



SUSTAINABILITY STRATEGY 2050



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SUSTAINABILITY STRATEGY 2050



I. SUSTAINABILITY AT THE SERVICE OF CITIZENS

FCC Medio Ambiente Iberia is a leader in the provision of environmental services in almost 3,600 municipalities in Spain and Portugal. It serves more than 31 million people, offering street cleaning, collection and transport, treatment and disposal of wastes, maintenance of green areas, maintenance of sewage networks, cleaning of beaches and coastal waters and energy efficiency services, among others.

However, **FCC Medio Ambiente Iberia** aims to be a leading organisation in the provision of sustainable services. Being sustainable means achieving an **economic, social and environmental** equilibrium. To achieve this balance, **FCC Medio Ambiente Iberia** has established its **Sustainability strategy 2050** that allows a series of thoughtful actions to be planned, whose purpose is to provide social, environmental and economic value.

This long-term (2050) **sustainability strategy** is integrated into the whole organisation and focuses on **combining the know-how** it has gained over more than 100 years of business with the **development of innovative technologies** that allow it to offer its clients **Smart Human & Environmental Services**, i.e. more efficient services that cause minimal inconvenience to citizens (concept of '**friendly**' service), more respectful in the consumption of resources, and which contribute to genuinely making cities more sustainable and inclusive.

Special relevance is given to **equal opportunity policies and the occupational integration of disadvantaged groups**, as well as the promotion of actions that reinforce the commitment to the **circular economy, the fight against climate change and reducing the carbon footprint**. The use of alternative energies and efficiency in their use for the provision of urban and environmental services, both at facilities and in service vehicles, represent two strategic pillars in which important steps have been taken, especially in the development of electric mobility technologies in vehicle fleets.

To fulfil its strategy, its first **Sustainability Action Plan 20-22** was launched, based on an integrated and integrative management model within the framework of the global challenges that mark the path to attain the **Sustainable Development Goals (SDGs)**¹.

ALIGNED WITH THE 2030 AGENDA

Five years ago, 193 countries committed to the United Nations **17 Sustainable Development Goals** and their fulfilment by **2030**, to combat economic, social and environmental challenges on a global scale. The SDGs pursue equality between **People**, aim to protect the **Planet** and to ensure **Prosperity** as part of a new sustainable development agenda.

¹ Global goals to eradicate poverty, protect the planet and ensure prosperity for all as part of a new sustainable development agenda. Each goal has specific targets to achieve within the coming 15 years.



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Sustainable Development Goals



Source: United Nations

Figure 1. 2030 Agenda: 17 Sustainable Development Goals. Source: United Nations.

FCC Medio Ambiente Iberia has focused its actions on those goals most directly related to its operations, with a view to maximising the effect on all 17 SDGs. By prioritising the goals, the organisation contributes to greater environmental, economic and social prosperity through:

- **Staff development:** generation of talent, diversity and equal opportunities, occupational safety and health, social inclusion.
- **Green growth and the fight against climate change:** efficient consumption of water, energy and other resources, waste prevention, technological innovation, low-carbon processes and services, 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.

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The following figure shows the SDGs as prioritised by **FCC Medio Ambiente Iberia**:

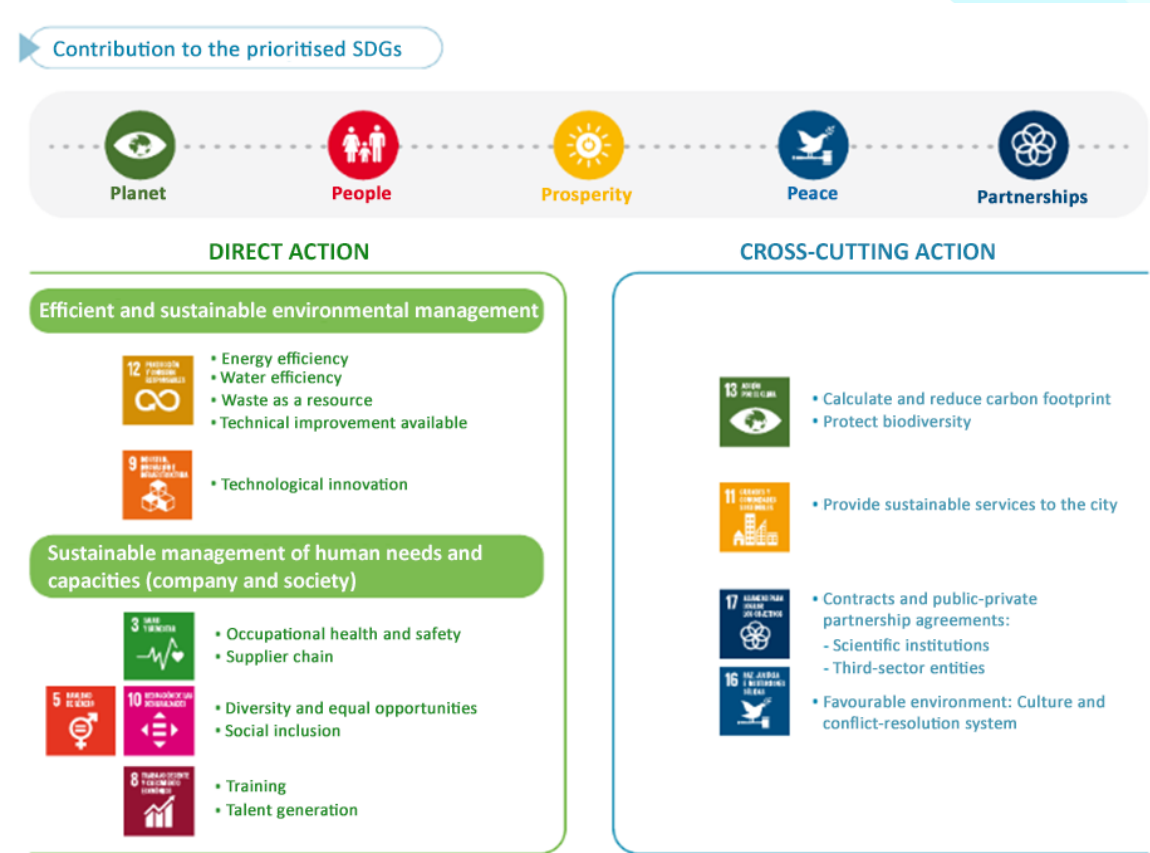


Figure 2. FCC Medio Ambiente's goals and priorities to fulfil the SDGs of the 2030 Agenda.

Four lines of action have been defined to guide the actions of **FCC Medio Ambiente Iberia** as refers to sustainable management: **ENVIRONMENT**, **SOCIAL**, **EXCELLENCE** and **GOVERNANCE**

II. PLEDGES BY FCC MEDIO AMBIENTE IBERIA

1. ENVIRONMENT

1.1. CIRCULAR ECONOMY AND EFFICIENCY IN THE USE OF RESOURCES

AIM



The overall aim of **FCC Medio Ambiente Iberia** is to reduce the use of raw materials as well as the production of waste. Additionally, it sets clear objectives for waste management promoting the re-use, recycling and revaluation of municipal waste.



PLEDGES

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

≥ 65% of waste recovered
≤ 10% of waste dumped in landfills

GOALS 2035



MEASURES

- Promote waste collection systems that promote separation at source, among our clients: "Pay as you throw", commercial bio-waste, secondary raw materials, household hazardous wastes, etc.
- Reduce the generation of its own waste: reuse of vehicle chassis, tyre retreading, recycled plastic containers, etc.
- Promote R&D+i projects related to the circular economy, with better use of the waste that reaches our treatment facilities: production and use of biogas, plastic recycling, use of compost, etc.

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1.2. CLIMATE AND ENERGY

AIM



The ultimate aim of **FCC Medio Ambiente Iberia** is to integrate primarily SDG 13 "Climate Action" into its business strategy with the horizon of achieving climate neutrality in 2050, aligned with the national decarbonisation strategy.



PLEDGES

- Reduce greenhouse gas emissions vs. 2017:
35% in 2030
Carbon neutrality in 2050
- Increase the number of tons of GHG avoided compared to 2017, by leveraging by-products, generating energy or avoiding waste disposal.
20% in 2030
50% in 2050
- Reduce biogas emissions from landfills, through its capture and management, avoiding its dissemination into the atmosphere and prioritising its energy recovery.
80% of landfill biogas captured in 2050

MEASURES

- Increase the percentage of electric and hybrid vehicles.
- Promote, among clients, an increase in the percentage of waste destined for "low-carbon" treatment systems such as composting and biomethanisation.
- Whenever feasible, include the performance of services with vehicles powered by clean energy in the offers made to clients.
- Encourage clients to install biogas collection systems in landfills managed by the organisation.
- Invest in R&D+i projects related to waste treatment systems that generate lower GHG emissions and related to the development of vehicles powered by renewable energy.

1.3. WATER

AIM



One of the key SDGs for **FCC Medio Ambiente Iberia** is SDG 12 "Responsible Consumption and Production", which includes "water". The key goal is to favour rational and efficient consumption of this resource and encourage the use of water from alternative sources.



PLEDGES

- Achieve 100% of water consumption in 2050 from alternative sources to mains water:
50% in 2030
100% in 2050

MEASURES

- Promote water consumption monitoring through the available service management software applications.
- Implement initiatives and good practices to improve the efficiency of water use at our facilities and in the provision of street cleaning services and the irrigation of parks and gardens.

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1.4. BIODIVERSITY

AIM



The aim of **FCC Medio Ambiente Iberia** is to protect **natural capital** when managing its services, and regarding cities as "ecosystems" that host "urban biodiversity".



PLEDGES

- Develop a training and awareness-raising plan for staff to raise awareness about the importance and value of biodiversity.
- Encourage the implementation of initiatives related to biodiversity in garden contracts. At least **one initiative** of this type will be implemented in all garden contracts involving more than **50 workers**.

MEASURES

- Create working committee made up of **FCC Medio Ambiente Iberia** professionals who manage the organisation's parks and gardens and promote the participation of local specialists, knowledgeable about the city, in the study and conservation of nature (universities, research centres, environmental organisations with a presence in the municipality, local naturalists, etc.).
- Draw up and execute action plans for biodiversity in green spaces that are managed in collaboration with prestigious associations (e.g. SEO BirdLife).
- Prepare a catalogue of good practices implemented in the green areas managed by **FCC Medio Ambiente Iberia**.
- Incorporate biodiversity-supporting criteria and measures into service management, mainly into the management services of urban green areas and the coastal environment.

1.5. ENVIRONMENTAL CONTAMINATION

AIM



The ultimate aim of **FCC Medio Ambiente Iberia** is to green its fleet of vehicles and machines for the services: implementation of mobility and affordable eco machinery in urban services with enormous environmental benefits, such as the total reduction of polluting emissions and noise.



PLEDGES

- 100% of the vehicle fleet has an "ECO" or "0" label by 2050 (CNG, hybrid or electric vehicles)

50% in 2030

100% in 2050

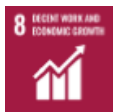
MEASURES

- Whenever feasible, include the performance of services with low-noise vehicles powered by clean energy in our offers to clients.
- Invest in R&D+i projects related to the development of vehicles powered by renewable energies.
- Establish initiatives and good practices for landfill gas management, to avoid direct emissions in the first instance and gas flaring in the second, promoting the energy use of said gases in engines or boilers.
- Establish sustainable mobility plans for the workforce/Increase carpooling initiatives.
- Implement efficient driving systems.

2. SOCIAL

2.1. STABLE EMPLOYMENT

AIM



The aim of **FCC Medio Ambiente Iberia** is to maintain the motivation of employees so as to generate a feeling of belonging to the company and to increase their performance by feeling that they are part of a "family".



PLEDGES

- Create quality jobs.
- Promote pride of belonging to the organisation and foster the identification of employees with the company.
- Promote job stability. Promote local employment.
- Ensure the inclusion of communities where we operate.
- Lead the promotion of insertion jobs in the sector.

MEASURES

- Carry out diagnoses of the professional profiles needed in the sector during the coming years to anticipate challenges and adapt the workforce to such demands.
- Establish a competitive and equitable salary policy.
- Encourage promotion and internal national and international mobility.
- Enable staff relocation programmes within the business (in the case of completed projects).
- Empower employees as ambassadors of **FCC Medio Ambiente Iberia**.
- Train the organisation's human resources and constantly refresh their skills (knowledge, capabilities and abilities).
- Promote the adoption of social policies and collaboration agreements to promote inclusive employment.

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2.2. TRAINING AND RETENTION OF TALENT

AIM



The aim of **FCC Medio Ambiente Iberia** is to **attract talent** from the global market, retain our best professionals, generate commitment, consolidate the culture of our organisations and manage diversity, especially generational diversity.



PLEDGES

- Promote flexibility and work-life balance initiatives.
- Boost young talent by increasing the % of hires of new graduates.
- Identify "talented" professional profiles in each business area as an internal promotion portfolio.

MEASURES

- Reinforce the image of **FCC Medio Ambiente Iberia** as an employer among its clients as well as its employees.
- Promote the attraction of talent through attractive proposals.
- Develop leadership through specific programmes.
- Standardise professional internship programs: for graduates, talent programmes, mass recruitment.
- Improve employee recognition and motivation programmes.

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2.3. EQUAL OPPORTUNITIES

AIM



The aim of **FCC Medio Ambiente Iberia** is to **promote equal opportunities** both internally and in external applications, including gender equality and fair working conditions, and to promote inclusion and social protection.



PLEDGES

- Reach **gender balance in 2050**.
- Achieve split of **new men/women hires** 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 work team across local offices as well as a specific "Equality, Diversity and Inclusion" function within the HR structure, in order to create and promote diversity/inclusion policies and strategies in the company.
- Identify and analyse diversity profiles, to promote underrepresented profiles of interest for the organisation. The plan must be completed by identifying their expectations and needs and establishing the appropriate actions and programmes, with a view to achieving the best possible inclusion of these profiles.
- Implement initiatives aimed at empowering and promoting female talent, such as the Female Mentoring Programme.
- Launch a Reciprocal Mentoring Programme between senior and junior staff to foster the transmission of knowledge and skills between generations and promote and improve coexistence and intergenerational balance.
- Establish strategic alliances with entities dedicated to the attention of disadvantaged groups.

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2.4. SAFE COMPANY

AIM



The aim of **FCC Medio Ambiente Iberia** is to implement policies for continuous improvement of workplace safety conditions and to be a leader among safe companies.



PLEDGES

- Reduce **accident rates** by **50%** in 2050 compared to 2019.
- Achieve **0 serious or fatal accidents (our own or third parties)** in 2050.
- **Reduce traffic accidents by 50%** in 2050 compared to 2019.

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MEASURES

- Include the fulfilment of absenteeism rate reduction goals in the variable remuneration system for managers.
- Foster a culture of safety among employees through training.
- Promote the investigation and analysis of accidents to focus on training by accident types.
- Encourage the involvement of all the organisation's departments in providing joint solutions to study and combat absenteeism: HR, medical services, OHP, Management, contract managers, foremen and others involved such as machinery or administration.
- Implement initiatives and training in efficient and safe driving.

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2.5. HEALTH AND WELL-BEING

AIM



The aim of **FCC Medio Ambiente Iberia** is to promote the good health and well-being of people through specific policies aimed at promoting healthy work environments and increasing individual capacity to maintain and improve physical and emotional health, and quality of life both in and outside the workplace.



PLEDGES

- **100%** of the organisation's employees with **SIGOS certification** in **2023**, up **20% every year** (in 2021: 60%, in 2022: 80% and in 2023: 100%).
- Decrease the **rate of absenteeism due to illness** by **25%** in 2050 compared to 2019.

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MEASURES

- Consolidate the specific department of Health and Well-being aimed at combining appropriate guidelines for the entire organisation.
- Develop standard programmes for action in a healthy company, which can be adapted to local needs and specificities: healthy eating, physical activity, emotional well-being/mental health, prevention of skeletal disorders and cardiovascular risks.
- Encourage collaboration with medical services (in-house and outsourced) in the implementation of lifestyle programmes, according to the SIGOS model.

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2.6. STRATEGIC PARTNERSHIPS

AIM



The aim of **FCC Medio Ambiente Iberia** is to generate unity and partnerships between the different actors to mobilise and exchange knowledge, technical capacity, technology and resources in order to provide sustainable services.



PLEDGES

- Consolidate the agreements already signed and create new partnerships related to the fulfilment of the 2030 Agenda.

MEASURES

- Create public-private partnerships with civil groups, the public sector, academic organisations and other companies for projects that contribute to achieving the SDGs.
- Encourage the involvement of employees in achieving the SDGs, raising awareness and encouraging the participation of all departments and employees in the SDGs through joint collaboration activities or by opening a channel for sharing ideas.
- Carry out awareness-raising workshops on the 2030 Agenda: where employees will be able to learn about and reflect on the SDGs, analysing and identifying challenges and needs of the environment and proposing measures to achieve them, especially in relation to their routine tasks.
- Create a corporate volunteering network by signing association agreements with entities that allow the development of the SDGs.

3. EXCELLENCE

3.1. MANAGEMENT SYSTEMS

AIM



The aim of **FCC Medio Ambiente Iberia** is to be a role model in terms of the implementation and certification/accreditation of standards, specifications, protocols and regulations of recognised prestige that establish systematic and homogeneous work guidelines within the organisation and allow its processes to be made efficient.



PLEDGES

- Integrate the existing Management Systems in all the divisions that make up **FCC Medio Ambiente Iberia** into a single system.
- Digitalise management processes to improve their efficiency and effectiveness and to be able to access objective and reliable information for decision-making.
- Implement standards relating to: human resources, social responsibility, information security, environmental management, operability, safety and health.

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MEASURES

- Continue to integrate the organisation's Management Systems.
- Disseminate the Management System's criteria among the organisation's staff.
- Integrate the Management System's requirements into the IT platform for the management of our services.
- Continue to automate the Management System's processes.
- Integrate any new requirements into the Management System.
- Define performance monitoring indicators.
- Certify/validate/accredit new standards.
- Track compliance with the System's requirements through the audit process.

3.2. RESPONSIBLE PURCHASING AND PROCUREMENT

AIM



The aim of **FCC Medio Ambiente Iberia** is to use green and socially responsible procurement and purchasing as a tool to achieve both its environmental goals (related to climate change, the use of resources and sustainable production and consumption), and its social goals (equal opportunities).



PLEDGES

- Draw up a responsible purchase policy.
- Assess the volume of purchases from suppliers that meet the responsible purchasing criteria, which allows us to set pledges for improvement.

MEASURES

- Develop responsible purchasing criteria for the acquisition of goods, consumables and services most relevant to the organisation.
- Transfer the responsible purchasing criteria to the bids submitted by the organisation.
- Give preference to the purchase of products/services that meet any of the responsible purchasing criteria defined for each type of product or service.

3.3. INNOVATION

AIM



The aim of **FCC Medio Ambiente Iberia** is to maintain the organisation as a leader in innovation in its sector.



PLEDGES

- Position/maintain the organisation as leader in innovation in its sector, especially in the following aspects:
 - Circular economy:** new more effective and efficient treatment processes, improve the use of resources from waste (by-products and energy) and minimise the impacts caused by waste treatment.
 - Climate change:** development of vehicles and machinery with low or zero emissions for the provision of urban services, adaptation to climate change through the development of disaster prevention models in urban environments.
- Improve the culture of innovation and creativity within the organisation, increasing the number of ideas submitted for consideration.
- Promote the image of an innovative company within the sector and among our clients, through participation in competitions, awards, etc., publication of articles and participation in events in which our innovative nature is revealed.
- For **2030**, increase the annual spending on R&D+i to at least around **0.3% of turnover** with a long-term goal of reaching a minimum of **1% of the turnover in 2050**.

MEASURES

- Create a Research, Development and Innovation department to promote the quality and excellence of the chain that makes up the entire research process. This department will be in permanent contact with municipalities and associations in order to consult and be permanently informed of the concerns of clients and, in turn, suggest new and innovative projects and services with the common goal of integrating sustainability into contract management.
- Promote awards for innovative ideas within the organisation.
- Develop innovation projects related to information and communication technologies and process digitisation.

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- Foster the culture of innovation in the organisation through the implementation of initiatives that promote innovative ideas (awards for innovative employees, training, awareness raising, etc.).
- Promote "grants" for students from the environmental sector with disruptive ideas.

3.4. SMART CITIES

AIM



The aim of **FCC Medio Ambiente Iberia** is to help to generate a model of sustainable and self-sufficient cities that, through technology, become citizen-friendly urban environments.



PLEDGES

- Develop new service models to offer our clients in relation to Smart Cities.
- Establish a system of indicators to measure impacts related to sustainability in cities.

MEASURES

- Cities are human ecosystems where there are greater opportunities for environmental, economic and social development but also where risks related to sustainability are more important. That is why it is important to implement solutions that involve all interested parties: citizens, local administrations, companies, etc.
- From our organisation, we are committed to looking for these solutions in the context of our operations and to proposing them to our clients.
- To this end, we will promote innovation, looking for new services, new machinery, new ways of organising work, etc. to improve the quality of life of citizens and reduce environmental impacts.
- We will monitor the indicators established to measure the sustainability impacts on cities, so as to analyse the situation at all times and to be able to establish measures for improvement.

4. GOVERNANCE

4.1. RISK MANAGEMENT

AIM



The aim of **FCC Medio Ambiente Iberia** is to establish a **resilient organisation** with a risk management model that is constantly integrated into strategic planning and decision-making.



PLEDGES

- Develop a service model to offer our clients to assist them in preparing emergency contingency plans for cities in the event of natural disasters, in everything related to the services we provide.

MEASURES

- Establish a system of indicators to measure risk management in the organisation, so as to facilitate decision-making through the recording of certain information, such as data on materialised risks, their impacts and consequences.
- Improve the risk management system in the organisation.
- Collaborate with the administrations to prepare action plans for emergency situations and/or environmental risks.

4.2. ETHICS AND ANTI-CORRUPTION

AIM



The aim of **FCC Medio Ambiente Iberia** is to encourage everyone working for and collaborating with the organisation to follow the guidelines for behaviour with the highest possible levels of thoroughness, showing the commitment to observe the laws, regulations, contract terms and conditions, and ethical procedures and principles.



PLEDGES

- Extend the compliance model to investee companies and existing JVs.
- Extend the controls that are validated every six months to other laws that would not entail criminal consequences for the organisation.
- Certify the compliance model under the future international standard ISO 37301.

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MEASURES

- Establish a system of key indicators to measure the culture of compliance and the ethical tone of the organisation.
- Include ethical and compliance criteria in the official approval of suppliers and subcontractors.
- Include compliance criteria in the incentive and performance assessment system.
- Monitor the controls established to avoid the materialisation of non-fulfilment risks and, where appropriate, minimise the impacts of said materialisation.
- Enhance the culture of compliance within the organisation through a training and awareness-raising plan until 2025.