cleaning
- 1.4% Sewage system maintenance
- 0.8% Beach cleaning
- 2% Other services



1,098 contracts and 706 clients.



Distribution of clients and contracts by type (2018-2020)



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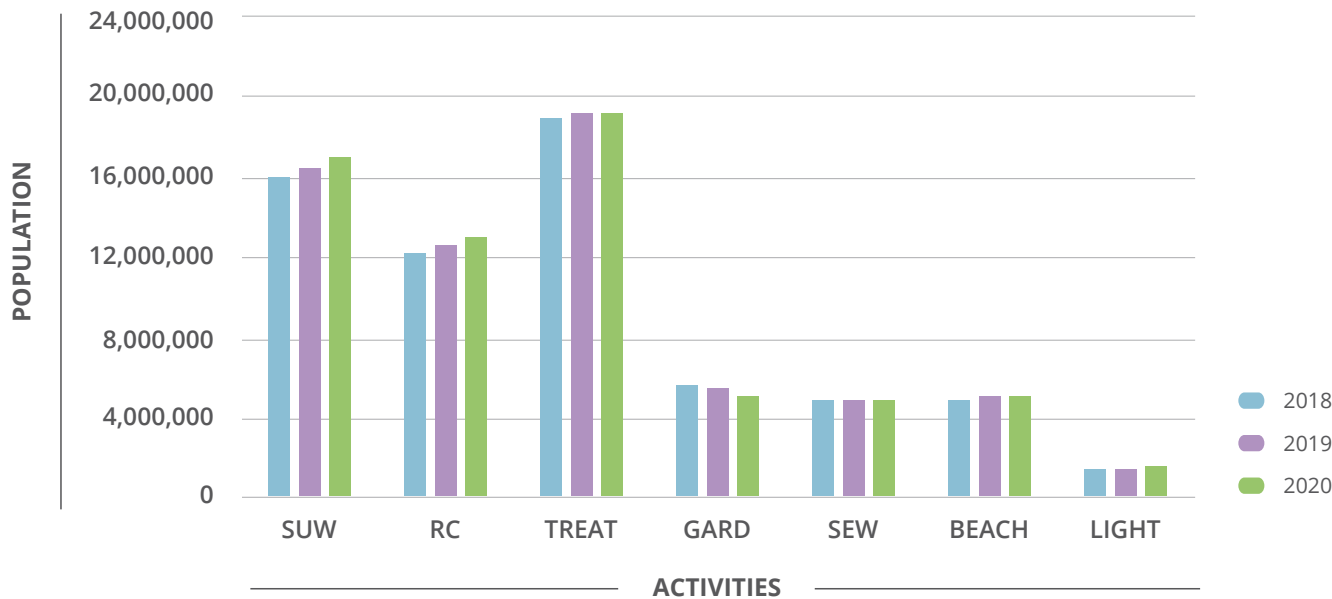
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The **population served** by the different activities **increased** by **4.5%** between 2018 and 2020, primarily regarding **energy management services for municipal facilities (lighting) street cleaning and waste collection**. The only activities with decreases were maintenance of the sewerage network and conservation of parks and gardens. The **largest increase** in absolute terms has been in **waste collection** activity with **over 900,000 new inhabitants served** in 2020 compared to 2018.



Evolution of population served from 2018 to 2020 (100 %)



SUW: Urban Solid Waste Collection

RC: Road cleaning

TREAT: Waste treatment

GARD: Garden maintenance

SEW: Maintenance of sewage systems

BEACH: Beach cleaning

LIGHT: Lighting (energy management)



Key figures 2020 of our activities

Waste collection

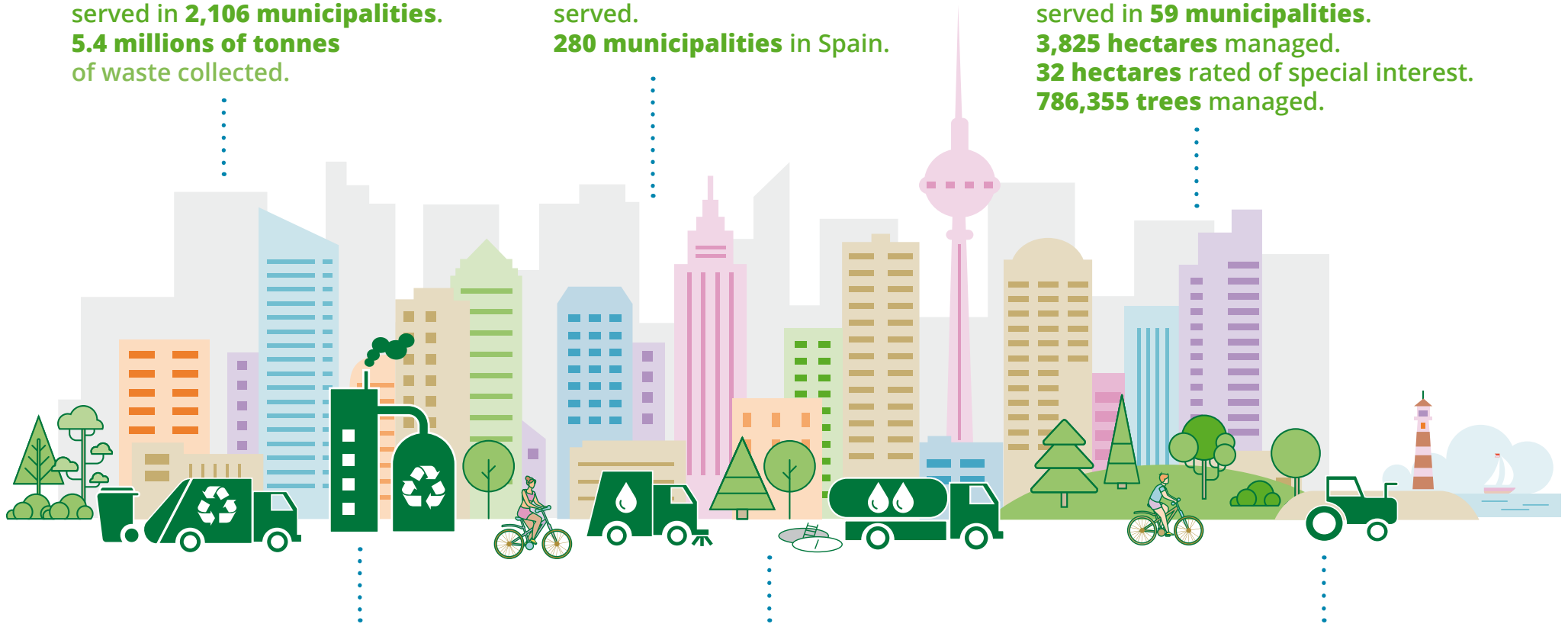
17 millions of inhabitants
served in **2,106 municipalities**.
5.4 millions of tonnes
of waste collected.

Street cleaning

13 millions of inhabitants
served.
280 municipalities in Spain.

Ground maintenance

5.2 millions of inhabitants
served in **59 municipalities**.
3,825 hectares managed.
32 hectares rated of special interest.
786,355 trees managed.



Waste treatment

19.1 millions of inhabitants
served in **2,547 municipalities**.
6.9 millions of tonnes
of waste managed.

Sewage maintenance

4.9 millions of inhabitants
served.
122 municipalities in Spain.

Beach cleaning

5.1 millions of inhabitants
served in **106 municipalities**.
1,549.5 km of coast
managed.

3. A stable sector full of development opportunities

COVID-19 has affected the development of all economic activities and has highlighted the importance of the **services** provided by our company, described as **essential** for citizens, which have continued to be provided even in the most adverse circumstances.

The **decline in municipal waste generation** in 2020 due to the **economic downturn** caused by the **pandemic**, together with the tightening of municipal budgets, affected the **urban services sector** in Spain, whose aggregate turnover **decreased by 3.6%⁴**. However, there is an expected gradual recovery in 2021 compared to the previous year, with a moderate upturn in revenues, mainly in the waste treatment and disposal business.

Within this pandemic context, FCC Medio Ambiente's annual turnover continued growing, achieving **€1,607.3 million in 2020**, an **increase of 7%** compared to 2018's figure. The **EBITDA of €233 million** is equivalent to a **margin of 14.5%**. The services **portfolio** stood at **€4,825.7 million**.

As **environmental service managers**, our role within a European Union that is committed to **sustainability** as a **lever** for economic **development** constitutes a **boost** for our sector. **Amendments to waste management master plans** in various autonomous communities and large city councils, to adapt to the European Union's recycling and landfill diversion objectives for 2030-2035

and the implementation of the **social model of the circular economy**, continue to be a **source of business opportunities**. The European Union's **carbon neutrality** target, the **Spanish Decarbonisation Strategy** and **Climate Change and Energy Transition Act** also bring **business opportunities** in terms of the impact of waste treatment activities on the inventory of greenhouse gas emissions (carbon footprint).

The EU-backed **Economic and Social Recovery Funds, or Next Generation EU**, will provide development opportunities for many of FCC Medio Ambiente's client municipalities to alleviate the unfavourable socio-economic situation. They will bring value and *know-how* to these municipalities with the mission of tackling a future approach based on ground-breaking and innovative changes that will set the path for growth in the coming years. The following can be highlighted among the foreseeable **lines of aid** within the framework of our sector:



- 1 Separate bio-waste collection** and improvements on existing collections.
- 2 Construction of treatment plants** for separately collected bio-waste.
- 3 Construction of new facilities for preparing and recovering other** separately collected waste.
- 4 Investments in collection facilities, green points, triage and treatment of residential** and other waste types.

(4) DBK Sector Observatory of INFORMA. This encompasses the collection, transport and treatment of urban waste, street cleaning and other services.

4. Issuing green bonds

FCC Servicios Medio Ambiente Holding, S.A.U.⁵ successfully issued **€1.1 billion in green bonds in 2019, thus achieving a vital milestone**. The company therefore developed a **green bond framework** consistent with the **International Capital Market Association (ICMA) Green Bond 2018** principles, which was validated by an independent third party (or green bond second opinion), ensuring that the framework is aligned with the **Green Bond Principles** and that the green bond funds will be used to finance **projects** that will reduce emissions, **reduce the discharge of waste into landfills** and promote **circular economy actions**.

The issue received an opinion from an independent institution, **CICERO Shades of Green**, whereby the company's governance procedures were rated "**Good**" and the bond issues were rated as "**Light Green**" issues. The certification body **DNV GL Business Assurance España, S.L. (DNV GL)** **confirmed** on the anniversary of the issue, November 2020, that nearly **75%** of the total funds raised have already been **applied to eligible and sustainable projects** in various categories, all of which are eligible (pollution, prevention and control; energy efficiency, clean transportation and terrestrial and aquatic biodiversity conservation). The listing price of the EUR 600 million bond was 102.082% and that of the EUR 500 million bond 105.227% as at 31 December 2020.

In July 2020, FCC Servicios Medio Ambiente Holding S.A.U. also registered a **Euro Commercial Paper Programme (ECP)** on the Irish stock exchange (Euronext Dublin) for **€300 million**, at a fixed interest rate and with a maximum maturity of one year.



2019: **€1.1 billion in green bonds.**

2020: Euro Commercial Paper Programme for **€300 million.**



(5) FCC Medio Ambiente S.A.U. becomes part of FCC Servicios Medio Ambiente Holding, S.A.U.

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5. 2019–2020 milestones

Milestones of the year 2019

January

FCC Medio Ambiente is awarded extensions to several of its most relevant contracts worth €27 million (Spain).

March

FCC Medio Ambiente has participated in the International Climate Change Conference, "Change the Change", held from March 6 to 8, 2019 in San Sebastián, the objective of which is to mobilize citizens towards personal commitment to Climate Change.

May

FCC Medio Ambiente manages the service of seven of the ten cleanest cities in Spain, according to the 2019 report from the OCU (Organization of Consumers and Users).

July

FCC Medio Ambiente has launched the "Adopt a friend" campaign. Social awareness campaign for the adoption of abandoned animals.

September

The Aragón-La Rioja Delegation of FCC Medio Ambiente has been awarded in the 2019 ONCE Aragón Solidarity Awards, in the company category.

The CEO welcomes the new FCC Medio Ambiente website.

November

FCC Medio Ambiente wins, with its 100% electric modular chassis-platform, the World Smart City Awards 2019 in the category of Innovative Idea (Barcelona, Spain).

FCC Medio Ambiente carries out the issuance of a green bond worth €1.10 billion.

February

FCC Medio Ambiente present at the Sustainable Urban Mobility (SUM) Congress Bilbao 2019), an event that was created with the aim of reflecting on the future of mobility and its impact on the achievement of the Sustainable Development Goals (ODS) in the cities of the XXI century.

April

FCC Medio Ambiente will invest 12 million in the renewal of machinery at the El Campello plant to increase recovered waste.

June

FCC Medio Ambiente is awarded the waste management, street cleansing and beach maintenance contract in Almuñécar (Granada, Spain).

August

FCC Medio Ambiente is awarded the waste management and street cleansing contract in Jerez (Cadiz, Spain).

October

FCC Medio Ambiente renews the domestic waste treatment and transfer service contract for the province of Salamanca (Spain).

FCC Medio Ambiente has participated in the XVII Conference organized by Madridiario on Mobility and the Environment, "A challenge for cities", which took place in the assembly hall of the Camilo José Cela University.

December

Active participation of FCC Medio Ambiente within the framework of the Climate Change Summit COP25 in Madrid (Spain).

FCC Medio Ambiente publishes its 7th sustainability report under the slogan "From commitments to action".

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Milestones of the year 2020

January

FCC Medio Ambiente and the City Council of El Puerto de Santa María, have presented the Chamaeleo Biodiversity Conservation Project, financed by FCC (Cádiz, Spain).

FCC Medio Ambiente delivers its 2019 Avanza Awards (Madrid, Spain).

March

FCC Medio Ambiente continues to work to ensure essential services during the COVID-19 pandemic (Spain).

FCC Medio Ambiente's staff at the University of Zaragoza collaborates in the fight against COVID-19 by making face masks (Zaragoza, Spain).

May

FCC Medio Ambiente has received the 'Prevention Bonus' award granted by the Mutua Universal entity corresponding to the 2018 financial year for its excellent work in the area of preventive culture and for their commitment to reducing accident rate and prevention.

July

FCC Medio Ambiente grows in the municipal services market in northwestern Spain with the award of the A Coruña street cleansing contract (Spain).

September

FCC Medio Ambiente pioneer in obtaining the SIGOS certification as a healthy organisation from AENOR in all its branches (Spain).

FCC Medio Ambiente renews the waste collection and street cleansing contract in Segovia (Spain)

November

FCC Medio Ambiente recognised for second time with the 'Calculo- Reduzco' seal from the Spanish Office for Climate Change for its commitment to reduce the carbon footprint of its activity in 2019 (Spain).

February

FCC Medio Ambiente renews the contract with Servicios de Txingudi for the cities of Hondarribia and Irún (Guipúzcoa, Spain).

April

Madrid's selective collection workers and FCC Medio Ambiente make a donation to Médecins Sans Frontières (MSF) in the fight against the coronavirus (Madrid, Spain).

June

FCC Medio Ambiente renews the contracts for the waste collection and street cleansing service, and the vehicle-towing service in Oviedo (Spain).

August

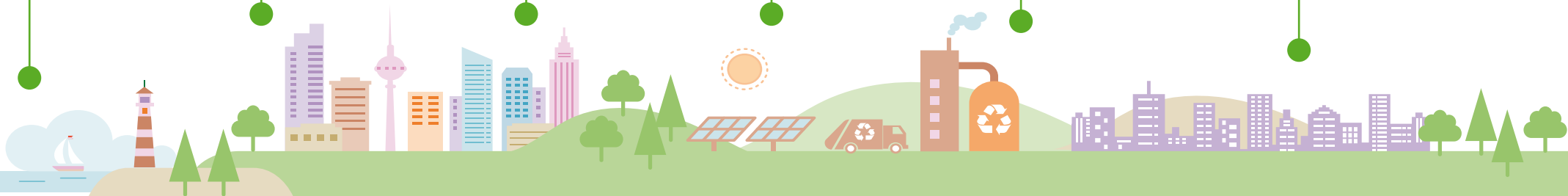
FCC Medio Ambiente and its employees have actively collaborated in different actions for the social reconstruction of the country after the effects of the pandemic caused by the effect of COVID-19.

October

FCC Medio Ambiente winner of the Spanish edition of the 2019/2020 EBAE Awards in the Product/Service category for its 100%-electric, industrial chassis-platform for heavy-duty urban service vehicles (Spain).

December

FCC Medio Ambiente is awarded the certificate of protocols against COVID-19 from AENOR for its corporate headquarters in Las Tablas (Madrid) and for the Exhibition Centre of Granada (Spain).



Main contracts awarded 2019-2020

2019



Awarding of the waste management and street cleansing contract in Jerez (Cadiz).

The Jerez city council awarded a joint venture led by FCC Medio Ambiente, and with the concurrence of the special employment centre FCC Equal, the urban solid waste management and street cleansing contract for nine years, with a possible one-year extension. The total value of the contract amounts to more than €186 million. There will be more machinery with more sustainable vehicles classified as “Zero Emissions” or “Eco” classifications, such as nine electric vans, six hybrid cars and seven tricycles with auxiliary electric engines, which will contribute to reducing environmental gas and noise pollution. The service will also benefit from advanced geolocation technology. In order to perform the services, FCC will have a staff of 335 employees and it has been forecast that 90 people with disabilities will be employed.



Awarding of the waste management, street cleansing and beach maintenance contract in Almuñécar (Granada).

Almuñécar City Council and FCC Medio Ambiente signed the contract for the collection and transport of solid urban waste, street cleansing, cleaning of beaches and coastlines and management of containers and the recycling centre for 10 years, with an order book value of over €50 million. FCC has provided services in the city since 2008. Up to 89 workers will be employed and 22,000 tonnes of various waste fractions are expected to be collected. Nearly nine kilometres of beaches and 22.17 linear kilometres of coastline will be served with beach conservation and cleaning services and cleaning of floating debris. The selective collection service will be improved, a container placement-and-removal system will be installed in the old towns of Almuñécar and La Herradura, and a municipal recycling centre will be incorporated in the future.



Renewal of the street cleansing and collection contract in Txingudi (Guipúzcoa).

FCC Medio Ambiente renewed the contract of waste collection and street cleansing for the municipal association of Txingudi (Guipúzcoa), made up of Hondarribia and Irún. The contract has a five-year term and amounts to over €42 million. It will have a fleet of 51 vehicles, with some of them being low-emission vehicles with liquefied petroleum gas (LPG) engines. The contract means organic waste, plastic and paper will be collected more frequently, with residual waste being collected less frequently. People in long-term unemployment and with disability greater than 33 % are expected to be employed through the Special Employment Centre, FCC Equal. On the other hand, at least 10 % of the new employees will be female.



Operation of the transfer and treatment of domestic waste service in the province of Salamanca.

FCC Medio Ambiente renewed the contract for the operation of the transfer and treatment of domestic waste service in the province of Salamanca, promoted by the Consortium for the Management of urban solid waste of Salamanca (GIRSA). The contract has a five-year term and represents an order book value of almost €30 million. The services also include the operation and maintenance of the Waste Treatment Centre (WTC) in Gomecello, in which €5 million will be invested for renovation, and which has a urban solid waste pre-treatment area (140,000 tonnes/year), an anaerobic digestion line (20,000 tonnes/year), composting area (50,000 tonnes/year), a landfill for the disposal of non-recyclable waste and a leachate treatment system.

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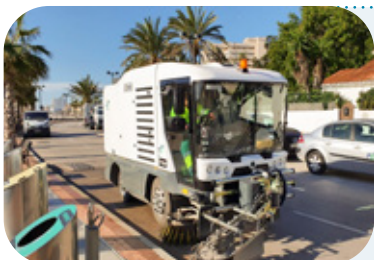
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2019

FCC Medio Ambiente wins the contract for urban solid waste collection and street cleansing in Fuengirola (Málaga).

Fuengirola City Council (Málaga) and FCC Medio Ambiente have signed the contract for urban solid waste collection and street cleansing for four years, worth over €22 million, with two possible extensions of one year each. The fleet for this collection service will include three 25m³ side-loading collectors, three 18 m³ rear-loading collectors and three open-box vehicles. For the street cleansing service, which covers about 210 kilometres of streets across 25 sectors, the company will have specialised machinery and vehicles such as 20 electric tricycles, 8 open back tipping ancillary vehicles, 3 vacuum mechanical sweepers, 6 wash-down vehicles, a scrubber, one self-propelled washing machine and one high-pressure hydro-cleaning van. FCC Medio Ambiente will have a workforce of 148 employees to cover this contract.



Investment of about €12 million in the renovation of machinery at the El Campello (Alicante) plant to increase the amount of recovered waste.

FCC Medio Ambiente will invest close to €12 million for renovating the machinery at the El Campello waste treatment plant in Alicante. The aim is to provide the facility with state-of-the-art equipment, in order to increase the volume of waste recycled. FCC has managed this facility since April 2009 which serves the 52 municipalities of Marina Alta, Marina Baixa and El Campello. The renovation affects the plant's mobile equipment and part of the fixed equipment, and is complementary to the investment approved by Consorci Mare in December 2018 as part of the modification of the management project that will fully optimise the operation of the plant and reduce rejection to landfill. Container-carrying lorries, loader shovels, bulky and vegetable waste shredders, a biostabilised product turning machine and several 10 m³ containers will all be renovated.



Awarding of the urban waste collection, street cleansing and recycling centre contract in El Tarragonés (Tarragona).

FCC Medio Ambiente signed the urban waste collection, street cleansing and recycling centre contract in El Tarragonés (Tarragona) for 10 years, which is worth over €42 million. All the collection vehicles will be newly purchased and many will use alternative energy. The workforce will consist of 17 workers, who will service the 42,405 inhabitants within a street cleansing length of almost 120 kilometres. The services will be organised and supervised through the comprehensive digital management platform, VISION, which was developed exclusively by FCC Medio Ambiente, while a vehicle geolocation system and digital tools will be used to monitor any incidents.



Renovation of the La Gavia park (Madrid).

The contract of the second renovation phase of the La Gavia park in Madrid has a two-year term and represents an order book value of €14 million. It will include an estuary that will separate an urban area from a forest area with squares and hills designed for recreational, educational and sporting activities. Located in the district of Vallecas, the "Recycling Hill" will be a benchmark in Madrid as it will promote environmental values such as recycling and care of the environment. The total area of the La Gavia park is 39.5 hectares, of which 19.5 are currently designated as municipal green areas. The project will recover the lighting network, extend and improve the existing automatic irrigation and drainage network and more than 2,600 trees and 147,800 bushes will be planted.

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Awarding of the urban waste management and street cleansing contract in Barberá del Vallés (Barcelona).

FCC Medio Ambiente has signed the contract for urban waste management and street cleansing in Barberá del Vallés (Barcelona). It is worth €13.67 million and has a four-year term with an option for a one-year extension. The service will have 10 vehicles and a workforce of 44 workers to serve the town's almost 33,000 inhabitants. The services will be organised and monitored through the comprehensive digital management platform, VISION, developed exclusively by FCC Medio Ambiente. This platform enables the established targets and the customer's current and future requirements to be met, while also implementing an identification system on all the containers.



FCC Medio Ambiente is awarded the contract for the maintenance of pneumatic collection, street cleansing and pest control in the south east area of Leganés (Madrid).

FCC Medio Ambiente has signed the contract for the maintenance of the network of pneumatic urban waste collection, street cleansing and pest control in the south east area of Leganés (Madrid) for four years and worth over €17 million. The service will include two road and pedestrian-area sweepers, four water-cleaning vans, one rear- and side-loading collector, container washer lorry and one workshop van. In order to perform the different services, FCC Medio Ambiente will have 135 operators and is planning to hire 7 people with intellectual disabilities through the Special Employment Agency, FCC Equal.



FCC Medio Ambiente will be responsible for the collection and transport of domestic waste from the association Agrupación nº 8 in Teruel (Aragón).

FCC Medio Ambiente has signed the contract for the collection and transport of domestic waste from the municipal association Agrupación nº 8 in Teruel. It has a 12-year term and is worth over €17 million. The service will include 14 rear-loading vehicles and 2 side-loading vehicles, in addition to other vehicles such as container-washing lorries, skip loaders and a tractor unit. The park of containers will be completely renovated with 2,021 rear-loading units for residual waste, 998 for packaging and 1,159 for paper, as well as 175 side-loading containers for packaging and 138 for paper. The workforce will consist of 19 workers. The services will be organised and monitored through the comprehensive digital management platform, VISION, developed exclusively by FCC Medio Ambiente.



Construction and commissioning completed in phase 2 of the Guipúzcoa Environmental Complex (CMG-2).

FCC Medio Ambiente has completed the construction and commissioning of phase 2 of the Guipúzcoa Environmental Complex (CMG-2), located in Zubietta. The contract was signed in September 2018 with an investment of €32.2 million and an estimated order book value of €92 million, and also included the operation of the CMG-2 for 20 years. The new IBERIA FCC Medio Ambiente Spain facility has one biomethane plant and another for recycling slag from the energy recovery plant of phase 1 (CMG-1). Both the biomethane and slag plants, together with the CMG-1 facilities, form the comprehensive system for waste treatment in Guipúzcoa.

2019



FCC Medio Ambiente manages the service of seven of the ten cleanest cities in Spain.

The Organisation of Consumers and Users (OCU) published its quadrennial study on inhabitants' perception of cleanliness in Spanish cities. Seven out of the ten best-rated municipalities entrust their cleansing services to FCC Medio Ambiente. These cities are Oviedo, Bilbao, Vigo, Logroño, Pamplona, Segovia and San Sebastián. Most of them also received a better score than in the previous study. The OCU report shows that civic education and good management of resources are crucial for maintaining a high level of satisfaction. In this respect, FCC would like to thank all the people, institutions, workers and citizens who ensure the highest cleaning standards in Spain for these cities.



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table**2020**

Successful implementation of e-mobility technologies in facility management services for the Catalan Health Institute (Barcelona).

The Catalan Institute of Health (Institut Català de la Salut) awarded FCC Medio Ambiente the 2-year facility management contract with a 2-year possible extension. The company's relationship with this entity dates back to 2007, since then FCC has provided uninterrupted service. At this contract the company is committed to implementing clean technologies, that's why 22 PHEV units with a Zero Emission Label from the (DGT) (equivalent to MOT) have been set up. In addition to the intelligent electric recharging installations that the company already has in its central base, additional charging points have been installed throughout the working area so that maintenance technicians can optimise their journeys and thus maximise effective working times.



Renewal of the waste collection and street cleansing contract in Segovia.

Segovia City Council and FCC Medio Ambiente have signed the renewal contract of municipal solid waste collection and street cleansing services for a 10-year period, which represents an order book value of €56 million. FCC Medio Ambiente's relationship with the city of Segovia goes back to 1996. To serve the 51,964 inhabitants the service has a fleet of 17 brand new vehicles including 15 Compressed Natural Gas (CNG) lorries. As for the street cleaning service, which covers more than 300 kilometres of streets, the company will have 40 vehicles and specialised machinery. FCC Medio Ambiente will have a staff of 124 employees to carry out the different services.



FCC Medio Ambiente grows in the municipal services market in northwest Spain with the award of the A Coruña street cleaning contract.

A Coruña City Council has awarded a joint venture led by FCC Medio Ambiente the new contract of street cleaning for 8 years with an order book value of almost €105 million. In order to serve the more than 245,700 inhabitants and cover 617 kilometres of city streets, the new service will have a fleet of 19 vehicles and specialised machinery, both electric and Compressed Natural Gas (GNC), with "Zero Emission" or "Eco" rating and a total workforce of 209 employees. As new features the service was reinforced in the city's busiest areas, noise emission has been reduced due to the use of electric machinery and the city's litter bins were renewed.



Renewal of the waste collection and street cleansing service, and the vehicle-towing service in Oviedo.

Oviedo City Council and FCC Medio Ambiente signed the renewal of the contract for waste collection and street cleaning for a 5-year period. At the same time, it was carried out the legal extension of the vehicle-towing service contract for the same period. The achievement of both contracts represents an order book value over €102 million. FCC Medio Ambiente's relationship with the city of Oviedo goes back to 1967, and since that year the firm has been providing service continuously. To serve the 220,000 inhabitants, the collection service has a fleet of 43 vehicles, including 31 Compressed Natural Gas (CNG) lorries. As for the street cleaning service, which covers 384 kilometres of streets, the company has a fleet of 104 vehicles and specialised machinery. To carry out the different services, the company will have a staff of 367 employees and, as part of its social commitment to inclusion and gender equality, will incorporate a minimum of three women per year into the job pool.



3

A driving strategy for the SDGs

1. A regulatory environment driving sustainability

2. Priority SDGs

3. Sustainability Strategy 2050

4. Progress on the 20-22 Sustainability Action Plan



1. A regulatory environment driving sustainability

The five years since the UN **Sustainable Development Goals** (SDGs) were launched represent one third of the time we have to achieve the targets set, but the **economic and health crisis** has marked a turning point for the **2030 Agenda**. The SDGs are an opportunity to address the economic crisis. The private sector has a decisive role to play in achieving this and FCC Medio Ambiente has been working in this direction for nearly 20 years. The **experience** and **professionalism** of our company have allowed us to **anticipate and face** both the **recent legislative developments** and changes still to come, mainly in matters of **climate change** and the **circular economy**.

The growth in demand in Environmental, Social and Governance products (**ESG products**) in recent years, coupled with an active **European regulatory role**, provides a context that will drive the mainstreaming of sustainability in all sectors. The **many regulatory developments on sustainability** that are taking place in Europe are expected to bring about changes in the management model of European companies. Below we show the European regulatory framework in this area classified into the three ESG blocks⁶: E (for environmental), S (for social) and G (for governance):

Regarding the Environmental dimension (E):

- ▶ The European Commission's March 2018 Action Plan on "**Financing Sustainable Growth**" aims to connect finance to the specific needs of the European economy for the benefit of the planet and our society by creating, among other instruments, a "green list" to classify which economic activities can be categorised as environmentally sustainable and to harmonise the taxonomy of sustainable investment across Europe.
- ▶ Published in December 2019, the **European Green Deal (EGD)** is a new European growth strategy aimed at transforming the EU into an equitable and prosperous society, **with a modern, resource-efficient and competitive economy**, in which there will be no net greenhouse gas emissions by 2050 and economic growth will be decoupled from resource use. The Green Deal also aims to protect, maintain and enhance the EU's natural capital and to protect the health and well-being of citizens from environmental risks and impacts. This transition must simultaneously be just and inclusive⁷.
- ▶ The **Taxonomy Regulation**, adopted in June 2020, regulates the concept of environmentally sustainable economic activity and boosts and strengthens transparency in the functioning of the financial system by increasing non-financial disclosure obligations. It aims to make the sustainability profile of funds more

comparable by establishing a harmonised framework for sustainable investments, setting pre-defined parameters for environmental, social and governance (ESG) aspects used by investors.



Source: European Commission

(6) Reference has also been made to the regulatory framework approved during the process of preparing this Sustainability Report.

(7) COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT, THE EUROPEAN COUNCIL, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS. Brussels, 11 December 2019 COM(2019) 640 final.

Our Europe is in the vanguard of the shift towards a **sustainable economic model** and has very ambitious objectives, particularly in the fight against climate change. On the environmental front, the **European Climate Act** has set targets to reduce greenhouse gas (GHG) emissions by at least **55 % by 2030** (using 1990 as the base year) and to achieve net **zero emissions by 2050**, making Europe the first climate-neutral continent. Achieving **Net Zero**, the main driver of the European sustainability strategy, will require a **transformation of the production model** in virtually all sectors of activity.

Spain was declared a climate and environmental emergency in January 2020 by the Spanish Congress of Deputies and, during the process of drafting this report, on 13 May 2021, it approved Spain's first **Climate Change and Energy Transition Act (CCETA)**, setting the objective of reducing emissions by at least **23 % by 2030 compared to 1990**, as a preliminary step towards achieving **climate neutrality by 2050**, through the route established in the Long-Term Decarbonisation Strategy (LTDS 2050)⁸.

Spain's legislative process is also underway for a new bill on waste and contaminated soils and a draft royal decree on packaging and packaging waste, in line with European regulations, which will shape the future of the waste sector. Spain is set for a double target by 2035: **recycling at least 65 % of municipal waste** and **limiting discharge to a maximum of 10 %**.

Regarding the social dimension (S):

The European Pillar of Social Rights Action Plan of January 2021, under which, by 2030, at least **78 %** of the population **aged 20–64** should be in **employment**; at least **60 %** of all adults should participate in training every year; and there should be a reduction of at least **15 million** in the number of **people at risk of poverty or social exclusion**.

- ▶ The European Parliament resolution of 10 March 2021, which adopted the legislative report of the Committee on Legal Affairs (JURI) on '**Corporate Due Diligence and Accountability**', mandates the Commission to develop mandatory due diligence legislation that holds companies accountable for **detecting, preventing and reducing adverse impacts on human rights, the environment or good governance** in their value chains, and adequately addressing such adverse impacts when they occur.



Source: European Commission

(8) Law 7/2021 of 20 May on climate change and energy transition..

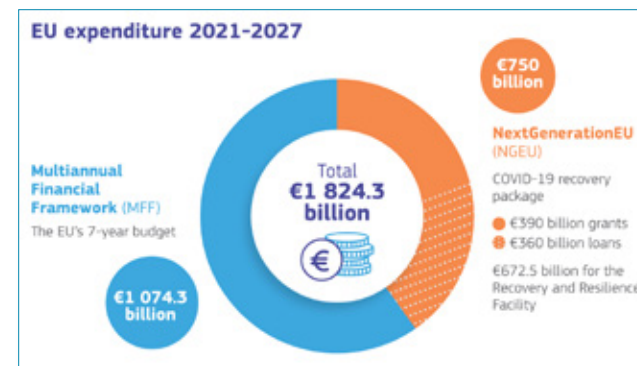
Regarding the Governance dimension (G):

The Commission's proposal for a **Corporate Sustainability Reporting Directive** (CSRD) of 21 April 2021, which will amend Directive 2014/95 and its requirements for Non-Financial Reporting Statements (NFS). Three aspects stand out among the major amendments:

- ▶ The concept of non-financial reporting will be dropped, becoming **Corporate Sustainability Reporting**.
- ▶ Companies are required to **digitally "tag"** the information submitted, so that it is "machine-readable" and fed into a single European access point, a requirement of the capital markets union action plan.
- ▶ The **European Financial Reporting Advisory Group** (EFRAG) will develop a new European reporting framework and indicators for each of the defined categories to ensure data comparability.



On top of all these changes, and in the wake of COVID, is the NextGenerationEU Recovery Plan for Europe, which, together with the **Multiannual Financial Framework (MFF) 2021-2027**, will give EU states access to unprecedented funding for green and digital projects. A total of **€1.8 billion** will boost Europe's post-pandemic recovery, which will become **greener, more digital and more resilient**.



Source: European Commission

The future of European recovery will necessarily involve sustainable finance: investment decisions that incorporate environmental and social criteria. The **new sustainable finance strategy**, whose ultimate goal is "**Finance Green**", sets out a number of initiatives to address climate change and other environmental challenges. The proposed EU green bond standard will create a voluntary high quality benchmark for bonds financing sustainable investments. The Commission has also adopted a delegated act on information to be disclosed by financial and non-financial corporations on the sustainability of their activities.

We will have to keep an eye on the **TCFD recommendations** and not lose sight of the **financial taxonomy**, without forgetting other movements, such as the renewal of the **Corporate Governance Directive** or the recent proposal for a **Directive on corporate sustainability reporting** to further strengthen non-financial reporting⁹.

(9) Task Force on Climate-Related Financial Disclosures.

2. Priority SDGs

Following the approval of the 2030 Agenda, FCC Medio Ambiente **thoroughly examined** applying the guidelines set out in the "SDG Compass"¹⁰ Guide and **prioritised SDGs** on which it could have a direct influence through technological improvements and the implementation of good practices, and also cross-cutting SDGs on which its activities tend to have a favourable impact. Governments need the support of the business sector to achieve the 17 **Sustainable Development Goals (SDGs)**, especially in the context of the health and economic crisis caused by the pandemic.

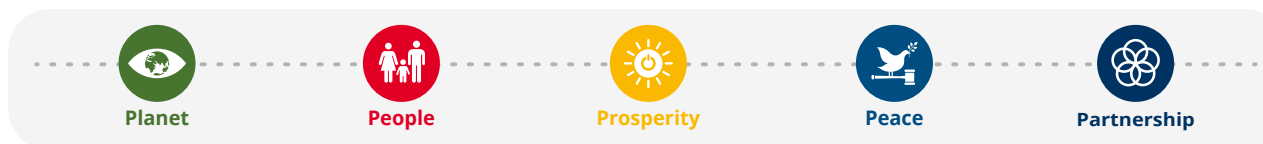
Below, the **direct and cross-cutting action** SDGs prioritised by the organisation can be consulted, based on which we have aligned our sustainability strategy:

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

- ▶ **Staff development:** talent generation; diversity and equal opportunities, safety, occupational health and well-being and social inclusion.
- ▶ **Green growth and the fight against climate change:** efficient consumption of resources; waste prevention; technological innovation; low carbon processes and services; circular economy and biodiversity protection.
- ▶ **A favourable work environment:** fight against corruption, peace and social stability, quality and transparency in the value chain.
- ▶ **Public-private partnership and opening up to the third sector.**



Contribution to the prioritised SDGs



DIRECT ACTION

Efficient and sustainable environmental management

- 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
- Energy efficiency
- Water efficiency
- Waste as a resource
- Available technical improvement

- 13 CLIMATE ACTION
- Calculation and reduction of carbon footprint
- Biodiversity protection

- 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
- Technological innovation

Sustainable management of human needs and capacities (company and society)

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

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

- 8 DECENT WORK AND ECONOMIC GROWTH
- Training
- Talents generation

TRANSVERSE ACTION

- 11 SUSTAINABLE CITIES AND COMMUNITIES
- Supply sustainable services to the city

- 17 PARTNERSHIPS FOR THE GOALS
- Public-private collaboration contracts and agreements:
 - Scientific institutions
 - Third sector organisations

- 16 PEACE, JUSTICE AND STRONG INSTITUTIONS
- Favourable environment: culture and conflicts resolution system

(10) The guide for business action on the SDGs, developed by GRI, UN Global Compact and WBCSD.

3. Sustainability Strategy 2050

FCC Medio Ambiente drew up its **Sustainability Strategy** for 2020 with a **2050 horizon** ([video-strategy](#)) which has 4 axes that will mark the company's actions in terms of sustainable management: **Environment, Social, Excellence and Governance**, with specific objectives in each field of activity. Some of these commitments are:

- ▶ Aiming **towards 2050**, to achieve **carbon neutrality** and to have **100% of the vehicle fleet labelled "ECO" or "0"** (compressed natural gas, hybrid or electric vehicles).
- ▶ In circular economy, helping customers to achieve the EU's 2035 targets: **≥ 65% of recovered waste and ≤ 10% of landfilled waste.**

- ▶ **100% of water consumption from alternative sources by 2050.**
- ▶ Promoting innovation as a lever to **boost Smart cities and services**, progressively increasing annual investment in **Research, Development and Innovation (R&D&I)** to reach at least 1% by 2050.
- ▶ Safeguarding natural capital in the performance of our activity by **integrating the biodiversity variable** in the provision of **100% of our services.**
- ▶ **100% of the workforce trained in biodiversity** by 2050.

- ▶ **Striking a gender balance by 2050**, with the establishment of targets for **inclusion, equal opportunities and diversity.**

Ultimately, as key players in the environmental services sector:

- ▶ We are moving towards **a sustainable management model that contributes to meeting the Sustainable Development Goals (SDGs) of the 2030 Agenda.**
- ▶ We are committed to a **circular, decarbonised, resilient, digitised economy model**, where **innovation and "just transition"** lead the way to sustainable development.
- ▶ We promote **innovation** so that it plays a key role in the performance of our activity:
 - ◆ **100% electric lorries** with GPS to optimise collection routes.
 - ◆ **Smart waste containers with filling sensors.**
 - ◆ **Machine vision systems capable of identifying materials arriving at sorting plants.**
 - ◆ **Robotic arms** for segregating materials.
 - ◆ Chemical recyclates in **biorefineries**, etc.



Four core areas guiding our efforts

1 Environment: Circular Economy, Climate Action and Biodiversity Protection



CIRCULAR ECONOMY:
Achieving the EU's 2035 waste management targets

≥ 65% of waste recycling | **≤ 10%** of waste disposed of in landfills

CLIMATE, ENERGY AND POLLUTION:
Reducing GHG, pollution and noise emissions

Reducing GHGs by **-35%** between 2017–2030 | Achieving **Climate Neutrality** by 2050 | **100%** **ECO or zero-emission vehicle fleet** by 2050

WATER:
Addressing water stress by promoting efficient water use

Alternative sources: **50%** in 2030 | **100%** in 2050

BIODIVERSITY:
Protecting natural capital in the performance of our activity

100% of staff aware

2 Social: Human Resources and Society



STABLE EMPLOYMENT AND TALENT PROMOTION:
Creating quality jobs to attract and retain talent

Staff pride and identification with the company | **National and international promotion and internal mobility** | **Increasing percentage of new recruits of young graduates**

EQUAL OPPORTUNITIES:
Promoting diversity, social inclusion and equality

Gender balance in 2050 | **Increasing the volume and activity of inclusive employment**

SAFE AND HEALTHY COMPANY:
Ensuring safe working conditions and occupational health and well-being

Zero serious or fatal accidents | Among 2019–2050: **-50%** in accident rates | **-25%** in sick leave

STRATEGIC ALLIANCES:
Generating unions, partnerships and alliances for sustainable service management

Forging new **public-private partnerships** linked to the SDGs

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3 Excellence: Smart Management, Innovation and responsible value chain



RESPONSIBLE PROCUREMENT AND MANAGEMENT SYSTEMS:

Spearheading the implementation of systems ensuring the quality and transparency of the value chain

Digitising management processes

Implementing a **green, responsible and innovative procurement** model

Certification/accreditation

according to new standards, specifications, protocols and regulations



INNOVATION:

Maintaining our leadership in Research, Development and Innovation

Investing

at least **1%** of Turnover by 2050

FCC Medio Ambiente **honoree** as the **best Innovative Idea** at **Smart City Awards** in Barcelona



SMART CITIES:

Contributing to sustainable urban development through ICTs

100% of services under the "Smart Human & Environmental" model

4 Governance: Risk Management, Ethics and Anti-Corruption



RISK MANAGEMENT:

Organisational resilience

Supporting **contingency plans** for emergency situations



ETHICS AND ANTI-CORRUPTION:

Leading the way in compliance with ethical principles and the fight against corruption

Certification of the **compliance model** under ISO 37301



A long-term strategic vision for a **MORE PROSPEROUS, MODERN, COMPETITIVE AND CLIMATE-NEUTRAL WORLD**

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4. Progress on the 20-22 Sustainability Action Plan

It has been two years since FCC Medio Ambiente drew up its **20-22 Action Plan**, based on an integrated and integrating management model, aligned with the principles of its **2050 Sustainability Strategy** and within the framework of the global challenges that mark the path to achieving the **SDGs**.

This **biennial report** serves to take stock and report on the **progress** made in achieving the **objectives and targets** set for the reporting periods.

The plan was conceived following an in-depth analysis of the social and environmental needs of stakeholders, the global context and medium- and long-term trends.

New regulatory developments, the global challenges identified in the **United Nations 2030 Agenda**, the demands of the environment, and the purpose of adding value to the business itself, marked the definition of **19 strategic objectives and 146 commitments**.

Through the **208 defined compliance indicators** (*drivers and KPIs: Key Performance Indicators*), this document is how **we inform** our stakeholders of the **progress** of the actions undertaken.

The main lines of FCC Medio Ambiente's Action Plan 20-22 can be found in the **2017-2018 sustainability report** (page 18), linked to its **2050 Sustainability Strategy** and the axes of the **FCC Group's 2020 CSR Plan** and aligned with the prioritised SDGs that the organisation will integrate into its activity and governance.

(Click on the image to view the report).

Our driving strategy for the Sustainability Development Goals (SDGs)



19 strategic objectives
146 commitments
208 performance indicators

▶ Image from the video: Sustainability Report video-summary. Aligned with SDGs. - YouTube



Here is a **summary of the in these two years**, although the pandemic and the economic and social crisis resulting from it have not allowed us to meet some of the challenges set for 2020, which has led us to extend them to the year 2022. There are also **many commitments fulfilled** in 2020 that we have decided to **re-integrate into the plan** in order to improve the values of the indicators obtained.

The report details the progress made for each of the commitments defined in the 20-22 Plan.

Note: The compliance percentages have been calculated based on the 146 commitments, which include both those published in this report and those not communicated internally. In each of the sections the percentage of compliance is shown considering only what is announced in the section on progress in compliance with Plan 20-22.

Progress made Plan 20-22
63% reached.
33% in process.
4% not reached.

Our driving strategy for the Sustainability Development Goals

FCC Medio Ambiente
Plan 20-22
Our commitment to Sustainability

✓ Reached ↗ In process ✗ Not reached

FCC ETHICS Exemplary performance	FCC SMART Smart Services	FCC CONNECTED Connection with citizens
✓ 67.7 % reached	✓ 58.6 % reached	✓ 61.5 % reached
↗ 30.7 % in process	↗ 34.5 % in process	↗ 34.6 % in process
✗ 1.6 % not reached	✗ 6.9 % not reached	✗ 3.9 % not reached





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8 DECENT WORK AND ECONOMIC GROWTH 	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 	16 PEACE, JUSTICE AND STRONG INSTITUTIONS 	17 PARTNERSHIPS FOR THE GOALS 
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Governance, ethics and integrity

- 1. FCC's commitment to corporate social responsibility
- 2. Our corporate governance model
- 3. Our compliance and due diligence model
- 4. Effective risk management

1. FCC's commitment to corporate social responsibility

FCC Medio Ambiente's mission and vision define the **future** pursued by the organisation and provide purpose to its actions.

At **FCC Medio Ambiente**, our **mission** is to respond to the challenges faced by the urban areas in which we provide our services:

- ▶ **population growth,**
- ▶ **climate change,**
- ▶ **shortage of natural resources,**
- ▶ **accelerated digitisation and innovation processes,** and
- ▶ **increasing economic and social inequality.**

The **pandemic** caused by **COVID-19** was a major disruptive event in 2020, **intensifying** the

mentioned **challenges** and making **society** more aware of them and their **vulnerability**.

The primary challenge is to analyse how these trends impact our business and, accordingly, to **design solutions** that **mitigate risks** and offer **us opportunities** for development. **Sustainability** is the vital lynchpin in addressing these changes.

To achieve our **vision**, the organisation develops and manages **environmental services**, maintaining the highest standards of operational excellence and applying the strictest principles set out in the FCC Group's Code of Ethics and Conduct in all its geographies and activities. This **Code of Ethics** and **Conduct** represents for the members of the company the highest standard in the set of policies and procedures of the **FCC Group** and allows

to strengthen a **culture of compliance** and to support the **creation of value** of its long-term project.

The **values** define the **identity and culture** of the FCC Group and their objective is to transmit and instil the **principles of ethical** behaviour that must guide all the organisation's employees.

MISSION: what we do

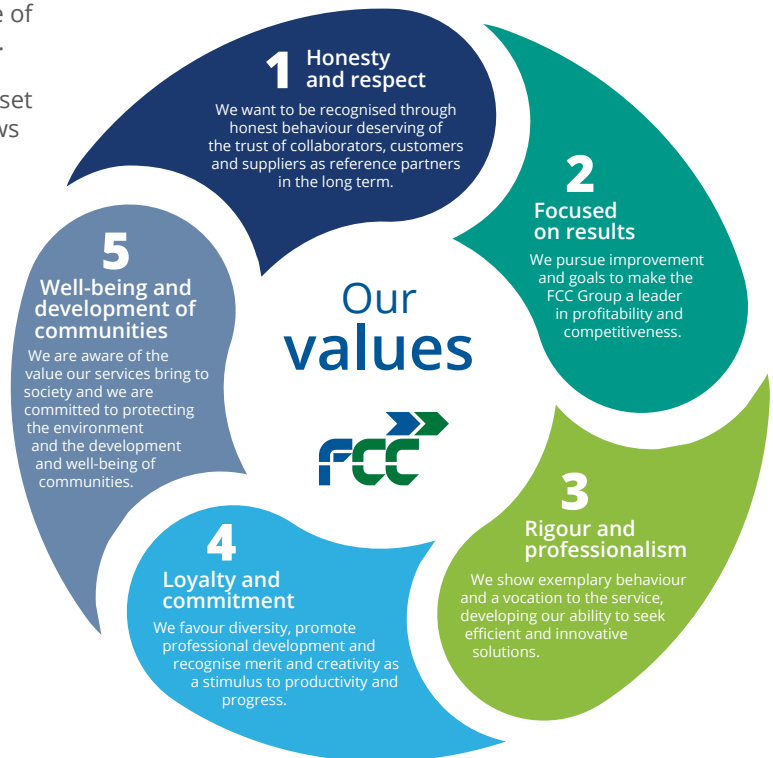
Design, deliver and manage **environmental services efficiently and sustainably** to satisfy the requirements and needs of our clients and contribute to the sustainable development of the communities where we operate with the aim of **improving the lives of citizens**.

VISION: what we want to become

Exist as a **benchmark in environmental services** by offering global and innovative solutions for efficient resource management, while contributing to improving the quality of life of citizens and the sustainable progress of society.

VALUES: our identity

In addition to the leadership position in the different activities, the **FCC Group** has adopted certain unwavering behavioural guidelines that are vital for **FCC Medio Ambiente** to operate successfully in a sustainable and responsible manner. It's all about values.



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In addition to the Code, the FCC Group has other control tools, initiatives, due diligence procedures and certain **compliance policies** that guarantee full and effective management, with the **Compliance Committee** as the internal body responsible for ensuring the tracking of these policies.

FCC Medio Ambiente backs and espouses the principles set out in the **FCC Group's Corporate Social Responsibility Policy** (hereinafter, CSR Policy), which responds to recommendations 53 and 54 of the Good Governance Code (CNMV) and establishes the strategic lines of the sustainable commitment of the company and its businesses.

The **CSR Policy** forms part of the set of rules, principles and attitudes that must govern the behaviour of those who form part of FCC, and whose maximum expression is represented by the Group's **Code of Ethics and Conduct**. This policy reflects the commitment of the **FCC Group** and its subsidiaries to their respective stakeholders in relation to the framework of integrity and business ethics, respect for the environment and the creation of value in the societies in which it operates.

Pursuing an objective to contribute to the challenge represented by the **2030 Agenda** and to comply with the provisions of its **CSR Policy**, the FCC Group's Board of Directors approved the 4th CSR Master Plan 2018-2020 in November 2017, focusing its responsible management on **15 action programmes** that are structured into **three strategic pillars: citizen connection, smart services and exemplary behaviour**.

The FCC Group is currently immersed in the preparation of the new **2025 ESG Master Plan**.

CSR 2020 MASTER PLAN FCC GROUP



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

1 FCC Connected

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

2 Smart Services

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

3 FCC Ethics

FCC is an example of authenticity in its commitment.

Main actions of the 2020MP FCC GROUP

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

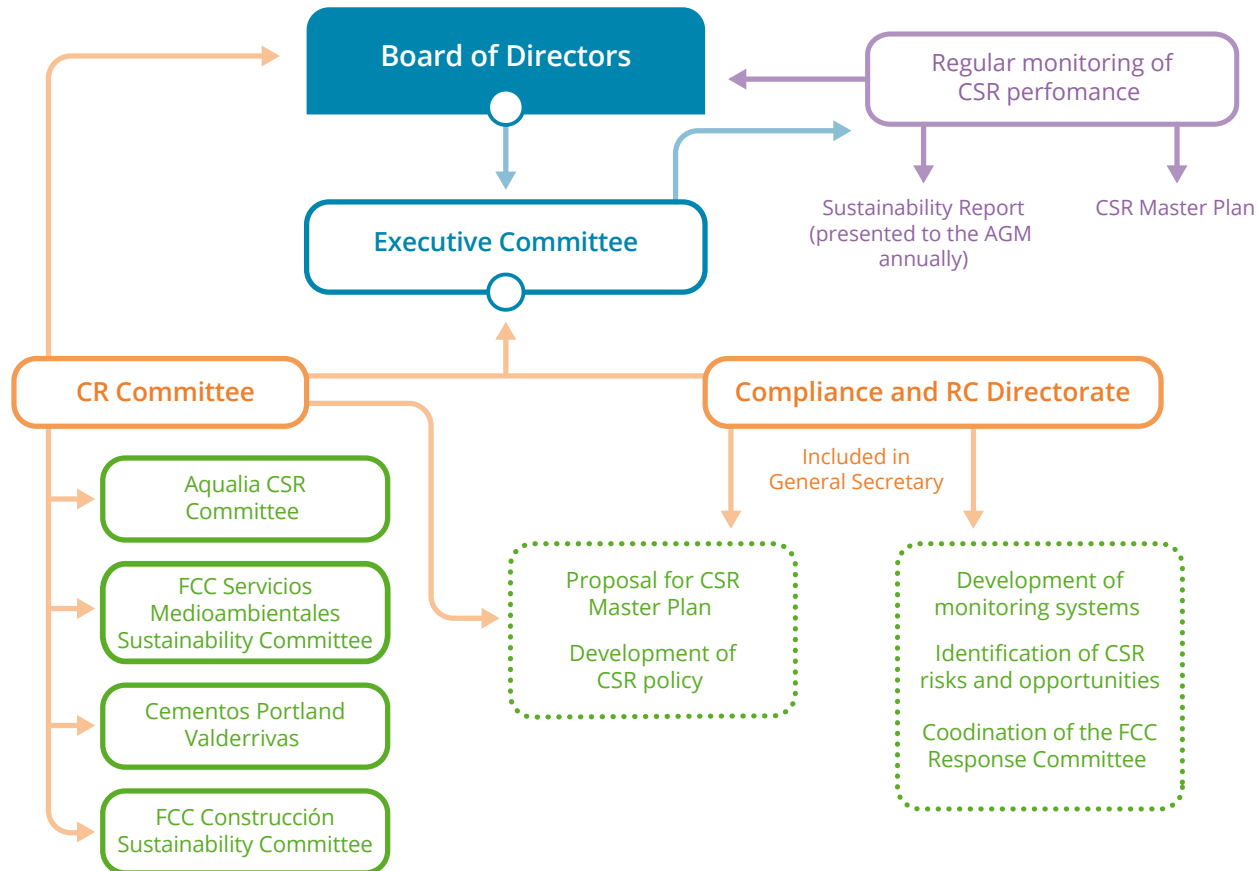
Circular Economy Plan with specific lines of work.
Review of the Climate Change Strategy.
Definition of quantitative objectives and commitment to initiatives to combat climate change.
Calculating the water footprint.
Mapping areas of interest for biodiversity.
Space for exchange and debate on R&D&I.

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

In addition, the FCC Group has **complementary policies and action plans** that contribute to responding to the challenges it faces in social and environmental matters.

The following chart shows the **structure of responsibilities** for corporate social responsibility attributable to each of the bodies involved.

Coordination and materialisation of the CSR Policy in FCC



FCC GROUP POLICIES



SOCIAL AND HUMAN RESOURCE POLICIES

Human resources policy

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

Social dialogue and liaising policy

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

Equal opportunities plans

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

Human Resources Policy

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

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

COMPLIANCE POLICIES

Anti-corruption policy

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

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

Policy on Relationship with Shareholders and counterparties

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

ENVIRONMENTAL POLICIES

FCC's Environmental Policy

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

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

Climate Change Strategy

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

2. Our corporate governance model

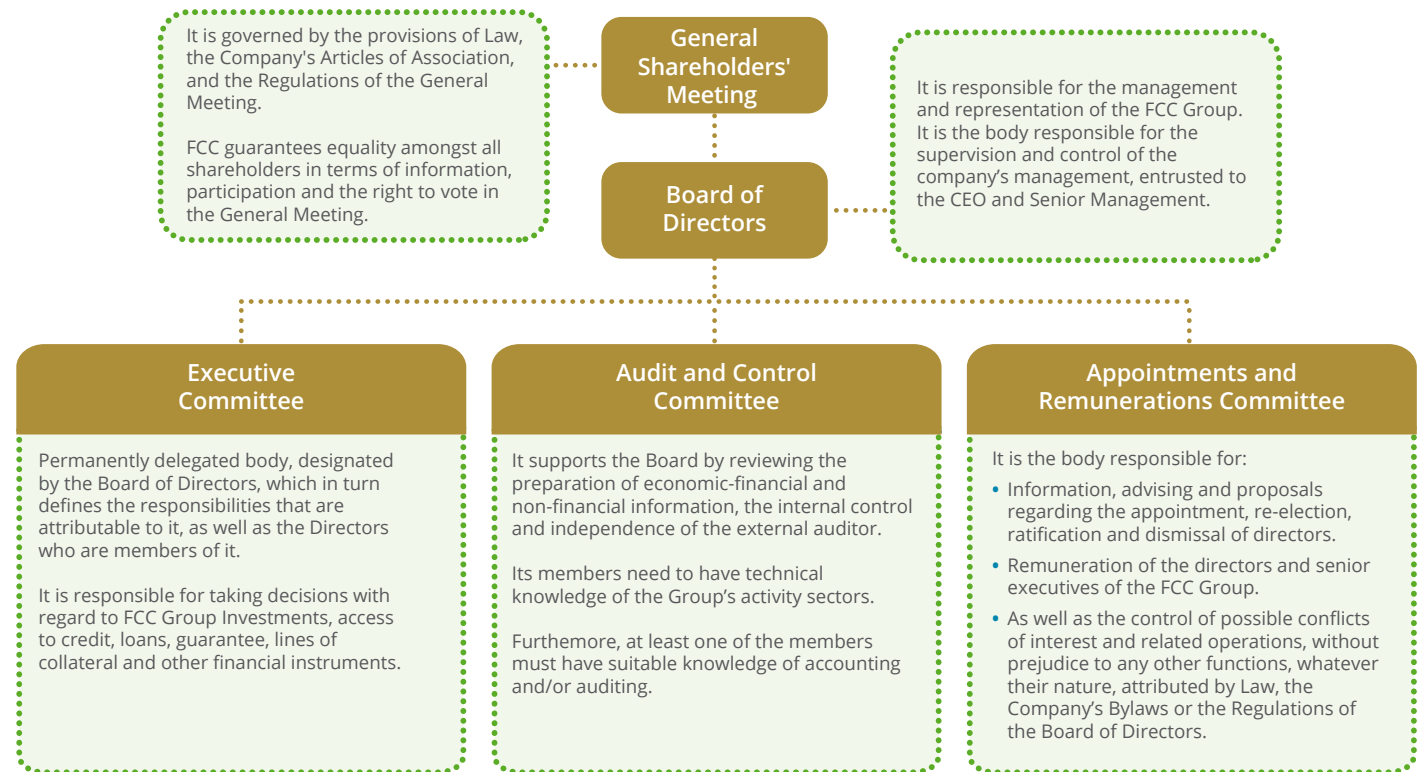
FCC's corporate governance model acts as a **guarantor of the responsible and effective management** of the company and is aligned with the values set out in the Code of Ethics and Conduct.

In its commitment to **good governance**, the FCC Group aligns its corporate governance **guidelines** with the recommendations of the **Good Governance Code for Listed Companies** of the Spanish National Securities Market Commission (CNMV) that apply to it, particularly those that include CSR among the responsibilities of the Board of Directors (Recommendations 53, 54 and 55). The FCC Group **fully or partially complies** with **86.44%** of the pertinent recommendations.

In addition, the FCC Group observes international good practices such as those issued by the **International Corporate Governance Network** (ICGN) and other prescriptive organisations in the field of corporate governance.

The FCC Group has **five governing bodies**, each of which is assigned the functions and powers shown in the table below:

Governing bodies and associated responsibilities



The **Board met 9 times** in 2020, with an **average attendance of 90.48%**.

With **29% of women** on the Board of Directors, FCC is above the average for IBEX 35 companies, which is **27%**. **50%** of the members are of **Spanish nationality**, the other **50%** being of **other nationalities** (Mexico and France).

For further information, please refer to the "**Annual Corporate Governance Report**" and the 2020 "**Annual Remuneration Report**" of the FCC Group, available on the website: www.fcc.es



Gender diversity
on the Board of
Directors:
29% women.

3. Our compliance and due diligence model

Through the **compliance model**, the FCC Group guarantees that all the company's companies and employees are governed in accordance with the principles set out in the **Code of Ethics and Conduct**, while strengthening **internal control** to avoid incurring in any **criminal breaches**. It comprises the following regulatory block:

The **FCC Group's Compliance Committee**, a criminal prevention body with autonomous powers of initiative and control, was set up to ensure the proper functioning of the model, comprising the corporate Compliance Officer (chairman of the committee), the general management of the Legal and Human Resources Divisions.

Two compliance model certifications were carried out in 2020, reviewing approximately **3,000 checks**. In order to fulfil the tasks and competencies assigned to the Compliance Committee in 2020, 11 ordinary meetings were held, plus seven extraordinary meetings¹¹.

Regulatory block - Compliance and due diligence



- Code of Ethics and Conduct
- Criminal Offence Prevention Manual
- Anti-Corruption Policy
- Partner relationship policy in the area of Compliance
- Investigation and Response Procedure
- Procedure for the Whistleblowing Channel
- Human Rights Policy
- Compliance Committee Regulations
- Agent Policy
- Gift Policy
- Tendering Policy
- Harassment Prevention and Eradication Protocol
- Sponsorship and Donations Procedure



(11) Twelve annual meetings could not be held since the March session had to be postponed due to the COVID-19 pandemic.

Relevant FCC Medio Ambiente activities

The Environmental Services Area set up its **Compliance Committee** in October 2018, comprising the following members: as chairwoman, the **Compliance Officer** of the business area and, as members, the Director of Legal Affairs and the Director of Human Resources. The Environmental Services Area Compliance Committee held 12 ordinary meetings in 2020. The Business Area Compliance Officer also attends the FCC Group's Compliance Committee as a guest, where the guidelines to be followed in this area by all the FCC Group's business areas are given.

- ▶ More than **7,700 employees** received training in the **Code of Ethics and Conduct, CSR, diversity, equality, harassment prevention and compliance in 2019-2020**.
- ▶ With the objective of training and raising awareness through sketches and audiovisual content, the "**Compliance coffee**" project was launched in 2020 for **540 FCC Medio Ambiente employees**.
- ▶ Criminal risk map update. Two self-assessments of roughly **1,000 checks on the compliance model**.
- ▶ Approval of the **Third-Party Analysis and Investigation Procedure** and **35 due diligence** reviews of third parties in Spain.

The FCC Group has numerous **effective whistleblowing mechanisms** in place so employees and stakeholders can self-report potential non-compliance and ensure compliance with the Code of Ethics and Conduct, including the rules derived therefrom.

Relevant FCC Group activities



- Review and update of the **criminal risk map**, focused on risk assessment following the impact of COVID-19.
- Approval of new regulatory developments, such as **sponsorship and donation procedures** and the updating of the **Protocol for the Prevention and Eradication of Harassment**.
- Review of the design of controls in the area of **international anti-corruption**.
- Performance of **195 third-party due diligence** evaluations.
- Coordination of the supervision of the **Compliance Model** by Internal Audit.
- Performance of **two self-assessments** and certifications in the compliance tool.
- Design and launch of **new online training**, related to the **Code of Ethics and Conduct**, and in the area of **Criminal Prevention**.
- Definition, together with the Group's Purchasing Department, of the **supplier approval procedure**.



4. Effective risk management

FCC has **risk committees in every business area**. The **FCC Medio Ambiente Risk Committee** analyses the organisation and its environment, identifying the risks and opportunities for each identified risk category: **strategic, financial, operational and compliance**.

All factors and conditions that may influence the organisation must be taken into account, including those related to service quality, environmental aspects, health and safety of workers, economic-financial aspects, current legislation, information security, energy efficiency and R&D&I (Research, Development and Innovation), including any related to the expectations of the most relevant stakeholders.

Once identified, the risk is assessed in terms of the **impact** it could have if it were to materialise and the **likelihood of occurrence**, according to a set of criteria defined in a procedure of its management system.

A specific chapter has also been included in the governance axis of the **2050 Sustainability Strategy**, outlining how risk management should advance in our business area. **FCC Medio Ambiente's** priority is to be a **resilient organisation**, with a risk management model that is constantly integrated into strategic planning and decision-making.

The main objectives are:

- ▶ **Improve our risk management system** by integrating it into the organisation's strategy so that relevant decisions are taken on the basis of a **systematic, objective and effective risk analysis**.
- ▶ Collaborate with the administrations in the preparation of **contingency plans** for emergency situations and/or environmental risks.

Risks in FCC Medio Ambiente

COMPLIANCE RISKS

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

STRATEGIC RISKS

Markets/Sector/Competence
Reputation
Innovation
Corporate Governance
Economic planning
Sustainability
(circular economy, climate change, etc.)

FINANCIAL RISKS

Liquidity risks
Exchange rate/interest rate risks
Fiscal risks

OPERATIONAL RISKS

Bidding and approval of files
Partners
Subcontractors and suppliers
Provision of services and client satisfaction
Environmental management
Labour
Reliability of economic-financial information
Information security
Accident management
Patrimonial
Public health

PROGRESS IN 20-22 PLAN COMMITMENTS:


Set the standard in ethical management and transparency



- Implement **compliance policies** in relation to **third parties** (partners, agents, suppliers, etc.).*
- **Increase** the dissemination of the **Code of Ethics and Conduct** to the entire organisation.*
- **Certify compliance controls.**
- **Revise the Management Policy** and include our commitment to the **SDGs.**
- **Decrease the number of incidents** due to breach of the **Code of Ethic.***
- **Train employees** on the **Code of Ethics and Conduct and the Compliance model.***
- Review the **risk map and compliance controls.**
- Extend the **Code of Ethics and Conduct to suppliers and contractors.***
- Publish and manage the **Social Footprint.***



(*) This objective is again integrated into the 20-22 Plan.


 FCC Medio Ambiente fulfilled **100 % of the commitments** set for 2019-2020 and set itself **5 new challenges** for 2022 related to **ethics and transparency.**

THE NEW CHALLENGES FOR 2022:

For ethics and transparency



- Approve the **Sponsorship and Donation Management Procedure**, incorporating compliance criteria in FCC Medio Ambiente's collaborations.**
- Implement **compliance models** in FCC Medio Ambiente's investee companies and **joint ventures/temporary consortia.****
- Strengthen the **training of personnel** on specific compliance issues following the most significant **criminal risks** identified.
- Certify the **compliance management system.**
- **Extend FCC Medio Ambiente's supplier** approval compliance criteria.

(**) This objective is in the process of being implemented.





9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

17 PARTNERSHIPS FOR THE GOALS

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Service excellence

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

2. Driving innovation in a changing context

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12 RESPONSIBLE CONSUMPTION AND PRODUCTION



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

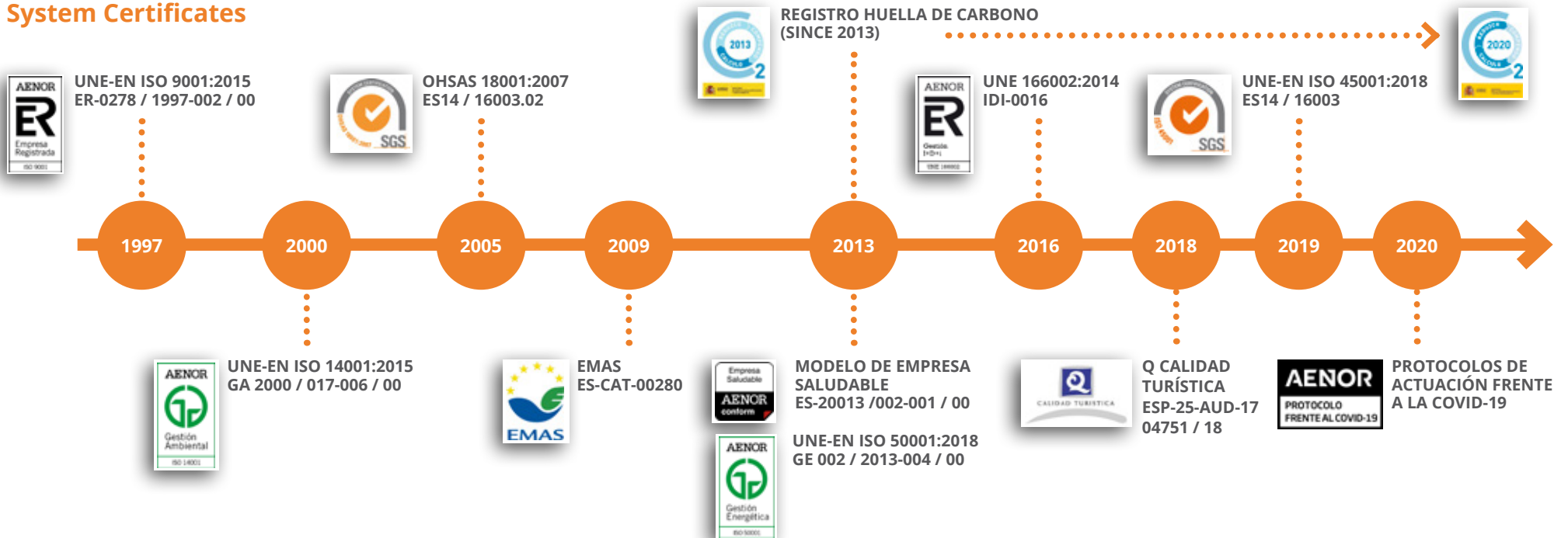
FCC Medio Ambiente's **commitment to excellence** benefits its entire **value chain**, from our customers, suppliers, employees to, of course, all the **citizens who live in the communities in which we operate especially our public customers**. Therefore, our service offering must be based on the alliances of all stakeholders and must respond to their **expectations** and to the **sustainability trends** set by the environment in the medium to long term in a **constantly evolving context**.

Since its implementation almost **25 years ago**, our **Management System** has **progressed** towards a **360° integrated system model** (quality, environment, ORP, R&D&I and energy efficiency). It is based on the requirements of the **main international standards of recognised prestige** and standardises the work methodology developed in all the company's contracts, guaranteeing that the processes are carried out with rigour and in accordance with common procedures.

The system is an **effective tool** to assure our stakeholders of the **excellence of quality, socially and environmentally sustainable and innovative services**.

The Management System is based on **standards UNE-EN ISO 9001; UNE-EN ISO 14001; EMAS** and certifications in Energy Management **UNE-EN ISO 50001** and R&D&I **UNE 166002** in order to be more efficient and effective.

FCC Medio Ambiente Management System Certificates



2050 Sustainability Strategy

TARGET

We strive to **spearhead the implementation of systems** ensuring the quality and transparency of the value chain.

COMMITMENTS

Digitalization of management processes.

Implementing a **green, responsible and innovative procurement model**.

Certification/accreditation according to new standards, specifications, protocols and regulations.



In order to **anticipate** and meet the **expectations** of our stakeholders, at FCC Medio Ambiente we pay special attention to the changes that occur, both globally and locally, in the communities in which we provide our services. In response to the needs identified in the tenders for the management of services, we offer a **Sustainable Management Plan for Services** aligned with the **SDGs** and with those **strategies, plans and policies** implemented by the **municipalities** in terms of **sustainability** in its three **economic, social and environmental** pillars.

FCC Medio Ambiente's investment in **digitalisation**, in **new technologies** applied to machinery and facilities and in the implementation of **initiatives and good practices** allows us to provide our clients with **solutions** with an ambition for the **future** in agreement with all the parties involved that contribute to the development of **sustainable cities and communities**.

The commercial structure of FCC Medio Ambiente, with its 16 local branches, enables it to offer services that meet the expectations of communities in all regions of Spain. In addition, the organisation has an internally developed **smart platform** for the **management of citizen services** called **VISION**, which automatically serves and responds to the needs of its customers.

The shift towards a **circular, social and solidarity economy** is transforming the **pattern of consumption** in society. At FCC Medio Ambiente we have been promoting **sustainable purchasing management** and **responsible consumption of resources** for almost 20 years, favouring a **transparent relationship** with the supply chain. We also promote the **circular economy model** by giving a second life to our own **waste**.

The **main purchases** made from Central Services are **vehicles, machinery, waste containers** and various **auxiliary materials** for the **urban services** provision, as well as **equipment and facilities** for the **treatment and recovery of waste**. It should be noted that the subcontracting of services is considered in exceptional cases at the customer's request.

Trust, quality and transparency in the value chain

▶ New 2019-2020 certifications and seals:

- ◆ First company in the sector to get the **SIGOS** (Healthy Organisation Management System) **certificate** from AENOR.
- ◆ Awarded with the **"Calculo-Reduzco"** seal for the third time by the Spanish Office for Climate Change, part of the Ministry for Ecological Transition and the Demographic Challenge.
- ◆ AENOR **Certification of Protocols against COVID-19**.

Some key figures:

- ▶ **74%** of the turnover corresponds to activities certified according to ISO 9001.
- ▶ **73.3%** according to ISO 14001; **69.9%** according to ISO 50001 and **9%** under the EMAS Regulation.
- ▶ Of the **168 suppliers** with actual orders placed from Central Services, **71% are certified** in at least one management system and account for **90% of the purchasing volume**.

Some examples of green purchasing are listed below:

- ▶ Power purchase with **guarantee of origin** (2019-2020): **48 million kWh**
- ▶ **Green fleet: 22.8%** of commercial vehicles powered by **alternative energies**.
- ▶ **Connected fleet:** Newly acquired vehicles **equipped with GPS**, which allows the optimisation of routes, with the consequent **reduction of resource consumption** (water and energy) and the generation of GHG emissions.

A responsible procurement management model

- ▶ FCC Medio Ambiente continues to work on the application of **ethical, social and environmental criteria (ESG)** in procurement processes, trying to guarantee the highest degree of **sustainability and promoting innovation**.
- ▶ The **procurement management model** implemented is governed by the principles set out in the **Purchasing Manual** common to the entire company, which is based on the principles of **transparency, competitiveness and objectivity** that provide **efficiency and generate value** for the business.
- ▶ In 2020, the FCC Group updated the Procurement Manual and worked on **analysing and updating** the **environmental, social and governance risk** map for **suppliers and contractors**.
- ▶ The **FCC Code of Ethics and Conduct** also includes the **basic principles** that all partners, collaborators and suppliers **have to respect**.
- ▶ **Failure** by suppliers to adhere to any of the principles of the **FCC Code of Ethics and Conduct** or of the **United Nations Global Compact**, in any of their commercial operations, may result in the **cancellation** of contracts by FCC.
- ▶ In addition, in 2019 the FCC Group reformulated the **ethical clauses** in the General Terms and Conditions of Contracting that suppliers must accept, including

references to the declaration by the supplier of the content and scope of the **FCC Group's Anti-Corruption Policy**.

- ▶ The goal is to obtain the collaboration of the most competitive **top-level companies** in their markets, following **responsible principles** in the selection process and making them participate with **appropriate conduct**. We also try to **promote proximity purchasing**, always following the bottom-up criterion "municipality-community-country".
- ▶ **FCC identifies and assesses** the **environmental, social and economic risks** associated with the **supply chain** through an analysis conducted on all new suppliers, which includes visits to their facilities, interviews with management or requests for relevant information.



At FCC Medio Ambiente

- ▶ We **comply with regulations** with the **commitments** acquired with our **customers** and with the collaboration **agreements** signed with the rest of the **stakeholders**. This is backed up by our certifications.
- ▶ **We are effective:** we achieve the results that our stakeholders expect from us.
- ▶ **We are efficient:** we optimise the consumption of resources derived from the performance of our activity.
- ▶ **We are innovative:** we have our own developed machinery, advanced waste treatment processes and digitisation of management.



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PROGRESS IN 20-22 PLAN COMMITMENTS:



Promote responsible procurement

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



(*) This objective is integrated again into the 20-22 Plan.

THE NEW CHALLENGES FOR 2022:



For a responsible procurement model

- Implement the **FCC Group's supplier approval methodology** and carry out the risk analysis based on the information provided by the supplier on the **corporate platform**, responding to a series of **questionnaires that include sustainability aspects.****

(**) This objective is in the process of being implemented.



• In the 2019-2020 period, FCC Medio Ambiente has achieved **40% of the commitments** set and **the rest** are in the process of **being implemented.**

• **1 new challenge** for 2022.

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2. Driving innovation in a changing context

After launching the **Shock Plan for Science and Innovation** in July 2020, the Government approved **2021-2027 Spanish Strategy for Science, Technology and Innovation**, which underlines the importance of consolidating and strengthening science and innovation as a tool for the social, economic and industrial reconstruction of our country.

At FCC Medio Ambiente, in line with this plan, we have recently launched the **2050 Sustainability Strategy**, which integrates the entire organisation and constitutes our roadmap for the next 30 years. Within the axes of **Excellence**, innovation will play a key role and will focus on combining the **know-how** acquired over more than

100 years of activity with the development of innovative technologies.

During the last two years, FCC Medio Ambiente has continued to maintain its **R&D&I Management System certification**, in accordance with **standard UNE 166002**. We have also consolidated the **Avanza awards**, holding the third edition in 2021.

Despite the COVID-19 pandemic, our **R&D&I projects** have continued to function and even progressed, reaching an investment of **€3,824,789** in the last two-year period. Projects can be classified into three broad areas:

2050 Sustainability Strategy

TARGET

Improve the **culture of innovation** and creativity within the organisation.



R&D&I Expenditure vs Turnover

.....
≥ 0.3 % by 2030
.....

≥ 1% by 2050

EFFICIENT MANAGEMENT AND SMART URBAN SERVICES



vision

Platform developed by FCC Medio Ambiente for the integrated management of services.

TECHNOLOGICAL INNOVATION IN MACHINERY



New **ZEVs**
(Zero Emission Vehicles)



WASTE TREATMENT AND CIRCULAR ECONOMY



Development of European Projects as a firm commitment to the circular economy: LIFE4FILM, LIFEPLASMIX, LIFELANDFILL, SCALIBUR, DEEP PURPLE, etc.

A. Efficient management and smart urban services: VISION Platform

VISION is an **intelligent platform** designed by FCC Medio Ambiente for the **comprehensive and sustainable management of municipal services**, which makes it possible to respond to the needs of all the agents involved in the provision of these services (administration, business and citizens) and integrates all the aspects related to their correct development (production, legal requirements, environmental aspects, material and human resources, etc.).

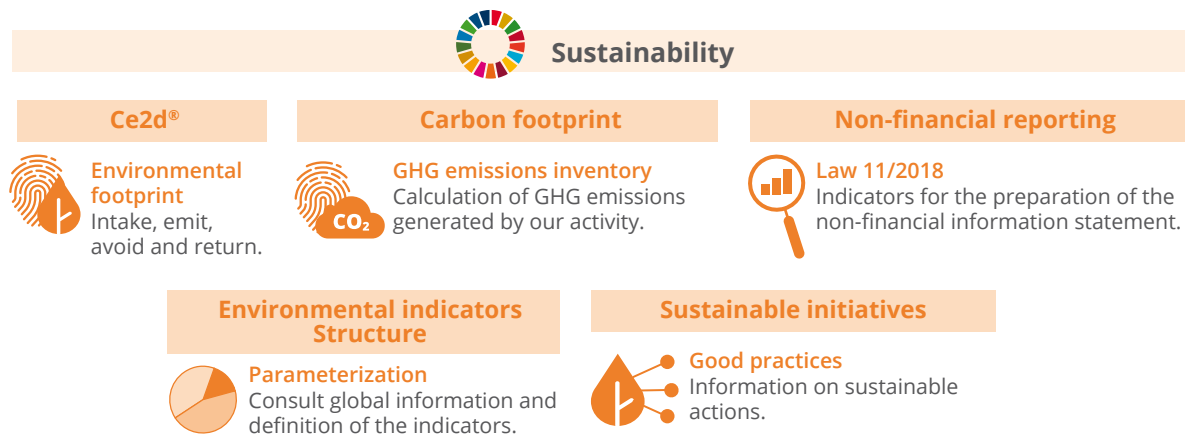
During the last biennium, we have continued to **integrate processes into the platform** and developed **innovative solutions** for service management, among which we can highlight:

- ▶ Hosting of the entire **platform infrastructure on the AWS cloud server** with system redundancy that guarantees high availability both physically and geographically.

- ▶ Integration of **"Map Servers"** functionalities into the system to increase the efficiency of geographic information management.
- ▶ Deployment of the **Occupational Risk Prevention module** fully integrated with the rest of the system's information, including the creation of "Risk Assessments", which is the central point of the system.
- ▶ Development of a **"Facial Recognition"** system focused on offering reliable, agile and contact-free identification solutions. It has been implemented in a personnel entry and exit control system.
- ▶ Incorporation of **mobility inspection technology in the sewerage network**.

- ▶ **Street-level data collection** on the characterisation of the urban environment as part of the study creation process.
- ▶ **Tax reporting system¹² based on biogas generation data** from treatment operations.

In terms of **sustainability**, we have created several specific modules that facilitate the response to the different **non-financial reporting** requirements and allow the calculation of both the **environmental footprint** and the **carbon footprint**. VISION also includes a **sustainable initiatives** module where users can register both **social** and **environmental good practices**, depending on their profile.



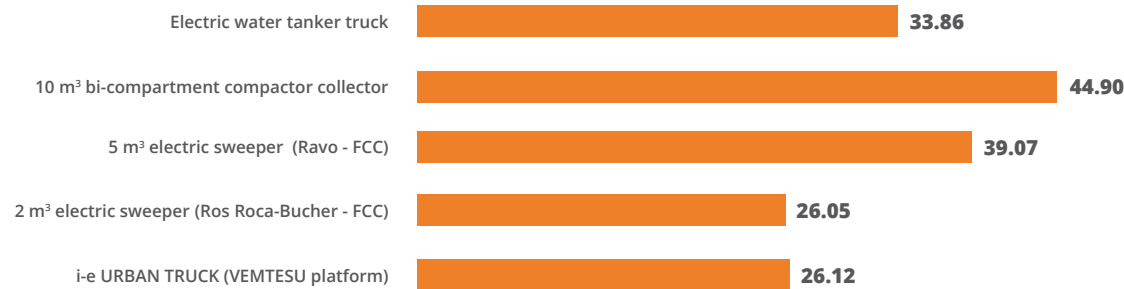
(12) SILICIE: Immediate Supply of Accounting Information Books for Excise Taxes.

B. Technological innovation in machinery

In the new **2050 Sustainability Strategy, FCC Medio Ambiente** is committed to achieve **100 % of the fleet of vehicles with "ECO" and "0" labels** within 30 years. With a view to achieving this goal, 2019-20 has been a key period to focus on **diversifying our electric vehicle fleet by developing new prototypes**, which do not currently exist on the market and will be launched in 2021. Some of these prototypes use **new generation lithium-ion batteries**, which have been developed in cooperation with an European manufacturer.



GHG emissions avoided (tCO₂e)*



(* The use of electricity with a guarantee of renewable origin is estimated.



2019

- ▶ **ie-URBAN TRUCK (VEMTESU platform).**
- ▶ 2 m³ electric sweeper (Ros Roca-Bucher - FCC).
- ▶ 5 m³ electric sweeper (Ravo-FCC).
- ▶ Electric powered sweeping trolleys (FCC).
- ▶ 100 % electric chassis with small dimensions, the first prototype of which will be fitted with an irrigation and watering tanker. MAM*: 18 t.
- ▶ Small side-loading compactor collector on CNG chassis. MAM*: 18 t.

2020

- ▶ 10 m³ bi-compartment compactor collector, rear-loading. With 100 % electric bodywork and battery self-recharging system using a CNG engine.
- ▶ Auxiliary cleaning vehicle called **"PHASE 3"**: small-sized equipment equipped with 4 selective 240-litre containers and a loading and unloading system using pulleys and belts.

(* MAM: Maximum Authorised Mass.

The new **100 % electric chassis-platform**, known as **ie-URBAN TRUCK**, is the result of the ambitious technological innovation project **VEMTESU** ('Vehicular, Modular and Self-supporting High Efficiency Electric Traction Platforms for Urban Services'), co-financed by the European Regional Development Fund (ERDF) through the Centre for the Development of Industrial Technology (CDTI). The **ie-URBAN TRUCK** has received numerous awards such as Best Innovative Idea at the **Smart City Awards 2019**, **Best Product and/or Service at the European Business Awards (EBAE) 2020** and, recently, the award for **Best Green Commercial Vehicle 2021** at the National Transport Awards.



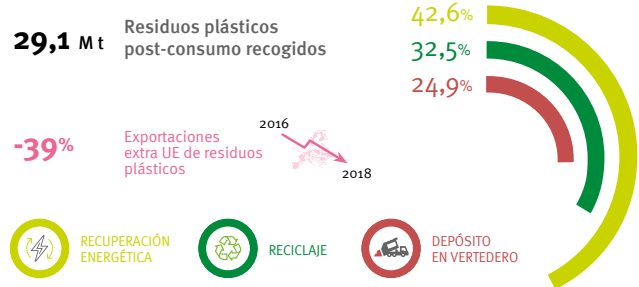
In addition, FCC Medio Ambiente has **consolidated strategic alliances** with other companies, technological organisations and universities that will enable to open **two new R&D&I lines for the next 3-4 years**: the first one dedicated to street cleaning machinery which, by incorporating certain automatisms, aims to make the street cleaning service cheaper compared to current machinery; the second one aims to take advantage of new and future energy vectors, completely respectful of the environment, with the ambitious objective of being able to be applied to any equipment or machine that provides urban services.

C. Waste treatment and circular economy

GRANADA ECOCENTRAL: demonstration of technologies to close the circularity of plastics

The new **European Strategy for Plastics in a Circular Economy** proposes that all plastic packaging should be **recyclable or reusable by 2030**. However, according to data from PlasticsEurope¹³, only 32.5% of the 29.1 million tonnes of post-consumer plastic collected in the EU28+2 was recycled in 2018. The remainder was diverted to incineration or controlled landfill.

With the aim of seeking new solutions capable of increasing the recycling of plastic waste, FCC Medio Ambiente is leading **two European LIFE projects** whose objective is to increase efficiency in the recovery of plastic waste, which is difficult to dispose of in the recycling market, avoiding its incineration or disposal in landfills. For both projects, **two semi-industrial scale recovery and recycling plants** are being built:



Source: Conversio Market & Strategy GmbH

LIFE4FILM "Post-consumption film plastic recycling from municipal solid waste" (2018-21):

It consists of a pilot plant (approx. 10,000 t/year) that allows different innovative technologies to be tested for **the separation of polyethylene film (LDPE)** and its recycling in the form of **plastic bags** to be used, among others, by FCC in street cleaning and green area management services, thus closing the **"BAG2BAG"** cycle. This plant has four stages: separation, washing, extrusion and blowing. This project has a budget of €4.54 million and involves partners such as Aimplas, Grupo Stadler, Grupo Lindner, Erema, University of Granada and Ibáñez Extrusoras. Once the project is finished, five replications will be carried out at other European plants.

LIFEPLASMIX "Plastic mix recovery and PP&PS recycling from municipal solid waste" (2019-23):

It consists of a pre-industrial plant (5,600 t/year) that will allow polypropylene (PP) and polystyrene (PS) to be recovered in the form of pellets or flakes, suitable for use in the manufacture of new plastic products¹⁴. The process has three stages: separation, washing and drying, and extrusion. This project is led by FCC Medio Ambiente and has a budget of €5.33 million, with the participation of partners such as the Stadler Group, the Lindner Group, the University of Granada, Pellenc ST, Andaltec and Anaip.

Both projects, in addition to achieving improvements in the **recovery and recycling of LDPE, PP and PS**, will reduce the **carbon footprint** of the plastics industry, which will go a long way towards **supporting the circular economy of plastics**.

(13) PlasticsEurope: Association of Plastics Manufacturers in Europe.
 (14) GPPS, HIPS, EPS, XPS.

Las Dehesas biomethanisation plant

Innovation centre to become a Biorefinery

FCC Medio Ambiente has set itself the challenge of transforming traditional biological treatment processes into a **new biorefinery concept**. **Las Dehesas plant in Madrid**, due to its strategic location, will be one of the driving forces behind this transformation, which is why a **thermal hydrolysis pilot plant** has been built where different **disruptive technologies** for the treatment of Organic Fraction from Selective Collection (OFSC) and the different biomethanisation effluents - biogas, digested liquid and digestate - are being demonstrated through three research projects: **SCALIBUR**, **INSECTUM** and **DEEP PURPLE**.



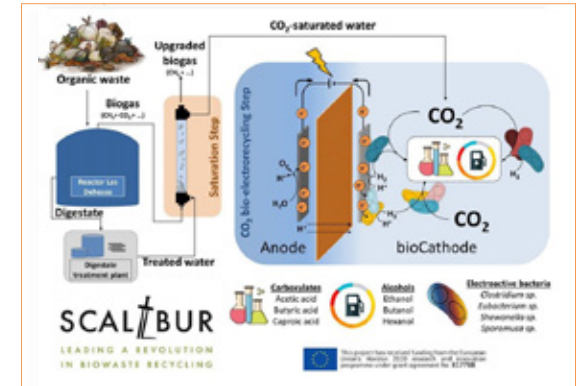
SCALIBUR



SCALIBUR, acronym for SCALable technologies for Bio-Urban waste Recovery, is a European project funded under the Horizon 2020 programme. The aim of this project is to take a step towards a **circular economy** by implementing innovative solutions to transform

urban organic waste into **high added-value products**. **FCC Medio Ambiente** is a partner in a consortium comprising 21 other partners from eight European countries: Belgium, Germany, Greece, Italy, the Netherlands, Spain, Sweden and the United Kingdom.

- ▶ **Use of CO₂ from the biogas produced** at the biomethanisation plant by means of a **bioelectrochemical process** aimed at producing long-chain alcohols and acids. → **FCC Medio Ambiente**, in collaboration with **AQUALIA** and the **University of Girona**.
- ▶ **Supply of biowaste** to CENER, which is investigating the **enzymatic hydrolysis** of biowaste for subsequent use in biological fermentations, with the aim of producing **biopesticides** and **bioplastics**.
- ▶ Contact with the **large organic waste producers** (e.g., supermarkets) to improve their organic separation in Madrid. → **Madrid City Council** and **FCC Medio Ambiente**, as project partners.



Leader: Partners:



website: www.scalibur.eu

INSECTUM



This CDTI CIEN project, led by **FCC Medio Ambiente**, aims to research a **system for recovering urban bio-waste and agri-food by-products**, based on their conversion by means of **insects** into **products with high added value** in

the food, pharmaceutical and chemical industries. The **digestate** and **biowaste** from individuals and large generators will be conditioned by **solar drying** and then sent to the **Bioento** farm for **insect valorisation**.

Leader: Partners:



DEEP PURPLE¹⁵

Urban water and waste biorefinery, taking advantage of the synergies between Aqualia and FCC Medio Ambiente

The aim of DEEP PURPLE is to research in a demonstration scale the integrated application of state-of-the-art processes for the valorisation of biowaste and wastewater, by coupling the **thermal hydrolysis of biowaste** to a wastewater **photo-purification process with phototrophic purple bacteria (PPB)**. The ultimate objective will be to “close the loop” through the international industrial validation of high added-value bio-products: **biocosmetics, biofertilisers, bioplastics and biomaterials for construction**.

► **BIOGAS BIOMETHANISATION:**

The Institute of Sustainable Processes of the University of Valladolid will install and operate a 2 m³ **high transfer bioreactor** at **Las Dehesas biomethanisation plant** to transform biogas into chemical industry precursors, such as **ectoin¹⁶ by means of biological fermentation**. This amino acid, which has high added value due because its ability to protect DNA from UV radiation, will be used as an additive in cosmetics by the partner RNB, located in Valencia (**biocosmetics**).

► **HYDROLYSED LIQUID FRACTION:**

Thermal hydrolysis allows biowaste to be subjected to high pressures (6-20 bar) and temperatures (150-200° C) for a certain period for subsequent “sudden” decompression, generating a “flash” separation into liquid and vapour that solubilises the nutrients present in the biowaste. The operation of the demonstration plant follows the recommendations of the Universidad Rey Juan Carlos (URJC), which has previously optimised the system. The by-product is a **hydrolysed liquid**, very rich in nutrients, which is being collected and finally centrifuged and sent to **Aqualia’s anaerobic photobioreactors**.



Pilot Plant - Photobioreactors- anaerobes EDAR Estiviel, Toledo (Aqualia)

The **hydrolysed liquid** is treated together with the urban wastewater in **photobioreactors** where PPB bacteria, using infrared sunlight as their sole energy source, can accumulate the excess of organic carbon in the form of polyhydroxyalkanoates (PHA), molecules from which **biodegradable bioplastics** can be manufactured. In addition, phototrophic biomass can be used as a biofertiliser due to its high nitrogen (N) and phosphorus (P) content.



website: <https://deep-purple.eu/>

▶ Watch video: **deep-purple**

Leader: **Partners:**

(15) DEEP PURPLE “Domestic Extraction of Emerging Products with Purple Phototrophic Bacteria”.
 (16) Ectoin is a naturally occurring compound found in several species of bacteria. Its main function is to protect organisms against extreme osmosis stress.

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RECYGAS (2019-22): Material valorisation of municipal solid waste through the production of recycled Syngas

The **RECYGAS project** is funded by the **Hazitek programme of the Basque Government**, with support from the European Regional Development Fund. FCC Medio Ambiente is developing it in consortium with the companies SENER, Ingeniería y Sistemas and ZABALGARBI. The GAIKER research centres, TECNALIA, the Carbochemical Institute of the CSIC, CENER and the Institute of Chemical Technology of the Polytechnic University of Valencia are also collaborating in the project.

The **waste gasification proposed** in the **RECYGAS project** converts the waste into a synthesis gas (Syngas) that can be used for different purposes. This **synthesis gas** is a precursor for different products within the industry and, as the main difference with waste incineration, it can be converted into **high value-added products** such as **liquid fuels, synthetic natural gas**, chemical products such as **methanol** or **ethanol**, and energy carriers such as **hydrogen**.



Fondo Europeo de
Desarrollo Regional (FEDER)
"Una manera de hacer Europa"

Eskualde Garapenerako
Europar Funtza (EGEF)
"Europa egiteko modu bat"



BIRSU 2020: RM Incineration Slag Demonstration Project

At the **Gipuzkoa Environmental Centre (CMG-2)**, the **BIRSU Project** was developed in 2020 to study new recovery alternatives for urban incineration slag as **aggregate for construction**.

The project, led by **Gipuzkoa Ingurumena Bi, S.A (GIBISA)**, has been subsidised by the **Basque Government** within the **framework of the Circular Economy 2020 aid programme of the Provincial Council of Gipuzkoa**.



**Gipuzkoako
Foru Aldundia**
Diputación Foral
de Gipuzkoa

PROGRESS IN 20-22 PLAN COMMITMENTS:

Opening new lines of research on adaptation to climate change and the principles of the circular economy



- Increasing investment in R&D&I projects that reduce the environmental impact of processes.* ✓
- Increasing the number of ideas and proposals for R&D&I projects through the promotion of creativity in the organisation.* ✓
- Raising the number of offers presented to clients that include proposals for collaboration in R&D&I.* ▲
- Consolidating the Avanza awards as a way of encouraging innovative initiatives in the organisation.* ✓
- Extending the field of research to the water sector: risks and opportunities of using recycled water in urban services.* ▲
- Detecting commercial technology development opportunities for by-products.* ▲
- Exploiting opportunities for collaboration through European Innovation Partnerships (EIPs).*
- Increasing our submission of R&D&I projects to national and international calls for proposals.* ▲
- Implementing the FCC Medio Ambiente "Smart Human & Environmental Service".* ▲



- FCC Medio Ambiente has achieved 33% of the commitments set for 2019-2020 and the rest are in the process of being implemented.

(*) This objective is again integrated into the 20-22 Plan.



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<p>8 DECENT WORK AND ECONOMIC GROWTH</p> 	<p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p> 	<p>11 SUSTAINABLE CITIES AND COMMUNITIES</p> 	<p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p> 	<p>13 CLIMATE ACTION</p> 	<p>14 LIFE BELOW WATER</p> 	<p>15 LIFE ON LAND</p> 	<p>17 PARTNERSHIPS FOR THE GOALS</p> 
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Smart services

- 1. Mitigate the environmental impact of our activities and services
- 2. Commitments and actions in terms of sustainable environmental management
 - 2.1. A commitment to the circular economy
 - 2.2. Climate action
 - 2.3. Promoting the efficient use of water and tackle water stress
 - 2.4. Preserving natural capital and protect biodiversity
 - 2.5. Good practices for healthier cities



1. Mitigate the environmental impact of our activities and services

Our organisation's strategy is based on applying the **know-how** acquired throughout **more than a century of experience and professionalism**, developing **innovative technologies** and offering its customers **Smart Human & Environmental Services**, i.e. more efficient services with the least impact on citizens and the environment, which contribute to achieving **Goal 11** of the United Nations 2030 Agenda: achieving **inclusive, safe, resilient and sustainable** environments.

Our **service management model** will enhance **green growth** in the communities where we operate through **six priority lines of action**, which we will develop throughout this chapter:

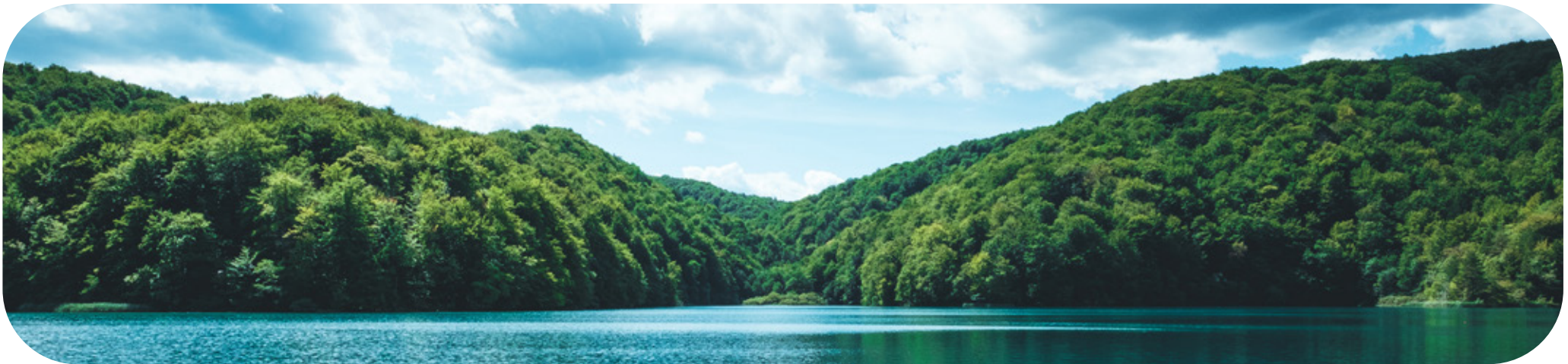
- ▶ The commitment to the **circular economy**.

- ▶ Climate action.
- ▶ **Efficient water use** and the fight against water stress.
- ▶ Protecting **natural capital** and **biodiversity**.
- ▶ **Driving innovation** in a changing context¹⁷.
- ▶ Good practices for **healthier cities**.

FCC Medio Ambiente calculates **the overall balance of the impact of the services provided on the environment** through the **environmental footprint**, based on the indicators of the **Global Reporting Initiative (GRI)** and the **ce2d® methodology**¹⁸ developed

internally by the organisation. This methodology is governed by the following principles: **Intake, Emit, Avoid, Return** and allows for the **identification, harmonisation, quantification and consolidation** of the main parameters and variables involved in the different production processes from the perspective of **environmental sustainability**.

On the basis of this environmental accounting, the organisation has characterised the environmental repercussions of its actions and assessed the degree of compliance with the commitments made. In this regard, it should be noted that the organisation has a history of more than 15 years of data and information verified by a third party. Below are the key figures of the **2020 Environmental Footprint represented in "ce2d®"**.



(17) Developed in Chapter 5.2 Driving innovation in a changing context.

(18) The environmental footprint reflects all the GRI environmental indicators adapted to each activity. Different external bodies validated this methodology. Registered Trademark at the Spanish Patent and Trademark Office: "CE2D®", FCC Medio Ambiente, S.A. / M2931259/ Spain/2010.

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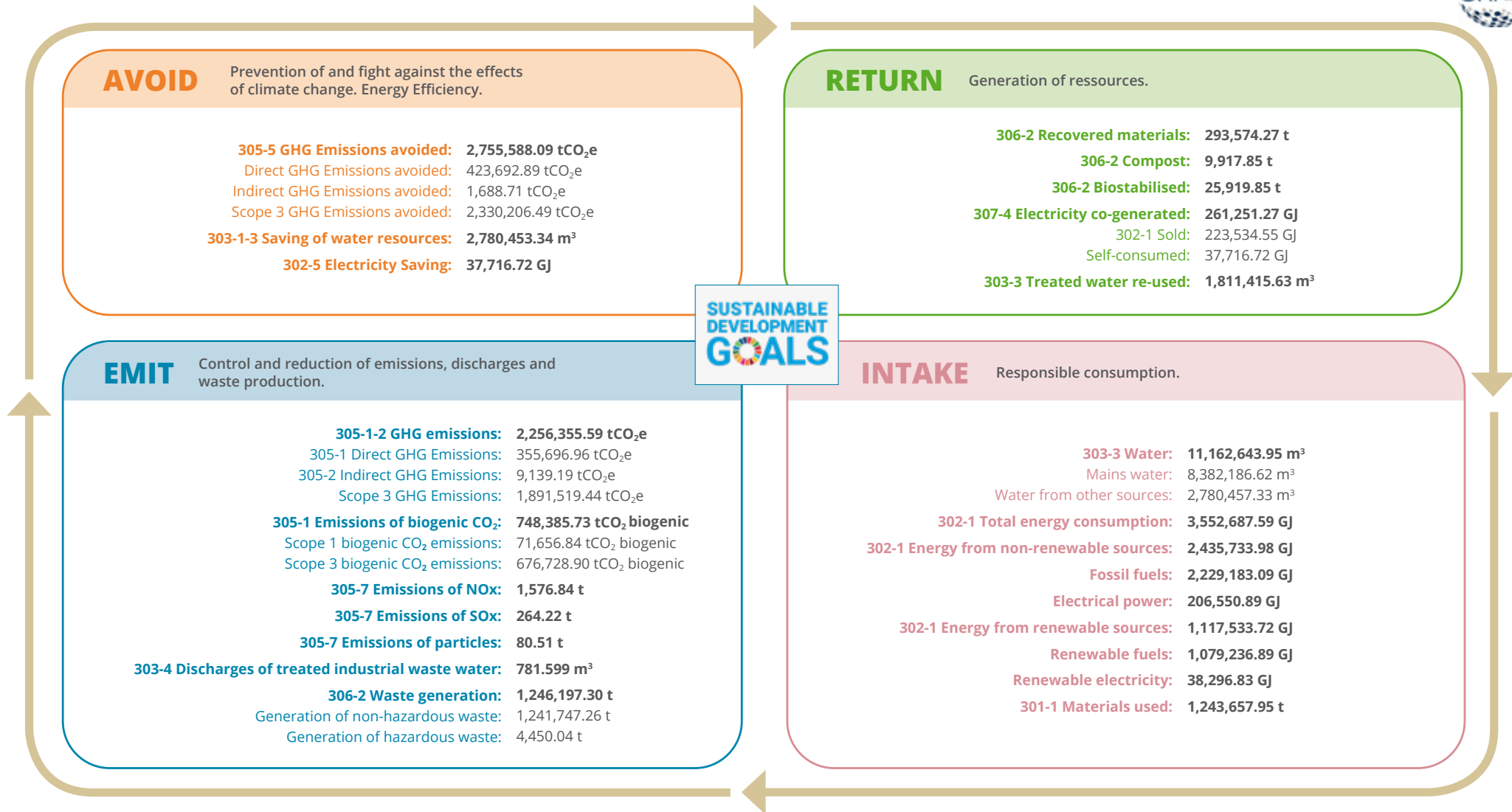
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The ce2d® of FCC Medio Ambiente (2020). Key Environmental Footprint Indicators according to GRI standards



NOTE: In the Environmental Footprint all indicators have been calculated for contracts under operational control except for GHG emissions generated and avoided which reflect the three scopes determined in the internal procedure for calculating the Carbon Footprint.

By having the most representative environmental performance indicators for the period 2018-2020, we are in a position to analyse the **trends set** and identify through them, both the **minimisation of the environmental footprint** and the degree of **compliance with the commitments** established in the previous sustainability report.



Reduction of the environmental impact of our services

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

- ▶ **Increased material recovery, both in variety and quantity, in our municipal waste treatment plants.**
We have increased recovery at plants under operational control by **133.9%** from 140,824.4 in 2018 to 329,411.95 t in 2020, avoiding landfilling.
- ▶ **A 10.7% increase in avoided GHG emissions from materials recovery** from 342,420.05 tCO₂e in 2018 to 379,245.34 tCO₂e in 2020 (Scopes 1+3). However, avoided emissions from treatment have been reduced due to a decrease in inputs to composting and energy recovery in 2020, due to the exceptional situation resulting from the pandemic.
- ▶ **Increased electricity generation:** thanks to our commitment to the use of biogas in waste treatment and disposal plants. Thus, between 2018 and 2020, **the recovery of biogas in the engine and boiler increased by 40.9%**, from 643,710 GJ to 906,734 GJ. Electricity generation has **increased by 25.7%** as a result, from 213,537.42 GJ in 2018 to 268,420.03 GJ in 2020. However, avoided emissions from electricity generation have decreased due to a higher contribution of renewables in the energy mix.
- ▶ **Increased renewable energy consumption** from 786,903.70 GJ in 2018 to 1,117,533.72 GJ in 2020. **More electricity has also been contracted with a guarantee of origin, GoO**, resulting in a decrease in GHG emissions associated with electricity (Scope 2), which have been almost halved in 2020 compared to 2018.
- ▶ **Smaller carbon footprint:** we managed to achieve an average emission intensity reduction of **5.39%** in the period 2017-2019 compared to the previous three-year period. For this reason, the Spanish Climate Change Office of the Ministry for Ecological Transition and the Demographic Challenge awarded us the double **"Calculo y Reduzco"** seal in 2020. We registered our 2020 carbon footprint in August 2021 and have managed to reduce the average emission intensity by **4.28%** when comparing the three-year period 2018-2020 with the three-year period 2017-2019.
- ▶ **Minimising dependence on mains water: 25% of our water consumption is covered by alternative sources.** Consumption of water from alternative sources increased by 10.4% and total consumption decreased by 3.5%.
- ▶ **A 123% increase in the number of initiatives related to biodiversity protection** in the last three years.

PROGRESS IN 20-22 PLAN COMMITMENTS:

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



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

(*) This objective is integrated again into the 20-22 Plan.



- In the last biennium we have met **100% of the commitments** to reduce the environmental impact of the services we provide.

2. Commitments and actions in terms of sustainable environmental management



2.1. A commitment to the circular economy

The **Spanish Circular Economy Strategy** begins its journey with the approval of the first **2021-2023 Circular Economy Plan**, which contains 112 measures articulated around its 8 lines of action. Its third line entails a profound reform of waste management regulation and planning. The **new waste law, expected in the last quarter of 2021**, will provide the general framework for the sector in Spain.

Spain has a great challenge ahead of it, considering that it continues to make the majority use of landfill (53.8% in 2019) and that it is one of the European countries that recovers the least amount of waste energetically (11.3% in 2019).

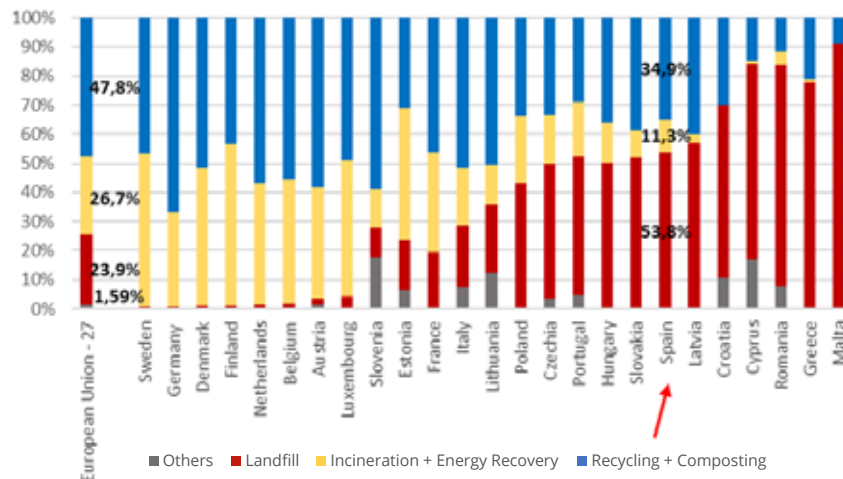
Thus, in **FCC Medio Ambiente's 2050 Sustainability Strategy**, we have established a specific roadmap on the **circular economy**, which includes three scenarios that involve **a substantial change in the selective collection model** in order to limit landfill to 10% by 2035. This roadmap will be materialised through successive biennial Sustainability Action Plans, whose goals can only be achieved through **public-private partnership**.

"The future will either be circular or it won't". This last year of the pandemic has taught us that "united we can beat the virus". With this lesson learned, at FCC Medio Ambiente we believe that now is the time to face this new

challenge of transforming our **economy** into a **circular** one, for which it will be necessary to combine the efforts of the entire waste management chain (administration-citizenship-business).

Within this framework, our organisation plays a fundamental role, as it is managing the treatment of approximately **30% of the municipal waste generated in Spain**. The **circular economy** is both a challenge and a great opportunity for **FCC Medio Ambiente**.

European Union, Municipal Waste Treatment in 2019



2050 Sustainability Strategy

TARGET

Collaborate with our clients to be able to **comply with the EU objectives** for 2035 in relation to waste management, specifically:

≥ 65% of waste recycled

≤ 10% of waste landfilled by 2035

In 2035



65 %
Recycling



10 %
Landfill target

Selective collection, a driver of the circular economy

Covid-19 lockdown reduced waste generation and promoted separate collection

During the confinement, due to the health crisis situation, we have had to ensure waste management under very critical conditions, as this is an **“essential service”** for the proper functioning of cities. In this sense, it has been detected that citizens, even during coronavirus lockdown, have recycled more than in previous years.

In 2020, the tonnes of waste collected by **FCC Medio Ambiente** decreased by around 8.5 % compared to the previous year, which could be explained by

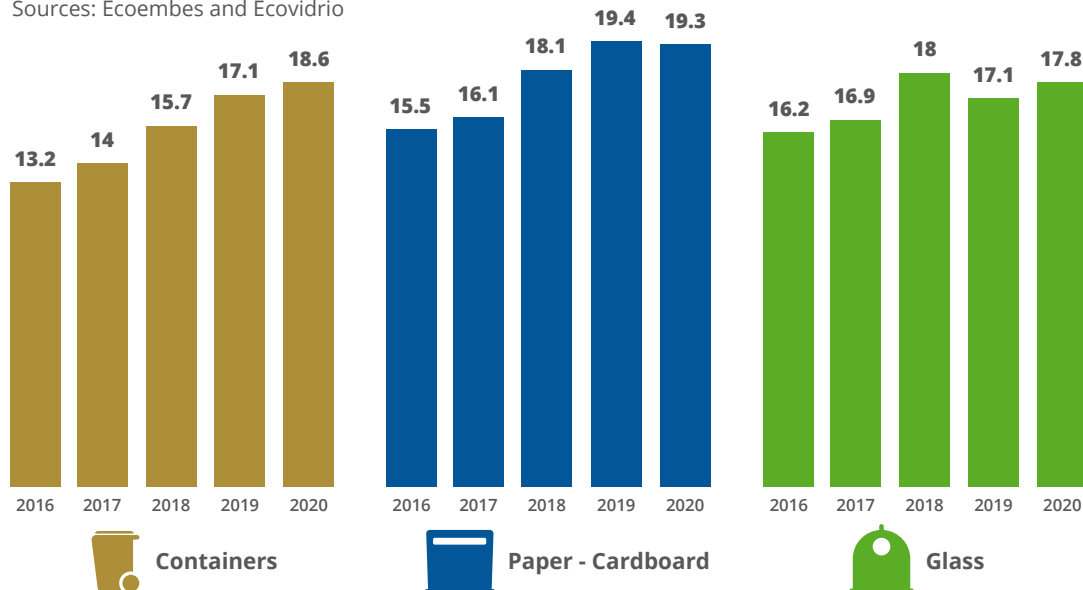
a general decrease in population activity and the closure of commercial establishments. In contrast to this decrease, **separate collections of yellow, blue and green containers** grew by **2.7 %**, **9.5 %** and **10.4 %** respectively. On the other hand, thanks to the efforts and commitment of all FCC Medio Ambiente’s collaborators, we have managed to deliver a total of **1,020,326.9 tonnes of by-products** to recovery facilities in 2020 (information about 100 % of contracts).

Although the figures are positive, we are aware that we have a big challenge ahead of us and we must

continue our efforts to achieve **65 % recycling of municipal waste by 2035**. To this end, according to a study on waste management carried out in 2019 by the “Organization of consumers and users” in Spain, it would be advisable to promote **new economic instruments** such as **“penalties”** for those who ignore collection policies or **“economic incentives”** by reducing taxes or municipal fees, an idea supported by 77 % of the participants in the study and already applied in some Spanish cities where **FCC Medio Ambiente** manages waste collection, such as **San Sebastián**.

Trend in kg/inhabitant ratios

Sources: Ecoembes and Ecovidrio



Selective collection, a driver of the circular economy

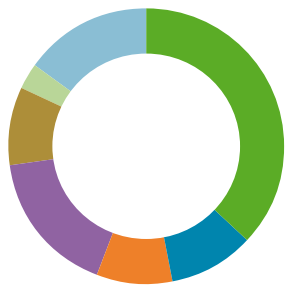
The new “Girona System” is working and shows very good recycling results

FCC Medio Ambiente has launched a pilot test in Girona in 2019 which consisted of the implementation in the *Eixample-el Mercadal* sector of a **system of “closed” intelligent containers**, which can only be opened by means of an **“electronic card”**. Citizens who deposit their waste in the container can be identified in this way. The peculiarity of the Girona System consists of having an exclusive container for organic fraction and another multi-fraction container where the rest of the fractions are deposited.

This system offers a **good cost-benefit ratio**, with a substantial reduction in material means, which is half the investment of a “door-to-door system”. In addition, **the collection rate has grown by up to 73%** in just four months. The new system has been progressively rolled out across the city, with the aim of achieving **65% municipal waste recycling by 2025**, 10 years ahead of the EU’s proposed deadline.



distribution of weights by fraction (%)



- 37% BIO-WASTE
- 10% Glass
- 9% Paper-Cardboard
- 17 Light packaging
- 9% Refuse
- 3% Textile sanitary
- 15% Waste outside container



The Mancomunitat Penedès-Garraf and the Santa Margarida i els Monjos Town Council are committed to “intelligent” waste collection

A pilot test of **intelligent bins with electronic locking with user/citizen identification** has been implemented in three different areas depending on population density:

- ▶ **Low (< 200 inhab/ km²):** Cal Rubió.
- ▶ **Medium (200-400 inhab/ km²):** Passeig Fluvial/ Avinguda Cal Rubió.
- ▶ **High (>400 inhab/ km²):** Mas Catarro.

This test, which has been very well received by citizens, will lay the groundwork for the **new collection contract** that is planned to be implemented **from 2022 onwards**.



Selective collection, a driver of the circular economy

FCC accompanies the citizens of Madrid in the “Acierta con la orgánica” deployment



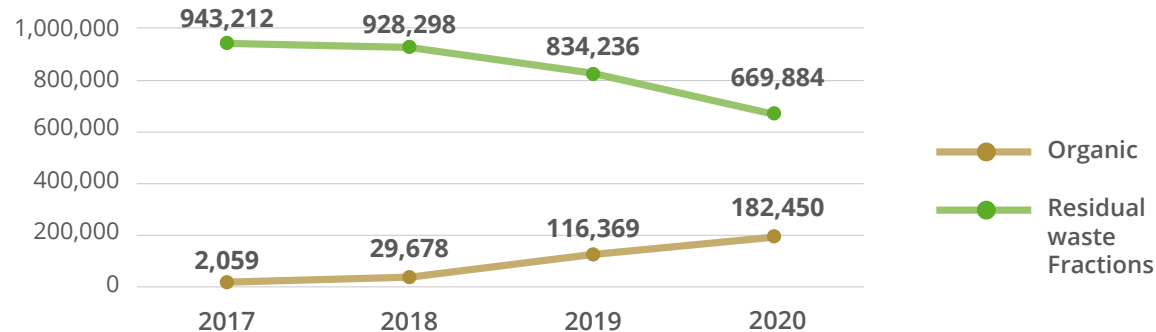
Under the slogan “Acierta con la Orgánica” (Get it Right with Organic), **Madrid City Council** deployed a **new organic waste collection system** in 2017, through an initial pilot test, which was progressively extended to the whole city until the implementation of this new service was completed in September 2020.



Despite the pandemic, there has been a **sustained growth in the collection of organic waste fraction**, which has led to **less and less residual fraction** being **diverted to landfill**, with the consequent environmental benefits that this represents.



Evolution of organic and residual waste fractions in Madrid (2017-2020)*



(*) Source: Session: The future of waste in the circular economy. Victor Manuel Sarabia Herrero. General Director of Street Cleaning and Waste Services of Madrid (19 May 2021).

FCC Medio Ambiente has been accompanying the citizen of Madrid in this successful campaign to transform waste management in Madrid, from the **implementation of the pilot programme** to the **final treatment of bio-waste** at the **Las Dehesas Biomethanisation Plant**. **Separating the organic waste and doing it well with the collaboration of everyone** has been “a great success” for the city of Madrid.

San Sebastián Beaches promoting the circular economy

The beaches of **La Concha, Ondarreta and Zurriola** and the **Isla Santa Clara** refused to be left behind in the circular economy and have installed **ecological islands** for the selective collection, during the summer season, of new fractions to date, such as: paper-cardboard, bio-waste, glass and nappies. In addition, **dog excrement bins** have been placed at strategic access points to the beaches for collection during the winter season.

FCC Medio Ambiente, in order to better target the **awareness-raising campaigns** established in the contract, carried out **four waste characterisation campaigns** in 2020.

In addition, a **2020-2028 plan** has also been established for a **progressive reduction in the number of waste bins** in favour of recyclable waste bins.



At the forefront of waste recovery technologies

Complejo Medioambiental de Reciclaje (CMR) in Loeches (Madrid)

The CMR managed by the company **Ecoparque Mancomunidad del Este** (ECOMESA, a subsidiary of FCC Medio Ambiente, S.A.U.) is one of the most outstanding projects on a national scale. Its construction and implementation in times of pandemic, despite the difficulties arising from prevention measures, have been carried out in record time.

The CMR has involved an investment of **€130.5 million** and, from April 2021, will serve the **31 municipalities of the Mancomunidad del Este**. It is designed to operate with five treatment lines, differentiating residual fraction, selective collection of the biowaste, packaging waste, commercial waste, bulky waste and vegetable waste, with a **nominal production of 265,250 t/year**.



Total Input productions 265,250 t /year

Rest fraction	175,000 t /year
Organic Fraction from Selective Collection (OFSC)	45,000 t /year
Plant Waste-Soil improver OFSC	11,250 t /year
Plant Waste-Composting PF	6,500 t /year
Fraction packaging Light	13,000 t /year
Commercial waste	12,000 t /year
Bulky waste	2,500 t /year

In addition, it has a **refuse-derived fuel (RDF)** production line with a design capacity of up to 66,500 t/year. It also has a **glass refining and sorting line** with a capacity of 20 t/hour.

Finally, the sustainability of the ERC, where part of the **energy is of renewable origin** thanks to the 630 kW photovoltaic field power system with **vehicle charging point**, with two 22 kW sockets.



CO₂

Compared to the Alcalá de Henares landfill, which emitted more than 40,000 tCO₂eq, the new plant will **avoid more than 50,000 tCO₂eq** due to the biological treatment of the organic fraction and the recovery of materials.



EQUIVALENT TO:

Annual emissions generated by more than 4,000 households¹⁹.



Annual emissions generated by more than 25,000 vehicles²⁰.

(19) Source: average emissions per household are around 12.5 tCO₂eq. "The responsibility of the Spanish economy for global warming". Colección Economía crítica & ecologismo social. UHEM Ecosocial y La Catarata. Madrid 2013.

(20) According to the GHG Inventory Report 1990-2019 (2021 Edition), emissions associated with passenger cars in Spain amounted to 51,959 thousand tCO₂ in 2019 and 24,558,126 passenger cars were counted (Statistical Yearbook of the General Directorate for Traffic at the Ministry of Interior - DGT).

At the forefront of waste recovery technologies

Innovation in the CMR of Loeches

- ▶ **Automatic overhead cranes equipped with electro-hydraulic grabs**, which control the level of waste in the pits.
- ▶ **Optical separators** with pre-installed **deep learning**, which can combine the opticians' own system and artificial intelligence, guaranteeing perfect and safe distribution of materials. Additionally, they incorporate pre-installation of a metal detection system and silicone cartridges.
- ▶ **Quality control of recovered materials through automated processes.** Currently, the following fractions are recovered: PET, HDPE, PP, mixed plastic (MP) and carton packages for food and beverages (Tetra Pak), paperboard, glass, steel and aluminium, compost, RDF, etc.
- ▶ **Robotic solutions controlled by artificial intelligence**, for the recovery of packaging and paper-cardboard.
- ▶ **Bulky waste treatment plant** equipped with an improved shredder and an overband magnetic separator.
- ▶ **Rectangular dynamic biological treatment reactor (BIOMAX-G®)**, which allows the automatic treatment of biowaste and/or the residual fraction. It is an accelerated system of **"dynamic bio-stabilisation"** in a **"closed reactor"**. This system allows a greater homogenisation of the material, avoiding anaerobic zones and reducing the volumes and time needed for treatment.
- ▶ **High degree of automation and centralised control:** all processes are connected by PLCs, linked together by a fibre-optic ring, which also incorporates a process camera circuit to enable remote monitoring of single points.
- ▶ **Reject deposit in bales with Cross Wrap technology** (see attached case on the right).



Balefill: sustainable refuse management

Balefill is an increasingly standard practice at **FCC Medio Ambiente** plants. The environmental complexes of Gomecello, El Campello, Badajoz, Cáceres and Loeches have opted for **the packaging of waste with film**, using **Cross Wrap machines**, to be deposited in tailing dumps.

This system facilitates the transport operations of the rejects and reinforces their isolation in the landfill, with the additional possibility of reusing them in the future and **minimising the problems of leachates, dirt, emissions, odours or fire risks.** Moreover, they minimise the presence of airborne materials (plastics, paper or textiles, etc.).



Towards increased recovery and reduced landfilling of biodegradable fraction

Integral Reform of the “Las Marinas” Environmental Centre (El Campello)

A contract amendment was signed in 2020 for the refurbishment of the facilities and the incorporation of more modern machinery, in accordance with the **Best Available Techniques (BAT)** and in line with the new requirements of the new **PIRCVA2019** and the **PEMAR**. The new investment will amount to **over €20 million**, and includes the following actions:

- ▶ **Refurbishment of the waste pre-treatment line:** incorporation of **six new state-of-the-art optical separators** that will automatically recover different types of plastics, metals and cartons for recycling.
- ▶ **Composting automation (biostabilisation hall):** installation of two **Sorain reactors** for the automatic turning of both elective collection of the biowaste and the residual fraction.

- ▶ **Construction of a new refining hall:** will house the current refining line and the storage area, so that the entire composting process will take place under cover, thus minimising odours.
- ▶ **Creation of a new refuse-derived fuel (RDF) production line:** will allow the high calorific value of some non-recyclable waste (intimate hygiene products and non-recyclable materials such as paper, cardboard, textiles, film, etc.) to be used as fuel to produce cement.

All these improvements will mark a turning point by optimising the operation of the facilities to recover more and **better-quality recyclable materials** and **produce better quality compost**.



Facebook Campello WTC: <https://www.facebook.com/pages/category/Waste-Management-Company/PTR-Las-Marinas-con-FCC-MA-342412993764007/>



80,063 tCO₂eq AVOIDED EMISSIONS ANNUALLY for the biological treatment of the organic fraction, for the recovery of materials and the production of RDF, instead of landfill.



EQUIVALENT TO:

Annual emissions generated by 6,405 households²¹.



Annual emissions generated by 37,841 vehicles²².

(21) Source: average emissions per household are around 12.5 tCO₂eq. “The responsibility of the Spanish economy for global warming”. Colección Economía crítica & ecologismo social. UHEM Ecosocial y La Catarata. Madrid 2013.

(22) According to the GHG Inventory Report 1990-2017 (2019 Edition), emissions associated with passenger cars in Spain amounted to 51,024 tCO₂ in 2017 and 23,500,401 passenger cars were counted (Statistical Yearbook of the General Directorate for Traffic at the Ministry of Interior - DGT).

“El Culebrete” Waste Treatment Centre in Tudela

The **stabilisation plant**, which aims to **mature the organic matter** in the rejects prior to landfill, became operational in 2020, in line with the regulatory target of limiting the total amount of biodegradable municipal waste to 35% (RD 646/2020 on landfills). In 2020, **8,013 tonnes** of biomethanisation rejects were treated, avoiding around **6,300 tCO₂eq of GHG emissions**.



Biogas and biomethane, allies for the circular economy and decarbonisation

The **Taxonomy Regulation** and the **EU Methane Strategy** recognise the role of **biogas and biomethane** as low-carbon gases contributing to **climate neutrality**. These renewable gases are clear allies in the achievement of emission targets, air quality, renewable penetration, and the circular economy.

In this regard, Spain has a commitment to **decarbonise the economy** in line with EU guidelines, which is embodied in the **National Integrated Energy and Climate Plan - PNIEC (2021-2030)** and in the **Climate Change and Energy Transition Law**. The **expansion and intensification of the biogas production network**

and its **upgrading to biomethane** will be two key challenges in meeting European climate commitments.

According to the European Biogas Association (EBA), European **biogas and biomethane production** could **double by 2030** and **quadruple by 2050**. The years 2021 and 2022 will therefore be crucial to give real shape to the objectives of the **European Green Deal**, as European renewable energy legislation will be revised, and the biogas market will be regulated. **Guarantee of Origin (GoO) certificates** will allow biomethane to be traded through the future **European Renewable Gas Registry (ERGaR)**.

FCC Medio Ambiente is positioned as a **key player in the production of biogas** in our country by managing a network of **twelve biomethanisation plants** and some **thirty landfills with active degassing**. In 2020, we are participating in the **Report of the Biomethane Working Group of the Circular Economy Commission of the Spanish Chamber of Commerce** and we have a research cycle underway to position biogas as a **"renewable gas"**. Finally, it is worth noting that our **sustainability strategy** includes a Roadmap for **achieving carbon neutrality by 2050**.

Possible uses of biogas and/or by-products

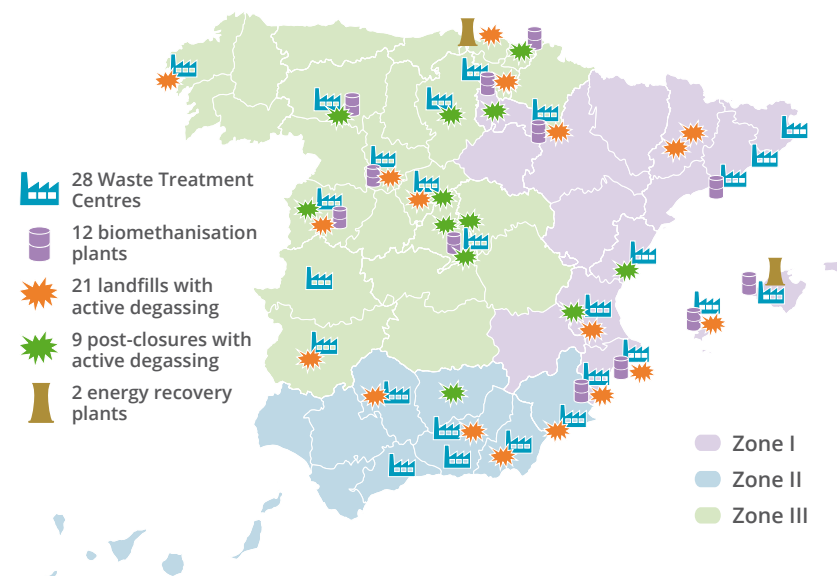
- ▶ Use of biogas for process heat generation and electricity generation.
- ▶ Manufacture of biomethane through upgrading processes for injection into the natural gas grid or use as a biofuel.
- ▶ Use of digestate and digested liquid to replace mineral and synthetic fertilisers in agriculture.
- ▶ Use of the CO₂ stream from biogas.
- ▶ H₂ production for use in transport.
- ▶ Application of emerging technologies for the conversion of CO₂ to CH₄ using H₂ (Power to Gas: TCM thermochemical methanisation and BM biological methanisation).

2020 Key Figures (*)

- 6.9 million tonnes treated
- Biogas Biomethanisation: 46.5 million Nm³
- Biogas Landfill: 101.66 Nm³
- 3,112,050 GJ of electricity generated
- 2,755,588 tCO₂e of GHG emissions were avoided, which is equivalent to the emissions generated by 220,447 households or 1,302,413 vehicles

(*) Perimeter: 100 % treatment and disposal facilities

12 biomethanisation plants, 30 landfills in degassing



Biomethane's opportunity as a renewable gas

2015 - 20

Biomethane from biomethanisation

METHAmorphosis - Ecoparc II (Barcelona)

This Aqualia-led LIFE project ended in 2020 and was given as an example by the European Commission in the report "Two years after Paris. Progress towards meeting the EU's climate commitments". The **UMBRELLA prototype** enabled the **upgrading of biogas from biomethanisation to biomethane** in compliance with the quality requirements for vehicle use (UNE-EN 16723-2). This biomethane was tested in a fleet of SEAT vehicles and in a collection truck owned by FCC Medio Ambiente.

Ecoparc II (Barcelona)



The **UMBRELLA upgrading prototype** will be tested at the **biomethanisation plant** in Las Dehesas (Madrid)

Ref: LIFE LIFE14/CCM/ES/000865 | Acronym: LIFE METHAMORPHOSIS
Website: www.life-methamorphosis.eu/home

WATCH VIDEO: <https://www.life-methamorphosis.eu/en/el-projecte>

2020 - 24

Circular economy - Biomethanisation and landfilling

LIFE INFUSION

This LIFE project, led by the Eurecat Foundation, has a budget of €3.12 million and aims to demonstrate, with a **circular economy** vision, an **innovative scheme for the recovery of resources** (biogas, biofertilisers and regenerated water) achieving a process with almost zero waste. Two replicas will be carried out in Spain, at **COGERSA** in Gijón (Asturias) and at **Ecoparc II** (Barcelona). The project consortium also includes the Barcelona Metropolitan Area (AMB), Aqualia, Cogersa, Ebasa (Ecoparc del Besós), the Institute of Agri-Food Research and Technology (IRTA), Detricon and AMIU Genova.



Ref: LIFE19 ENV/ES/000283 |
Acronym: LIFE INFUSION
Website: <https://eurecat.org/es/portfolio-items/life-infusion/>

Biomethane is set to play a key role in achieving **climate neutrality by 2050** by providing a double benefit: **decarbonisation of transport** and **improvement of air quality**. FCC Medio Ambiente has opened a **research cycle** on the **upgrading of biogas to biomethane**.

2019 - 22

Landfill biomethane

LIFE LANDFILL BIOFUEL - Alhendín WTC (Granada)

This project, led by FCC Medio Ambiente, has a budget of €4.67 million aims to **upgrade landfill biogas to produce biomethane** suitable for vehicle use. The **biomethane** produced, around 1,584 million m³ per year, will be used as fuel in an IVECO waste collection truck -owned by FCC- and three passenger cars. Depending on the results obtained, this experience could later be replicated in other landfills operated by FCC in Europe.

Ecocentral (Granada)



Ref: LIFE18 ENV/ES/000256 | Acronym: LIFE LANDFILL BIOFUEL
Website: <https://www.landfillbiofuel.eu>

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PROGRESS IN 20-22 PLAN COMMITMENTS:

Commit to the principles of the circular economy. Increase the circularity of our services.

- Improve separate waste collection rates.*
- Define improvement actions and targets for the reduction, reuse and recovered outflows from waste treatment plant.*
- Giving a second chance to waste as a by-product, from separate collection systems to treatment and recovery processes.*
- Transfer awareness of the new circular economy model to the organisation through the implementation of initiatives (ATHOS, specific training, etc.).*
- Harmonising circular economy indicators and tracking and monitoring of these indicators at the level of waste treatment and disposal services and facilities.
- Participate in the Technical Committee for Standardisation (CTN) 323 Circular Economy.
- Participate in the Report of the Working Group on Biomethane of the Circular Economy Commission of the Spanish Chamber of Commerce.*
- Increase biogas production from biomethanisation by 30 % (13 million Nm³ more per year).*
- Implementation of initiatives and good practices to promote circularity at our treatment facilities.*
- To join the FCC canteen to the "Madrid Acierta con la Orgánica" campaign when the collection of the fifth container for bio-waste and its subsequent treatment at the Las Dehesas plant is launched in the Las Tablas district.*
- To implement initiatives to give a second chance to end-of-life waste at the clean points.*
- Adapt processes in treatment plants to increase the uptake of recyclable waste and introduce new lines of recovered waste to transform waste into by-products (RDF).*



In the 2019-2020 period, FCC Medio Ambiente has met **58% of its commitments.**

We have **4 challenges in the process** of implementation.

(*) This objective is again integrated into the 20-22 Plan.



2.2. Climate action

FCC Medio Ambiente, climate neutral by 2050

The upcoming United Nations Climate Change Conference (COP26) - to be held in Glasgow (UK) in November 2021 - will bring together more than 200 government representatives from around the world under the theme “**Uniting the world to tackle climate change**” to find a consensus that will enable the **Paris Agreement** to be implemented on time. To do so, the **Paris Rulebook** was drawn up with all the measures to comply with the agreement and move the **economy towards neutrality**.

Spain’s commitment is reflected in the **long-term decarbonisation strategy (ELP2050)**. The new **Climate Change and Energy Transition Law (LCCTE)** and the **National Integrated Energy and Climate Plan (PNIEC)** will constitute two major pillars of the **Strategic Energy and Climate Framework** for the period 2021-2030 in Spain.

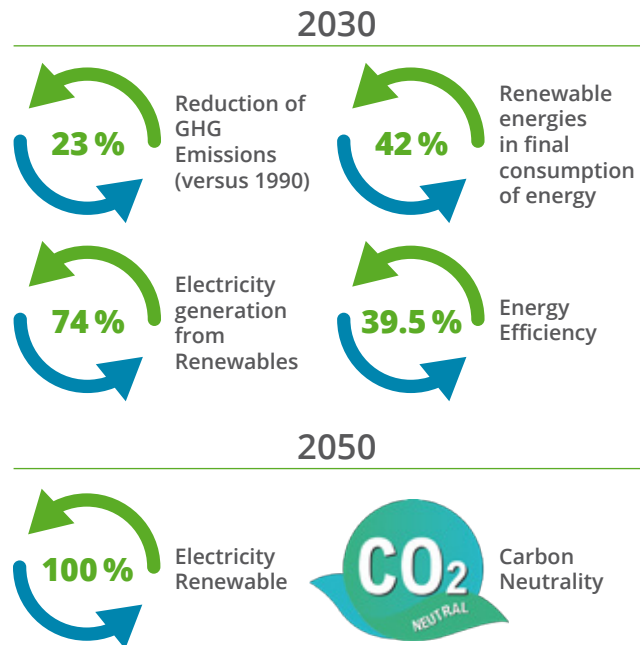
In line with its **commitment against climate change**, FCC Medio Ambiente actively participated in various events organised within the framework of the **COP25 Madrid Climate Summit**.

(watch video: <https://www.youtube.com/watch?v=X9fagiDN0IQ>)

At FCC Medio Ambiente we are aware of the negative effects of climate change and the urgent need to **reduce greenhouse gas (GHG) emissions**. In this area, on an

annual basis, we calculate the **carbon footprint** through our own tool, the **VISION platform**, which allows us to identify emissions according to contract, type of activity, facilities and process used. Verification is carried out by AENOR, taking as a reference the international standard UNE EN ISO 14064-3:2006.

Climate targets in Spain



2050 Sustainability Strategy



By 2050, **100% of the vehicle fleet** will be labelled “**ECO**” or “**0**”. We will also promote “low carbon” treatment systems (composting and/or biomethanisation).



GHG emissions reduction compared to 2017:

35% by 2030.

Carbon neutral by 2050



Increase in tonnes of GHG avoided:

20% by 2030.

50% by 2050.

Since the first **Climate Change Strategy**, created by the FCC Group in 2012, the company has intensified projects and actions in the line of action called “**Climate and Energy**” within its **2050 Sustainability Strategy**. In it, FCC has acquired demanding commitments in terms of **reducing GHG emissions** and **increasing avoided emissions**. In addition, we have simulated possible future scenarios based on historical GHG emissions over the last eight years.

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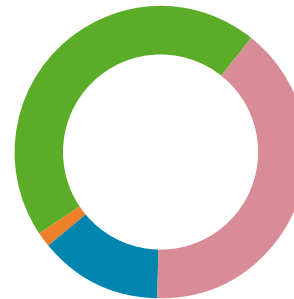
The GHG emissions inventory totalled **2,256,356 tCO₂eq** in 2020, of which **364,836.15 tCO₂eq** corresponded to **scopes 1+2**. The chart illustrates that most of the emissions in these scopes are due to emissions associated with **energy consumption** (45%) and **diffuse methane emissions from landfills** (39.8%) under operational control. **Biological treatment** has a clear advantage over the landfill disposal option in terms of emissions (**15.2%**), so in the 2050 Sustainability Strategy we have set out **a roadmap** to promote biological treatment in order to achieve the goal of **limiting landfill to 10%** by 2035.

In the period 2017-2019, we achieved a **5.39%** reduction in average emission intensity compared to the previous three-year period. For this reason, the Spanish Climate Change Office (OECC) awarded us, on 4 December 2020, the double **"Calculo y Reduzco"** seal at a ceremony held at the company's corporate headquarters in Las Tablas (Madrid). This double seal has been maintained for **2020**, as the average emission intensity has been reduced by **4.28%** compared to the previous three-year period.

Emission reductions are mainly due to the **degasification of landfills**, the promotion of the use of **electric and hybrid vehicles** as well as the **optimisation and improvement of processes and services**. We also decreased the emissions associated with **electricity consumption** (scope 2) by an increase in the procurement of **electricity with guaranteed origin (GO)**.



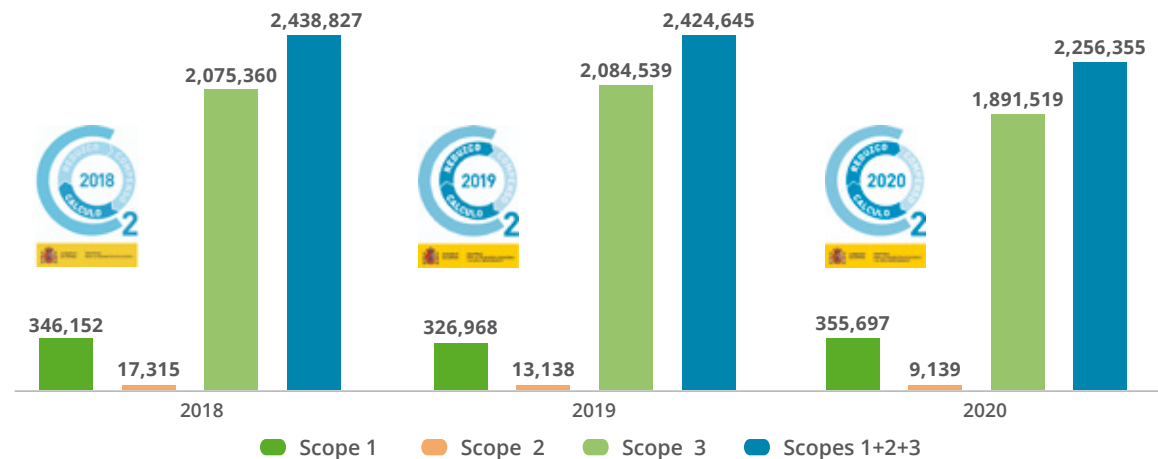
Distribution of GHG emission sources Scopes 1+2 (2020)



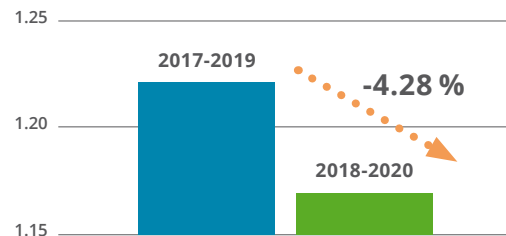
- 45.0% Direct GHG emissions associated with energy consumption (fuels + electricity)
- 39.8% Direct GHG emissions associated with landfill dumping
- 13.8% Direct GHG emissions associated with compost
- 1.4% Direct GHG emissions associated with biomethanisation



GHG emissions trend in tCO₂eq (2018-2020)



Trend in average intensity (tCO₂eq / thousands of euros)



Our workforce has demonstrated a high capacity for resilience

The impacts of climate change are already evident in our country. In this area, the **average temperature has increased** by about 1.7°C since **pre-industrial times and rainfall has decreased**, while the new rainfall pattern deteriorates soil quality and will desertify Spain²³. As recent examples, **storm Gloria**, which hit the Mediterranean coast in 2020, and the **snowfall brought by squall Filomena** in 2021, which immobilised a large part of the country, are proof of the forcefulness of the effects of climate disruption. **However, climate change also affects the health** of the Spanish population through its **direct effects** (heat waves, floods and droughts) and also through **indirect effects** (increased air pollution and aeroallergens, changes in the distribution of disease-transmitting vectors, etc.).

In addition to this context, the effects of the pandemic have brought about a major **change in the development of our services**. The government has recognised **waste management** as an **essential activity** and MITERD established a series of recommendations²⁴ in line with European regulations.

During the pandemic, disinfecting containers, around health centres and areas with high pedestrian traffic has become a regular job for our staff. Moreover, **our waste collection and treatment services**, adapted to MITERD's instructions to **ensure the full protection of our workers, have not stopped working**. In our **treatment**

plants we have prioritised automatic processes over manual triage in order to avoid direct contact with the waste and, when we have identified COVID-19 infected waste, we have prioritised its disposal in an incinerator. The absence of manual triage at our plants has had a negative impact on GHG emissions, as more waste must be diverted to landfill.

Another recent event that posed a great challenge for FCC Medio Ambiente was the aforementioned squall **Filomena**, which mainly affected **eight autonomous regions** - Madrid, Castilla-La Mancha, Castilla y León, Andalusia, Asturias, Aragón, La Rioja and Navarre. **FCC was committed to restoring normality and mobility**, making available all material and human resources at the service of the public. The success of the recovery was due to the **active and joint participation of the local councils**.

We have proven that **our services are an important pillar for cities during times of crisis**. Although a large percentage of our contracts already include **specific plans to deal with extraordinary and emergency situations**, we need to be even more prepared to **deal with future crisis situations**, be they health or climate related. The **recovery from COVID-19** can provide a real opportunity to make **our citizen services adaptive and resilient**, in line with corresponding **city adaptation plans**.



(23) Source: National Action Programme to Combat Desertification (NAPD), areas susceptible to desertification will increase by 2050.

(24) Order SND/271/2020 of 19 March 2020, supplemented by the Guidelines on waste management and COVID-19 of 31 March 2020.

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A commitment to sustainable urban mobility

Sustainable mobility is one of the **key aspects** of the **new Climate Change and Energy Transition Law**, which envisages gradually mitigating GHG emissions to achieve a vehicle fleet with **no direct CO₂ emissions** by 2050. To meet this objective, municipalities with more than 50,000 inhabitants and island territories will adopt, **no later than 2023, sustainable urban mobility plans**, consistent with their corresponding **air quality plans**.

FCC Medio Ambiente has been **committed to electric mobility in urban services** for more than 40 years. As early as 1974, it launched its first 100% electric collection truck. It currently has a fleet of more than **16,000 vehicles**, of which **821 are electric** and **1,305 are CNG or Bi-Power**.



In 2020, **FCC Medio Ambiente** was selected as part of the **#ForTheClimate Community's "101 Business Actions for Climate"** initiative for the development, in collaboration with the Irizar Group, of the **first e-mobility platform for urban services with 100 % electric, plug-in and self-recharging** technology. Antonio Bravo, Director of the Machinery Department, received the certificate on behalf of the company. FCC Medio Ambiente thus consolidates its commitment to **sustainable urban mobility**. Moreover, as mentioned in the chapter on Innovation (5.2), the vehicle has won several awards (*Smart City Awards 2019, European Business Awards (EBAE) 2020 and National Transport Awards 2021*).

The new **100 % electric chassis-platform**, known as **ie-URBAN TRUCK**, is the definitive boost to contribute to the implementation of **sustainable e-mobility in urban service vehicles** in cities, with a huge positive environmental impact in terms of pollutant emissions and noise, carbon footprint reduction and energy efficiency.

The **ie-URBAN TRUCK** started working as a **side-loading waste compactor collector** in several municipalities in Spain, where **energy savings of around 50 %** are achieved, depending on the municipality, the type of route and number of itineraries and the fraction of waste collected, which gives an idea of the substantial reduction in emissions of exhaust gases and GHG (CO₂) into the atmosphere. Successful test results and international awards and accolades have encouraged mass production, which will begin in 2021.

In our new **2050 Sustainability Strategy**, we have established an ambitious roadmap that envisages several scenarios for **the greening of the fleet** through the gradual replacement of vehicles with less polluting electric-hybrid vehicles, with the consequent gradual reduction of GHG emissions. The ultimate goal is to reach **100 % of the fleet with "ECO" and "0" labelled vehicles** by 2050.



VIDEO: 100 % electric e-mobility industrial platform for urban service vehicles:
<https://www.youtube.com/watch?v=JsK6CtBT2qQ>

PROGRESS IN 20-22 PLAN COMMITMENTS:

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



Carbon footprint calculation and indicators and GHG emission reduction strategy

- To obtain **"Reduce" seal** from the MITERD OECC corresponding to the organisation's 2019 carbon footprint registration.* ✓
- Monitor, through the **VISION platform**, the calculation of the carbon footprint and intensity indicators to assess and improve the energy impact and mitigate the GHG emissions of the processes and services provided in the communities where we operate.* ↗
- Prepare the organisation's **Climate Change Strategy** with reduction plans to be achieved by 2020, 2030 and 2050.* ✓
- Analyse **opportunities for improvement** in matters of **energy consumption efficiency**, supported by **energy audits**. ✓
- **Extend the scope** of the carbon footprint to include GHG emissions associated with **HCFCs**.* ↗
- Position the **calculation of the Carbon Footprint** as a useful and **integrated instrument** for **controlling and monitoring** the organisation's GHG emissions.* ✓

Mitigation Measures

- **Reduce GHG emissions** by more than **5 %** compared to base year (2016).* ↗
- Take the **necessary mitigation measures** to achieve a reduction of **more than 26 % by 2030**.* ↗
- **Electricity with Guarantee of Origin (GO)** at the main treatment and disposal facilities in Scope 1.* ↗
- Increase the proportion of **vehicles powered by alternative energies** (CNG, hybrids, electric, etc.) in our fleet.* ✓
- Promote **sustainable mobility** (for example, implement carpooling initiatives).* ✓

Adaptation Measures

- **Review the map of risks and opportunities** at FCC Medio Ambiente to tackle Climate Change.* ↗
- Undertake **climate adaptation measures** to **minimise** the risks identified in this map.* ⚡



• In the 2019-2020 period, FCC Medio Ambiente **has met 46% of its commitments.**



• We have **6 challenges in the process** of implementation.

(*) This objective is again integrated into the 20-22 Plan.



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

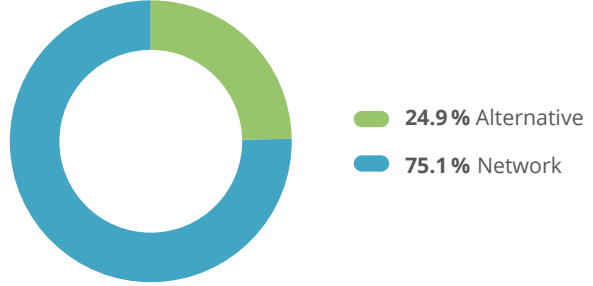
The **Water Footprint Network** ranks **Spain** eighth in the **ranking** of nations with the **largest water footprint** on the planet, and **second in the European ranking**. However, if we talk about water consumption in Spain, it is not high, at around **132 litres per inhabitant per day**, ranking eleventh in Europe. Of the total water abstracted in our country, almost 70% is used for agriculture, 17.6% for industrial use and the remaining **14.2% for municipal consumption**²⁵.

Climate variability is expected to increase, with significant alteration of temporal and spatial rainfall patterns. This will lead to an expected increase in the **risk of droughts**, which will be **more frequent, longer and more intense**, and with **more frequent floods and higher peak flows**.

For our organisation, water is a key factor in the performance of its activities. One of the goals prioritised by the organisation was **SDG 12 "Responsible production and consumption"**, which includes the use of water resources.

FCC Medio Ambiente continues to make great efforts to process to adapt to the consequences of climate change and, as far as possible, mitigate the adverse effects on water resources. **Encouraging the rational and efficient consumption** of this resource and **promoting the use of water from alternative sources** is a priority for us.

Water consumption (m³). Operacional control 2020



At FCC Medio Ambiente we give priority to **water-saving technologies and equipment in the provision of services**, mainly in the watering of the parks and gardens we maintain and the street sweeping we clean, and we also promote **water-saving devices in our facilities**.

2.8 million m³ of water from alternative sources.

3.5% reduction in total water consumption and 10.4% increase in the use of water from alternative sources in the last three years.

With the implementation of the VISION Platform we continue to **improve the tracking and control of water consumption**, covering all facilities (parks and barracks) of urban services.

2050 Sustainability Strategy

TARGET:

Achieve the following levels of **water consumption** from **alternative sources** to mains water:

50% in 2030.

100% in 2050.

MEASURES:

Promoting **water consumption monitoring** through the available service management software applications.

Implementing **initiatives and good practices** to improve the **efficiency** of water use in our facilities and the provision of street cleaning and irrigation services in parks and gardens.

(25) Source: FAO 2019.

Optimisation of water use in parks and gardens

In order to reduce and optimise water consumption in the maintenance and conservation of green areas and trees in the cities where we provide our services, we encourage the introduction of sustainability criteria such as:

Efficient irrigation management:

- ▶ Gradual **replacement of manual irrigation by automatic irrigation**, in addition to promoting it by associating it with new and advanced technologies such as **remote management**.
- ▶ Optimisation of water supply by **night irrigation**.
- ▶ Use of **localised irrigation systems** and elements that help to avoid surface runoff, such as anti-drainage valves to prevent unnecessary water losses in slope areas, and self-compensating drippers that allow for homogeneity in water supply.
- ▶ Installation of **weather stations and humidity sensors** to enable:
 - ◆ An allocation calculation, taking into account a set of factors such as orientations, soil type or slope, which will determine whether it is advisable to increase the

irrigation frequency and lower the allocation, or the other way round.

- ◆ Managing the ETP (Evapotranspiration Potential) which, at each time of the year, can determine the water requirements of the plantations, adjusting them to the existing climatic conditions.
- ▶ **Proper maintenance of the irrigation system:** routine inspections to check for broken pipes, broken sprinklers, broken drippers, etc.
- ▶ Technification of control systems such as the use of **geophones to detect leaks** in the irrigation network.
- ▶ Installation of **draining pavement** in cork oaks to improve the use of irrigation water.

Selection of species with lower water requirements and better adapted to the climate:

- ▶ For **new plantings, replanting or replacement of trees, shrubs and flower beds, species adapted to the climate** of each municipality and **with low water requirements** are selected.
- ▶ For the **replacement of lawns and meadows, species** are chosen that are **adapted to the climatic**

conditions, are more hardy, resistant to drought and extreme temperatures and require **less watering, mowing and fertiliser** application.

- ▶ Use of **creeping and ground cover species** as an alternative to grasses, which require less water for their maintenance.
- ### Use of water from alternative sources:
- ▶ Where technically possible, **use of reclaimed water** for irrigation of the green area, thus saving on the use of higher quality water intended for human consumption.
 - ▶ **Sustainable urban drainage systems:** in cases of construction of new landscaped areas, design and use of these techniques for **rainwater harvesting**.
 - ▶ **Drilling of boreholes** in large parks for groundwater abstraction.

Additional measures:

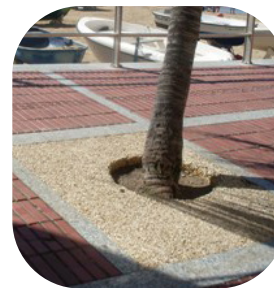
- ▶ Use of organic and inorganic **mulches** that reduce surface water evaporation and prevent weeds.
- ▶ Fertilisation with **balanced fertilisers**, with relatively **low percentages of nitrogen and slow release**, which reduces water requirements.
- ▶ **Mowing of lawns at mowing heights** that avoid evapotranspiration losses, as the vegetation, being higher, shades itself.



Promotion of automatic irrigation



Implementation of remote-managed irrigation



Installation of draining pavement in cork oaks

Efficient use of water at our facilities

Adaptive management of decreasing water availability in MSW treatment plants:

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

Our **vehicle fleets** as a model for the use of **water from alternative sources**:

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



Recycled shower water for use in laundry facilities

We promote savings in water consumption among personnel through the **“Green Office” initiative** and the **“Comprehensive Sustainability Training Plan”**, which focuses on the rational use of this resource.

We also equip our facilities with:

- ▶ **Water saving systems** in toilets and changing rooms, such as perlators or flow reducers, which will allow us to save up to 50% of water, without reducing comfort and the sensation of water quantity.
- ▶ **Timed taps**, with automatic shut-off to adjust water consumption to actual needs.
- ▶ **Thermostatic taps in showers, which** improve comfort and guarantee water savings.
- ▶ Equipment that guarantees the correct **cleaning of machinery through the use of highly efficient washing systems**, which help to minimise water consumption to the maximum.




MÓDULO 4 :
PROTEGER LOS RECURSOS HÍDRICOS



ACCIÓN: EL USO EFICIENTE DEL AGUA
RESULTADO: REDUCIR EL CONSUMO DE AGUA DE RED, INCREMENTAR EL USO DE AGUA DE FUENTES ALTERNATIVAS
INICIATIVAS DESARROLLADAS: IMPLANTACIÓN / RESULTADOS / VALIDACIÓN

Reducing the consumption of water in urban cleaning tasks

- ▶ Incorporation of **high-pressure, low-flow pumping systems** in **street flushers**.
- ▶ Installation of **adjustable sluicing units** with **programmable automaton**.
- ▶ Reduced water consumption through the use of the **dual sweeper** compared to conventional sweepers.



Use of recycled water



Installation of adjustable bucket dispensers with programmable controllers on the bucket machines

PROGRESS IN 20-22 PLAN COMMITMENTS:

Promote the efficient use of water and tackle water stress

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



2/3 of commitments fulfilled.

1 commitment in progress.

(*) This objective is integrated again into the 20-22 Plan.



2.4. Preserving natural capital and protecting biodiversity

Biodiversity and ecosystems are increasingly threatened by human activities; **in just 40 years, the global population of vertebrate species has declined by an average of 60 %²⁶, one million species are threatened** with extinction and **rainforests** are being destroyed at a rapid rate. Moreover, the introduction of invasive alien species (IAS) into the wild is one of the main drivers of biodiversity loss on a global scale. Climate change is projected to be the **fastest growing driver of biodiversity loss by 2050**.

The **UN's 2030 target** is to achieve the protection of 30 % of biodiversity on land and in the oceans, for which it has set targets over the current decade. As a central element of the **European Green Deal**, the ambitious, realistic and coherent **2030 Biodiversity Strategy** was adopted in 2020: **natural areas should cover 30 % of EU territory by 2030** and degraded ecosystems should be restored. There is also a commitment to **reduce pesticide use by 50 % by 2030**.

At the national level, **the State Strategy for Green Infrastructure, Ecological Connectivity and Restoration** is an opportunity for the design of ecological networks and corridors in municipalities. The new role of cities as **"ecosystems"** hosting **"urban biodiversity"**

requires new challenges in their use and management to minimise the risks arising from climate change and the introduction of invasive species. The Spanish government has set among its priorities to draw up a new **Strategic Plan for Natural Heritage and Biodiversity**, which will make it possible to anticipate measures for the conservation, sustainable use, improvement and restoration of natural heritage and biodiversity with a 2030 horizon.

FCC Medio Ambiente is an organisation recognised for its involvement in the **protection of biodiversity** in the **urban context** through its **park and garden maintenance** and conservation activities and also for some more specific initiatives developed in its **industrial facilities** for the **treatment of solid urban waste**. In addition, through our **beach cleaning services**, we contribute to **the improvement of the Spanish coastline**.

Our role in the protection of urban biodiversity has been strengthened with the FCC Group's membership in 2013 of the **Spanish Business and Biodiversity Initiative (IEEB)²⁷** and the signing of the **Biodiversity Pact²⁸**.



Ground maintenance

3,825 hectares managed.
32 hectares rated of special interest.
786,355 trees managed.



Beach cleaning

1,549.5 km of coast managed.



Waste treatment

79 waste treatment plants.

(26) WWF (2018): "Living Planet Report - 2018: Aiming Higher", Grooten, M. and Almond, R.E.A. (eds). WWF, Gland (Switzerland).

(27) The IEEB facilitates a framework of cooperation between large companies, associations, NGOs and the General State Administration, which join forces to improve and maintain natural capital in Spain. Among the objectives of this project are the integration of biodiversity into business policy and management, the enhancement of the contribution of companies to the conservation of natural heritage and the channelling of private financing for these purposes. The adhesion of companies to this Initiative implies the signature of the Biodiversity Pact.

(28) The Biodiversity Pact, promoted by the Biodiversity Foundation, recognises that the conservation of biological diversity is in the common interest of humanity given its importance for life on the planet, social well-being and economic development. The Pact aims to show the commitment of the adhering company to the conservation and sustainable use of biodiversity.

Through the implementation of a programme aimed at promoting the development of **biodiversity protection actions, SDGs 14 and 15** related to the **conservation of terrestrial and marine natural capital** are being integrated transversally in all activities provided by our organisation.

2050 Sustainability Strategy

TARGET:

The protection of **natural capital** in the management of services by understanding cities as “ecosystems” that host “urban biodiversity”.

100 % of staff sensitised to biodiversity protection issues by 2050.

MEASURES:

Development of a **training and awareness-raising plan** for personnel to raise the importance and value of biodiversity.

Incorporation of **criteria and measures in favour of biodiversity** in the urban green areas and coastal environment that we manage **through tenders.**

Increasing the number of biodiversity-related initiatives, so that all garden contractors with more than **50 employees** propose at least one initiative per year.



The care and conservation of urban natural capital

Measures implemented in the parks and gardens we manage:

- ▶ Promotion of the preferential use of **indigenous species.**
- ▶ Incorporation of **working methods and cultural practices** that are **more respectful of biodiversity:** rigorous technical evaluation of **pruning criteria**, adaptation of maintenance tasks to the **natural cycles of flora and fauna, reduction of mowing frequency, biological control, endotherapy**, use of **ecological and/or low-toxicity products**, etc. Examples of biological control in gardens managed by FCC Medio Ambiente include those in **Zaragoza, L'Hospitalet de Llobregat, Valencia and Madrid.**
- ▶ Incorporation of **nest boxes, insect hotels, bird feeders, naturalised ponds** to encourage the presence of wildlife.
- ▶ Adoption of **Nature-Based Solutions.**
- ▶ Limiting the area of artificial paving and **naturalising tree surrounds.**
- ▶ **Census** of botanical species and fauna.
- ▶ Conservation of **pollinating insect populations.**
- ▶ **Monitoring and control** of the spread of **invasive alien species.**
- ▶ Participation in **park and garden planning** in our city, defending a landscape that is home to green belts, wildlife crossings, protected electricity pylons and large, tree-lined gardens.
- ▶ Use of **wood from sustainable forest management systems** in the purchasing of furniture.
- ▶ **Implementation of ICTs** for the management of trees.
- ▶ **Use of drones for the detection of pests and diseases in urban trees** (example: red palm weevil).
- ▶ Finally, the **Madrid local office** is a protective member of the **Spanish Association of Public Parks and Gardens (AEPJP).**



**ASOCIACIÓN ESPAÑOLA
DE PARQUES
Y JARDINES PÚBLICOS**



Caring for the Spanish coastline

FCC Medio Ambiente is present in the beach cleaning sector in cities such as **Málaga, Alicante, Castellón, Vigo, Mallorca, Menorca, Ibiza, Las Palmas de Gran Canaria, Puerto del Rosario, San Sebastián, Barcelona metropolitan area, Cartagena**, etc. It should also be noted that **42 % of the 106 coastal municipalities** where we provide beach cleaning services have a **"Blue Flag"**.

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

A number of the initiatives undertaken include:

- ▶ **Cleaning the bottom of La Concha Bay** (San Sebastian) of debris and shells from the launching of fireworks during the Semana Grande festivities. This cleaning is carried out by professional divers.
- ▶ **Early detection and control of discharges and floating objects**, using a drone to carry out periodic

aerial inspections of the beaches of **San Sebastian** and its waters of influence.

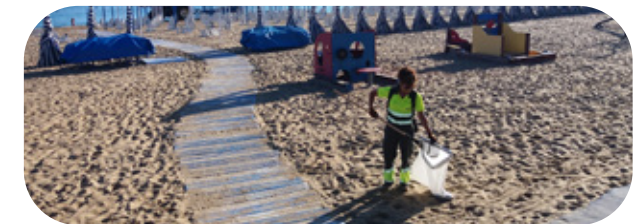
- ▶ **Collaboration agreement with Mater Museoa and Itsas-Gela/ Aula del mar de Pasaia** with the aim of informing the public about the richness of the seabed of La Concha Bay, and to train and educate young people about the importance of **keeping the seas free of waste**.
- ▶ Participation in the **cleaning** of the seabed and **coastline on the beaches of Almuñécar and La Herradura**.
- ▶ Participation of **volunteers** in the **cleaning** of the **seabed in San Antonio Bay** (Ibiza).
- ▶ Participation in an **environmental education day** organised by the **Arucas Town Council** with a clean-up of the **Bañaderos coastline**.
- ▶ Collaboration with **Vigo City Council** in the **recycling campaign** on the Cíes Islands: **"Por que o que vaí a cíes, ten que volver de Cíes"** and sponsorship of the contest **"Cíes paraíso de todos"**.

- ▶ Collaboration in **clean-up days** in the **marine reserve of La Graciosa**.

- ▶ Cleaning of the **beaches of El Campello** (Alicante) in collaboration with the Town Council and the **Mare Nostrum Foundation**.

In addition, FCC Medio Ambiente employees have participated in initiatives for the protection of **inland waters**, such as:

- ▶ **Waste collection and cleaning** at the **Rosarito Reservoir** (Ávila) in collaboration with Coca-Cola volunteers.
- ▶ Participation of **employees and families** in an activity to clean up the **Guadiana River** under the viral movement **Trashtag Challenge** in **Mérida**.



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Landfills: places rich in biodiversity

Measures that we carry out:

- ▶ Collaboration in the study and tracking of endangered bird populations. A **surveillance and tracking programme for the protected birdlife** present in the area has been developed at the **Gomecello Waste Treatment Centre** (Salamanca). During the five years of the contract, the evolution of the bird populations present will be studied and the population variations of each species will be analysed within the framework of their phenology and habits.
- ▶ **Prevention** of the possible risks derived from the **overpopulation** of certain opportunistic species. Our actions focus on deterrent techniques such as falconry or the use of air cannons to avert risks to our personnel and inconvenience to the nearby population.
- ▶ **Revegetation** of sealed **landfills**.



The scientific partnership involved in the fight against invasive species

- ▶ Study carried out in collaboration with the **Department of Agroforestry Ecosystems of the Universitat Politècnica de València** to evaluate the **influence of the environment on the biodiversity of arthropods** and the **level of Psylla in the ficus and the level of cochineal in the holm oaks of the city of Valencia**.
- ▶ Collaboration with the **Canary Islands Institute of Agricultural Research (ICIA)** as part of a study to develop a pheromone and to design a trap to control *Diocalandra frumenti*, a plague affecting Canary Island date palms.
- ▶ Collaboration in a **trial in the gardens of Las Palmas de Gran Canaria** with the aim of determining the effectiveness of mass trapping in order to prepare a report that will allow the registration of the trap in the Official Register of Phytosanitary Products and Material of the Ministry for Ecological Transition and the Demographic Challenge.



UNIVERSITAT
POLITÈCNICA
DE VALÈNCIA



Dissemination, training and awareness raising actions

- Presentation and implementation of FCC Medio Ambiente's **voluntary commitments to protect biodiversity** in the context of the Agenda for **Action for Nature and People** launched by the **Convention on Biological Diversity (CBD)**.



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



of **good practices** as well as **awareness-raising initiatives that promote public awareness and action**.

FCC Medio Ambiente **also communicates its actions and raises awareness** about the **conservation of natural capital** through initiatives and good practices such as:

- **Triennial publication of the Spanish Business and Biodiversity Initiative (IEEB)**, belonging to the Biodiversity Foundation of the Ministry for Ecological Transition and the Demographic Challenge, which publicises the actions carried out in the field of biodiversity by member companies.
- **Collaboration and sponsorship of congresses, forums and conferences** (e.g. PARJAP Congress, Annual Congress of the Association of Professionals of Green Spaces of Catalonia, ECOPLAYAS Congress).
- **Publication of articles in specialist magazines**. Collaboration with the **Spanish Association of Arboriculture** through the publication of information related to the garden maintenance service in the magazine **"La cultura del árbol"**.
- **Sponsorship** of the **"vivirlosparques"** initiative to publicise the parks and gardens of Spanish cities where it manages urban plant heritage.

- Undertaking various **initiatives to raise awareness among schoolchildren, students taking specific courses in environmental techniques, technical staff and professionals in the sector**.



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Dissemination, training and awareness raising actions

- ▶ Collaboration in the holding of “**Tree Day**”.
- ▶ Installation of **butterfly gardens**, such as the one in the **Parque de San Juan in Telde** (Las Palmas), for both **environmental** and **educational** purposes, taking advantage of the existence of an enclosure that was in disuse. The presence of a wide variety of plant species throughout the site has led to a rapid increase in the biodiversity of the park, where several species of birds, reptiles, insects and small mammals find their ideal habitat.
- ▶ Participation of the **Pozuelo de Alarcón** (Madrid) contract in the **World Day for Nature**.
- ▶ Education at the **Coto de la Isleta Environmental Education and Nature Activities Centre** in Cádiz. Over the last three years, **more than 66,000 schoolchildren** have participated in programmes and activities organised by the centre.



Other channels of communication with our stakeholders:

- ▶ **Publication of the FCC Group Annual Report and the FCC Medio Ambiente Sustainability Report:** include information on the biodiversity protection initiatives implemented and the corresponding GRI indicators are reported.
- ▶ **Presentation of reports on the sustainable management of parks and gardens** delivered to our **customers** (for example: gardens in Zaragoza).



Collaboration in the Chamaeleo Project

The City Council of El Puerto de Santa María and FCC Medio Ambiente, concessionaire of the management of the municipal Environmental Resources and Activities Centre (CEAAN) Coto de la Isleta, are promoting a programme whose **objective is to recover the population by reviewing the distribution of the species (*Chamaelo chamaeleon*) present in the pine forest by applying a scientific methodology.**

The information obtained from the project will be used for the proper management and conservation of coastal ecosystems, for further studies and scientific work and to **involve the citizens** of the territory through **environmental education and dissemination**. The site is intended to be a **reference in the study of the common chameleon**.


The project consists of several phases: the first would be the search for **alliances**, as the project is being enriched through the search for active collaboration with reference entities in various fields, including the **Department of the Environment of the Andalusian Regional Government**, the **University of Cadiz (UCA)**, the **Botanical Zoo of Jerez**, the **Cadiz Society of Natural History**, the Bay of **Cadiz Natural Park** and the **Environment Department of the City Council of El Puerto de Santa María**.



PROGRESS IN 20-22 PLAN COMMITMENTS:



Preserving natural capital and protecting biodiversity

- Work on **SDGs 14 and 15** relating to the protection of land and marine biodiversity.* ✓
- Implement **practices** that are **respectful** of the **preservation of urban biodiversity**.* ✓
- **Foster alliances** (SEO BirdLife, Biodiversity Foundation, Universities, etc.)* ✓
- **Integrate biodiversity** into the **management of Parks and Public Gardens** in the city of **Oviedo** (SEOBirdLife Agreement).* ✓
- **Disseminate** our **initiatives** and **good practices** in terms of **biodiversity protection** (IEEB, magazine, articles, PARJAP, etc.)* ✓
- Promote **new lines of collaboration** with **public institutions** concerning the **protection of urban biodiversity**.* ✓
- Step up the implementation of **public awareness sessions** that promote the care and conservation of **flora and fauna of urban ecosystems**.* ✓
- **Raise awareness** among **operators** about biodiversity protection through the implementation of the **Comprehensive Training Plan for sustainable environmental management**.* 
- Expand **integrated pest control** and **control** of the **expansion of invasive species** in parks and gardens.* ✓

(*) his objective is integrated again into the 20-22 Plan.

 **89% of commitments fulfilled.**
1 commitment in progress.



2.5. Good practices for healthier cities

An ever greener and quieter fleet

There has been growing concern about greenhouse gases (GHGs) in recent years. However, there are also **other health-damaging pollutants** that are driving cities to **“improve the quality of the air” they breathe** in order to prevent a long list of diseases, from asthma and other chronic respiratory ailments to embolism and various types of cancer.

The **National Emissions Ceilings Directive (NECD)**²⁹ set national pollutant emission reduction commitments for each Member State in 2016. The target reduction percentages for Spain by 2030, compared to 2005, are summarised below:



National commitments to reduce emissions compared to base year 2005

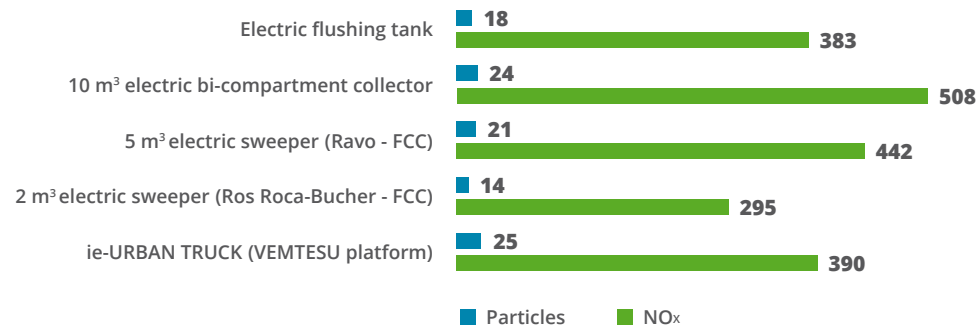
	SO ₂	NO _x	COVNM	NH ₃	PM _{2.5}
2020-2029	67 %	41 %	22 %	3 %	15 %
From 2030	88 %	62 %	39 %	16 %	50 %

Our activity also generates emissions of **“non-GHG” pollutants** such as **NO_x, SO_x and particulate matter**, including PM₁₀ (10 µm) and PM_{2.5} (2.5 µm). Within the framework of our **2050 Sustainability Strategy**, the **progressive greening of the fleet** will also lead to a

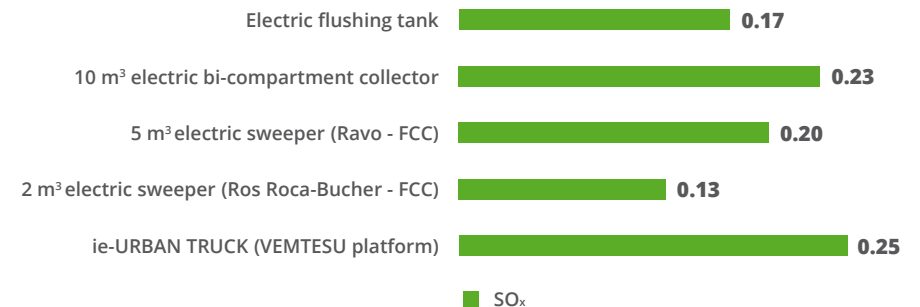
gradual reduction of these atmospheric emissions, which are mainly due to diesel consumption by the vehicle fleet. **The new electric prototypes will avoid the following non-GHG emissions by vehicle type:**

On the other hand, as far as noise pollution is concerned, the priority use of electrical equipment will reduce the nuisance to the population for those tasks that must be carried out at specific times, either those with less pedestrian traffic on public roads, or in the case of night-time services.

Annual Avoided Emissions of NO_x and Particulate Matter (kg/year)



Annual Avoided Emissions of SO_x (kg/year)



(29) National Emission Ceilings Directive: Directive 2016/2284 on the reduction of national emissions of certain atmospheric pollutants. Transposed into Spanish law through RD 818/2018 on measures for the reduction of national emissions of certain atmospheric pollutants.

Advanced biofiltration at Las Dehasas biomethanisation plant

In order to minimise odour emissions, the previous odour treatment system has been **replaced by a high performance one**, in accordance with the **best available techniques (BAT)**. The advanced biofilter will prevent fugitive emissions and channel all odours to a high efficiency (<95 % guaranteed) scrubber system, securing odour output concentrations below 1,000 UOE/m³.



Odour minimisation in the Las Marinas Environmental Centre (El Campello)

The complete overhaul of the facilities will lead to a minimisation of odour emissions through the incorporation of three improvements:

- ▶ The installation of **two reactors** for the **optimisation of the operation of the composting process by means of automatic turners**.
- ▶ The construction of the **new composting refining hall**, which will allow the entire composting process to be carried out under cover.
- ▶ **Depositing refuse in plasticised bales** using *Cross Wrap technology*.

An **odour nuisance study** is carried out annually, using two types of measurements: **dynamic and field olfactometry, both in accordance with UNE-EN 13725:2004 on air quality**. In this way, compliance with the limit values established in the integrated environmental authorisation (IEA) of the environmental complex is verified.





Exemplary performance

- 1. A professional, qualified, responsible and inclusive team
- 2. Generating stable and quality employment
- 3. Promoting the training and the talent
- 4. Leading safe and healthy business model
- 5. Encouraging equal opportunities and diversity

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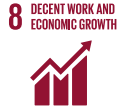
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A professional, qualified, responsible and inclusive team

At FCC Medio Ambiente, we are aware that one of the main **strategic values** of the organisation lies in the **experience** and **professionalism** of our **teams** of collaborators. For this reason, as reflected in the **2050 Sustainability Strategy**, we continue to work on lines aimed at:

- ▶ Bolstering the **ethical framework** and support the company's **common culture**.
- ▶ Boosting the **talent** of the human team through **training and development**.
- ▶ **Attracting and retaining the best people**.
- ▶ Promoting a **safe and healthy working environment**.
- ▶ Promoting the **well-being** of the **workforce**.
- ▶ Ensuring a diverse, **inclusive, equal opportunities for all** and non-discriminatory working **environment**.
- ▶ Promoting **transparency, communication and dialogue** with our **stakeholders**.

In terms of **integrity and good governance**, we abide by the **principles of transparency** and the **policies and codes** approved by the FCC Group, supporting and promoting them³⁰.

FCC Medio Ambiente **contributes** to the **achievement** of the **SDGs identified as priorities for its activity**, which we demonstrate through the **sustainable management** of **human needs and capacities** and the implementation of **initiatives and good practices**.



(30) For further information, please consult the FCC Group's 2020 sustainability report available on its website www.fcc.es

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The main social **performance indicators** represented in the **social footprint** according to the *Global Reporting Initiative* standards are shown below.



Key social footprint indicators 2020 according to GRI standards

HEALTH AND SAFETY

Permanent commitment to occupational health and safety

403-9 Accident rates

Frequency index: **26.78 accidents per 10⁶ hrs worked**
Severity index: **1.11 days lost per 10³ hrs worked**

Healthy company | **16 delegations and SVAT**

TRAINING

Promotion of training and talent generation

404-1 Hours of training | **212,635 hours**

Female: **29.5 %** | Male: **70.5 %**

Hours per employee and year: **6.8 hours**

EQUAL OPPORTUNITIES

Solidarity commitment to diversity and equality

405-1 Breakdown of the workforce by gender | Female: **24.8 %**
Male: **75.2 %**

405-1 Staff with disabilities | **3.65 %**

405-1 Social and occupational insertion of disadvantaged groups | **133 initiatives**

405-1 University Agreements for hiring | **111 trainees**

405-3 Maternity/paternity return rates | Female: **95.3 %**
Male: **96.1 %**

405-2 Average male/female salary ratio | **1.34**

EMPLOYMENT STABILITY

Safeguard employment: a shared priority

102-7-8 Total number of employees | **32,543 employees**

Attached (85.3%) | **27,767 employees**

Non attached (14.3%) | **4,776 employees**

Fixed (72.1%) | 3,444 employees

Temporary (27.9%) | 1,332 employees

401-1 New hires | **5,726 hires**

401-1 Turnover rate | **1.82 %**

402-1 Minimum notice period | **4 weeks**

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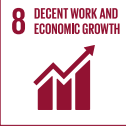
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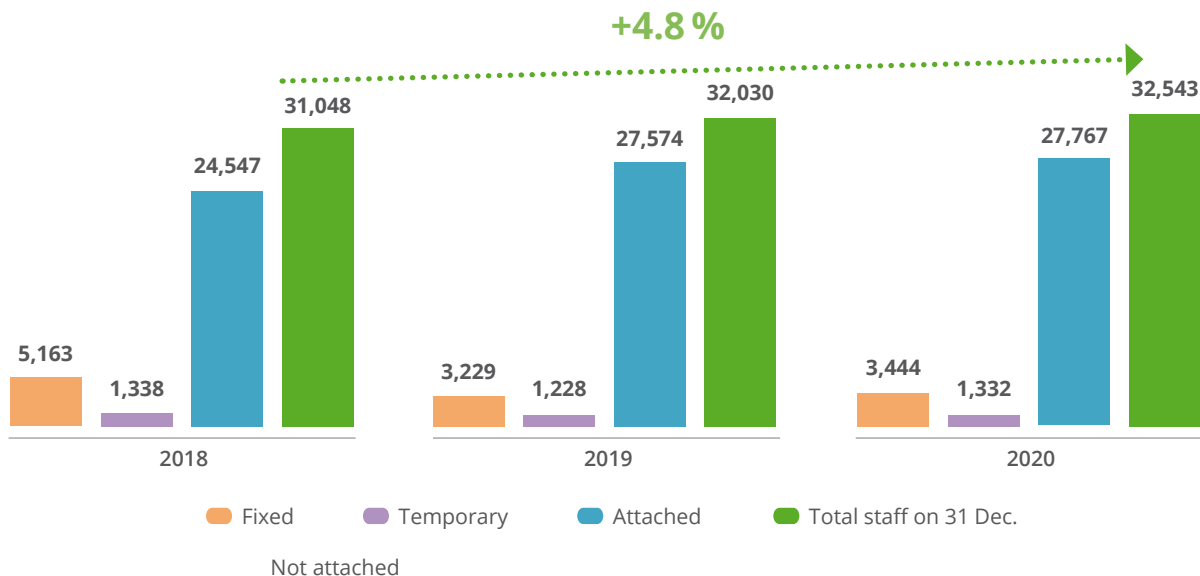
2. Generating stable and quality employment

One of FCC Medio Ambiente's **main contributions** to the **socio-economic progress** of the environments in which it provides its services is the generation of **stable, quality employment**. In this way, **the company** contributes to the achievement of the targets included in **SDG 8 "Decent work and economic growth"**.

We have a team of **32,543 professionals**, representing **54.5%** of the total FCC Group staff. During the pandemic, the FCC Medio Ambiente team has demonstrated its **capacity for adaptation** and **resilience**. The organisation has also been able to act proactively, implementing the necessary **measures** to ensure the provision of services considered essential while guaranteeing the safety of employees, continuous training and attracting new talent.



Total workforce at 31 December



Note: Attached employees are those whose contract is subject to subrogation.

2050 Sustainability Strategy

TARGET:

Keep employees motivated so that they feel a sense of belonging to the company and increase their performance by feeling that they are part of a "family".

MEASURES

Diagnosing the professional profiles needed in the sector over the coming years in order to anticipate the challenges and adapt the workforce to these demands.

Establishing a **competitive and equitable wage policy**.

Encouraging **national and international promotion** and **internal mobility**.

Fostering **outplacement programmes** within the business.

Empowering **employees as ambassadors** of good practice.

Training the organisation's human resources and permanently **updating their competences** (knowledge, skills and abilities).

Promoting the adoption of social policies and collaboration agreements to promote **inclusive employment**.

It is important to point out that, despite the context of job losses due to the pandemic, FCC Medio Ambiente's **workforce has increased by 4.8%** in the **last three years** and the use of the Redundancy Plan has been practically non-existent.

How we generate stable and quality employment

▶ **2,094 temporary contracts converted into permanent contracts*** in the last two years.

▶ **Turnover rate of 1.82 %*:** decreased by **39 %** between 2018–2020.

▶ **78.4 %** of **full-time** employees*.

Remuneration and social benefits:

▶ Staff Expenses: **62.2 %** of turnover.

▶ Average wage **2 times** higher than the minimum inter-professional salary in Spain.

▶ **€1,000.4 million**, distributed between wages, salaries and social charges.

(*) About staff registered in SAP-HR: 31,143



In the 2019-2020 period, FCC Medio Ambiente has achieved **86 % of the commitments set** and has set itself **2 new challenges** with a 2022 horizon that are in the process of being implemented.

PROGRESS IN 20-22 PLAN COMMITMENTS:

To be a model company to work for

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



(*) This objective is integrated again into the 20-22 Plan.

THE NEW CHALLENGES FOR 2022:

For a model company to work for

- **Improving the working climate.** Continuing to drive cultural change and empowerment of people. Our first objective is to carry out a **satisfaction survey** to find out where, as a company, we need to improve in order to achieve personal development and improved performance.**
- Create an **"Interpersonal Conflict Management Forum"** to help solve problems of coexistence, communication and interaction between the people who make up the team.**



(**) This objective is in the process of being implemented.

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DECENT WORK AND ECONOMIC GROWTH



3. Promoting the training and the talent

FCC Medio Ambiente promotes the creation of **optimal working environments**, with the aim of **attracting, motivating, developing** and **retaining** the best professionals, **improving the efficiency** of the organisation and achieving **excellence and quality** in the provision of services. **Developing talent** is a vital objective for the company, from the processes of **selection and recruitment, training, performance evaluation** and **retention and promotion** of the best professionals. We firmly believe that talent in an organisation is a factor of **differentiation, innovation, attraction and growth**.

In terms of recruitment, it is important to highlight that, in the 2019-2020 period, **1,005 selection processes** have been published through the different search sources available

to the organisation, for which a total of **124,217 candidates** have registered. One of the usual sources of selection is **internal mobility**, which is a lever for **professional growth**, offers new development opportunities and favours the **exchange of knowledge** between the different businesses that make up the FCC Group. During the last biennium, a total of **61 internal processes** have been published, all of which have been filled by personnel from the FCC Group.

At FCC Medio Ambiente, **digitalisation, new technologies** and **process innovation** go hand in hand with the training and technical and managerial retraining of the human team. These factors enable the organisation to **anticipate** the **skills** needed in the **future**.

The different local offices of FCC Medio Ambiente detect the training needs of its collaborators, adapted to the characteristics of each job and the prospects for professional development. This is reflected in the **Annual Training Plan**, which aims to update and reinforce the **knowledge** and **skills** of our employees, **promoting their growth, development and evolution, both professionally and personally**.

2050 Sustainability Strategy

TARGET

Attract talent from the global market, retain our best professionals, generate commitment, consolidate the culture of our organisations and manage diversity, especially generational diversity.

MEASURES

Boosting the image of the **organisation** as an **employer**, towards its customers as well as towards its employees.

Promoting the **attraction of talent** through **attractive proposals**.

Developing **leadership** through specific programmes.

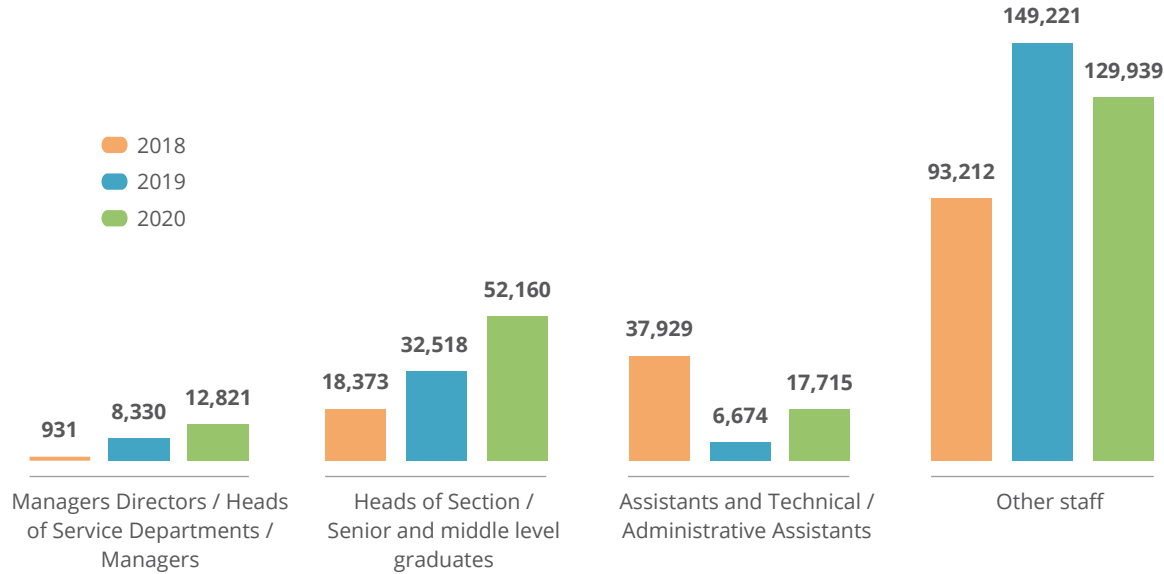
Standardising **internship programmes** for graduates, talent programmes, mass recruitment.

Improving employee **recognition** and **motivation** programmes.





Training hours provided by professional category 2018-2020



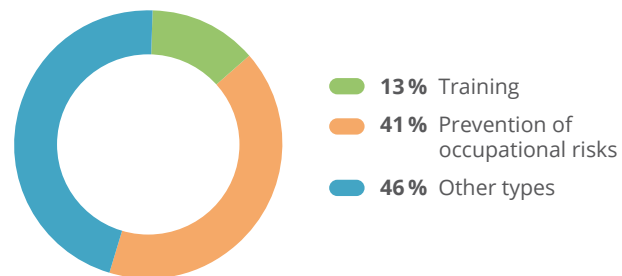
Promoting training and generating talent

- ▶ **28,376** participants in training courses. **68 % higher** than in 2018.
- ▶ **212,635** training hours. **41 % growth** in the last three years.
- ▶ **18.5 hours*** of training per trained **employee**. **Up 41.9 %** compared to 2018.
- ▶ **10.9 hours*** of training per **participant**. **22.4 % increase** compared to 2018.
- ▶ The **percentage of training hours for female staff doubled**.
- ▶ **€9 million** in investment in training in 2019-2020.
- ▶ **72 % more subsidised training costs** in 2020 compared to 2018.

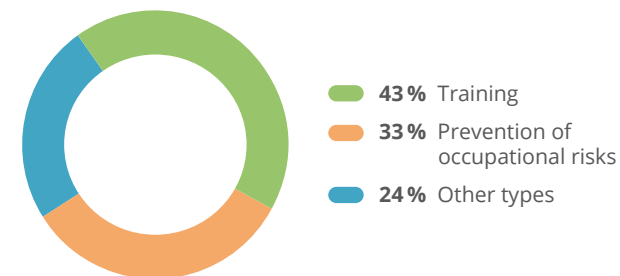
(*) For the calculation, training received through CAMPUS has been excluded.



Distribution of participants by tipology 2020



Distribution of training hours by tipology 2020



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The organisation, which benefits from the most advanced training tools developed at **corporate level**, also has its own **specific training** lines to meet the needs of its **environmental activities**.

Among the cutting-edge corporate initiatives, **CAMPUS** or **FCC's online university**, comprising several schools, among which those of a cross-cutting nature deserve special mention: **Values and Compliance, Diversity and Equality, Digital and Leadership and Development**. A total of **9,682 FCC** from this initiative in 2020.

In addition, FCC Medio Ambiente continues to implement **internal training programmes** based on the **direct transmission** of its own **experience among employees**. It is worth highlighting the **sustainability training** provided by the Management Systems Department, aimed mainly at the technical personnel of each of the local offices. The main objective of the programme is the acquisition of knowledge about the concept of **sustainability, SDGs, climate change, circular economy, environmental indicators, health and safety management** and the use of the **sustainability and ORP module** developed internally in the **VISION information management platform**.

 **143 trained employees** in 2020.



PROGRESS IN 20-22 PLAN COMMITMENTS:

Encourage training and promote talent

- **Boosting young talent ensuring** the % of hires correspond to newly graduated youth.*
- **Renew and update** the definition of the skills and abilities required for each job.*
- Develop **female leadership** through specific programmes.*
- **Promote internal mobility** to favour the opportunity for professional development and growth.*
- **Optimise** the processes of management and interpretation of information related to the selection, engagement and development of talent through the implementation of new interconnected electronic platforms.
- **Increase levels of training** in environmental matters to improve ecoefficiency in the management of the services provided by our employees.*
- **Deploy training** to disseminate the values of the organisation, the CSR Plan 20-22 and its contribution to the SDGs.*
- **Train** the staff of executives and technicians in risk management, applying ESG criteria.*
- Develop a **Cultural Change Plan** between Managers and teams through coaching.*
- **Hold internal technical seminars** (treatment and disposal, carbon footprint, ground maintenance, SDGs, sustainability, etc.).*
- **Achieve 12 hours of training per participant**, an increase of 15%.*



THE NEW CHALLENGES FOR 2022:

For talent attraction and retention

- Implementing a “**Career Guidance**” initiative with the creation of a **Career Guidance Volunteer Programme** aimed at:
 - Young people and people** who have been **excluded from the labour market** to help them acquire the necessary skills to enter the labour market.
 - Young people** who are still in the education system to **choose a career direction**.**



(**) This objective is in the process of being implemented.



FCC Medio Ambiente has fulfilled 4 of the 11 commitments in the 2019-2020 period and the remaining 7 are in the process of being implemented by 2022.

(*) This objective is integrated again into the 20-22 Plan.

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GOOD HEALTH AND WELL-BEING



4. Leading safe and healthy business model

The **safety, health and well-being** of our employees and the rest of the stakeholders with whom we interact is a vital commitment for FCC Medio Ambiente, as reflected in its **Management Policy**. With the aim of **strengthening the culture of prevention, promoting health and reducing absenteeism rates,**

FCC Medio Ambiente promotes **training in risk prevention**, pays special attention to **health monitoring, encourages innovation**, facilitates a **healthy working environment** and involves each and every one of its collaborators through awareness-raising and sensitisation initiatives.

At FCC Medio Ambiente we have a **Joint Prevention Service (JPS)** that promotes the integration and development of preventive activity and evaluates the implementation of the Occupational Risk Prevention Management System in all member companies.

2050 Sustainability Strategy

TARGET:

Decrease absenteeism rates by 2050 compared to 2019:

50 % reduction in **accident rate.**

25 % in **sick leave absence rate.**

0 serious or fatal accidents (own or third party) by 2050.

Reduce traffic accidents by 50 % with the implementation of initiatives and training in efficient and safe driving.

Attain **100% SIGOS certification** for **all employees** of the organisation by the year 2023.

MEASURES:

Absenteeism reduction in the variable **remuneration system** for executives.

Fostering a safety culture among employees through **training.**

Developing accident rate **research and analysis.**

Encouraging the **involvement of all departments** of the organisation.

Implementing initiatives and training in **efficient and safe driving.**

Consolidating the **specific Health and Welfare department.**

Developing **standard programmes** of action in a **healthy company.**

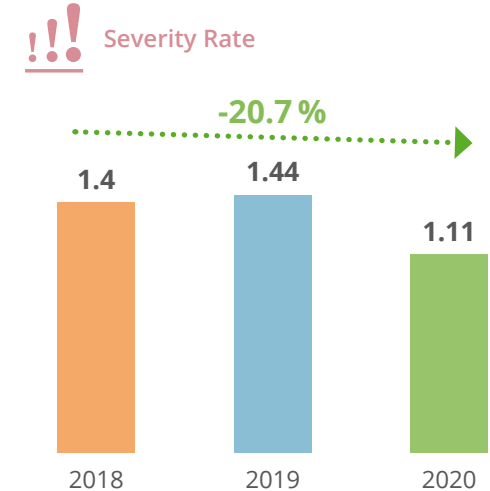
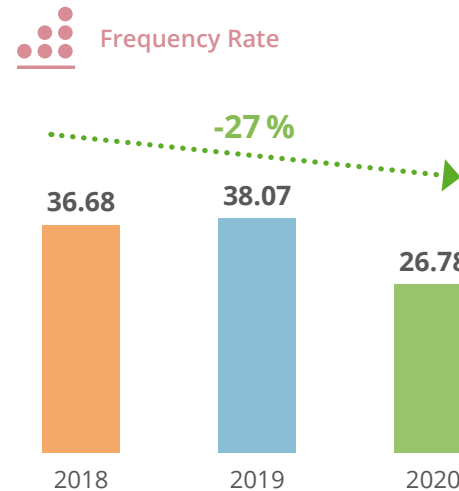
Encouraging collaboration with **medical services** in the implementation of lifestyle programmes based on the SIGOS model.



Absenteeism reduction plan

The **direct involvement** of the **General Management** of FCC Medio Ambiente, the **commitment** of the **entire team** and the implementation of a comprehensive **programme** aimed at **reducing absenteeism** in the workplace have led to **very positive results** in this area. And even in spite of the pandemic caused by COVID-19, there have been **reductions of 27%** in the **frequency rate** and **20.7%** in the **severity rate**. The number of accidents in the business area has fallen from 1,848 in 2019 to 1,349 in 2020, **499 fewer accidents** for a similar workforce.

This plan's success owes to the **high degree of integration** of risk prevention in the management of the services and the **involvement of all areas** of the organisation (production, occupational risk prevention, human resources and medical services). This plan is to be continued in the coming years with **more ambitious targets** for **reducing the rates**.



Promoting the safe business model

- ▶ Renewal of the **certification** of the **Management Systems** according to the recent ISO 45001:2018.
- ▶ **Nearly 40% reduction** in "in itinere" **traffic accidents** during 2020.
- ▶ Deployment of different modules integrated in the **VISION platform** that enable **more efficient management of occupational risk prevention** and more **agile analysis of information**, both locally and from Central Services.
- ▶ Nearly **145,000 hours of ORP training** / over **24,200 participants** / Average of **6 hours per participant** in the last biennium.
- ▶ Introduction of **improvements in accident investigation** and health and safety **inspections** by middle management.
- ▶ Development and **improvement of absenteeism reports**, allowing the analysis and evolution of absenteeism rates and their comparison with the objectives set at contract, local office, zone and business area level.
- ▶ Participation in **forums, conferences and congresses** to share experiences and good practices in **Health and Safety**.
- ▶ **Worker awareness campaigns** regarding the main **causes of accidents**, either because of their frequency or because of the seriousness of the consequences. Examples: dissemination of "**Learning from accidents**" sheets setting out the main preventive measures after analysis of what happened, information pills or talks with managers and workers on prevention aspects.

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FCC Medio Ambiente's activities have been considered an **essential service** by the different regulations adopted, which has meant that a large part of the human team has remained providing its services to all citizens throughout the lockdown. The commitment and dedication shown have led to **public recognition** of their professionalism by several organisations.

Our objective at FCC Medio Ambiente is to continue implementing **initiatives and good practices** that, like those mentioned above, allow us to **anticipate** new risks and opportunities that will be generated by the changes taking place in the world of work, which have an undeniable impact on safety, health and well-being, such as **technology, demographics, sustainable development**, including **climate change**, and **organisation at work**.



Measures and good practices for COVID-19

- ▶ **Certificate of protocols for action against COVID-19**, with scope for the headquarters of FCC Medio Ambiente S.A.U. and the Granada Exhibition and Conference Centre.
- ▶ Drawing up a **Business Continuity Plan**, identifying the critical functions of our activity in the event of a possible increase in casualties due to contagion or direct contact and implementing the necessary measures to protect the health and safety of all employees.
- ▶ Development of a **Protocol for the return to face-to-face service** provision for FCC Medio Ambiente.
- ▶ Creation and implementation of **technical instructions with preventive measures** in the provision of services against COVID-19.
- ▶ Advice and tracking of **work inspections** related to **biological risk and COVID-19**.



Good practices in curbing absenteeism

Cross-cutting initiatives:

- ▶ Establishment of **"Absenteeism Reduction Plans"** which involve tracking absenteeism through **monthly meetings** in each of the **16 local offices**. These meetings are attended by Heads of Service, Human Resources managers, the Head of the local office, medical services personnel and relevant JPS members from the local office and Central Services.
- ▶ **Improvements in accident investigation.**
- ▶ **Improvements in health and safety inspections.**
- ▶ **Close collaboration with mutual insurance companies and other entities** managing absenteeism.

Results:

As a result of the implementation of both **cross-cutting** and **local initiatives**, both absenteeism and accidents have been reduced. Even in contracts with more than 100 workers, which have been recording **ZERO accidents with sick leave** for more than a year, as in the case of the **Mancomunidad del Sur** (Community of Madrid in Pinto) and the **Gandía** collection service (Community of Valencia). The **Catalunya II** local office, in turn, managed to **reduce its frequency rate by over 60 %** and its **severity rate by more than 50 %** since 2019.

Local initiatives:

Zaragoza

- ◆ **Gamification³¹ in the Zaragoza collection staff with the participation of its 137 operators and 6 middle managers as team captains.** This has been very satisfactory and we continue with this type of biannual experience in which a gift card is awarded to each member of the winning team.
- ◆ **Installation of an accident-free days counter and staff incentives** at each workplace to publish this figure. This enables the staff to be made aware of the importance of prevention in the organisation and that the actions of each individual have an impact on the collective.



Pinto

A number of Health and Safety measures were implemented at the Pinto Controlled Warehouse, including the following:

- ◆ **Improvements in the maintenance and lighting** of roads inside the depot.
- ◆ **Reduction of the maximum authorised speed limits** inside the facilities, carrying out an information campaign for external users of the landfill and installing new dissuasive vertical signposting.
- ◆ **Training of personnel in operational functions**, handling of work equipment and first aid. Development of a specific programme to raise awareness of Occupational Risk Prevention.



(31) Learning and improvement technique that transfers the mechanics of games to the professional environment in order to achieve better results, either to better absorb some knowledge, improve some skill, or to reward specific actions, among many other objectives.

Aware of the importance of the human team for the organisation, FCC Medio Ambiente carries out measures **to promote health among its employees**, both inside and outside the workplace.

2050 Sustainability Strategy

TARGETS

Achieve **100 %** of the organisation's workforce under the scope of **SIGOS certification** by 2023, increasing by an additional 20 % each year (by 2021: 60 %, in 2022: 80 % and in 2023: 100 %).

Reduce sick leave absence rate by 25 % by 2050 compared to 2019.

Achieve **100 %** participation of employees in **healthy business programmes** by 2050.

Reduce the incidence of **musculoskeletal disorders** among the organisation's workforce by up to 50 % by 2050 compared to 2019 data.

Increase the % of workers who undergo a medical check-up, so that by **2050** almost **all workers** undergo a **medical check-up**.

Promoting health and Well-being

- ▶ Creation and consolidation of a specific **Health and Well-being Department** to strengthen all Safety, Health and Well-being policies, beyond regulatory compliance.
- ▶ Migration of the Healthy Company Management System (SIGES) to the new **Healthy Organisation Management System (SIGOS)**, obtaining the corresponding **certification** from AENOR.
- ▶ **Adherence** to the **Luxembourg Declaration**, as the organisation's commitment to accept and implement the basic objectives of health promotion at work.
- ▶ **53.6 %** of workers under the scope of **SIGOS certification** by **2020**.
- ▶ **SIGOS programme** implemented throughout **FCC Equal** (Special Employment Centre of FCC Medio Ambiente with more than 200 workers with physical, mental and/or sensory disabilities).
- ▶ Distribution of a SIGOS Programme to the entire organisation focusing on the **Prevention of Musculoskeletal Disorders**.
- ▶ Over **4,700 hours** of **healthy enterprise** training / nearly **1,900 participants** Average of **2.5 hours per participant** in the last two-year period.
- ▶ **In-house medical services** with **25 medical staff**.
- ▶ **66.8 % of workers** who have undergone **medical check-ups**.
- ▶ E-learning programme "**Walking towards well-being**": **600 registered employees**.
- ▶ New agreement within the framework of the **subsidised gym access programme**.
- ▶ Signing of new **framework agreements with two External Prevention Services** for the performance of **medical check-ups** (health surveillance).
- ▶ Development of a **portal to share knowledge** on Health and Well-being.



Good practices to promote health and well-being

Cross-cutting initiatives:

The following are some of the actions to promote health at work:

- ◆ **Increased participation of the workforce in the process of improving** the work organisation and environment.
- ◆ Implementation of a cross-cutting health programme in the field of **Prevention of Musculoskeletal Disorders**.
- ◆ **Awareness-raising on health control**, offering **medical check-ups** in which risk factors associated with cardiovascular diseases (high blood pressure, hypercholesterolemia, etc.) are controlled.
- ◆ Promotion of **healthy eating habits** at work, through various information campaigns.
- ◆ **Awareness-raising on addictive substances** harmful to health.
- ◆ **Promotion of mental health**, offering activities and training for the development of **stress management** skills, as well as other psychological support services.
- ◆ Encouragement, promotion and incentivisation of the practice of **physical activity** for an active and **healthy life**.
- ◆ Application to the National Institute for Health and Safety at Work (INSST) for recognition as a member of the **European Network for Workplace Health Promotion** (ENWHO), presenting its good practices and healthy company programmes.

Local initiatives:

Some of the **initiatives already in place** that are **working** to promote physical exercise, healthy nutrition, restful sleep, health care and the promotion of culture are:

- ◆ **"5 minutes campaign"**, consisting of **direct observation and assessment** of the work, for the subsequent adaptation of warm-up and stretching exercises in the Vizcaya local office.
- ◆ Days to promote **healthy habits** in the Castilla y León local office, through the training itinerary **"La Ruta Saludable"** (The Healthy Route), which includes topics such as **nutrition, physical activity and sleep**.



- ◆ **"Community Commitment"** programme of the El Campello contract, carried out in collaboration with the Town Council and which includes various actions: environmental talks in schools, recovery of green areas, recycling and waste management campaigns, etc., all of which are aimed at improving the health of local citizens.
- ◆ **SARS-CoV-2 pandemic management** programme in several local offices, including Noroeste, which is publicly recognised as a good practice in prevention and covers the 4 blocks of the healthy organisation model.
- ◆ The **"Decidimos juntos, contigo más"** de Badajoz (Let's decide together, with you more of Badajoz) programme, where workers are actively involved in **participating in projects** and job promotions that promote **equality** are encouraged.
- ◆ The **"Equal Opportunities Programme - PIO"** of the Catalonia II local office, which includes measures aimed at integrating diversity, and reducing gender inequality and social exclusion.
- ◆ **"Adaptation of work equipment"** programme to prevent musculoskeletal disorders in the Levante I local office, consisting of the **redesign** of several pieces of work equipment (broom, carrycot and broomstick) to improve their **ergonomics** and thus prevent injuries from occurring.
- ◆ **"Cardiovascular risk prevention programme"** carried out in the Murcia-Almeria local office, focusing on reducing these risk factors by promoting healthy eating, physical exercise, adequate rest and other healthy lifestyle habits.

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PROGRESS IN 20-22 PLAN COMMITMENTS:

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



Healthy company:

- Create a specific **Health and Wellness** Department. ✓
- Increase the **scope** of the **Healthy Company certification** until at least **20 % of workers**. ✓
- Integrate FCC Medio Ambiente in the **Forética Health and Sustainability Action Group**. ✓
- Promote the performance of **medical checks**.* ✓
- Increase the **participation** of our employees in **health, happiness and wellness programmes**.* ✓

ORP strategy lead by Managing Director:

- Decrease **absenteeism rates**.* ✓
- Prepare **Strategic Plans** for reducing absenteeism in **all FCC Medio Ambiente local offices**.* ✓
- Creation of **Absenteeism Monitoring Committees** at all levels. ✓
- Foster a **culture of safety** among employees through **training**.* ✓
- Implement a **system of variable remuneration** among managers. ✓
- **Optimize information management processes** through the implementation of the **VISION tool**.* ✓

- Obtain the **certification for Occupational Health and Safety Management Systems** under **ISO 45.001:2018**. ✓
- **Export the health and safety management model** designed and implemented at the **Salamanca Waste Treatment Centre**.* ✓
- Promote the **investigation and analysis of accidents**.* ✓
- **Reduce traffic accidents**.* ✓
- **Review and update the FCC Medio Ambiente Road Safety Plan**.* ✓

(*) This objective is integrated again into the 20-22 Plan.

THE NEW CHALLENGES FOR 2022:



For a safe and healthy company

- Implementation of a transversal SIGOS programme on **"Prevention of musculoskeletal disorders (MSD)"**.*
- Introduction of **"Healthy Fridays"** at the headquarters in Las Tablas with fresh and seasonal fruit and dissemination of advice and healthy habits.*
- Collaboration of the Department of Health and well-being in the programme **"Emotional intelligence in innovative organisations"**.*

In the 2019-2020 period, FCC Medio Ambiente has fulfilled **81 % of the commitments**.

(**) This objective is in the process of being implemented.

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5. Encouraging equal opportunities and diversity

The promotion of **equal opportunities**, inclusion **and diversity of our workforce** are priority axes that define the management of the human team at FCC Medio Ambiente. Through the implementation of **policies, programmes, plans and good practices**, we contribute to **the achievement of SDG 5** Gender equality and **SDG 10** Reducing inequalities.

In order to **achieve inclusive growth**, three main pillars are being pursued: **gender**, people with **disabilities** and generational **diversity**. For an organisation such as FCC Medio Ambiente, the proper **management of diversity** is an **enriching, competitive and differentiating** factor that generates enormous **benefits** for **society** as a whole and results in the excellence of the **public services we provide**.

FCC Medio Ambiente operates in a sector of activity traditionally characterised by a greater male presence. However, the introduction of **technological innovations** in **machinery** and **processes**, as well as the **equality plans** and **work-life balance** and **flexibility measures** implemented, have led to an **increase** in the **presence of women** at all hierarchical levels of the organisation over the last few years. Likewise, through our own initiatives and others, carried out in alliance with foundations and other organisations, we promote **inclusion** and access to work for people belonging to other **disadvantaged groups**.



2050 Sustainability Strategy

TARGETS

Achieve **gender balance by 2050**.

Distribution of **new hires of men and women** within a range of **40% and 60% in 2050**.

Increase the activity and volume of employment of people with disabilities at **FCC Equal** and other organisations.

MEASURES

Create a **cross local office task force** and a specific **"Equality, Diversity and Inclusion"** function within the HR structure.

Identify and **analyse diversity profiles**, to promote underrepresented profiles of interest for the organisation.

Implement **initiatives aimed at empowering and promoting female talent**.

Launch a **Reciprocal Mentoring Programme** between senior and junior personnel.

Establish **strategic alliances** with entities dedicated to the attention of **disadvantaged groups**.

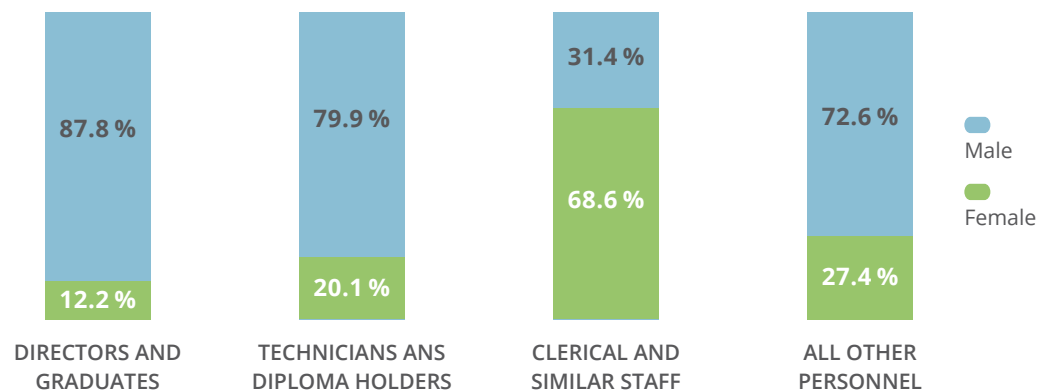
Promoting equal opportunities and diversity

- ▶ **133 initiatives** for the **socio-occupational integration** of disadvantaged groups in force in 2020 (an **increase of 17.7 %** over the last three years).
- ▶ **24.8 %** female personnel, **6.3 %** more than in 2018.
- ▶ **738 new jobs** of personnel **from disadvantaged groups** in the last two-year period.
- ▶ **3.65 % of employees with disabilities in relation to the total number of employees. Increase of 4.4 %** compared to 2018 (staff within the SAP system).
- ▶ **257** students benefited from internships, scholarships or training contracts during the last two-year period.
- ▶ Obtaining the **equality badge** in the company awarded by the Ministry of Equality.
- ▶ **I Plan de Igualdad Grupo - FCC Medio Ambiente** (in negotiation).



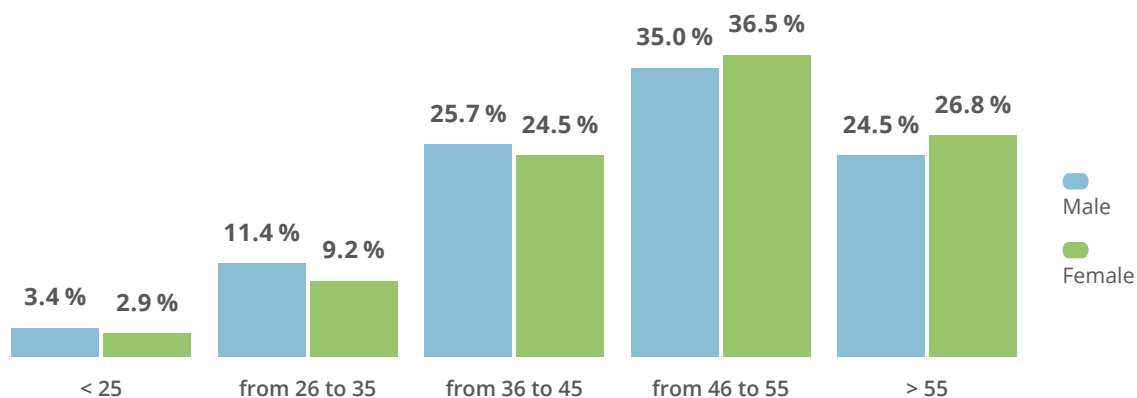
Gender

Percentage distribution by gender and professional category of the workforce at 31 december 2020



Age and Gender

Population pyramid by age and gender 2020



PROGRESS IN 20-22 PLAN COMMITMENTS:

Promote an inclusive and discrimination-free work environment

- | | | |
|--|---|---|
| <ul style="list-style-type: none"> • Define homogeneous performance criteria and indicators. ✓ • Analyse and evaluate equal opportunities (salary, professional development, access to training, performance evaluation, etc.) in the organisation.* ✓ • Increase the % of women in technical and responsibility positions.* ✓ • Promote gender diversity in selection processes.* ✓ | <ul style="list-style-type: none"> • Promote gender diversity in hiring staff.* ✓ • Increase activity and employment volume at FCC Equal. ✓ • Achieve 26 % female staff.* ✓ • Distribution of new recruits of women and men within a range of 40 % and 60 %.* ✓ • Increase the % of unemployed youth hired.* ✓ | <ul style="list-style-type: none"> • Establish strategic partnership with entities dedicated to the attention of disadvantaged groups.* ✓ • Frame our commitment to the Diversity Charter. ✓ • To exceed an annual number of 80 new recruits from disadvantaged groups.* ✓ |
|--|---|---|



(*) This objective is integrated again into the 20-22 Plan.

THE NEW CHALLENGES FOR 2022:

For diversity, equal opportunities and social inclusion

- Sharing experiences through the programme “Inspiring Women” with the aim of raising awareness, motivating, inspiring and helping to create a more equal and better society for all.**
- Implement the “Ella@s con nosotr@s” initiative to continue to foster the growth of an inclusive and diverse culture among our employees.**
- Sign a collaboration agreement with the Business Network for LGBTBI Diversity and Inclusion.**



In the 2019-2020 period, FCC Medio Ambiente has **achieved 75 % of the commitments** set, with **3 challenges** in the process of **implementation**, and **3 more** have been proposed for 2022.

(**) This objective is in the process of being implemented.



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8 DECENT WORK AND ECONOMIC GROWTH

10 REDUCED INEQUALITIES

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

17 PARTNERSHIPS FOR THE GOALS

Connection with citizens

- 1. Committed to local development: key projects and figures
- 2. Partnerships to drive development
- 3. Dialogue with citizens: principles of action
- 4. Our team of sustainability ambassadors



1. Committed to local development: key projects and figures

As the third pillar of the **20-22 Action Plan**, FCC **CONNECTED** aims to **improve citizen well-being** while contributing to the **social** and **economic** development of the **communities** served by the **organisation** via **social** and **environmental actions** designed to **improve urban quality of life**. We maintain a constant **dialogue** with our **stakeholders** through multiple **communication channels** (refer to chapter 9) so that we can always stay abreast of their expectations.

FCC Medio Ambiente has forged a **network of alliances** through a range of **initiatives**, **contracts** and **master agreements** entered into with numerous **institutions** and **associations**, and this network is an essential cornerstone of sustainability for the organisation to bolster its **social** and **innovation**-related activities.

FCC Medio Ambiente contributed resources in 2020 for the development and implementation of initiatives whose benefits directly or indirectly reverted to society, for an **economic valuation of €2.76 million**.

According to the classification criteria, **67%** of the **resources** were allocated to **environmental initiatives** and the remaining **33%** to social actions. **Social** initiatives predominated with **63%** of the total **number of initiatives**.

2020 sustainable initiatives key figures

FCC Medio Ambiente strives to meet the expectations of the communities we serve by promoting the implementation of **initiatives** that encourage **sustainability**.

► **559** ongoing **sustainable initiatives**. **8%** higher than in 2018.

► **€2.76 million** is the total economic valuation. **30%** higher than in 2018.



► **€0.91 million** earmarked for social initiatives.



► **€1.85 million** invested in environmental actions.

2050 Sustainability Strategy

TARGET

The overall objective is to generate **synergies and partnerships** across different actors to mobilise and exchange **knowledge, know-how, technology and resources for sustainable service delivery**.

MEASURES

Building **public-private partnerships** with civil society, the public sector, academia and other businesses that contribute to achieving the SDGs.

Encouraging **employee participation** in achieving the **SDGs**.

Conducting **awareness-raising workshops** on the **2030 Agenda**.

Forming a **corporate volunteering network** by signing partnership agreements with entities involved in developing the SDGs.

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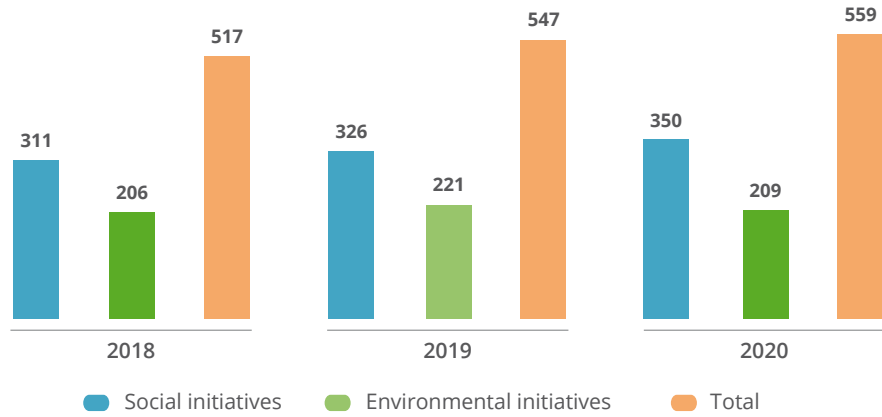
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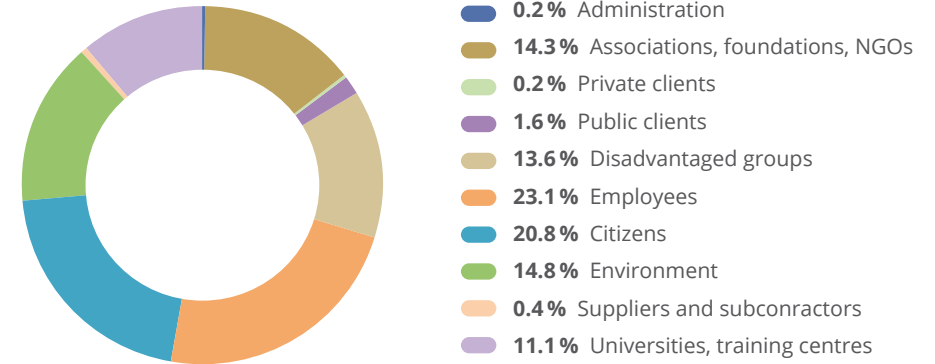
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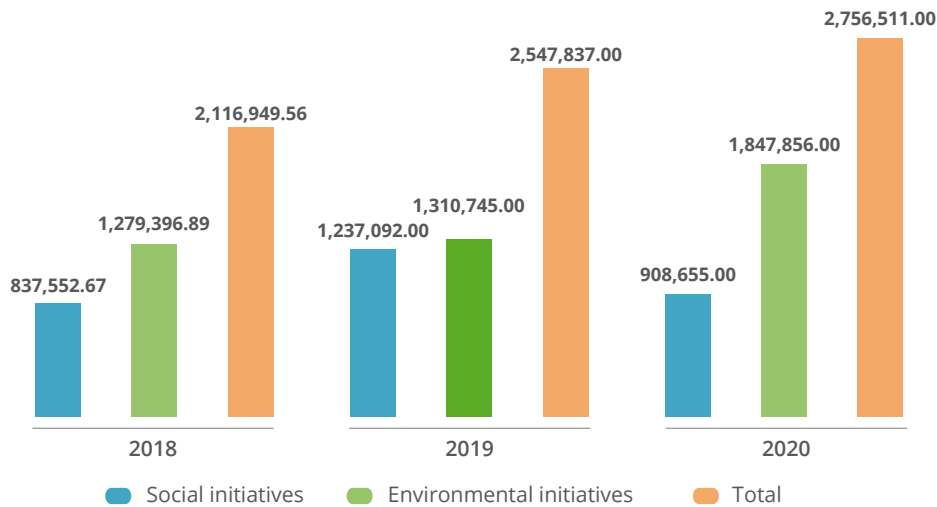
Sustainable Initiatives FCC Medio Ambiente (2018-2020)



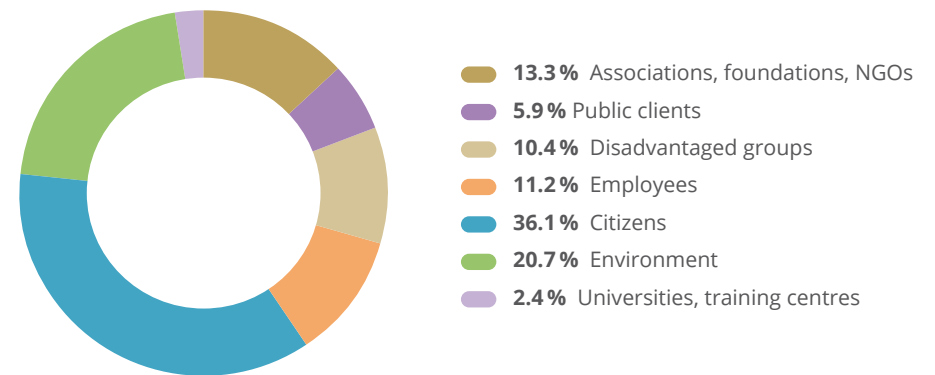
Distribution of the initiatives by favoured group 2020



Value (€) of sustainable initiatives FCC Medio Ambiente (2018-2020)



Economic assesment of initiatives by favoured group 2020



Community recognition in 2019-2020

Stakeholders have recognised the sustainable actions and initiatives implemented by FCC Medio Ambiente over the last two years:

- ▶ **Equality Distinction** awarded by the **Ministry of Equality**, through the Women's Institute (2020).



- ▶ The **Spanish Climate Change Office** awards **FCC Medio Ambiente** the **"Reduzco"** seal (2020).



- ▶ **'Bonus Prevención'** award from **Mutua Universal** (2020).
- ▶ FCC Medio Ambiente shortlisted as one of **"The 101 Business Initiatives For The Climate"** (2020)
- ▶ FCC Medio Ambiente has received an award in the 2019/2020 edition of the **European Business Awards for the Environment** (EBAE Awards), in the Product and/or Service category, for the project **"Development of highly efficient, modular, self-supporting electric traction vehicle platforms for urban services"**, led by the company itself and the Irizar Group.



- ▶ **2020 City of Cuenca Award** for services rendered during the pandemic.
- ▶ FCC Medio Ambiente, winner of the **World Smart City awards in the Innovative Idea category**.

- ▶ **Las Palmas de Gran Canaria Fire Brigade Gold Medal of Merit** for the special collaboration of the company with the Fire Brigade of the city during the fire that devastated the island of Gran Canaria in August 2019.
- ▶ FCC Medio Ambiente, winner of the **ONCE Aragón Solidarity Awards** (2019)



- ▶ **Diploma of recognition from the Xunta de Galicia** to FCC Medio Ambiente through its Tourism Agency, for having received the **"Q" quality mark** (2019).



CALIDAD TURISTICA

- ▶ **Cruz Roja ALIANZA Award**. Murcia (2019).



Recognition for our personnel

Over the past two years, our workers have been true **urban heroes**, having weathered both the **health crisis and adverse weather events** and provided many **essential services** to cities. The coronavirus triggered major changes in service operations. Disinfecting containers, areas around health centres, large shopping centres, underground stations and bus stops has become a regular job for our employees.

We gave a warm round of applause to the paramedics, ambulances, police and fire brigades for their efforts throughout the coronavirus crisis. And yet our sector has continued to work "invisibly" when the system itself lists it as "essential". Our **corporate management** therefore chose to honour the enormous efforts of all our colleagues who contribute, day after day, to improving the well-being of the people and the cities in which we live, with the slogan **Thank you all very much!**

 <https://youtu.be/dMNvMotlBY>



The **Madrid local office of FCC Medio Ambiente** held a **tribute ceremony in 2020 to thank all its staff** for their commitment, dedication, understanding and initiatives during the pandemic, where the **company's medical services**, the **Madrid City Council** and the **committees and trade union centres** that collaborated with the company during the **COVID-19 pandemic were also recognised**.

FCC Medio Ambiente held the **second edition of the Avanza Awards** in 2019, where six projects were awarded in the following categories: SOCIAL INITIATIVES, IMPROVED QUALITY, INNOVATIVE SOLUTIONS, ENVIRONMENTAL FRIENDLINESS. The **Avanza Awards** were created with the objective of channelling all the **innovation know-how** of FCC employees, as well as recognising their effort and willingness to participate through initiatives that materialise in improvements to increase the company's competitiveness. The **Avanza Awards** are already consolidated in our organisation and will continue to be held biennially from 2021 onwards. **WE KEEP ON INNOVATING!**

Engagement in sector development

FCC Medio Ambiente collaborates through the different associations of which it is a member, both in the development of regulations and in the interpretation of the regulations in force, unifying criteria with the rest of the members of the associations and the Administration. Some of the main ones are listed below:

Association of Public Cleaning Companies (ASELIP)

Spanish Association of Parks and Gardens Companies (ASEJA)

Spanish Association of Cleaning Companies (ASPEL)

Association of Comprehensive Maintenance and Energy Services Companies (AMI)

Association of Municipal Container Recovery and Sorting Plants (ASPLARSEM)

Waste-to-Energy Forum (FGER)

Technical Association for Waste and Environmental Management (ATEGRUS)

Environmental Forum Foundation



2. Partnerships to drive development

Partnerships between the **business** sector and **social organisations** are essential to promote the **social and labour inclusion** of **people at risk of exclusion**. The **integration of vulnerable groups** is a priority for our organisation and one of the **main contributions** we can make is the direct recruitment of socially excluded people.

The **2019-2023 National Strategy to Prevent and Combat Poverty and Social Exclusion** responds to the Spanish Government's commitment to social cohesion and progress, and pays special attention to the most vulnerable people in a situation of poverty or social exclusion. It is inspired by the **Europe 2020 Strategy** for smart, sustainable and inclusive growth and, in particular, is directly linked to the **2030 Agenda and the Sustainable Development Goals**.

FCC Medio Ambiente has **policies and plans** for the **integration into the labour market** of **groups with difficulties of integration** into the **labour market** and **signs agreements and collaborations** with different entities such as **associations, foundations and town councils** to facilitate **access to employment** for these groups, at the same time **promoting alliances** that encourage the **creation of a network of associations** that support the principles of the **social and solidarity economy (SDG 17)**.

Key social inclusion actions

- Agreement signed by FCC Medio Ambiente and **Obra Social "la Caixa"** to promote the job placement of people at risk of social exclusion through the **Programa Incorpora**, promoted by the financial institution, which involves more than **400 job placement organisations**, which has allowed the number of placements to multiply exponentially. In the last three years, FCC Medio Ambiente has **increased the number of job placements by 20.4%**.
- **Fundación ONCE's Programa Inserta**: aimed at companies that include in their strategic policies the implementation of a management system based on the principles of Corporate Social Responsibility. Through this programme, FCC Medio Ambiente is supporting many projects and promoting social and labour inclusion through workshops, training courses and other actions such as awareness campaigns.

- **Programa Integra**: FCC Medio Ambiente works through the Foundation that bears its name to help people in social exclusion and people with disabilities to take control of their lives through employment.



• **1,110 people** have benefited from these 3 programmes during the **last three years**.



- With the creation of the **FCC EQUAL CEE**, Special Employment Centres, we provide auxiliary services thanks to the work carried out by **213 employees** with disabilities in the **Community of Madrid, the Valencian Community and Andalusia**. There was a

2.7-fold increase in the **number of insertions** in 2020 compared to 2018.

- In the area of **youth employability**, FCC Medio Ambiente **encourages internships** in the company to facilitate the transition from the academic to the professional world, for which we have the collaboration of the **main universities and training centres** (signing of **scientific collaboration agreements** and **educational cooperation agreements**).



FRAMEWORK ORGANISATION AGREEMENTS 2019-2020

PROMOTED COLLABORATIONS FROM FCC MEDIO AMBIENTE CENTRAL SERVICES

SOCIAL INCLUSION	SUSTAINABLE ENVIRONMENTAL INITIATIVES		
	SUSTAINABLE CITIES	BIODIVERSITY	COMMUNITY FOR THE CLIMATE
			

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LOCAL AGREEMENTS WITH INTEGRATION ORGANISATIONS 2019-2020

WASTE COLLECTION

FUNDACIÓ FORMACIÓ I TREBALL
FUNDACIÓ ENGRUNES en Barcelona



ASAFES, ONCE y la ASOCIACIÓN
DE SORDOS de Vitoria



FUNDACIÓ MAPFRE y ADECCO
en Tarragona



FUNDACIÓ INTERMEDIA
en Tarragona y Barcelona



ASOCIACIÓN RECIKLA en Zaragoza



XARXA AMBIENTAL
en El Prat de Llobregat



GROUND MAINTENANCE

RECOLLIM, TEB VERD de
L'Hospitalet de Llobregat



TEB SOLUCIONS de Viladecans



FUNDACIÓ PRIVADA LES CORTS
de L'Hospitalet de Llobregat



STREET AND BUILDING CLEANING

LANTEGI-BATUAK de Bilbao



ASOCIACIÓN SÍNDROME DE DOWN
en Navarra



FUNDACIÓ MERCÈ PLA en Tarragona y El Vendrell
y CÁRITAS en Logroño



CIRE en Reus y Tarragona y CRUZ ROJA y
PLENA INCLUSIÓ ARAGÓN en Zaragoza



CEE CALTOR en Badalona; CERCA en Tarragona;
TALLER AURIA en Igualada



CIE en Tarragona; MAS CARANDELL en Reus.



FUNDACIÓ TALLERS DE CATALUNYA en Santa
Coloma de Gramenet



OTHER AUXILIARY SERVICES

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



TIRGI de Girona



FUNDACIÓ MARESME
de Mataró



FUNDACIÓ SOLIDANÇA
de El Papiol



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AGREEMENTS WITH UNIVERSITIES AND TRAINING CENTRES 2019-2020

YOUTH EMPLOYMENT

SCIENTIFIC COLLABORATION





3. Dialogue with citizens: principles of action

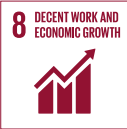
The population that our organisation will have to serve in **urban areas** in the coming years will be **increasingly older** and with an **inverted demographic pyramid**. As consumers, **citizens** will increasingly demand **higher quality and real-time information** that will enable them to participate more **actively in decision-making** and processes related to the **development** of the **cities** in which they live.

The **private sector** and **public administrations** will work together to respond to a **society** that is **less tolerant of green-washing** and a **market** that is committed to **sustainable business**.

Our **principles of action** within the “FCC CONNECT” axis are shown below:

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





4. Our team of sustainability ambassadors

FCC Medio Ambiente has been **promoting environmental and social awareness** and sensitisation actions for over two decades through the **collaboration** and **involvement** of our **professionals**, who become **ambassadors of sustainability**.

We participate in and sponsor **conferences and forums** related to **knowledge transfer** in areas such as waste management, the circular economy, the fight against climate change, the protection of biodiversity, the improvement of air quality, smart cities, road safety, occupational risk prevention, the healthy organisation model, corporate social responsibility and the maintenance of parks and gardens.

FCC Medio Ambiente has a catalogue of training courses that promote **sustainable environmental management of services**, with the objective of improving the skills of the teams and their involvement with the environment. The aim of these courses is to gradually turn our employees **into ambassadors of good social and environmental practices**. Our employees stand on the streets 24 hours a day, 365 days a year, setting an example and a benchmark for the communities we serve, and playing a decisive role in improving the sustainability of cities.

Priority objectives of the training actions:

- ▶ Identify and understand the positive and negative impacts of professional work on the environment.
- ▶ Belong to a team that is aware and sharing common goals and objectives of general interest.
- ▶ Provide and share suggestions as a result of professional experience.
- ▶ Periodically assess and analyse (for the entire contract duration) the return effect of the improvements and suggested good practices.

- ▶ Transmit exemplary conduct to citizens.
- ▶ Participate in the dissemination and demonstration of responsible actions.

We also back initiatives such as the **European Week for Waste Reduction** and **World Environment Day**, and we participate in numerous **environmental awareness campaigns** together with the municipal managers in the towns where we provide our services.

We would also like to highlight the **solidarity** of our employees who participate in **environmental and social volunteering activities** (helping to clean up the environment, collecting food and toys for the most disadvantaged, etc.).



Participation in renowned conferences and forums

Our organisation's participation resulted in the presence of prestigious professionals from FCC Medio Ambiente at various national and international congresses, such as:

- ▶ **Conference on Circular Economy** organised by the **Club de Excelencia en Sostenibilidad** in collaboration with the Junta de Castilla y León in Valladolid (2020).
- ▶ **The 2nd Castellón de la Plana Eco-Forum**. The circular economy, key in the fight against global warming (2020).
- ▶ **COVID Protocols Conference** organised by AENOR (2020).
- ▶ Active participation of FCC Medio Ambiente within the framework of **the COP25 Madrid Climate Summit** (2019).
- ▶ **Smart City Expo World Congress (SCEWC)** in Barcelona (2019).
- ▶ **XVII Conference organised by Madridiario on Mobility and the Environment** "A challenge for cities" (2019).
- ▶ **International Climate Change Conference, "Change the Change"**, held in San Sebastián (2019).
- ▶ **Sustainable Urban Mobility (SUM) Congress Bilbao** (2019).
- ▶ **Innovation conferences at the Higher Technical School of Industrial Engineering**. "Present and future of urban service vehicles" (2019).

- ▶ **Barcelona Gas Vehicle Forum**. "Natural gas mobility at FCCMA" (2019).
- ▶ **International Solid Waste Association (ISWA) World Congress** in Bilbao (2019).
- ▶ **Lanzarote heading towards sustainable mobility**. "Electric transport, an imminent reality. Other services rendered on electric vehicles. Waste collection" (2019).
- ▶ **Circular Economy and Sustainable Mobility Day**. Executive Forum. Sustainable Mobility Programme Agenda (2019).
- ▶ **Girona Waste in Progress** (2019).
- ▶ **Annual APEVC Conference** (Association of professionals of the green spaces of Catalonia, 2019).
- ▶ **Human Resources Benchmarking Club** of the Instituto de Empresa (2019-2020).
- ▶ **Inserta Forum Conference –Fundación ONCE**. "Employment and disability" in Aragon (2019).
- ▶ **Environmental conferences in the Faculty of Social Sciences** in Zaragoza (2020).



Joining the #ODSéate digital campaign

A further initiative launched to **disseminate the Sustainable Development Goals** was the **adhesion** of FCC Medio Ambiente to the **#ODSéate digital campaign** launched by the High Commissioner for the 2030 Agenda in celebration of the fourth anniversary of Spain's accession.

This is a **collaborative campaign** that was developed in **alliance with multiple actors**, in line with the Action Plan for the implementation of the 2030 Agenda that Spain submitted to the United Nations in July 2018. Among the different targets contained in the Action Plan, Transformative Target number four established that, **by 2020, 100% of the Spanish population should be aware of the 2030 Agenda and be sensitised to the scope of the transformations that the 2030 Agenda entails**. This campaign seeks to contribute to this target.

The **#ODSéate** initiative is a call to action for organisations and citizens to mobilize by disseminating and driving the fulfilment of the 2030 Agenda and its 17 Sustainable Development Goals (SDGs). To join the campaign, it is only necessary to **#ODSear** the logo of the organisations, or social media profiles, adding the image of the SDGs ring to them, disseminate links with information related to the 2030 Agenda on websites or blogs, publish videos and examples of SDGs compliance on social networks, or mobilize concrete actions in their environment.



Collaboration of our professionals in educational and public awareness projects

FCC Medio Ambiente, through its **initiatives of participation in educational and professional training tasks, has benefited nearly 52,000 students** during the last two years, for which it has collaborated with different entities and institutions. **Environmental educators** have joined our teams (Tarragona, Segovia, etc.) to carry out some of the awareness-raising activities.

The educational work is also carried out through **guided visits** to the main **FCC Medio Ambiente treatment plants, green points, vehicle workshop-parks, environmental classrooms, parks and gardens**, etc., which are attended annually by schools, students of specific courses in environmental techniques, technical personnel and professionals in the sector. In addition to its technical nature, initiatives of this sort promote and cultivate social awareness in the selective collection of waste and responsible citizenship.

In the area of **environmental awareness** among citizens, FCC Medio Ambiente actively collaborates in awareness-raising campaigns in collaboration with local councils.

EL CAMPELLO AWARENESS CAMPAIGN

To highlight the **2020 environmental awareness campaign** for the Infant and Primary Education Schools (CEIP) of the Alicante municipality of **El Campello**. The project involves the participation of more than **350 primary school students** in 30 sessions, lasting approximately one hour, to raise environmental awareness about **recycling**. With

games such as “The magnetic board”, aimed at first-grade students, children will learn to identify how many types of waste there are and their corresponding containers.



Another of the most outstanding activities, **“Sustainable Municipal Market”**, consists of the **implementation of organic and selective in the sustainable municipal market and the awareness and sensitisation of traders** on the environmental problems associated with the generation of biowaste and selective fraction (blue and yellow). The **door-to-door collection service** and the collection of **cigarette butts on the beaches** complete the 2020 environmental awareness campaign.

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An exemplary team in solidarity

The FCC Medio Ambiente staff at the University of Zaragoza collaborates in the fight against COVID-19 by manufacturing face masks

FCC Medio Ambiente staff that provides services at the **University of Zaragoza** decided to take a step forward in the face of the crisis caused by the coronavirus and began, of their own free will, to **make masks**.

The production was of more than 100 masks per day, which were delivered to the University Management, reserving a part for the staff that might require their use in the different contracts managed by the company in Aragon.

[Click here to watch the news video](#)



Madrid's selective collection workers and FCC Medio Ambiente donate more than 14,000 euros to Médecins Sans Frontières in the fight against the coronavirus

Selective collection workers throughout the city of Madrid donated from their social fund the amount of **€10,178.43** to the non-profit organisation **Médecins Sans Frontières**, in support of all the personnel who every day fight the COVID-19 pandemic. The objective is to improve the conditions of the health workers and patients who are fighting against the virus, as well as to provide support for the medical wards built in the city. FCC Medio Ambiente contributed **€4,156.49**, matching the amount donated by its own workers in lot 1.



FCC Medio Ambiente employees collaborate in the solidarity food emergency campaign "No home without food" (COVID-19) promoted by the FCC Group

The solidarity campaign in favour of food banks "**No home without food**" was launched by "**la Caixa**" **Foundation and CaixaBank**.

According to its social and corporate commitment, FCC wants to support this charity initiative aimed at helping vulnerable families in a situation that has been aggravated by coronavirus.



FCC Medio Ambiente adheres to the #EstoNOtienequePARAR initiative, launched together with nearly 2,000 companies.

Among the actions carried out by FCC Medio Ambiente on a disinterested basis in Madrid, we can highlight the **pre-cleaning** (sweeping and scrubbing) of the **pavilions** (1,3, 5, 7 and 9) designated in the **emergency hospital** facility for **COVID-19 patients at IFEMA**; the **daily disinfection** of the **La Paz and Gregorio Marañón hospitals** by **SELSA**, FCC Medio Ambiente's specialised facility management company, and the **waste collection** service provided by **SELSA at the CROWNE and B&B hotels** near the fairgrounds, where the medical doctors working at IFEMA stayed, as part of the "**HELP US HELP YOU**" initiative.

Finally, FCC Medio Ambiente has also collaborated with **ISTOBAL**, a manufacturer of washing tunnels, in the design of an **arch for the disinfection of containers and cages** to be installed at the **Gregorio Marañón Hospital**, based on the arches that the technology company has manufactured to disinfect people.



PROGRESS IN 20-22 PLAN COMMITMENTS:

Increase our presence and collaboration with communities

- | | | | | | |
|---|---|---|---|--|---|
| <ul style="list-style-type: none"> • Increase the number of implemented sustainable initiatives.* | ✓ | <ul style="list-style-type: none"> • Add our active participation in #Communities and Platforms of organizations leaders in sustainability.* | ✓ | <ul style="list-style-type: none"> • Consolidate an environmental volunteer programme at FCC Medio Ambiente.* | ▲ |
| <ul style="list-style-type: none"> • Enhance the network of collaborators and favoured group of the initiatives.* | ✓ | <ul style="list-style-type: none"> • Intensify our collaboration with entities of social inclusion.* | ✓ | <ul style="list-style-type: none"> • Implant a social volunteer programme at FCC Medio Ambiente (main beneficiaries: senior citizens).* | ▲ |
| <ul style="list-style-type: none"> • Increase the number of beneficiaries of the initiatives.* | ✓ | <ul style="list-style-type: none"> • Establishment a dual training programme aimed at families without resources with the objective of labor inclusion in the organization.* | ▲ | <ul style="list-style-type: none"> • Transparently and objectively assess the sustainable management of the services provided.* | ▲ |
| <ul style="list-style-type: none"> • Boost our alignment and commitment to the SDGs.* | ✓ | <ul style="list-style-type: none"> • Encourage dialogue with our stakeholders to meet their expectations regarding sustainability.* | ▲ | <ul style="list-style-type: none"> • Extend the Cultural Change Plan implemented in L'Hospitalet de Llobregat to other contracts.* | ✓ |
| <ul style="list-style-type: none"> • Deepen social, environmental and ethical communication.* | ▲ | | | | |
| <ul style="list-style-type: none"> • Define an Awareness and Training Program in Sustainability for schools.* | ▲ | | | | |

(*) This objective is integrated again into the 20-22 Plan

THE NEW CHALLENGES FOR 2022:

For our adherence to national and international initiatives of general interest

- **Awareness-raising on the SDGs** for employees who come to **Coto de la Isleta** with their families. FCC Medio Ambiente will subsidise part of the costs of the camps.**

(**) This objective is in the process of being implemented.



In the 2019-2020 period, FCC Medio Ambiente has achieved **50 % of the commitments** set and the rest are in the **process of being implemented**.

1 new challenge for 2022.



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About this report

- 1. Information systems
- 2. Reporting foundations
- 3. Report quality principles
- 4. Stakeholders and communication channels
- 5. External assurance report

1. Information systems

The information published in this sustainability report has been compiled by means of different **information collection and consolidation systems** developed internally to provide the organisation with support tools that reinforce its operational capacity in the process of identifying significant variables and indicators. This thus guarantees, vis-à-vis our various stakeholders, a reliable, traceable and verifiable source of information.

2. Reporting foundations

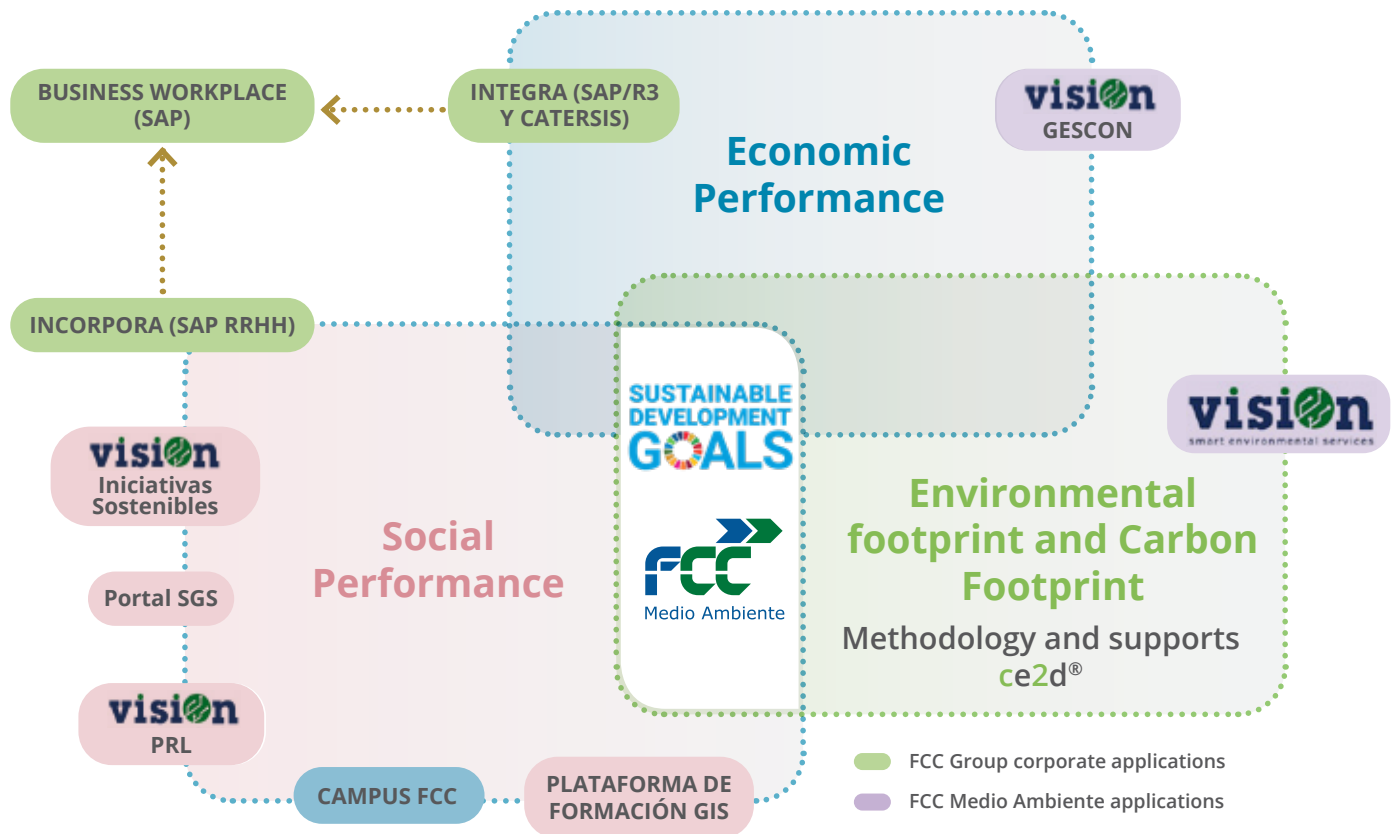
In order to define the content and guarantee the quality of the published information, reporting adhered to the Universal Standard GRI 101 "Foundation" of the sustainability reporting guidelines of the Global Reporting Initiative in its 2016 GRI Standards version, applying the principles:

Sustainability context

For each of the key issues identified and reported, the strategic framework and trends observed at national and international level have been taken into account in the preparation of the report.

Comprehensiveness

All aspects requested by the 2016 GRI Standards version (303 and 403 in 2018 version) have been covered, highlighting the matters identified as material, with a record of 3 years.

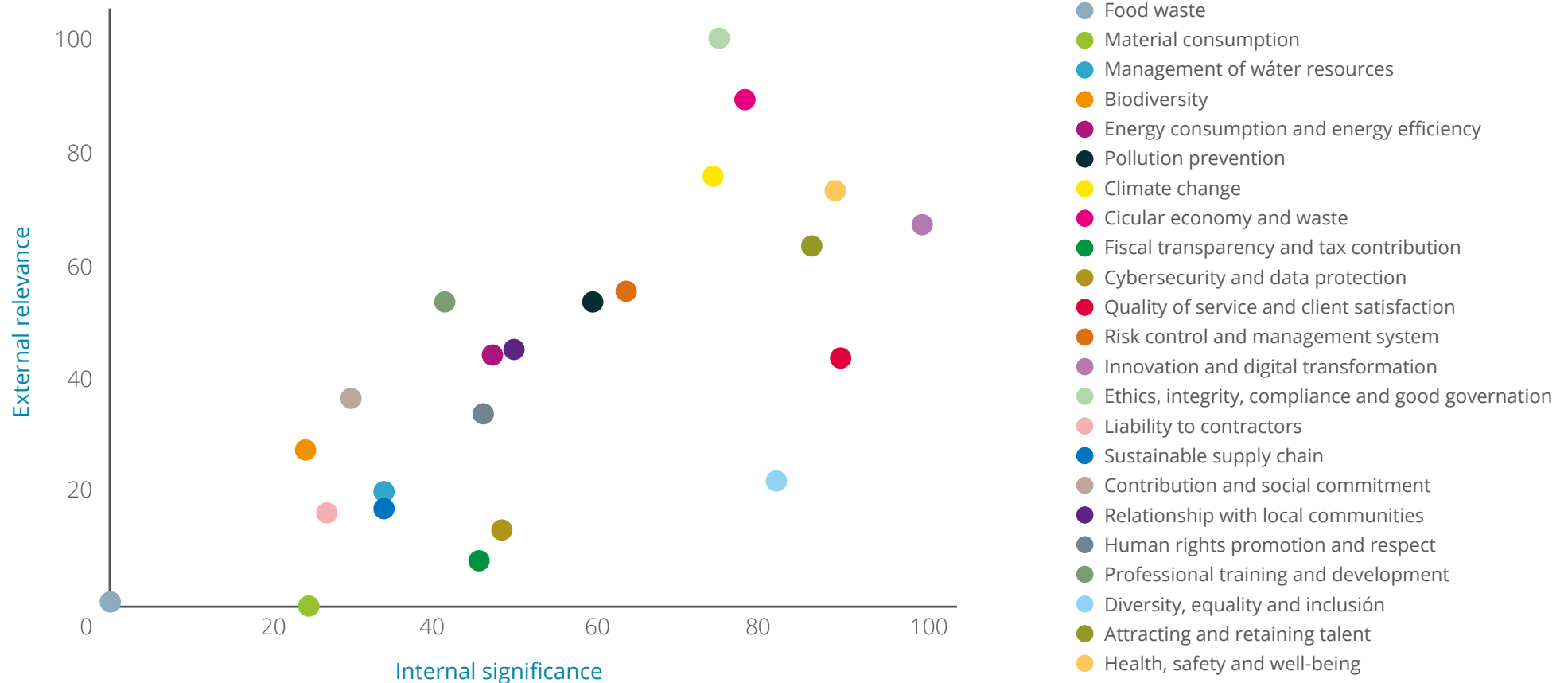


Materiality

In 2020, the FCC Group updated the materiality study to identify the relevant matters of each of the business areas that make up the organisation. At FCC Medio Ambiente, we will pay attention to those social, environmental and economic matters that have the most impact on our activity and our stakeholders.

Two axes are used to generate the materiality matrix. The vertical axis indicates the importance of the matters from an external point of view for the different business lines of the FCC Group, and the horizontal axis shows the relevance and impact of the different matters identified

from an internal point of view. Material matters refer to issues that exceed the average score, both internally and externally.



The materiality matrix has also been aligned with the Sustainable Development Objectives and with the three strategic axes of FCC Medio Ambiente’s Sustainability Plan. This study has allowed us to select once again the priority SDGs for our organisation. Given the growing importance of biodiversity protection and the actions promoted by FCC Medio Ambiente in this area within our

priorities, SDG 14 “Life Below Water” and SDG 15 “Life on Land” once again come into play.

The study’s results show that for FCC’s Environment business, the most relevant issue for stakeholders is **ethics, integrity, compliance and good governance**. Internally, the issue with the most relevance and impact

is **innovation**, a cross-cutting issue that allows the company to address other challenges, such as the **fight against climate change and the transition to the circular economy**. With regard to labour issues, the importance of **health and safety** and the **management of personnel** in FCC’s Environment area stands out.

Materiality matrix aligned with the SDGs

Relevance		Internal	External	1 NO POVERTY	2 ZERO HUNGER	3 GOOD HEALTH AND WELL-BEING	4 QUALITY EDUCATION	5 GENDER EQUALITY	6 CLEAN WATER AND SANITATION	7 AFFORDABLE AND CLEAN ENERGY	8 DECENT WORK AND ECONOMIC GROWTH	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	10 REDUCED INEQUALITIES	11 SUSTAINABLE CITIES AND COMMUNITIES	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION	14 LIFE BELOW WATER	15 LIFE ON LAND	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	17 PARTNERSHIPS FOR THE GOALS	
MATERIAL MATTERS 2020	Ethics, integrity, compliance and good governance	75.20	100.00								●									●	
	Circular economy and waste	78.10	88.90											●	●	●					●
	Innovation and digital transformation	100.00	66.90			●		●			●	●	●	●	●	●	●	●	●	●	●
	Health, safety and welfare	89.20	72.60			●															
	Climate change	74.30	75.40										●		●		●				●
	Attracting and retaining talent	86.70	62.90			●						●		●							●
	Quality of service and client satisfaction	90.10	43.60										●		●						
	Risk control and management systems	63.60	55.20			●		●				●				●	●			●	
	Pollution prevention	59.50	53.50			●									●	●	●		●		
	Diversity, equality and inclusion	82.10	22.20					●						●							●
	Professional training and development	41.60	53.70											●							
	Relationship with local communities	49.30	45.20			●		●				●	●	●	●		●			●	●
Energy consumption and energy efficiency	47.40	44.10												●	●	●					

FCC GROUP STRATEGIC LINES

- FCC Smart Services
- FCC Ethics
- FCC Connect

PRIORITISED SDGs

- Direct Action
- Cross-Cutting Action
- Additions

BLOCKS

- Business
- Environmental
- Labour
- Social

		GRI MATERIAL MATTERS
●	Ethics, integrity, compliance and good governance	102-16, 17, 18, 19, 20, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 33, 34, 35, 36 / 38, 39 (N.A.) 205-Anti-corruption
●	Circular economy and waste	204-Procurement practices 301-Materials 303-Water 306-Effluents and waste
●	Innovation and digital transformation	201-4 Financial assistance received from government 203-Indirect economic impacts Own indicators defined in the 20-22 Sustainability Plan
●	Health, safety and welfare	403-Occupational health and safety 416-Client health and safety 418-Client privacy
●	Climate change	201-2 Financial implications 302-Energy 305-Emissions
●	Attracting and retaining talent	401-Employment 402-Worker-company relations
●	Quality of service and client satisfaction	102-2, 43, 44 417-Marketing and labelling 418-Client privacy
●	Risk control and management systems	102-9, 15, 30 103-2 Management approaches 308-Supplier environmental assessment 414-Supplier social assessment
●	Pollution prevention	203-2 Significant indirect economic impacts 304-2 Impacts on biodiversity 305-Emissions 306- Effluents and waste 413-2 Impacts on local communities
●	Diversity, equality and inclusion	405-Diversity and equal opportunities
●	Professional training and development	404-Training and education
●	Relationship with local communities	102-37, 40, 42, 43, 44 203-Indirect economic impacts 413-Local communities
●	Energy consumption and energy efficiency	201-2 Financial implications of climate change 302-Energy
TRANSVERSAL / COMMON TO ALL THEMES		103 - Management Approach



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

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GRI content table

Participation of stakeholders and definition of relevant matters

The materiality study was drawn up on the basis of the information required by Law 11/2018 and a comparison was made with external sources based on reference documents related to sustainability, as well as the issues identified as relevant by GRI, SASB, Dow Jones Sustainability Index and by a sample of competitors from the FCC Group's different lines of business. The following are the different phases into which the update of the FCC Group's materiality study has been divided. The methodology followed makes it possible to obtain a quantitative result, which allows the results for each of the FCC Group's business lines to be shown graphically. The following slides describe each of these phases in more detail.



IDENTIFICATION OF MATTERS

Building on the above materiality study, and through the analysis of competitors and other relevant sources on non-financial matters, the universe of non-financial matters to be assessed is identified.



EXTERNAL ANALYSIS

Identification and analysis of relevant sources to reflect the importance for FCC Group stakeholders of each of the issues identified in the previous phase.



INTERNAL ANALYSIS

Interviews and questionnaires were conducted with representative executives to assess the relevance or impact that the issues identified have on the different business lines of the FCC Group.



MATERIALITY MATRIX

Based on the results of the external analysis and the inputs from the internal analysis, ESG issues are prioritised according to the results and materiality matrices are generated for each business line.

3. Report quality principles

BALANCE

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

COMPARABILITY

The Report has been prepared based on historical data for 2018, 2019 and 2020.

ACCURACY

The quantitative and qualitative data collected in the Report are duly documented and the system for their collection is supervised by those responsible for its preparation.

TIMELINESS

The first Sustainability Report prepared by FCC Medio Ambiente was published in 2006. Since then, it has been published every two years, with the exception of the report due to be published in 2016; therefore, this document represents the eighth report published by the organisation.

CLARITY

The quantitative and qualitative information included in the Report presents the necessary and sufficient level of clarity to allow it to be understood by stakeholders.

RELIABILITY

This Sustainability Report has been verified by AENOR, in accordance with the standards of the Global Reporting Initiative in effect.

4. Stakeholders and communication channels

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

The different departments and business local offices that make up FCC Medio Ambiente have **specific and effective identification mechanisms and communication channels** through which they interact with the different stakeholders. This enables us to ascertain and respond to their expectations and demands sufficiently in advance and to foster a **fluid and transparent relationship** with stakeholders.

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

consider when managing corporate responsibility. The FCC Group engages in continuous dialogue with its stakeholders through a wide range of **communication channels**, including the following: **FCC One**, the main internal communication channel for employees available on the **FCC360** application; direct dialogue with clients; satisfaction **surveys**; **websites and social networks such as LinkedIn, Instagram or Youtube**; **presence at trade fairs, forums and conferences** to share expertise and collaboration with sector associations, educational and professional bodies.

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

Additional universal communications channels



FCC Group CSR Report and for each business area



Corporate and area websites



FCC Medio Ambiente Social networks
13,744 followers on [LinkedIn](#)
163 subscribers on [YouTube](#)
1,049 followers on [Twitter](#)



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Stakeholders and dialogue and/or communication channels

Stakeholders		Dialogue and/or Communication Channels		
Corporation	FCC Group	Committees: CSR, Risk and Compliance, Management, Climate Change		
Shareholders	FCC	Board of Directors		
		Corporate shareholder relations office		
		Corporate and business area websites		
		General Shareholders' Meeting		
		Shareholders and Directors Meeting		
Public administrations	Municipal Autonomous State European	Official bulletins		
		Meetings and informative breakfasts		
		Specific basic applicable legislation		
		Institutional dialogue		
		Specific figures at each level		
		Participation in work groups		
Employees	Operational structure Functional structure Middle management Production staff	HR department		
		Company committees		
		Internal meetings		
		One FCC Group Intranet	Corporate notifications	
			Employee portal	
			Internal communication channel	
			Whistleblowing channel	
			Suggestions mailbox	
		We are FCC corporate magazine		
		E-mail		
Community	Citizens Associations and NGOs Universities and training centres	Visits to our facilities		
		Press releases		
		Citizen information offices		
		Surveys		
		Service web pages		
		Consumer associations		
		Neighbourhood associations		
		Collaboration agreements		
		Meetings with NGOs, Universities, etc.		
		Local sustainable initiative committees		
		Participation in forums, congresses and open days		

Stakeholders		Dialogue and/or Communication Channels	
Clients	Public Private	Tender procedures	
		Press/media	
		Local Office level contract managers	
		Business associations	
		Participation at fairs and conferences	
Suppliers	Machinery Treatment and disposal Energy and Water Materials	Purchasing Management Department	
		E-commerce tool	
		Collaboration initiatives from Central Services	
		Local Office level contract managers	
Press/media	Local National Client press offices News agencies	Communications Department	
		Corporate website	
		E-mail	
Competition and partners	National International	Collaboration initiatives from Central Services	
		Tender procedures	
		Participation in fairs, forums, conferences, seminars, etc.	
		Sectoral business associations	
		Temporary joint ventures partner meetings	
Certifiers and accreditors	Management Systems Sustainability report Non-financial reporting Financial statements Carbon Footprint	Participation in work groups	
		External audits	
		External verifications	
Insurers	Public limited companies Mutual Insurance companies Cooperatives	Participation in working groups	
		Audits	
Trade unions		Incident and casualty reporting	
		Committee Meetings	
		Agreements	
Financial Institutions		Labour inspections	
		Surveys	
		Green bonds	
		Meetings	

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5. External assurance report





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102. General Contents	103. Management approach	200. Economic Standards	300. Environmental Standards	400. Social Standards
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GRI 102: General Contents

GRI STANDARD	DESCRIPTION	REFERENCE/LOCATION	Omissions	External assurance	SDG
1. ORGANISATIONAL PROFILE					
102-1	Name of the organisation.	Pages 1, 3.		•	
102-2	Activities, brands, products, and services.	Pages 7-11.		•	
102-3	Location of headquarters.	Avda. Camino de Santiago, 40 28050 MADRID, SPAIN.		•	
102-4	Location of operations.	Pages 7, 8, 16-20.		•	
102-5	Ownership and legal form.	FCC Medio Ambiente provides its activities through subsidiaries and joint ventures/temporary consortiums, whose parent company is FCC MEDIO AMBIENTE, S.A.U. as of 2019.		•	
102-6	Markets served.	Pages 7-11, 16-20.		•	
102-7	Scale of the organisation.	Pages 7-11.		•	
102-8	Information on employees and other workers.	Pages 88-89. 2020 data. SAP HR staff base: 31,143. Men on permanent contracts: 2,767. Women on permanent contracts: 677. Men on temporary contracts: 966. Women on temporary contracts: 366. Men attached: 18,798. Women attached: 7,568.		•	
102-9	Supply chain.	Pages 42-44. FCC GROUP 2020 ANNUAL REPORT (Pages 594-595) https://www.fcc.es/documents/13935105/22947340/informe_anual_2020.pdf		•	

Note: material matters have been marked with an asterisk *.

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GRI STANDARD	DESCRIPTION	REFERENCE/LOCATION	Omissions	External assurance	SDG
102-10	Significant changes to the organisation and its supply chain.	There have been no significant changes. Pages 7, 8. Pages 42–45.		•	
102-11	Precautionary principle or approach.	Page 114. FCC GROUP 2020 ANNUAL REPORT (Pages 540–543).		•	
102-12	External initiatives.	Pages 106–113.		•	
102-13	Membership of associations.	Pages 106–113.		•	
2. STRATEGY					
102-14	Statement from senior decision-makers.	Pages 4, 5. FCC GROUP 2020 ANNUAL REPORT (Pages 486–487).		•	
102-15	Key impacts, risks and opportunities.	Pages 12,13, 39. FCC GROUP 2020 ANNUAL REPORT (Pages 533–537).		•	
3. ETHICS AND INTEGRITY					
102-16*	Values, principles, standards and norms of behaviour.	Pages 25–30, 32–38. FCC GROUP 2020 ANNUAL REPORT (Page 491).		•	
102-17*	Mechanisms for advice and concerns about ethics.	Pages 32–38, 126–127. FCC GROUP 2020 ANNUAL REPORT (Pages 528–532).		•	

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GRI STANDARD	DESCRIPTION	REFERENCE/LOCATION	Omissions	External assurance	SDG
4. GOVERNANCE					
102-18*	Governance structure.	Pages 7, 8, 32–36. FCC GROUP 2020 ANNUAL REPORT (Page 492). FCC GROUP 2020 ANNUAL CORPORATE GOVERNANCE REPORT Section C (included in the FCC Group's Annual Report).		•	
102-19*	Delegating authority.	Pages 32–36. FCC GROUP 2020 ANNUAL REPORT (Page 507).		•	
102-20*	Executive-level responsibility for economic, environmental and social topics.	Pages 34, 36, 37. FCC GROUP 2020 ANNUAL REPORT (Page 507).		•	
102-21	Consulting stakeholders on economic, environmental and social topics.	Pages 125, 126. Employees: Internal Communication Channel; Shareholders: Postal address: C/ Federico Salmón, 13-28016 - Madrid C/ Avenida Camino de Santiago, 40 - 28050 Las Tablas - Madrid Telephone: 902 109 845 Fax: 91 350 71 54 E-mail Address: ir@fcc.es		•	
102-22*	Composition of the highest governance body and its committees.	Pages 34–38. FCC GROUP 2020 ANNUAL REPORT (Pages 492–495).		•	 
102-23*	Chair of the highest governance body.	FCC GROUP 2020 ANNUAL CORPORATE GOVERNANCE REPORT Section C (included in the FCC Group's Annual Report).		•	
102-24*	Nominating and selecting the highest governance body.	FCC GROUP 2020 ANNUAL REPORT (Page 495). FCC GROUP 2020 ANNUAL CORPORATE GOVERNANCE REPORT Section C (included in the FCC Group's Annual Report).		•	 

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GRI STANDARD	DESCRIPTION	REFERENCE/LOCATION	Omissions	External assurance	SDG
102-25*	Conflicts of interest.	FCC GROUP 2020 ANNUAL CORPORATE GOVERNANCE REPORT Section D (included in the FCC Group's Annual Report).		•	
102-26*	Role of highest governance body in setting objectives, values and strategy.	FCC GROUP 2020 ANNUAL REPORT (Page 507).		•	
102-27*	Collective knowledge of highest governance body.	FCC GROUP 2020 ANNUAL REPORT (Page 507).		•	
102-28*	Evaluating the highest governance body's performance.	FCC GROUP 2020 ANNUAL REPORT (Page 495). FCC GROUP 2020 ANNUAL CORPORATE GOVERNANCE REPORT Section C (included in the FCC Group's Annual Report).		•	
102-29*	Identification and management of economic, Environmental and social impacts.	FCC GROUP 2020 ANNUAL REPORT (Pages 533–537).		•	
102-30*	Effectiveness of risk management processes.	FCC GROUP 2020 ANNUAL CORPORATE GOVERNANCE REPORT Section E (included in the FCC Group's Annual Report).		•	
102-31*	Review of economic, environmental and social topics.	FCC GROUP 2020 ANNUAL CORPORATE GOVERNANCE REPORT Section E (included in the FCC Group's Annual Report).		•	
102-32	Highest governance body's role in sustainability reporting.	The FCC Group's CSR Committee and FCC Medio Ambiente Iberia's Sustainability Committee. FCC GROUP 2020 ANNUAL REPORT (Page 507).		•	
102-33*	Communicating critical concerns.	Pages 122–124. FCC GROUP 2020 ANNUAL REPORT (Pages 528–532).		•	
102-34*	Nature and total number of critical concerns.	Pages 4, 5, 25–29, 122–124. FCC GROUP 2020 ANNUAL REPORT (Pages 528–532).		•	

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
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GRI STANDARD	DESCRIPTION	REFERENCE/LOCATION	Omissions	External assurance	SDG
5. STAKEHOLDER ENGAGEMENT					
102-35*	Remuneration policies.	FCC GROUP 2020 ANNUAL REPORT (Page 494). In addition, the company publishes annually its Annual Corporate Governance Report and its Annual Remuneration Report, which is communicated to the CNMV.		•	
102-36*	Process for determining remuneration.	FCC GROUP 2020 ANNUAL REPORT (Page 494). In addition, the company publishes annually its Annual Corporate Governance Report and its Annual Remuneration Report, which is communicated to the CNMV.		•	
102-37	Stakeholders' involvement in remuneration.	FCC GROUP 2020 ANNUAL REPORT (Page 494). In addition, the company publishes annually its Annual Corporate Governance Report and its Annual Remuneration Report, which is communicated to the CNMV.		•	
102-40	List of stakeholder groups.	Page 127.		•	
102-41	Collective bargaining agreements.	One hundred percent of the FCC Medio Ambiente workforce is covered by collective, sectoral, or corporate bargaining agreements. The organisation recognises the rights of workers to organise and collective bargaining established in the Spanish Constitution.		•	
102-42	Identifying and selecting stakeholders.	Page 127.		•	
102-43	Approach to stakeholder engagement.	Pages 106, 110, 114, 122–127. The LOCAL SUSTAINABLE INITIATIVE COMMITTEES set up at the Regional Delegations meet at least quarterly and consult their different stakeholders (customers, employees, guardianship administration, suppliers, local community) as often as they deem necessary, although there is no fixed frequency between them. In addition to the preparation of the materiality study, international organisations and sector prescribers are consulted every two years before the report is published. FCC GROUP 2020 ANNUAL REPORT (Pages 524–527).		•	

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GRI STANDARD	DESCRIPTION	REFERENCE/LOCATION	Omissions	External assurance	SDG
102-44	Key topics and concerns raised.	Pages 106–107, 122–124.		•	
6. REPORTING PRACTICES					
102-45	Entities included in the consolidated financial statements.	FCC GROUP 2020 ANNUAL REPORT. ANNEX I FINANCIAL STATEMENTS.		•	
102-46	Defining report content and topic boundaries.	Pages 25–29, 122–124. OPERATIONAL PERIMETER: managed contractors in which FCC Medio Ambiente has the necessary resources to implement its environmental policies, without having to resort to third-party intervention. SCOPE OF TREATMENT: In some indicators, the scope has been limited to those operations over which control is exercised, limiting the information to the following contractors: WTCs of Alhendín, Barbanza, Campello, Cartagena, Gomecello, Segovia, Tudela and CMG2 (in 2020).		•	
102-47	List of material topics.	Pages 25–29, 122–124.		•	
102-48	Restatements of information.	Environmental Footprint indicators include data from contracts with operational control. The year 2018 was recalculated using the same criteria.		•	
102-49	Changes in reporting.	There have been no significant changes.		•	
102-50	Reporting period.	Pages 1, 3, 125. Base year 2018. Historic 2019–2020.		•	
102-51	Date of most recent report.	Page 125. The last Sustainability Report (2017–2018) was published in 2019.		•	
102-52	Reporting cycle.	It is published every two years.		•	

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GRI STANDARD	DESCRIPTION	REFERENCE/LOCATION	Omissions	External assurance	SDG
102-53	Contact points for questions regarding the report.	Page 3.		•	
102-54	Claims of reporting in accordance with GRI Standards.	Page 3. This report has been created in accordance with GRI standards: essential option.		•	
102-55	GRI Content Index.	Pages 130–155.		•	
102-56	External assurance.	Page 128. The verifying entity is independent. The Sustainability Committee, headed by the CEO, decides on the verification of the Sustainability Report.		•	

GRI 103: Management approach

103-1	Explanation of the material topic and its boundaries.	Pages 121–127. In order to facilitate and speed up the reading and understanding of the report, the material aspects and the management approach have been analysed over the course of the main sections of the document.		•	 
103-2	Management approach and its components.			•	    
103-3	Management approach assessment.			•	 

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


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GRI STANDARD	DESCRIPTION	REFERENCE/LOCATION	Omissions	External assurance	SDG
GRI 200: Economic Standards					
GRI 201*: Economic Performance					
MANAGEMENT APPROACH		Pages 7–20, 106–107.		•	
201-1	Direct economic value generated and distributed.	Staff expense in 2020: €1,000.35 million. Staff expenses increase by 2.2 % compared to the previous year. FCC Medio Ambiente's EBITDA is down 7.9 % compared to 2019. EBITDA 2020: €233.04 million. Pages 106–107. FCC GROUP 2020 ANNUAL REPORT (Page 14).		•	  
201-2	Financial implications and other risks and opportunities due to climate change.	Pages 35, 68–72. FCC GROUP 2020 ANNUAL REPORT (Pages 533–537; 556).		•	
201-3	Defined benefit plan obligations and other retirement plans.	There are no retirement plans for employees.		•	
201-4	Financial assistance received from government.	2019 data: Research, Development and Innovation (R&D&I). Subsidies = €915,773.29. Loans received = €395,357.64. 2020 data: Research, Development and Innovation (R&D&I) Subsidies = €286,501.28. Loans received = €0. TRAINING. In 2020, 51 % of the €4.15 million allocated to training was financed through the subsidised training system. In 2019, 43 % of the €4.93 million earmarked for training was subsidised.		•	

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



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GRI STANDARD	DESCRIPTION	REFERENCE/LOCATION	Omissions	External assurance	SDG
GRI 203*: Indirect economic impacts					
MANAGEMENT APPROACH		Pages 46–53, 106–107.		•	
203-1	Infrastructure investments and services supported.	Pages 46–53, 106–107.		•	  
203-2	Significant indirect economic impacts.	Pages 46–53, 106–107.		•	   
GRI 204*: Procurement Practices					
MANAGEMENT APPROACH		Pages 42-45		•	
204-1	Proportion of spending on local suppliers.	Purchases from suppliers made by Central Services at the Division grow by 13 % in the 2019-2020. 74 % of the amount allocated to purchases from the 10 main suppliers (representing 61 % of the annual investment made by Central Services) corresponds to local suppliers (companies with registered offices in Spain) and 100 % have their registered offices in the European Union.	Information not available for 100 % of purchases due to lack of automation of calculations. Including the main suppliers covering 61 % of the total centralised purchases made in 2020.	•	

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



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GRI STANDARD	DESCRIPTION	REFERENCE/LOCATION	Omissions	External assurance	SDG
GRI 205*: Anti-corruption					
MANAGEMENT APPROACH		Pages 32, 33, 35, 37-40, 93, 94.		•	
205-1	Operations assessed for risks related to corruption.	Pages 32, 33, 35, 37-39. FCC GROUP 2020 ANNUAL REPORT (Pages 528-532).		•	
205-2	Communication and training about anti-corruption policies and procedures.	32, 33, 35, 37-40, 93, 94.		•	
205-3	Confirmed incidents of corruption and actions taken.	There are no confirmed cases of corruption in FCC Medio Ambiente during 2019-2020.		•	

GRI 300: Environmental Standards

GRI 301*: Materials

MANAGEMENT APPROACH		Pages 56-57.		•	
301-1	Materials used by weight or volume.	2018 data: 1,181,281.6 t (renewable: 716,741.29 t + non-renewable: 464,540.31 t). 2019 data: 1,159,191.08 t (renewable: 889,466.43 t + non-renewable: 269,724.65 t). 2020 data: 1,243,657.95 t (renewable: 954,984.62 t + non-renewable: 288,673.33 t). Reported according to operational perimeter.		•	 
301-2	Recycled input materials used.	2018 data: 642,475.08 t. 2019 data: 816,019.12 t. 2020 data: 907,450.82 t. Reported according to operational perimeter.		•	 

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

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GRI STANDARD	DESCRIPTION	REFERENCE/LOCATION	Omissions	External assurance	SDG
301-3	Reclaimed products and their packaging materials.	The following % of materials used are recovered (recycled aggregates and compost). 2018 data: 54.4%. 2019 data: 70.4%. 2020 data: 73%. Reported according to operational perimeter.		•	 

GRI 302*: Energy

MANAGEMENT APPROACH		Pages 55-57.		•	
302-1	Energy consumption within the organisation.	Pages 55-57. 2018 data: 3,113,488.92 GJ (Non-renewable sources: 2,326,585.21 + renewable: 786,903.7 GJ). 2019 data: 3,384,230.91 GJ (Non-renewable sources: 2,463,247.91 + renewable: 920,983.00 GJ). 2020 data: 3,552,687.59 GJ (Non-renewable sources: 2,435,153.87 + renewable: 1,117,533.72 GJ). Reported according to the scopes of the previously verified Carbon Footprint.	Scopes 1 and 2 Carbon Footprint	•	  
302-2	Energy consumption outside the organisation.	Pages 55-57. 2018 data: 5,990,547.91 GJ (Non-renewable sources: 4,593,141.33 + renewable: 1,397,406.58 GJ). 2019 data: 5,828,956.87 GJ (Non-renewable sources: 4,432,836.2 + renewable: 1,396,120.67 GJ). 2020 data: 4,236,433.53 GJ (Non-renewable sources: 2,946,609.37 + renewable: 1,289,824.17 GJ). (The decrease compared to 2018 is mainly due to the decrease in Natural Gas consumption). Reported according to the scopes of the previously verified Carbon Footprint.	Scope 3 Carbon Footprint	•	  

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











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GRI STANDARD	DESCRIPTION	REFERENCE/LOCATION	Omissions	External assurance	SDG
302-3	Energy intensity (within and outside the organisation).	<p>2018 Energy intensity (within the organisation): 2.09 GJ / thousands of € (Total Consumption vs. production data in thousands of €). Energy intensity (outside the organisation): 9.46 GJ / thousands of €. Total energy intensity (inside and outside the organisation): 4.68 GJ / thousands of €.</p>		•	  
		<p>2019 Energy intensity (within the organisation): 2.13 GJ / thousands of € (Total Consumption vs. production data in thousands of €). Energy intensity (outside the organisation): 8.77 GJ / thousands of € Total energy intensity (inside and outside the organisation): 4.09 GJ / thousands of €.</p>		•	  
		<p>2020 Energy intensity (within the organisation): 2.41 GJ / thousands of € (Total Consumption vs. production data in thousands of €). Increased by 15.2% compared to the intensity of 2018. Energy intensity (outside the organisation): 8.71 GJ / thousands of €. Decreased -7.9% compared to the intensity of 2018. Total energy intensity (inside and outside the organisation): 3.97 GJ / thousands of €. Decreased -15.2% compared to the intensity of 2018.</p>		•	  
302-4	Reduction of energy consumption.	The internal energy consumption of fuel has increased by 14.11 % compared to 2018, with the increase in the consumption of renewable energies being particularly relevant.		•	  
302-5	Reduction in energy requirements of products and services.	Pages 46–48, 55–57, 68–72.		•	  

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GRI STANDARD	DESCRIPTION	REFERENCE/LOCATION	Omissions	External assurance	SDG
GRI 303*: Water and effluents					
MANAGEMENT APPROACH		Pages 55-57, 73-76.		•	
303-1	Interactions with water as a shared resource.	Pages 73-76.		•	 
303-2	Management of water discharge-related impacts.	Pages 55-57, 73-76.		•	 
303-3	Water withdrawal.	<p>Pages 55-57, 73-76.</p> <p>2018 data: 11,569,904.16 m³. Data recalculated. 2019 data: 11,558,395.82 m³. 2020 data: 11,162,643.95 m³ (Mains water: 8,382,186.62 m³ + Groundwater consumption: 736,869.66 m³ + Reused treated water consumption (on-site) 18,593.87 m³ + Rainwater consumption 213,578.17 m³ + Reused treated water consumption (off-site) 1,811,415.63 m³).</p> <p>In 2020, 24.9% of the water consumed came from alternative sources (well, phreatic, recirculated/regenerated), 73% of which was recirculated/regenerated.</p> <p>Reported according to operational perimeter. There has been a 3.5% reduction compared to 2018 mainly due to drier weather in 2018-2019 in Merida and Madrid which led to an increase in irrigation water needs for gardens during that period.</p> <p>Water stressed areas 2020: 7,955,284.33 m³ (Mains water: 5,514,051.54 m³ + Consumption of groundwater 615,469.11 m³ + Consumption of reused treated water (in situ) 10,820.87 m³ + Consumption of rainwater 3,527.18 m³ + Consumption of treated water reused (off-site) 1,811,415.63 m³).</p> <p>Recycled and reused water: 2018 data: 1,925,875.06 m³ (16.6% of total water) Recalculated data. 2019 data: 2,200,206.09 m³ (19% of total water). 2020 data: 2,043,587.68 m³ (18.3% of total water).</p>		•	 

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GRI STANDARD	DESCRIPTION	REFERENCE/LOCATION	Omissions	External assurance	SDG
303-4	Water discharge.	<p>Page 56.</p> <p>TOTAL:</p> <p>2018 data: 903,728.2 m³ (to sewerage network 387,283 m³, to public watercourse 26,881 m³, to treatment plant 489,564.2 m³).</p> <p>2019 data: 821,757.49 m³ (to sewerage network 318,055.11 m³, to septic tank 175 m³, to public watercourse 14,132.31 m³, to treatment plant 489,395 m³).</p> <p>2020 data: 781,596.97 m³ (to sewerage network 323,907.58 m³, to septic tank 1,124 m³, to public watercourse 13,793.79 m³, to treatment plant 442,771.6 m³).</p> <p>WATER-STRESSED AREAS.</p> <p>2018 data: 33,470.2 m³.</p> <p>2019 data: 6,448.28 m³.</p> <p>2020 data: 24,193.5 m³.</p> <p>Reported according to the scope of treatment.</p> <p>The decrease in discharges is explained by the low rainfall and the decrease in leachate treatment.</p> <p>Discharges due to uses during the provision of services (e.g. street cleaning, garden irrigation) are not taken into account.</p> <p>FCC Medio Ambiente's procedure PGG 06.12 DISPOSAL CONTROL establishes the parameters and limit values for discharges that are used in the different situations in the event of not appearing in the Discharge Authorisation (Discharges into the Maritime-Terrestrial Domain, Discharges into the Public Hydraulic Domain and Discharges into sewage networks).</p>			 
303-5	Water consumption.	Not available.			 

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GRI 304*: Biodiversity

MANAGEMENT APPROACH		Pages 77–83.		•	
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Page 11. Management of 32.02 ha of parks and gardens of special interest (under operational control) in Valencia and Malaga. We also operate in a protected space adjacent area, which is the case of the management of the Golf Course at Parque de la Grajera in Logroño (450 ha), where we operate in an area close to the wetlands of Parque de la Grajera (within the Special Plan for the Protection of the Natural Environment of La Rioja).		•	
304-2	Significant impacts of activities, products and services on biodiversity.	Page 77.		•	
304-3	Habitats protected or restored.	Pages 77–80.		•	
304-4	Species on the IUCN Red List of Threatened Species or national conservation lists whose habitats are in areas affected by the operations.	Our operations do not affect species identified as such.		•	

GRI 305*: Emissions

MANAGEMENT APPROACH		Pages 68–72. EMISSION FACTORS: Priority is given to those published by MITECO for Carbon Footprint registration https://www.miteco.gob.es/es/cambio-climatico/temas/comercio-de-derechos-de-emision/es_2020_anexovii_unfccc_nir_tcm30-379357.pdf If not published, the factors defined by the GHG Protocol apply. In the case of landfills, the IPCC model is used.		•	 
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GRI STANDARD	DESCRIPTION	REFERENCE/LOCATION	Omissions	External assurance	SDG
305-1	Direct GHG emissions (scope 1).	Pages 55–57, 69, 72. 2018 data: 346,151.58 tCO ₂ e. 2019 data: 326,967.95 tCO ₂ e. 2020 data: 355,696.96 tCO ₂ e. Reported according to the scopes of the previously verified Carbon Footprint. The differences in emissions in 2018 with respect to the 2017–2018 sustainability report are mainly due to the reduction of emissions associated with the landfill at the Ecocentral de Granada (contract 609_223) where two Clima Projects have been developed.		•	  
305-2	Indirect (scope 2) GHG emissions when generating energy.	Pages 55–57, 69, 72. 2018 data: 17,314.75 tCO ₂ e. 2019 data: 13,138.17 tCO ₂ e. 2020 data: 9,139.19 tCO ₂ e. Reported according to the scopes of the previously verified Carbon Footprint. There has been a decrease due to improved information from suppliers and an increase in the contracting of Guaranteed of Origin (GoO) electricity.		•	  
305-3	Other indirect (scope 3) GHG emissions.	Pages 55–57, 69, 72. 2018 data: 2,075,360.15 tCO ₂ e. 2019 data: 2,084,538.61 tCO ₂ e. 2020 data: 1,891,519.44 tCO ₂ e. (The increase compared to 2018 is mainly due to the increase in Natural Gas consumption and diffuse emissions at landfills). Reported according to the scopes of the previously verified Carbon Footprint.		•	  
305-4	GHG emissions intensity.	2018 data: 1,2811 tCO ₂ e /thousands of € 2019 data: 1,1091 tCO ₂ e /thousands of € 2020 data: 1,1502 tCO ₂ e /thousands of € (Scopes 1+2+3: emissions vs. production data in thousands of €). Unchanged and decreased compared to 2018 (-10.22 %).		•	
305-5	Reduction of GHG emissions.	Pages 55–57, 68–72.		•	

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GRI STANDARD	DESCRIPTION	REFERENCE/LOCATION	Omissions	External assurance	SDG
305-6	Emissions of ozone-depleting substances (ODS).	Disregarded for not being significant and representing <1 % of emissions.		•	  
305-7	Nitrogen oxides (NOx), sulphur oxides (SOx) and other significant air emissions.	<p>Pages 56, 84–85.</p> <p>2018 data: NOx = 1,434,437.43 kg / SOx = 277,746.51 kg / Part = 65,917.48 kg.</p> <p>2019 data: NOx = 1,538,278.02 kg / SOx = 255,108.95 kg / Part = 80,169.43 kg.</p> <p>2020 data: NOx = 1,576,842.69 kg / SOx = 264,216.06 kg / Part = 80,512.26 kg.</p> <p>Estimates of vehicle emissions have been included. For emissions associated with treatment plants, these have been calculated from OCAS measurements based on the corresponding IEAs. Unmeasured emissions (e.g. those associated with flares) have been calculated using the EPA methodology, AP-42.</p>		•	  

GRI 306*: Effluents and Waste (Circular Economy)

MANAGEMENT APPROACH		Pages 56, 58–67.		•	 
306-2	Waste by type and disposal method.	<p>Page 56.</p> <p>2018 data: Total 1,373,108.8 t = HW: 1,045.73 t / NHW: 1,372,063.1 t.</p> <p>2019 data: Total 1,312,456.5 t = HW: 1,481.6 t / NHW: 1,310,974.8 t.</p> <p>2020 data: Total 1,246,197.3 t = HW: 4,450.04 t / NHW: 1,241,747.2 t.</p> <p>Reported according to scope of treatment.</p> <p>All waste is managed through authorised waste managers in compliance with current legislation.</p>		•	 
306-3	Significant spills.	There is no evidence that minimally significant accidental spills have occurred.		•	 

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306-4	Transport of hazardous waste.	Not applicable. Our organisation does not have as a significant activity the transport of hazardous waste.		•	 
306-5	Water bodies affected by water discharge and/or runoff.	Our operations do not significantly affect the biodiversity of water resources and related habitats, since there is an exhaustive control of both the discharge parameters and the receiving environment, with a view to guaranteeing the necessary conditions for the development of aquatic fauna.		•	

GRI 307*: Environmental Compliance

MANAGEMENT APPROACH				•	 
307-1	Noncompliance with environmental laws and regulations.	No event has occurred that has resulted in a significant fine or penalty.		•	

GRI 308*: Supplier Environmental Assessment

MANAGEMENT APPROACH		Pages 42–45.		•	
308-1	New suppliers that were screened using environmental criteria.	Pages 42–45.		•	
308-2	Negative environmental impacts in the supply chain and actions taken.	Pages 42–45.		•	

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


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GRI 400: Social Standards

GRI 401*: Employment

MANAGEMENT APPROACH		Pages 87–90.		•	
401-1	New employee hires and employee turnover.	Pages 87–90. New hires 2020: 5,726 / 67.6 % of men and the remaining 32.4 % of women / 18.8 % < 25; 21.6 % from 26 to 35; 26.4 % from 36 to 45; 24.9 % from 46 to 55; 8.2 % > 55. 2019 turnover rate: 2.53. 2020 turnover breakdown by gender: Men: 1.70 / Women: 2.14.	The breakdown by age will be reported in future publications.	•	 
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees.	This covers employees included in the group of executives, technicians, administrative staff and subordinates, on an indefinite contract at companies belonging to consolidated Group companies. Employees with more than one year's seniority enjoy social benefits such as special medical care, subsidised medical and canteen insurance, coverage for the disabled and subsidised loans.		•	
401-3	Parental leave.	Page 88. In 2020, 96 % of employees who took parental leave (472 employees) returned to work after the end of their maternity or paternity leave. Eighteen percent were women. In 2019, 95.3 % of employees took parental leave (522) and 18.4 % were women.		•	 

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








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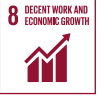


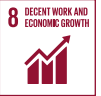



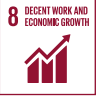

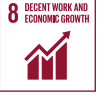
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GRI 402*: Employee-Company Relations					
MANAGEMENT APPROACH		Page 88.		•	
402-1	Minimum notice periods regarding operational changes.	The information relating to organisational changes that have taken place at the Group are provided in the legal provisions of the applicable collective agreements, always providing a minimum period of four weeks of notice.		•	
GRI 403*: Occupational health and safety					
MANAGEMENT APPROACH		Pages 95-101.		•	
403-1	Occupational health and safety management system.	Pages 95-101.		•	 
403-2	Hazard identification, risk assessment, and incident investigation.	Pages 95-101.		•	 
403-3	Occupational health services.	Pages 95, 97, 99-101.		•	 
403-4	Worker participation, consultation, and communication on occupational health and safety.	Agreements with trade union organisations are made through sector agreements that specifically regulate matters such as training and information, collective protection, work equipment, etc. FCC GROUP ANNUAL REPORT 2020 (Pages 578, 623).		•	 

GRI STANDARD	DESCRIPTION	REFERENCE/LOCATION	Omissions	External assurance	SDG
403-5	Worker training on occupational health and safety.	Pages 92, 93, 95, 96, 98, 99-101.		•	 
403-6	Promotion of worker health.	Pages 95, 99-101.		•	
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships.	Pages 95-101.		•	 
403-8	Workers covered by an occupational health and safety management system.	Page 95.		•	 
403-9	Work-related injuries.	Pages 88, 95-98. Absenteeism rates due to illness: 2018: 7.70 2019: 8.02 2020: 7.87 Number of fatal accidents: 2018: 2 2019: 7 2020: 3 Note: third party accidents are not included.		•	 
403-10	Work-related ill health.	The ORP Department conducts studies on occupational illnesses. In 2020, there were 10 occupational illnesses reported with sick leave, the same as in 2019.		•	 

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GRI STANDARD	DESCRIPTION	REFERENCE/LOCATION	Omissions	External assurance	SDG
GRI 404*: Training and Teaching					
MANAGEMENT APPROACH		Pages 91–94.		•	
404-1	Average hours of training per year per employee.	Pages 91–94. 2020 data: 7.7 hrs/employee*. 7.5 hrs/participant. 8.2 hrs/male participant. 5.9 hrs/female participant. 2019 data: 7.2 hrs/employee*. (* SAP-HR template.		•	 
404-2	Programs for upgrading employee skills and transition assistance programs.	Pages 91–94.		•	
404-3	Percentage of employees receiving regular performance and career development reviews.	FCC Medio Ambiente is working on the design and implementation of the Development function through a competency model, which encompasses a performance review, career plans and succession plans. Implementation is also underway for an agile and global system to support performance review and selection processes. Training programmes are provided on quality and environment, ORP, skills, finance, languages, legislation, CSR, values, healthy business, equality, training, code of ethics, office automation, customers.		•	 

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GRI 405: Diversity and equal opportunities					
MANAGEMENT APPROACH		Pages 102–204, 110–113.		•	
405-1	Diversity of governance bodies and employees.	Pages 36, 88, 103–104. Governance: FCC GROUP ANNUAL REPORT 2020: Pages 603-608. Employees 2020: Page 103.		•	 
405-2	Ratio of basic salary and remuneration of women to men.	In 2020, the average wage of men is 1.34 times that of women. The average wage is 2 times the minimum wage in Spain. In 2019, the average wage of men is 1.35 times that of women. The average wage is 2.1 times the minimum wage in Spain.		•	  
GRI 406*: Non-discrimination					
MANAGEMENT APPROACH		Pages 102–103, 110–113.		•	
406-1	Incidents of discrimination and corrective actions taken.	No cases of discrimination have been detected. Staff training and information on this matter has been reinforced.		•	  
GRI 410*: Safety Practices					
MANAGEMENT APPROACH		Pages 33, 35, 37.		•	
410-1	Security personnel trained in human rights policies and procedures.	All security guard staff have received training on fundamental Human Rights and the public freedoms of individuals.		•	

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

GRI 412*: Human Rights Assessment

MANAGEMENT APPROACH		Pages 33, 35, 37, 42–45, 122.		•	
412-1	Operations that have been subject to human rights reviews or impact assessments.	Pages 42-45. All contracts with suppliers include human rights clauses. FCC Medio Ambiente operates in Spain.		•	
412-2	Employee training on human rights policies or procedures.	6,289 hours of training in values and equality have been provided to 7,730 employees during the last biennium.		•	
412-3	Significant investment agreements and contracts that include human rights clauses.	All contracts with suppliers.		•	

GRI 413*: Local Communities

MANAGEMENT APPROACH		Pages 106–119.		•	
413-1	Operations with local community engagement, impact assessments and development programmes.	73 % of our turnover is certified according to ISO 14001, 70 % under ISO 50001 and 9 % under the EMAS Regulation. An environmental impact assessment is carried out on all these contracts .		•	
413-2	Operations with significant, actual or potential, negative impacts on local communities.	Pages 65, 106–113, 115–118.		•	

GRI 414*: Supplier social assessment

MANAGEMENT APPROACH		Pages 35, 42–45.		•	
414-1	New suppliers that were screened using social criteria.	Central Services at the FCC Group is designing a new system for the approval of suppliers that considers the possibility of carrying out “Due Diligences” on the suppliers considered necessary.		•	  

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

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414-2	Negative social impacts in the supply chain and actions taken.	FCC Medio Ambiente considers that its suppliers have no negative social impact risks, so no assessments have been carried out.		•	  

GRI 415*: Public Policy

MANAGEMENT APPROACH		Pages 35, 37–38.		•	
415-1	Contributions to political parties and/or representatives.	Pages 35, 37–38. The FCC Group's Code of Ethics and Conduct expressly states that the company performs its business without interfering with or participating in the political processes of the countries and communities where it carries out its activities.		•	

GRI 416*: Customer health and safety

MANAGEMENT APPROACH		Pages 53, 55, 57, 72, 83–85.		•	
416-1	Assessment of the health and safety impacts of product and service categories.	Pages 53, 55, 57, 72, 83–85.		•	
416-2	Incidents of noncompliance concerning the health and safety impacts of products and services.	There is no record of any incident of this nature.		•	

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GRI 417*: Marketing and labelling

MANAGEMENT APPROACH					
417-1	Requirements for product and service information and labelling.	With regard to the labelling of products and services, the quality of the by-products sold is being increased by introducing technical improvements on selection lines (optical separators, ballistic selection, etc.).		•	 
417-2	Incidents of noncompliance concerning product and service information and labelling.	There is no record of any incident of this nature.		•	
417-3	Incidents of noncompliance concerning marketing communications.	There is no record of any incident of this nature.		•	

GRI 418*: Customer privacy

MANAGEMENT APPROACH					
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data.	There is no record of any incident of this nature.		•	



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