



Annual Report
2022

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Annual Report 2022
Full version

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Letter from the Chairwoman

Team spirit

Dear shareholders,

This Annual Report includes a detailed account of the main figures and the most important milestones that have defined the FCC Group's activity in 2022.

It has been a complex year, facing major challenges, marked by the geopolitical tensions from the war between Russia and Ukraine, with its tragic consequences both in terms of human lives and the development of a major food and energy crisis, as well as the socio-economic aftermath of the pandemic.

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

The results that we have achieved as a Group are extremely satisfying. Our **turnover** of 7.7 billion euros represented an increase of 16% year-on-year, reflecting positive performance in all business Areas, with a highlight being Real Estate posting extraordinary growth of 83.1% year-on-year.

The **gross operating profit** (Ebitda) was noteworthy, totalling 1.3 billion euros at the end of 2022, up 16.4% year-on-year.

The solid performance of the Group's different activities has contributed to this significant improvement, with increases in revenues and sustained positive operating margins, boosted by several acquisitions in the Water and Real Estate Areas.

The **Earnings before interest and taxes (Ebit)** decreased by 23.9% in 2022, to 610.5 million euros, largely due to the value adjustment made to goodwill in the Cement division to reflect the impact of higher energy costs.

Net debt, as of 31st December, stood at 3.1 billion euros, with a slight reduction compared to the end of 2021. It should be emphasised that this result was obtained even after the major acquisitions mentioned above, and the consolidation of the corresponding debt.

Equity amounted to 4.9 billion euros, 11.2% higher than in 2021.

At year-end, the **contracted backlog** amounted to 40.2 billion euros, 33.4% higher than in 2021.

Particular mention has to be made for the 65.4% and 32.2% increase in the Construction and Water Areas backlog, respectively. For both businesses, contracts won in the international area account for over 65% of the backlog.

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

These results mean we can propose, at our General Shareholders' Meeting, a dividend distribution for our shareholders of 0.50 euros gross per share, charged to available reserves, in the form of a scrip dividend.

We have also continued to create jobs in 2022. This year our workforce has increased by 8.82% compared to last year. Today, over 64,000 people belong to the FCC Group, sharing, in the more than 25 countries we operate in, a vision, a mission and values that distinguish us and that, as the years go by, become more meaningful and stronger.

Finally, I would like to reiterate our thanks to investors, shareholders, strategic partners, and customers for their support and confidence in our project.

I would like to highlight the best capital we have: each and every one of the professionals who make the FCC Group possible on a daily basis, whom we thank for their involvement and unwavering commitment.

In closing, allow me to share with you my most sincere optimism and firm hope for the new times, despite the challenges we must face. We will lack neither encouragement nor determination to face the future. Passion for a job well done, resilience, and team spirit, which so characterises us, will undoubtedly help ensure success.

Esther Alcocer Koplowitz
Chairwoman of the FCC Group



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Letter from the CEO

Dear shareholders,

I am pleased to present to you our Annual Report for 2022. This document shows the results achieved in a year that we embarked upon with optimism as we recovered from the socio-economic consequences deriving from the COVID-19 pandemic. However, the outbreak of the conflict between Russia and Ukraine has generated instability in the economy generally and the energy market in particular, which has affected global stability and driven home the message that we are in times of relatively high volatility at various levels.

At the same time we are faced with ever worsening climate change which may have serious future economic, social and demographic consequences. Added to all this is the impact on natural ecosystems, which play an essential role in regulating the climate, giving urgency to the need to protect biodiversity as a key element in the transformation to a green economy model and sustainable development.

The world is currently facing a series of challenges requiring firm and decisive action backed up by the establishment of a greater number of commitments on the part of all agents in society. The panorama that presents itself to us can leave us in no doubt that we are living on a planet where everything is inter-dependent and connected, and that the transformation therefore has to be global and collective. To achieve this, it is necessary to redesign the future, starting with the reconstruction of trust; turning major challenges into great opportunities.

In the FCC Group we maintain a permanent strategy, faithful to our values in the service of citizens, improving their quality of life and favouring the sustainable progress of society. We are well aware of the fact that the response of business to he fight against climate change, environmental conservation and good corporate governance is fundamental, imminent and inescapable. Accordingly throughout this past year, as in previous years, we strove to improve ethical business practices and to promote a culture of safety, respect and diversity, ensuring that our activities were respectful of the environment and of the communities in which we operate.

In this way we worked tirelessly to adapt, seizing opportunities generated by more demanding regulations and developing solutions related for example to smart cities and the production of green hydrogen. In this vein, we are banking on digitisation and innovation in the development of new technologies that will allow us to improve efficiency and sustainability and minimise the adverse impacts of our businesses while we constantly seek to generate synergies among the Group's varied activities.

The strategic vision, as the cornerstone for the Group's decisive movements, has demonstrated our ability to anticipate. Proof of this is in the results obtained in 2022, showing that we were able to overcome the uncertainties and changes arising during the year.

The FCC Group's positive economic performance in financial year 2022 was seen in the figure of total **revenues** of €7.71 billion. This represents an increase of 15.7% on the previous year, reflecting the increase in activity and the positive development of all its business areas, in particular the Real Estate Area, whose revenues were up by 83% on 2021.

Revenues amounted to **€7.71 billion**, **15.7% more than in the previous year**

Pablo Colio Abril
CEO of the FCC Group



At the end of the year, the order book was up by **33,4%** at **€40.27 billion**

Our firm **order book** closed the year at €40.27 billion, representing an increase of 33.4% relative to 2021. It is appropriate to highlight the considerable year-on-year growth of the Infrastructure and Water Areas –65.4% and 32.2% respectively– and the fact that more than 65% of the contracts won came from abroad.

In line with the levels of activity, **gross operating profit** (Ebitda) was 16.4% up on the previous year, at €1.31 billion. Even taking account of the effects of the energy crisis, all the Group's businesses posted positive gross operating profits, combined with sustained operating margins. These results were also boosted by the acquisitions carried out by the Water and Real Estate businesses.

As regards the financial structure, **net indebtedness** fell slightly compared with the previous year, to €3.19 billion. It is necessary to mention that this figure takes account of the substantial acquisitions carried out during the year and of the consolidation of the corresponding operational debt. Apart from this, **equity** also increased by 11.2% compared with the end of 2021, reaching €4.94 billion.

These results confirm the FCC Group's ability to maintain and consolidate its solidly successful leadership positioning. Our Group is a benchmark in environmental services, end-to-end water cycle management, infrastructure, cement and associated materials, and in real estate management. Present in over 25 countries in 2022, 45% of invoicing is in international markets, mainly in Europe, Latin America, the United States, Middle East and North Africa.

As regards the most significant events of the year by business Area, I should like to highlight the following:

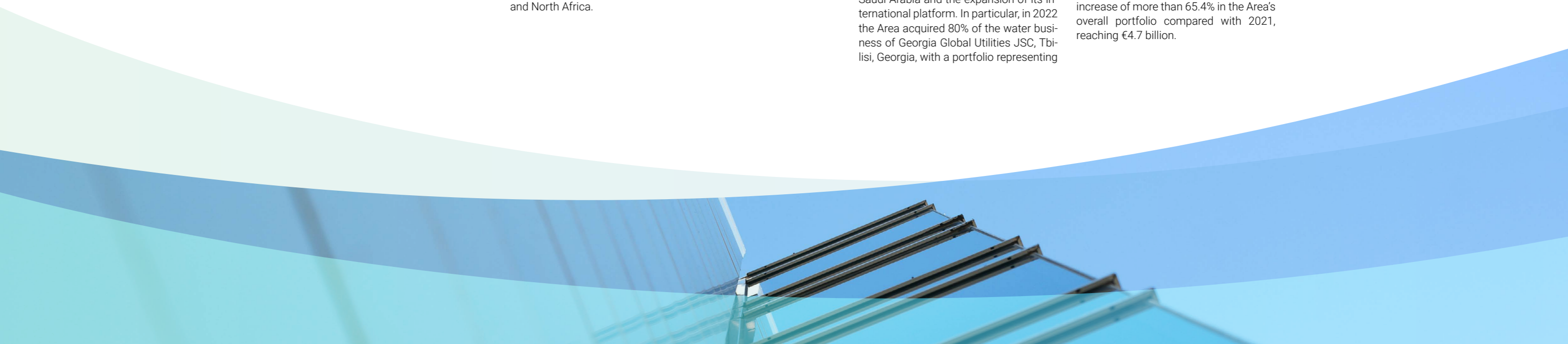
The **Environmental Services Area** maintains its lead position in Spain, with new contracts worth more than €2.3 billion and portfolio growth of more than 30%, thanks to various awards and renewals throughout the country. It also increased its presence in the United States, providing integral management services and recycling of municipal waste and winning numerous contracts. In December, it carried out a new acquisition in the US market, taking over Houston Waste Solutions, an important solid commercial waste disposal company in the Houston (Texas) metropolitan area.

The **Water Area** for its part closed the year with the award of new contract in Saudi Arabia and the expansion of its international platform. In particular, in 2022 the Area acquired 80% of the water business of Georgia Global Utilities JSC, Tbilisi, Georgia, with a portfolio representing

locked-in income of €3.59 billion at the end of the year. It also carried out a number of acquisitions in end-to-end water cycle management in Colombia, totalling €24 million.

The **Infrastructure Area** increased its international contracting to more than €2.7 billion. Prominent among the main awards was that to a consortium led by FCC for the construction of the first tunnels for the new city of Neom, in Saudi Arabia. In Europe, the works in Romania and Norway stand out, and in the latter case the Group was awarded the country's biggest contract for railway infrastructure. The Infrastructure Area also consolidated its presence in Mexico, Canada and the United States, with major contracts awarded for railway infrastructure and the construction of bridges. Consequently, 2022 represented an increase of more than 65.4% in the Area's overall portfolio compared with 2021, reaching €4.7 billion.

The FCC Group improved its Ebitda by **16.4%** to **€1.31 billion** in 2022



We are advancing towards a model aligned with our values, we promote transversal and responsible management in the environmental, social and governance dimensions

In the **Cement Area**, revenues grew by 19.1%, to €516.5 million, due to the substantial increase in prices in Spain and Tunisia. In Spain, revenues increased by 19.7%, to €314.6 million, while in the Tunisian local market revenues grew by 8.3% to €62.6 million. Export revenues grew by 23.2% to reach €139.3 million.

Finally, the **Real Estate Area** strengthened its potential with the acquisition of a stake in Metrovacesa, which stood at 14.3% in December. With this move, the FCC Group strengthens its solidity in the Area.

Together, these results are the reflection of a strategy that combines responsible growth and profitability.

In our determination to advance towards a model aligned with our values, we promote transversal and responsible management in the environmental, social and governance dimensions. An exam-

ple of our determination to reaffirm our DNA is to be found in the reformulation in 2022 of the 2016 Corporate Social Responsibility Policy, with ambitious new commitments being assumed. Based on this policy, we developed the Framework 2025, which constitutes the roadmap corresponding to the master sustainability plans of each business area adapted to their particularities.

Thus as regards the conservation and protection of the environment, climate change, water stress, biodiversity and waste we can highlight the favourable results obtained this past year in which, despite increasing our total billing, we reduced our carbon emissions. Furthermore, we dedicated €83 million to the prevention of environmental risks and managed over nine million metric tons of waste.

We are committed to, and give priority to **Good Governance and exemplary performance** based on compliance with the Code of Ethics and Conduct, reinforced by an up-to-date system of control and supervision. Consequently we have trained more than 4,800 employees on anti-corruption.

In recognition of female leadership, our chairwoman, Esther Alcocer Koplowitz, was awarded the Businesswoman's Leadership Award by the Spanish Federation of Women Managers, Executives, Professionals and Entrepreneurs.

Promoting diversity and equality in our talent management is a business imperative for the FCC Group, so I am pleased to say that this past year we received the Award for best practice in cultural transformation to diversity and inclusion for our "You_diversity" project. In 2022 we maintained our determination to continue advancing in the management of corporate diversity, the design of policies of equity and equality and initiatives to foster social and labour inclusion.

In the area of **social development**, with a workforce of more than 64,000, we increased by 8.82% relative to the previous year. There can be no doubt that people constitute a fundamental pillar of our activity. We favour the creation of employment and the quality of life and well-being of the workforce and of the communities in which we operate.

This past year 2022 was a year of great advances, with positive results that we could certainly not have achieved without the commitment, trust and effort of all our teams, who possess the experience and technical skills that ensure our ability to offer effective and innovative solutions. So I wish to express my thanks to all the people that form the FCC Group, and who share a common mission and objective: to improve citizens' lives. We also thank our shareholders, investors, strategic partners and customers who have shown their faith in us, with their support on our path to excellence. With your trust, we will succeed in continuing to grow.

I should like to conclude by emphasising our firm desire to confront the challenges posed by the current situation, with optimism and enthusiasm and with the unshakable determination to build a better future. Together, we seek to bring about sustainable development, based on our hundred-year-old principles which have ensured our solid and successful business trajectory. This is our commitment.

Pablo Colio Abril
CEO of the FCC Group



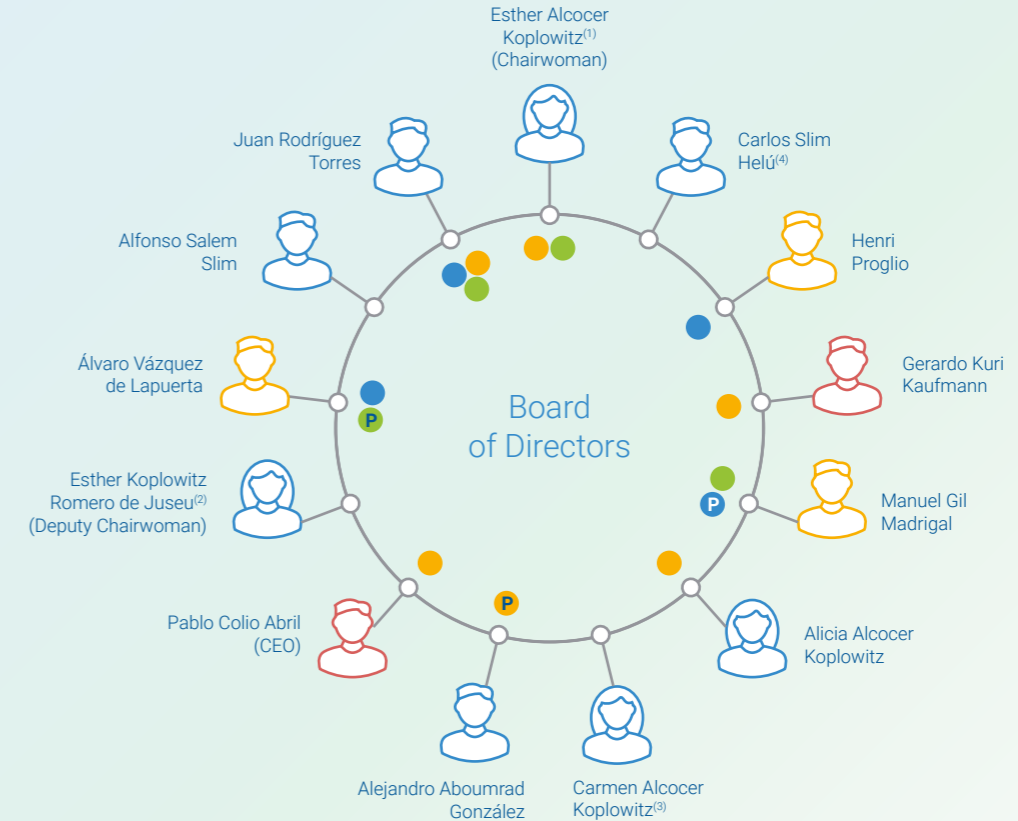
Board of Directors

During 2022, the **Board of Directors** met a total of **9 times**, with an average attendance of **87,39%**

The FCC Group's corporate governance structure consists of five fundamental bodies, allowing strategic decisions to be made efficiently in the company: the General Shareholders' Meeting; the Board of Directors; the Executive Committee; the Audit and Control Committee and the Appointments and Remuneration Committee.

The General Shareholders' Meeting is the Group's highest decision-making body for matters falling within its competence as established in the Regulations of the FCC General Shareholders' Meeting. Oversight of the management of the company falls to the Board of Directors, which has full powers to manage, direct, administer and duly represent the FCC Group. It is supported by three special committees: the Executive Committee, the Audit and Control Committee and the Appointments and Remuneration Committee, favouring effective and transparent supervision.

Composition of the Board of Directors and its Committees



Nature of position

- Executive
- Proprietary
- Independent

Type of Committee

- Audit and Control Committee
- Appointments and Remunerations Committee
- Executive Committee
- P Chairperson

On behalf of

- (1) Dominum Desga, S.A.
- (2) Samede Inversiones 2010, S.L.U.
- (3) Dominum Dirección y Gestión, S.A.U.
- (4) Inmobiliaria AEG, S.A. de CV.

(*) The Director Antonio Gómez García resigned at his own request for personal reasons on 24th March 2022.

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Value creation in FCC

Mission, vision and values

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

To achieve its vision, FCC develops and manages environmental services, end-to-end water cycle management, infrastructures and associated products and real estate management while maintaining the highest standards of operating ex-

cellence and applying the strictest ethical principles set out in the FCC Group's Code of Ethics and Conduct in all its regions and activities.

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

Strengths of the business

Experience

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

Ethics and Integrity

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

Quality and Innovation

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

Health and Safety

Attention to the **best possible health, safety and well-being** of our employees, particularly in activities that involve an added risk.

Care of the Environment

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

MISSION _ What we do

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

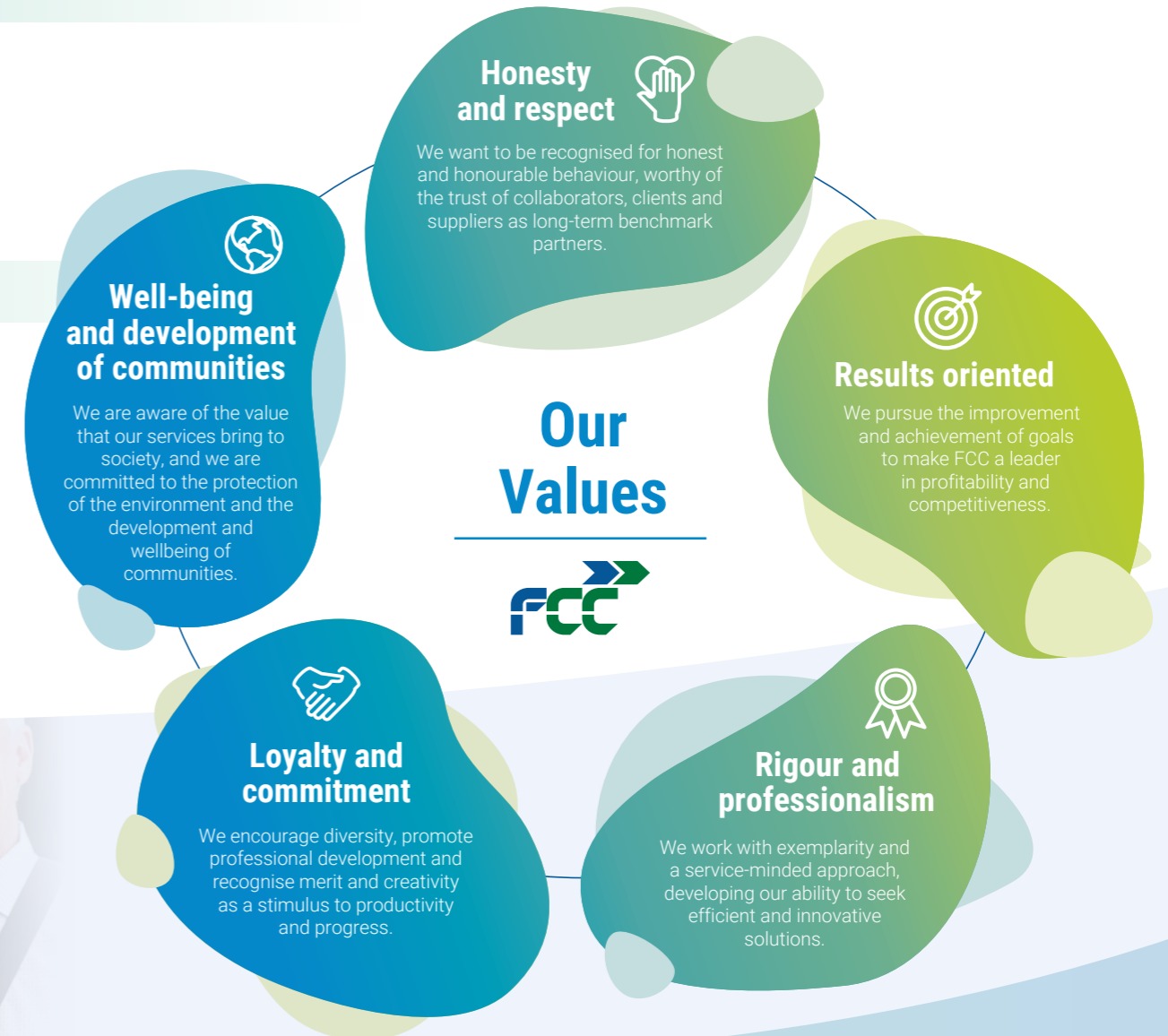
VISION _ What we want to be

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

VALUES

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

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



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FCC, prepared for the future

FCC's strategy: focus on growth with profitability

Over its more than 120 years of history, FCC has demonstrated sufficient strength, to overcome all the difficulties it has encountered along the way. This strength is anchored in three main com-

ponents: our leadership position different businesses; solidity as a source of income, focussed on the circular economy and water; and the sustainable nature of much of its balance sheet and shareholder structure.

The FCC Group's model of value creation aims to foster the harmonious development of cities, positioning FCC at the forefront of its competitive environment, ever mindful of quality, innovation and integrity in its actions, and of financial discipline, management efficiency and the Group's values applied to our strengths, proximity and commitment.

Strategic vectors of the FCC Group

The FCC Group focuses its strategy on:

- **Strengthening its competitive position** in key markets in which it occupies a leading position.
- **Growing** selectively in new markets that are attractive and aligned with the company's values, corporate culture and risk appetite.
- **Promoting sustainable development** has been and will remain one of the Group's strategic transversal vectors, expressed by means of:
 - Promoting the construction and management of **sustainable, resilient infrastructures**.
 - Promoting the **circular economy** and harnessing the efficient use of **water**.
 - Combined with the FCC Group's efforts to mitigate and adapt to **climate change**.

Over its more than 120 years of history, FCC **has demonstrated sufficient strength** to overcome all the difficulties it has encountered along the way



Maintain leadership in key markets

To maintain its leadership position in the countries where it operates, FCC focuses its efforts on guaranteeing the quality and continuity of its services and products, which allows it to retain a competitive position in each market. Given the diversity and how they complement each other, the synergies between them help to correctly assess the risks and potential of all its projects, which translates into a sustained increase in the Group's different key geographical areas.

Likewise, FCC aims to be an effective and added value collaborator for its customers, establishing long-term relationships, providing guarantees and the reliability of a big leading company, but at the same time with local sensitivity and long-term view in each of the regions where it operates.

● The **Environment Area**, in the countries where it is present, operates against a backdrop of a sector under transformation, mainly due to the environmental requirements of each country, such as the European Directives with relation to the circular economy and climate change; and in the USA or the UK with similar regulatory initiatives.

Another strategic vector in the Area is to increase the quality and quantity of reusable raw materials to meet the ambitious targets, for example in the EU, related to the circular economy, by investing in separate collection and automatic sorting facilities.

The strategy in Spain is focussed on maintaining competitiveness and leadership position, combining technical knowledge and the development of innovative technologies, offering respectful, inclusive and sustainable services, such as the fight against climate change and reduction of the carbon footprint. The aim is to harness potential opportunities generated by stricter regulations and new services (for example, those associated with smart cities.) In 2023, the new state tax on waste comes into force, which will imply an increase in demand and activity to be developed in the treatment plants.

In Portugal, there are still business opportunities related to soil decontamination and urban remediation contracts.

In the UK, the aim is to increase the availability of waste to maximise the value of by-products and the expansion of energy generation and integral valorisation, within the demanding parameters of environmental sustainability.

The gradual incorporation of new technologies will allow it to consolidate its position in the Central European markets for recycling and valorisation of waste and to position itself as a key actor in the circular economy, with a change of business model in the Czech Republic, Slovakia and Poland towards greater processing and development of the technology for recovering energy from waste (incineration and generation of fuel). In this regard, the regulation on the prohibition or taxation of discharges is already under way, so this transition will allow maintaining the competitiveness and development of the market.

● The **Water Area** seeks to maintain its competitive position in end-to-end water management cycle markets in which it has a consolidated presence, as is the case in Europe, and to take advantage of opportunities that arise in this activity in other growing markets in North Africa, Latin America and the Middle East.

It should be noted that in 2022, 80% of Georgian Global Utilities (GGU), the owner and main operator of the integrated water cycle service infrastructure in Tbilisi, Georgia, as well as in two other nearby towns, Mtskheta and Rustavi, was acquired. It serves a total population of 1.4 million people.

In Spain, penetration and renewal rates for end-to-end water cycle concessions are expected to remain similar to those of 2022, above 90%, with the same expected for new awards across the country. Also, during 2023, the grants for the first phase of the Spanish Strategic Projects for Economic Recovery and Transformation (PERTE from its acronym in Spanish) for the digitisation of water for the urban sector will be awarded and the second phase will be put out to tender, and we expect to be awarded some of the proposals submitted.

In Portugal, droughts are raising the possibility of building desalination plants, while a consortium led by Aqualia and FCC Construcción has been proposed as the winning bidder for the installation of a green hydrogen production plant in Setúbal.

● The **Construction Area's** strategy focuses on maintaining its presence in countries and markets with a certain stability and, through demanding risk management that should afford access to a selective portfolio of projects that ensure profitability and cash flow generation for the company.

Furthermore, the teams at FCC Construcción have the experience, technical knowledge and innovation to participate in the entire value chain of projects, from their definition and design to execution and subsequent operation.

In a consolidated market such as Spain, in 2022 it is worth highlighting the awards of a stretch of the Murcia-Almería high-speed Mediterranean Corridor in Totana (Murcia), the construction of the new Hospital de Puertollano (Ciudad Real) and the extension and renovation (Phase I) of the Hospital Universitario Cabueñes, in Gijón (Asturias).

Apart from this, it is important to remember the company's important position in the foreign market, which accounted for 55.8% of revenues in 2022, nine points more than in 2021, with major infrastructure works under way in Saudi Arabia, Mexico, the United Kingdom, Peru, Chile, Colombia, Norway, the Netherlands and Romania, among others.

- The **Cement Area** seeks to maintain its competitive position in both operational efficiency and the markets in which it operates, maintaining its lead position in the sector in Spain and Tunisia.

By 2023, public works investment in Spain is expected to increase. Investment by Local Entities and Autonomous Regions is expected to decrease due to a possible slowdown after the electoral period. In Tunisia, the forecast is to maintain sales volumes in a country with political instability and a difficult economic situation.

- The **Real Estate Area**, articulated around FCC Inmobiliaria, was consolidated as a significant area of the FCC Group during 2022, after the operations carried out in 2021 with the investments in Realia and Jezzine.

The objective of the Area is to maintain a solid and large real estate group, with greater management efficiency derived from operating and financial synergies that will allow it to take advantage of growth opportunities in the sector, as well as to diversify risk and geographical opportunities by expanding its activity to new areas of operations in which it was not already present.

In 2022, there was a notable increase in the contribution of the recurring rental asset activity of Realia and Jezzine to the total of FCC Inmobiliaria, whose asset valuation at year-end accounted for more than 72% of the Area's total.

Selective growth in new markets

Each of the FCC Group business Areas detects opportunities of interest in the markets in which it operates, as well as in new markets. The Group's strategic planning allows specific objectives to be established for each Area of activity in this respect. These objectives consider market opportunities and the risk appetite deemed acceptable in each country where these opportunities arise.

- As for the **Environment Area**, the gradual incorporation of new technologies will allow it to consolidate its position in the European markets for recycling and valorising waste and to position itself as a key actor in the circular economy. In this regard, the objective is to be able to replace the linear production model with a circular model that reincorporates waste materials into the productive process, relying on the high level of technical know-how, the development of new machinery and innovative processes, with presence in a large number of R&D&I projects.

In terms of new markets, initially, the company will continue to expand and consolidate its position, mainly in the USA by increasing the number of residential contracts it has and promoting commercial collection activity. As a result, in 2022, the strong 121% increase in sales compared to the previous year is noteworthy. With this significant progress, FCC is now one of the 15 companies in the sector in the USA. In December 2022 the acquisition of Houston Waste Solutions (HWS), one of the biggest companies involved in solid industrial waste in the metropolitan area of Houston, Texas.

- The **Water Area** will take advantage of its extensive experience in managing the end-to-end water cycle in any business opportunities that might arise in countries with a stable political and social situation. Apart from this, together with management of the end-to-end water cycle, it plans to promote growth via BOT (Build, Operate and Transfer) and O&M (Operation and Maintenance) in desalination and treatment in North Africa, Latin America and the Middle East.

The Group's **strategic planning** allows **specific objectives** to be established for each Area

In Saudi Arabia, the management projects of two clusters awarded to Aqualia will be launched. Turning to Latin America, in Mexico and Colombia there are opportunities for future bids for water infrastructure concessions, desalination in the states of Baja California and Sonora in Mexico, and water treatment as part of the Bogotá river decontamination programme in Colombia.

In the Latin American market, it also acquired 100% of the assets of Saur Colombia SAS, which includes six concession companies responsible for the production and distribution of drinking water and sewerage in eleven municipalities in three departments on Colombia's northern coast.

In Italy, France and Georgia, we expect to increase activity by taking advantage of new business opportunities in concessions, infrastructure investments, etc.

And in the USA, the search for and securing of a first project is a priority objective, with the aim of creating a platform for the growth of Aqualia's business in the country.

● In the **Construction Area**, development in the international market will continue to focus on countries and markets with a stable presence and on the execution of projects with secured financing.

In the development of awards abroad, it is worth highlighting the construction contracts for Neom Running Tunnels in Saudi Arabia, a highway in Norway, the rehabilitation of a railway line and the modernisation of another in Romania.

Also noteworthy is the increased presence in North America and Australia, with awards for the "Regional Express Rail On-Corridor" in Ontario (Canada), the construction and rehabilitation of nine bridges in Pennsylvania (USA) and the railway to Melbourne airport in Australia, which is FCC Construcción's first project in this country.

In the foreign market, we will continue with the development of major infrastructure projects obtained in recent years and the contribution of markets in the Americas (United States, Canada, Mexico, Chile, Peru and Colombia), the Middle East (Saudi Arabia) and Europe (Norway, the Netherlands, the United Kingdom and Romania).

● As for the **Cement Area**, despite being alert to possible progress opportunities in new markets, the strategy focuses on consolidating the markets in which it is present.

To this end, the Group will continue developing its policies to seek efficient and optimal investments, as well as adapting all organisational structures to the situations in the countries where it operates.

● Finally, the **Real Estate Area** aims to diversify risk and geographic opportunities to expand its activities to new operating areas where it currently does not boast a presence. Furthermore, the Area will continue to increase the contribution to the recurring equity activity in Realia and Jezzine across FCC Inmobiliaria as a whole.

To this end, the Area will continue promoting its three business lines at a national level: leasing offices and shopping centres, residential developments for sale and, in particular, property development for lease.

Contribution to sustainable development

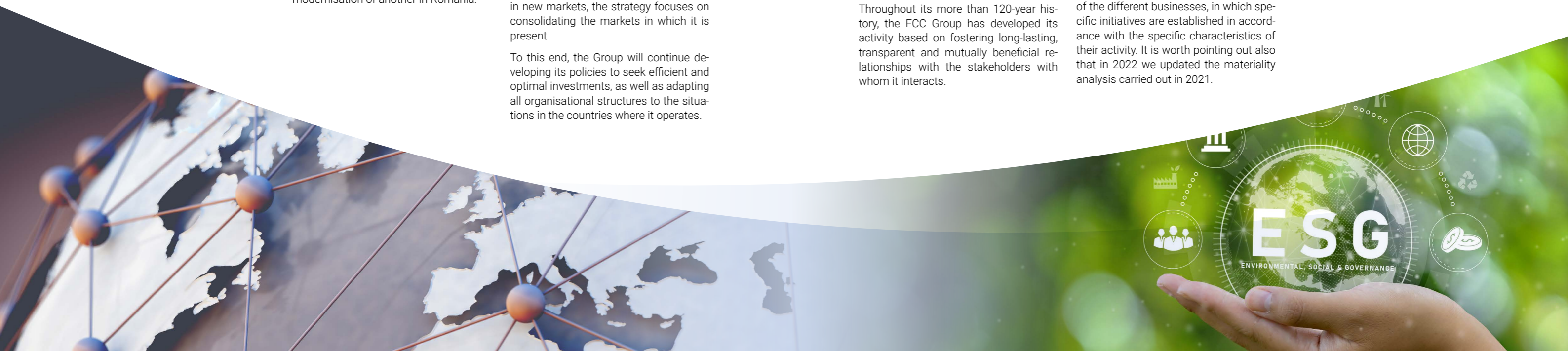
Throughout its more than 120-year history, the FCC Group has developed its activity based on fostering long-lasting, transparent and mutually beneficial relationships with the stakeholders with whom it interacts.

For the FCC Group, the progress of cities must guarantee the well-being of their citizens and the preservation of the environment. With activities in more than 25 countries, the Group strives to improve people's quality of life, responding to their expectations and needs of the area in which they live.

Its consolidated experience, as a committed company has meant its business can continue to share value transversally, through its strengths.

The Group has designed a sustainability model that, based on its corporate culture, is supported by a sustainability framework, which establishes FCC's commitments in this area and is developed through its ESG 2025 Framework, which constitutes a framework to guide the development of the ESG master plans of the different businesses, in which specific initiatives are established in accordance with the specific characteristics of their activity. It is worth pointing out also that in 2022 we updated the materiality analysis carried out in 2021.

The updating of material areas has made it possible to identify the most significant impacts on stakeholders in the future. In this way, the company will be able to prioritise its ESG efforts on the aspects that stakeholders consider significant.



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FCC in 2022

Key figures

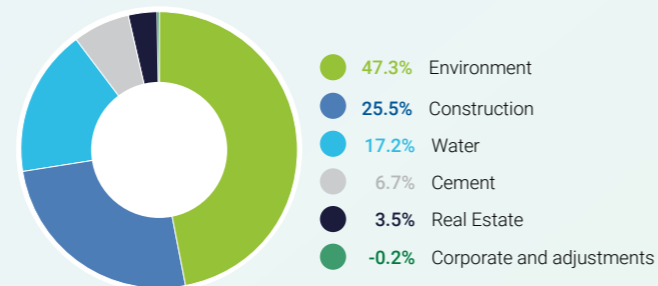
Turnover

Millions of euros



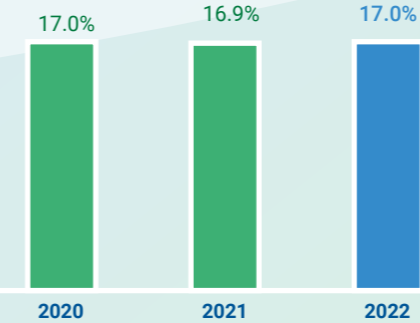
2022 turnover by activity

%



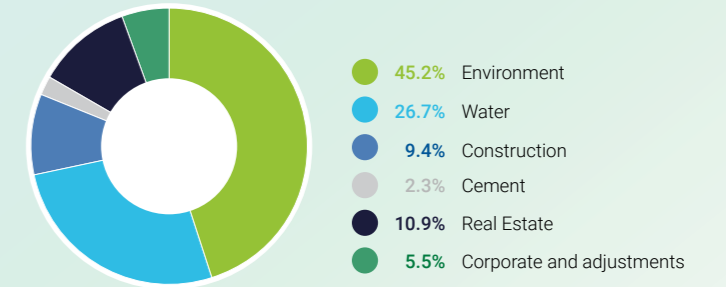
Ebitda margin

%



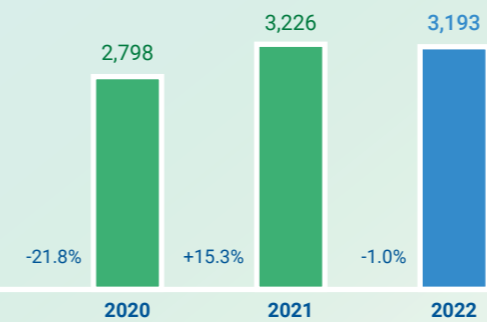
Ebitda 2022 by activity

%



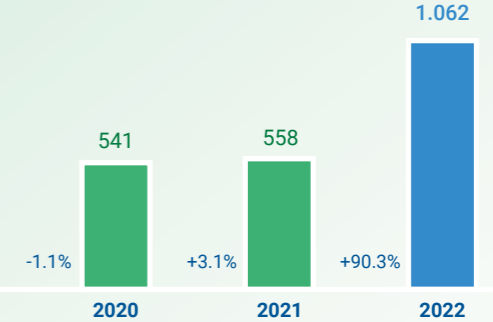
Net financial debt

Millions of euros



Investments

Millions of euros



Stock market performance

Evolution of the stock market and share price

After 2021, which saw a recovery from the COVID-19 pandemic, Russia invaded Ukraine in February 2022. The humanitarian, economic and social impact was compounded by rapidly accelerating inflation centred primarily on commodities and energy, along with the inevitable impact on the entire value chain, with some lingering supply chain misalignments stemming from geopolitical tensions and obstacles to global mobility.

Therefore, central banks in the leading countries and economic areas were forced to act aggressively to curb runaway price growth, raising rates with unprecedented speed and intensity, radically changing their strategies and opting for aggressive monetary tightening policies in an attempt to curb generalised price rises and a pernicious persistence of energy and raw material increases in food and service sector prices, with a dangerous spiral that affected wages and led to a loss of competitiveness and investment.

The change in central bank discourse, noted in the latter part of the year, has been led by the U.S. Federal Reserve (the FED) which, in March, raised interest rates for the first time since 2018 by 0.25% to the 0.25% - 0.50% range. Two months later, on May 4, it applied a new 0.50-point increase and, under strong pressure from inflation that reached almost 10% in the USA, continued with four consecutive hikes of 0.75 percentage points each in June, July, September and November, bringing the intervention rate to the 3.75% - 4% range in late November, which had not been reached since 2007, to close December at the 4.5% level.

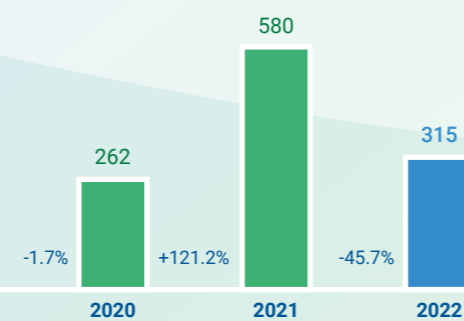
Total assets

Millions of euros



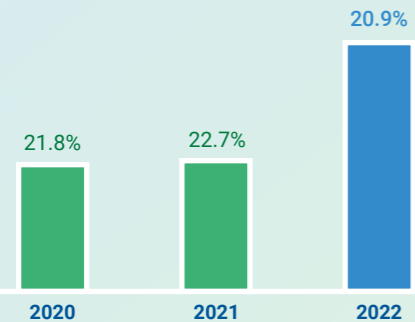
Earnings attributable to the Parent

Millions of euros



Financial leverage. Net debt / Total assets

%



Equity

Millions of euros



In the Eurozone, the European Central Bank (ECB) opted for greater caution at the beginning of the year in view of the progressive deterioration of the economy. However, runaway inflation, which was steadily approaching 10% year-on-year, led to the announcement in March of the end of asset purchases and, at the meeting held on 21 July, intervention interest rates were raised by 50 basis points for the first time in eleven years, ending a long period of zero interest rates. In September and October, the ECB performed two further rate hikes of 0.75 points, and last December it raised rates by 0.5% to 2.5%.

Against this backdrop, global economies and financial markets have experienced a complex year characterised by the progressive economic slowdown and drops in the prices of nearly all investment assets, both fixed income and equities, which were substantial in many parts of the year, softened slightly with the Q4 recovery.

According to last October's forecast by the International Monetary Fund (IMF), global Gross Domestic Product (GDP) will grow by 3.2% in 2022, slowing 2.8 percentage points year-on-year. Growth estimates for 2023 have also been in a down trend, falling from 3.8% in January to 2.7% in the October forecast.

Eurozone GDP is also experiencing a sharp slowdown to an expected growth of 3.1% in 2022, down from 5.2% in 2021. The IMF's estimate for 2023 stands at a meagre 0.5%, revised downward from 2.5% in January. Inflation has been the big flashpoint in 2022, accelerating from 3% in January to levels of 10% in the final months of the year. For 2023, IMF forecasts suggest a still very high 5.7% average rate.

Spain has been one of the Eurozone economies with the most positive contribution to the area's growth, with expected GDP growth of 4.3% in 2022, driven by the reopening of the economy, the strong recovery in tourism, the strength

of domestic demand, and the increase in investment from the progressive arrival of European Union (EU) NextGeneration funds. Like the Eurozone as a whole (0.5%), Spain's GDP growth estimate for 2023 was sharply cut to 1.2% in the IMF's October report.

Regarding the markets, the Spanish stock exchange ended the year among the best in Europe despite not closing in positive territory. The Ibex's 5.56% drop meant it ended 2022 at 8,229.10 points. The Spanish index was only surpassed by the British FTSE100, which added 0.91%. However, this good relative performance has been centred on the banking and energy sectors, which have disproportionately benefited compared to other sectors of activity. Other European markets were down between 9.50% for the French CAC and 16% for the Swiss SMI. The U.S. Nasdaq Composite technology index was the worst performer, plummeting more than 33%, its worst record since 2008.

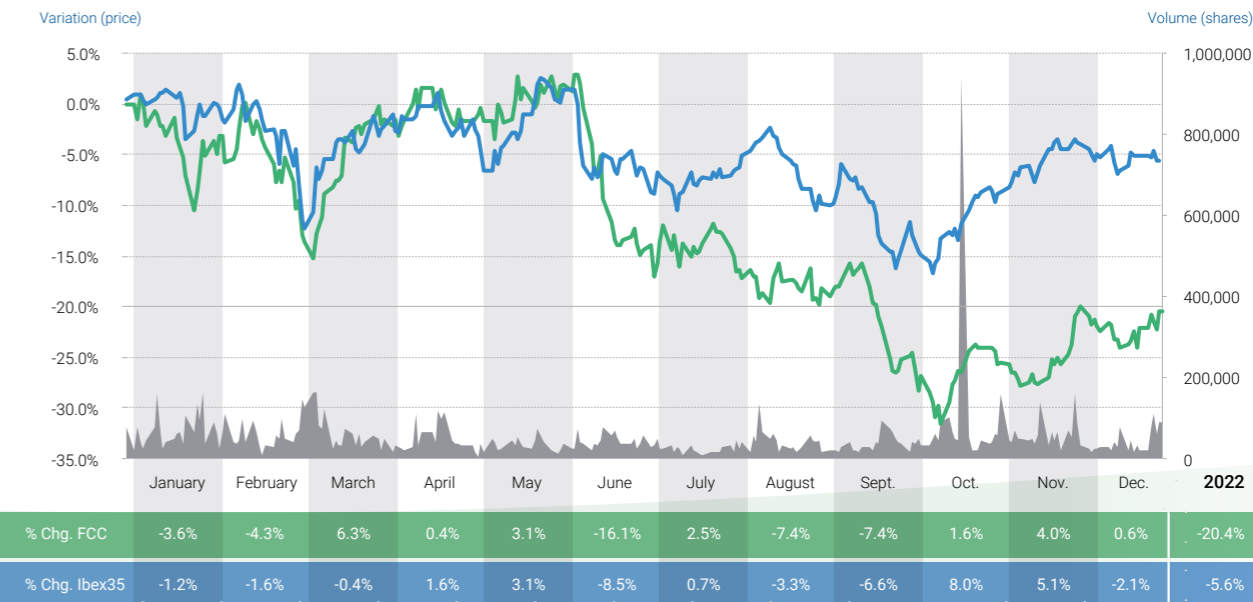
Annual evolution of FCC's shares

Against this global backdrop, FCC's share price has fallen 20% in 2022 compared to the 31.9% appreciation it experienced in 2021. At year-end, the share price was 8.82 euros/share, with a high of 11.02 euros (adjusted for flexible dividend) reached last June and a low of 7.58 euros on 14 October. FCC ended the year with a market capitalisation of 3,866 million euros.

Trading

Total trading volume this year was over 13.1 million securities, with a daily average exceeding 51,000 shares. The brokered volume is conditioned by the level of market liquidity with a 13% free float and by the type of long-term minority investors, with a long time as a shareholder and, therefore, a low turnover ratio.

Annual evolution of Ibex35 and FCC'S share price



FCC in the world

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

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

Countries with >€5 million in annual revenues.

Activity in the Environment Area

Most relevant contracts of the year 2022

FCC Servicios Medio Ambiente is the **leader of its sector in Spain** and among the **seven most important environmental services companies in the world**. It manages about **25 million tonnes of waste** per year and produces more than **6 million tonnes of secondary raw materials (SRM) and refuse-derived fuel (RDF)**, providing municipal and end-to-end waste management services to almost **66 million people in 5,200 towns around the world**.

FCC Medio Ambiente continues to comply with its **2050 Sustainability Strategy**, which will govern the development of its business activities for the next 30 years.

1. USA

FCC Environmental Services

Placer County (California)

Refurbishment and Operation of the Environmental Compound for the Treatment of Solid Municipal Waste.
€1.42 billion.

Port Saint Lucie (Florida)

Waste Collection.
€425 million.

Palm Coast (Florida)

Household Waste Collection.
€166 million.

Lake County (Florida)

Waste Collection zone 1.
€43 million.

2. SCOTLAND

FCC Environment

Greengairs

Start of Construction Works of the Waste-to-Energy Centre in Drumgray.

3. ENGLAND

FCC Environment

Suffolk

Refurbishment of the Foxhall Recycling Centre.
€8.85 million.

4. AUSTRIA

FCC Environment

Collection and Transport of Packaging Materials for ARA.
€22 million.

5. POLAND

FCC Environment

Bytom (Upper Silesia)

Waste and Recyclable Materials Collection, Transport and Treatment.
€12.7 million.

6. CZECH REPUBLIC

FCC Environment

Collection, Removal and Processing of Secondary Raw Materials for 16 Hypermarkets.
€2.4 million annual amount.

7. SPAIN

FCC Medio Ambiente

Zaragoza

Waste Collection and Street Cleansing.
€615.45 million.

Madrid

Municipal Solid Waste Collection for lot 1 (Western zone).
€445.92 million.

Tenerife (Santa Cruz de Tenerife)

Construction and Operation of the Environmental and Waste Management Compound of the Island of Tenerife.
€371.47 million.

Vigo (Pontevedra)

Waste Collection, Street and Beach Cleaning, and Management of Household Waste Recycling Centres.
€366.24 million.

Alicante

Waste Collection, and Street and Beach Cleaning.
€293.96 million.

Salamanca

Waste Collection, Street Cleansing and Refurbishment and Operation of the Light Packaging Sorting Plant.
€231.66 million.

Girona

Waste Collection, Street Cleansing and Management of Household Waste Recycling Centres.
€152.8 million.

Manresa (Barcelona)

Waste Collection and Street Cleansing.
€91.43 million.

Badajoz

Waste Collection and Street Cleansing.
€83.88 million.

Mijas (Málaga)

Waste Collection and Street Cleansing.
€79.94 million.

Rincón de la Victoria (Málaga)

Waste Collection and Street and Beach Cleaning.
€71.99 million.

Arganda del Rey (Madrid)

Waste Collection and Street Cleansing.
€62.04 million.

Granollers (Barcelona)

Waste Collection and Street Cleansing
€47.09 million.

Zaragoza

Parks and Ground Maintenance for lot 1.
€43.9 million.

Sasieta Municipalities Association (Gipuzkoa)

Selective Waste Collection.
€39.08 million.

Valdemoro (Madrid)

Waste Collection.
€33.3 million.

Montoliu (Lleida)

Operation of Segrià's Environmental Compound.
€29.65 million.

Valencia

Parks and Ground Maintenance for lot 1.
€29.15 million.

FCC Ámbito

Madrid

Santander Bank corporate buildings and Financial City End-to-end Waste Management.

Valencian Community

Waste Button-Cells and Pencil Batteries Collection.

Barcelona

End-to-end Management of Hazardous and Non-hazardous Waste from Bus and Metro workshops of Transports Metropolitans de Barcelona.

8. PORTUGAL

FCC Environment

São Miguel Island (Azores)

Waste Collection in Ponta Delgada, Vila Franca do Campo, Ribeira Grande and Lagoa.
€19.8 million.

Activity in the Water Area

Most relevant contracts of the year 2022

Aqualia is the **fourth largest water company** in Europe in terms of population served, is among the **nine largest water companies in the world⁽¹⁾** and provides service to **43.7 million users in 18 countries**.

1. COLOMBIA

Flandes (Tolima)

Operation, expansion, rehabilitation, infrastructure maintenance and commercial management of water and sewage public utilities for a 20-year period.
€125.84 million.

Floridablanca, Girón and Piedecuesta (Santander)

Acquisition of the assets of Ruitoque S.A E.S.P., which has concessions for the housing estate water services for three municipalities.
€47.33 million.

Acquisition of the domestic utilities concessions for water and sewage services in Colombia:

Foundation. For a period 21 years.
€143.27 million.

Maicao. For a period of 12 years.
€83.02 million.

Manatí, Candelaria, Repelón, Campo de la Cruz, Santa Lucia and Luruaco
For a period of 16 years.
€58.71 million.

El Retén. For a period of 25 years.
€29.27 million.

Aracataca. For a period of 9 years.
€15.71 million.

Albania. For a period of 6 years.
€4.76 million.

Cota, Funza and Tenjo (metropolitan area of Bogotá, Colombia). Acquisition of 79.8% of Aguas de la Sabana de Bogotá, concessionaire and owner of the water and sanitation service assets of the Bogotá agribusiness park.
€254.20 million.

2. SAUDI ARABIA

South Cluster

Contract for the management, operation and maintenance of the integral water cycle for the South Saudi regions of Assir, Jazan, Baha and Najran for a period of 7 years.
€99.41 million.

North Cluster

Contract for the management, operation and maintenance of the integral water cycle for the Saudi regions of Qassim, Al-Jouf and Hail for a period of 7 years.
€88.03 million.

3. EGYPT

El Alamein

Concession of the public drinking water service for a period of 10 years.
€5.30 million.

4. GEORGIA

Tbilisi

Partial acquisition of Georgia Global Utilities (GGU), concessionaire and owner of the assets for the integral water service for Tbilisi, Rustavi and Mtskheta.

5. CZECH REPUBLIC

Krmelín (Moravia-Silesia region)

Contract to operate and maintain of the sewerage networks for a period of 5 years.
€2.15 million.

6. SPAIN

Andalusia

Garrucha (Almería)
Concession of the drinking water supply, sewerage management and wastewater treatment service for a period of 25 years.
€55.35 million.

El Ejido (Almería)
Emergency work for the conditioning and improvement of the tertiary treatment of the wastewater treatment plant.
€4.39 million.

El Puerto de Santa María (Cádiz)
Adaptation and improvements to the Wastewater Treatment Plant in Las Galeras.
€4.08 million.

Asturias

Operation, maintenance and conservation service for the sanitation and treatment systems in the Nora, Noreña and Villabona river basins and the Villapérez de Las Galeras Wastewater Treatment Plant for a period of 4 years.
€14.15 million.

Castilla-La Mancha

Villasequilla (Toledo)

Supply and sewerage service concession for a period of 15.6 years.
€5.49 million.

Tobarra (Albacete); Sigüenza (Guadalajara); Villanueva de Alcardete (Toledo)
Construction of the Wastewater Treatment Plants to be executed in 2.5 years.
€2.95 million.

Castilla y León

Carrascal de Barregas (Salamanca)

Concession of the drinking water supply and sewerage service for a period of 15 years.
€3.84 million.

Cataluña

L'Ampolla (Tarragona)

Concession of the drinking water supply and maintenance of the sanitation network of the municipality for a period of 20 years.
€11.6 million.

Galicia

Boiro (La Coruña)

Construction and operation of the JEALSA (Conservas Rianxeira) Industrial Water Purification Plant for a period of 12.5 years.
€12.58 million.

Canary Islands

La Gomera (Santa Cruz de Tenerife, Tenerife)

Installation of a Seawater Desalination Plant in the municipality of San Sebastián de La Gomera.
€5.99 million.

Installation of a seawater desalination plant in Playa de Santiago.
€5.50 million.

La Guancha (Santa Cruz de Tenerife, Tenerife)

Infrastructure project for the management and guarantee of feed water and desalinated water flows at the Santa Cruz de Tenerife Desalination Plant for a period of 1.6 years.

The Basque Country

Galindo (Vizcaya)

Construction, renovation and improvement of the primary treatment at the Galindo Wastewater Treatment Plant.
€26.70 million.

Vizcaya

Operation and maintenance service for the primary sewerage network managed by the Bilbao-Bizkaia Water Consortium for a period of 3 years.
€3.55 million.

7. FRANCE

Ille y Vilaine

Concession of the public drinking water service for a period of 10 years.
€26.49 million.

Rambouillet (Yvelines)

Concession of the public drinking water service for a period of 9.4 years.
€12.12 million.

Andrésy

Concession of the Andrésy, Chanteloup-les-Vignes and Conflans-Sainte-Honorine sanitation services, sector D, Yvelines, for a period of 6.7 years.
€3.75 million.

Enghien-les-Bains

Water maintenance services for a period of 4 years.
€2.16 million.

Bois d'Arcy, Bièvres, Jouy-en-Josas and La Celle Saint Cloud (Yvelines, Versailles Grand Parc)

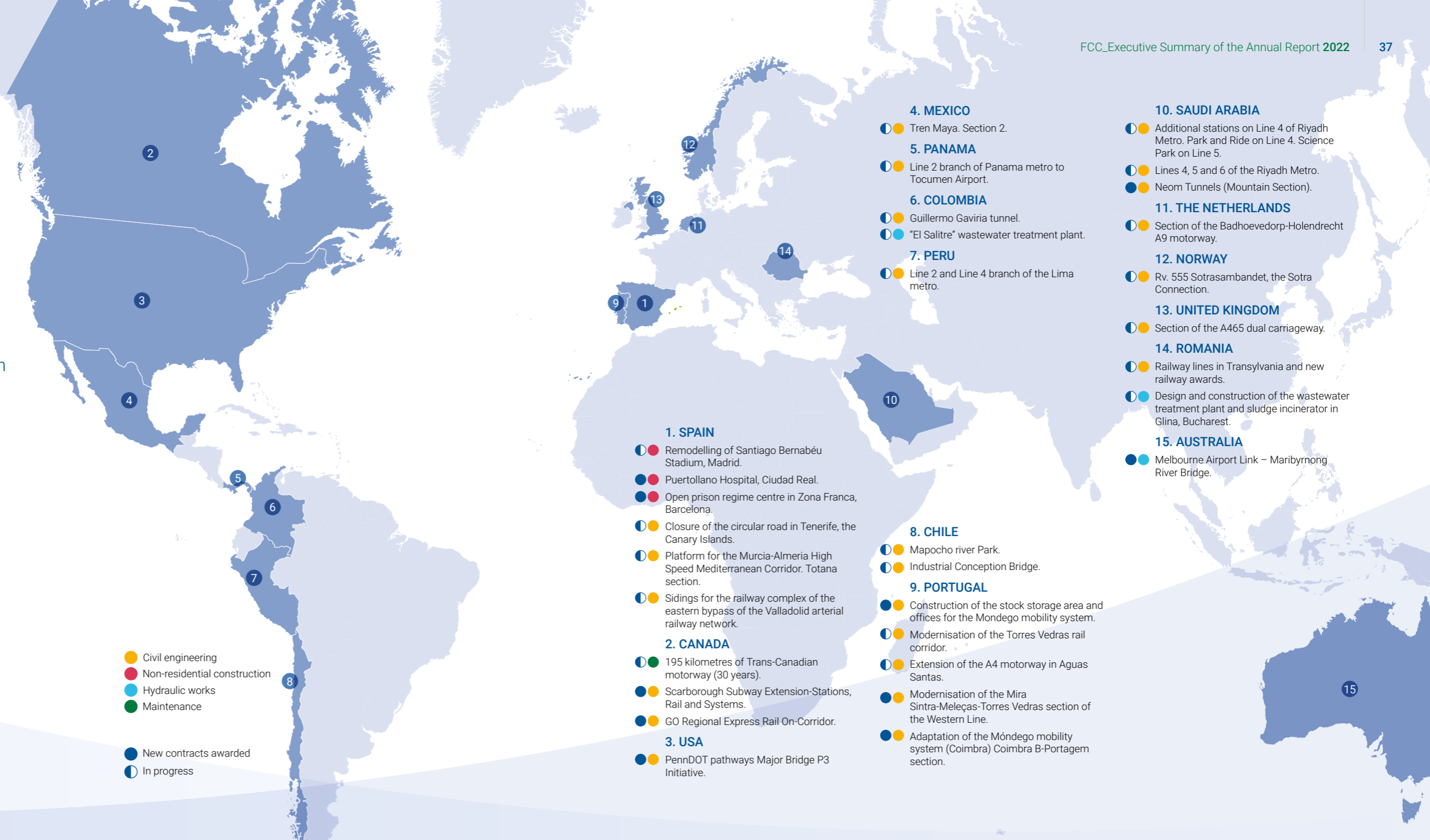
Water maintenance services for a period of 4 years.
€2.06 million.

⁽¹⁾ Latest ranking of Global Water Intelligence (December 2022).

Activity in the Infrastructure Area

With more than 120 years of experience, FCC Construcción is an international benchmark for the **design and execution of urban and transport infrastructure**, as well as in **residential and non-residential construction** projects (healthcare, sporting, cultural, etc.) It is currently the **third largest construction company in Spain** and among the **top 35 in the world**.

- Civil engineering
- Non-residential construction
- Hydraulic works
- Maintenance
- New contracts awarded
- ⓘ In progress



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4. MEXICO

- Tren Maya. Section 2.

5. PANAMA

- Line 2 branch of Panama metro to Tocumen Airport.

6. COLOMBIA

- Guillermo Gaviria tunnel.
- "El Salitre" wastewater treatment plant.

7. PERU

- Line 2 and Line 4 branch of the Lima metro.

10. SAUDI ARABIA

- Additional stations on Line 4 of Riyadh Metro. Park and Ride on Line 4. Science Park on Line 5.
- Lines 4, 5 and 6 of the Riyadh Metro.
- Neom Tunnels (Mountain Section).

11. THE NETHERLANDS

- Section of the Badhoevedorp-Holendrecht A9 motorway.

12. NORWAY

- Rv. 555 Sotrasambandet, the Sotra Connection.

13. UNITED KINGDOM

- Section of the A465 dual carriageway.

14. ROMANIA

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

15. AUSTRALIA

- Melbourne Airport Link – Maribyrnong River Bridge.

1. SPAIN

- Remodelling of Santiago Bernabéu Stadium, Madrid.
- Puertollano Hospital, Ciudad Real.
- Open prison regime centre in Zona Franca, Barcelona.

- Closure of the circular road in Tenerife, the Canary Islands.

- Platform for the Murcia-Almeria High Speed Mediterranean Corridor. Totana section.

- Sidings for the railway complex of the eastern bypass of the Valladolid arterial railway network.

2. CANADA

- 195 kilometres of Trans-Canadian motorway (30 years).

- Scarborough Subway Extension-Stations, Rail and Systems.

- GO Regional Express Rail On-Corridor.

3. USA

- PennDOT pathways Major Bridge P3 Initiative.

8. CHILE

- Mapocho river Park.
- Industrial Conception Bridge.

9. PORTUGAL

- Construction of the stock storage area and offices for the Mondego mobility system.

- Modernisation of the Torres Vedras rail corridor.

- Extension of the A4 motorway in Aguas Santas.

- Modernisation of the Mira Sintra-Meleças-Torres Vedras section of the Western Line.

- Adaptation of the Móndeogo mobility system (Coimbra) Coimbra B-Portagem section.

15

Industrial facilities of Cementos Portland Valderrivas Group

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

USA*

Cement production plant

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

Cement terminal

- 4 Newington
- 5 Boston
- 6 Durham
- 7 Charlotte
- 8 Doraville-Atlanta
- 9 Thomaston

Aggregate production plant

- 10 Bath (Keystone Cement Company)
- 11 Thomaston (Dragon Products Company)

Recycling

- 12 Attalla
- 13 Harleyville Grr
- 14 Sumter
- 15 Arvonía
- 16 Bath (Grr-Keystone)

SPAIN

Cement production plant

- 17 El Alto (Madrid)
- 18 Olazagutía (Navarra)
- 19 Hontoria (Palencia)
- 20 Mataporquera (Cantabria)
- 21 Alcalá de Guadaíra (Seville)
- 22 Monjos (Barcelona)
- 23 Vallcarca (Barcelona)
- 24 IntermonTE (Jerez de la Frontera, Cádiz)

Cement terminal

- 25 Puerto de Raos (Cantabria)
- 26 Puerto de Sevilla (Seville)
- 27 Barcelona
- 28 Tarragona

Concrete production plant

- 29 Zona Franca (Barcelona)
- 30 Trinitat (Barcelona)
- 31 Vallcarca (Barcelona)
- 32 Amposta (Tarragona)

Aggregate production plant

- 33 Olérdola (Barcelona)
- 34 Vallcarca (Barcelona)
- 35 Tiebas (Navarre)
- 36 Villallano (Cantabria)

Mortar production plant

- 37 El Alto (Madrid)
- 38 Esparraguera (Barcelona)
- 39 Dericem (Cantabria)
- 40 El Papiol (Barcelona)
- 41 Vallcarca (Barcelona)

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

UNITED KINGDOM

Cement distribution plant

- 42 Dragon Alfa Cement (Sharpness)
- 43 Dragon Portland (Portland)
- 44 Plymouth Cement Wharf (Plymouth)

TUNISIA

Cement production plant

- 45 Société Des Ciments d'Enfidha

Concrete production plant

- 46 Centrale Sousse
- 47 Centrale Bouficha
- 48 Centrale Ben Arous
- 49 Saida
- 50 Sfax (Sidi Salah)

* The Cementos Portland Valderrivas Group has a presence in America through Giant Cement Holding, where it owns 45% of the company.

** In September 2019, the sale of the Keystone cement factory and aggregate plant (Bath) was announced, and it was being analysed by the competition regulator on the date of this report.

Activity in the Real Estate Area

The Real Estate Area of the FCC Group, whose parent company is FCC Inmobiliaria, is mainly composed of the Realia Group –headed by a listed company with **more than 30 years’ experience**, whose corporate object is the **development, management and operation of all types of real estate**— and Jezzine Uno.

INVESTMENT PROPERTY

Area: more than 550,000 m²

Buildings

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

Shopping and leisure centres

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

Residential rental (BtR)

- 20 Madrid _ 1 asset in operation
2 assets under development

Industrial warehouse

- 29 Logroño _ 1 warehouse

Jezzine

More than 400 commercial premises in Spain

DEVELOPMENT (in progress)

20 Madrid

Alcalá de Henares

Parque del Ensanche II _ 80 homes

Tres Cantos

Residencial Egeo _ 74 homes
Arabona Residencial _ 64 homes

Arroyo del Fresno

Borea Portablanca _ 73 homes
Borea Quintablanca _ 42 homes

16 Barcelona

Glorias Bcn _ 47 homes
Portum Badalona 10ª. Badalona _ 141 homes
Les Masies II. Sant Joan Despí _ 61 homes

21 Alicante

Levante Dreams. San Juan _ 48 homes

LAND

Andalusia

- 1 Almería
Garrucha
- 2 Cádiz
San Fernando
San Roque
- 3 Granada
Granada
- 4 Huelva
La Palma del Condado
Lepe
- 5 Jaén
Linares
- 6 Malaga
Estepona
Fuengirola
Malaga
Manilva
Torremolinos
- 7 Seville
Alcalá de Guadaíra
Espartinas
Guillena
San Juan de Aznalfarache

Aragón

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

Cantabria

- 9 Santander
Santa Cruz de Bezana
Santander

Castilla y León

- 10 León
Villaquilambre

- 11 Salamanca
Salamanca

- 12 Segovia
Segovia

- 18 Valladolid
Arroyo de la Encomienda
Valladolid

Castilla-La Mancha

- 14 Guadalajara
Guadalajara
Chiloeches
Guadalajara

- 15 Toledo
Illescas
Seseña
Toledo
Villaseca de la Sagra

Catalonia

- 16 Barcelona
Badalona
Granollers
Sant Vicenç de Montalt
Sant Joan Despí

- 17 Gerona
Lloret del Mar
Tossa

- 18 Lleida
Lleida

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

20 Madrid Region

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

Valencian Region

- 21 Alicante
Denia
Jávea
Monovar
- 22 Castellón
San Jorge
- 23 Valencia
Massarrochos
Rocafort
Sagunto
Valencia

Galicia

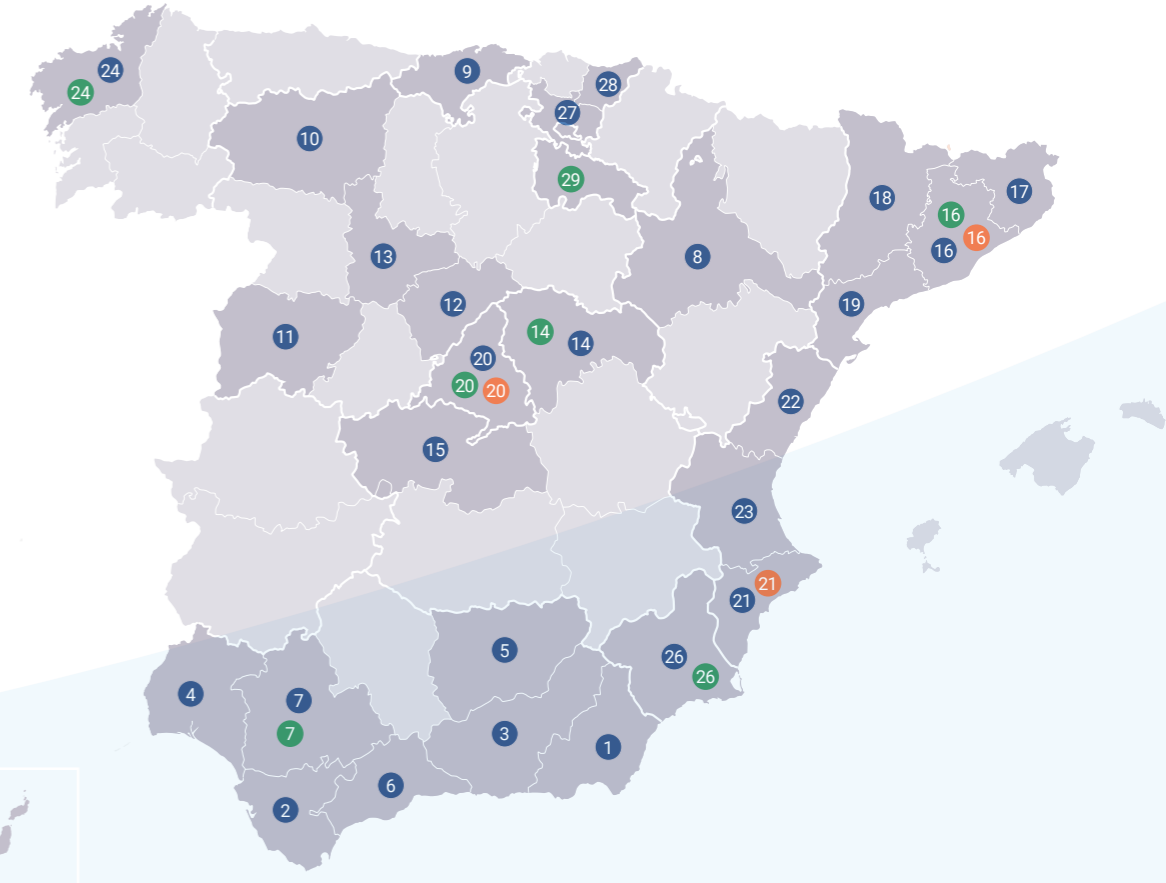
- 24 A Coruña
Brion
Santiago de Compostela
- Canary Islands**
25 Las Palmas de Gran
Canaria

Murcia

- 26 Murcia
La Unión

Basque Country

- 27 Álava
Tres Puentes
- 28 Gipuzkoa
Aduna



7

Sustainability in the FCC Group

The FCC Group's Sustainability Policy prioritises the environmental, social and governance dimensions

Sustainable development in FCC is framed by the Group's Sustainability Policy, approved by the Board of Directors on 26 April 2022, which reformulates the previous policy, establishing the main priorities of the company in the environmental, social and governance dimensions, on the basis of dialogue with stakeholders.

Sustainability actions are managed by the Group's highest governance bodies,

the FCC Sustainability Committee being responsible for implementing the policy and setting out the roadmap, which is currently being developed from the Group's ESG Framework (environmental, social and governance), the orientation framework for the businesses' sustainability strategies.

Once again, a materiality study was carried out to identify those relevant issues to the Group in matters related to the environment, social development and good governance. The conclusions of the study indicated that the issues of greatest interest to FCC, from a cross-cutting point of view, are climate change and energy consumption, employment and career development, sub-contracting and suppliers, ethical conduct and promoting innovation.

The FCC Group continues to be committed to maintaining solid, lasting and transparent relationships with stakeholders, with the intention of integrating sustainability commitments throughout the value chain. Once again, the company strengthened its care for customers and its culture of sustainable sourcing, based on responsible purchasing procedures and the approval of suppliers according to criteria that include ethical, social and environmental issues.

To confront the main ESG challenges and contribute to sustainable development, the Group employs substantial economic and human resources in RD&I projects, focusing its efforts on creating innovative solutions and making maximum use of digitisation and the application of information and communication technologies.

Ethical governance at the highest level

Good governance in FCC is guided by the principles of integrity, ethical and exemplary behaviour based on the Group's Code of Ethics and Conduct, a consolidated set of regulations and a declared commitment to respect and promote fundamental human rights.

FCC has a Compliance Committee, which reports to the FCC Board of Directors' Audit and Control Committee, and a Compliance Model, aimed at ensuring legality and due diligence in the Group, as well as managing prevention, detection of non-compliance risks and behaviours that could lead to criminal offences.

Performance in 2022, deriving from the proper operation and functioning of the Compliance Model, resulted in the approval by the FCC Group's Board of Directors of a new internal regulation such as the Competition Policy; the incorporation of Realia to the Model; the increase in the number of investee companies and UTEs (temporary consortia) joining the Compliance system; as well as the review and supervision of the set of regulations; the certification in the Compliance Tool; and the updating of the control matrices of the Group's various businesses.

Furthermore, during the year, due diligence audits on partners, agents and suppliers were increased, with 23 assessments of new suppliers carried out by the Compliance Area and 211 third party due diligence evaluations. We also handled 190 reports received through the Whistleblower's Channel, of which 157 were considered pertinent, 47% concerning labour matters.

In order to effectively consolidate the culture of good governance and strengthen the Compliance Model, we continued to provide training to our staff on the FCC Group's Code of Ethics and Conduct, the Competition Policy and other matters such as anti-corruption, occupational and sexual harassment, cybersecurity and the responsible use of technological resources.



FCC's contribution to environmental challenges

FCC ensures correct management of environmental aspects by implementing the Group's Sustainability Policy and Environmental Policy, which are broken down in turn into specific policies for each business. The company's businesses devote significant resources to the fulfilment of its environmental commitments and to the definition and establishment of measures to detect and mitigate its environmental impact. In 2022, €83 million were allocated to environmental risk prevention and 83% of the Group's activities are certified in accordance with the ISO 14001 standard.

During this past year, a procedure was developed for identifying, evaluating and prioritising physical climate risks to the FCC Group, which makes it possible to identify and assess the risks and opportunities associated with climate, as well as meeting the requirements of the EU's Environmental Taxonomy.

In line with FCC's Climate Change Strategy, the Group's consolidated carbon footprint shows a slight reduction in total GHG emissions compared with the previous year. The Group continues to believe in measures and projects involving energy from renewable sources, and in 2022 the proportion of energy consumed coming from green sources amounted to 28.5%.

In its determination to lead the transition to a circular model, the FCC Group integrates the principles of circularity into its activities through the efficient use of resources and the conversion of waste for reduction, valorisation and reincorporation into the productive process. In 2022, the Group used 66% less materials and the volume of hazardous waste generated decreased by approximately 23.5% relative to the previous year.

Turning to water, FCC promotes the rational and efficient use of this natural resource, contributing solutions for combating water stress in the areas in which it operates, optimising all phases of management of the end-to-end water cycle. In 2022, a 5.2% reduction in total water extracted in the FCC Group was reported.

FCC also contributes to the conservation of biodiversity and the rehabilitation of degraded ecosystems, the total surface area to which protective measures for sensitive areas or rehabilitation measures of affected spaces were applied having increased by 47.8%.

We should also point out that the company has identified its possible sources of pollution and has put measures in place to reduce their impact. Thus, during 2022, compared to previous year data, it succeeded in reducing the volume of waste dumped on landfills by 15% and the volume of significant spills by 39%.

FCC, people who work for people

The FCC Group ended the year with more than 64,000 employees, 8.2% more than in 2021. The Group continues to be known for its job stability, with 83% of its staff on permanent contracts and 87% in full-time employment.

Reflecting its decisive approach to talent management and career development, the company delivered more than 600,000 hours of training through its transversal plan and the "Campus FCC" corporate university, with 35,000 more hours of training than in the previous year and a notable increase in the number of hours provided in the international area.

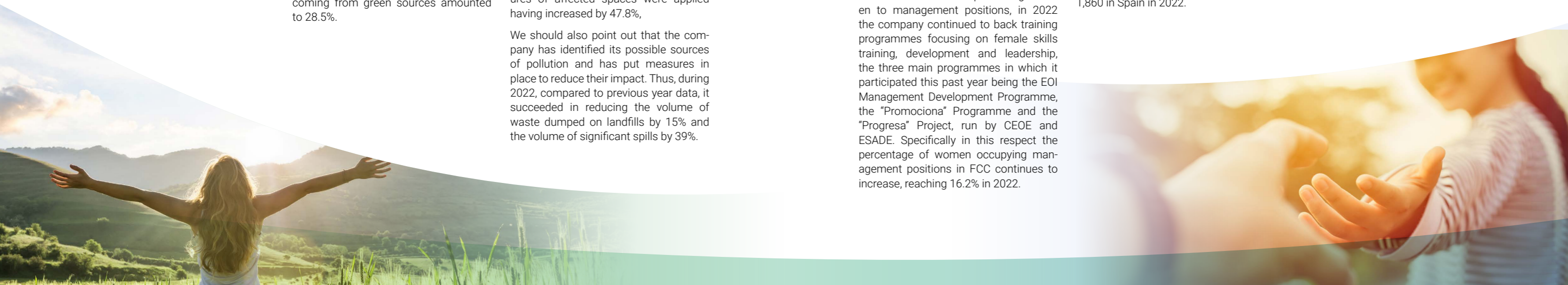
In its commitment to promoting women to management positions, in 2022 the company continued to back training programmes focusing on female skills training, development and leadership, the three main programmes in which it participated this past year being the EOI Management Development Programme, the "Promociona" Programme and the "Progresá" Project, run by CEOE and ESADE. Specifically in this respect the percentage of women occupying management positions in FCC continues to increase, reaching 16.2% in 2022.

For FCC, the principle of equal opportunities is an essential commitment which finds expression in its equality plans and in the recognition of all its business areas with the Business Equality Distinction, a mark of excellence awarded by the Spanish Ministry for Equality.

Furthermore, reinforcing the company's commitment to equality, diversity and inclusion, FCC promotes initiatives through employment, social action and awareness-raising, focusing on safe and respectful work environments, adopting a "zero tolerance" stance against gender violence, and promoting the hiring of persons with disabilities, who numbered 1,860 in Spain in 2022.

As regards another of the Group's fundamental pillars, occupational health and safety, within the framework of Live Healthy, activities were developed for the prevention of musculoskeletal disorders and the promotion of mental health and digital well-being. This past year the 5th edition of the Live Healthy Awards was held, with nearly 40 nominations in the categories of "Prevention of Occupational Risks", "Promotion of Health" and "Personal Mention".

Furthermore in the FCC Group the Health & Safety management systems are certified to the highest international standards such as ISO 45001, and this past year the processes for checking contractors' health and safety procedures were also consolidated as part of the supplier approval process. Regarding accident rates, they were once again below the equivalent indices published by the Spanish Ministry of Labour and Social Economy in every sector of activity.



The FCC Group's social commitment

Over the course of 2022, FCC allocated nearly **€6 million** to the promotion of **solidarity, inclusion, progress and economic and social development**

The FCC Group, based on its Sustainability Policy and its corporate culture, is committed to promoting the development and wellbeing of communities through its services, influencing socio-economic development and leading to a framework of initiatives based on education, solidarity and integration.

The social contribution generated by the Group is related to essential activities and basic resources that bring value to society and directly affect its wellbeing. The company works in consonance with the needs and expectations of communities, favouring understanding, connection and continuous communication.

FCC also boosts socio-economic development by creating direct and indirect employment in the communities in which it operates and by promoting the contracting of local suppliers. It is also committed to social development and progress through education and awareness-raising of the new generations, signing collaboration agreements with training centres, participating in educational events and conferences and organising theoretical and practical knowledge activities in the company's facilities.

The FCC Group designs and participates in actions of a social nature, through partnerships with service sector entities, developing solidarity campaigns and programmes related to social needs in which the staff participates. It also carries out initiatives aimed to vulnerable groups and people at risk of exclusion, promoting integration, inclusion and accessibility.

Over the course of 2022, FCC allocated nearly €6 million to sponsorships and contributions to non-profit organisations, foundations and industry associations with which it collaborates, building strategic partnerships, promoting solidarity, inclusion, progress and economic and social development.

Socio-economic development of communities

Job creation

Contracting with local suppliers

Social development and progress

Education

Participation in solidarity campaigns, actions and programmes



