

SUSTAINABILITY DISCLOSURE 2023





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FCC Servicios Medio Ambiente

Letter from the CEO

To all our stakeholders,

Welcome to the first Sustainability Declaration of FCC Servicios Medio Ambiente Holding. It is an honor to present this first report enhancing our ESG management, performance and transparency.

The year 2023 marks the start of a new strategy for the company. FCC Servicios Medio Ambiente integrates the experience, know-how and information from operations in Iberia, the United Kingdom, Central and Eastern Europe and the United States. A further step towards excellence in the provision of services, the quality of the solutions proposed to our clients and compliance with the expectations of our stakeholders.

We have made great efforts that materialized in the fulfilment of our objectives for the year 2023, registering growth in business and financial indicators. **Revenues increased by 6.6%** and **net operating income by 10.8%** compared to the previous year.

In addition to the financial figures, in terms of sustainability, we have developed, for the first time, transversal projects combining all the geographies in which we are present, such as the development of the analysis of climate change risks and opportunities and others whose results will be published soon. Our performance and indicators follow last year's trend, with the completion of the double materiality study defining the company's material issues as a prior step to the incorporation of the new ESRS in the company's sustainability reporting strategy.

I would like to take this opportunity to thank the more than **44,000 employees** who make up this company for the successes achieved, given that without their involvement these results would not be possible. I would also like to thank all our stakeholders for their trust.

This report describes our sustainability performance in the year 2023 and we hope that it will lead the way for the coming years. Welcome to FCC Servicios Medio Ambiente.

Iñigo Sanz
CEO FCC Servicios Medio Ambiente Holding



About this report

This Sustainability Disclosure of FCC Servicios Medio Ambiente covers the period from January 1st to December 31st 2023. It includes consolidated information on all the geographical platforms where the company operates: Iberia (Spain and Portugal), United Kingdom, Central and Eastern Europe, hereinafter CEE (Austria, Czech Republic, Slovakia, Hungary, Poland, Romania and Serbia) and the United States.

The disclosure of non-financial information is a fundamental pillar for improving transparency and reinforcing the corporate responsibility of FCC Servicios Medio Ambiente in relation to its social, environmental and governance impacts. This includes information relating to environmental, social, human rights, corruption and bribery issues, thus facilitating the evaluation, supervision and management of business performance and impact on society.

The consolidation principle followed for reported data is the same as that applied in the consolidation of the annual accounts. The environmental, governance and social data correspond to the activities provided by the company within the perimeter over which operational control is available. The list of companies that make up FCC Servicios Medio Ambiente and, therefore, whose data have been included for the consolidation of this document are the same as those used for the [2023 Annual Accounts](#).

All the information contained in this document has been published and audited jointly in the [FCC Group Sustainability Report](#), whose report has been prepared in compliance with the GRI (Global Reporting Initiative) Standards and in accordance with Law 11/2018, of 28 December, on non-financial information and diversity.

When presenting the total of data, there is a possibility of a minimal deviation due to decimal rounding.



FCC Servicios Medio Ambiente Holding

About us

FCC Servicios Medio Ambiente, the entity that structures the activities of the Environmental Services area, is one of the leading Global groups specialized in environmental solutions and services, with a presence in **11 countries worldwide**, including Spain, Portugal, the United Kingdom, Austria, Slovakia, Hungary, Poland, the Czech Republic, Romania, Serbia and the United States. The group offers a wide range of services including collection, treatment, recycling, energy recovery and disposal of municipal, commercial and industrial solid waste; street cleaning, sewerage network maintenance, green area maintenance, beach cleaning, energy efficiency services, building and facility cleaning and contaminated soil remediation, among others.

Geographic location

In **Iberia**, **FCC Medio Ambiente** has been operating since 1911 and, together with **FCC Environment Portugal** and **FCC Ámbito**, offers a wide range of services such as waste collection, treatment and disposal, street cleaning, maintenance of sewage networks, maintenance of green areas, cleaning and maintenance of buildings and facilities, beach cleaning, energy efficiency services, treatment and disposal of industrial waste, and recovery of contaminated soil.

In the **United Kingdom**, **FCC Environment UK** is one of the leading companies in the environmental services sector, whose activities include municipal and industrial services, mainly waste treatment and recycling and energy recovery.

FCC Environment CEE serves customers in different **Central and Eastern European** countries under the motto 'Operating for the Future'. It is a leading sustainable waste management company providing municipal services, industrial waste solutions, household services, environmental services, facility management, sewer cleaning and maintenance, and consulting and engineering services.

In the **United States**, **FCC Environmental Services** provides municipal solid waste collection and recycling services using innovative technologies to optimize efficiency and productivity in its processes. It is positioned as one of the 15 largest waste management companies in the United States and currently operates in the states of Florida, Texas, California, and Nebraska.

The group, with more than 110 years of history, plays a key role in the transformation of the environmental services sector towards an efficient, sustainable activity committed to improving the well-being of the millions of citizens and private clients it serves.

From 2023, FCC Servicios Medio Ambiente is the entity that articulates the 4 platforms of the environmental services area with the aim of integrating into a single leading international company in our sector, guaranteeing the highest quality in our operations and with the key and effective integration of sustainability in our business strategy.

Four geographical platforms:

Iberia

[FCC Medio Ambiente](#) (Spain), [FCC Environment Portugal](#) and [FCC Ámbito](#) (Industrial Waste).

United Kingdom

[FCC Environment UK](#).

Central and Eastern Europe

[FCC Environment CEE](#).

United States

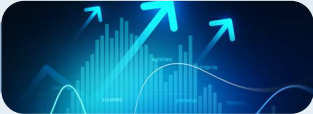
[FCC Environmental Services](#).

11 countries:

Spain, Portugal, United Kingdom, Austria, Slovakia, Hungary, Poland, Czech Republic, Romania, Serbia and USA.



Our key figures



MAIN FEATURES

Providing services since
1911

Citizens served
+66 million

Number of countries
11

Employees
44,431

Revenue
3,852.99
M€

Increase in revenue
6.56% vs 2022

EBITDA
647.21
M€

Increase in EBITDA
9.03% vs 2022



SOCIAL FEATURES

% Indefinite-term contracts
85.8%

Hours of training
374,345 horas

Euros to NGOs,
foundations
285,168.92

Euros to sponsorships
873,795.55

Euros to associations
39,301.29



ENVIRONMENTAL FEATURES

% certified activities
+71% activity over revenues

Euros dedicated to environmental prevention
and improvement
28,157,387 euros

Renewable energy consumption
2,513,744 MWh **40%**

Waste managed
29,146,514 tons

Number of ECO vehicles (CNG, electric, hybrid):
+3,200 vehicles



GOVERNANCE FEATURES

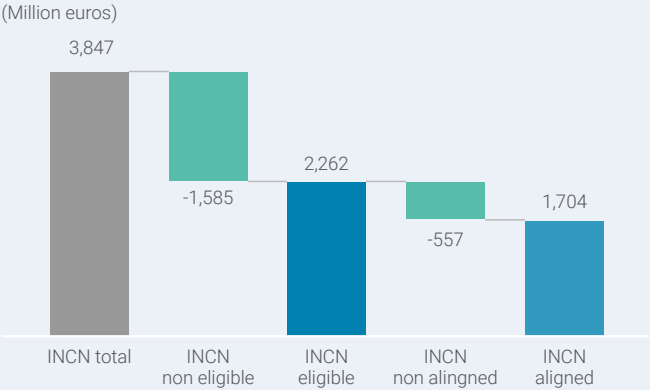
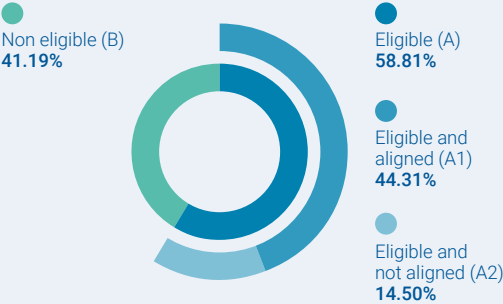
Training on the Code of Ethics and compliance model provided in
100% of geographical platform

Percentage of companies owned by FCC Servicios Medio Ambiente with compliance model
100%

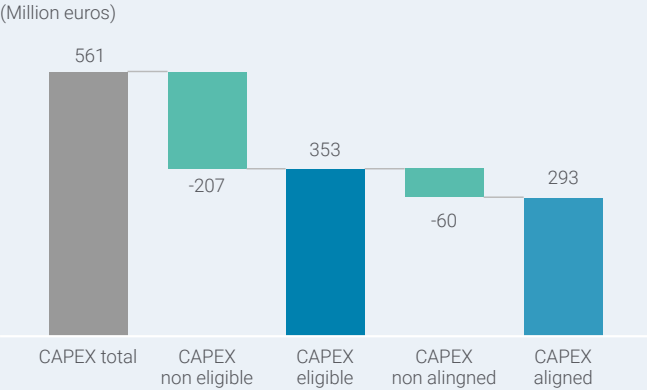
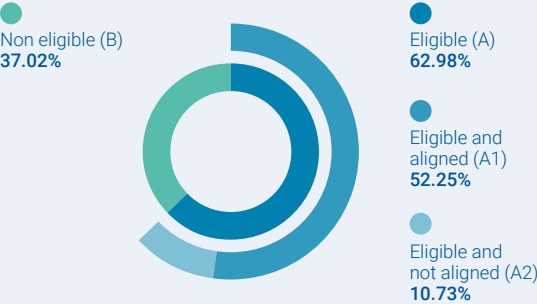
European Taxonomy

The results of FCC Servicios Medio Ambiente's 2023 Taxonomy are presented below. The information is presented as a consolidated company of the FCC Group for each of the indicators (Revenue, CAPEX and OPEX) according to eligibility and alignment:

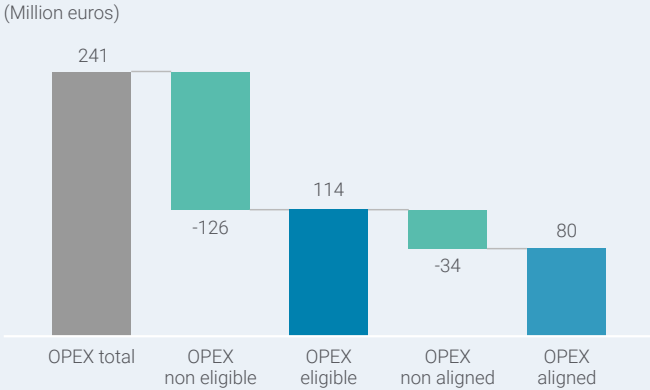
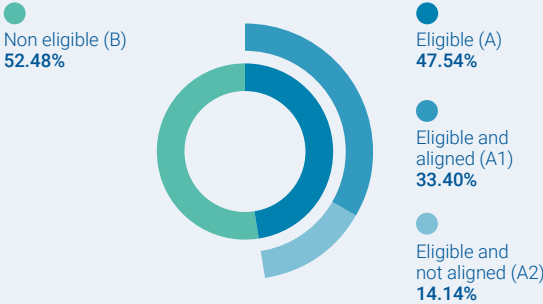
REVENUE ALIGNMENT



CAPEX ALIGNMENT



OPEX ALIGNMENT



Sustainable finance

In 2023, FCC Servicios Medio Ambiente has updated its Sustainable Finance Framework. This new Sustainable Finance Framework reflects our ongoing commitment to sustainability, which began with the previous framework in 2019.

To this end, the company has benefited from the advice from CaixaBank CIB&IB, and DNV has been in charge of verifying the Green Finance Framework and has issued a favourable independent opinion.

The framework is based on the Principles for Green Lending and Bonds developed by the International Capital Market Association (ICMA) and the Capital Market Association (ICMA) and the Loan Market Association (LMA), as it covers bond financing Bond financing products and short and long term loans.

As a new feature, this update includes a reference to the EU Taxonomy Regulation. The aim is to establish a link between the projects to be financed and the taxonomy and the sustainable activities defined in the EU Taxonomy.

This innovative character allows the company to underline its ambition to align the use of funds with a positive environmental impact, with the climate change mitigation and adaptation objectives of the EU Taxonomy Regulation.

All green projects included in the Framework bring clear environmental benefits environmental benefits and support the transition to low-carbon technologies. For example, the Mancomunidad del Mancomunidad del Este (Community of Madrid) avoids the emission of more than 70,000 tonnes of CO₂e per year into the atmosphere.⁽¹⁾

In October 2023, FCC Servicios Medio Ambiente issued a 600 million euro green bond with a six-year maturity and a coupon of 5.25% per annum, with the aim of refinancing another bond for the same amount maturing in December 2023.

The purpose of this issue is to finance or refinance, in whole or in part, the development, construction, installation and maintenance of new projects or existing activities, in accordance with the available financing framework.

More information at:
[Sustainable finance](#)



1. Compared current waste management vs. direct disposal in landfill during the facility's lifetime



Governing bodies

The role of administrative, management and supervisory bodies

In its commitment to fostering a common and responsible corporate culture, FCC Servicios Medio Ambiente has the following corporate governance structure, which is fundamental for strategic and efficient decision making.

Since 2023, the shareholding of the company has been divided between Fomento de Construcciones y Contratas, S.A. (75.01%) and the Canada Pension Plan Investment Board (24.99%).

In its commitment to promoting a shared and responsible corporate culture, FCC Servicios Medio Ambiente Holding has adopted the following corporate governance structure, which is fundamental for strategic and efficient decision-making.

Members of the Board of Directors

The Board of Directors of FCC Servicios Medio Ambiente Holding is made up of nine members, seven men and two women (22.2%), two of whom are independent directors (22.2%). The Board has members of Spanish, Mexican, Argentinean and French nationality.

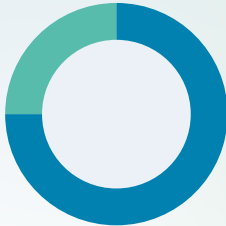
All members have extensive experience in the sector, services and geographical locations in which the company operates.

The composition of the Board of Directors as well as their functions and date of appointment are detailed below:

Shareholding

Fomento de Construcciones y Contratas, S.A
 75.01%

Canada Pension Plan Investment Board (CPP Investments)
 24.99%



Board of Directors

- Audit and Compliance Committee
- Investment and Strategy Committee
- Sustainability and Human Resources Committee

Board Members	Profile	Appointment
Alejandro Aboumrاد González	President	2023
Íñigo Sanz Pérez (*)	Chief Executive Officer	2024
Pablo Colio Abril	Director	2023
Martín Sebastián Berardi	Director	2023
Gerardo Kuri Kaufmann	Director	2023
Batiste Thomas Degaris Ogier	Director	2023
Samantha Ricciardi	Independent Director	2023
María Angeles Santamaría	Independent Director	2023
José Fernando Cerro	Secretary (non-member)	2023

(*) Appointed as Chief Executive Officer in May,1 2024

Decision making and incentives

Information to the Board of Directors

Remuneration and incentives of the Board of Directors

The Board of Directors meets on a regular basis, at whose meetings the Sustainability and Human Resources Committee reports on sustainability issues, as well as relevant updates on the subject.

The Compliance, Sustainability and Quality Department, created in 2023, oversees compiling and analyzing the consistency and completeness of the data, as well as defining the methodologies for each specific case. In collaboration with the different departments involved in each geographical platform, together with the Human Resources Department and the FCC Group's Compliance and Sustainability Department, it is responsible for presenting the relevant information to the ESG, Sustainability and Human Resources Committee.

The following main sustainability-related topics were discussed during the year:

- Decarbonization Roadmap (2024).
- Analysis of Climate change risks and opportunities.
- Upcoming Legislative developments in sustainability.

In 2023 the overall remuneration of the management team of FCC Servicios Medio Ambiente amounted to **3,241 thousand euros** compared to 3,066 thousand euros in 2022. In addition, in 2023, 82 thousand euros were accrued in the form of per diems in favor of the Board of Directors of FCC Servicios Medio Ambiente.

There are no advances, loans or other types of guarantees granted to the Board of Directors, nor are there any pension or life insurance obligations to former directors and current members of the Board of Directors.

At present, there is no integration of sustainability-related performance in the incentive schemes of the Board of Management.

Due Diligence Statement

Human rights are configured as a set of prerogatives based on human dignity, the application of which is governed by the principles of universality, interdependence, indivisibility and progressiveness.

FCC Servicios Medio Ambiente, in its commitment to respect human rights, complies with the **FCC Group's Human Rights Policy**. This policy is aligned with the United Nations Guiding Principles and the Universal Declaration of Human Rights (UDHR), as well as with the Fundamental Principles relating to fundamental labor rights and the Fundamental Conventions of the International Labor Organization (ILO).

The Human Rights Policy is integrated into the **FCC Group's Compliance Model** and is available on the [corporate web](#), translated into fourteen languages. Its commitment is reinforced by the provisions of the **FCC Group's Code of Ethics and Conduct and Sustainability Policy**.

Human Rights, applicable to all company personnel, its operations and its global value chain, FCC Servicios Medio Ambiente adopts different due diligence mechanisms in this area. It thus adopts certain policies, standards, procedures and appropriate controls to prevent and mitigate risks and negative impacts on human rights.

In addition, FCC has an Ethics Channel through which any interested person can raise doubts and report irregularities or infractions arising from the company's activity. The communications made through this channel are processed in accordance with the procedures established for their management, investigation and response.

In 2023 no communication was received that concluded, after the corresponding investigation, in a violation of fundamental rights and freedoms by FCC Servicios Medio Ambiente.



FCC SERVICIOS MEDIO AMBIENTE POLICIES and PROCEDURES

- Regulatory block, corporate governance policies and procedures.
- Protocol for the prevention and eradication of harassment.
- Sustainability Strategies (Environmental, governance and social).
- Training and capacity building programs.
- Mechanisms for dialogue and joint work with NGOs and social organizations.
- Awareness-raising actions and campaigns.

Strategy

Strategy, business model and value chain

FCC Servicios Medio Ambiente has adhered to the [FCC Group's ESG 2025 Framework](#), developed to adapt to new European legislation, as well as to contribute to the Sustainable Development Goals (SDGs), and to meet the key commitments undertaken - among others, those established in the European Green Pact, the Paris Agreement, the European Biodiversity Strategy, the National Action Plan for Business and Human Rights, or the Recommendations of the CNMV's Code of Good Governance in matters of sustainability. The improvement methodology establishes a set of objectives based on the demands of different stakeholders, as well as on analysts, rating agencies, sector best practices and the conclusions of the group's previous master plan.

FCC Servicios Medio Ambiente has ESG strategies effectively implemented in line with the ESG 2025 Framework in the geographies where it operates. Some of the commitments to be achieved are described below:

E – Environment

Climate Change – Transition to a competitive low-carbon economy, decarbonizing our operation and minimizing negative impacts.

Circular Economy – Apply European circular economy principles and targets for efficient use of resources and optimal waste management.

Water management – Reduce water stress in the geographies where we operate.

Biodiversity protection – Contributing to the maintenance of natural capital and promoting training and information in this area.

Innovation – Promote innovation as a lever for change, offering new services that generate benefits for society and increasing annual investment in R&D&I.

S – Social

Human rights – Ensure compliance with and protection of the human rights of our own employees and those of the company's entire value chain.

Social action – Contribute to the optimal and sustainable development of the communities where we operate.

Human Capital – To promote the talent of our employees.

Health and Wellbeing – Caring for people's physical and mental health through actions and policies that promote employee benefits and ensure safe working environments.

Diversity and Equality – Generate a real culture of respect, tolerance and equity.

G – Governance

Risk management – Minimize the impact of non-financial risks on the company's economic and operational results.

Value chain – Translate our sustainability strategy and commitments throughout the value chain.

Ethics, integrity and compliance – Maintain and update a robust model to ensure that the company behaves with integrity and responsibility.



In line with these pillars, within the environmental services area, FCC Servicios Medio Ambiente has two strategies aligned with these principles and effectively implemented in its operations in Spain.

In Spain, and as a representation of the commitment to protect and respect the earth and contribute to the fulfillment of the SDGs, the [Sustainability Strategy 2050](#) was presented in 2021. This plan is a roadmap that integrates highly demanding objectives and commitments with significant additional value for both the company and society. It integrates four lines of action: environmental, social, excellence and good governance.

The summary of FCC Medio Ambiente Iberia's 2050 sustainability strategy can be consulted via the following link (click on the image above).

Interests and opinions of stakeholders

FCC Servicios Medio Ambiente, aware that dialogue with stakeholders is a fundamental pillar for organizations in their commitment to transparency and sustainability, identifies as such any group, institution or person that could be affected or significantly affect the company's decision-making and operations. Effective interaction with different stakeholders reflects on the one hand, ethical business practice, but also contributes to the long-term success of the company.

Thus, to ensure a smooth and transparent relationship, specific and effective identification mechanisms and communication channels are established in all geographies where the company is present. These include the corporate applications in Spain, FCC One and FCC 360, the websites and social networks in each country, and the presence at trade fairs, forums and international conferences with sector associations and educational and professional bodies.

The main stakeholders and their communication channels are presented below:



Category	Communication and participation channels
FCC Group	Committees: Sustainability, Compliance
Shareholders and Investors	Board of Directors Economic and sustainability performance available on the website Reuniones con inversores
Clients and communities	Satisfaction Surveys Sectorial associations Participation in congress Local and regional interlocutors Media
Employees	Applications and corporate intranet per geographical platform – FCC 360 & FCC One Company committee Ethic channel Employee portal Monthly newsletters Meetings with workers representatives Internal email
Public administration	Participation in sectoral self-regulation and legislative developments Official gazettes and equivalents according to geography Participation in working groups Specific representatives according to geography
Providers and subcontractors	Informative sessions Procurement department Supplier accreditation platform FCC Group Code of Ethics and Conduct
Partners and social community	Agreements, sponsorships and donations Alliances with public and private entities Sectoral business associations Business forums

Double materiality assessment

With the approval of the CSRD (European Corporate Sustainability Reporting Directive), the European Commission has introduced the ESRS (European Sustainability Standards), the aim of which is to establish more rigorous requirements for companies' sustainability statements. In response to this regulatory update, FCC Servicios Medio Ambiente has carried out a Dual Materiality Analysis to adapt to this new framework.

Double materiality is the key to the development of this sustainability statement and is made up of two dimensions:

- **Impact materiality:** aims to identify the material impacts (current or potential, positive and negative) of the company on people or the environment in the short, medium and long term.
- **Financial materiality:** aims to determine which risks or opportunities can significantly influence the development of the company, including cash flows, finances and financial performance, in the short, medium or long term.

The following phases have been followed to develop the study:



1.

Review and identification of impacts, risks and opportunities: in the case of impact materiality, the identification of actual and potential impacts, positive and negative, generated by the activities on its stakeholders (including staff, suppliers and customers) has been carried out. For financial materiality, a series of risks and opportunities (R&O) that may be generated in the environment and that may trigger effects have been identified. Throughout the process, key company personnel contributed to the validation of the risks and opportunities identified.

2.

Grouping into topics: once the impacts, risks and opportunities had been reviewed and identified, they were prioritized and grouped into issues, as well as the topics and sub-topics established by the ESRS. The result of this process was a total of 25 non-financial issues as follows.

3.

- Update of the impact assessment:** direct consultations have been carried out with the company's management, based on the following variables considered by the ESRS:
- a. Magnitude: the scale (severity or benefit of the impact), the scope (extent of the impact) and the irremediable nature of the impact are grouped together to assess the significance of the impacts.
 - b. Likelihood of occurrence of identified ESG impacts.

In addition, direct consultations have were additionally conducted out with the main stakeholders (workforce, customers and suppliers) in Iberia and the United Kingdom. The degree to which ESG issues impacts the selected stakeholders was evaluated throughout this consultation. Finally, all these variables were quantified to obtain measurable results, thus being able to assess the materiality dimension of the impact.

4.

Assessment of risks and opportunities: as with the impacts, a direct consultation has been carried out for the assessment of risks and opportunities, in this case by the relevant personnel identified. It assesses:

- a. The expected effect of the materialization of the risk or opportunity on the company's performance, based on the following dimensions:
 - i. Financial: monetary consequences for the company.
 - ii. Reputational: effect on the company's image.
 - iii. Operational: impact on operations, products and services.
 - iv. Legal: breaches or legal consequences.
- b. Probability in which a risk or opportunity can materialize over time.

These variables have been quantified to obtain measurable results, establishing the importance of each of the risks and opportunities identified. The financial materiality dimension is thus obtained.

GROUPING INTO TOPICS

ENVIRONMENT

- Climate change and energy.
- Pollution.
- Substances of concern.
- Water.
- Marine resources.
- Biodiversity.
- Resources and materials.
- Waste.

GOVERNANCE

- Integrity.
- Management of relationship with suppliers, including payment practices.
- Public officials and sector associations.
- R+D+i

SOCIAL

- Working conditions.
- Social dialogue.
- Health and safety.
- Equal treatment and diversity.
- Training.
- Human rights.
- Data protection.

- Employees in the value chain and suppliers.
- Affected communities.
- Solidarity action.
- Indigenous people.
- Security and quality of products and services.
- Access to products and services.

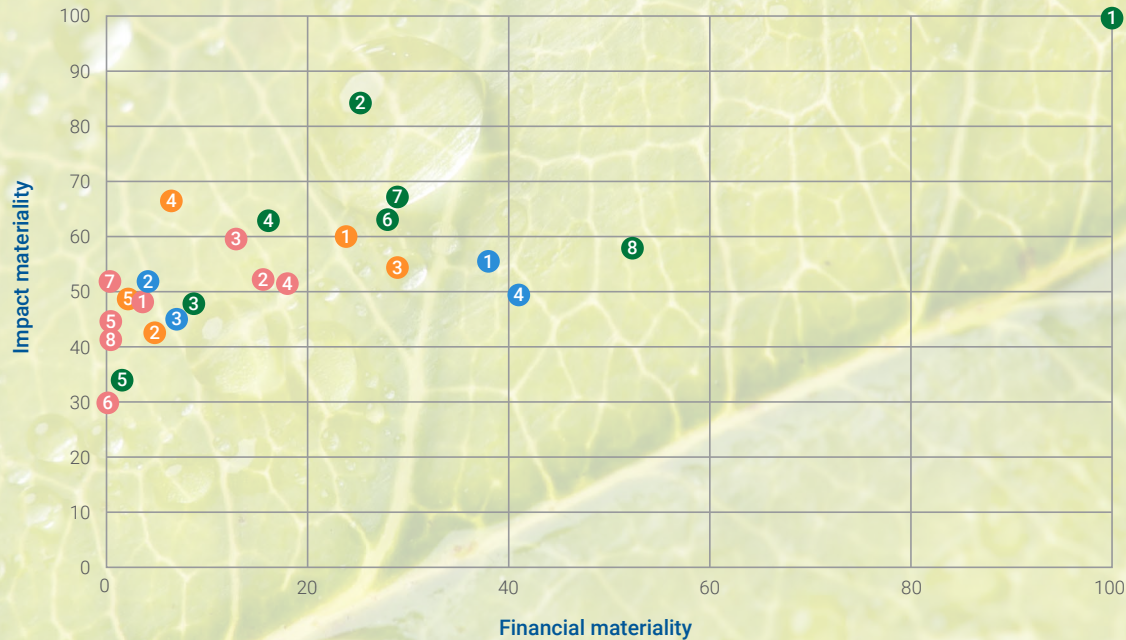
5.

Consolidation of results and materiality

matrix: after identifying the material issues for FCC Servicios Medio Ambiente in relation to impact and financial materiality, those issues that exceed the average score given to the set of issues assessed in any of the dimensions are defined as material. For the purposes of the ESRS, an issue is material if it meets these criteria in either of the two dimensions assessed (impact and financial materiality).

For all issues considered in the double materiality analysis, the results obtained are shown below:

DOUBLE MATERIALITY ASSESSMENT. FCC SERVICIOS MEDIO AMBIENTE HOLDING



- Environment

 - 1 Climate change and energy
 - 2 Pollution
 - 3 Substances of concern
 - 4 Water
 - 5 Marine resources
 - 6 Biodiversity
 - 7 Resources and materials
 - 8 Waste

Social (internal)

 - 1 Working conditions
 - 2 Social dialogue
 - 3 Health and safety
 - 4 Equal treatment and diversity
 - 5 Training

Social (external)

 - 1 Human rights
 - 2 Data protection
 - 3 Employees in the value chain and suppliers
 - 4 Affected communities
 - 5 Solidarity action
 - 6 Indigenous people
 - 7 Security and quality of products and services
 - 8 Access to products and services

Governance

 - 1 Integrity
 - 2 Management of relationship with suppliers, including payment practices
 - 3 Public officials and sector associations
 - 4 I+D+i
 - Material issues



Environment

Climate Change _ 19

Pollution mitigation _ 26

Marine and water resources _ 30

Biodiversity and ecosystems _ 33

Resource use and circular economy _ 36

Climate Change



Climate change mitigation efforts

FCC Servicios Medio Ambiente is aiming to become a leader company in the fight against climate change, with a clear, measurable and quantifiable decarbonization strategy over time, aligned with the appropriate level of ambition to motivate emission reduction efforts in the provision of services.

There is a strategic line based on the following five basic steps:

Each geographical area in which we are present work to define precise actions, objectives and standards, while considering the particularities of the specific operation in each case. The FCC Group is aligned with the Paris Agreement and, therefore, all the actions defined by the company are aimed along the same lines.

BASIC STEPS OF OUR STRATEGIC LINE

- 1 Monitor.** Identify and quantify accurately and precisely, with a unique methodology and based on globally accepted references that allow the company's emissions to be understood.
- 2 Reduce.** By setting achievable emission reduction targets, offering services and products with a lower impact.
- 3 Adapt.** By adopting measures to prepare the activity and services offered to the future risks and opportunities of climate change.
- 4 Innovate.** Through constant investment in R&D&I projects to find advantages in reducing climate change.
- 5 Communicate.** Effectively share with our stakeholders the challenges, actions and contributions carried out in the company, generating knowledge and information throughout the value chain.



Analysis of Climate Change Risks and Opportunities

During 2023, we conducted a comprehensive assessment of climate change risks and opportunities, as well as their expected impacts on the company, following the climate scenarios and methodology in accordance with the recommendations of the TCFD, as described in the following section.

In line with our commitment to the fight against climate change, in 2023 we worked on redefining the methodology for identifying and assessing the physical climate risks of our activities, incorporating the specifications for analyzing transition risks and climate opportunities. In this way, FCC has a complete methodology that

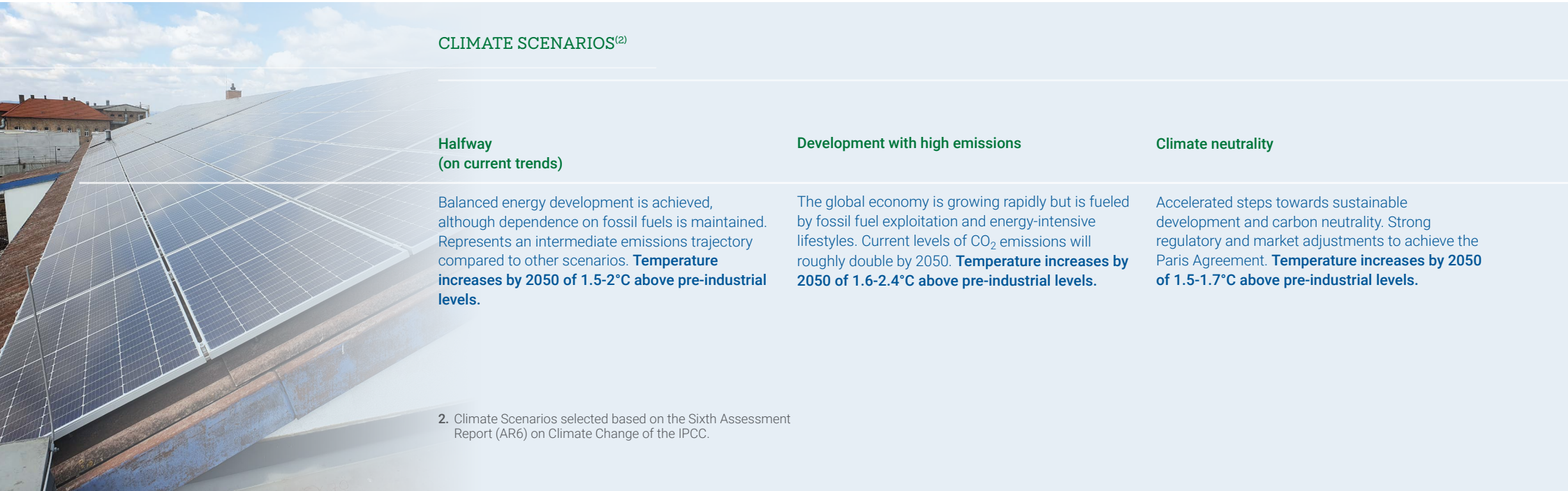
enables us to know the degree of importance or materiality of all the climate risks and opportunities identified. This methodology is described in a specific procedure applicable to all companies in all geographies.

For the analysis of physical climate risks, the methodology described includes the selection of climate scenarios, the identification of physical climate risks based on the activities carried out and possible climate hazards, the characterization of these hazards and their projection in the short and medium term, the assessment of the probability of the risk and the degree of exposure and vulnerability of the activity to it and, finally, the

prioritization of the risks in order to define the best adaptation measures.

Regarding the analysis of transition risks and climate opportunities, the procedure includes an identification based on the classification criteria recommended by the TCFD, an assessment based on the probability and severity of the impact or on the capacity and potential (depending on whether it is a risk or an opportunity, respectively) and a prioritization based on the results obtained.

The following climate scenarios were considered:



CLIMATE SCENARIOS⁽²⁾

Halfway (on current trends)

Balanced energy development is achieved, although dependence on fossil fuels is maintained. Represents an intermediate emissions trajectory compared to other scenarios. **Temperature increases by 2050 of 1.5-2°C above pre-industrial levels.**

Development with high emissions

The global economy is growing rapidly but is fueled by fossil fuel exploitation and energy-intensive lifestyles. Current levels of CO₂ emissions will roughly double by 2050. **Temperature increases by 2050 of 1.6-2.4°C above pre-industrial levels.**

Climate neutrality

Accelerated steps towards sustainable development and carbon neutrality. Strong regulatory and market adjustments to achieve the Paris Agreement. **Temperature increases by 2050 of 1.5-1.7°C above pre-industrial levels.**

2. Climate Scenarios selected based on the Sixth Assessment Report (AR6) on Climate Change of the IPCC.

More than **78 situations or potential risk events caused by climate change** have been identified, of which 21 have been considered

critical for the company, defining their corrective measures, recommendations for monitoring and reassessment in the future and their approximate

financial impacts on the company. The main risks and opportunities identified as critical for FCC Servicios Medio Ambiente are as follows:

	IBERIA	UK	CEE	USA
Physical risks	<ul style="list-style-type: none">● Rising temperatures and acute heat waves in the short to medium term (10-40 years).● Acute heavy rainfall and floods in the short to medium term (10-40 years).● Acute forest fires in the short to medium term (10-40 years).● Acute and chronic water stress and droughts in the short to medium term (10-40 years).	<ul style="list-style-type: none">● Acute heavy rainfall and floods in the short to medium term (10-40 years)	<ul style="list-style-type: none">● Increased temperatures and acute heat waves in the short to medium term (10-40 years).● Acute forest fires in the short to medium term (10-40 years).● Acute and chronic water stress and droughts in the short to medium term (10-40 years).	<ul style="list-style-type: none">● Rising temperatures and acute heat waves in the short to medium term (10-40 years).● Acute heavy rains and floods in the short to medium term (10-40 years).● Acute forest fires in the short- to medium-term (10-40 years).● Acute and chronic water stress and droughts in the short to medium term (10-40 years).
Transitional risks	<ul style="list-style-type: none">● Updating and regulatory adaptation in the short term (0-10 years).● Failed transition to new technologies in the short term (0-10 years).	<ul style="list-style-type: none">● Updating and regulatory adaptation in the short term (0-10 years).● Failed transition to new technologies in the short term (0-10 years).	<ul style="list-style-type: none">● Regulatory updating and adaptation in the short term (0-10 years).● Legislative heterogeneity in operation in the short term (0-10 years).● Failed transition to new technologies in the short term (0-10 years).	<ul style="list-style-type: none">● Updating and adaptation of regulations in the short term (0-10 years).● Failed transition to new technologies in the short term (0-10 years).
Opportunities	<ul style="list-style-type: none">● MIncreased demand for waste management and recycling services in short term (0-10 years).● Demand for emergency and disaster services in the short term (0-10 years).● Access to green finance to support emissions reduction efforts in the short term (0-10 years).	<ul style="list-style-type: none">● Increased demand for waste management and recycling services in short term (0-10 years).● Demand for emergency and disaster services in the short term (0-10 years).● Access to green finance to support emissions reduction efforts in the short term (0-10 years).	<ul style="list-style-type: none">● Increased demand for waste management and recycling services in the short term (0-10 years).● Demand for services in emergency and disaster situations in the short term (0-10 years).● Access to green finance to support emissions reduction efforts in the short term (0-10 years).	<ul style="list-style-type: none">● Increased demand for waste management and recycling services in the short term (0-10 years).● Demand for services in emergency and disaster situations in the short term (0-10 years).● Access to green finance to support emissions reduction efforts in the short term (0-10 years).

Acting against Climate Change

A comprehensive decarbonization roadmap is being developed across all regions, with plans to publish further details in next year's sustainability declaration.

Main actions

In each region of operation of FCC Servicios Medio Ambiente, actions are carried out in line with the climate commitments and the company's strategy described above. Among the actions carried out, the following can be described:

- Commitment to a sustainable fleet of vehicles based on alternative fuels, natural gas and electricity.
- Promotion of the energy recovery of waste.
- Development of protocols and instructions for action in the event of extreme weather events such as droughts, snowfalls, or high temperatures.
- Certification of the activity under the ISO 50001 standard.
- Increase in energy consumption from renewable sources, through self-consumption or guarantees of origin.

- Optimization of processes, investments in facilities to improve energy efficiency and training and information for employees.

Our goals

FCC Servicios Medio Ambiente currently has specific goals related to climate change mitigation and adaptation in Spain and the United Kingdom.

In **Spain**, there is an Action Plan 2023-2026 which details the following challenges to be achieved:

- Positioning the calculation of the Carbon Footprint as an instrument for controlling and monitoring the organization's GHG emissions.
- Mitigation measures
 - Reduce the consumption of direct non-renewable energy (GJ) with respect to total energy consumption.
 - Increase the number of tons of GHG avoided compared to 2018 using by-products and energy generation or by avoiding landfill of waste.
 - Decrease biogas emissions from landfills by capturing and managing them, avoiding their diffusion into the atmosphere and prioritizing their energy recovery.
- Adaptation measures.
 - Develop and update an assessment of the impacts and vulnerability of climate change risks.
- Compensation measures.
 - Participate in and/or develop CO₂ absorption and capture projects.

In the **UK**, a commitment has been made to reduce emissions and move towards **Net Zero** between 2040 and 2050. The targets to be achieved are as follows:

- In the business of recovering energy from waste:
 - Invest in carbon capture, use and storage (CCUS) technology and ensure that, as technology develops, new ones are equipped with CCUS or are prepared for it.
 - Transition to alternative fuels in operation by 2040.
 - Develop heat networks where feasible, to supply heat from energy recovery plants, developing from 2021.
 - Increase the generation of clean electric energy, 117Mw generated in 2021 and progressive increase to 213MW estimated for 2026.
- In landfill and waste disposal activity:
 - Divert all organic waste from landfills by 2030.
 - Increase capture of methane emissions from landfills to 85% by 2030.
 - Transition to alternative fuels in the operation by 2040.
- In waste collection and recycling activity:
 - Procurement of zero-emission collection vehicles only from 2030.
 - Minimize the use of gasoline and diesel by other alternative fuels by 2040.



UK SUCCESS STORY

FCC Environment UK signs a 3-year contract with O.C.O., a leading carbon capture technology company, to receive and treat over 30,000 tonnes of air treatment waste generated at the Allington incinerator to generate sustainable aggregate and avoid landfill of this waste, reducing CO₂ emissions using a patented carbon technology.

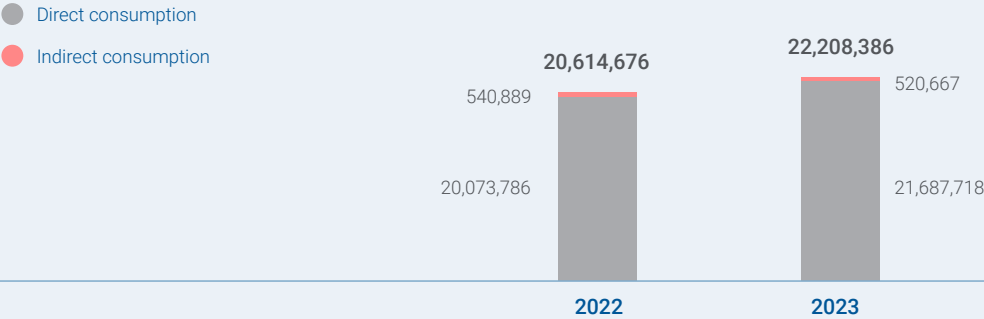
Energy Consumption

Energy consumption at FCC Servicios Medio Ambiente is monitored at the level of each contract and country. There is a register where the types of fuels consumed are analyzed, as well as their costs and sources of consumption to be able to establish measures or targets where necessary.

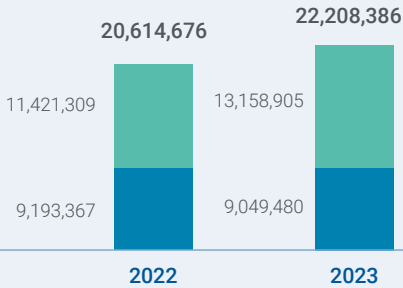
The main energy consumption figures are presented below, divided according to direct or indirect consumption, renewable or fossil origin and type of fuel or biofuel used:

40% of the total energy consumption is renewable

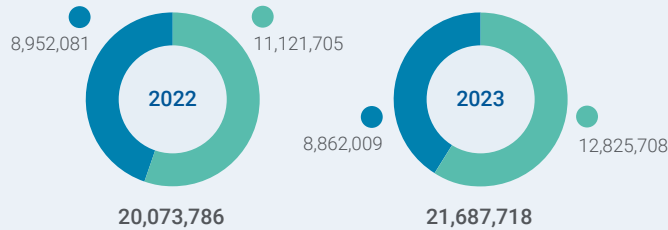
TOTAL ENERGY CONSUMPTION. DIRECT AND INDIRECT (GJ)



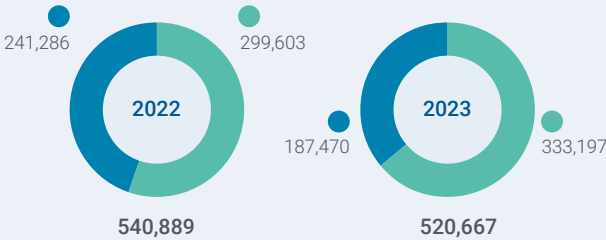
TOTAL ENERGY CONSUMPTION. DIRECT CONSUMPTION AND INDIRECT CONSUMPTION SOURCES (GJ)



DIRECT Energy Consumption (GJ)



INDIRECT Energy Consumption (GJ)



FOSSIL FUEL CONSUMPTION AT STATIONARY SOURCES AND MOBILE SOURCES UNDER OPERATIONAL CONTROL (GJ)

	2022	2023
Petrol	43,034	79,642
Diesel	3,011,374	3,341,879
Boiler fuel oil (Diesel C)	89,693	119,872
Fuel Oil	2,270	4,952
LPG	3,862	3,236
Natural gas	62,916	40,406
CNG	676,575	2,754,204
Querosene	443	346
Coal (domestic)	1,087	702
Propane	1,275	556
Waste (fossil fraction)	7,229,176	6,479,913
Total	11,121,705	12,825,708

RENEWABLE FUEL CONSUMPTION AT STATIONARY SOURCES AND MOBILE SOURCES UNDER OPERATIONAL CONTROL (GJ)

	2022	2023
Biodiesel	1,706	3,598
Biogas flared in boilers without electricity generation	14,488	12,058
Biogas flared in boilers with electricity generation	1,192,226	1,566,481
Waste (biomass fraction)	7,512,386	7,013,677
Landfill gas	213,460	239,880
Biomass	17,815	26,315
TOTAL	8,952,081	8,862,009

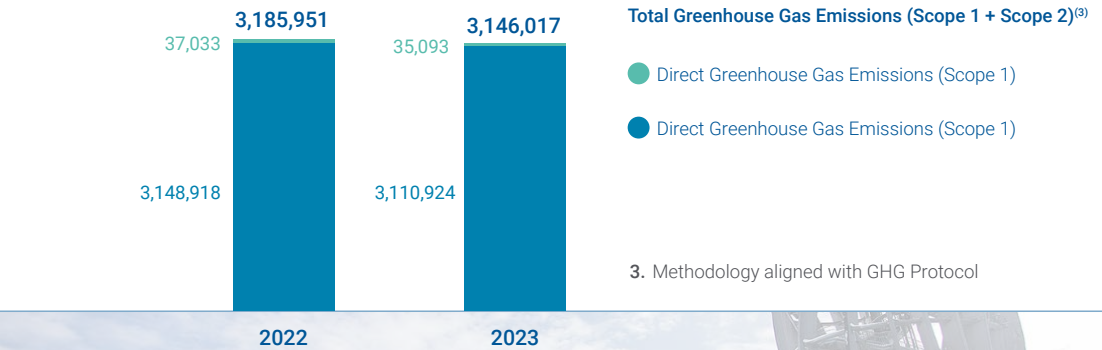


Greenhouse gas emissions

FCC Servicios Medio Ambiente accounts for scope 1 and 2 greenhouse gas emissions according to the GHG Protocol operational control methodology.

Direct emissions from the provision of services and products, scope 1, and the equivalent indirect emissions from the company's electricity consumption in all its geographies, scope 2, are presented below:

GREENHOUSE GAS EMISSIONS BY SCOPE (tCO₂eq)



GHG removals and mitigation projects

Since 2020, and for the third consecutive year, FCC Medio Ambiente Iberia has obtained the **triple 'Calculo-Reduzco-Compenso'** seal, awarded by the Spanish Climate Change Office and, for the first time, the OECC has awarded the 'Compenso' seal to FCC Ámbito.

Within the framework of offsetting GHG emissions in 2023, we have collaborated and participated in the following forest management and restoration projects.

- FCC Medio Ambiente collaborates with the Galician Forestry Association in the Galicia Rexenera project: Coto María (Pontearreas), the aim of which is to restore an area of 380 hectares within the Ribadetea neighborhood mountain in the municipality of Pontearreas. The restoration of this hill is being carried out after the forest fire that the area suffered in 2015, applying natural regeneration techniques where possible, and reinforcing it with planting where necessary to ensure the recovery of the forest mass. It should be noted that the forestry management of this reforestation has PEFC and FSC Sustainable Forest Management certifications.
- As for FCC Ámbito's collaboration with the Galician Forestry Association, this has been developed in the Galicia Rexenera project: Peimallo (Vigo), the aim of which is to restore an area of 221 hectares of the Monte Vecinal de



Valladares, in the municipality of Vigo, which was affected by a forest fire in 2017. The work has focused on the selection of shoots in the mass affected by the fire to achieve as far as possible the natural regeneration of the forest mass.

- The collaboration between FCC Medio Ambiente and Hellín Town Council consists of restoring the surface of a sealed landfill site for inert construction and demolition waste belonging to Hellín Town Council. The chosen restoration is a reforestation of the surface with native tree species of the area, as well as the development of a small miniature forest within the reforestation with significant species, with high biodiversity and rapid growth, of about 600 m2 that will serve as an environmental classroom in nature.
- FCC Environment UK has collaborated with Leicestershire Council and the volunteers of Conservation, an association dedicated to the planting and maintenance of woodlands in the United Kingdom, in the planting of 7,500 seedlings in the Harborough area.
- Finally, the emissions generated at company events in Central and Eastern Europe are also compensated by planting trees at different waste treatment facilities in that geographical area. This action not only offsets emissions from corporate events in Central and Eastern Europe, but also improves the landscape impact of the facilities.

Pollution mitigation



FCC Servicios Medio Ambiente has a clear commitment to the reduction and prevention of the sources of pollution that derive from our operations. Pollution reduction is one of the priority goals that contribute to the transition towards a more sustainable society by reducing negative environmental impacts.

The pollution produced by the activity of FCC Servicios Medio Ambiente mainly generates physical risks that can materialize in economic, reputational and operational risks that can have negative consequences on the company and the environment. The following sources of pollution are:

- **Atmosphere:** Emissions from our industrial facilities and from the burning of fossil fuels in mobile sources such as machinery or vehicles. The following main pollutants are distinguished: NOx, SOx, Persistent Organic Pollutants (POPs), Volatile Organic Pollutants (VOCs), Particulate Matter (PM), HCL and HF.
- **Water:** In the form of discharges either to the municipal network, surface watercourses or the sea. In all cases, there is an environmental authorization that imposes the characteristics of the discharges to avoid contamination of water bodies.
- **Soil:** This type of pollution is mainly caused by occasional and accidental spillages derived from the operation, which may involve spillages of fuel, hydraulic oils or other substances specific to our operation.

Pollution reduction related policies

FCC Servicios Medio Ambiente operates under the principles of the [FCC Group's Sustainability Policy](#). The first strategic pillar of this policy is 'Conservation and environmental protection', the main objective of which is to ensure that the operation is especially respectful of the environment due to FCC's role as an environmental services company.

This policy includes a commitment to the environment, conservation and environmental protection. It details that all FCC Group activities, which include environmental services operations, follow the strategic lines defined to protect the environment, focused on promoting leadership in climate action, applying the principles of the circular economy, promoting responsible consumption and management of water resources, preserving biodiversity and, additionally, and transversally, promoting sustainable development.





Pollution reduction related resources

FCC Servicios Medio Ambiente is moving towards a more sustainable, efficient and productive business model with lower GHG emissions, integrating this criterion in all the platforms where it operates and with a commitment to continuous improvement. There are initiatives in place aiming to reduce the impacts generated in each of the geographical platforms where we operate.

The following are the actions and resources pertaining to pollution:

- **Updating the vehicle fleet for a more efficient and less polluting** one by replacing old vehicles, prioritizing ECO propulsion systems, guaranteeing a reduction in air and atmospheric pollution. Electric and alternative fuel vehicles are currently in operation in Iberia, the United Kingdom and Central and Eastern Europe, as well as operating with natural gas vehicles in all the geographies where the company provides services.
- **Implementation of operational improvements that contribute to greater energy efficiency**, enabling a reduction in electricity consumption, which contributes to a reduction in pollution. During 2023, the installation of photovoltaic solar panels continued to supply the company's work centers with renewable energy.
- **Development of R&D&I** projects in collaboration with public and private institutions and other stakeholders with a clear purpose of operational efficiency and the search for new sources of pollution reduction.
- **Driving towards optimal and efficient operation** through the implementation and maintenance of **management systems** under international standards of recognized prestige such as ISO 14001, ISO 50001 and EMAS, among others.

CERTIFICACIÓN. % ACTIVITY (REVENUE)

ISO 14001	71%
ISO 50001	61.40%
EMAS	5.20%

MONETARY RESOURCES DEDICATED TO ENVIRONMENTAL RISK PREVENTION (EUROS)

	2022	2023	
Annual investment in renewal of vehicle fleet and more energy efficient machinery (hybrid or renewable)	24,208,207	18,317,105	
Annual investment in energy efficiency measures	63,245	177,598	
Investments in R&D projects related to environmental improvement/environmental impact reduction	4,105,094	3,904,616	
Annual environmental certification expenses (ISO 14001, ISO 50001, EMAS, etc.)	310,569	314,771	
Expenditure on environmental consultancy	6,087,016	5,443,297	

Pollution reduction related actions

Based on the analysis and monitoring of the annual sustainability indicators, the following actions are set with the main objective of motivating the reduction of pollution derived from the services provided:

Air pollution:

- Increase the proportion of vehicles powered by alternative energies, thereby reducing air pollution caused by the use of fossil fuels.
- Reduce pollutant emissions of NOx, SOx and particulate matter.
- To increase the proportion of renewable energies in the installations.

- Promote the use of public transport or means of sustainable mobility for commuting to the offices by employees.
- Achieve a fleet of vehicles with an 'ECO' or 'ZERO' label.

Water and soil pollution due to spills and dumping:

- Minimize spillage.

Noise and light pollution

- Increase the proportion of electric vehicles in the fleet.
- Extend the use of brush cutters, blowers, hedge trimmers and electric chainsaws for parks and gardens maintenance and other services.
- Extend the use of the light pollution map management tool to facilities located in high-risk areas.
- Develop abatement plans.



Air, water and soil pollution

Our operation follows the principles of continuous improvement and regulatory compliance guaranteed through management systems based on international standards. In this way, we aim for maximum operational quality while minimizing negative impacts on the environment and pollution.

No material environmental sanctions have been received during 2023 in any of the company's operations. Even with the highest level of commitment to regulatory compliance, a total of 14 minor sanctions have been received during 2023 for minor non-compliance with environmental legislation and regulations.

The relevant information on the main impacts of our activities is the following:

Atmospheric pollution

Regarding atmospheric emissions because of FCC Servicios Medio Ambiente's operations, the main figures are shown below. The figures include direct atmospheric emissions from the industrial facilities of the different forms of waste treatment and recycling and generation of energy from waste in Iberia, the United Kingdom and Central and Eastern Europe, as well as emissions calculated using updated emission factors from the use of fossil fuels in collection and auxiliary vehicles operating in Iberia, the United Kingdom, Central and Eastern Europe and the United States.

Soil contamination

During the year 2023, 2 spills occurred during operation in the United States. Specifically, a spill of around 0.2 m³ of hydraulic oil on a paved road in Florida and another spill of 0.1 m³ of diesel from a collection truck on a paved road in California. In both cases, corrective measures were implemented that contained and collected the spills without any negative impact on the soil.

Water pollution

During 2023, the activity of FCC Servicios Medio Ambiente managed the discharge of 2,521,781 m³ of wastewater as a result of the operation, maintenance and cleaning of plants and service machinery and street cleaning and street sweeping and other services.

ATMOSPHERIC EMISSIONS FROM FLEET AND FACILITIES OPERATION (T)

	2022	2023
NOx	4,873	4,563
SOx	559	523
Persistent organic pollutants (POPs)	44	44
Volatile organic pollutants (VOC)	127	62
Particulate Matter (PM)	115	105
HCL	49	49
HF	2	2

SPILLS

	2022	2023
Total number of significant spills	2	2
Total volumen of significant spills (m³)	0.15	0.30

WATER DISCHARGES BY DESTINATION (m³)

	2022	2023
Superficial water	1,596,799	1,624,110
Underground water	134	0
Marine water	76,518	74,654
Third-party water (total): municipal network and treatment plants	1,673,052	1,810,489
Third-party water transferred for use by other organisations (if applicable)	15,673	9,315
Total	3,362,176	3,518,568



Marine and water resources



To address the challenges of water scarcity and declining water quality, sustainable water management becomes essential to address these challenges. Comprehensive approaches are required that include efficient conservation of water resources, adoption of clean technologies, implementation of more sustainable agricultural and industrial practices, as well as awareness raising and education on responsible water use. The search for effective solutions to water scarcity and quality is fundamental to preserving our environment and guaranteeing equitable and safe access to this vital resource for current and future generations.

The activities of FCC Servicios Medio Ambiente may generate negative impacts on the water cycle in the form of accidental spills that contaminate bodies of water, excessive exploitation in areas of water stress or non-compliance with the limit values for consumption, spillage or contamination according to the environmental authorizations in force at each location.

Actions related with marine and water resources

To ensure the efficient use of water, in line with the company's vision and values, a number of measures are being implemented on the geographic platforms where we operate, based on sustainability and business plans.

- **Raising employee** awareness through awareness campaigns to encourage rational and efficient water consumption.
- **Prioritization of water-saving technologies** and equipment both in the facilities and in the risk activities of parks and gardens and street sweeping and cleaning.
- Promotion of **water-saving** devices in facilities and efficient irrigation management.
- **Improvement** in practices for **monitoring and control** of water consumption in various facilities, with special attention to areas of water stress, through the implementation of an Environmental Risks module.
- Incorporation of **efficient technologies**, such as pumping systems in flushing cisterns or the dual flushing machine.



Goals related to water and marine resources

The FCC group seeks to position itself as a benchmark in the sector with respect to its contribution to reducing water stress. In line with this objective, FCC Servicios Medio Ambiente, identifies in which geographical area the largest water withdrawals occur in areas with water stress and pursues the optimization of water efficiency in its consumption and management, with the help of research projects on alternatives that promote water conservation and its quality.

For this reason, FCC Medio Ambiente Iberia has targets for reducing water consumption:

FCC Medio Ambiente Iberia Water Management OBJECTIVE:

Reach a level of water consumption from alternative sources to mains water (50% by 2023 and 100% by 2050 of total water consumption)



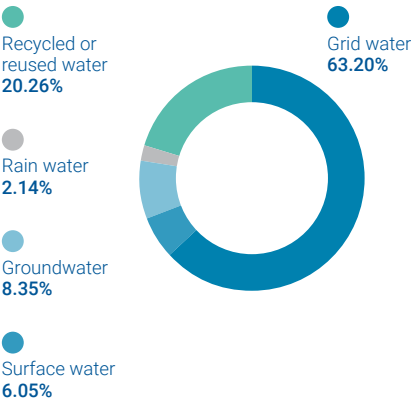
Monitoring and compliance measures:

- Implementation of measures to monitor water consumption through the software applications available for service management (VISION)
- Adoption of initiatives and best practices that promote efficiency in the use of water, both in facilities and in the execution of street cleaning and park and garden irrigation services.

Water consumption

Despite not having an extensive water consumption activity, given that the main services provided by the company do not engage in high water consumption, FCC Servicios Medio Ambiente monitors the water consumption of all its work centers and applies measures to reduce consumption, such as those mentioned above, which motivate efficient management of this resource. Below are the figures for total and recycled and/or reused water extraction and consumption from the measures implemented by the company, distinguishing according to the origin of the water.

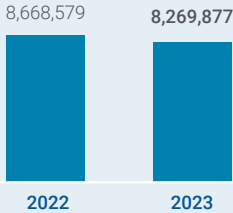
TOTAL WATER EXTRACTION



Grid water

This is the direct abstraction from a water supplier regardless of the origin of this supplier. The percentage of mains water abstraction over total water abstraction in 2023 is **63.20%**.

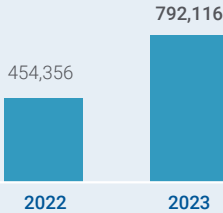
Grid water extraction supply (m³)



Surface water

Includes the extraction of water from surface water bodies such as rivers, lakes, rainwater runoff and other surface water flows. The percentage of surface water abstraction over total water abstraction in 2023 is **6.05%**.

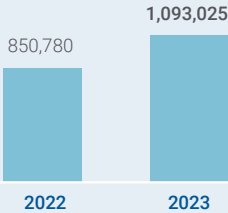
Surface water extraction (m³)



Groundwater

It is composed of water withdrawals from wells and other groundwater flows. The percentage of groundwater withdrawals over total water withdrawals in 2023 is **8.35%**.

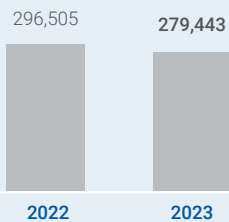
Groundwater extraction (m³)



Rain water

In many of the facilities where we operate, with special focus on those located in areas of very high and high risk of water stress, we have rainwater harvesting systems for use in the process. The percentage of rainwater extraction over total water extraction in 2023 is **2.14%**.

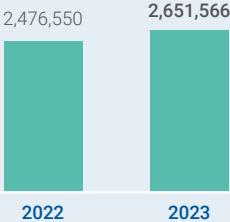
Rain water extraction (m³)



Recycled or reused water

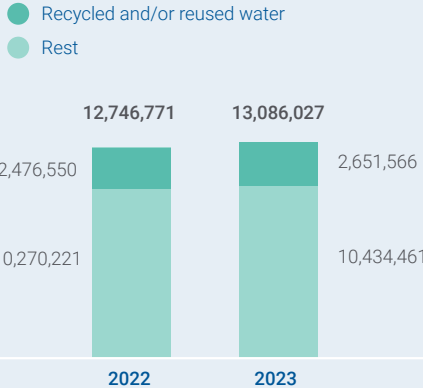
From tertiary water treatment processes, whether or not owned by the company. The main function of this water is for street washing and cleaning and its incorporation into industrial processes, and its consumption is prohibited. The percentage of recycled or reused water extraction over total water extraction in 2023 is **20.26%**.

Recycled and/or reused water consumption (m³)



Therefore, the total water consumption is as follows:

Total water consumption (m³)



Biodiversity and ecosystems



Strategy

Biodiversity, whose balance and preservation is essential to ensure the health of our planet, is currently facing critical challenges. Factors such as deforestation, pollution, climate change and overexploitation of resources are intensifying

the extinction of species on an unprecedented scale. This situation is compromising the stability of ecosystems, affecting food availability, climate balance and water quality, among other environmental aspects that are fundamental for life. In 2022, the Convention on Biological Diversity was signed with the Kunming-Montreal Agreement with the aim of redirecting public and private capital flows to finance positive actions for biodiversity.

FCC Servicios Medio Ambiente is aware of the need to address the challenge of the loss of biodiversity and natural capital. In the year 2023, FCC Medio Ambiente Iberia has renewed its adherence to the Biodiversity Pact of the Spanish Business and Biodiversity Initiative (IEEB), while progress has been made in aligning the biodiversity strategy with the "*Taskforce on Nature-Related Financial Disclosures*" methodology".

Policies related to biodiversity and ecosystems

The [FCC Group's sustainability policy](#), to which FCC Servicios Medio Ambiente adheres, regarding the protection of biodiversity, states:

Activities must contribute to the maintenance of natural capital, promoting the conservation of biodiversity and supporting the recovery of ecosystems.

This commitment is part of the first strategic pillar of the policy on conservation and environmental protection.

Actions and resources related to biodiversity and ecosystems

In terms of general actions or measures related to biodiversity, work is being carried out along three main approaches:

- Development of a staff training and awareness **plan to promote collective and individual awareness** of the importance and value of biodiversity.
- **Incorporation of criteria and measures in favor of biodiversity** in urban green areas and the coastal environment managed by FCC Servicios Medio Ambiente through tenders.
- **Increase in the number of initiatives with biodiversity**, so that all garden contracts in Spain with more than 50 workers must propose at least one initiative to be developed per year.

Example of biodiversity initiatives:

Iberia

- Installation of elements designed to favor the presence of wildlife in urban and managed environments, such as nest boxes, insect hotels and naturalized fountains.
- Implementation of digital software for biodiversity impact monitoring.
- Promotion of native species and active monitoring to prevent the spread of invasive species and implementation of integrated pest management systems.
- Implementation of work methods and practices that are more respectful of biodiversity, including the use of low-toxicity products.

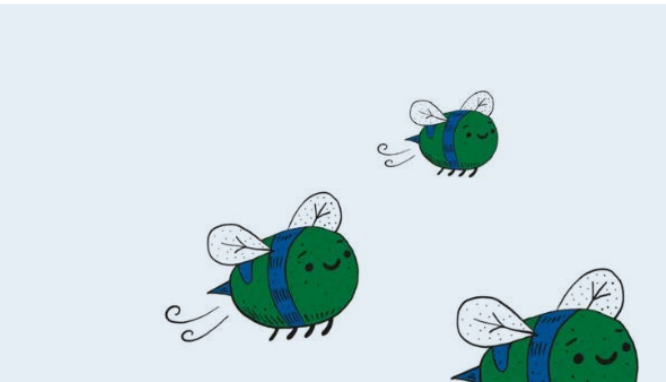
Central and Eastern Europe

FCC Hotels Project

The importance of pollinators to the economy is greater than you might imagine. 84 percent of plant species and 76 percent of food production in Europe depend on bee pollination. At the same time, the population of bees and other insect species is declining as a direct consequence of human activities. This project, which involves introducing flowering meadows on our farms, offers these insects peaceful and suitable habitats to populate and reproduce, including a wide variety of plants for grazing.

Our "insect hotels" are created from used garbage bins and wood found at our collection centers, giving this waste a chance for a second life. To further promote sustainability, we also exclusively use recycled or natural materials for the interior sections of the hotels.

These hotels are currently located in Zisterdorf (Austria), Biala (Poland), Tarnobzeg (Poland), Zabrze (Poland) and Buckinghamshire, Aston Clinton Recycling Centre (UK). And very soon you will be able to visit even more hotels of our international chain.



Biodiversity and ecosystem-related targets

The preservation of biodiversity is necessary and generates many benefits for the communities in which FCC Servicios Medio Ambiente operates. Although the impacts of our activity can generate benefits in biodiversity, through the cleaning of ecosystems or their rehabilitation, there are other objectives to be achieved by the company:

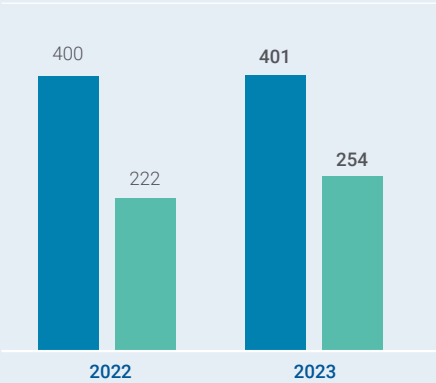
- **Sensitize and inform** the staff on issues related to biodiversity preservation.
- **Identify all services** and locations with potential impact on biodiversity.

Another of the key aspects for the preservation of biodiversity is the surveillance and monitoring of species that are part of the IUCN Red List or national conservation registers and that may be present in the areas occupied by FCC facilities or their surroundings. FCC Servicios Medio Ambiente identifies the number of species that may be affected by operations according to their vulnerability, to better understand the severity of impacts on species and work for their conservation.

Biodiversity and ecosystem changes

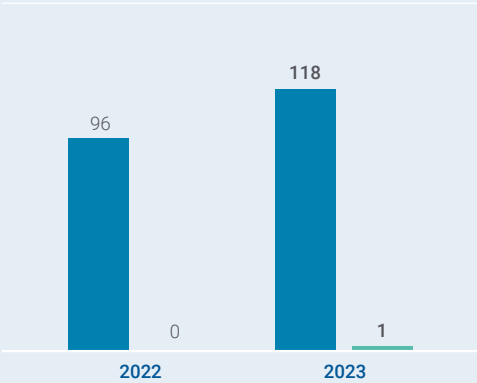
The main indicators and results obtained in biodiversity in 2023 and their comparison with the previous year are presented below.

SENSITIVE AREAS PROTECTED AND AFFECTED AREAS RESTORED (ha)



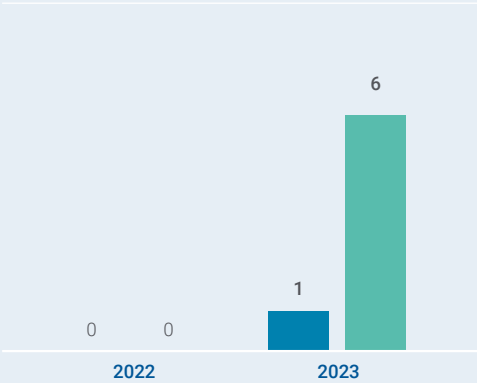
- Protection of sensitive areas
- Restoration of affected areas

NUMBER OF INSTALLATIONS IN SENSITIVE PROTECTED AREAS



- Location in protected natural sites or sites with high biodiversity value
- Location in an area with a landscape catalogued as relevant

AFFECTED AREAS RESTORED



- Impact on natural watercourse in protected area
- Affect on catalogued or protected animal species relevant

Resource use and circular economy



The company is in a process of change in the economic model: from a linear model based on use and throw away, characterized by the excessive extraction of resources, generating one of the main causes of climate change and the depletion of natural resources, towards a circular model, as a measure to counteract the unsustainable trend of the traditional economic model.

The circular economy proposes closing product life cycles by using practices such as reusing, recycling and renewing materials. This change of model seeks not only to minimize environmental impact, but also to maximize efficiency in the use of resources.

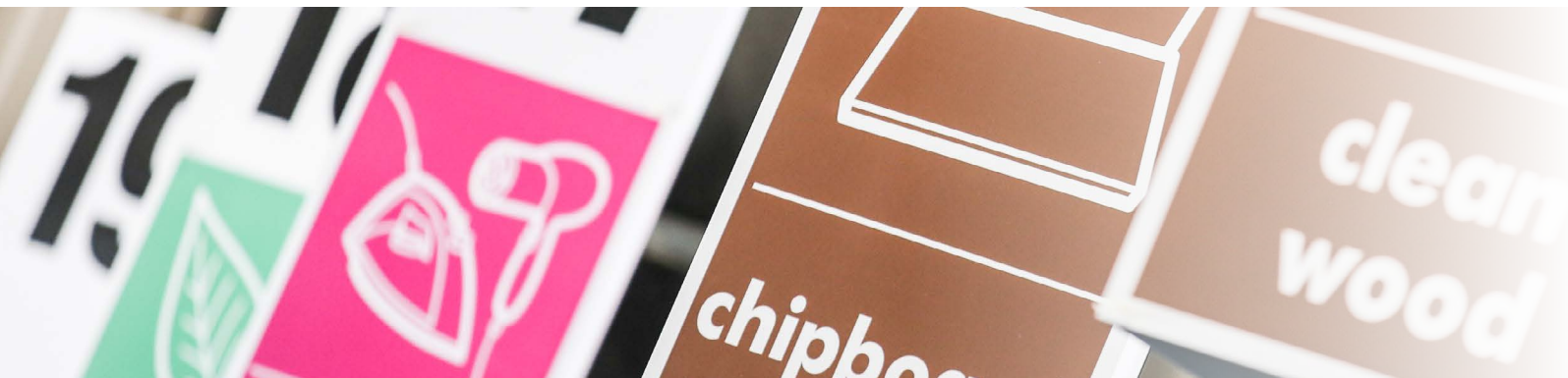
FCC Servicios Medio Ambiente has a relevant position in this transition and recognizes the importance of managing its resources efficiently to ensure a sustainable future. In line with this commitment, it implements circular practices that underscore its dedication to building a solid foundation for long-term success.

The environmental services business has a positive impact on the circular economy model as it develops essential practices such as waste collection, recycling and recovery. It also assumes responsibility for the treatment of urban and industrial waste, making a significant contribution to closing product life cycles and promoting business practices aligned with environmental sustainability.

At the same time, the services offered by FCC Servicios Medio Ambiente represent a positive impact on the efficient consumption of resources, given that, through actions such as process optimization, waste minimization and maximization of the value of products throughout their life cycle, it offers circular alternatives for the raw materials of other companies. The company is therefore present in all phases of the circular economy.

Policies related to the use of resources and the circular economy

The [sustainability policy of the FCC group](#), to which FCC Servicios Medio Ambiente adheres, referring to the circular economy, points out in its first strategic pillar on conservation and environmental protection a strategic line to ensure environmental sustainability that describes how: Activities must apply the principles of the circular economy to make efficient use of resources, valorize waste management and increase the useful life of materials.



Actions and resources related to the use of resources and the circular economy

FCC Servicios Medio Ambiente makes great efforts to promote the transition to a sustainable waste management model. Due to the company's

position in the activities and services it performs, specific measures aimed at a circular management model are applied.

Specific measures

- **Minimization of the volume of waste** disposed of in landfills, transforming it into resources.
- **Waste valorization and optimization of processes** that allow obtaining new by-products useful in different sectors.
- **Production of biofuels** from landfill gas and selected wastes.
- **Development of infrastructures** designed to obtain optimum quality from waste and to transform it into new products.
- **Reduction of the use of non-renewable natural resources**, reusing the materials contained in waste as secondary raw materials in the production cycle.
- **Use of recycled materials and recovered waste to replace raw materials.**
- **Use of recycled glass** as a covering material in specific landfill facilities.
- **Use of ashes** to replace operating reagents.
- Implementation of waste **minimization plans**.
- **Valorization of compost** for energy recovery processes or for agricultural purposes.
- **Acquisition of vehicles** built with easily **recoverable or recyclable** elements such as electric trucks with 100% recyclable batteries.

R&D&I projects

- In addition, R&D&I projects are developed with the aim of optimizing processes and identifying more sustainable alternatives in its activities. Some examples of these research and development projects aligned with the circular economy are as follows:
- Initiatives to transform their waste management centers into biomethane and green hydrogen production facilities to use these resources as alternative fuels in vehicles. Life Landfill Biofuel, Life Infusion and Ecllosion projects.
 - Projects for the recovery, separation, recycling and effective revaluation of plastics from urban waste to avoid landfill or treatment by means of energy recovery. Lifeplasmix, Life4fil, and Life Zerolandfilling projects.
 - Use of insects for bioconversion of urban by-products and bio-waste with the objective of generating products for strategic sectors and recovering resources through bio-waste. Project Insectum and Deep Purple.
 - Valorization of various wastes with the purpose of contributing to the maintenance of infrastructures and green areas and to the development of new construction materials, as well as to the development of ecological roads and the creation of innovative fertilizer products for agriculture. Bioproligno, RSU4hom, Eco2D4, B-Ferst and Minethic projects.
 - Development of new technologies to reduce volatile organic compounds (VOCs) in waste treatment plants. Lifeabate project.
 - Creation of sustainable bicycle lanes and sealing of mining-metallic waste deposits. Bicisenda Project.



Goals related to the use of resources and circular economy

The goals aligned with the circular economy in the European operation of FCC Servicios Medio Ambiente are linked to the objectives of the European Union in terms of improving the percentage of waste recovery. In this way we have the objectives of:

- **Recovery** of 65% of resources from urban waste by 2035.
- **Maximum deposit of 10%** of the total volume of urban waste collected in 2035.
- **Replace** 30% of raw materials with recycled origins.

Resource inputs

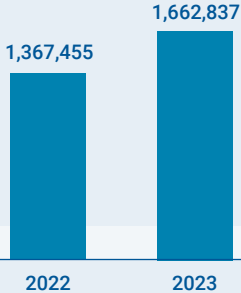
FCC Servicios Medio Ambiente's activity is mainly based on providing services to public clients, but also to private clients. It is precisely for this reason that the consumption of raw materials linked to the maintenance of these activities is not particularly significant, except for the consumption of raw materials for construction, buildings, etc.

In line with the principles of action and goals already described, we are continuously working to improve the origin of raw materials, taking into consideration sustainability criteria in the origin of inputs.

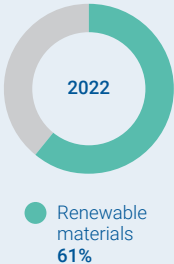
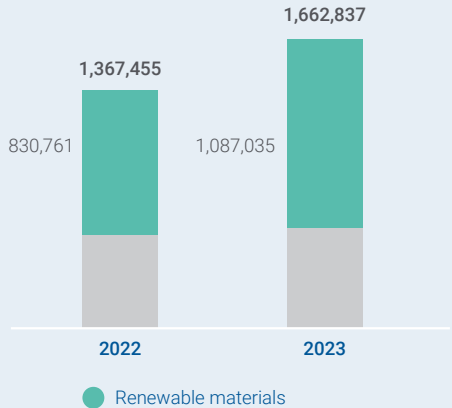
The main raw material consumption figures and their percentage of renewability are presented below.

MATERIALS USED (T)

	2022	2023
Raw materials (metals, minerals, wood, etc.)	1,321,916	1,621,966
Auxiliary materials (lubricants and reagents)	43,075	37,239
Semi-finished products	934	1,089
Packaging material (paper, cardboard, plastics)	1,529	2,544
Total		



TOTAL MATERIAL CONSUMPTION (T)



Resource outflows

The total waste managed by FCC Servicios Medio Ambiente, understood as waste collected, admitted and treated, amounts to 29,145,695 tons, 8% more than the 27,020,522 tons of waste managed in 2022.

In the year 2023 and because of this provision of services, a total of 438,818.92 tons of FCC Servicios Medio Ambiente's own waste was generated. This total includes hazardous and non-hazardous waste generated as a result of our activity. At each facility, the waste generated is measured and recorded in accordance with local regulations, except in the case of the United States, where waste generation is estimated according to annual activity.

The treatment of this waste is carried out considering the recyclability of the materials and and, whenever possible, the following waste management methods are prioritized in order: recycling, energy recovery and disposal and/or landfill. By 2023, 74% of the total waste generated will have been recovered.

The main figures for the generation and destination of the Company's own waste are shown below.

WASTE GENERATED (T)



NON-HAZARDOUS WASTE (T)

	2022		2023	
Total non-hazardous waste for recovery	303,906	85%	253,312	70%
Preparation for reuse	61	0%	226,221	89%
Recycling	255,710	84%	20,458	8%
Other recovery operations	47,828	16%	6,132	2%
Incineration with energy recovery	307	0%	501	0%
Total non-hazardous waste for disposal	52,348	15%	107,496	30%
Incineration (without energy recovery)	0	0%	47	0%
Transfer to a landfill	47,855	91%	106,864	99%
Other disposal operations	4,493	9%	584	1%

HAZARDOUS WASTE (T)

	2022		2023	
Total hazardous waste for recovery	2,099	2%	3,006	4%
Preparation for reuse	31	1%	28	1%
Recycling	1,184	56%	1,402	47%
Other recovery operations	525	25%	1,511	50%
Incineration with energy recovery	359	17%	65	2%
Total hazardous waste for disposal	82,333	98%	75,005	96%
Incineration (without energy recovery)	0	0%	0	0%
Transfer to a landfill	71,896	87%	73,199	98%
Other disposal operations	10,437	13%	1,806	2%



Social

People _ 41

Parameters and goals _ 43

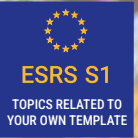
Value chain workers _ 51

Local communities _ 52

Clients and end users _ 54



People



The **people who make up the work teams** of FCC Servicios Medio Ambiente are an **essential asset** for the achievement of the company's objectives. Their work makes it possible to improve the societies in which we provide our services. Optimal management of the company's talent, leadership and commitment is fundamental.

The company's commitment to its workforce is materialized through sustainable management actions for the employees considering human needs and capabilities. Work is carried out based on the following **strategic lines**:

In line with this last action, for FCC Servicios Medio Ambiente, internal communication is a key element in strategic management and in the development of dialogue with all employees and their legal representatives and the achievement of their commitment to the business project. As mentioned above, the company has multiple communication channels, both online and offline, that promote continuous communication with its employees, such as websites, intranet, portals, App's (FCC360), digital magazine SOMOS FCC, posters, etc., allowing them to be updated on current events, internal communication campaigns, contests for employees, the various sports and healthy activities promoted by the company, etc.

During the year 2023, we have held negotiation tables for collective agreements or agreements by work center and we have actively participated in sectorial collective bargaining. For the company, social dialogue is an essential instrument that promotes consultation and collective bargaining of employees, achieving not only the development of collective agreements of general interest but also disseminating the objectives of decisions with a direct impact on the entire company.

Policies related to our workforce

In line with the FCC Group's commitments, FCC Servicios Medio Ambiente adheres to the United Nations Guiding Principles on Business and Human Rights, as well as the ILO Declaration on Fundamental Principles and Rights at Work.

Policies addressing specific issues are defined at the level of the countries in which the company operates. Within these policies, there is special relevance of health and safety measures, with emphasis on the prevention of occupational accidents and/or on training and information requirements for workers.

STRATEGIC LINES

- Support the company's ethical framework and common culture.
- Boosting the talent of your team.
- Improving the health and well-being of your employees.
- Promote a diverse work environment with equal conditions for all.
- Promote dialogue with workers.

Collaboration with our workforce and employees' representatives

Collective bargaining agreements are an important instrument for regulating the working conditions of employees, since they regulate essential aspects ranging from wages, working hours, vacations, leaves of absence, to occupational health and safety in the broadest sense.

In Spain, where most of FCC Servicios Medio Ambiente's workforce is concentrated, the clauses that have been most frequently included in the **collective bargaining** agreements signed have been in line with the company's identification of incidents and are as follows:

● Working conditions

Continuous improvement in the general conditions in the work centers, equitable and adequate salaries, in line with the responsibilities and the sector standard.

● Prevention of occupational hazards

Communication and dialogue with prevention services.

Prevention plans and risk assessment and preventive actions.

Preventive measures such as PPE and emergency situation management.

Health surveillance through periodic medical check-ups.

● Interlocution with the company

Regulations on the rights of workers to participate in decision making, training and information.

Communication lines

In addition to the existence of a shared ethical channel for the entire FCC Group, in Spain there is a specific procedure for the mediation of individuals and the resolution of interpersonal conflicts for those cases that do not fall within the narrow margin established by the rules and procedures of the whistleblowing line.

Likewise, has an e-mail address to deal with specific problems that require special attention, such as cases of gender violence (atulado@fcc.es).

Incident resolution

There are specific e-mail addresses for dealing with any incident affecting the staff in relation to their status as employees (sma_rrhh@fcc.es) as well as for the dissemination of messages of interest, and a specific mailbox for dealing with concerns related to satisfaction and commitment to the company (people_sma@fcc.es).



Parameters and goals

People targets

In line with the SDGs and the strategy of FCC Servicios Medio Ambiente and the FCC Group, there are a series of **commitments** towards which the company's actions are oriented:

The different geographies in which we operate set more specific goals and objectives in line with these standards.

Characteristics of company employees

FCC Servicios Medio Ambiente is made up of **44,431 employees** in all the regions where the company operates as the total number at the end of the period, December 31, 2023.

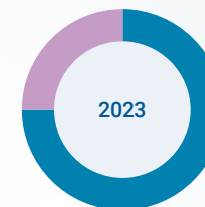
The workforce has grown by 1.33% compared to 2022.

COMMITMENTS

- To promote the **socioeconomic progress** of the environments in which it operates, through the **generation of stable and quality employment**, as well as the **retention of its professionals** and the **management of diversity**, with special emphasis on generational diversity.
- Promote the **inclusion of especially vulnerable groups** such as minorities, people with different abilities, groups at risk of exclusion of different characteristics, etc.
- **Minimize the occurrence of occupational accidents** and illnesses through the implementation of optimal occupational risk prevention management systems.

44.431
people

women
24.9%
(25.3% 2022)



men
75,1%
(74.7% en 2022)

NUMBER OF PEOPLE BY COUNTRY AND GENDER

	2022			2023		
	Men	Women	Total	Men	Women	Total
Spain	26,159	9,504	35,663	26,657	9,495	36,152
Czech Republic	1,782	467	2,249	1,809	464	2,273
United Kingdom	1,996	351	2,347	1,916	338	2,254
USA	877	147	1,024	976	159	1,135
Austria	560	166	726	583	187	770
Portugal	294	42	336	360	48	408
Poland	494	151	645	458	155	613
Romania	136	30	166	120	32	152
Slovakia	310	99	409	299	91	390
Hungary	128	48	176	130	54	184
Serbia	74	28	102	70	28	98
Total	32,813	11,034	43,847	33,380	11,051	44,431

Organizational structure

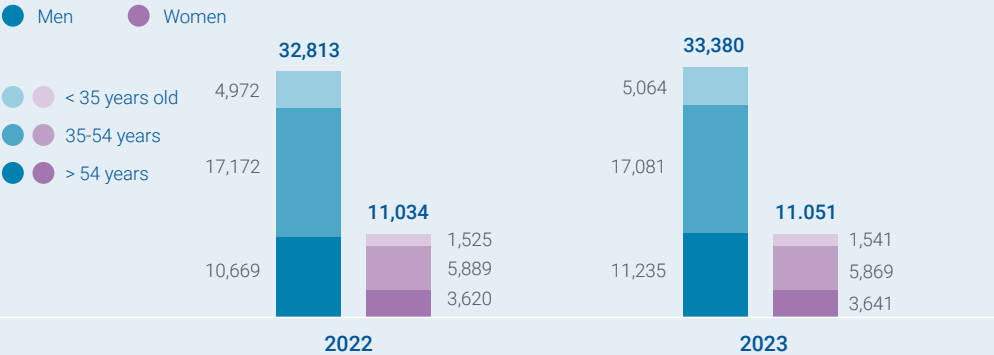
At the organizational structure level, the distribution by functional level is presented below:

EVOLUTION OF THE DISTRIBUTION OF THE WORKFORCE BY FUNCTIONAL LEVEL AND GENDER

	2022		2023	
	Men	Women	Men	Women
Governance and Management	140	35	142	36
Supervisors	1,645	358	1,653	369
Technicians	1,101	802	1,102	837
Administrative staff	246	727	239	770
Other trades	29,681	9,112	30,244	9,039
Subtotal	32,813	11,034	33,380	11,051
Total	43,847		44,431	

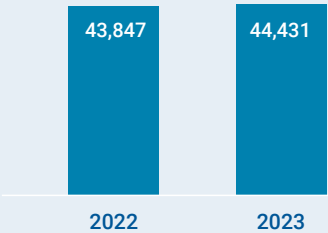
In terms of age, the workforce of FCC Servicios Medio Ambiente is distributed as follows:

EVOLUTION OF THE DISTRIBUTION OF THE WORKFORCE BY AGE RANGE AND GENDER



TOTAL STAFF

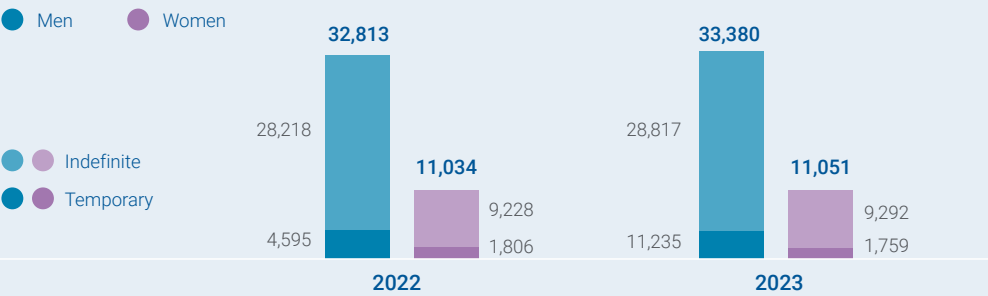
Increase of workforce compared to 2022



Recruitment

Employment contracts are formalized according to the specific needs of each of the activities and are based on the type of contract that best suits them. According to the type of contract, distinguishing workers with indefinite-term contracts from those with temporary contracts, the workforce is made up of:

EVOLUTION OF THE DISTRIBUTION OF THE WORKFORCE BY GENDER AND TYPE OF CONTRACT



A total of **9,101 new hires** were made in 2023 distributed as follows:

NUMBER OF NEW HIRES BY AGE AND GENDER

	2022			2023		
	Men	Women	Total	Men	Women	Total
< 35 years old	2,932	903	3,835	2,626	859	3,485
35-54 years	3,338	1,558	4,896	2,786	1,407	4,193
> 54 years	1,131	452	1,583	999	424	1,423
Total	7,401	2,913	10,314	6,411	2,690	9,101

NUMBER OF NEW HIRES BY FUNCTIONAL LEVEL AND GENDER

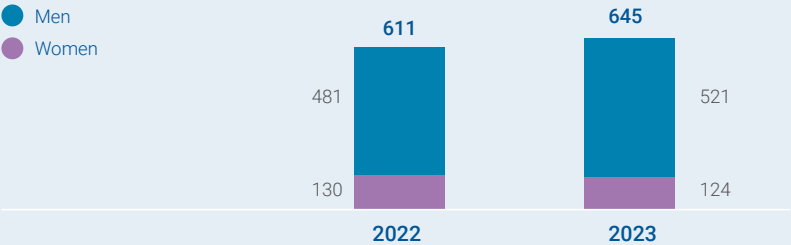
	2022			2023		
	Men	Women	Total	Men	Women	Total
Governance and Management	5	3	8	4	3	7
Supervisors	104	40	144	109	34	143
Technicians	139	136	275	116	120	236
Administrative staff	26	98	124	27	112	139
Other trades	7,127	2,636	9,763	6,155	2,421	8,576
Total	7,401	2,913	10,314	6,411	2,690	9,101

NUMBER OF NEW HIRES BY REGION AND GENDER

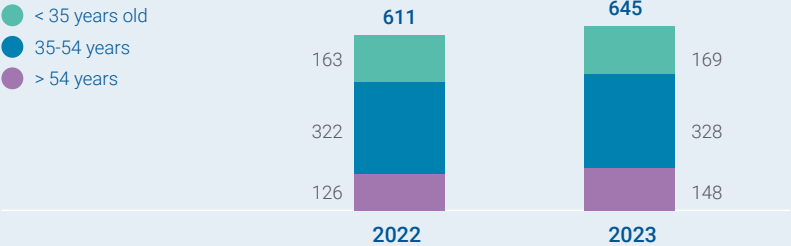
	2022			2023		
	Men	Women	Total	Men	Women	Total
Europe	6.943	2.839	9.782	5.897	2.605	8.502
America	458	74	532	514	85	599
Total	7.401	2.913	10.314	6.411	2.690	9.101

Regarding layoffs, the data is shown below:

EVOLUTION OF DISMISSALS BY GENDER



EVOLUTION OF DISMISSALS BY AGE



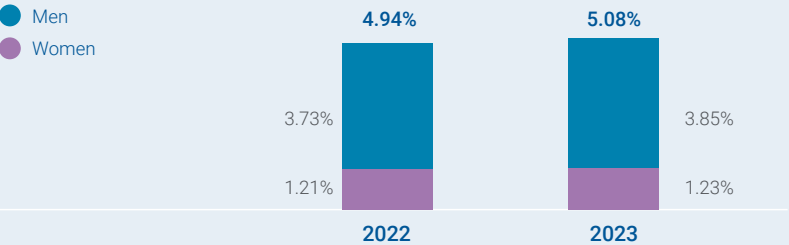
EVOLUTION OF DISMISSALS BY FUNCTIONAL LEVEL

	2022	2023
Governance and Management	2	6
Supervisors	31	21
Technicians	35	30
Administrative staff	15	7
Other trades	528	581
Total	611	645

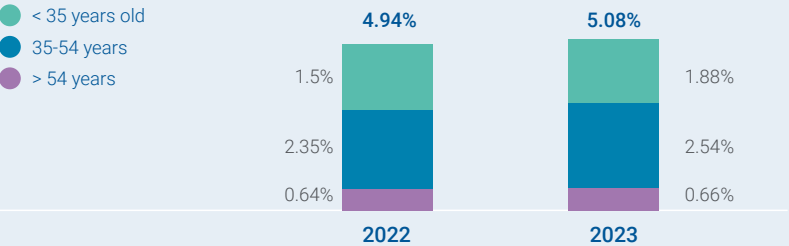
The turnover rate is calculated as the number of workers who leave the company due to voluntary resignation or dismissal with respect to the total

number of workers in the company. Below are the figures disaggregated by gender, age and region of the workers:

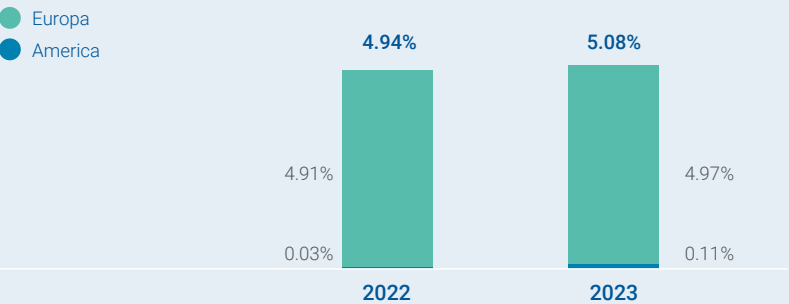
TURNOVER RATE BY GENDER (%)



TURNOVER RATE BY AGE (%)



TURNOVER RATE BY REGION



Diversity parameters

In 2023, FCC Servicios Medio Ambiente continued to work on the development in employee diversity. Promoting human diversity and fostering a safe and respectful working environment for all the people who make up the company is a priority for the company. An example of the company's

commitment is the new Equal Opportunities and Safe Environments, Diversity and Inclusion Policy, approved by the FCC Group Board of Directors in 2023, which applies to all business areas and reflects the following objectives and commitments:

- To facilitate a **diverse, equitable and inclusive work environment**, where individual differences are respected and valued, fostering creativity and innovation, enriching FCC with different knowledge, skills, experiences and perspectives.
- Promote a **work environment based on respect, free of discrimination, harassment or any form of intolerance or violence** against any person based on nationality, racial or ethnic origin, age, disability, religion, conviction or opinion, sexual orientation or identity, gender expression, sexual characteristics, marital status, or any other personal, physical or social condition.
- **Involve all the people** who make up FCC in the fulfillment of this **Equality Policy -of Opportunities and Safe Environments-, Diversity and Inclusion**, regardless of the position or function they perform.
- Encourage measures, processes and actions to be developed from the **perspective of equality, diversity and inclusion**, avoiding situations of direct or indirect.

Social protection

All employees of FCC Servicios Medio Ambiente are covered by public mechanisms (or benefits offered by the company in cases where not applicable) against loss of income due to any of the following major life events:

- a) illness;
- b) unemployment from the moment the employee works for the company;
- c) occupational accidents and acquired disability;
- d) parental leave; and
- e) retirement.



People with disabilities

FCC Servicios Medio Ambiente Holding, in line with SDG 10 "Reducing inequalities", seeks to promote equal opportunities and inclusion in the workforce. In relation to people with disabilities, we promote inclusive growth that is materialized in agreements with foundations and other organizations that promote access to employment for people with physical and intellectual disabilities, in addition to internal Equality and Diversity policies that ensure proper professional and personal development of this group. Among the actions developed in 2023, the following are described: Training and awareness of the workforce on the advantages of setting up diverse and inclusive teams, sponsorship of adapted competitions or elimination of physical barriers in the company's facilities.

Training and capacity building parameters

The training and development of every employee is one of the essential pillars of talent management and is key to addressing the needs and requirements arising from the challenges to be faced in the development of the activity. FCC Servicios Medio Ambiente works to promote appropriate training plans for all workers. Each geographical platform promotes and develops different training actions aligned with the following mutual objectives:

- Digitalization as a key tool for the optimal development of business processes and the information systems that comprise them.
- Mandatory training in accordance with the Group's Compliance Model with workshops on Conflicts of Interest, Compliance System and Code of Ethics and Conduct.

- Diversity and Equality with special focus on inclusion, prevention of harassment, cyberbullying and non-discrimination, inclusive leadership and treatment and investigation of harassment cases.
- Health and Safety, with programs that comply with the regulatory requirements in this regard in each country where we operate and in line with the corporate commitment to promote the health and well-being of workers.

In the year 2023, as a relevant fact in relation to the education and training of employees, Iberia has implemented the "Youth Business Program", a program for the development of young talent to promote young talent in the company's chain of command and foster relationships among the youngest employees, creating positive synergies.

Horas de formación

	2022	2023
Governance and Management	6,212	5,775
Supervisors	40,833	48,415
Technician	41,486	53,362
Administrative staff	12,905	15,638
Other trades	235,139	251,155
Total	336,574	374,345



Health and safety parameters

FCC Servicios Medio Ambiente is aware that the safety, health and welfare of workers is a fundamental asset for the competitiveness of the company and the proper development of each worker. The operating principles are based on guaranteeing safe working environments with the permanent objective of avoiding any harm to the health of workers, in line with the guidelines of the FCC Group's Code of Ethics and Conduct.

All the geographical platforms that make up FCC Servicios Medio Ambiente comply with the applicable legislation in each case and, in general, the approved occupational risk prevention systems are stricter than the local legislation itself.⁽⁴⁾

In the case of **Spain**, all the companies that operate in FCC Medio Ambiente have a Joint Prevention Service that covers the three technical disciplines of Occupational Safety, Industrial Hygiene and Ergonomics and Applied Psychosociology throughout the country, as well as the specialty of Occupational Medicine in the provinces where there is an FCC Medio Ambiente medical service.

FCC Environment is constantly improving the activities it carries out, guaranteeing the efficient provision of services to our clients, considering the safety and promotion of the health of its workers, both inside and outside the workplace. For environmental activities, the Occupational Risk Prevention Management System based on the ISO 45001 standard has been implemented and certified by an independent third party.

The achievement of health and safety objectives and the improvement of frequency, severity and absenteeism rates require prioritizing training in risk prevention, reinforcing vigilance and the permanent effort to raise awareness and mobilize every one of the collaborators. To this end, FCC Medio Ambiente continues

with its occupational risk prevention training plan, deploying devices that have proven their effectiveness and using analysis tools to better identify the determining aspects in the improvements that we must continue to introduce in health and safety.

In the **United Kingdom**, we have an occupational risk prevention system awarded for its outstanding performance by the British Safety Council. All FCC Environment UK activities are ISO 45001 certified. In addition, external software is used to keep a record of accidents, investigations and proposals for improvements in the system that encompasses workers, subcontractors, customers and the citizens it serves.

Annual employee training and awareness campaigns are carried out, as well as internal and external audits to ensure compliance with occupational health and safety standards. In 2023, FCC Environment UK has been awarded for the third time by the British Safety Council with the prestigious Sword of Honour Award, which recognizes companies that achieve excellence in health, safety and environmental management.

In **Central and Eastern Europe**, FCC Environment CEE guarantees the health and safety of its workers by complying with the requirements and laws applicable to the services it performs in all the countries in which it operates. It has ISO 45001 certification, which guarantees a robust management system that is also externally audited. In addition, a management tool has been developed through which all accidents are monitored and investigated, any applicable risks are recorded and evaluated, and continuous improvement objectives are established. In addition, training is provided annually to all workers and subcontractors, if necessary.

In the **United States**, FCC Environmental Services has developed safety manuals and internal procedures to ensure that its workers operate safely and efficiently. The occupational risk prevention management system is based on the guidelines of the agencies that oversee the company's operations, such as the Department of Transportation (DOT) and the Occupational Safety and Health Administration (OSHA). These agencies provide requirements and guidelines to protect employees and ensure the proper operation of facilities and fleet.

4. We are currently working on the compilation and consolidation of indicators that would be published in future sustainability declarations.



Work-life balance parameters

At FCC Servicios Medio Ambiente, the organization of working time responds to the local production needs of each geography. Among the different actions carried out in each country, the following can be mentioned:

- Flexible hours and vacation time.
- Continuous workday in summer periods and Fridays.
- Leaves of absence to attend to personal and family circumstances.
- Extension of breastfeeding leave, reduction of working hours and leave of absence.
- Improvement of mandatory sick and bereavement leave.
- Extension of the job reservation in case of leave of absence.
- Remote work.

PARENTAL LEAVE (SPAIN)

	2022		2023	
	Man	Women	Man	Women
No. of employees entitled to parental leave	648	187	701	216
No. of workers who took parental leave	646	187	698	216
No. of workers who returned to work after the end of their parental leave	605	129	453	127
Number of employees who remain with the company 12 months after the end of the parental leave period	412	74	453	94

Incidents, complaints and serious incidents related to human rigths

In 2023, FCC Servicios Medio Ambiente did not receive any incident, claim or incident that resulted in a violation of human rights.



Value chain workers



The effective management of suppliers, contractors and other workers in the value chain of FCC Servicios Medio Ambiente is a critical point of the company's social strategy. The fundamental values that underpin the relationship with this stakeholder group are business ethics, transparency and accountability, thus ensuring business conduct aligned with fundamental values and human rights.

Our strategy with respect to the interests of suppliers, contractors and other employees in the value chain is articulated based on the procedure established by the FCC Group, through which ESG risks of suppliers and contractors are identified and analyzed and their alignment with the ethical and environmental standards established by the company is guaranteed.

Most of the suppliers and other workers in the value chain of FCC Servicios Medio Ambiente are located mainly in our areas of operation, Spain, Portugal, the United Kingdom, Central and Eastern Europe and the United States. The suppliers and workers in the value chain can be described in the following categories, among others:

- Electric power supply: Electricity, natural gas, fuels, etc.
- Information technology products and services.
- Cleaning and security services.
- Courier and mail services.
- Suppliers of equipment, industrial vehicles and tourism: collection trucks, sweepers, sweepers, containers and other equipment.
- Maintenance and repair services.
- Spare parts supply.

Policies with employees in the value chain

FCC Servicios Medio Ambiente has purchasing departments in all the geographies where it operates. Ensuring that policies and standards are applied to all workers in the supply chain is one of the key responsibilities of these departments. We have several key tools to extend the commitments to the value chain:

- **Code of Ethics and Conduct:** establishes the fundamental principles that suppliers and contractors must follow, including adherence to ethical practices in business relationships, reprobation of corruption, bribery and fraud, protection of fundamental human and labor rights and compliance with occupational health and safety standards, ensuring safe and healthy work environments. It also promotes respect for the environment, demanding compliance with legislation, minimization of environmental impacts and implementation of sustainable environmental management.

- **Procurement manual:** includes the main principles of the purchasing model, responsibilities and functions, as well as the processes to be followed to comply with the company's internal standards, applicable legislation and to encourage suppliers to improve their performance in terms of sustainability.
- **General Conditions of Contract:** This regulates the relationship between the company and its value chain, establishing obligations related to occupational risk prevention and environmental protection. The terms and conditions of contract include sustainability aspects that the supplier must accept and comply with while maintaining the business relationship with the company. These conditions are monitored through periodic follow-ups during the term of the contract.
- **Anti-Corruption Policy and United Nations Global Compact:** Obligatory acceptance by all workers in the value chain, guaranteeing the absence of corruption and bribery practices and respect for fundamental human and labor rights.

Local communities



FCC Servicios Medio Ambiente, as a company that provides services mainly to public clients, seeks to maximize the positive impact generated in local communities as a synergy with the business model. The company's development strategy in this area is based on four pillars:

- 1. Value creation.** Promoting a positive socioeconomic impact for the development of communities and environmental protection, as well as promoting job creation and the hiring of local suppliers.
- 2. Knowledge sharing.** Cooperating with community education and awareness initiatives that promote development and social progress, as well as support tomorrow's generations, even el desarrollo y el progreso social, además de apoyar a las generaciones del mañana.
- 3. Social integration.** Promoting the transformation of cities into inclusive environments thanks to the promotion of awareness-raising actions and the support and social and labor integration of vulnerable or at-risk or excluded people.
- 4. Solidarity.** Participating in solidarity programs and campaigns through alliances with associations, foundations and third-sector entities, and making financial contributions to improve people's lives.

Policies related to local communities

The Sustainability Policy that governs the operation of FCC Servicios Medio Ambiente recognizes the value that the company's services contribute to society by their very nature. Our activity is focused on activities that are essential for urban development, such as cleaning, waste collection and maintenance services that have a significant influence on the life of communities. In addition, in each geography where the company operates, we apply additional criteria for the management of affected groups, such as participation with local NGOs, associations and other local public and private institutions.

Processes for collaborating with local communities

Given the complexity of the company, its structure and geographical dispersion, actions affecting local groups are carried out at the country level, thus ensuring proper management of the affected groups and maximizing the positive impact.

During the year 2023, we can detail multiple actions carried out by FCC Servicios Medio Ambiente aimed at increasing the positive impacts on the communities in which we operate:

- **Value creation.** Collaboration with school institutions to improve the environmental awareness of young people, generating a positive impact on future generations. This initiative has been developed in several countries such as Spain, Romania and Serbia.
- **Solidarity.** Financial donations to charitable associations in Austria, Czech Republic, Poland, Romania, Slovakia and Spain.
- **Social Integration.** Open day for the public and employees' families in all Hungarian plants, development of local volunteer projects in Slovakia, implementation of the collaboration agreement with the Junta de Castilla y León to favor the labor inclusion of women and promote equal opportunities in companies, and collaboration with the Ministry of Equality in the project "Companies for a society free of Gender Violence".
- **Knowledge Exchange.** Participation in the "Socially Responsible Procurement Forum" since 2011 in Spain and management of the Back2Life reuse center in Trnava, which aims at social education through lifestyle changes and reuse of materials that would otherwise be considered waste, favoring the circular economy.



As for the economic resources allocated by the company to all these actions described above, the total figures for donations, sponsorships and contributions to different associations in 2023 are as follows:

DONATIONS, SPONSORSHIPS AND OTHER FINANCIAL CONTRIBUTIONS FROM FCC SERVICIOS MEDIO AMBIENTE (€)

	2022	2023
Donations to non-profit entities and foundations	312,706,23	285,168,92
Sponsorships	950,870,51	873,795,55
Contributions to associations	665767,29	566,666,40
Others	42,802,22	39,301,29
Total	1,972,146,25	1,764,932,16

Clients and end users

Clients are one of the main priorities of FCC Servicios Medio Ambiente, the business model based on public-private collaboration makes it essential for the company to maintain a constant relationship with its customers. During 2023, progress has been made in improving the communication experience and the resolution of complaints and claims in the shortest possible time, always guaranteeing the highest quality of service.

The different geographic platforms in which the company operates have quality and customer satisfaction management systems, through which the service offered is improved. Every year, the quality and efficiency of the service provided to customers is evaluated to ensure compliance with the highest quality standards and continuous improvement.

Policies related to clients and end-users

FCC Servicios Medio Ambiente has ISO 9001 certified in most of its activities. Each certified entity has a quality policy that establishes the basis for action in this area and the conformity of the products and services provided and defines the quality of the products and services provided.

Processes for collaborating with clients

An efficient dialogue with the clients to whom FCC Servicios Medio Ambiente provides services is essential to grant the highest quality. In this regard, dialogue tools have been established in each country where services are provided. The main channels of communication with clients are as follows:

Iberia

- VISION computer application for the management of complaints received.
- Launch of customer satisfaction questionnaires through different channels.

United Kingdom

- Website with direct communication channels with the company.

Central and Eastern Europe

- Web page in each country of operation with direct communication channels with the company.
- Direct contact through a customer representative in each country.
- Communication channels through social networks to facilitate the management of complaints and claims.

United States

- External computerized customer service system.





Incident resolution

The resolution of complaints and claims by customers varies depending on the type of complaints received. In any case, the usual procedure in all geographies once a complaint is received is classified as appropriate, accepted and managed accordingly. In some cases, the resolution of the complaint will be immediate, such as service-related incidents, inefficient collection or similar, and in other cases it will be necessary to carry out corrective actions to ensure a resolution of the problem.

Below is a breakdown of the number of complaints received, handled and the average resolution period in recent years:

	2022	2023
Complaints and claims received	7,992	9,129
Complaints and claims handled	7,992	9,129
Average resolution time (days)	8	8





Governance

Business conduct _ 57



Business conduct



In recent years, a growing effort to strengthen the ethical and transparent conduct of companies has been reflected in increased regulation, resulting in an increasingly complex framework. FCC Servicios Medio Ambiente, aware of the importance of adapting to all these new legislative developments, as well as its commitment to ethical and responsible business conduct, has established mechanisms to prevent, detect and mitigate possible risks and non-compliance. This

commitment extends from the governing bodies and to all persons linked to its activities.

FCC Servicios Medio Ambiente, as part of the FCC Group, is exposed to different inherent risk factors, not only derived from the nature of its activities but also those related to the constant environmental, economic, social or geopolitical changes in the different countries in which it operates.

In order to prevent them from interfering with the achievement of objectives or damaging the company's image and reputation, a Risk Management Model has been established, aligned with the FCC Group, aimed at preventing, identifying and managing both financial and non-financial risks that may affect the Company's different operations.

The Risk Management Model, based on the risk-opportunity vision, establishes a segregation of

functions and the assignment of responsibilities to facilitate the monitoring and control of identified risks. It also includes preventive and mitigating measures, reporting flows and communication mechanisms at different levels.

In addition, to strengthen the control environment, the company has a Criminal Prevention Model, a Tax Compliance Policy, a Tax Code of Conduct, and a Tax Control Framework Standard.

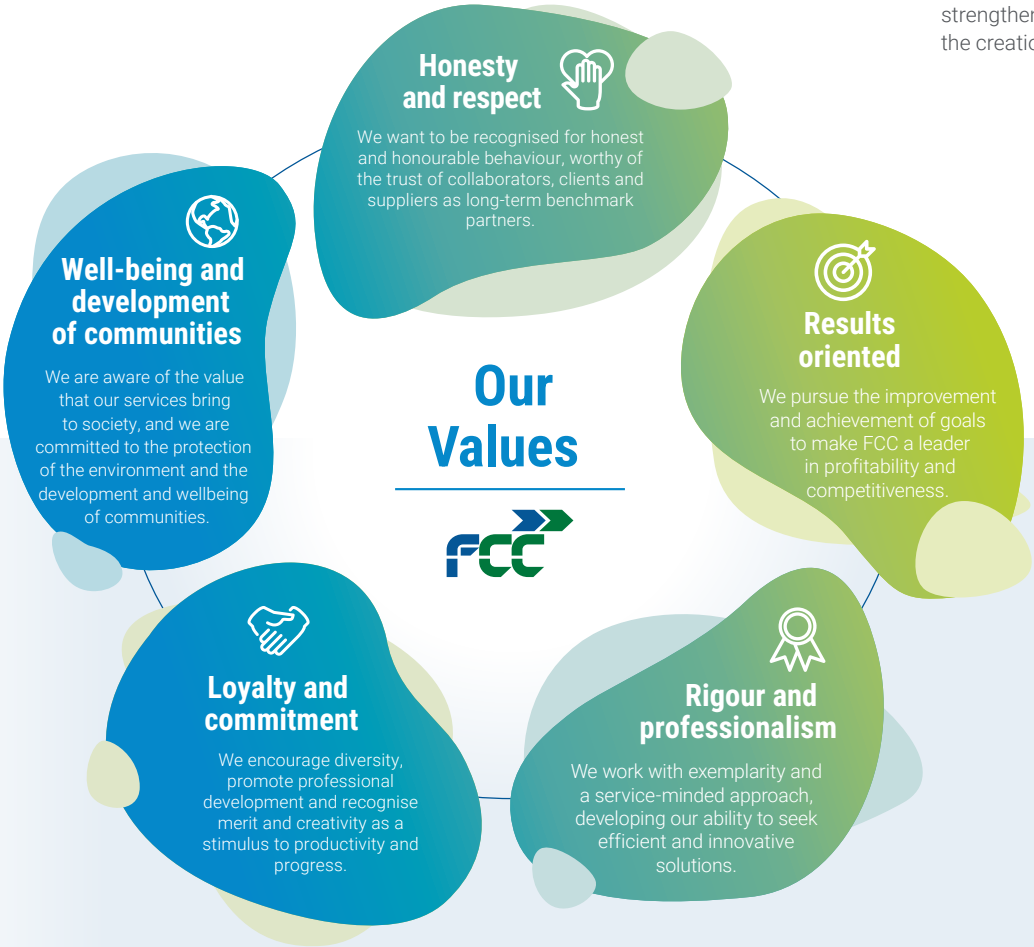


Corporate culture and business conduct policies

The [FCC Code of Ethics and Conduct](#) establishes the guidelines for conduct that guide the actions and behavior of our professionals in ethical, social and environmental matters. Its purpose is to promote that all people linked to FCC Servicios Medio Ambiente are guided by behavioral guidelines with the highest level of demand in the commitment to comply with laws, regulations, contracts, procedures and ethical principles.

It includes issues related, among others, to corruption and bribery, in addition to dealing with matters such as human rights, human capital development, health and safety in the workplace and respect for the environment. It applies to all countries in which it operates and affects employees, management team, partners, suppliers and contractors who collaborate with FCC Servicios Medio Ambiente.

The principles defined in the Code of Ethics and Conduct are as follows:



In addition, the Code of Ethics and Conduct enhances the corporate culture of the organization to the extent that it has been formulated with the purpose of unifying and reinforcing its identity, culture and guidelines for conduct. Our Code of Ethics and Conduct develops in a practical way the values shared in FCC Servicios Medio Ambiente, strengthens a culture of compliance and supports the creation of long-term value.

Supplier relationship management

In terms of due diligence of third parties in terms of Compliance, the year 2023 has meant deepening the analysis of partners and relevant third parties to know their alignment with the principles and values of FCC Servicios Medio Ambiente, respecting the principle of proportionality and basing the analysis on a risk approach. Depending on risk levels, mitigation measures have been applied.

Prevention and detection of corruption and bribery

All the FCC Group's compliance policies have been approved by the Board of Directors of FCC Servicios Medio Ambiente.

In fiscal year 2023, it is worth mentioning the update of the policies and internal regulations related to the Ethics Channel as a consequence of the transposition of Directive (EU) 2019/1937 on the protection of persons who report breaches of Union Law in the different jurisdictions and the approval of the Conflict-of-Interest Management Protocol for FCC Medio Ambiente Iberia, which is part of the compliance model.

Likewise, the FCC Servicios Medio Ambiente compliance model has been approved and is implemented in all of FCC's wholly owned companies, and throughout 2023, significant progress has been made in the approval of a compliance model in investees and joint ventures.

The compliance risk assessments have been reviewed and updated, identifying the main risks and assessing their probability and impact, to finally obtain a matrix of risks and controls that are self-assessed every six months by the persons responsible for implementing and carrying out those controls. These self-assessments provide information on the level of implementation of these controls.

From the third line of defense, the Internal Audit Department has carried out a review of the compliance model where the correct development and progress of the Compliance management system in FCC Servicios Medio Ambiente has been verified.



Corruption and bribery

FCC Medio Ambiente makes available to all persons a [communication channel](#) to report matters or activities that may involve irregularities, illegal acts or breaches of any FCC regulation and/or policy.

The system established guarantees the anonymity of the informant and considers the principle of non-retaliation, in accordance with current legislation.

Up to December 31, 2023, a total of 97 communications have been received in the Ethics Channel, of which 74 have been considered relevant. Regarding the topics, 92% of the relevant notifications received have been of a labor nature, with notifications of other topics such as fraud or conflict of interest also being received.

Payment practices

In line with the provisions of the Capital Companies Act, the FCC Group assumes its powers regarding the determination of the tax strategy and the risk control and management policy, including tax risks. Therefore, it develops a tax compliance system to enhance the fiscal transparency of the companies and avoid the materialization of potential risks.

Thus, the group has an effective system for identifying and managing tax risks, which also aims to provide value to its stakeholders. In 2010, it voluntarily adhered to the Code of Good Practices of the Spanish Tax Agency, and has been submitting, since 2017 and on an annual basis, Tax Transparency Reports to the State Administration Tax Agency.





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