

Chapter 1

MANAGEMENT REPORT (PAG. 9-138)

LETTER FROM THE CHAIRMAN

(PAG. 7)

Chapter 1.1

IN TWO MINUTES

(PAG. 10-17)

Chapter 1.2

STRATEGY AND VALUE CREATION

(PAG 20-35)

STRATEGY

TOLL ROADS

AIRPORTS

CONSTRUCTION

SERVICES

Chapter 1.3

**FERROVIAL
IN 2019**

(PAG. 38-81)

BUSINESS PERFORMANCE

PEOPLE

HEALTH AND SAFETY

INNOVATION

QUALITY

INTEGRITY

HUMAN RIGHTS

THE ENVIRONMENT

SUPPLY CHAIN

COMMUNITY

RESPONSIBLE TAX MANAGEMENT

Chapter 1.4

RISKS

(PAG. 84-87)

Chapter 1.5

CORPORATE GOVERNANCE

(PAG. 90-99)

CORPORATE GOVERNANCE

REMUNERATION

BOARDS OF DIRECTORS

MANAGEMENT COMMITTEE

Chapter. 1.6

**EXPECTED BUSINESS
PERFORMANCE 2020**

(PAG. 102-103)

APPENDIX

(PAG. 106-138)

ALTERNATIVE PERFORMANCE MEASURES (APM)

CORPORATE RESPONSIBILITY MANAGEMENT

REPORTING PRINCIPLES

TASK FORCE ON CLIMATE-RELATED DISCLOSURES

SCORECARD

CONTENTS OF NON-FINANCIAL INFORMATION STATEMENTS

GRI STANDARDS INDICATORS

APPENDIX TO GRI STANDARDS

GLOSSARY OF TERMS

VERIFICATION REPORT

Chapter 2

**CONSOLIDATED FINANCIAL
STATEMENTS**

(PAG. 140-237)

**CONSOLIDATED FINANCIAL
STATEMENTS**

(PAG. 140-227)

AUDIT REPORT

(PAG. 229-237)



PHOTO: 407 ETR Toll Road, Toronto (Canada).

Fellow shareholder,

The traffic, profit and customer satisfaction figures of our main assets continued their positive trend of previous years. In addition to good performances at Highway 407 (Toronto) and Heathrow Airport, the NTE – one of our Managed Lanes project in Texas – distributed its first dividend. Overall, Ferrovial was able to collect more than €729 million in dividends from the assets in its portfolio.

2019 has also been the year in which we have been working on a strategic reset for the business through a five-year plan – Horizon 24. This strategic reset will help reposition Ferrovial as a more agile and sustainable company, while continuing to focus on enhancing profits, efficiency and innovation across the board. We also welcomed our new CEO in October 2019, Ignacio Madrideo, who brings with him a wealth of experience. I am confident in his ability to lead Ferrovial through its new chapter.

Last year, we also began the process of divesting the Services division with the sale of the business in Australia and New Zealand. Until this sale process is completed, we will continue to report that division's results under discontinued operations and its assets at fair value.

In addition, the sale of a stake in Ausol under the asset rotation policy provided a sizeable cash influx and enabled us to deconsolidate the related debt.

Key developments in 2019 included winning the Silvertown Tunnel project in London and securing another extension of the NTE, which will allow us to strengthen our role as key infrastructure operators in Texas. In addition, we opened the Toowoomba highway in Australia, as well as the I-77, another Managed Lanes project in North Carolina. Construction has focused on risk reduction, maintaining competitiveness and seeking growth in high-value concessions.

Within our Airports division, Heathrow set another record with 81 million passengers, an 18% increase since 2010, while maintaining a high level of customer satisfaction. The plan to expand the airport is currently advancing through the local planning stages.

Net profit amounted to €270 million, an increase of 160% year-on-year. Revenues from continuing operations amounted to €6.054 billion, an increase of 5.5%. The combined Construction and Services backlog amounted to €29.080 billion.

The cash position, excluding infrastructure projects but including services, amounted to €1.631 billion.

Shareholder remuneration remained in the range announced at last year's Shareholders' Meeting – €520 million – in terms of dividends and share buybacks. Investors have responded positively to Ferrovial's strategy, with the share price appreciating by 52.4%,



**RAFAEL
DEL PINO**
Chairman

making Ferrovial one of the best performers on the IBEX, which gained 11.8% overall.

There is significant change in terms of technology, demographics, sustainability, and mobility habits around the world, offering many opportunities for Ferrovial and our assets. Our toll roads and airports, such as the 407 ETR, the Managed Lanes, and Heathrow not only represent innovative, sustainable and efficient solutions but are also models we want to emulate as we continue to grow.

In terms of sustainability, Ferrovial was recognized as the leader in its sector by the Dow Jones Sustainability Index and was awarded the Gold Class. Our sustained commitment to the environmental, social, and governance (ESG) considerations was further recognized by our inclusion in the most prestigious indexes including FTSE4Good, MSCI, CDP and Vigeo.

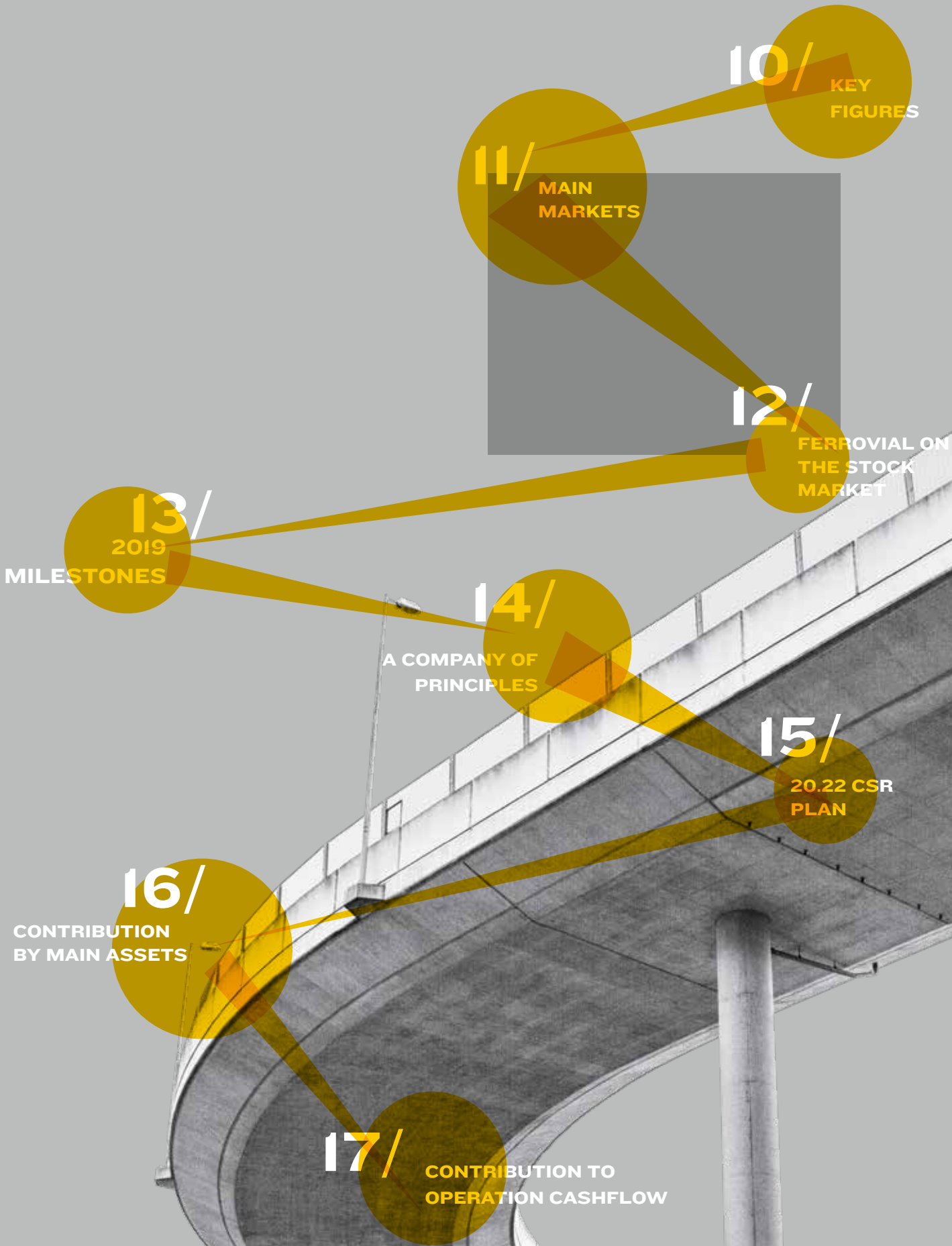
Our commitment to the Sustainable Development Goals (SDG) and our support to the Global Compact underscore our goal to improve our legacy for future generations by constructing and maintaining efficient infrastructure that ensures mobility on a more sustainable level. In a year during which we were confronted by immense environmental challenges, Ferrovial made notable progress by cutting its CO₂ emissions, marking a reduction of 59% in relative terms since 2009, while renewing its commitment to be a carbon-neutral company by 2050. I cannot conclude without emphasizing the importance of the care and protection of our workers, an area in which we will continue to take active measures.

We are unsatisfied with this year's accident rate; consequently, we have taken the necessary measures to face this situation.

Finally, I would like to recognize the commitment and the contribution of the group's employees, who are instrumental to the success of Ferrovial. And I would also like to thank our shareholders and clients for their continued support for Ferrovial giving us the confidence to continue working on projects that generate value for all our stakeholders and for society as a whole.



PHOTO: D4R7 Toll Road, Bratislava (Slovakia).

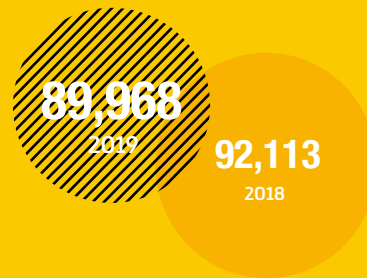


KEY FIGURES

MEMBER OF
Dow Jones Sustainability Indices
 In Collaboration with RobecoSAM

Ferrovial, the most sustainable company of the world in its sector.

WORKFORCE AT YEAR-END



CO₂ EMISSIONS

scope 1&2 tCO₂ eq/M€

-59%
 in relative terms
 compared to 2009

CLICK

CEO Ignacio Madridejos.
 2019 results.



BENEFICIARIES OF SOCIAL PROJECTS

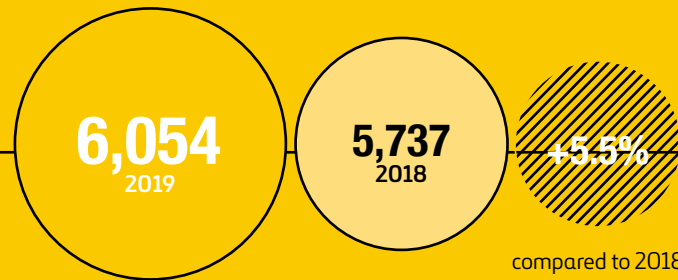
223,314

TOTAL TAXES (M€)*

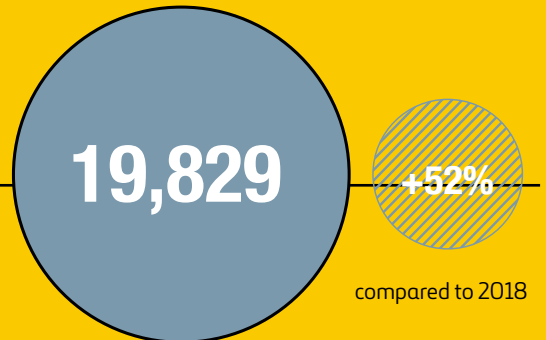
2,087

* Incurred, paid and collected in 2019
 (Cash/Settlement)

REVENUES* (M€)



CAPITALIZATION (M€)



* Figures excluding Services, classified as discontinued activity.

OPERATION FLOW^(*) (M€)

(before taxes)

810

ex infrastructures

+43.7%

(*) Includes Services



NET CASH (M€)

1,631

ex infrastructures includes net cash from Services (158 M€)

FREQUENCY RATE⁽¹⁾

-15.6%
 compared to 2018

SEVERITY RATE⁽²⁾

-13.8%
 compared to 2018

(1) Year-on-year change in the ratio showing the number of accidents to have occurred during working hours and leading to medical leave, for every million hours worked. Does not include contractors.

(2) Year-on-year change in the ratio showing the number of days lost as a result of occupational accidents for every thousand hours worked.

MAIN MARKETS

Figures by proportional integration.
Financial data does not include data from Services
(discontinued activity)



U.S.



REVENUES: 1,523 M€
RBE: -166 M€
WORKFORCE: 5,306



CANADA



REVENUES: 511 M€
RBE: 379 M€
WORKFORCE: 722



SPAIN



REVENUES: 1,047 M€
RBE: 167 M€
WORKFORCE: 42,262



UNITED KINGDOM



REVENUES: 1,408 M€
RBE: 573 M€
WORKFORCE: 16,115



POLAND

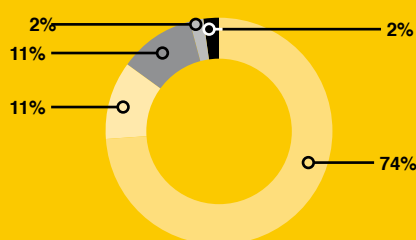


REVENUES: 1,004 M€
RBE: 61 M€
WORKFORCE: 6,393

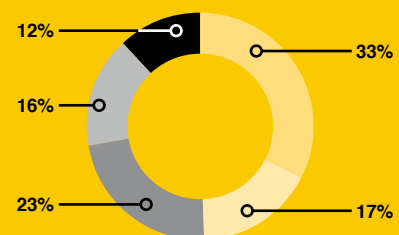


ANALYSTS' ASSESSMENT

- CANADA + US ●
- SPAIN ●
- UNITED KINGDOM ●
- POLAND ●
- OTHERS ●

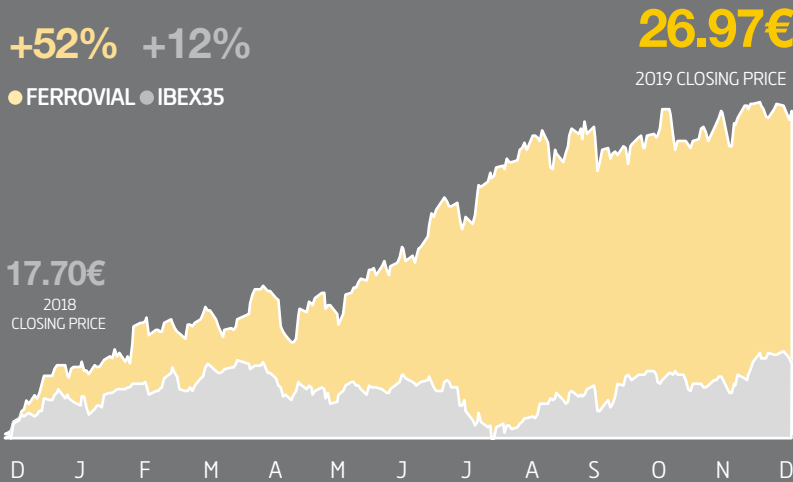


REVENUES



FERROVIAL SHARE PERFORMANCE

SHARE PERFORMANCE IN 2019 (FER & IBEX)



CAPITALIZATION (M€)

19,829

TOTAL SHAREHOLDER RETURN (TSR)*

+57.2%

* Total Shareholder Return (TSR): it is the sum of the revaluation/depreciation of shares during the period and other payments, such as those derived from the purchase of subscription rights delivered to shareholders.

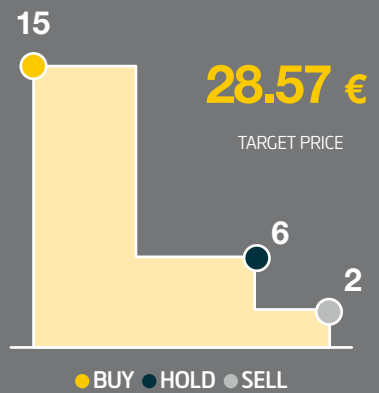
CREDIT RATING

BBB

S&P AND FITCH

ANALYST'S RECOMMENDATION

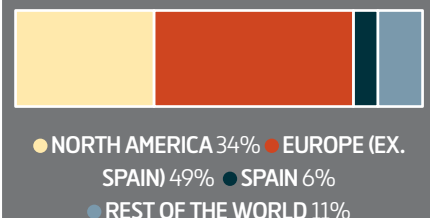
23 analysts were covering Ferrovial at 31 December. JP Morgan and Barclays started covering it during 2019.



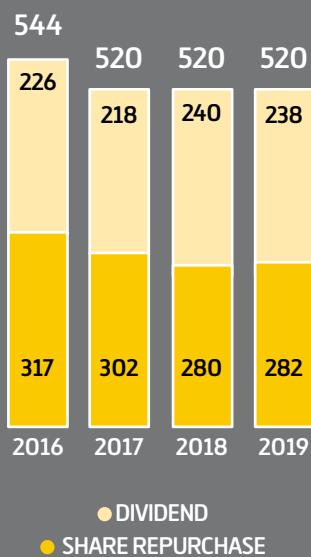
CONTACT WITH THE MARKET

In 2019, the Investor Relations department held about 270 meetings, 12 roadshows and 5 seminars, with almost 400 investors.

INSTITUTIONAL INVESTORS* (%)



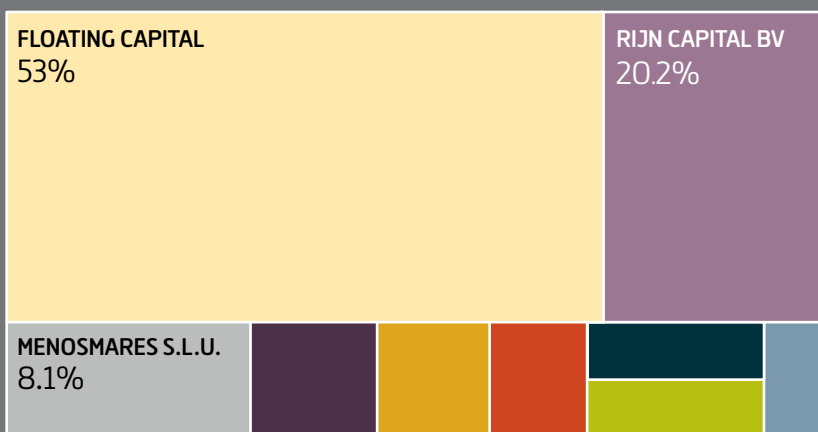
SHAREHOLDER REMUNERATION (M€)



HISTORICAL SHARE DATA

	2019	2018	2017
CLOSING PRICE (€)	26.97	17.70	18.93
MAX. (€)	27.21	19.78	20.75
MIN. (€)	17.71	16.20	16.75
VWAP (€)	23.15	17.86	18.63
DAILY AVERAGE CASH (€M)	47.05	27.39	33.07
DAILY AVERAGE VOLUME (ACC M)	2.02	1.54	1.77
NUMBER OF SHARES (M ACC)	735.22	738.46	732.27
CAPITALIZATION (M€)	19,829	13,067	13,858

SHARE STRUCTURE



- SIEMPRELARA S.L.U. 4.2%
- THE CHILDREN'S INVESTMENT MASTER FUND 3.7%
- LAZARD ASSET MANAGEMENT 3.1%
- SOZIANCOR S.L.U. 2.5%
- BLACKROCK 3%
- FIDELITY INT'L 2%

*SOURCE: CNMV and CMi2i (October 2019)

JANUARY

- > Ferrovial, global leader in climate change according to the Carbon Disclosure Project
- > NTE and LBJ introduce solar energy into their facilities

FEBRUARY

- > Award of two road maintenance contracts in Canada for 200 M€
- > The consortium formed by Ferrovial and Acciona is awarded a section of the Mediterranean Corridor

MARCH

- > Construction of a road in Gran Canaria
- > Triple triumph of Tideway Central in the Rightway in Delivery awards

FIRST QUARTER

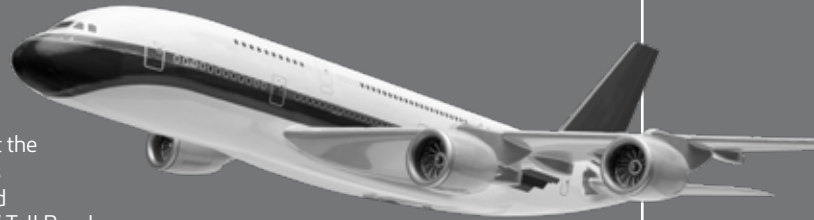
SECOND QUARTER

APRIL

- > Heathrow Airport awarded at the Skytrax World Airport Awards
- > Award for the best design and construction for the NTE 35W Toll Road

MAY

- > The RiverLinx consortium, selected to manage the Silvertown tunnel in London
- > The Muprespa Habana Fraternity Hospital, built by Ferrovial Agroman, LEED Platinum certificate



JUNE

- > Rafael del Pino, awarded for his professional career at the ESIC ASTER Awards
- > Sale to Meridiam of 65% of the Ausol Toll Road for 451 M€, 60% above the market consensus

THIRD QUARTER

JULY

- > Sale of 11.7% of the Cocoa Route for 28.6 M€
- > Award for the modernization of a section of the IH 35 road for 56 M€

AUGUST / SEPTEMBER

- > Ignacio Madrdejos, appointed Chief Executive Officer
- > Ferrovial, the world's most sustainable company in its sector according to the Dow Jones Sustainability Index
- > Inauguration of the Toowoomba ring road in Australia, with an investment of 1,100 M€
- > Juan Hoyos, new Independent Director
- > Award for the construction and operation of the NTE3C Toll Road for 813 M€



DECEMBER

- > Ferrovial joins the initiative "CEOs call for action: A New Deal for Europe"
- > Gonzalo Urquijo, new Independent Director
- > Sale of Broadpectrum to Ventia for 303 M€ of Equity Value
- > The NTE Toll Road pays 292 M\$ in its first dividend distribution
- > Closing of the refinancing of the NTE Toll Road for more than 1,200 M\$

OCTOBER

- > Agreement between Wondo and Moovit to offer the most complete and comprehensive mobility app in Spain
- > Connection of Farringdon Station with the Thameslink lobby in London

NOVEMBER

- > Signing of the contract for the management of the Silvertown tunnel in London
- > Iberdrola Award for best practice in International Energy Cooperation
- > Inauguration of I-77 Toll Road in North Carolina

FOURTH QUARTER

A COMPANY OF PRINCIPLES

CORPORATE CULTURE IS ENGRAVED IN FERROVIAL'S GENETICS. THE COMPANY HAS RENEWED ITS VALUES AND ITS PURPOSE IN SOCIETY, PROJECTED TOWARDS SUSTAINABLE INFRASTRUCTURE IN A WORLD THAT MOVES TOWARDS PROGRESS AND INNOVATION. IT MAINTAINS THE ESSENCE OF ITS VALUES, WHOSE SEED WAS PLANTED IN THE FOUNDING MOMENTS OF THE COMPANY.

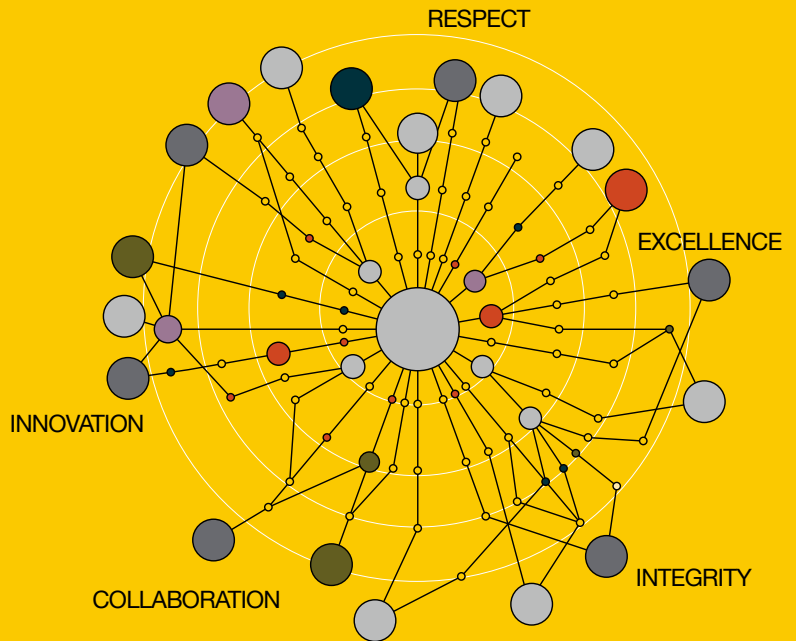
PURPOSE

Sustainable infrastructure for a world on the move

VISION

Develop and operate sustainable, innovative and efficient infrastructure while creating value for our stakeholders

VALUES



SDGs, ON FERROVIAL'S AGENDA

FROM THE BEGINNING, FERROVIAL JOINED THE AGENDA OF THE SUSTAINABLE DEVELOPMENT GOALS (SDGs) APPROVED BY THE UNITED NATIONS IN 2015. IT PARTICIPATED AS ONE OF THE COMPANIES IN THE PRIVATE SECTOR ADVISORY GROUP ORGANIZED BY THE UNITED NATIONS. ALTHOUGH IT PARTICIPATES IN ALL 17 SDGs, IT FOCUSES ON THE THREE CLOSEST TO ITS ACTIVITY.



GOAL 6: CLEAN WATER AND SANITATION

25

water and sanitation projects in Latin America and Africa

+220,000
beneficiaries

+400
million m³ treated water



GOAL 9: INDUSTRY, INNOVATION AND INFRASTRUCTURE

23

toll roads

21,949 M€
of investment managed

Managed Lanes

as sustainable solutions in areas with high urban congestion



GOAL 11: SUSTAINABLE CITIES AND COMMUNITIES

95

million passengers a year

Mobility
Solutions for urban mobility

Zity and Wondo

CSR IS A SERIOUS SUBJECT FOR FERROVIAL. THE PLAN IS RENEWED EVERY THREE YEARS, HARMONIZING THE INITIATIVES THAT THE COMPANY DEVELOPS WITH QUALITATIVE AND QUANTITATIVE INDICATORS. IN THE LAST EDITION OF PLAN 20.22, IT DEFINES ITS MEASURES IN RESPONSE TO TRENDS IN THE SECTOR AND IN LINE WITH THE UNITED NATIONS SDGs.

1. TRANSFORMATION AND DIGITALIZATION

Maintain investment in innovation, boosting the ecosystem of start-ups and favoring STEM vocations.



2. NEW MOBILITY AND URBAN CONGESTION

Promote road safety on toll roads, developing projects that improve mobility and measuring the environmental impact of an asset throughout its life cycle phases.



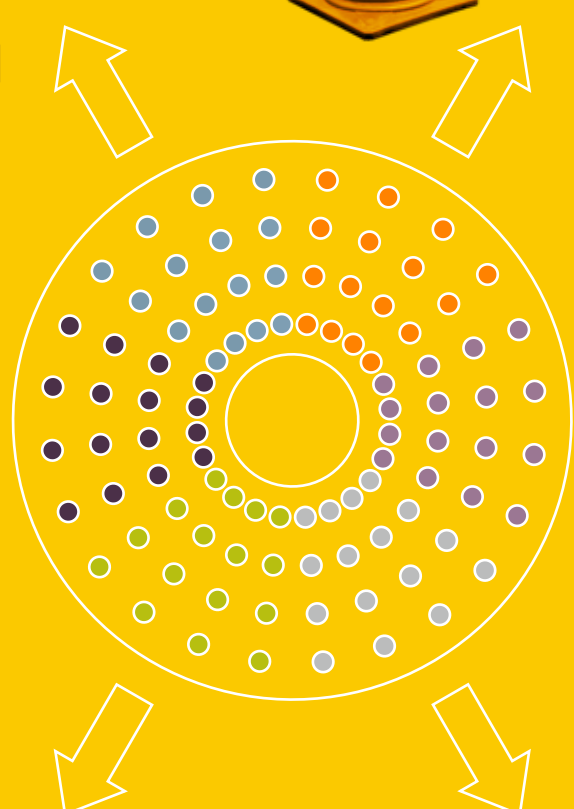
6. ETHICS AND CORPORATE GOVERNANCE

Development of an ethical code for suppliers and reinforcement of the Green Purchases Code, a responsible policy and train on Human Rights, Ethical Code and forbidden conducts.



3. OCCUPATIONAL HEALTH AND SAFETY

Involvement of workers in preventive behavior, focus on high potential accidents and establishment of a more agile communication.



5. CLIMATE CHANGE

Reduce the carbon footprint by 32% by 2030, reach 100% in the purchase of renewable energy by 2025, 33% of the zero emission vehicle fleet by 2030 and establish a water footprint target.



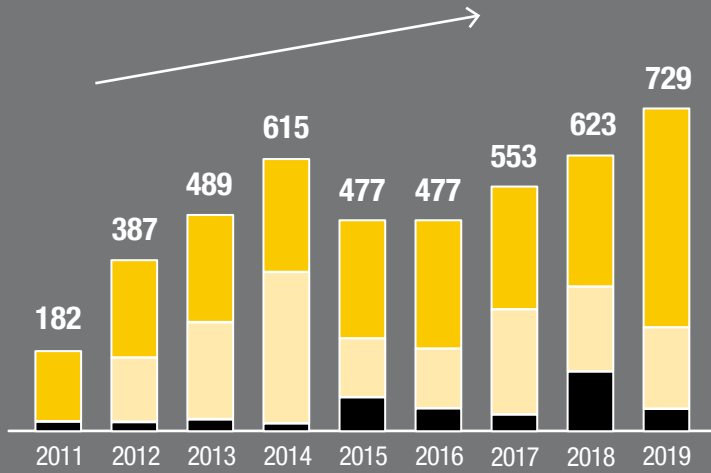
4. GENDER EQUALITY AND DIVERSITY

Monitor the wage gap by countries, placing it below 20%, apply the Rooney rule in the selection processes, setting the presence of women in the incorporation of base positions at 35%, while forming unconscious biases.



CONTRIBUTION TO OPERATING CASH FLOW

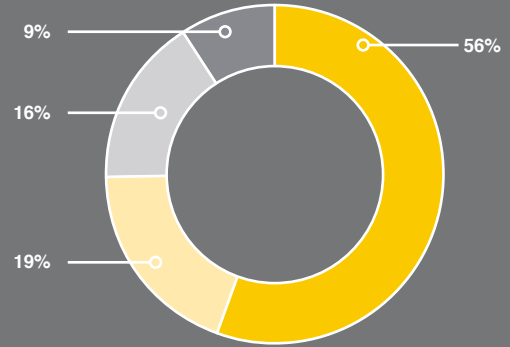
DIVIDENDS FROM INFRASTRUCTURE PROJECTS (M€)⁽¹⁾



● TOLL ROADS ● AIRPORTS ● CONSTRUCTION ○ SERVICES ● OTHERS

OPERATING CASH FLOW⁽²⁾

(Ex-Infrastructures)



(1) 2014 Includes the extraordinary dividend of Heathrow for the sale of AGS (214 M€)
 2017 Includes an extraordinary dividend after AGS refinancing (43 M€) and an extraordinary Heathrow dividend
 2018 Includes an extraordinary dividend from Ferrovial Servicios España (104 M€)
 (2) Before tax





PHOTO: Heathrow Airport, London (United Kingdom).

→ This cloud gives you the edge your business needs.
→ The Microsoft Cloud.

SERVICES

34/

CONSTRUCTION

30/

AIRPORTS

28/

TOLL ROADS

24/

STRATEGY

20/



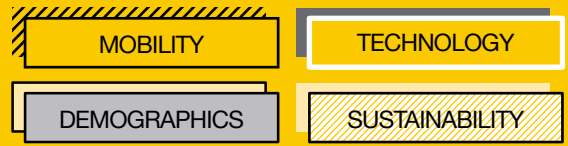
STRATEGY AND VALUE CREATION

Chapter. 1.2

HORIZON 24 PLAN: SUSTAINABLE INFRASTRUCTURES

FERROVIAL HAS REFLECTED THE REVIEW OF ITS STRATEGY IN THE HORIZON 24 PLAN, WHICH COVERS THE PERIOD 2020-2024, FOCUSING THE CORNERSTONE OF ITS ACTIVITY ON THE PROMOTION, CONSTRUCTION AND MANAGEMENT OF SUSTAINABLE INFRASTRUCTURES. THE PLAN IS BASED ON AN ANALYSIS OF TRENDS AND OPPORTUNITIES, WHILE SETTING PRIORITIES AND DETERMINING OBJECTIVES. THE PLAN PURSUES A MORE AGILE, INNOVATIVE AND EFFICIENT COMPANY.

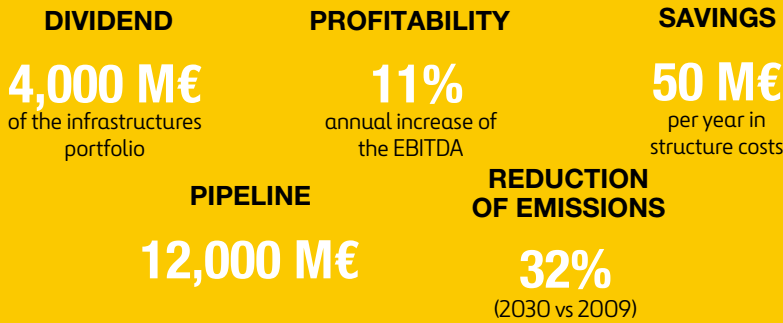
TRENDS



MARKETS



KEY FIGURES



PRIORITIES



BUSINESS LINES



CLICK

CEO Ignacio Madrdejos
Horizon 24 Plan

TOLL ROADS

Growth in greenfield projects of high concessional value. Proactive generation of Managed Lanes pipeline with focus on the US, maintaining and developing competitive advantages with standard traffic risk and availability projects.

AIRPORTS

Lever capabilities, with active portfolio management and greater geographic reach in its business development. Attentive to Heathrow's expansion.

CONSTRUCTION

Key to the development of greenfield projects, focused on markets with a commitment to infrastructure. 25% of the revenue will come from internal projects.

NEW BUSINESSES

Mobility: Zity and Wondo.
Electrification: quick asset rotation.
Water: concessions and construction.



Strategy

Sustainable infrastructures

Ferrovial has updated its strategy to reaffirm its focus on the development and operation of infrastructures.

A sector with 3.7 trillion-dollar investments required per year. A significant part of these investments will be channeled into transport infrastructure, including roads (0.9 trillion-dollar per year) and airports.

The infrastructure sector is experiencing a transformation driven by changes in demographics, social habits, technology, mobility and environmental concerns. This dynamic context presents opportunities for Ferrovial, as it impacts the way infrastructure will be designed, constructed and operated in the future.

- The concentration of population in cities and the consequent congestion in the existing access routes will demand innovative alternatives, upgrades and new infrastructure. These solutions should take into consideration future needs, such as those related to the increasing interconnectivity among infrastructure, vehicles and users.
- E-commerce and on-demand delivery will contribute to changes in transport and logistics developments. Consumers demand a wide offering of products, short delivery times and easy returns, leading to more vehicles on the roads and to new traffic patterns. In addition, further development of autonomous vehicles will introduce new technology requirements in infrastructure.
- Climate change concerns and decarbonization commitments will also require new solutions in infrastructure development and operation, such as recharging networks for electric vehicles or traffic management systems to reduce congestion or to give circulation preference to low carbon vehicles.

In addition to the above-mentioned trends, the company also faces challenges such as: the evolution of regulatory frameworks and commercial, political and social tensions (in the countries where it operates), the increasing competition (both from infrastructure companies and from financial investors), and the transport decarbonization.

PURPOSE

Sustainable infrastructure for a world on the move.

VISION

Develop and operate sustainable, innovative and efficient infrastructure while creating value for our stakeholders.

VALUES

Respect, Collaboration, Excellence, Innovation, Integrity.

STRATEGY

Strategic priorities

- **People:** ensure the highest standards for health and safety in its operations, foster diversity and local talent, and continue to reinforce the engagement level of its employees.
- **Sustainable growth:** develop infrastructure projects with high concessional value. The company reaffirms its focus on toll roads and airports, with a pipeline of more than 12 B€ in infrastructure projects.

In Toll Roads, Ferrovial will continue developing greenfield projects, proactively generating pipeline in Managed Lanes, while maintaining its competitive advantages in standard traffic risk and availability projects.

In Airports, the company will leverage its expertise in development and operation, actively managing its portfolio and partnering to grow.

Ferrovial will reinforce its Construction presence where it is key to develop greenfield infrastructure projects. The core concessions markets for Ferrovial are USA, UK, Canada, Poland, Spain, Chile, Colombia and Peru, and the company will also invest selectively in other regions.

Additionally, Ferrovial will also explore new sustainable infrastructure related opportunities, such as electrification, mobility and water.

- **Operational excellence:** continue to focus on efficiency at all levels, both in the design and execution of construction projects as well as in the management of the assets in portfolio. In construction, the company will maintain its references and capabilities in the design and construction of complex projects, and will review and optimize its core processes. In concessions, Ferrovial will continue leveraging its distinctive operation skills, such as revenue management, traffic optimization and customer service, with expertise in unique assets, such as the 407ETR, the Texas managed lanes and Heathrow.

The company will implement a new operating model to become more agile, innovative and efficient. The new model maintains the emphasis on accountability, promotes entrepreneurship and collaboration, and increases the level of digitalization and automation. In order to implement this new of operating model, the company will simplify processes, create shared service centers and review non-personnel expenses.

Solutions for a low carbon environment and corporate social responsibility are at the core of Ferrovial's strategy. The company is implementing

a decarbonization roadmap and has also defined a CSR plan aligned with the UN Sustainable Development Goals. Ferrovial will continue to be proactively engaged with the sustainable development of its operations to maintain its presence in sustainability indexes such as the Dow Jones Sustainability, Carbon Disclosure Project and FTSE4Good among others.

- **Innovation:** generate new competitive advantages and anticipate potential disruptions that may impact the company's businesses or that could present new business opportunities. In order to reinforce its value creation in the future, Ferrovial will develop both incremental innovation at the business unit level and disruptive at the corporate level, and will continue sponsoring the company's entrepreneurial culture.





PHOTO: Nipponing Bridge, Nipponing (Canada).

Toll Roads

Stepping on it

Cintra helps reduce the investment shortfall in infrastructures mainly in increasingly congested urban settings with sustainable concession models that minimize the need for public funds.

Cintra carries out its activity in markets with predictable institutional frameworks, good economic perspectives (North America, Australia and Europe), with developed financial markets, and with

high demand for transport infrastructures, especially those that are resolving traffic congestion problems in urban areas (complex greenfield concessions) and with toll rate freedom. Its more than 50 years of experience, in-depth knowledge of new technologies applied to pricing (advanced analytics), as well as the synergies with Ferrovial Agroman make Cintra a company with high value creation and strong competitive advantages.

MAIN ASSETS

Cintra possesses 43.23% of the 407 ETR Toll Road in Toronto, Canada, and 62.97%, 54.6% and 53.67% of the NTE, LBJ and NTE 35W Managed Lanes in the state of Texas, respectively. In 2019, the I-77 (50.10%) in North Carolina was fully opened to traffic. The I-66 (50%) in Virginia remains in the construction phase.

In Managed Lanes, toll rates are dynamic and can be changed every five minutes according to the level of congestion, guaranteeing drivers a minimum speed at all times. Free-flow toll systems (no barriers) are notable for the long term of the concession, and broad rate flexibility and for an optimized long-term financial structure, making Cintra a leader in the private development of high-complexity transport infrastructures.

VALUE CREATION

High-complexity greenfield projects

Cintra is centered on complex greenfield projects owing to their high value-creation potential. Its ability to assess and assume higher levels of risk associated with the project in the bidding phase (construction, financing, operation and traffic) allows it to opt for higher initial rates of return (IRR). Thus, Cintra led a Consortium that in 2019

was awarded and closed the financing of the Silvertown project in London, a greenfield project with an investment of over 1,200 million pounds, which required over 1,100 million pounds of debt and which will be executed in the next 5 years to go into operation during the next 25.

The value creation process lies in the reduction in the discount rate of future cash flows and in the elimination (construction) or reduction (traffic/financing) of the project's risks as the concession progresses.

One example of this decrease in the discount rate is the refinancing of all of NTE's debt. 400 million dollars were raised in the market of private activity bonds (PAB's) at 20 years with an all-in cost of 3.05% and 871 million dollars in taxable bonds at 30 years with an all-in cost of 4.03%. Both issues were quite successful among investors. The result was a drop in the average cost of 1.50% (to 3.80%), an increase in the repayment term of the debt and an improvement of the rating (BBB from Fitch/Baa2 from Moody's), all this maximizing the payment to shareholders through the first dividend subscribed by the project in December 2019. Another example was the sale of 11.7% of the Ruta del Cacao Toll Road to the British infrastructure company John Laing for 28.6 million euros, which generated capital gains of close to 11 million euros, thanks to the fact that it materialised after the financial closure of the project and therefore eliminated that risk.

Cintra's advanced analytics team was consolidated in 2019 in Austin, Dallas and Toronto. It works on high-value projects like machine learning for dynamic real-time pricing or artificial intelligence for automatic vehicle detection. It is also developing new toll projects targetted at different client segments to support the use of Managed Lanes.

Turnover of mature assets

By reducing risks, the value created is materialised in the sale of mature projects, with use of the revenue for investment in new assets with greater value-creation potential. An example is the transfer to the Meridiam infrastructure fund of 65% of the Ausol toll roads for 451 million euros (with an implicit valuation 60% above the market consensus, showing the strong appetite for this asset category). Cintra continues to be the key industrial partner, with 15% of the asset, on which it has reserved a put option and granted a call option to Meridiam. In addition, Cintra has signed a management contract for the provision of certain long-term concession services.

NORTH AMERICA

96%

Cintra valuation

CONCESSIONS

23

Assets in 9 countries

KILOMETERS

1,474

DIVIDENDS (€M)

494

309 M€ from 407ETR and 166 M€ from NTE

61% of total flow (ex-Infra)

INVESTMENT MANAGED (M€)

21,949

94% International



CLICK

Managed Lanes

Socially responsible infrastructures

Owing to their complexity, innovation and efficiency, Cintra's projects offer sustainable solutions that improve congestion in large cities, reduce pollution, reduce accidents, increase users' satisfaction by improving its safety and people's quality of life. In the state of Texas, Cintra is operating the first carbon neutral toll road, the NTE, a feature that is evident when comparing the pre-existing scenario (existing road) and the present (the existing road plus the NTE), meaning that there is no emissions increase in the region despite the greater capacity of the infrastructure because of the reduction in congestion.

Users: excellence in service

Client satisfaction is a priority for Cintra. In 2019, the 407 ETR Toll Road achieved its high levels of client satisfaction of 87% in toll road service and in its call center, which handled 3.3 million requests and again won awards for its excellence in the quality of service for the sixth consecutive year as a World Class Call Center.

Employees: support for merit

Cintra offers opportunities for the professional development of all its employees by promoting internal mobility and ensuring that merit is the decisive factor in their career. In 2019, 16% of structure employees changed their job or location, and one of each four people are working in an international assignment.

NEW MANAGED LANES IN THE 35W: 3C SECTION

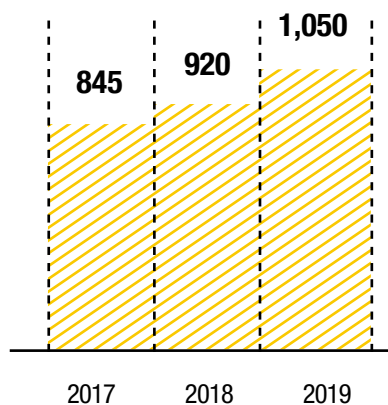
In 2019, Cintra financially closed a new section of the NTE 35W Toll Road, the 3C, in Texas, a Managed Lanes project of high technical complexity and high concession value, with an investment of roughly 1 billion dollars and a concession term of nearly 50 years. The agreement includes work on a section of nearly 11 kilometres of road, with renovation of existing lanes, which will remain toll-free; and the construction of two Managed Lanes in each direction, in addition to acceleration lanes. To finance the investment, Cintra has undertaken an issue of 750 million dollars in private activity bonds (PABs), with profitability (yield to worst) of 3.25% and maturing in 2058. The issue was also very successful among investors. The debt received a BBB rating from Fitch Ratings and Baa3 from Moody's.

URBAN MOBILITY PRICING

Cintra actively participates in initiatives to reduce pollution and congestion in urban areas through a sustainable approach. Ferrovial is developing a strategy to generate the right incentives to use more sustainable modes of transport in the city. Applying intelligent tariffs to available capacity can encourage the use of less polluting and higher occupancy vehicles at off-peak times, giving citizens more options, while reducing congestion and pollution, and ultimately creating more liveable cities.

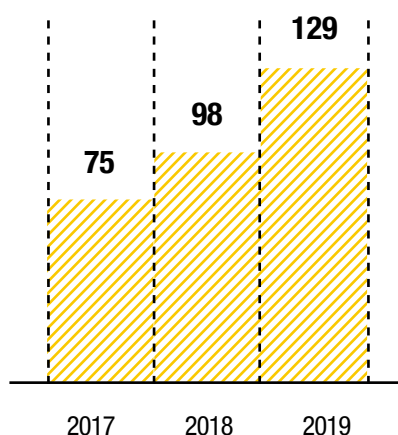
407 ETR (CANADA)

Dividends MCAD



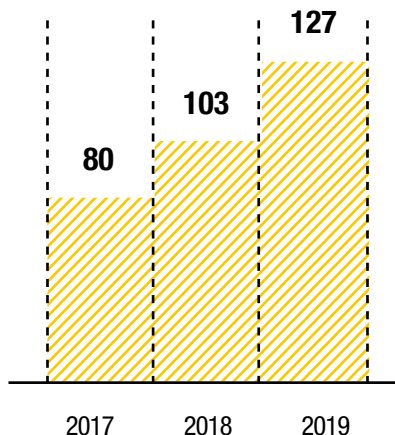
NTE (US)

EBITDA M\$



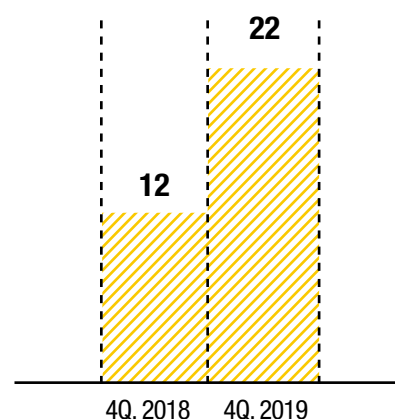
LBJ (US)

EBITDA M\$



NTE 35W* (US)

EBITDA M\$



* Data related to the last quarter of 2018 and 2019. The toll road opened in July 2018.

407 ETR CONTRIBUTION

407 ETR IS WELL KNOWN TO BE FAST, SAFE AND RELIABLE - THE THREE MAIN REASONS WHY OVER 400,000 DRIVERS AND THEIR PASSENGERS USE THE TOLL ROAD EACH WORKDAY IN TORONTO. THE ALL-ELECTRONIC BARRIER FREE TOLL ROADS MEANS DRIVERS ENTER AND EXIT WITHOUT HAVING TO WAIT AT CONGESTION CAUSING TOLL BOOTHS. DRIVERS OF 407 ETR ALSO REPORT SAVINGS ON FUEL AND VEHICLE MAINTENANCE COSTS AND KNOW THAT DRIVING THE TOLL ROAD REDUCES CARBON EMISSIONS.

GREAT FOR YOU, GREAT FOR ONTARIO

\$15.9 billion of economic benefits supported by Toll roads 407 ETR within Ontario since 1999.



KEEPING DRIVERS MOVING

Over 400,000 drivers and their passengers each workday, using Toll roads 407 ETR—the toll roads has increased capacity steadily to meet demand and keep traffic moving at the most important times of the day.



FEWER EMISSIONS

While driving at a safe and consistent speed on Toll roads 407 ETR—avoiding traffic congestion elsewhere—harmful vehicle emissions are reduced by 108 million kilograms of CO₂ every year.



KEEPING TRANSIT ON-TIME

Each workday, public transit agencies move over 86,000 passengers on 407 ETR, making 1,750 trips.



SAFETY IS OUR PRIORITY

Over 3,000 drivers are assisted by our toll roads Safety Patrollers every year.

SUPPORTING ONTARIO

\$724 million /year of economic benefits (including employment, wages, government revenue and household income) supported by Toll roads 407 ETR within Ontario.



MAINTENANCE AND IMPROVEMENTS

\$34 million towards maintenance and improvements in 2019: 60 km of concrete lanes—grinding and grooving, 12 km of asphalt lanes resurfaced, in addition to 13 bridges, 14 km of new lanes added between Markham Rd. and York Durham Line.



MOVING LARGE BUSINESSES

Truck traffic on 407 ETR has grown by over one million trips per year in the last 10 years and each workday, businesses make approximately 140,000 trips on Toll Road 407 ETR.



TIME SAVINGS

30.4 million hours /year saved by 407 ETR drivers. 22.7 million hours saved by personal vehicle drivers and another 7.7 million hours saved by businesses.





PHOTO: NTE 35W Toll Road, Texas (United States).

Airports

Growth and service quality

Ferrovial Aeropuertos is one of the leading private investors and operators of airports in the world. It has four assets in the United Kingdom: Heathrow (25%), the airport with the highest volume of passenger traffic in Europe and the seventh highest volume worldwide, as well as AGS (50%), consisting of the Aberdeen Glasgow and Southampton airports. Ferrovial is also developing its transmission lines business with current operations in Chile.

In 2019, Heathrow registered a record number of 80.9 million passengers, which represents an increase of 1% over the previous year and the ninth consecutive year of growth. After a period of strong growth, the aviation market in AGS is becoming consolidated, especially with regard to low-cost airline companies.

The assets in the United Kingdom have detailed plans in place to guarantee proper operation and passenger service after the final break with the European Union. Regarding the effects of Brexit on the activity, the United Kingdom and the European Union have agreed to extend current agreements, which will significantly reduce the risk of flights being interrupted.

It should be noted that Ferrovial Aeropuertos has bolstered its offices established in 2018 in Austin (USA) and Amsterdam (Netherlands) to provide support for the division's tendering activities in the American and Asian markets.

During 2019, Great Hall Partners LLC (a consortium led by Ferrovial Aeropuertos) received written notice for the termination of the contract to remodel Denver Airport. At the end of this contract, the excess cash flow was distributed to the shareholders. Ferrovial received 21 million euro in dividends.

Furthermore, in 2019 the business dedicated to the development and management of electrical transmission lines continued to make progress in the construction and operation of the Centella substation and 250 kilometres of lines in the city of Salamanca, north of Santiago de Chile.

In conjunction with Transchile, which owns a 204-kilometre line in the Araucanía region in southern Chile, Ferrovial has a cumulative capacity of 2,160 MW and has become one of the most significant players in the country.

VALUE CREATION

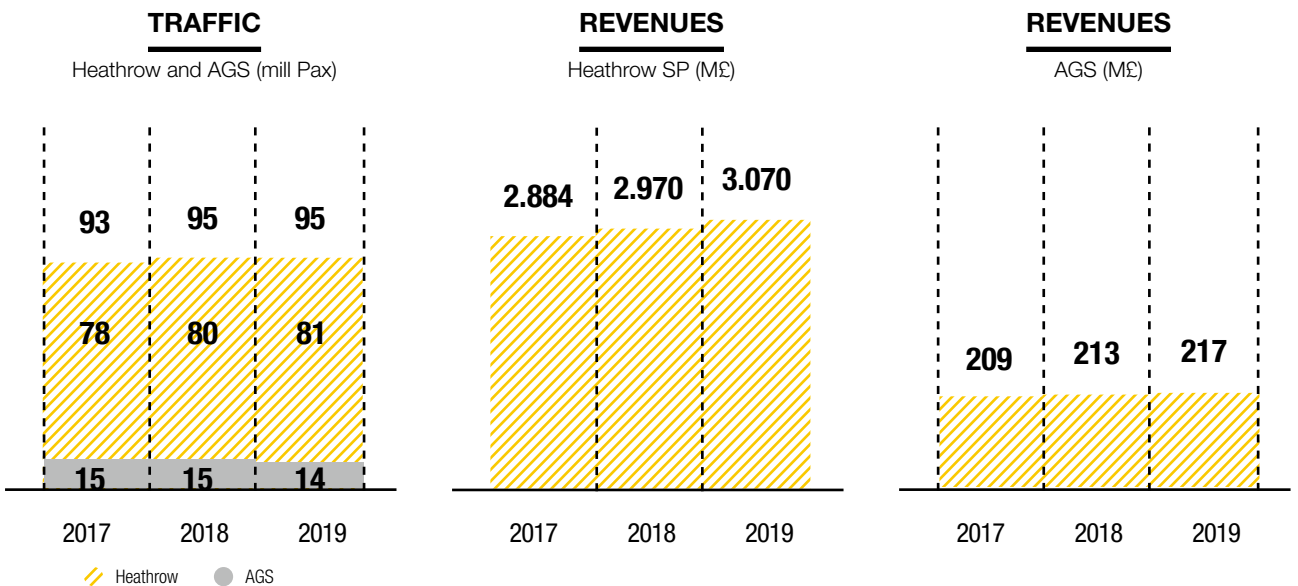
Operational efficiency and service quality

Heathrow stands out for its solid financial performance, which has resulted in a 4.5% increase in EBITDA compared to the previous year, due to the investments made in improvements to luggage systems, immigration control, security services, business initiatives and passenger services.

The improvements to service quality are evidenced by the results of the passenger satisfaction surveys (ASQs), which have reached record levels of approval at 4.17 over 5 (4.15 in 2018). Moreover, 82% of passengers scored their experience as "excellent" or "very good".

Heathrow was recognised by the Skytrax World Airport Awards as the "Best Airport in Western Europe" and "Best Airport for Purchases" for the fifth and tenth consecutive time, respectively. In addition, Terminal 5 of the London-based hub headed the list of best airport terminals in the world for the sixth time in its eleven-year history.

AGS, in turn, has established a new operating model focused on service quality, simplifying processes and reducing costs. Among the most important initiatives are the closure





of the defined benefit pension plans, outsourcing of the security and fire prevention services and the optimization of supplier contracts.

Sustainability

The airports operated by Ferrovial are firmly committed to operate at the highest possible levels of sustainability by promoting economic and social development and putting in place initiatives that will minimize the impact of the industry on the environment.

Throughout 2019, Heathrow continued its strategy to implement initiatives and achieve milestones such as the Wildlife Trust's Biodiversity Benchmark award for the eleventh time and becoming the first airport in the world to reach the maximum Carbon Trust rating for its active participation in reducing emissions in its supply chain. Currently, 96% of the vehicle fleet at Heathrow is electric or hybrid. Glasgow airport has become the first airport in the United Kingdom to make use of a fleet of buses that are 100% electric, operating between the terminal and the long distance parking lot.

Innovation

Among the main innovation projects developed in 2019, the following are worthy of mention:

- Artificial intelligence for landing strip maintenance. The Aberdeen airport has chosen artificial intelligence to control the condition of the asphalt in the airport by using a mobile application and a web platform.
- Using drones to inspect transmission lines. In collaboration with the innovation team, a new project has been carried out with drones that intends to replace the traditional and manual inspection method with a method that is more efficient, automated and safer.

HEATHROW IS NOW CARBON NEUTRAL

After two years of work and an investment of more than 100 million pounds, Heathrow has become a carbon neutral airport, as set forth in the Heathrow 2.0 strategic plan announced in 2017. All of its terminals operate with 100% renewable energy sources, while it currently operates the largest fleet of electric vehicles in Europe. The airport also intends to make investments in upcoming years to eliminate the emissions caused by its operations by mid 2030.

In addition, the airport is working on capturing carbon in the atmosphere through projects such as renewal and restoration of peat bogs and research in new methods of agriculture.

Heathrow is promoting the elimination of flight emissions by working alongside airlines, industry partners and government organisations to continue making progress in the development of alternative fuels and providing support for the development of technologies that can reduce flight emissions.

BUSINESS PLAN FOR THE EXPANSION OF HEATHROW

During 2019, Heathrow has continued making progress in its intention to expand the airport, which includes the construction of a third runway. The airport presented its second public appraisal midway through 2019. The results will be included in the final plan, which will be submitted to the British Government (Development Consent Order) at the end of 2020.

This plan will include the details of the investment made by Heathrow in the 2022 - 2036 period to create an airport that provides service to and connects more than 130 million passengers from all over the world. The plan will also make it possible to reduce ticket prices significantly, increase airline offers and improve passenger satisfaction.



CLICK
Airports

UNIQUE TOLL ROADS

FERROVIAL IS THE MAJOR ROAD DEVELOPER IN THE US AND CANADA. SUSTAINABILITY IS A SIGN OF IDENTITY IN THE ENGINEERING AND CONSTRUCTION SECTOR, WHICH STARTS WITH THE DESIGN ITSELF. THEY IMPROVE CONNECTIVITY, FAVOUR MOBILITY, INCREASE ROAD SAFETY AND DEVELOP THE LOCAL ECONOMY. THEY ARE INFRASTRUCTURES WITH THE MARK OF THE FUTURE AND A SEAL OF SUSTAINABILITY.

FAUNA AND FLORA

Protection of flora and fauna, especially species at risk



WETLANDS

Protection of wetlands and riverbeds



AIR QUALITY

Reduction of emissions into the atmosphere in the corridor as the result of decreasing traffic congestion



WATER QUALITY

Control and processing of surface rainwater to prevent pollution



PROTECTED AREAS

Mitigation of the impact on protected areas or historic buildings, and scenic integration



WASTE ANALYSIS

Analysis and mitigation of toxic waste in soil and subterranean waters



CLIMATE CHANGE

Impact on climate change for tackling the risk of hurricanes and heavier precipitation



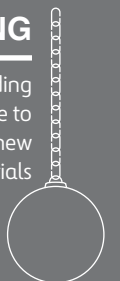
NOISE

Noise reduction in residential areas using screens or ditches and routes with less impact



RECYCLING

Recycling of building and demolition waste to reduce the use of new materials



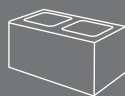
LED LIGHTING

Installation of low-energy LED lighting



CARBON FOOTPRINT

Reduction in supplies such as concrete, steel or asphalt, which consume energy and generate carbon footprint. Improved routes, reduction and use of mounds of earth in situ



Construction

Project selection

The Ferrovial Construction division is key in its strategy, focused on the development of complex infrastructure assets.

Ferrovial Agroman is the business unit that carries out civil engineering construction, building and industrial projects. It is internationally renowned for its design capacity and construction of exceptional projects, and primarily for its major transport infrastructures.

In recent years the construction sector has been experiencing particularly, at international level, low profitability margins due to excessively aggressive commercial strategies, imbalances in risk transfer with customers and cost inflation processes. The strong competitiveness in 2019 affected the profitability of Ferrovial Agroman, which has registered losses mainly due to the provision in first quarter of 2019 of 345 million euros (100%) to cover potential losses in some projects in the United States due to the increase in prices in subcontracting and raw materials, as well as the extension of the approval periods in the design phase.

To recover the positive path of profitability margins, Ferrovial Agroman's Management has introduced as mitigating measures the selective bidding of projects in strategic areas for the company, reinforcing its execution with its own means, intensifying risk management with improvements in operational processes and including a digital transformation plan oriented to process control in all phases of the project, tender, design and execution. Additionally, design capabilities in projects have been strengthened and teams have been formed to improve collaboration between bidding and execution departments. The improvement in margins is expected to culminate in 2024, where an operating profit margin target of 3.5% has been set for the division, although by 2020 cash flow consumption is expected from the repayment of part of the advances and payments for the execution of major works, especially in the USA.

Ferrovial Agroman focuses on the international market, in which it faces fierce competition from global construction companies and local businesses alike. It targets complex projects in countries that have stable economies and are committed to modernizing their infrastructure.

Poland continues with good and stable prospects for medium-term contracting thanks to current investment plans in roads and railroads extended

until 2025-26. After a period of increases in the prices of raw materials and labor resources, a more stable environment is expected over the next few years.

In **Spain**, the parliamentary situation has not allowed the approval of the General Budgets, while the expected recovery in the sector has not taken place, although the good dynamics of public initiatives happening for the construction or improvement of railroad infrastructure (ADIF), or of airports (AENA).

In the **United States** and **Canada**, states and provinces are continuing to step up their investment with the support of the federal government. Highlights here include the privately-funded P3 and DBF projects, where Ferrovial has extensive experience. In 2019, bidding on road infrastructure in Texas reached an all-time high.

VALUE CREATION

Construction is a key part of Ferrovial's strategy thanks to its expertise in complex international construction projects. Together with its own profitability and cash generation capacity, this division provides value by coordinating the design and construction of transportation infrastructure concessions in which other investment divisions of the Group participate. At the same time, it offers optimal technical solutions and closed prices and construction deadlines, maximizing the added value to the customer and the competitiveness of the bids. This collaboration has resulted, in the financial closures of the NTE Segment 3C (USA) and the Silvertown Tunnel in London (United Kingdom), both in 2019.

Portfolio diversification

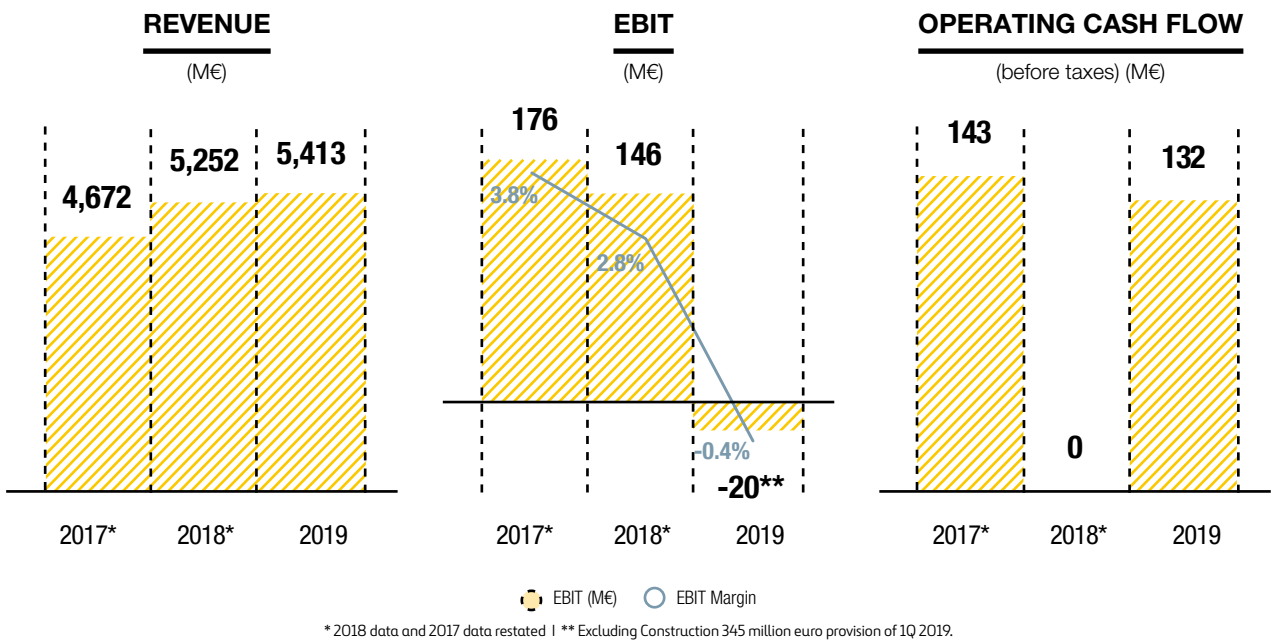
The company specializes in highly technical projects, which it is able to carry out thanks to its experience and the international presence of over 300 employees from its Technical Office, who are adept at seeking out unrivaled engineering solutions. In this respect, sector diversification and bidding for less strategic projects, which allow technical expertise to be maintained, enable Ferrovial Agroman to have materials and human resources continually prepared for the company's needs when bidding for complex infrastructure concessions. In 2019, numerous awards were received, including those awarded to the NTE 35W projects, Best Design-Build Award by JLT Build America, and Toowoomba Second Range Crossing, named Most Innovative Road Construction by Build Magazine.

Selective internationalization

The international business remains focused on the US and Polish markets, which account for 62% of total sales. Among other countries with a stable presence, the United Kingdom, Canada, Chile and Australia stand out, as well as Spain as the home market.

Committed to society: environment, quality and safety

Ferrovial Agroman undertakes its operations under strict criteria of minimizing its contribution to climate change through sustainable infrastructure and build-ings, and based on waste management according to the circular economy model. A good example of this is LEED Platinum certification, the highest international standard a building can earn for sustainability awarded by the US Green Building



NEW TUNNEL UNDER THE THAMES RIVER

Transport for London has again chosen Ferrovial to build the first infrastructure to cross the River Thames that it has been developing since 1991. The Silvertown Tunnel project will be executed along with Bam Nuttal and SK E&C for 1.15 billion euros, and includes the design and construction of two 1.4-kilometer long twin tunnels under the river with their corresponding access ramps.

Silvertown Tunnel will be the largest road tunnel in the United Kingdom that includes bus lanes in both directions, allowing approximately 37 buses per hour to run in each direction, and will enable an estimated saving of one million hours per year for drivers crossing the river in its area of influence. In addition, it will have a positive impact on air quality by reducing congestion, and tolls will be set up in order to promote sustainable forms of transport and facilitate the increase in the supply of public transportation.

Council, which has been received by the Hospital Fraternidad-Muprespa Habana (Spain) built by Ferrovial Agroman.

Innovation driving improvement

Ferrovial Agroman remains committed to R&D+i and digital transformation, as shown by the enhancement of BIM (Building Information Modeling) in all geographical areas, or the participation in various research projects such as Shift2Rail of the EU Horizon 2020 program, to optimize and maximize the performance of track equipment, or the development, together with its subsidiary Ditecpesa, of a smart road surface for driving autonomous cars.

Employees: talent management

The employees of Ferrovial Agroman possess extensive experience and professional value imbuing projects with a local know-how. In 2019, the Technical Manager of Ferrovial Agroman was awarded the gold medal with distinction by the Road Association 2019.

COMMITMENT IN THE FIGHT AGAINST CLIMATE CHANGE

Ferrovial Agroman shows its commitment to the environment by using renewable energy, recycling materials and recovering waste. A good example of this is the use of night lighting towers with photovoltaic LED panels in the regeneration work of the Adolfo Suarez Madrid-Barajas Airport runway, with an emission savings of 13,771 kg of CO₂, the reuse of recycled material to manufacture retaining walls on the I-66 and Grand Parkway toll roads, and the collaboration with MIT to develop technology for waste recovery through hydrothermal carbonation for its transformation into nano-structured materials for later use.



CLICK
Silvertown



PHOTO: Metro of Santiago, (Chile).

Services

Innovative and sustainable solutions

Ferrovial Servicios contributes to sustainable development on the geographical areas where it operates by designing and providing solutions that are efficient, both economically and environmentally, for the comprehensive maintenance of infrastructures and, the implementation of the circular economy model.

As announced in February 2019, Ferrovial has decided to sell its Services business with the aim of concentrating on developing its infrastructures business. The process of divesting in Services is in progress, and within this framework an agreement was reached in December for the sale of Broadpectrum (Services business in Australia and New Zealand) to a company controlled by Ventia Services Group for an enterprise value of 327 million euros. Also, in July 2019 Ferrovial Servicios ceased its operations in Poland on the sale of its 51% share in the FBSerwis company to its local partner Budimex, a subsidiary of Ferrovial Agroman. The rest of the Services business (including Spain, United Kingdom and International markets) remains under the classification of discontinued activity and classified as maintained for sale.

BACKGROUND

Ferrovial Servicios undertakes its activity in nine countries, with its main markets being the United Kingdom, Spain and North America.

In the **United Kingdom**, the difficult market conditions prevailing in recent years continue, with very tight margins and severe financial difficulties for some companies within the sector, pending further clarity in public entity budgets following the recent elections. In 2019, Amey signed an agreement with Birmingham City Council for early termination of the contract for maintenance and management of the road network for a payment of 215 million pounds (of which 160 were paid in 2019). Also, with the arrival of Amanda Fisher as the new CEO, the company is undertaking an in-depth review of its activities to concentrate on railways, consultancy and “facility management”. In order to achieve higher operational efficiency, in addition to optimizing the structure of the support functions, the company is considering selling, on the one hand, the waste and treatment energy business and, on the other, divesting the services business to electricity and water companies.

In **Spain**, political and macroeconomic uncertainty has given rise to a slow down in new public contracts and a search for efficiency by the private sector. Ferrovial Servicios has grown profitably as a result of the combination of effective sales with investment in management systems and applied innovation.

Meanwhile, the favourable macroeconomic and industrial situation in **North America** has enabled the company to expand in the toll roads maintenance and crude oil infrastructures sectors.

VALUE CREATION

Ferrovial Servicios' sales showed an organic growth of 4.3% in 2019. This growth was the result of good positioning in all markets where it operates (especially in their Spanish and international business), as well on its distinguishing skills that enable it to compete successfully in highly demanding and complex projects.

Occupational safety

The occupational safety of its 71,852 employees is a priority for Ferrovial Servicios. The accident frequency index was 15.09% lower in 2019 as a result of implementing strategies and programs adapted to the circumstances prevalent in each country. Here are a few examples:

- Zero Code (United Kingdom): a code that highlights what should constitute key behaviour in a job position to guarantee safety.
- Safe for Life (Australia and New Zealand): a strategic health and safety model to be applied in all working environments.
- +Vial (Spain): a programme focussing on improved safety in road maintenance activities.

Sustainable growth

Ferrovial Servicios centers its activity on providing sustainable services for cities, infrastructures and facilities:

In Spain, in the **environmental services** activity, the company has started up a new recycling plant with a capacity for processing 50,000 tons yearly of PET plastic waste that is transformed into raw materials for industry. In the United Kingdom, the North Yorkshire and Milton Keynes energy recovery plants, that are both currently fully operative, are part of the facilities operated by the company with an installed capacity of 66 MW, equivalent to the energy consumed by 80,000 homes.

Another area of sustainable growth is **energy efficiency**, with an order book of over 400 million euros in Spain, that generates annual energy savings equivalent to 2% of the global objective in the National Energy Efficiency Plan. As proof of their know-how in this activity, the company has been awarded new contracts in Spain,

RECYCLING OF 50,000 TONNES OF PLASTICS ANNUALLY

In a social environment that encourages the circular economy and a reduction in the use of plastics, Ferrovial Servicios have opened a plant for recycling PET (polythene terephthalate) plastic flakes from recovered containers. The facility is located in Les Franqueses del Vallès (Spain) and is one of the largest in Europe, with a capacity for processing 50,000 tons a year, equivalent to the yearly generation of this type of plastic waste by 5 million people. The plant makes use of the latest technologies, resulting in minimum energy consumption and the ability to re-use water. The quality of the PET obtained at the plant has been approved for use in food and drink containers by the European Food Safety Authority. This activity contributes to reaching the objectives for the recovery of containers as laid down by the European Commission for the European Strategy for Plastics in a Circular Economy, which aims to recycle 25% of the material used to produce plastic containers by 2025.

ROAD MAINTENANCE IN NORTH AMERICA

Ferrovial Servicios Internacional implemented a transformation program that has led to average sales growth of 18% and an improvement in the RBE of 20% during 2017-19 period. This change has been possible thanks to the incorporation of new professionals who are experts in the sector, the improvement of operations and customer satisfaction levels, and the restructuring of the bidding department. The company currently manages about 23,000 kilometres of roads in eight US states and the province of Ontario (Canada). In 2018 it won contracts in Ottawa, York and Peel Halton in Ontario, as well as several contracts in Florida and other states. In 2019, it was awarded, among others, the first comprehensive maintenance contract, tendered by the Michigan Department of Transportation.

as well as its first contract for public lighting in New Zealand, in the city of Dunedin.

Ferrovial Servicios has also been awarded significant contracts for the **maintenance of infrastructures**, such as an extension to the facility management contracts with the United Kingdom’s Ministry of Defence (886 million euros), the maintenance of infrastructures for Sydney Water in Australia (660 million euros), toll roads maintenance in Ottawa and York in Canada (183 million euros) and the Kwinana British Petroleum refinery in Australia (116 million euros).

Operational efficiency

The company plans to simplify its support structure in a context of business growth, specially in all geographical areas’ were there has been cost reduction programs with positive results. One example are the actions undertaken by Oil & Gas business units in the United States and defence units in Australia. Another example is the implementation of an Energy Control Centre, with savings of 4% in facilities managed in Spain, Portugal, Australia and the United States.

Digitalization

The application of new technologies and data analysis has provided a great opportunity for improving the safety, efficiency and functionality of services, while strengthening collaboration with customers and other interested parties. Ferrovial Servicios has a order book of over 100 innovate projects, including:

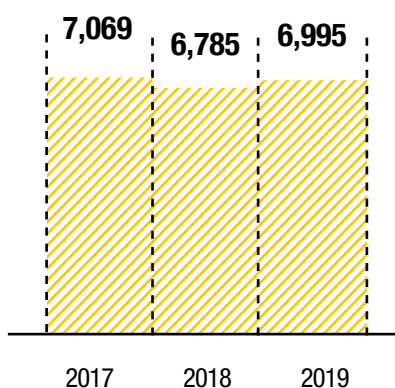
- DUGUD: an application to encourage the separation of organic waste in origin by citizens.
- Kuiko Pro: an intermediary platform between customers and suppliers in the facility management sector.
- XPERIoT: first remotely controlled hub for public lighting compatible with 5G technology.



CLICK
Recycling plant

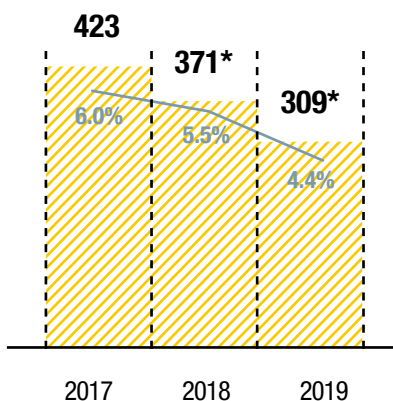
REVENUES

(Ex-Birmingham) (M€)



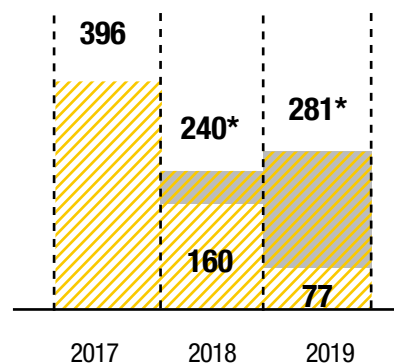
EBITDA

(M€)



OPERATING CASH FLOW

(Before taxes) (M€)



■ EBITDA (M€) ○ EBITDA Margin
* Birmingham is excluded

* Birmingham is excluded



38/
BUSINESS
PERFORMANCE

68/
INTEGRITY

58/
PEOPLE

66/
QUALITY

60/
HEALTH AND
SAFETY



62/
INNOVATION

72/

THE ENVIRONMENT

70/

HUMAN RIGHTS

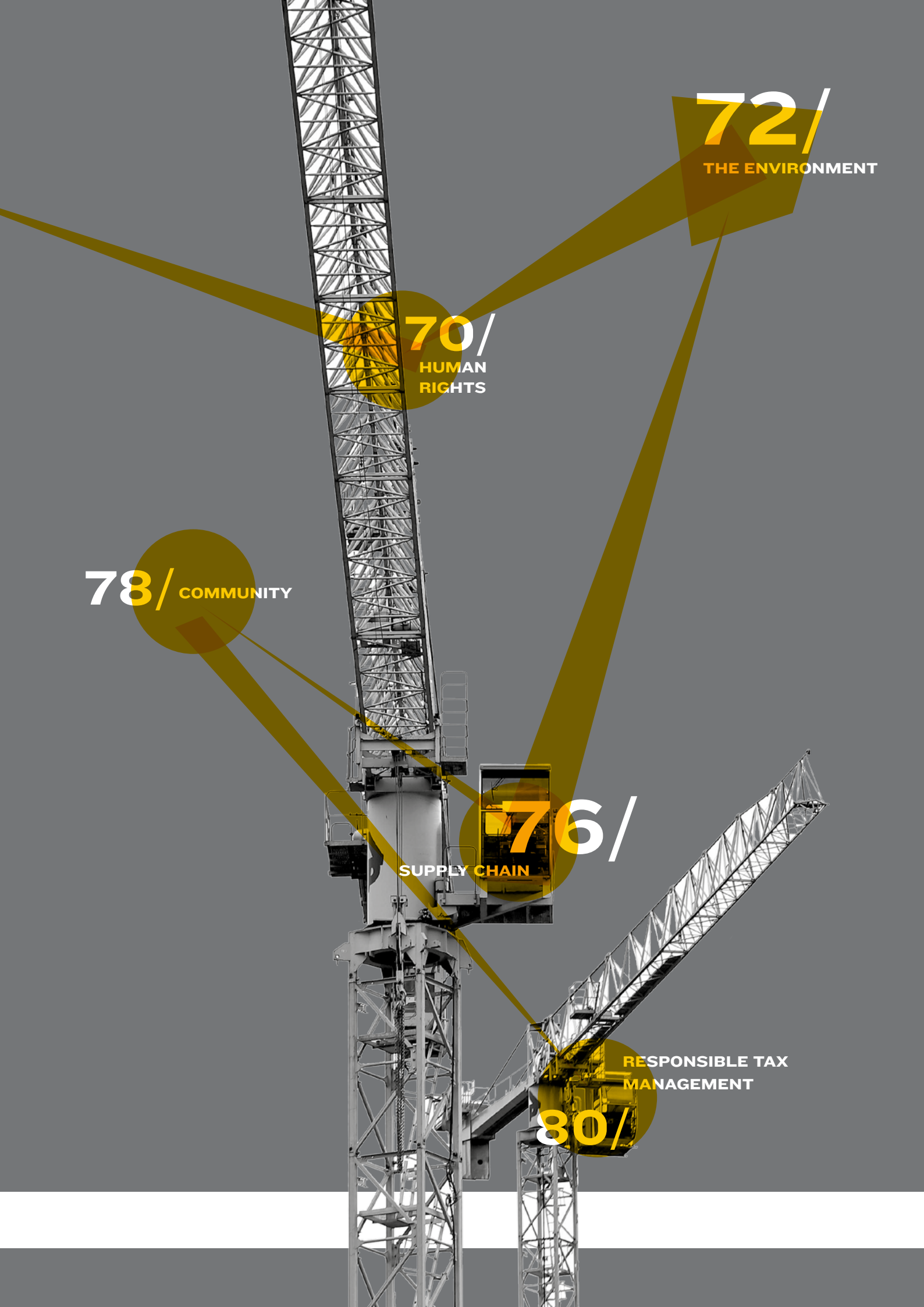
78/ COMMUNITY

76/

SUPPLY CHAIN

RESPONSIBLE TAX MANAGEMENT

80/



Ferrovial results January – December 2019

CONSOLIDATED RESULTS (SERVICES AS DISCONTINUED ACTIVITY)

- **Revenues:** EUR6,054mn (+2.6% LfL) with higher contribution from Toll roads (+28.5% LfL) and Construction in line with 2018 (+0.3% LfL).
- **EBITDA ex-IFRS 16:** EUR76mn (EUR479mn in 2018) negatively affected by the -EUR345mn provision (100%), registered in Construction in 1Q 2019, for potential future losses in various projects in the US.
- EUR121mn of consolidated EBITDA thanks to IFRS 16 reclassifying EUR45mn operating costs to amortization and financial expenses.

STRONG OPERATING PERFORMANCE FROM INFRA ASSETS (EBITDA, local currency):

- **Managed Lanes** (globally consolidated) NTE +32.6% and LBJ +23.7%. NTE35W grew +84.5% (4Q 2019 vs 4Q 2018).
- **407 ETR** (equity-accounted): +8.1%.
- **Heathrow SP** +4.6% (+1.7% ex-IFRS 16) and **AGS** -2.6% (both equity-accounted).

DISTRIBUTION OF FUNDS FROM THE MAIN ASSETS

Total dividends from projects received by Ferrovial reached EUR729mn in 2019 (+17%).

- **407 ETR:** CAD1,050mn, +14.1% vs. 2018. Ferrovial received EUR309mn.
- **NTE:** USD292mn. Ferrovial received EUR166mn.
- **Heathrow:** GBP500mn in line with the GBP500mn in 2018. Dividends distributed to Ferrovial amounted to EUR145mn.
- **AGS:** GBP30mn vs. GBP70mn in 2018. EUR17mn corresponded to Ferrovial.
- **Services:** EUR47mn of dividends from projects (EUR131mn in 2018).

NTE 3C MANAGED LANE FINANCIAL CLOSE

Ferrovial, via Cintra, will build and operate the new NTE extension (segment 3C), for a total investment of above USD900mn. Construction works have already started and the toll road is expected to open at the end of 2023. Concession term ends in 2061.

AUSOL SALE

Ferrovial, through its subsidiary Cintra, reached an agreement to sell 65% of Ausol for EUR451mn. Cintra will retain a 15% interest in Ausol, on which it has reserved a put option, and has granted a call option to Meridiam on this 15%.

NTE MANAGED LANE REFINANCING

Ferrovial, via Cintra, completed the refinancing of the original NTE debt (PABs and TIFIA). The new debt structure includes PABs and taxable bonds. This refinancing agreement has led to a lower cost of debt (yield to maturity of 3.8% vs previous average coupon of 5.3%) and longer maturity terms (30 years of the tranche subject to tax vs. 15 years of previous TIFIA loan).

BROADSPECTRUM SALE AGREEMENT

Ferrovial reached an agreement for the sale of Broadspectrum (Services business in Australia and New Zealand) to Ventia Services Group for an enterprise value of AUD524.5mn (c. EUR327mn) in December. The completion of the transaction is subject to usual conditions, including regulatory and competition authorizations.

RESULTS BY DIVISION

Toll roads: significant revenue growth with higher contribution from US Managed Lanes and improvements in traffic on the majority of toll roads. 407 ETR traffic was flat (-0.2%) affected by adverse weather conditions and fewer incidents on alternative routes, partially offset by higher economic growth and more construction activity on alternative routes. Managed Lanes were boosted by new connections in the Dallas-Fort Worth area and continued to post strong EBITDA growth on the back of robust traffic (NTE +14.7%, LBJ +9.1% y NTE35W +25.3% in 4Q vs. 4Q 2018) and toll rates.

Airports: passengers at Heathrow reached a record high of 80.9mn, (+1.0%). AGS traffic declined by -7.8%, due to lower traffic at all three airports. Revenue growth in all our airports.

Construction: revenues (+0.3% LfL) in line with 2018, with 86% of international contribution. EBIT stood at -EUR365mn, impacted by the provision registered in 1Q 2019. The order book stood at EUR11,424mn (+2.8% LfL), not including pre-awarded contracts exceeding EUR600mn.

Services ex-Birmingham (discontinued operations): net income from discontinued of -EUR198mn mainly due to the fair value adjustment of Broadspectrum. The company remains committed to divest the Services division.

EUR1,631mn net cash ex-infra projects (including discontinued operations). Net debt infra reached EUR4,588mn (EUR4,885mn in December 2018). Net consolidated debt reached EUR2,957mn (EUR3,649mn in December 2018).

REPORTED P&L

(EUR million)	DEC-19	DEC-18
REVENUES	6,054	5,737
Construction Provision *	-345	
EBITDA Ex IFRS 16	76	479
EBITDA	121	
Period depreciation	-180	-127
Disposals & impairments	460	82
EBIT**	401	434
FINANCIAL RESULTS	-194	-192
Equity-accounted affiliates	296	239
EBT	504	481
Corporate income tax	-47	-24
CONSOLIDATED PROFIT FROM CONTINUING OPERATIONS	457	457
NET PROFIT FROM DISCONTINUED OPERATIONS	-198	-848
CONSOLIDATED NET INCOME	259	-391
Minorities	9	-57
NET INCOME ATTRIBUTED	268	-448

(* Related to the provision registered in 1Q 2019 corresponding to three contracts in the US. (***) EBIT after impairments and disposals of fixed assets.

CONSOLIDATED EBITDA

(EUR million)	DEC-19	DEC-18	VAR.	LfL
Toll Roads	433	319	35.7%	33.5%
Airports	-16	-16	-5.5%	-7.7%
Construction	-321	189	n.s.	n.s.
Others	-20	-14	n.a.	n.a.
Total EBITDA Ex IFRS 16	76	479	-84.1%	-84.4%
IFRS 16	45			
Total EBITDA	121			

PROPORTIONAL EBITDA

(EURmn)	DEC-19	DEC-18	LfL
Toll Roads	738	631	17.1%
Airports	575	565	1.8%
Construction ex-provision	-21	150	n.s.
Others	-35	-18	-94.2%
Total EBITDA	1,257	1,327	-5.3%

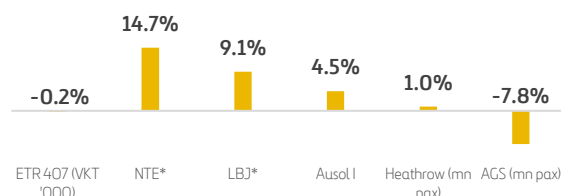
Like-for-like figures

NET CASH POSITION

(EUR million)	DEC-19	DEC-18
NCP ex-infrastructures projects	1,631	1,236
NCP infrastructures projects	-4,588	-4,885
Toll roads	-4,220	-4,392
Others	-368	-493
Total Net Cash/(Debt) Position	-2,957	-3,649

NCP: Net cash position. Includes discontinued operations

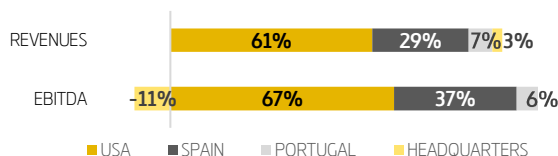
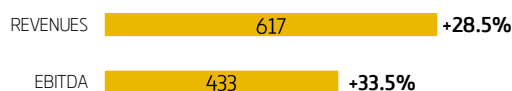
TRAFFIC PERFORMANCE



*Transactions

Toll roads

€mn; LfL % (EBITDA ex IFRS 16)



Revenues increased due to higher contribution from US Managed Lanes & traffic growth at most assets. The US contributed more than 60% of revenue and EBITDA.

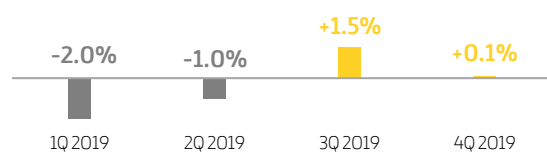
407 ETR (43.23%, EQUITY-ACCOUNTED)

	DEC-19	DEC-18	VAR.
Avg trip length (km)	21.91	21.70	1.0%
Traffic/trips (mn)	125.15	126.62	-1.2%
Vkts (mn)	2,742	2,748	-0.2%
Avg revenue per trip (CAD)	11.88	10.86	9.4%

VKT (Vehicle kilometres travelled)

Traffic (km travelled) -0.2% vs. 2018, primarily impacted by adverse weather conditions, and fewer incidents on alternative routes. This was partially offset by higher economic growth and more construction activity on alternative routes.

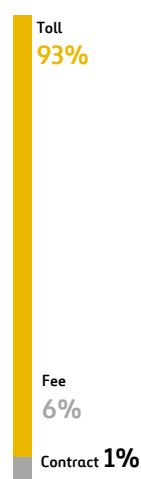
Quarterly traffic



(CAD million)	DEC-19	DEC-18	VAR.
Revenues	1,505	1,390	8.3%
EBITDA	1,309	1,211	8.1%
EBITDA margin	87.0%	87.1%	

Results for 100% of 407 ETR

REVENUE BREAKDOWN



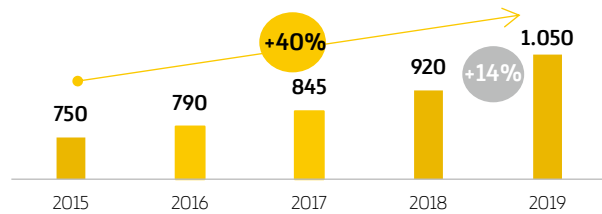
- Toll revenues** (93% of total): +8.3% to CAD1,402mn, mainly due to tariff increases effective since February 2019 offset by a slight decrease in trips and VKTs. Average revenue per trip increased +9.4% vs. 2018.
- Fee revenues** (6% of total) CAD95mn (+6.6%), mainly due to an increase in the annual transponder lease fee rate, coupled with higher volumes of transponders in circulation and higher late payment interest charges.
- Contract revenues** (0.5% of total) CAD7.7mn, on the back of work completed for the construction, installation & maintenance of tolling sites on the 407 Extension II (phase 2b).

OPEX +9.2%, (+4.9% underlying, ex-2018 one off), primarily due to higher customer operations expenses coupled with higher contract expenses relating to the completion of 407 extension II Phase 2b, along with the one-time recovery of certain indirect taxes in 2018.

EBITDA +8.1%, with an 87.0% EBITDA margin due to revenue growth, offset by higher operating expenses. Excluding the aforementioned tax recovery, EBITDA would have increased by +8.8%, with an 87.1% EBITDA margin vs 86.5% in 2018.

2019 dividends amounted to CAD1,050mn, +14.1% vs. 2018.

The dividends distributed to Ferrovial in 2019 amounted to EUR309mn. At the February Board Meeting, the 1Q 2020 dividend payment was approved in the amount of CAD312.5mn (+25% vs. 1Q 2019).



Net debt at end of December: CAD7,963mn (average cost of 4.44%). 60% of the debt matures in more than 15 years' time. The upcoming maturity dates are CAD17mn in 2020, CAD723mn in 2021 and CAD318mn in 2022.

407 ETR issued two bonds on 6 March 2019:

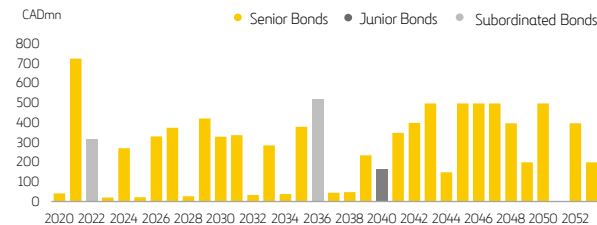
- CAD300mn bond maturing in March 2030 (coupon 3.14%)
- CAD500mn bond maturing in March 2049 (coupon 3.67%)

407 ETR also announced the early payment of CAD300mn of mid-term senior bonds (Series 10-A2), which matured June 2020.

407 ETR credit rating

- **S&P:** "A" (Senior Debt), "A-" (Junior Debt) and "BBB" (Subordinated Debt), with stable outlook, published in June 2019.
- **DBRS:** "A" (Senior Debt), "A low" (Junior Debt) & "BBB" (Subordinated Debt), with stable outlook, published in December 2019.

407 ETR bond maturity profile:



For more information on the 407 ETR toll road results, please click [here](#) to see the MD&A report.

407 ETR tariff

In December 2019 a toll rate increase was announced, which came into force on 1 February 2020. 407 ETR is aligning its pricing structure with seasonal traffic patterns. This means that drivers will pay less per kilometre in spring and winter when traffic is lower compared to summer when the highway is busiest. For more information on the new toll rates, please click on the following [link](#).

MANAGED LANES (USA)

NTE 1-2 (63.0%, globally consolidated)

In 2019, traffic growth (+14.7%) was largely driven by the full opening of NTE35W in July 2018, which connects directly onto NTE's Segment 1 and the opening of 183 TEXpress (Midtown Express) in October 2018, which connects directly to NTE's Seg 2.

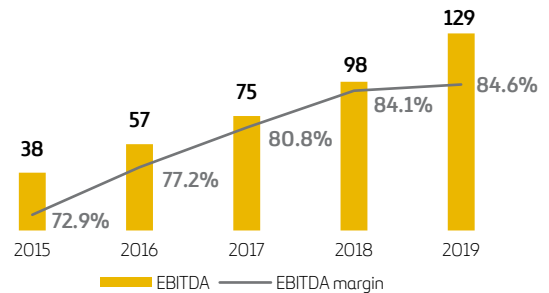
	DEC-19	DEC-18	VAR.
Transactions (mn)	34	30	14.7%
Revenues (USD mn)	153	116	31.7%
EBITDA (USD mn)	129	98	32.6%
EBITDA margin	84.6%	84.1%	

The **average toll rate per transaction** reached USD4.5 in 2019 vs. USD3.9 in 2018 (+15%).

Revenue reached USD153mn (+31.7% vs. 2018) aided by a strong surge in traffic and higher toll rates.

EBITDA reached USD129mn (+32.6% vs. 2018) helped by strong traffic growth. EBITDA margin of 84.6% (+56 basis points vs. 2018).

NTE EBITDA EVOLUTION



Dividend: NTE toll road distributed its first dividend, for USD292mn, after five years of operations. Shareholder remuneration took place after the closing of c. USD1.3bn refinancing.

Refinancing: Ferrovial, via Cintra, completed the refinancing of original NTE debt (PABs and TIFIA). The new debt structure includes PABs (USD400mn) and taxable bonds (USD871mn). This refinancing agreement has led to a lower cost of debt (yield to maturity of 3.8% vs previous average coupon of 5.3%) and longer maturity terms (30 years of the tranche subject to tax vs 15 years of previous TIFIA loan).

NTE net debt reached USD1,234mn in December 2019 (USD996mn in December 2018), at an average cost of 3.48% after refinancing.

Credit rating

	PAB
Moody's	Baa2
FITCH	BBB

LBJ (54.6%, globally consolidated)

Traffic: grew by +9.1% in 2019, bolstered by the opening of the 183 TEXpress (Midtown Express) in October 2018 and the increase in traffic from the US-75 following the completion of construction works at the intersection of the President George Bush Turnpike in 2Q 2019, leading to improved traffic levels in 4Q 2019 (+12.5%). 183 TEXpress connects directly to LBJ Segment 1, providing a new and direct connection between the two managed lane corridors. Preparation works prior to the start of works at the 635 East managed lanes project did not have a significant impact on traffic in 4Q 2019.

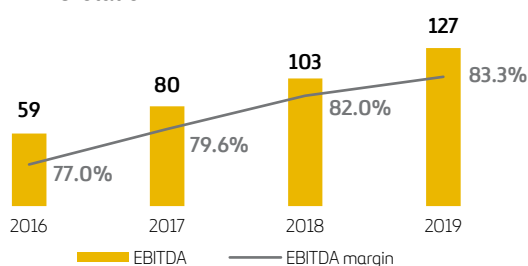
	DEC-19	DEC-18	VAR.
Transactions (mn)	48	44	9.1%
Revenues (USD mn)	153	126	21.7%
EBITDA (USD mn)	127	103	23.7%
EBITDA margin	83.3%	82.0%	

The **average toll rate per transaction** reached USD3.2 in 2019 vs. USD2.8 in 2018 (+11.7%).

Revenue reached USD153mn (+21.7% vs. 2018) aided by both a continued surge in traffic and higher toll rates.

EBITDA reached USD127mn (+23.7% vs. 2018) with an EBITDA margin of 83.3% (+137 basis points vs. 2018).

LBJ EBITDA evolution



As of December 2019, **net debt for the LBJ toll road** amounted to USD1,407mn (USD1,448mn in December 2018), at an average cost of 5.24%.

Credit rating

	PAB	TIFIA
Moody's	Baa3	Baa3
FITCH	BBB-	BBB-

NTE 35W (53.7%, globally consolidated)

Traffic continued to grow both on general purpose lanes and on segments 3A and 3B of the managed lanes, due to an upturn in demand for the corridor, with traffic levels now above those prior to construction.

QUARTERLY EVOLUTION	4Q 2019	4Q 2018	VAR.
Transactions (mn)	9	7	25.3%
Revenues (USD mn)	26	16	68.5%
EBITDA (USD mn)	22	12	84.5%
EBITDA margin	83.3%	76.1%	

EBITDA at NTE 35W reached USD22mn in 4Q 2019 with an 84.5% growth vs. 4Q 2018 and an EBITDA margin of 83.3%.

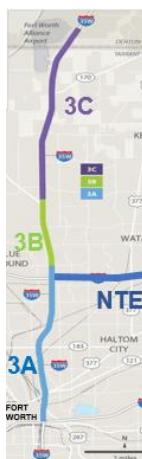
The **average toll rate per transaction** in 2019 reached USD2.7.

NTE 35W net debt reached USD831mn in December 2019, at an average cost of 4.88% (including the NTE 3C segment).

Credit rating

	PAB	TIFIA
Moody's	Baa3	Baa3
FITCH	BBB-	BBB-

NTE 3C (53.7%, globally consolidated)



Development, design, construction and operation of Segment 3C:

- Construction of 2 managed lanes in each direction, c.6.7 miles from north of US 81/287 to Eagle Pkwy.
- Reconstruction of existing general-purpose lanes.
- Construction of access ramps & frontage roads.
- Construction of IH820/I-35W managed lanes direct connector
- Installation of Intelligent Transportation System "ITS" & tolling systems.

Duration: concession term ends 2061

Operation & Maintenance (O&M) and toll collection: exclusive right and obligation to operate, maintain, repair and collect tolls.

- Tolls collected by **North Texas Tollway Authority** are in line with tolling agreement with TxDOT. TxDOT assumes collection risk.

I-77 (50.1%, globally consolidated)

The northern stretch of the I-77 Express opened on 1st June 2019, and the southern stretch opened on 16th November 2019. The project includes:

- 26.4 miles of express lanes between the I-277 in Charlotte and Exit 36 in Mooresville.
- 8 segments in each direction, including 3 direct connections in each direction and multiple entry and exit points.

After two months of the project being completed and operational, average speeds on the corridor are faster than levels prior to construction, despite more traffic on the toll road. Adoption of I-77 express lanes has been quick.

The managed lanes are operating with dynamic rates since December. Toll rates adjust in real time based on traffic conditions, which guarantees that drivers on the I-77 Express will have a quick and safe journey, even on days of high levels of congestion.

OTHER TOLL ROADS

Ferrovial includes in its portfolio a number of toll roads which are, mainly, availability projects located in countries with low government bond yields (Spain, Portugal and Ireland) and long duration (with an average maturity of 16 years overall). Among the most relevant availability projects with no traffic risk or equivalent to availability projects held by Ferrovial are: Autema, A-66, Algarve, Norte Litoral and M3 (except for Autema, all of them are equity-accounted).

The evolution of the traffic in the locations aforementioned were as follows:

- **Spain:** the Spanish toll roads have shown another year of growth in 2019. Ausol I traffic grew by +4.5%, accumulating a rebound of +60% growth since the end of the crisis. Traffic in Ausol II increased by +2.8% and accumulates growth above +40% since 2013.
- **Portugal:** remarkable traffic growth in Algarve (+5.6%), and Azores (+4.5%) that still maintains the trend following the liberalisation of its airline market in 2015.
- **Ireland:** maintains the positive performance observed in recent years. Both toll roads have registered growths above 5% for the fifth consecutive year (+ 5.0% in M4 and + 5.5% in M3).

OTHER EVENTS

In December 2019, Ferrovial, via its subsidiary Cintra, completed the transfer of 65% of the share capital of Ausol for EUR451mn (100% equity value c. EUR700mn). Cintra retains a 15% ownership interest in Ausol, on which it has reserved a put option, and has granted Meridiam a call option on this 15%.

This deal generated net capital gains of EUR474mn for Ferrovial, while allowing it to deconsolidate the gross third-party debt for the project, which amounted to EUR611mn (EUR531mn of net debt).

In August 2019, Ferrovial, via its subsidiary Cintra, agreed to sell an 11.75% stake in Ruta del Cacao (Bucaramanga Barrancabermeja Yondó) to John Laing for c. EUR28.6mn. The deal generated capital gains of close to EUR10mn for Ferrovial. Following this transaction, Ferrovial holds a 30% stake in the concession.

ASSETS UNDER DEVELOPMENT

(EUR million)	INVESTED CAPITAL	PENDING COMMITTED CAPITAL	NET DEBT 100%	CINTRA SHARE
Global Consolidation				
Intangible Assets	-109	-79	-958	
I-77	-109	-1	-218	50%
NTE35W*		-77	-740	54%
Equity Consolidated				
Intangible Assets		-678	-1,310	
I-66		-678	-1,310	50%
Financial Assets	-82	-80	-1,307	
407-East Extension II	-11		22	50%
Ruta del Cacao**	-54		-61	30%
Toowoomba	-11		-222	40%
Silvertown Tunnel		-27	-203	23%
Bratislava		-30	-634	35%
OSARs	-6	-23	-209	50%

(*) Capital invested & committed refers to Seg. 3C. Net debt 100%: includes all 3 seg.

(**) On October 28, 2019, formal completion of stake sale from 41.75% to 30%.

- **407 East Extension Phase II:** the full opening of the toll road took place in November 2019.
- **I-66 (Virginia, USA):** the project includes the construction of 35 km on I-66 (between Route 29, close to Gainesville, and the Washington DC ring road, I-495, in Fairfax County). The construction period will run until 2022, and the concession is granted for 50 years from the closing of the commercial agreement. Design & construction works are 28% complete.
- **OSARs (Melbourne, Australia):** an availability payment project with a concession term of 22.5 years, comprising the improvement and maintenance of a road network in Melbourne. The design and construction works are 58% complete.
- **Toowoomba:** the toll road opened to traffic on 7 September 2019.
- **Ruta del Cacao:** 81 km of new toll road, improvements to 108 km of existing toll road, construction of 16 bridges, 2 viaducts and 2 tunnels with a combined length of 6 km. This is a 25-year concession. Design and construction works are 48% complete.

TENDERS PENDING

In the **US**, we continue to pay close attention to private initiatives:

- In **Maryland**, Cintra is working as part of a consortium and bidding for the *Maryland Congestion Relief Program*, the first project of which is expected in 1Q 2020.
- **Georgia Managed Lanes Program** (Atlanta) is being analysed. The Georgia Department of Transport (GDOT) has confirmed that the first project, the SR-400 (c. USD1,800mn construction project, totaling 17 miles), will be tendered as a design-build-finance-operate-maintain contract (DBFOM), as an Availability Payment Project, with a prequalification date of 1Q 2020; but they are analysing the model to adopt in the other 4 projects that form part of the programme.
- Cintra is following various projects of interest in various States (Illinois, Virginia and Texas), which are Managed Lanes structures.

In other markets, in November 2019 Cintra achieved the commercial and financial close of the "Silvertown Tunnel" project in London, with an estimated construction investment of GBP1,000mn.

Airports

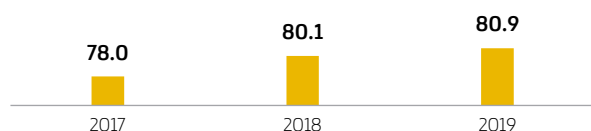
Contributed **EUR115mn** to Ferrovial's equity accounted in 2019, vs. EUR73mn in 2018.

- **HAH:** EUR106mn in 2019 (EUR70mn in 2018) mainly impacted by the positive evolution of the derivatives *mark to market* due to the lower inflation expectations.
- **AGS:** EUR9mn in 2019 (EUR4mn in 2018).

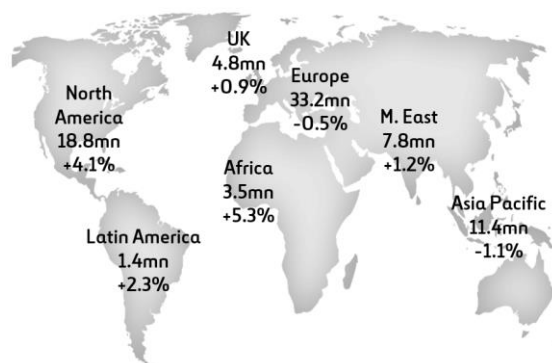
HEATHROW SP (25%, equity-accounted) – UK

Record 80.9mn passengers in 2019 (+1.0%). Aircraft fly fuller with load factors increasing to all-time record high at 80.0% (2018: 79.4%). There are still 1 in 5 seats remain empty which provides a significant growth opportunity. The average number of seats per passenger aircraft increased to 213.7 (2018: 213.4) driven by aircraft upgrades on European and Middle Eastern routes.

Passengers (mn)



Million passengers	DEC-19	DEC-18	VAR.
UK	4.8	4.8	0.9%
Europe	33.2	33.3	-0.5%
Intercontinental	42.9	42.0	2.2%
TOTAL	80.9	80.1	1.0%



Revenues **3.070** +3.4%

EBITDA **1.921** +4.6%

Revenues: +3.4% in 2019 to GBP3,070mn.

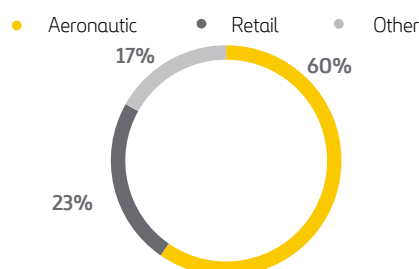
- **Aeronautical:** +4.9%. Heathrow continues to benefit from record passenger traffic, favourable mix of passengers & recovery of prior year yield dilution. This has been partially offset by the introduction of Heathrow's new commercial airline deal, providing a saving of GBPO.55 per passenger on airline charges. Average aeronautical revenue per pax +3.9% to GBP22.64 (GBP21.78 in 2018).

In terms of **distributions to shareholders:**

- **HAH:** GBP500mn, in line with 2018 (GBP500mn). The dividends distributed to Ferrovial amounted to **EUR145mn**.
- **AGS:** GBP30mn (GBP70mn in 2018). The dividends distributed to Ferrovial amounted to **EUR17mn**.
- **Denver:** EUR21mn in 2019 (EUR7mn in 2018), after the termination of the Denver airport remodeling contract.

- **Retail:** +0.8% led by retail concessions & catering, reflecting strong passenger traffic. The GBP weakening against both EUR & USD has also improved our concessions revenue. Retail revenue per passenger remained flat at GBP8.93 (2018: GBP8.94).
- **Other revenues:** +1.6% vs 2018, grew by rail track-access charges and Heathrow Express declined on the back of lower prices to remain competitive and lower Crossrail compensation.

Contribution to revenues:



Adjusted operating costs: following the adoption of IFRS 16, GBP52mn of lease costs are reported below EBITDA. Prior to the adoption of IFRS16 these costs would have been presented included in operating costs and within EBITDA.

Operational costs have increased as Heathrow gears up for growth with investment in expansion, security, resilience & passenger experience. Heathrow spent more on services for passengers with reduced mobility, upgrading drone defence capabilities, implementing new hold baggage screening and investing in IT systems. Utilities costs also increased due a rise in government levies on usage, whilst overall consumption declined. Ex-IFRS 16, operating costs +6.0% to GBP1,201mn, and +5.0% per passenger.

Adjusted EBITDA +4.6% to GBP1,921mn resulting in an Adjusted EBITDA margin of 62.6% (61.9% in 2018).

HAH net debt: the average cost of Heathrow's external debt was 4.73%, including all the interest-rate, exchange-rate and inflation hedges in place (vs. 5.30% in December 2018).

(GBP million)	DEC-19	DEC-18	VAR.
Loan Facility (ADI Finance 2)	75	75	0.3%
Subordinated	1,889	1,599	18.2%
Securitized Group	12,840	12,402	3.5%
Cash & adjustments	-35	-345	-89.7%
TOTAL	14,769	13,731	7.6%

The table above relates to FGP Topco, HAH's parent company.

Regulatory Asset Base (RAB): At 31 December 2019, the RAB reached GBP16,598mn (GBP16,200mn in December 2018).

Heathrow Expansion: Heathrow expansion took a significant step forward in 2019, as Heathrow completed the statutory consultation after unveiling the Draft Preferred Masterplan for the project. The consultation outlined the latest plans for the future airport, how Heathrow proposes to operate and manage its growth and how Heathrow will deliver a sustainable, affordable and financeable expanded airport at no cost to the taxpayer.

Heathrow is now working to finalise the Masterplan and will hold a further eight-week public consultation between April and June before submitting its application for development consent order (DCO) toward the end of 2020. Heathrow's DCO application will detail how the airport proposes to expand and connect all of Britain to global growth, whilst meeting the requirements of the Airports National Policy Statement.

Sustainable Expansion: Heathrow remains committed to the long term sustainable expansion of the airport. A key component of this is set out in Heathrow's proposals for an Environmentally Managed Growth framework. It sets out Heathrow's proposals for how its growth would be managed in accordance with environmental limits on air quality, surface access, noise and carbon, and supports growth in flights at the airport while ensuring Heathrow's environmental performance stays within maximum limits.

Regulatory developments: In November, the CAA extended Heathrow's economic licence until the end of 2021 to better align the next regulatory period ('H7') with the overall expansion time-table and related statutory process. The period encompassing 2020-21 is known as iH7 ('iH7'). A Commercial Agreement defining the rebate on aeronautical charges that will be applicable during iH7 was reached with Heathrow's airline community. The Agreement is built by overlaying fixed and volume-based rebates onto an extension of the existing RPI -1.5% path and regulatory framework. The deal aims to incentivise airlines to maximise the use of current capacity ahead of new capacity being released.

In December, Heathrow submitted their Initial Business Plan for expansion to the CAA. The plan proposes an evolution to the regulatory framework by extending the price control period to 15 years with the aim to balance predictability, risk and flexibility. Heathrow proposes fixing the cost of equity for the duration of the price control while implementing periodic or performance-based resets for some building blocks such as passenger forecasts, operating expenses and commercial revenue. Feedback on Heathrow's IBP is being collected from airline partners and other key stakeholders at the time of this report. This feedback will be reflected in Heathrow's Final Business Plan due to be published in the second half of 2020.

In January 2020, the CAA published a further consultation on the regulatory framework and financial issues related to H7. The CAA outlines the importance of setting price control arrangements that are consistent with Heathrow's credit rating commitments and the importance of providing longer term regulatory certainty. It also signals that it will use the most up to date information from the Competition and Markets Authority when defining the WACC for H7. Heathrow continues engaging on these issues with the CAA and respond to the consultation by March 5, 2020.

Summary of current regulatory & legal challenges to expansion: The publication of the CAA policy document in December 2019 on the early design and construction costs associated with expanding Heathrow (category B and early category C costs) represents further progress towards providing the regulatory certainty necessary to deliver an expanded Heathrow. A final decision and policy statement from the CAA is currently expected to be received in April or May 2020.

The Court of Appeal judgement is awaited on the current judicial review proceedings against the Secretary of State for Transport relating to the Government's decision to designate the Airports

National Policy Statement. We remain of the view that a robust process has been applied to date, including the extensive evidence gathered by the independent Airports Commission, multiple rounds of public consultation and the overwhelming vote in Parliament.

If the appeal were to go against the Secretary of State for Transport, depending on the detail of the judgement, we will carefully consider our next course of action.

Heathrow has concluded expansion is probable and therefore it is appropriate to have recognised GBP450mn of spend to date as an asset in the course of construction. Our current plan assumes that investment will continue growing in 2020 to circa GBP1bn as set out in the Investor Report published on 20 December 2019. If either the policy statement setting out the CAA's final decisions does not resolve our concerns, or the Airports National Policy Statement is set aside in the event of an adverse court judgement against the Secretary of State for Transport, a reassessment of the probability of expansion occurring would take place. If the likelihood of expansion occurring were no longer considered probable, the expansion related capital investment incurred as of date of reassessment would be required to be impaired and expensed to the income statement. It should also be noted that we expect most of the assets will remain in the Regulatory Asset Base and continue to generate a return through the regulatory framework.

In relation to the above and for further information please see note 3.5.1. (information details related to Heathrow) at the end of section (a) of the 2019 Ferrovial Consolidated Accounts.

Sustainable Growth: Heathrow has progressed against its **Heathrow 2.0 sustainability strategy**. Heathrow 2.0 sets out how Heathrow will improve life for colleagues and communities, contribute to a thriving economy, and help to tackle global challenges including climate change. Heathrow plan has four pillars (A great place to work, A great place to live, A thriving sustainable economy & A world worth travelling), underpinned by 12 objectives.

Decarbonising aviation: Heathrow has outlined its new carbon plan that brings together partners in the industry, Government and passengers to help aviation achieve net-zero emissions by 2050. These are Heathrow's measures to get aviation to net-zero emissions:

- **Remove carbon from Heathrow's operations:** Heathrow's terminals are powered by 100% renewable energy and green gas.
- **Eliminate carbon from the ground:** Heathrow is making it easier for passengers and colleagues to travel to the airport sustainably.
- **Cut carbon from atmosphere:** Heathrow is helping passengers to offset their flights and increasing Heathrow's own investment in natural climate solutions to capture carbon emissions.
- **Decarbonise flights:** Heathrow is working with industry partners and governments to scale-up the production of sustainable alternative fuels and support the development of technologies which can get aviation to entirely zero-carbon flight.

High Service Quality: Heathrow achieved a score of 4.17 out of 5.00 (4.15 in 2018). 82% of passengers surveyed rated their Heathrow experience 'Excellent' or 'Very good' (2018: 82%).

- T5: World's 'Best Airport Terminal' (1st time)
- Best Airport in Western Europe (5th consecutive year)
- Best Airport in the world for Shopping



For more information on Heathrow results, please visit the following [link](#).

AGS (50%, equity-accounted) – UK

Traffic: number of passengers fell by -7.8% (13.6mn pax) due to traffic decrease across the three airports, mainly due the following events:

- In Glasgow due to the Ryanair base closure in October 2018 and the collapse of Thomas Cook.
- In Aberdeen on the back of the cancellation of the EasyJet route to Gatwick and the Eastern London City route.
- In Southampton on reduced rotations on Flybe's Manchester and Belfast and the cessation of KLM's Amsterdam route.

Million passengers	DEC-19	DEC-18	VAR.
Glasgow	8.9	9.7	-8.4%
Aberdeen	3.0	3.1	-4.1%
Southampton	1.8	2.0	-10.4%
Total AGS	13.6	14.8	-7.8%

Revenues increased by +1.8% to GBP217mn, on the back of a one-off from the full granting of the construction of a new radar in Glasgow from a third party and positive car parking yields at Aberdeen and Glasgow, partially offset by the decrease on aeronautical and commercial revenues across the three airports caused by lower traffic.

EBITDA reached GBP94mn, decreased by -2.6% in 2019 vs. 2018 negatively impacted by lower passenger volume and the exceptional cost of executing the contingency plan for the days of strike during the negotiations with the trade unions and restructuring costs in the three airports. This was partially offset by the positive impact of non-recurrent items as the full granting of the construction of a new radar and the past service cost for the closure of the pension scheme.

AGS net bank debt: at 31 December 2019, the AGS' net bank debt stood at GBP693mn.

Glasgow becomes 1st UK airport to introduce a fleet of 100% electric 'zero-emission' buses'

The fleet of all-electric battery buses will replace the current diesel fleet used to shuttle passengers between the terminal and the airport's Long-Stay Car Park. The introduction of the new full-electric bus fleet is one of a number of projects introduced to help reduce Glasgow Airport's carbon footprint.

Glasgow Airport, as part of AGS Airports, also made a commitment to Airports Council International (ACI) Europe's NetZero 2050 in October. Glasgow joins 203 airports run by more than 47 operators across 24 European countries who have signed the resolution to formally commit to becoming net zero carbon emissions airports by 2050.

DENVER

On August 12, 2019, Great Hall Partners LLC received written notification for the termination of the Denver airport remodeling contract with due date November 12, 2019. Upon termination of this contract excess cash flow was distributed to shareholders. Ferrovial received EUR21mn. This project was included in the construction order book in the amount of USD534mn.



Construction

EUR mn; LFL %



Revenues (+0.3% LfL) remained in line with 2018. Revenue from international businesses accounted for 86% of the Division, Poland (34%) and North America (30%).

2019 revenue (EUR5,413mn) and change LfL vs 2018:



In 2019 Construction **EBIT** stood at -EUR365mn, mainly due to the losses recognized in previous quarters. Budimex showed an improvement on its profitability in 4Q (5.0% EBIT mg in 4Q 2019 vs 3.6% in 9M 2019), and Webber maintains positive earnings for the year with similar profitability to previous quarters.

Ferrovial Agroman reported losses of -EUR49mn in 4Q 2019 standalone, primarily due to:

- Overhead costs allocated to onerous contracts in the US (1Q 2019 provision). According to IFRS regulations, these costs may not be included in the provision amount.
- Ongoing costs in some projects close to completion, that we expect to offset with income from claims, based on our contract rights. Several claims have already been presented to the clients, although they have not yet been settled. According to IFRS and our internal accounting regulations, we have not included any potential income from these claims in our results.
- The negative impacts abovementioned were partially offset by the capital gains from the real estate sale in Spain (Valdebebas) along with the improvements in Spain due to the finalization of some contracts.

2019 EBIT & EBIT margin & change LfL vs 2018:

DEC-19	EBIT	LfL	EBIT mg
Budimex	73	-20.7%	4.0%
Webber	15	-25.5%	1.8%
F. Agroman	-453	n.s.	-16.4%
TOTAL EBIT	-365	n.s.	-6.7%

Budimex acquired the Polish International Services Division (FB Serwis) on 1 July. Following this acquisition, Budimex incorporated FB Serwis's business activity into 2019. Budimex figures reported also include real estate activities in Poland for 2018 and 2019.

The **order book** reached EUR11,424mn (+2.8% LfL compared to December 2018). The civil works segment remains the largest segment (79%) and continues to adopt highly selective criteria when participating in tenders. The international order book accounts for 88% of the total.

Cintra's share in the construction order book, excluding Webber and Budimex, equated to 47% of the 2019 order book, compared to 41% in 2018.

The order book figure at December 2019 does not include pre-awarded contracts or contracts pending commercial or financial agreement, which amount to over EUR600mn.

2019 Order book & LfL change vs 2018:



Services (discontinued operations)

The division has posted a positive performance in 2019, with cash flow generation excluding the Birmingham impact.

In line with Ferrovial's commitment to divest Services, the division has been classified as "held for sale" however, in order to provide an analysis of the division, the main figures of the Services results are detailed below:

EURmn; LfL %

Revenues **6.995** +4,3%

EBITDA EX-IFRS16 & EX-BMH **309** -13,9%

BMH: Birmingham

2019 figures by activity & change LfL vs 2018:

EURmn	Spain	UK EX-BMH	Australia	International
LfL	+3.8%	+4.1%	+0.8%	+19.6%
	2.020	2.749	1.672	554

EBITDA ex-BMH & ex-IFRS 16:

- **Spain (+5.3% LfL)** was driven by its waste treatment and industrial management contracts, which has allowed **an improvement in profitability reaching a 10.7% EBITDA margin in 2019** (10.4% in 2018).
- **International (+26.3% LfL, margin 5.4%)** due to growth across all territories, particularly noteworthy were North America and Chile. Poland (FB Serwis) has been excluded from Services International in 2019, as Budimex acquired the controlling interest that Services had on 1st July (2018 FB Serwis figures are included in International, excluded in comparable figures).
- Reduced profitability in **the UK** due to final settlements in Rail contracts, as well as a decrease in Utilities volumes. **EBITDA excluding utilities, collections and environment reached GBP56mn.**

Amey and Birmingham Agreement: Amey has reached an agreement to terminate the Birmingham Highways PFI contract. The agreement will have no impact on Ferrovial P&L. Amey will pay GBP215mn, of which GBP160mn was paid in 2019 and the remaining GBP55mn will be paid over the next 6 years.

The **Services order book** (EUR17,656mn) decreased by -6.9% LfL vs Dec 2018 due to the Birmingham exit and the delay in awarding of major projects in Spain.

2019 Order book & LfL change vs 2018:

EURmn	Spain	UK EX-BMH	Australia	International
LfL	-8.7%	-10.5%	-3.2%	+15.6%
	4.266	8.036	4.064	1.291

Broadspectrum sale agreement: In December 2019, Ferrovial reached an agreement for the sale of Broadspectrum (business in Australia and New Zealand) to an entity controlled by Ventia Services Group Pty Limited.

Equity value (price of shares and shareholder's loans) amounted to AUD485.5mn (EUR303mn approximately). Enterprise value stood at AUD524.5mn (EUR327mn approximately).

In 2019, Broadspectrum's activity cash flow reached -EUR5mn, including EUR17mn of factoring.

The completion of the transaction is subject to usual conditions in this type of operations, including the obtention of regulatory and competition authorizations. Therefore, the cash impact of this transaction is not included in 2019. The deal is expected to close in first 9M 2020.

The transaction had a negative impact on Ferrovial's P&L of approximately EUR270mn in 4Q 2019.

DISCONTINUED OPERATIONS

Ferrovial classified all of its services activities as "discontinued operations" as of 31 December 2018. In accordance with IFRS 5, the reclassification of the Services business activities to discontinued operations has been carried out in the report, as well as re-expressing the 2018 income statement. An adjustment in carrying value took place after the agreement of Broadspectrum's sale resulting in a net income from discontinued operations of -EUR198mn in December, compared to EUR28mn reported in September 2019.

Consolidated P&L

(EUR million)	DEC-19	DEC-18
REVENUES	6,054	5,737
Construction Provision *	-345	
EBITDA Ex IFRS 16	76	479
EBITDA	121	
Period depreciation	-180	-127
Disposals & impairments	460	82
EBIT	401	434
Financial Result	-194	-192
Financial Result from infrastructure projects	-263	-230
Financial Result from ex-infrastructure projects	69	39
Equity-accounted affiliates	296	239
EBT	504	481
Corporate income tax	-47	-24
CONSOLIDATED PROFIT FROM CONTINUING OPERATIONS	457	457
NET PROFIT FROM DISCONTINUED OPERATIONS	-198	-848
CONSOLIDATED NET INCOME	259	-391
Minorities	9	-57
NET INCOME ATTRIBUTED	268	-448

(*) Related to the provision registered in 1Q 2019 corresponding to three contracts in US.

Revenues stood at EUR6,054mn (+2.6% LfL) with a higher contribution from Toll roads (+28.5% LfL) and revenue from the Construction Division in line with 2018 (+0.3% LfL).

EBITDA EUR76mn excluding the impact of IFRS 16 (EUR479mn in 2018) negatively affected by the -EUR345mn provision (100%), registered in Construction in 1Q 2019, due to potential future losses in various projects in the US.

- IFRS 16 improved EBITDA figure by EUR45mn reaching EUR121mn of EBITDA due to the reclassification between EBITDA, amortization and financial result, with no significant impact at EBIT and net income.

Depreciation grew by +41.0% in 2019 (+6.7% LfL), to EUR180mn.

Impairments and fixed asset disposals amounted to EUR460mn at year-end 2019 (EUR82mn in 2018), mainly due to the following impacts:

- The main impact comes from the capital gains from the sale of the 65% stake in Ausol that reached EUR475mn (pre-tax)
- Other effects included were the capital gains from the sale of a 11.75% stake in Ruta del Cacao, results from the cancellation of Denver airport remodelling contract and the impairment at Autema.

Financial result, financial expenses in 2019 were in line with 2018:

- Infrastructure projects:** expenses of -EUR263mn compared to -EUR230mn in 2018 due to NTE 35W and I-77 starting to operate, as well as the refinancing of NTE, partially offset by higher interest rates with a positive impact on the gross cash position.
- Ex-infrastructure projects:** EUR69mn in financial income in 2019 compared to EUR39mn in 2018, mainly due to higher interest rates with a positive impact on the gross cash position and equity swap hedges linked to payment plans, with no impact on cash flow. These hedges led to income of EUR25mn in 2019 (-EUR3mn in 2018), due to the positive performance of the share price, as compared with its negative performance in 2018, as shown in the following table:

DATE	CLOSING PRICE (€)
31-Dec-17	18.93
31-Dec-18	17.70
31-Dec-19	26.97

REVENUES

(EUR million)	DEC-19	DEC-18	VAR.	LF
Toll Roads	617	471	31.0%	28.5%
Airports	19	14	38.9%	32.4%
Construction	5,413	5,252	3.1%	0.3%
Others	5	0	n.a.	n.a.
TOTAL	6,054	5,737	5.5%	2.6%

EBITDA

(EUR million)	DEC-19	DEC-18	VAR.	LF
Toll Roads	433	319	35.7%	33.5%
Airports	-16	-16	-5.5%	-7.7%
Construction	-321	189	n.s.	n.s.
Others	-20	-14	n.a.	n.a.
Total EBITDA Ex IFRS 16	76	479	-84.1%	-84.4%
IFRS 16	45			
TOTAL EBITDA	121			

EBIT*

(EUR million)	DEC-19	DEC-18	VAR.	LF
Toll Roads	346	239	44.7%	36.4%
Airports	-18	-18	-4.1%	-5.6%
Construction	-365	146	n.s.	n.s.
Others	-22	-16	n.a.	n.a.
TOTAL	-58	351	-116.6%	-120.0%

*EBIT before impairments and disposals of fixed assets

Equity-accounted result at net profit level, equity-accounted companies contributed EUR296mn after tax (2018: EUR239mn).

(EUR million)	DEC-19	DEC-18	VAR.
Toll Roads	182	166	9.8%
407 ETR	153	136	12.2%
Others	29	30	-1.3%
Airports	115	73	56.9%
HAH	106	70	51.9%
AGS	9	4	154.4%
Construction	-1	0	-105.9%
TOTAL	296	239	24.1%

Tax: the corporate income tax for 2019 amounted to -EUR47mn (vs -EUR24mn for 2018), impacted by the regularization of previous years' deferred tax assets in Spain given the potentially long period of time to recover them. Excluding this impact and the profit from equity-accounted companies, which is already net of tax (EUR296mn), and considering the expense due to adjusted corporate income from previous years (-EUR54mn), the resulting effective corporate income tax rate is 25%.

Net income from continuing operations stood at EUR457mn in 2019 (EUR457mn in 2018). This profit includes a series of impacts, notable among which were:

- The impact of the provision in the Construction Division in 1Q 2019 at net income level: -EUR212mn.
- Fair value adjustments for derivatives: EUR54mn (EUR25mn in 2018), primarily impacted by the positive evolution of HAH's derivatives.
- Impairment at Autema: -EUR58mn (-EUR13mn in 2018).
- Capital gain after tax on the sale of the Ausol and Ruta del Cacao shareholdings: EUR482mn (EUR80mn in 2018 from the sale of the Central Greece and Ionian Roads toll roads in Greece).

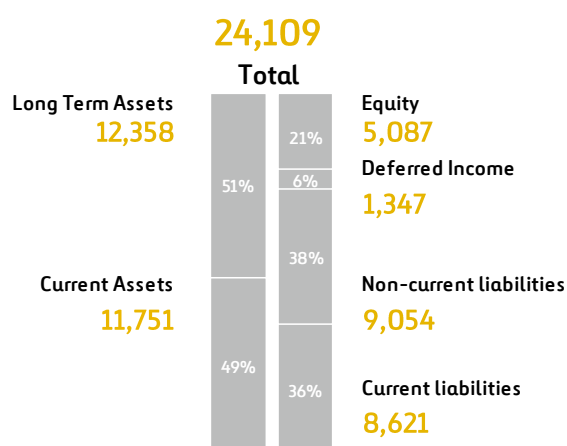
Net income from discontinued operations stood at -EUR198mn vs. -EUR848mn in 2018.

Consolidated Balance Sheet

(EUR million)	DEC-19	DEC-18	(EUR million)	DEC-19	DEC-18
FIXED AND OTHER NON-CURRENT ASSETS	12,358	12,055	EQUITY	5,087	5,363
Consolidation goodwill	248	372	Capital & reserves attrib to the Company's equity holders	4,304	4,530
Intangible assets	62	32	Minority interest	783	833
Investments in infrastructure projects	6,880	7,155	Deferred Income	1,347	1,241
Property	2	9			
Plant and Equipment	299	251	NON-CURRENT LIABILITIES	9,054	8,912
Right-of-use assets	126	0	Pension provisions	4	3
Equity-consolidated companies	2,557	2,455	Other non current provisions	518	459
Non-current financial assets	1,247	754	Long term lease debts	82	0
Long term investments with associated companies	171	173	Financial borrowings	7,565	7,419
Restricted Cash and other non-current assets	970	473	Financial borrowings on infrastructure projects	5,471	5,342
Other receivables	106	108	Financial borrowings other companies	2,094	2,077
Deferred taxes	502	664	Other borrowings	27	135
Derivative financial instruments at fair value	434	364	Deferred taxes	475	574
			Derivative financial instruments at fair value	385	321
CURRENT ASSETS	11,751	10,758	CURRENT LIABILITIES	8,621	7,297
Assets classified as held for sale	4,936	4,892	Liabilities classified as held for sale	3,491	3,259
Inventories	699	594	Short term lease debts	71	0
Trade & other receivables	1,256	1,090	Financial borrowings	1,033	773
Trade receivable for sales and services	891	801	Financial borrowings on infrastructure projects	23	43
Other receivables	364	289	Financial borrowings other companies	1,010	730
Taxes assets on current profits	97	97	Derivative financial instruments at fair value	97	69
Cash and other temporary financial investments	4,735	4,005	Trade and other payables	3,072	2,700
Infrastructure project companies	119	239	Trades and payables	1,327	1,314
Restricted Cash	6	9	Other non commercial liabilities	1,745	1,386
Other cash and equivalents	113	230	Liabilities from corporate tax	107	65
Other companies	4,617	3,766	Trade provisions	750	431
Derivative financial instruments at fair value	27	80	TOTAL LIABILITIES & EQUITY	24,109	22,813
TOTAL ASSETS	24,109	22,813			

CONSOLIDATED BALANCE SHEET

(EUR mn)



GROSS CONSOLIDATED DEBT*

GROSS DEBT DEC-19	EX-INFRA	INFRA	CONSOLIDATED
Gross debt (EUR mn)	-3,433	-5,811	-9,244
% fixed	83.4%	97.9%	92.5%
% variable	16.6%	2.1%	7.5%
Average rate	1.0%	4.9%	3.5%
Average maturity (years)	2	21	14

*Includes discontinued operations

CONSOLIDATED FINANCIAL POSITION*

(EUR million)	DEC-19	DEC-18
Gross financial debt	-9,244	-8,737
Gross debt ex-infrastructure	-3,433	-2,992
Gross debt infrastructure	-5,811	-5,745
Gross Cash	6,287	5,088
Gross cash ex-infrastructure	5,064	4,228
Gross cash infrastructure	1,223	861
TOTAL NET FINANCIAL POSITION	-2,957	-3,649
Net cash ex-infrastructure	1,631	1,236
Net debt infrastructure	-4,588	-4,885
TOTAL NET FINANCIAL POSITION	-2,957	-3,649

*Includes discontinued operations

Ex-infrastructure Net Financial Position & Cash Flow

(including discontinued operations)

NET CASH POSITION (EUR mn)

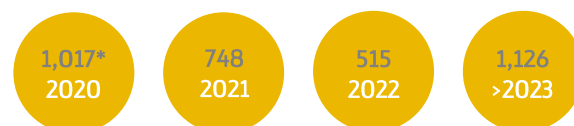
Gross cash	5,064	
Gross debt	-3,433	81% Bonds
Net cash position	1,631	

Net cash position including discontinued operations

LIQUIDITY (EUR mn)

TOTAL CASH	UNDRAWN LINES
5,064	1,011
TOTAL LIQUIDITY	6,075

DEBT MATURITY (EUR mn)



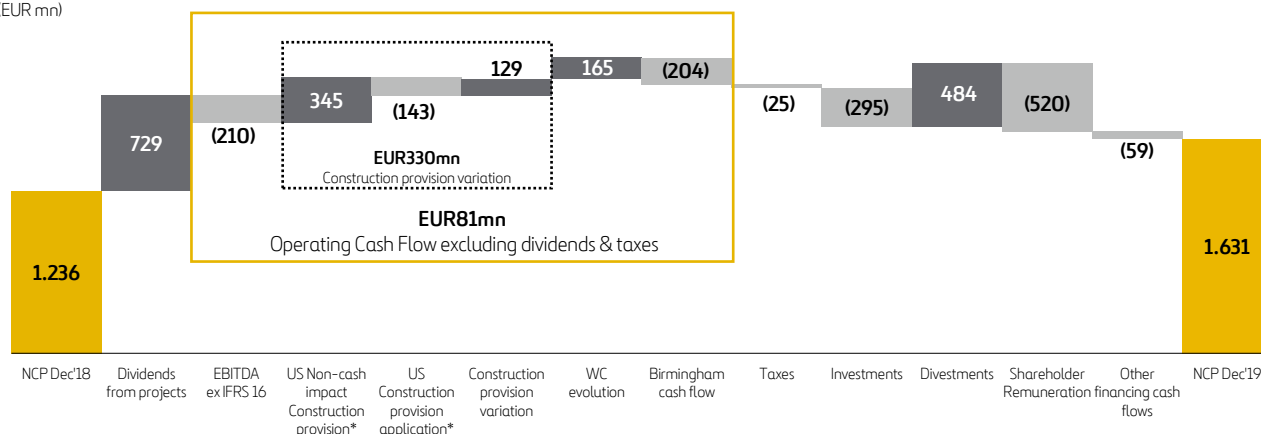
(*) In 2020, ex-infrastructure debt includes the issuance of an ECP (Euro Commercial Paper), which at 31 December 2019 had a carrying amount of EUR973mn, with an average rate of -0.29%.

RATING

Standard & Poor's	BBB / CreditWatch developing
Fitch Ratings	BBB / stable

CASH FLOW COMPONENTS (including discontinued operations)

(EUR mn)



(*) Related to the provision registered in 1Q 2019 corresponding to three contracts in the US.

Net cash position (NCP) excluding infra projects: stood at EUR1,631mn in December 2019 vs EUR1,236mn in December 2018. The main drivers of this change were:

- **Project dividends:** EUR729mn vs. EUR623mn in 2018 (+17%), particularly noteworthy was the contribution from toll road dividends, which increased 67% in 2019, including the first dividend from the NTE toll road (EUR166mn). The contribution of dividends from Services reached EUR47mn vs. EUR131mn in 2018.
- **EBITDA ex IFRS 16 from ex-infra projects:** -EUR210mn which includes EUR233mn from Services.
 - The EBITDA figure was negatively impacted by the -EUR345mn non-cash Construction Provision registered in 1Q 2019.
 - Of the abovementioned provision, EUR143mn has already been applied (cash out) in 2019.
- **EUR129mn** from the rest of Construction provision variation, impacted by Industrial works in Budimex, after taking a prudent approach to this particular risk.
- **EUR165mn** of working capital, mainly supported by the improved WC in Construction which reached EUR132mn (-EUR140mn in 2018) and the positive WC in Services of EUR1mn (ex-Birmingham) vs. -EUR188mn in 2018.
- **Birmingham CF** stood at -EUR204mn, including GBP160mn paid in 2019 related to the settlement agreed with the City Council for the termination of the PFI contract (total settlement amounts to GBP215mn, the remaining GBP55mn will be paid over the coming 6 years).
- **Net Investment** reached EUR189mn in 2019 vs -EUR94mn in 2018. Investments reached -EUR295mn, below the -EUR332mn in 2018. Divestments reached EUR484mn in 2019, most noteworthy of which was the EUR476mn for the sale of the stakes in the Ausol and Ruta del Cacao toll roads.
- **Shareholder Remuneration:** -EUR520mn, in line with 2018.
- **Others:** includes other minor cash flow movements, such as forex impact (-EUR60mn).

The net cash position at the end of December (EUR1,631mn) includes the net cash from Services (EUR158mn).

Consolidated cash flow

DEC-19	EXINFRASTRUCTURE PROJECTS CASH FLOW	INFRASTRUCTURE PRROJECTS CASH FLOW	ADJUSTMENTS	TOTAL CASH FLOW
EBITDA ex IFRS 16	-210	580		370
Dividends received	729		-199	529
Birmingham cash flow	-204			-204
Construction provision variation	330			330
US Construction provision (*)	345			345
US Construction provision application (*)	-143			-143
Other Construction provision variation	129			129
Working capital variation (account receivables, account payables and others)	165	-87		78
Operating flow (before taxes)	810	493	-199	1,104
Tax payment	-25	-36		-61
Operating Cash Flow	785	457	-199	1,043
Investments	-295	-157	60	-392
Divestments	484	115		599
Investment cash flow	189	-41	60	207
Activity cash flow	974	416	-140	1,250
Interest flow	26	-239		-212
Capital flow from Minorities	13	117	-60	70
Scrip dividend	-238			-238
Treasury share repurchase	-282			-282
Ferrovial shareholder remuneration	-520			-520
Other shareholder remuneration for subsidiary minorities	-18	-306	199	-124
Forex impact	-60	-66		-126
Variation of Bridge Loans (project financing)				
Changes in the consolidated perimeter	-2	422		419
Other debt movements (non cash)	-17	-47		-64
Financing cash Flow	-579	-119	140	-558
Net debt variation	395	297		692
Net debt initial position	1,236	-4,885		-3,649
Net debt final position	1,631	-4,588		-2,957

DEC-18	EXINFRASTRUCTURE PROJECTS CASH FLOW	INFRASTRUCTURE PRROJECTS CASH FLOW	ADJUSTMENTS	TOTAL CASH FLOW
EBITDA	144	470		614
Dividends received	623		-112	511
Birmingham provision with no cash impact	235			235
Birmingham cash flow	-80			-80
Construction provision variation	-40			-40
Working capital variation (account receivables, account payables and others)	-318	-60		-378
Operating flow (before taxes)	564	410	-112	862
Tax payment	6	-31		-25
Operating Cash Flow	569	380	-112	837
Investments	-332	-213	83	-462
Divestments	238	144		382
Investment cash flow	-94	-69	83	-79
Activity cash flow	476	310	-29	758
Interest flow	-11	-191		-202
Capital flow from Minorities	-2	163	-86	75
Scrip dividend	-240			-240
Treasury share repurchase	-280			-280
Ferrovial shareholder remuneration	-520			-520
Other shareholder remuneration for subsidiary minorities	-49	-120	115	-54
Forex impact	-12	-150		-162
Variation of Bridge Loans (project financing)				
Changes in the consolidated perimeter	104			104
Other debt movements (non cash)	-90	-94		-184
Financing cash Flow	-581	-391	29	-944
Net debt variation	-105	-81		-186
Net debt initial position	1,341	-4,804		-3,463
Net debt final position	1,236	-4,885		-3,649

(*) Related to the provision registered in 1Q 2019 corresponding to three contracts in the US.

EX-INFRASTRUCTURE PROJECT CASH FLOW

Cash flows from operating activities*

The ex-infrastructure pre-tax cash flow is as follows:

DEC-19	OPERATING CF*	NET INVESTM. CF*	ACTIVITY CF*	DEC-18	OPERATING CF*	NET INVESTM. CF*	ACTIVITY CF*
Toll Roads	494	408	902	Toll Roads	296	-9	287
Airports	183	-8	175	Airports	191	0	191
Construction	132	-44	87	Construction	0	-7	-8
Services	77	-163	-85	Services	160	-75	85
Other	-76	-4	-80	Other	-83	-2	-85
TOTAL	810	189	999	TOTAL	564	-94	470

*Before Corporate Income Tax. Operating cash flow in Toll Roads and Airports refers to dividends.

Operations cash flow

At 31 December 2019, cash flow from ex-infrastructure project operations totalled EUR810mn (before tax), above the EUR564mn recorded in 2018, due mainly to the increase in Toll road dividends and the good performance of the Construction operations cash flow.

OPERATING CASH FLOW	DEC-19	DEC-18
Dividends from Toll Roads	494	296
Dividends from Airports	183	191
Construction	132	0
Services	77	160
Other	-76	-83
Operating flow (before taxes)	810	564
Tax payment	-25	6
TOTAL	785	569

The entry "Others" includes the operations cash flow relating to Corporate Business, Airports and Toll Roads.

Breakdown of cash flow from **Construction and Services**:

Construction	DEC-19	DEC-18
EBITDA ex IFRS 16	-321	189
EBITDA from projects ex IFRS 16	15	15
EBITDA Ex projects ex IFRS 16	-336	175
Construction provision variation	330	-40
US Construction provision (*)	345	
US Construction provision application (*)	-143	
Other Construction provision variation	129	-40
Dividends received	5	6
Working capital variation (account receivables, account payables and others)	132	-140
Changes in factoring	-4	-12
Land purchases	-4	-46
Ex Budimex Working Capital	141	28
Budimex Working Capital	-1	-111
Operating Cash Flow before Taxes	132	0

(*) Related to the provision registered in 1Q 2019 corresponding to three contracts in the US.

SERVICES	DEC-19	DEC-18
EBITDA ex IFRS 16	309	136
EBITDA from projects ex IFRS 16	76	73
EBITDA Ex projects ex IFRS 16	233	62
BMH provision with no cash impact		235
BMH cash flow	-204	-80
Dividends received	47	131
Working capital variation (account receivables, account payables and others)	1	-188
Changes in factoring	23	-11
Pensions payments UK	-16	-10
Ex UK Working Capital	3	-39
UK Working Capital	-9	-128
OPERATING CASH FLOW BEFORE TAXES	77	160

The following table shows a breakdown of the **Services** business:

(EUR million)	SPAIN	UK	AUSTRALIA	INTERNATIONAL	TOTAL
EBITDA ex-infrastructure ex IFRS 16	149	-6	61	30	233
BMH cash flow	0	-204	0	0	-204
Dividends received	13	26	3	6	47
Changes in factoring	7	0	17	-1	23
Pension scheme payments	0	-16	0	0	-16
Working capital	27	-9	-35	12	-6
OP. CASH FLOW EX-TAXES	196	-209	45	46	77

Breakdown of cash flow from **Toll Roads and Airports**:

The revenue from Toll Roads operations amounted to EUR494mn in 2019, resulting from dividends and repaid shareholders' funds from companies owning toll road infrastructure projects.

DIVIDENDS AND CAPITAL REIMBURSEMENTS	DEC-19	DEC-18
407 ETR	309	273
NTE	166	0
Irish toll roads	1	1
Portuguese toll roads	12	9
Greek toll roads	0	3
Spanish toll roads	3	5
Other	3	4
TOTAL	494	296

Dividends and capital reimbursements from Airports (EUR183mn) were lower than achieved in 2018 (EUR191mn).

AIRPORTS	DEC-19	DEC-18
HAH	145	144
AGS	17	39
Others	21	7
TOTAL	183	191

Investment cash flow

DEC-19	INVESTMENT	DIVESTMENT	INVESTMENT CF
Toll Roads	-68	476	408
Airports	-8	0	-8
Construction	-51	7	-44
Services	-164	1	-163
Other	-4	0	-4
Total	-295	484	189

DEC-18	INVESTMENT	DIVESTMENT	INVESTMENT CF
Toll Roads	-90	82	-9
Airports	0	0	0
Construction	-53	45	-7
Services	-186	111	-75
Other	-2	0	-2
TOTAL	-332	238	-94

The net investment cash flow in 2019 (EUR189mn) includes:

- **Investments** reached -EUR295mn, below -EUR332mn in 2018.
- **Divestments** reached EUR484mn in 2019:
 - EUR476mn received in Toll Roads from the sale of the stakes in the Ausol and Ruta del Cacao toll roads, compared to EUR82mn in 2018 for the sale of the Central Greece and Ionian Roads toll roads in Greece.

Financing cash flow

Financing cash flow includes:

- **Shareholder remuneration cash flow:** -EUR520mn for Ferrovial shareholders, which includes the cash payment of the scrip dividend of -EUR238mn and the share buy-back for -EUR282mn. Dividends to minorities in subsidiaries also reached -EUR18mn.
- **Net interest payments** reached EUR26mn in 2019.
- **FX impact** (-EUR60mn), primarily from the performance of FX derivatives hedging into euros cash held in American and Canadian dollars.
- **Other non-cash flow related movements** (-EUR17mn), which also includes book debt movements that do not affect cash flow, such as interest that has been accrued and remains unpaid, mainly resulting from interest accrued from corporate bonds.

Net position from discontinued operations

The net cash position from discontinued operations stood at EUR158mn of debt at 31 December 2019.

INFRASTRUCTURE PROJECT CASH FLOW

Operations cash flow

As regards cash flows for companies that own infrastructure project concessions, these primarily include revenues from those companies that are currently in operation, though they also include VAT refunds and payments corresponding to projects currently in the construction phase.

The following table shows a breakdown of cash flow operations for infrastructure projects.

(EUR million)	DEC-19	DEC-18
Toll roads	386	296
Other	71	84
OPERATING CASH FLOW	457	380

Investment cash flow

The following table shows a breakdown of the investment cash flows for infrastructure projects, mainly payments made in respect of CapEx investments over the year.

(EUR million)	DEC-19	DEC-18
LBJ	-3	-4
NTE	-3	-3
NTE 35W	-135	-134
I-77	-94	-210
Portuguese toll roads	0	-1
Spanish toll roads	-5	-5
Others	0	0
TOTAL TOLL ROADS	-240	-356
Others	106	104
TOTAL PROJECTS	-135	-252
Equity Subsidy	93	183
TOTAL INVESTMENT CASH FLOW (PROJECTS)	-41	-69

Financing cash flow

Financing cash flow includes the payment of dividends and the repayment of equity by concession-holding companies to their shareholders, along with the payments for share capital increases received by these companies. In the case of concession holders which are fully integrated within Ferrovial, these amounts represent 100% of the amounts paid out and received by the concession-holding companies, regardless of the percentage share that the Company holds in such concessions. No dividend or Shareholder Funds' repayment is included for equity-accounted companies.

The interest cash flow refers to the interest paid by the concession-holding companies, together with other fees and costs closely related to the acquisition of financing. The cash flow for these items relates to interest costs for the period, along with any other item that represents a direct change in the net debt amount for the period.

(EUR million)	DEC-19	DEC-18
Spanish toll roads	-54	-63
US toll roads	-132	-77
Portuguese toll roads	-14	-15
Other toll roads	0	0
TOTAL TOLL ROADS	-201	-154
Other	-38	-37
TOTAL	-239	-191

The financing cash flow also includes the impact that changes in the interest rate have had on the debt held in foreign currency, which in 2019 was a negative impact in the amount of -EUR66mn, primarily as the result of the appreciation of the US dollar against the euro, which has had a significant effect on the net debt figure for the US toll roads.

Appendix I – segmented information

TOLL ROADS – GLOBAL CONSOLIDATION

(EUR million)	TRAFFIC (ADT)			REVENUES			EBITDA ex IFRS 16			EBITDA MARGIN		NET DEBT 100%	
	DEC-19	DEC-18	VAR.	DEC-19	DEC-18	VAR.	DEC-19	DEC-18	VAR.	DEC-19	DEC-18	DEC-19	SHARE
GLOBAL CONSOLIDATION													
NTE*	34	30	14.7%	137	99	38.8%	116	83	39.7%	84.6%	84.1%	-1,099	63.0%
LBJ*	48	44	9.1%	137	107	28.2%	114	87	30.2%	83.3%	82.0%	-1,253	54.6%
NTE 35W*/**/****	33		n.a.	81	31	n.a.	48	23	108.2%	59.9%	74.2%	-740	53.7%
I-77 */*****				21	2	n.a.	14	0	n.s.	66.4%		-218	50.1%
TOTAL USA				376	238	57.8%	292	194	51.0%			-3,311	
Ausol I***	18,232	17,440	4.5%	66	66	-0.2%	55	56	-0.6%	84.1%	84.4%		15.0%
Ausol II***	19,199	18,667	2.8%										15.0%
Autema	18,895	18,781	0.6%	113	109	4.0%	105	100	4.3%	92.7%	92.4%	-625	76.3%
TOTAL SPAIN				179	174	2.4%	160	156	2.6%			-625	
Azores	10,735	10,275	4.5%	29	28	4.0%	26	25	5.9%	88.1%	86.5%	-287	89.2%
Via Livre				15	14	5.7%	2	2	16.7%	14.0%	12.7%	2	84.0%
TOTAL PORTUGAL				44	42	4.5%	28	26	6.6%			-284	
TOTAL HEADQUARTERS				19	16	13.4%	-47	-56	17.1%				
TOTAL TOLL ROADS				617	471	31.0%	433	319	35.7%	70.2%	67.7%	-4,220	

* Traffic in millions of transactions. ** Assets under construction. *** On December 3, 2019, formal completion of stake sale from 80% to 15%. Traffic up to December. P&L 2019 until November and P&L 2018 up to December. **** Capital invested & committed: Segment 3C/Net debt 100%: includes all 3 segments. ***** Full opening on November 2019

TOLL ROADS – EQUITY-ACCOUNTED

(EUR million)	TRAFFIC (ADT)			REVENUES			EBITDA ex IFRS 16			EBITDA MARGIN		NET DEBT 100%	
	DEC-19	DEC-18	VAR.	DEC-19	DEC-18	VAR.	DEC-19	DEC-18	VAR.	DEC-19	DEC-18	DEC-19	SHARE
EQUITY ACCOUNTED													
407 ETR (WKT mn)	2,742	2,747	-0.2%	1,017	908	12.0%	884	791	11.8%	86.9%	87.1%	-5,464	43.2%
M4	35,442	33,761	5.0%	31	30	5.3%	17	17	1.3%	54.8%	56.9%	-74	20.0%
MB	42,080	39,892	5.5%	22	20	9.5%	14	14	1.0%	64.7%	70.2%	-111	20.0%
A-66 Benavente Zamora				24	24	2.1%	22	22	2.1%	90.5%	90.5%	-157	25.0%
Serrano Park				6	6	8.2%	3	3	-27.1%	40.3%	59.8%	-36	50.0%
Alqarve	16,325	15,456	5.6%	37	38	-2.2%	33	33	-2.3%	87.9%	88.0%	-108	48.0%
Norte Litoral	26,998	25,974	3.9%	42	43	-3.7%	36	38	-3.7%	87.0%	87.0%	-127	49.0%

MAIN TOLL ROADS (P&L)

407 ETR

CAD million	DEC-19	DEC-18	VAR.
Revenues	1,505	1,390	8.3%
EBITDA	1,309	1,211	8.1%
EBITDA margin	87.0%	87.1%	
EBIT	1,204	1,103	9.1%
EBIT margin	80.0%	79.4%	
Financial results	-420	-370	-13.5%
EBT	783	733	6.9%
Corporate income tax	-207	-194	-6.9%
Net Income	576	539	6.8%
Contribution to Ferrovial equity accounted result*	153	136	12.2%

* EURmn

LBJ

(USD million)	DEC-19	DEC-18	VAR.
Revenues	153	126	21.7%
EBITDA	127	103	23.7%
EBITDA margin	83.3%	82.0%	
EBIT	99	77	28.0%
EBIT margin	64.5%	61.3%	
Financial results	-87	-87	0.0%
Net Income	11	-10	204.5%
Contribution to Ferrovial*	5	-5	210.1%

* Contribution to Net profit. 56% stake EURmn

NTE

(USD million)	DEC-19	DEC-18	VAR.
Revenues	153	116	31.7%
EBITDA	129	98	32.6%
EBITDA margin	84.6%	84.1%	
EBIT	101	76	33.5%
EBIT margin	66.2%	65.3%	
Financial results	-74	-62	-20.1%
Net Income	26	13	95.1%
Contribution to Ferrovial*	15	7	105.6%

* Contribution to Net profit. 62.97% stake EURmn

NTE 35W

(USD million)	DEC-19	DEC-18	VAR.
Revenues	90		n.s.
EBITDA	54		n.s.
EBITDA margin	60.1%		n.s.
EBIT	35		n.s.
EBIT margin	38.6%		n.s.
Financial results	-39		n.s.
Net Income	-5		n.s.
Contribution to Ferrovial*	-2		n.s.

* Contribution to Net profit. 53.67% stake EURmn

AIRPORTS (P&L)

Heathrow SP & HAH

(GBP million)	REVENUES			EBITDA			EBITDA MARGIN		
	DEC-19	DEC-18	VAR.	DEC-19	DEC-18	VAR.	DEC-19	DEC-18	VAR. (bps)
Heathrow SP	3,070	2,970	3.4%	1,921	1,837	4.6%	62.6%	61.9%	70
Exceptionals & adjts	0	0	n.a.	2	2	-21.2%	n.a.	n.a.	n.a.
TOTAL HAH	3,070	2,970	3.3%	1,922	1,840	4.5%	62.6%	61.9%	69

HAH

(GBP million)	DEC-19	DEC-18	VAR.	LfL
Revenues	3,070	2,970	3.3%	3.3%
EBITDA	1,922	1,840	4.5%	1.7%
EBITDA margin %	62.6%	61.9%		
Depreciation & impairments	-805	-796	1.1%	1.0%
EBIT	1,117	1,043	7.1%	3.7%
EBIT margin %	36.4%	35.1%		
Financial results	-621	-751	17.4%	4.1%
EBT	497	292	70.0%	24.0%
Corporate income tax	-126	-45	-179.4%	n.a.
Net income	370	247	50.0%	5.0%
Contribution to Ferrovial equity accounted result (EUR mn)	106	70	51.9%	5.0%

AGS

(GBP million)	DEC-19	DEC-18	VAR.
Total Revenues AGS	217	213	1.8%
Glasgow	133	127	4.7%
Aberdeen	57	56	1.0%
Southampton	28	30	-8.8%
Total EBITDA AGS	94	97	-2.6%
Glasgow	65	64	2.0%
Aberdeen	22	22	-2.8%
Southampton	8	11	-28.6%
Total EBITDA margin	43.5%	45.5%	-195.2
Glasgow	48.8%	50.1%	-125.1
Aberdeen	38.4%	40.0%	-152.4
Southampton	28.6%	36.5%	-790.9

CONSTRUCTION**

CONSTRUCTION	DEC-19	DEC-18	VAR.	LfL
Revenues	5,413	5,252	3.1%	0.3%
EBITDA	-321	189	n.s.	n.s.
EBITDA margin	-5.9%	3.6%		
EBIT	-365	146	n.s.	n.s.
EBIT margin	-6.7%	2.8%		
Order book	11,424	10,965	4.2%	2.8%

BUDIMEX	DEC-19	DEC-18	VAR.	LfL
Revenues	1,819	1,730	5.2%	0.7%
Construction	1,568	1,602	-2.1%	-1.5%
Real Estate	135	128	5.9%	6.5%
FB Servis	116			33.3%
EBITDA	95	100	-4.8%	-14.3%
EBITDA margin	5.2%	5.8%		
EBIT	73	88	-16.8%	-20.7%
Construction	36	67	-46.3%	-46.9%
Real Estate	27	21	26.9%	27.6%
FB Servis	10			n.s.
EBIT margin	4.0%	5.1%		
Order book	2,830	2,362	19.8%	18.9%

WEBBER	DEC-19	DEC-18	VAR.	LfL
Revenues	824	739	11.5%	5.9%
EBITDA	27	30	-9.8%	-15.3%
EBITDA margin	3.3%	4.1%		
EBIT	15	21	-29.4%	-25.5%
EBIT margin	1.8%	2.9%		
Order book	1,838	1,511	21.6%	19.2%

F.AGROMAN	DEC-19	DEC-18	VAR.	LfL
Revenues	2,769	2,783	-0.5%	-1.6%
EBITDA	-444	59	n.s.	n.s.
EBITDA margin	-16.0%	2.1%		
EBIT	-453	37	n.s.	n.s.
EBIT margin	-16.4%	1.3%		
Order book	6,756	7,092	-4.7%	-6.0%

SERVICES**

SERVICES	DEC-19	DEC-18	VAR.	LfL
Revenues	6,995	6,785	3.1%	4.3%
EBITDA	309	136	127.6%	n.s.
EBITDA EX-BMH	309	371	-16.8%	-13.9%
EBITDA margin	4.4%	2.0%		
EBITDA margin EX-BMH	4.4%	5.5%		
Order book	17,656	19,411	-9.0%	-6.9%

SPAIN	DEC-19	DEC-18	VAR.	LfL
Revenues	2,020	1,950	3.6%	3.8%
EBITDA	216	202	7.1%	5.3%
EBITDA margin	10.7%	10.4%		
Order book	4,266	4,670	-8.7%	-8.7%

UK	DEC-19	DEC-18	VAR.	LfL
Revenues	2,749	2,610	5.3%	4.1%
EBITDA	2	-163	101.1%	n.s.
EBITDA EX-BMH	2	72	-97.5%	-93.6%
EBITDA margin	0.1%	-6.3%		
EBITDA margin EX-BMH	0.1%	2.8%		
Order book	8,036	9,251	-13.1%	-10.5%

AUSTRALIA	DEC-19	DEC-18	VAR.	LfL
Revenues	1,672	1,684	-0.7%	0.8%
EBITDA	61	61	-0.4%	1.7%
EBITDA margin	3.6%	3.6%		
Order book	4,064	4,129	-1.6%	-3.2%

INTERNATIONAL	DEC-19	DEC-18	VAR.	LfL
Revenues	554	540	2.5%	19.6%
EBITDA	30	36	-17.0%	26.3%
EBITDA margin	5.4%	6.7%		
Order book	1,291	1,361	-5.2%	15.6%

EBIT before impairments and disposals of fixed assets

** Construction & Services EBITDA excluding IFRS 16

BMH: Birmingham

Appendix II – Exchange rate movements

Exchange rates expressed in units of currency per Euro, with negative variations representing euro depreciation and positive variations euro appreciation.

	EXCHANGE RATE LAST (BALANCE SHEET)	CHANGE 19/18	EXCHANGE RATE MEAN (P&L)	CHANGE 19/18
GBP	0.8467	-5.8%	0.8745	-1.3%
US Dollar	1.1229	-1.9%	1.1183	-5.1%
Canadian Dollar	1.4573	-6.6%	1.4800	-3.3%
Polish Zloty	4.2565	-0.8%	4.2960	0.6%
Australian Dollar	1.5986	-1.7%	1.6077	1.5%

Appendix III – Shareholder remuneration

The company held its AGM on 5 April 2019. The AGM approved two capital increases, by means of the issuance of new ordinary shares, with no issue premium, of the same class and series as those at present in circulation, charged to reserves.

These increases form part of the shareholder remuneration scheme known as the “Ferrovial Scrip Dividend”, which replaced the traditional complementary dividend payment for 2018 and the 2019 interim dividend.

SCRIP DIVIDEND DETAILS	MAY-19	NOV-19
Guaranteed set price to purchase rights	0.311	0.408
Rights per share	69	63
% shareholders chose shares as dividends	55.47%	55.28%
% shareholders chose cash as dividends	44.53%	44.72%
Number of new shares issued	5,936,542	6,531,283
Number of rights purchase	328,834,402	332,921,487

SHARE BUY-BACK AND CANCELLATION

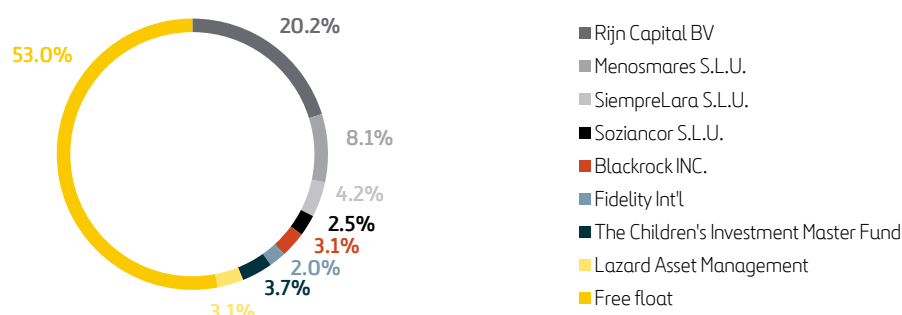
The buy-back programme ended on 22 November 2019, after the company acquired 8,792,631 of its own shares (which therefore did not exceed the limit of EUR275mn or 19 million shares).

The share capital was subsequently reduced by EUR3,141,643.80 by means of the cancellation of 15,708,219 company shares held in the company’s treasury shares, including 6,915,588 shares held prior to the Board of Directors’ proposal, approved at the AGM, to reduce the company’s share capital.

Ferrovial’s share capital figure as at 31 December 2019 amounted to EUR147,043,088.60 all fully subscribed and paid up. The share capital comprises 735,215,443 ordinary shares of one single class, each with a par value of twenty-euro cents (EURO.20).

Appendix IV – Shareholder structure

SHAREHOLDER STRUCTURE (CNMV) 31 DECEMBER 2019



Appendix V – Additional Information

SHARE BUY-BACK TRANSACTIONS

OBJECTIVE	TOTAL NUMBER OF SHARES 31 DEC 2018	NUMBER OF SHARES ACQUIRED / RECEIVED	TRANSFER	NUMBER OF SHARES USED FOR OBJECTIVE	TOTAL NUMBER OF SHARES 31 DEC 2019
Shares for capital reduction		8,792,631		-8,792,631	0
Discretionary shares and other	6,915,588	2,755,960		-6,915,588	2,755,960
Compensation systems	48,951	372,943	299,573	-721,467	0
Shares received as payment for the scrip dividend	447,129	372,745	-299,573	0	520,301
BALANCE	7,411,668	12,294,279	0	-16,429,686	3,276,261

AVERAGE PAYMENT TERM

In compliance with the obligation to disclose the average supplier payment period provided for in Article 539 and Additional Provision Eight of the Spanish Companies Act (in accordance with the new wording of final provision two of Law 31/2014 reforming the Spanish Companies Act), the Company hereby states that the average period of payment to the suppliers of all the Group companies domiciled in Spain (excluding the discontinued operations transactions) in 2019 was 39 days.

The following table details, as required under Article 6 of the Ruling of 29 January 2016 by the Institute for Accounting and Accounts Auditing, the information relating to the average supplier payment period in 2019 and 2018:

DAYS	2019	2018
Average period of payment to suppliers	39	40
Ratio of transactions settled	39	40
Ratio of transactions not yet settled	43	52
AMOUNT (EUR)		
TOTAL PAYMENTS MADE	676,032,318	697,200,453
TOTAL PAYMENTS OUTSTANDING	19,316,271	19,388,691

The mutual intra-group commercial transactions between companies belonging to Ferrovial are not included in the consolidation process, meaning the consolidated balance sheet contains no outstanding balances payable to Ferrovial companies. Thus, the information detailed in the previous table refers solely to suppliers outside of the Company, noting for information purposes that the average payment period between Ferrovial companies is generally 30 days.

People

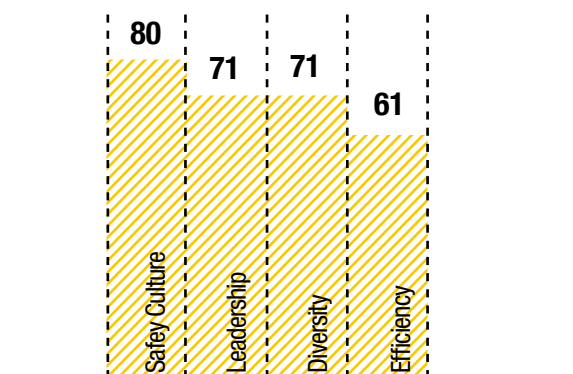
Distinguishing talent

The 90,000 Ferrovia professionals represent a culture based on excellence, innovation, safety, integrity and collaboration. The value of each professional is, quite simply, the value of Ferrovia.

In 2019, as a response to its strategy of listening to its employees, Ferrovia launched an opinion poll for its entire workforce, in which 6,866 employees participated. The results showed a notably high rate of commitment at 79%, and a favourable perception of the health and safety culture, at 80%. The attributes with the highest percentage of positive responses included the following:

OPINION SURVEY

(% of positive answers)



LEARNING AND DEVELOPMENT

Training is one of the levers for developing internal talent. The SUMMA Corporate University, which has now existed for 12 years, offers solutions for ongoing learning and promotes the exchange of knowledge and experiences among professionals. The number of training hours received in 2019 was 885,947 of which 55,660 were at SUMMA. Total investment in training amounted to 26.24 M€ (SUMMA is included).

The professional development of employees is also a priority. In 2019, 29,457 conducted evaluation and development processes, and succession plans that have enabled us to identify 403 potential candidates for the critical positions of 167 identified.

Employee mobility is also a means of promoting talent. The company has the Global Mobility Portal – a job bank – in which employees can consult all vacancies existing around the world. The 15,785 registered job offers received 417,065 candidates, with an internal coverage of 16%.

YOUNG TALENT

Given that attracting the best young talent is one of the ways to ensure the future of the company, Ferrovia has 29 dedicated programs lasting between three months and three years to draw young and recent graduates.

Inspire the new generations in STEM vocations means ensuring the future need for key talent, while contributing to employability in the countries where the company operates. In Spain, together with the Junior Achievement Foundation, and through the OrientaT programme, a total of 59 volunteers from Ferrovia were taught in various workshops at educational centres to develop the skills required in the labour market for technical professions. Other featured programmes are run in the United Kingdom, where the subsidiary Amey participates in the Girlguiding STEM programme, and were some professionals from Ferrovia Agroman United Kingdom have been certified as STEM Ambassadors.

“Ferrovia offered the most complex and complicated projects as well as giving graduates the chance to take on as much responsibility as they can handle – with guidance and support, of course. To me that sounded like signing up to a life school – the bigger the challenge the bigger the learnings”.

MOHAMMED BOLBOL, Graduate Civil Engineer, Heathrow Q6

“Ferrovia is a very diverse place to work and the culture is one of hard work and drive to deliver challenging projects to the client’s satisfaction. I started at Ferrovia Agroman as a summer placement and by the end of my three months, I felt like I had so much more I still wanted to learn and this would be the perfect place to do so”.

KARACHI OGBONNA, Graduate Quality Engineer, Heathrow Q6

DIVERSITY, EQUITY AND EFFICIENCY

At Ferrovial achievements and merit are rewarded in a fair and transparent manner. One of the main objectives within the diversity strategy is fostering an inclusive culture. Among other lines of action, this exercise has put focus on unconscious bias training on a global level.

In addition, the wage gap is analysed at regular intervals. In the case of Spain, following the adoption of the Equality Act in 2007, equality plans were signed with the main union federations in the sector which perform wage diagnostics.

The wage gap, published in the Annex to this report, can be explained primarily by the current percentage of women in the company as a whole, by the type of positions they hold in line with the sectors in which we operate and by the current gender distribution in different professional categories.

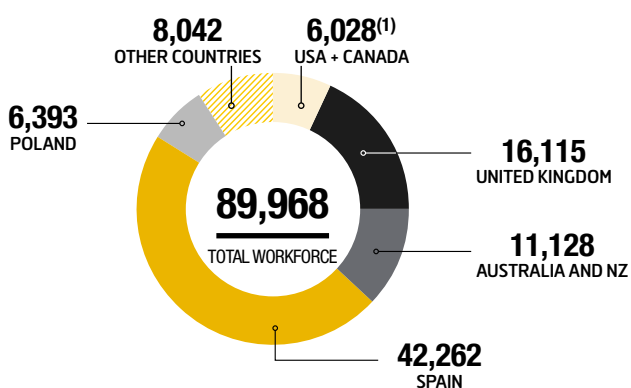
In this regard, Ferrovial was included in the Bloomberg Gender-Equality Index for fostering an environment of equal opportunities, its measures of flexibility and conciliation in accordance with applicable legislation and the conditions in each country, and for its ongoing work to achieve an inclusive environment, as reflected in the employee opinion poll.

WOW: NEW WAYS OF WORKING

Ferrovial runs the “WOW project: New Ways of Working”, which is the Office suite 365 adoption plan as a tool for collaborative work, and it is part of the digital transformation strategy Play the Future, which aims to develop digital competences of employees through training programs: drones, Internet of Things, 3D printing, big data, artificial intelligence, user experience, digital skills, Office 365 and mobility of the future.

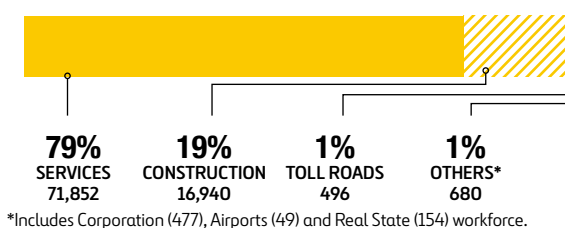
In one year, the number of employees that use it in their day-to-day digital tools has multiplied by six, which facilitates the reduction of the digital divide and makes the work more efficient, secure, flexible and collaborative.

BY COUNTRY

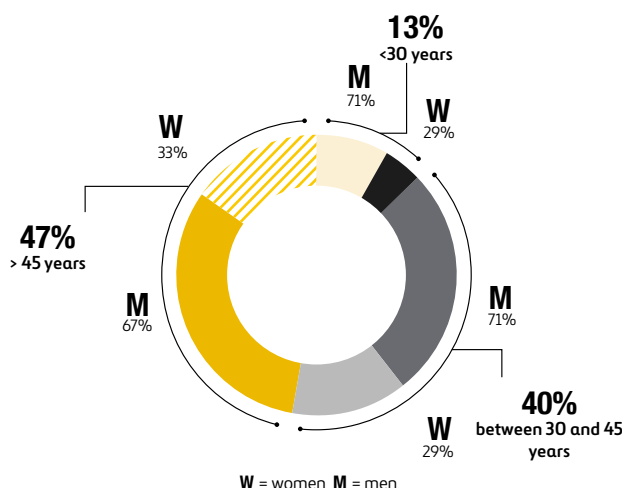


(1) Workforce of USA (5,306) and Canada (722)

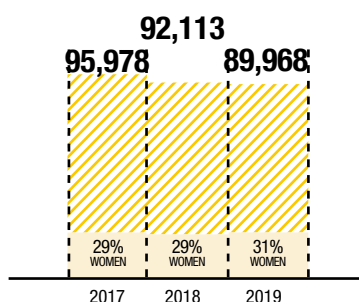
BY BUSINESS UNIT



BY AGE



EVOLUTION



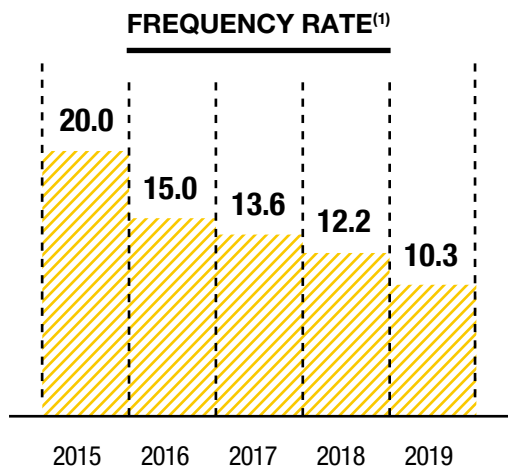
Health and Safety

Creating safer workplaces and operations

Ferrovial actively works to create safe and harm free environments and operations for everyone, every day.

In 2015, Ferrovial established a roadmap to align the Health and Safety management systems of each business area, making sure the necessary resources and tools were available to deliver safer operations. The changes included, amongst others, developing a reporting system that would give more weight to proactive indicators (leading indicators), to develop a more forward-thinking culture, and to focus action on an improved Health and Safety management model.

Since the implementation of this model, 393,624 inspections and audits have been carried out and 3,956,424 hours of Health and Safety training have been given, of which 580,740 and 91,414 were in 2019. Thanks to the improvement actions implemented and the commitment of all workers, frequency and severity rates have dropped by 48.5% and 41.86% compared to 2015, respectively, and 15.6% and 13.8% compared to last year.



However, despite this positive progress, the number of fatalities and significant incidents has not followed this downward trend. Sadly, there have been fourteen fatalities during 2019 (five of employees and nine of contractor workers). The company is unsatisfied with

FREQUENCY RATE⁽¹⁾

-15.6%

compared to 2018

SEVERITY RATE⁽²⁾

-13.8%

compared to 2018

HOURS OF HEALTH AND SAFETY TRAINING

580,740

aprox. 4 million since 2015

HEALTH AND SAFETY INSPECTIONS AND AUDITS

91,414

(1) Year-on-year change in the ratio showing the number of accidents to have occurred during working hours and leading to medical leave, for every million hours worked. Does not include contractors.
 (2) Year-on-year change in the ratio showing the number of days lost as a result of occupational accidents for every thousand hours worked.
 For more details see appendix of GRI indicators, accident tables page 125.



these facts and has taken the necessary measures to face this situation. For this reason, Ferrovial has reassessed what it measures and where it seeks to drive improvement. Whilst continuing to monitor existing indicators, the work has begun on identifying “high potential incidents”, those events that could have resulted in either serious or fatal outcome but didn’t, ensuring the development of an agile and resilient business.

Ferrovial have revised the strategy to address this critical aspect of Health and Safety, ensuring it is prepared and equipped to deliver safer work environments. Given their relevance, high potential incidents are now reported on a weekly basis, analyzed by the Management Committee, and reviewed by an executive team.

NEW FOCUS

Health and Safety of workers is a strategic enabler for Ferrovial, with a proactive focus on risk management, with employees who are aware of how to improve their own safety, where innovation is a lever to reduce risks, creating real links between safety and productivity. The cornerstones of this new focus are as follows:

- The design of the “global” Health and Safety management system focuses on the context of the local system, and vice versa. Therefore, safety is incorporated into the lifecycle of each project, giving flexibility to the role that each stakeholder performs.
- Variability in the execution of each project and during its lifecycle is inevitable, and this variability must be considered and integrated in the management focuses. That’s why the risk control hierarchy is used, which prioritizes the elimination of the possible risk (if feasible), thus promoting the thinking about and resolving problems through teams.
- Workers are a source of inspiration and innovation, and they are needed for the resilience of the management system.

NEW STRATEGY 2020-2023

The Board of Directors of Ferrovial has approved its 2020-2023 Health and Safety Strategy, which focuses on four strategic elements:



- **Leadership:** our people inspire, care and are uncompromising in delivering our H&S expectations.
- **Competence:** we have colleagues, who are trained and competent to deliver their roles
- **Resilience:** we are agile and prepared to protect our people, stakeholders and business from adverse events.
- **Communication:** we have a learning environment that enables knowledge sharing, innovation and effective risk management.

This strategy enables Ferrovial to:

- Celebrate success, rewarding and recognizing people and stakeholders.
- Empower and enable competent people to make choices and manage risk.
- Demand uncompromising leadership and be intolerant to incidents.
- Manage risk by embedding H&S into the business and project lifestyle.
- Create environments where everyone has a voice.
- Nurture a culture of innovation and learning.

The health and wellbeing of workers also constitutes another important element within the new strategy, seeking to acknowledge that the health and wellbeing of Ferrovial's employees are critical to its continued success. The focus will support an improved working environment, create more cohesive teams, reduce absenteeism and job presence, increase productivity and contribute to a more caring workplace.

The new Health and Safety Strategy will pave the way to offer a corporate culture truly aligned with the vision of "creating safe and free harm workplaces and operations for everyone, every day".

COMMITMENT TO INNOVATION

For Ferrovial, innovation is a key lever for change to drive improved performance in Health and Safety. For this reason, it has continued with the work started in 2018 at the Safety Lab to become a tool to be used to provide solutions to the challenges that workers face every day during operations at all workplaces. More information is available about the Safety Lab in the "Innovation" section of this report.

"ARMADILLO" IN LBJ AND NTE

In 2019, the Managed Lanes continued to register incidents where maintenance teams, as they carried out assistance work on the hard shoulder and/or in lanes, were exposed to high levels of risk from members of the public who were driving under the influence of alcohol or distracted by some other issue. To find solutions to this problem, the company talked directly to the workers who regularly use these vehicles, concluding that the best available option was to use new lorries with a modified version of the impact attenuators (TMA), which are known as "Armadillo". This collaboration of leadership, management team and workers resulted in this end product, which already has one unit in operation and three more on the way.

SAFETY INTERACTIVE PAUSE (SIP) AT FERROVIAL AGROMAN CANADA

Ferrovial Agroman Canada has launched the Take a SIP program to refresh the health and safety knowledge of workers who do not always do on-site work. The online program uses case studies with specific themes, which are explained using photos and videos that show real situations. Workers must then answer a series of questions about these cases, receiving a score for each case study that they can compare against the correct answers to check their level of knowledge. This establishes a ranking of employees with their scores, thus promoting competition amongst them and an appetite to improve their personal knowledge.

Innovation

At the forefront of transformation

For Ferrovial, innovation is a strategic priority and a mature discipline that is deeply rooted in its culture and processes and aimed at creating value for society.

Ferrovial's innovation strategy is not only aimed at consolidating the strength and competitive advantages of its traditional business models but also at exploring new markets and technologies. Accordingly, the company coordinates a broad consolidated portfolio of projects focused on defined priority themes and that is appropriately proportioned between disruptive, strategic and incremental projects. In 2019, this portfolio included more than 100 projects under development that entailed an investment of approximately 45 million euros in R&D. This balanced strategic management of its innovation has made it possible to make the innovation objectives set out below tangible.

DISRUPTIVE: ANTICIPATE THE FUTURE OF TRANSPORT

Ferrovial faces the constant development of the technological, socio-economic and environmental context of the infrastructure and mobility sectors through a proactive approach that allows it to anticipate and adapt dynamically to change. Through its "What if?" program it periodically analyzes plausible future scenarios to determine the key lines of action to respond to threats and take advantage of any opportunities that have been identified.

In addition, Ferrovial has the Venture Lab, its corporate launchpad of business models with a high uncertainty and disruptive capacity. This program allows Ferrovial to anticipate new markets and take advantage of incipient business opportunities that have great future potential. Some of the Ventures launched in recent years include the Wondo Mobility as a Service platform and KUIKO, the digital market of facility management services for SMEs and freelancers.

STRATEGIC: INCREASING THE VALUE OF ASSETS

New technologies are enabling methods and tools to emerge that are able to profoundly transform all

stages of the infrastructure life cycle. In this context, Ferrovial undertakes both strategic intelligence projects to help its business units understand the impact of technology on infrastructure management as well as projects to generate additional added value in the promotion, design, construction, operation and maintenance of these assets. The first type include its studies on the impact of autonomous and connected cars, 5G technology and new means of payment. The second type include its projects with innovative technologies such as virtual or augmented reality, drones and artificial intelligence.

INCREMENTAL: AT THE SERVICE OF BUSINESS UNITS

All of Ferrovial's exploration, ideation, experimentation and learning activity takes on a special practical sense when it is generated from a detailed knowledge of the specific objectives, needs and challenges of its business units. That is why a large proportion of its project portfolio is aimed at achieving short-term impact on its traditional business models through, for example, automation, digitization or data processing and analytics. Ferrovial's methodical and incremental innovation has allowed the company to consistently achieve improvements in profitability, sustainability and efficiency in its operations; increase the safety of users and employees and, ultimately, generate additional competitive advantages for its businesses



CLICK
Innovation

INVESTMENT IN
R&D (M€)

45

PROJECTS
UNDERTAKEN IN 2019

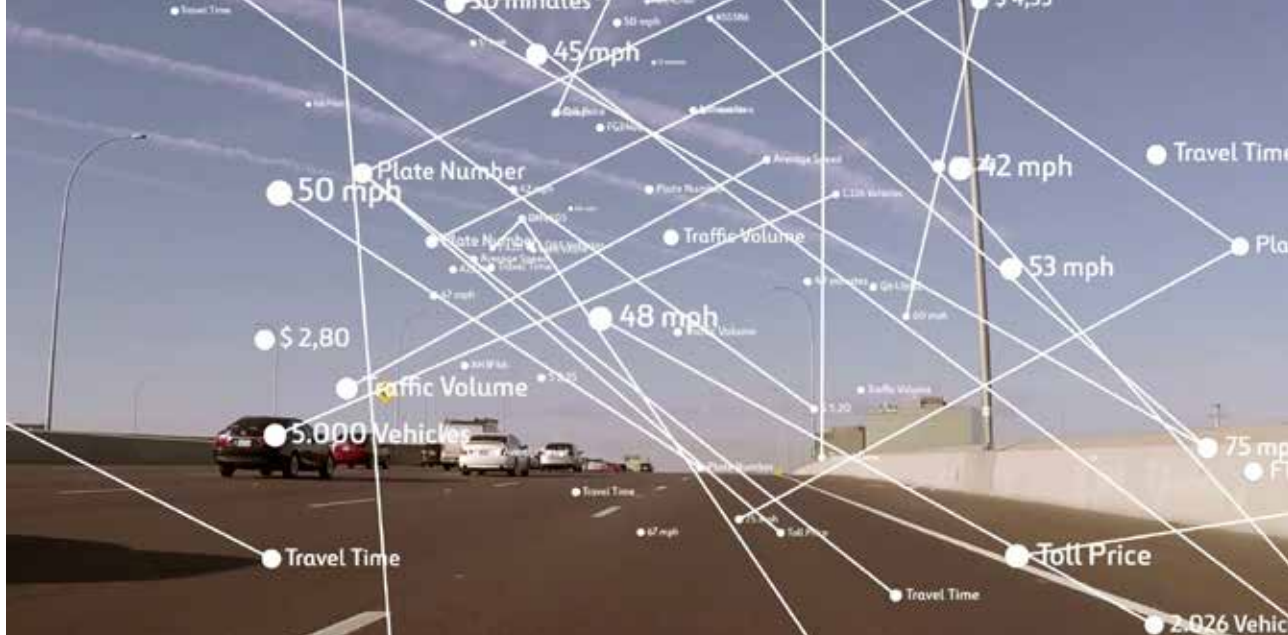
+100

PROJECTS
WITH START-UPS

32

SAFETY LAB – SAFE ROADS

Ferrovial has launched an innovation program focused on improving the safety of its employees and users of its infrastructure through the use of new technologies. The program, which consists of several initiatives, has focused its first project on improving road safety in the area of urban mobility. The initiative aims to reduce the number of accidents in the urban environment with the use of IoT, artificial intelligence and driving assistance technologies (ADAS). The system helps drivers prevent possible collisions while providing information on the risk points detected in the infrastructure. The Safety Lab has also launched projects in the field of construction and mobility.



PROMOTING AN INNOVATIVE CULTURE

Ferrovial undertakes a wide range of technology and trend watch activities that are reflected in its monthly Innovation Insights newsletter, its Infobits reports on periodic trends and its White Papers, in which it discusses both the opportunities generated by the trends and the potential use cases for its business units. Ferrovial's internal knowledge ecosystem is completed with the Digital Hub, the Centers of Excellence in the areas of data and mobility and the multiple specialized technical offices of the different business units. These units function as nodes of the organization's network of experts centralizing knowledge, skills and experience and providing consulting and technical advice.

The insight, talent and knowledge of the immense innovation community disseminated throughout the organization are added to the analysis work and the initiative of these teams devoted entirely to innovation. Every two years the Zuritanken program captures the creative explosion of all company employees, prioritizing and providing resources to prototype ideas with the greatest potential. In addition, as far as innovative talent is concerned, Ferrovial has launched the Play the Future initiative to train its employees in digital skills and new technologies. The company also launched the Executive Forum, an annual meeting of executives to analyze emerging trends and define projects on topics such as mobility or data-based management.

GROWING AN OPEN AND COLLABORATIVE ECOSYSTEM

Ferrovial Open Innovation teams work to expand and enhance the organization's network of collaborations and alliances in major global innovation centers such as Israel, the US, Finland and Singapore. This network includes public innovation agencies and programs such as H2020, the European Innovation Council, Innovate UK and the Climate-KIC and Digital-KIC communities of the European Institute of Innovation and Technology; research centers and universities such as the Massachusetts Institute of Technology and Stanford University and, of course, accelerators, incubators and startups. In particular, in 2019 Ferrovial had 11 collaboration agreements in place with universities and research centers and conducted 32 pilot projects with startups.

SMART MANAGEMENT OF TRANSPORT ASSETS

The digital revolution is making the union between the physical and the digital world possible by enabling interaction between all the organizations involved in the life cycle of transport assets. Ferrovial has opted to adapt to this scenario by incorporating these methodologies on the day of its operations. To this end, the company has defined and developed a common framework for the integral implementation of these asset management tools within the group in a complementary way with the strategies of the different business units. The initiative contemplates the development and deployment of a digital platform that captures the information requirements between the stages of the life cycle of the assets, allowing a "digital fingerprint" to be generated collaboratively for them. All this will make it easier to manage, operate and maintain the company's infrastructure and detect opportunities for operational improvement through efficiency and process optimization.

PLAY THE FUTURE

Two years ago Ferrovial launched the 'Play the Future' initiative, a learning platform for digital skills and knowledge for its employees with training itineraries in the area of drones, internet of things, 3D printing, big data and artificial intelligence, user experience, the future of mobility and digital competencies. In the first half of 2019, the initiative's online portal was launched and throughout the year more than 900 professionals signed up for different courses or initiatives. Also, in June a new edition of the Digital Day took place in the Ferrovial Digital Hub aimed at those employees who took the online Digital Competency course. During the event, participants from the various Ferrovial businesses had the opportunity to have an experience guided by the internal experts in the different topics. Additional courses in Agile, Cybersecurity, Future of Work and the Data Academy are underway.

INNOVATION PROJECTS

1. MOBILITY



- **Mobility of the future:** strategic analysis in conjunction with MIT on the mobility of the future based on the performance of factors such as private-vehicle ownership, mobility patterns or the energy mix.
- **Autonomous Bus:** prototype of autonomous bus using artificial intelligence to transport passengers from airport parking to the terminal.
- **C-ROADS:** application of Cooperative Intelligent Transport Systems for vehicle-to-vehicle (V2V) and vehicle-to-infrastructure (V2I) on roads.

- **Transforming Transport:** generation of advanced quantitative models to improve traffic management and mitigate toll roads congestion.
- **NLP:** tools for natural language processing (NLP) and analysis for categorizing and comparing legal documents.



2. DATA DRIVEN MANAGEMENT



4. SUSTAINABILITY

- **LAG bags reutilization:** initiative that incorporates a QR code into bags for liquids, aerosols and gels, incentivizing reuse of them and a reduction in the use of plastics.
- **Dugud:** Mobile app for rewarding citizens that deposit organic waste in waste containers, incentivizing recycling.

3. SAFETY

- **Safety Lab:** program for accelerating the use of new methodologies and technologies to reduce the number of accidents in infrastructures.
- **Autonomous ready:** incorporation of Advanced Driver Assistance Systems (ADAS) in the urban fleet to avoid collisions with pedestrians and cyclists.



5. DIGITIZATION

- **DIGITALIS:** creation of a blockchain platform for creating and checking unique digital identities for suppliers..
- **Pay with a smile:** application that uses visual-biometric-recognition technologies to allow users to make payments with their facial expression.



6. ENGINEERING

- **Horbran:** study on the viability of using recycled-polypropylene macro fibers to replace some of the steel bars in the reinforced concrete.
- **Drone inspection:** use of drones in inspection tasks for multiple types of infrastructure.



Quality

Committed to excellence

Ferrovial applies innovation to achieve process improvements, make them more efficient and competitive, and offer customers top quality products and services.

A

chieving complete satisfaction of infrastructure users and excellence in the quality of services provided are two priorities for Ferrovial. To achieve these goals, the company undertakes specific

innovation projects aimed at improving the perception that customers and users have about the services provided. Digitization, artificial intelligence, use of new technologies such as drones and Big Data are some examples of innovation projects applied to the projects.

DIGITALIZATION

In 2019, Ferrovial, along with other companies, created a platform for digital identity management of the main suppliers in blockchain format. The main benefits are that the process for certifying and validating suppliers has been streamlined by making it more efficient and secure, and reducing bureaucratic and administrative tasks.

Likewise, the Construction division continues to extend the use and dissemination of the use of Building Information Modeling (BIM) methodology. It was the first major construction company to obtain BSI® BIM Level 2 certification in Spain, Portugal, United Kingdom and Australia. The application of BIM involves incorporating digitalization into construction processes and procedures, providing greater efficiency in information management.

DRONES

Ferrovial relies on the use of drones for maintaining street lighting and roads, inspecting infrastructure, building management and for the monitoring and

control of construction work. Thanks to the drones, operation times are reduced, it increases the efficiency and automation in the operations, improves the quality of the processes, decreases the environmental impact, increases the conditions of security for the workers. In short, it improves the quality of services provided.

BIG DATA AND USER EXPERIENCE

In 2019, a project was undertaken to analyze the opinion of the users who make use of the products and services offered by Ferrovial. For the analysis, information available on social networks, CRM and management indicators is used. The results have allowed us to obtain, in addition to a global satisfaction rating, details of the strengths and weaknesses in the company's performance and thus establish new improvement actions.

Another example of using Big Data applied to quality improvement is the Sentinel project. Led by Ferrovial Agroman, it consists of integrating a data capture device that is integrated into railroad line maintenance vehicles and feeds a database related to a geographic information system, so that an automatic or semi-automatic inventory of the railroad assets is performed, while the elements of the track are interpreted and characterized and maintenance operations are thus optimized. Thanks to this project, still in the prototype test phase, the railroad manager will be able to rely on real infrastructure data for a management system that makes it possible to analyze, predict and act on the assets in an efficient way.

USER SATISFACTION WITH TRANSPORTATION INFRASTRUCTURE

In 2019, Heathrow Airport holds its position as the "Best Airport in Western Europe" and the "Best Airport Shopping" for the fifth and tenth year running, respectively, in the Skytrax World Airport Awards. The key to success goes beyond operating efficient terminals and trying to offer the passenger a unique experience.

CERTIFIED
ACTIVITY

86%

ISO 9001
ISO 14001

HEATHROW
PASSENGER
EXPERIENCE

4.17

out of 5

MANAGE LANES
USER SATISFACTION

77%

declares a positive
experience

407 ETR
USER SATISFACTION

87%



Meanwhile, in Cintra a number of measures have been developed to enhance user knowledge by including these initiatives in the strategic plans of the concessionaires.

CUSTOMER SATISFACTION

In 2019, customer satisfaction was evaluated in an innovative way following a new procedure. The objective is to establish a methodology that homogenizes all the surveys that exist in the different business areas to find out comprehensively the perception of the clients regarding sustainability, operational excellence, innovation, responsiveness, reliability and trust, the supervision process and management of agents involved in each project.

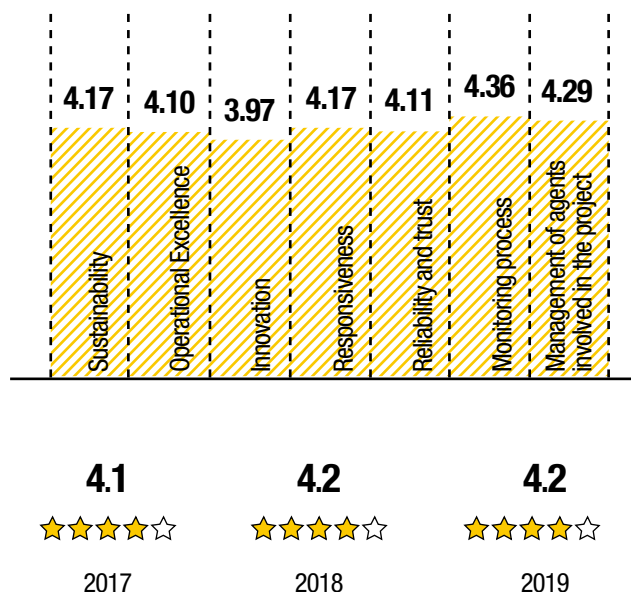
QUALITY SYSTEMS AND CERTIFICATIONS

Ferrovial has implemented quality and environmental systems certified in accordance with ISO 9001 and 14001 standards by 86% in both

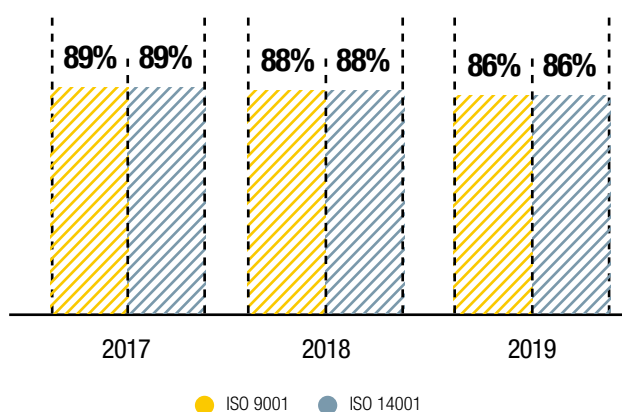
cases. It should also be noted that Budimex, Ferrovial Agroman (in Spain and the UK), Cadagua and Ferrovial Servicios España are currently certified under the ISO 50001 energy management standard.

In addition, the company has digital platforms to ensure compliance with technical legislation and regulations throughout all phases of the life cycle of contracts. This has enabled all environmental requirements to be met, including those related to noise, air and light pollution. There are other systems certified in accordance with various standards including: Madrid excelente, ISO 3834-2:2017, ISO 10001:2019, ISO27001: 2019, ISO 20000-1:2018, NP EN 206-1:2007:2010, BSI BIM Certificate, PAS 2080, ISO 39001:2012, SGE 21, UNE 22320, UNE 216701, UNE 1176-7:2009, ISO 22000:2005, UNE 179002:2011, UNE 158101:2015, UNE 158301:2015, UNE 154401:2007, UNE 18295-1:2018, UNE 22320:2013, UNE 13485:2016, OHSAS 18001, AS-NZS 4801:2001, PAS 99:2012 and ISO 44001:2017.

CUSTOMER SATISFACTION



CERTIFIED ACTIVITY



Integrity

Transparency and business ethics

The business activities of Ferrovial and its administrators and employees are based on the highest standards of integrity, transparency, respect for legality and Human Rights.

F

errovial performs its activities under the principles of integrity, honesty and avoidance of all forms of corruption, respecting and promoting transparency at all times, in accordance with the provisions of the company's Code of Business Ethics.

FERROVIAL CERTIFIES ITS CRIME PREVENTION MODEL

In March 2019 Ferrovial, S.A. was certified by AENOR (Spanish Standards and Certification Association) for its Crime Prevention Model in accordance with the UNE 19601 reference standards "Penal compliance management system" and UNE-ISO 37001 "Antibribery management systems."

Together with Ferrovial, S.A. and, as part of its Crime Prevention Model, the companies of its Group also obtain certification: Ferrovial Agroman, S.A., Ferrovial Aeropuertos España, S.A and Cintra Infraestructuras España. S.L.

These certifications guarantee the commitment of Ferrovial and its group of companies to ensure regulatory compliance and crime prevention, responding to the regulatory requirements of markets, customers, stockholders and investors and other stakeholders, and position the company with a high ethical standard and commitment to best corporate governance practices.

CODE OF BUSINESS ETHICS

The Ferrovial Code of Business Ethics*, which is applicable to all Group companies, establishes the basic principles and commitments to which said companies and their administrators, managers and employees must adhere.

These principles are embodied in a number of commitments toward stakeholders in Ferrovial's professional activity and are reflected in policies and procedures aimed at fostering professional performance in accordance with ethics, integrity and compliance with pertinent legislation. Highlights of the regulations include:

The Board of Directors Regulations*; the Internal Conduct Regulations in the Securities Markets*; Compliance Policy*; the Crime Prevention Model; the Anti-Corruption Policy*; the Policy on Control and Risk Management; the Human Rights Policy*, the Health and Safety Policy*; the Corporate Responsibility Policy*; the Competition Policy; the Quality and Environment Policy*; the Procedure for approving and monitoring sponsorship and patronage actions and donations; Corporate Procedure on the Ethical Mailbox; Corporate Procedure on Representation Expenses; due diligence procedure to ensure the ethical integrity of Partners; due diligence procedure to ensure the ethical conduct of Suppliers; due diligence procedure governing the selection, hiring and mobility of Candidates.

All employees adhere to the principles and commitments contained in the Code of Ethics. They commit to comply with it and enforce it upon external collaborators who perform activities on behalf of Ferrovial.

COMPLIANCE MODEL

Ferrovial has a Compliance Model in place that aims to provide a transversal process spanning the entire company for monitoring and controlling compliance risks under the principle of zero tolerance toward criminal acts. This due diligence framework embodies the company's firm commitment to observing applicable law and to applying the highest ethical standards when going about its business. The management and analysis of how the Model works is the responsibility of the Compliance and Risk Division, whose independence and effectiveness has been reinforced, providing it with new resources and it reports directly to the Audit and Control Committee.

The Compliance Model is described in the Compliance Policy and its main objective is to foster a culture of business ethics across the organization and permeating all decision-making processes in order to shape and guide the conduct and intentions of directors, managers and employees and erect a common and standard framework for monitoring, controlling and managing compliance risks (especially measures to prevent criminal conduct). The policy also develops the different phases of the Compliance Model in place at the company and stipulates the competencies and remit of its governance and management bodies and those of its employees in relation to regulatory compliance.

The phases in which the Compliance Model is structured cover the phases of a continuous improvement cycle:

1. Identification and evaluation of risks.
 - Identification of compliance risks based on the company's activities.
 - Assessing risks based on their impact and probability of occurrence.

*Available at www.ferrovial.com

2. Establishment and update of processes and control tools.
 - Identification of the monitoring and control measures implemented to avoid or mitigate the occurrence of risks.
 - Periodic evaluation of control measures to detect possible shortfalls or areas of improvement that require specific action plans.
3. Raising awareness and training.
 - Training for company employees and executives in the principles and commitments included in the Code of Ethics, in the Compliance Policy and the other policies that support the Model.
 - Due diligence of third party collaborators, who must know and share ethics and integrity policies.
4. Detection of and response to possible irregularities .
 - Reception, assessment and investigation of detected breaches and application of appropriate corrective and/or disciplinary measures.
5. Supervision of the Model by the Audit and Control Committee.
6. Information to the company's governing bodies.
 - Information on how the Compliance Model works and monitoring the action plans put in place to ensure their continuous improvement.
7. Verification of the effectiveness of the Compliance Program.
 - The Compliance Model includes a Crime Prevention Model designed to prevent or significantly reduce the risk of committing criminal acts, especially those that would lead to the company being held criminally liable, in accordance with Organic Law 1/2015 reforming the Criminal Code.

ANTI-CORRUPTION POLICY

Ferrovial has an Anti-Corruption Policy that governs the behavior of all administrators, managers and employees, and their collaborators, in the development of the business, under the principle of “zero tolerance” with any practice that could be qualified as active or passive corruption or bribery.

The policy requires strict compliance with pertinent anticorruption laws, notably the Spanish Criminal Code (and that of the other jurisdictions in which Ferrovial operates), the US Foreign Corrupt Practices Act and the UK Bribery Act.

TRAINING

Training for employees in the values and principles enshrined in the Code of Ethics and the Compliance Policy is one of the cornerstones of the company's Compliance Model. During 2019, the online training plan on the Code of Business Ethics and Compliance Policy (Prohibited Behaviors) and the face-to-face course on anticorruption matters continued according to the level of risk exposure of certain groups, including the Management Committee. The training volume of these courses amounted to 4,923 hours, accumulating more than 12,000 hours in the last two years.

“OUR COMPLETE COMMITMENT TO THE ETHICS AND INTEGRITY OF THE PEOPLE WHO MAKE UP FERROVIAL HAS POSITIONED US AS A BENCHMARK IN THE MARKET FOR BEING A SERIOUS COMPANY THAT IS COMMITTED TO ITS STAKEHOLDERS”

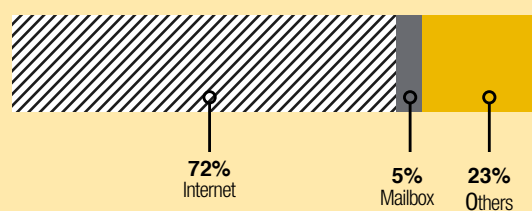
RAFAEL DEL PINO, CHAIRMAN.

ETHICS CHANNEL

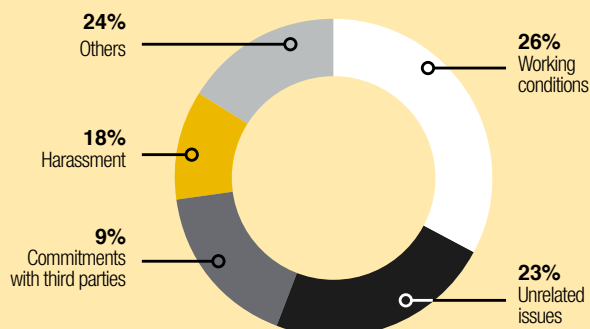
Ferrovial has an Ethics Channel as a complement to other internal communication channels. Its purpose is to facilitate the reporting of any possible irregularity, noncompliance or conduct that is not in keeping with the ethics, legality and policies that govern Ferrovial. The channel is accessible to employees through the intranet and for any interested counterpart through the website, and allows communications to be made anonymously and confidentially.

A total of 57 reports were filed in 2019, 34 of which were anonymous and 23 made by name. All complaints give rise to an investigation by the Management Committee, guaranteeing confidentiality and anonymity (if applicable), the rights of those involved and the absence of reprisals of any kind. The Management Committee regularly informs the Audit and Control Committee of the communications received and the steps taken. No investigated case has had a significant impact on Ferrovial from a criminal, financial or reputational point of view. No need for revisions to company policies and procedures has been identified from the cases investigated.

RECEPTION VIA



SUBJECT



Human rights

Dignity and respect

Ferrovial bases its commitment on this matter on the Universal Declaration of Human Rights and its adaptation to the business world included in the United Nations Guiding Principles on Business and Human Rights.

Since 2014 Ferrovial has had a Human Rights Policy that is promoted and approved by the Board of Directors aligned with its Code of Business Ethics, the principles of the UN Global Compact, the Guiding Principles for Business and Human Rights, the Universal Declaration of Human Rights, the OECD Guidelines for Multinational Enterprises and the rules and regulations of the International Labor Organization.

Through this policy, the necessary means are established not only to enforce compliance of Human Rights, but also to raise awareness of the principles among its stakeholders and throughout its value chain. It also guarantees respect for the labor rights of all its employees and contractors in all countries where it operates, in accordance with local law and regulations.

DEFENSE OF HUMAN RIGHTS

Ferrovial's responsibility to enforce Human Rights is manifested in its refusal to tolerate any type of discrimination in communities where it operates, in promoting a respectful and suitable working environment and its commitment to labor market integration.

The company fosters respect for Human Rights among all employees by providing courses on the Code of Ethics and the Code of Prohibited Conduct, which include specific modules on this subject.

The company's Ethical Channel addresses various key aspects relating to Human Rights. The functionalities are there to identify and report cases of harassment (broadly meaning any kind of abusive, hostile or offensive conduct) and to report and denounce discriminatory practices or behavior based on culture, political ideas, religious beliefs, race or other types of discrimination in any of the countries where the company operates.

To identify, prevent, mitigate and respond to potential breaches of Human Rights, and given that the associated risks can change over time, Ferrovial conducts a continuous due diligence process of its own business activities and of those directly related to its operations and services. In the case of infrastructure projects involving vulnerable communities, it analyzes the social and environmental impact on the affected communities. Following the initial diagnostic, the company designs contingency plans with measures to mitigate and/or offset the impact.

In addition, Ferrovial has due diligence procedures of ethical integrity of business partners, suppliers and candidates that establish the obligation to perform a due diligence process of integrity, including the field of Human Rights, before engaging in any type of business relationship or hiring a new employee. These procedures, which imply extending the company's values included in its Code of Ethics to its entire value chain, also establish mechanisms for monitoring trade relations during their validity.

Ferrovial's measures for safeguarding and respecting Human Rights also include those that respond to new realities such as the right to digital disconnection, the right to confidentiality and privacy of all the people with whom it interacts by making appropriate use of their personal data at all times.

The company has committed to the 31 principles enshrined in the National Business and Human Rights Action Plan developed by the Spanish Government. The actions performed in this area are also supported by the 2nd Equality Plan, which seeks to guarantee

FERROVIAL BUILDS ITS HUMAN RIGHTS POLICY ON THE PRINCIPLES OF PROTECTION, RESPECT AND REMEDY



the principle of equal treatment and opportunities between men and women. There is also a Procedure for the Prevention of Workplace and Sexual Harassment, and the company is adhered to the Companies project for a society free of gender-based violence.

In addition, Ferrovial signed the Diversity Charter in 2011. This European initiative, falling within the antidiscrimination directives enacted by the European Union in the year 2000, is supported directly by the European Commission's Directorate-General for Employment, Social Affairs and Equal Opportunities.

COMMITTED TO LABOR RIGHTS

Within the commitment to labor rights, Ferrovial guarantees the right to strike, freedom of association and the right to collective bargaining

in all countries where the company operates. Ferrovial employees are protected by employment regulations in each of the different territories. 73.7% of the workforce is adhered to collective agreements.

Ferrovial has also put in place internal communication channels, internal social networks and the corporate intranet (known as Ferronet) to help create collaborative, dynamic and flexible working environments that promote healthy habits and behaviors among employees. In 2019 Ferronet registered 2,941,862 sessions and 4,858,036 page views.

The link between labor rights and Human Rights has also been reflected in the Sustainable Development Goals, specifically in SDG 8, decent work and economic growth. From this perspective, an emerging issue that Ferrovial is working on is guaranteeing the future employability of its employees by helping them to acquire digital skills, which shall be essential in the future work environment.

COMMITTED TO DIVERSITY: FERROVIAL AGROMAN UK & IRELAND

Ferrovial is still firmly committed to the diversity of its workforce aligned with the commitment to avoid any type of discrimination established in the Human Rights Policy.

In its latest annual population report, the United Kingdom government highlighted the low presence of minorities in the construction sector, specifically the so-called BAME (black, asian and minority ethnic), which represent only 7% of employees in the sector. Therefore, it appealed to companies in the industry, including Ferrovial Agroman UK & Ireland, to change this situation. This division currently has 18% of BAME employees in its workforce, and 29% of new hires in 2019 corresponded to BAME minorities, 70% of which were university graduates.

In the words of Mario Móstoles, Managing Director of Ferrovial Agroman UK & Ireland:

“We understand the importance of having a diverse and inclusive workforce, which is also essential for the success of the business. We know the benefits of having an organization where everyone is and feels represented fairly. There are still challenges to face, but we are satisfied with the progress we have made so far.”

A GLOBAL CHALLENGE WITH LOCAL ANSWERS

In some countries Ferrovial has been involved in initiatives that help raise awareness of Human Rights and promote safeguard measures adapted to the characteristics of each country, assuming positions of responsibility in different initiatives to support corporate responsibility and Human Rights. Examples of such include the Secretariat of the Executive Committee of Forética in Spain.

Other networks and working groups in Spain in which the company actively participates to promote Human Rights across the business world and the rest of society are the Human Rights Lab of Fundación Seres, the Executive Committee of the Global Compact Network, where it continues to be a member of the Board, and the new CEO Alliance for Diversity initiative led by the Adecco Foundation and the CEOE Foundation that Ferrovial Agroman and Cadagua have joined.

In the United Kingdom, Agroman UK, Amey, AGS, Heathrow Airport and AGS have commitments aligned with the UK Parliament's Modern Slavery Act, which is there to prevent events related to slavery in any of its forms and human trafficking. This commitment not only covers their own business activities but permeates the entire value chain.

The environment

An emission-free future

Ferrovial's climate strategy is aligned with the 2030 Agenda for Sustainable Development adopted by the United Nations. The company prioritizes activities with less environmental impact, promotes the circular economy, prioritizes low emission products and services, reduces its carbon and water footprint, and preserves and enhances natural capital.

Ferrovial offers products and services that promote decarbonizing the economy and reducing the environmental impact. The company actively works to optimize the use of natural resources and actively manage the risks and opportunities presented to it.

CLIMATE STRATEGY

Through its climate strategy, Ferrovial is aligned with SDG 13, Climate Action, set by the United Nations in the 2030 Agenda. Climate change is a key element in the company's governance, which incorporates both the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), as well as climate risks within the corporate risk identification and assessment system, Ferrovial Risk Management.

True to its commitment to support international initiatives, in 2019 Ferrovial participated in COP25 in Madrid, as a United Nations observer. Thanks to its own emission reduction objectives and those of customers and users of products and services, the company can be considered a strategic partner in achieving the objectives of mitigating emissions and adapting to the effects of climate change, offering solutions through its low carbon products and services, consistent with the global trend toward a low emission economy.

CARBON FOOTPRINT

The calculation and reporting of the carbon footprint is applicable to the entire company and covers all business areas and subsidiaries. The calculation method is based chiefly on the GHG Protocol (WRI&WBCSD), which is the most internationally accepted approach, while also adhering to ISO14064-1 standards. The market-based method was used to calculate scope 2.

Ferrovial has set ambitious emission reduction targets, which have all been Science Based Target Initiative (SBTi) certified, for the 2020 and 2030 horizons, and for the three scopes.



2030 vs 2009	-32%	scope 1&2 (absolute)
2030 vs 2012	-42,9%	scope 1&2 (intensity)
2030 vs 2012	-20%	scope 3 (absolute)

REDUCTION OF GHG EMISSIONS SCOPE 1&2

59%

in relative terms compared to 2009

ELECTRICITY CONSUMED FROM RENEWABLE SOURCES

59%

objective of 100% by 2025

CLICK

Thames Tideway Tunnel

A progressive reduction of relative emissions can be observed, in general terms, as a result of the various initiatives promoting energy efficiency, sustainable purchasing, the optimization of waste and water treatment processes and the use of renewable energy instead of fossil fuels. Examples of the latter are the introduction of a fleet of 100% electric buses to transport passengers at Glasgow airport, the installation of solar panels at the offices of the NTE and LBJ toll roads to reduce the network's electricity consumption by up to 30% and the fact that all the electricity consumed by Heathrow comes from renewable sources.

RISKS AND OPPORTUNITIES RELATED TO CLIMATE CHANGE

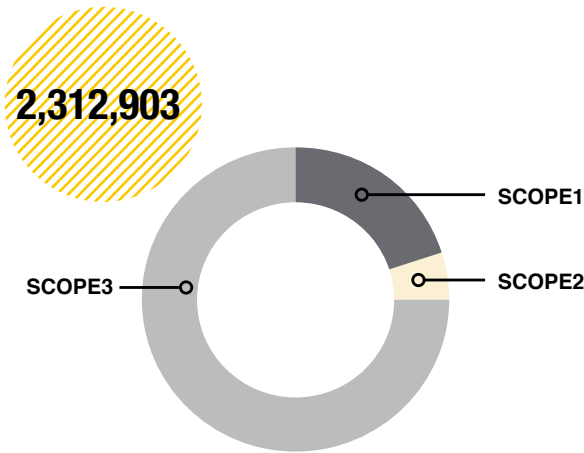
Throughout 2019, a review of the company's risk matrix was carried out, following the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), improving the identification and classification of risks and opportunities related to climate change. This analysis has considered three scenarios based on the degree of implementation of policies against climate change, the so-called current policies scenario (CPS)*; new policies scenario (NPS)* and sustainable development scenario (SDS)*. As a result of this study, it can be concluded that in the short, medium and long term, Ferrovial's main environmental risks are physical and transitional.

Transition risks are related to the increase in operational costs due to rising prices of raw materials,

* A description of the three scenarios can be found in the glossary of this Report, pages 132-134.

(Scope 1, 2 & 3)

AVOIDED EMISSIONS



791,974 Scope1 (tCO ₂ eq)			
292,555 Stationary	271,220 Mobile	228,071 Diffuse	
69,327 Scope2 (tCO ₂ eq)			
2,498,075 Scope3 (tCO ₂ eq)			
569,388 Investment	692,499 Use of sold product	426,605 Purchased, goods and services	809,584 Others

*In absolute terms, by category or source

SCOPE 1: GHG from sources that are owned or controlled by the company. These mainly come from fuel combustion in stationary equipment, diffuse, channeled and fugitive emissions.

SCOPE 2: GHGs as a result of consuming electricity purchased from other companies that produce or control the power.

SCOPE 3: GHGs issued indirectly by Ferrovial attributable to purchased products and services, or by the use of products and services produced by third parties.

increased prices of fossil fuels, payment for emissions produced or incorporating activities included in the emissions market. Policies restricting the allocation of emission quotas, carbon rates, water shortages, restrictions or incentives for land use, changes in the supply and demand of services or interruption of operational processes.

The physical risks refer mainly to possible physical damages in infrastructure and temporary stoppage the activity, decrease of productivity in extreme climatic conditions, increase of the risk premium or a delay in delivery of products and services.

The probability of occurrence of physical risks and the financial impact is higher in the CPS scenario and decreases when moving toward the SDS scenario. The progress of transition risks is the reverse. The company has the appropriate measures to mitigate, reduce and manage the risks related to climate change that have been identified.

SHADOW CARBON PRICING

In the preinvestment process in large contracts, a tool is available to consider variable prices for a ton of carbon over different time horizons and across different regions and project types, internalizing the potential economic risk linked to climate change (including physical impacts, as well as those of a social, regulatory and socio-economic nature, among others). This helps reduce the inherent uncertainty associated with legislation relating to climate change, considering a realistic quantification of the possible costs associated with each project.

BIODIVERSITY

Ferrovial continued its activities under strict criteria of respect for the mitigation hierarchy working toward the goal of zero net impact. In this regard, during 2019 the Biodiversity Initiative Catalogue was published in which the various initiatives carried out by Ferrovial to protect flora and fauna are detailed.

In 2019, the preparation and testing of a methodology of Monetization of Impacts on Biodiversity (INCA), a project carried out in collaboration with Climate Kic, was completed. This methodology will facilitate decision-making related to biodiversity by providing quantitative information.

In addition, the company adhered to The Natural Capital Commitment, which implies belonging to a community that shares its knowledge and has a common goal of carrying out actions in favor of natural capital.

CIRCULAR ECONOMY

Ferrovial has consolidated incorporating the principles of the circular economy in its processes, products and services. To avoid and minimize waste generation, the use of renewable natural resources is enhanced and, as far as possible, they are recovered for reuse as raw materials. The waste treatment division works on the continuous improvement of triage and recovery of materials in order to avoid, minimize and offset emissions released into the atmosphere.

A good example of the latter is the ZRR Project for Municipal Waste, which applies robotic technology in classifying and selecting urban waste. The application of artificial intelligence increases the rate of recovery of materials and their quality, improves the efficiency and speed of processes, and minimizes the risk of workplace accidents.

Another relevant project in the field of the circular economy is the Secasol Project, in which Ferrovial Servicios participates with other partners with the objective of applying solar energy in drying sludge from water purification waste and leachate from the treatment of household waste. With this project it is expected to reduce the economic and environmental impact of managing this waste by designing a specific facility to reduce the volume of final leaching from evaporation using a renewable energy source through heat exchangers and accumulators.

LOW CARBON PRODUCTS AND SERVICES



WATER TREATMENT
Construction and operation of water treatment plants. Optimization and innovation in plant managements



PERSONAL MOBILITY
Zity: carsharing 100% electric vehicles certified as being powered by renewable energy



ENERGY EFFICIENCY SERVICES
International Energy Control Center, for centralized energy management of infrastructure



COMPREHENSIVE CITIES MANAGEMENT
Sustainable urban services, such as waste collection and treatment, installation of high-efficiency lighting, etc.



SUSTAINABLE INFRASTRUCTURES
Managed Lane Toll Road NTE carbon neutral toll roads

Ferrovial also applies sustainability criteria in its construction activity. The company includes eco-design criteria ensuring efficient management during the life cycle of the building or infrastructure. In 2019, the first Environmental Product Declaration (EPD) was obtained in a track assembly contract, concluding that Ferrovial Agroman's bid had an impact per functional unit at least 30% less than the competition.

The percentage of buildings constructed, managed or owned by Ferrovial that incorporate environmental improvements in the design, construction and operation phases has been increasing in recent years. These buildings have considerably lower energy consumption than conventional buildings.

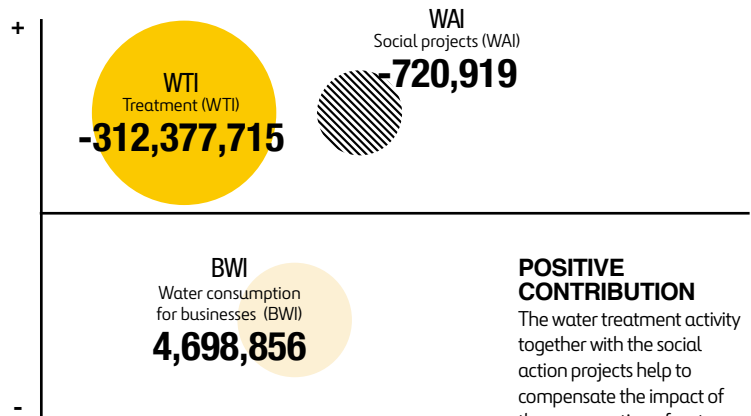
Within the construction activity, earthmoving is one of our aspects that generates the greatest environmental impact, so efforts are focused on its management to minimize the final waste. Reusing earth on the construction site effectively eliminates the emissions that would otherwise be generated by having it transported off-site, while also ensuring the project's better integration with the landscape. Ferrovial has set a target to reuse 80% of earth on the construction site by 2020.

WATER FOOTPRINT

Ferrovial has a methodology to calculate and report its water footprint, through which it identifies the value of water in processes and the environment, taking into account its availability and quality, as well as the balance of the ecosystems in which it is located.

Water footprint makes it possible to measure offsetting global water consumption (Water Business Index, WBI*) with the contribution of treated water (Water Treatment Index, WTI*), returning it to the environment in better conditions to those in which it entered, as well as the actions that allow local communities in developing countries to access drinking water (Water Access Index, WAI*) through the Social Infrastructures social action program.

In 2019, the company set a goal to reduce its global water footprint by 10% by 2022, considering 2017 as the baseline year. The reduction of the water footprint implies a positive net impact, entailing a gradual increase in offsetting the volume of water consumed through the treatment of waste or saline water and accessibility to drinking water. To achieve this objective, the company has projects such as demand prediction implemented in the Águilas desalination plant, which uses artificial intelligence and big data to optimize resource planning and thus improve process efficiency.



POSITIVE CONTRIBUTION
The water treatment activity together with the social action projects help to compensate the impact of the consumption of water and waste that the business units need and generate.

* A description can be found in the glossary of this Report, pages 132-134.



PHOTO: Toowoomba Toll Road, Queensland (Australia).

Supply chain

Sustainability criteria

Ferrovial is working to extend sustainability to a supply chain in permanent continuous improvement, with innovation always present, formed by the best partners and suppliers.

Ferrovial integrates environmental, social and good governance (ESG) principles into all stages of its supply chain by using an integrated model that aims to foster quality, sustainability, efficiency and transparency, respect for Human Rights and nondiscrimination and equal opportunities.

INTEGRATION OF ESG PRINCIPLES IN THE SUPPLY CHAIN

Ferrovial has a Global Purchasing Policy that is applicable to all Ferrovial companies and subsidiaries. The policy sets out the commercial, environmental, social and good governance principles that underlie the company's relations with all its suppliers. They are based on the Code of Business Ethics, the Corporate Responsibility and Human Rights Policies and the Due Diligence Process to Ensure Supplier Integrity and Ethics.

The business purchase procedures were updated in 2019 to establish more rigorous criteria in managing suppliers in aspects related to ESG criteria, especially with regard to compliance with Ferrovial's ethical and anticorruption policy principles, in line with the procedure of due diligence of ethical integrity of suppliers, established in the previous year. This has also been reflected in the contractual clauses of Ethics and Anti-Corruption Policy with suppliers. In addition, the company is developing a Supplier Code of Ethics through which the company expects to promote responsible behavior in its value chain, complying with the main standards in ethics and integrity, Health and Safety, the environment and Human Rights.

NUMBER OF SUPPLIERS

84,429

NUMBER OF SUPPLIERS ASSESSED

14,458

Supplier management starts with a preliminary classification based on their degree of criticality. A supplier will qualify as critical when its purchasing volume is deemed significant in financial terms or if the goods or services they provide could have a negative impact on business continuity in the event of an incident.

Throughout the purchasing life cycle, both in the screening and initial assessment stages, such as bidding and final control, evaluation and monitoring specific quality management, classification, evaluation and risk control processes that include ESG criteria are applied, as well as the usual criteria of product/service quality, technical capacity, price compliance, meeting deadlines and compliance with occupational Health and Safety. All suppliers are subjected to evaluation and monitoring processes, the result of which may result in them receiving a warning, an improvement action plan being established, or even them being disqualified from working with Ferrovial depending on its severity. In the case of a verified breach of the Anti-Corruption Policy, the supplier is automatically disqualified.

In 2019, 25,840 suppliers joined the Ferrovial supply chain and 14,458 of them were evaluated, less than 1% of which were rejected. A total of 1,523 suppliers were considered critical, which accounted for 24.3 % of total supplier invoicing.

INNOVATION IN SUSTAINABLE PURCHASES

Ferrovial undertakes innovation projects and applies new technologies to achieve a more agile, efficient and transparent supply chain, which in turn allows the gradual incorporation of sustainable purchases, thus extending sustainability principles throughout its value chain. The most noteworthy initiatives in this regard are the following:

- **Efficient vehicle fleet:** the vast majority of the fleet is managed through agreements of up to three years, which has enabled the fleet to be completely renewed by efficient vehicles. This has resulted in a substantial and continuous reduction in emission levels. During 2019, the first hybrid, gas and electric

SUPPLIER 360 PROJECT IN FERROVIAL

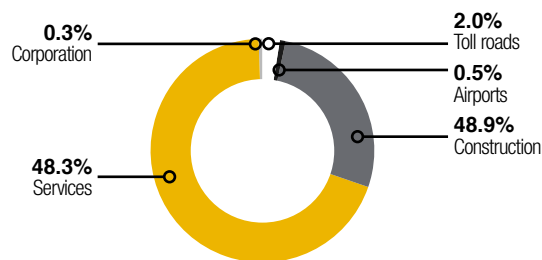
During 2019, the “Supplier 360” project was carried out during the testing phase in order to develop a computer tool for monitoring suppliers that, using advanced data analytics techniques and through internet searches, allows potential risks in suppliers to be detected, both for possible insolvencies and for environmental, legal or reputational problems, generating reports on the analysis performed.

This tool will help to provide additional information to be considered in the phase of selecting and contracting relevant suppliers, as well as when monitoring them by applying it in a standardized way to the relevant suppliers in Spain. Based on this, the adjustments and improvements deemed necessary will be implemented, and in 2021 its adaptation is planned for use with suppliers from other strategic markets, initially the United States and the United Kingdom.

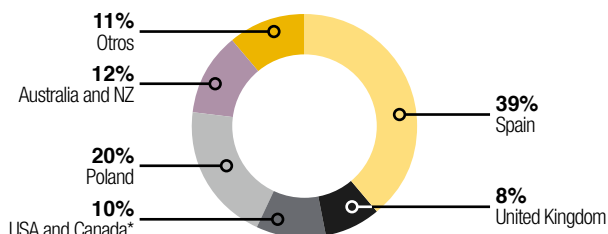
vehicles were incorporated into the fleet. The company expects to reach 33% of zero emission fleet vehicles by 2030.

- Smart vehicle fleet: Ferrovial Servicios Spain is undertaking the Smart Fleet program, which includes a set of initiatives that seek to optimize use of the fleet (more than 10,000 vehicles) and provide a differential value in the contracts. As part of this program, progress was made in the “fuel tank management” initiative in 2019. This program aims to unify the software installed in fuel tanks, from which online information is obtained on refueling, users, level of filling the tanks and warnings by reordering point, which makes it possible to control and optimize the use of fuel. Smart Fleet was awarded the “2019 Fleets” award by AEGFA (Spanish Association of Fleet and Mobility Managers), while the fuel tank management initiative was awarded the ENERTIC Prize.
- Purchase of renewable electricity: the company encourages, whenever possible, purchasing electricity with guarantee of origin. In this regard, the commitment has been established to continuously increase the percentage of purchasing renewable electricity compared to the total consumed, hoping to reach 100% in 2025. The agreement between Zity, Ferrovial’s electric carsharing, with Iberdrola for recharging the batteries of vehicles with certified renewable energy is noteworthy.
- Catalog of Green Purchases: the information available in the catalog has been updated and increased in the last year with the intention of encouraging more of these types of sustainable products to be purchased and this has reached more areas of the company.

SUPPLIERS BY BUSINESS

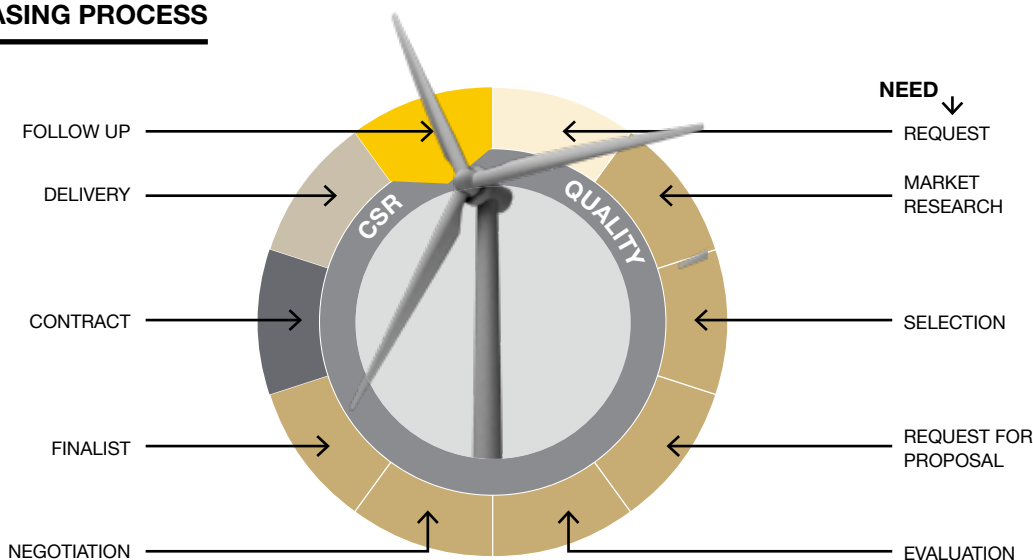


SUPPLIERS BY COUNTRY



* Suppliers from the US (5,993) and Canada (408).

PURCHASING PROCESS



Community

Water that gives life

Through its social programs, Ferrovial conceives investment in the community as a strategic instrument for the progress of society and a way to boost its contribution to achieve the Sustainable Development Goals.

Ferrovial is aware that its activity has implications for the Sustainable Development Goals (SDGs), so to reinforce the company's contribution in achieving the 2030 agenda and the SDGs, the company has aligned its social action strategy with these global goals.

ACCESS TO WATER AND SUSTAINABLE INFRASTRUCTURE

As part of its commitment to Sustainable Development Goal 6, ensuring access to water and sanitation for all, Ferrovial has the Social Infrastructure Program, which promotes infrastructure that provides access to water and sanitation to vulnerable communities in Africa and Latin America, emphasizing the sustainability of actions and the appropriation of infrastructure by local communities.

Ferrovial's collaboration with NGOs and local administrations goes beyond the financial contribution, since the program includes employees participating as volunteers who apply their professional knowledge going to the communities where each project is carried out. Since its launch in 2011, 121 employees have already participated, and more than 220,000 people are direct beneficiaries.

In 2019, three new projects were started that benefit 9,601 people:

- Community of Portugal, municipality of Lebrija, Santander, Colombia. Installation of a water treatment plant for human consumption for 120 families and the community school.
- Communities of Chato Chico and Chato Grande, Piura, Peru. Water supply system and access to sanitation in communities affected by the El Niño Costero phenomenon, in the Cura Mori district.
- Communities of the Lupane district, North Matabeleland Province, Zimbabwe. Construction of water collection systems, improvement of sanitation and disposal of waste in two schools and five health centers.

The Social Action in Spain initiative is also focused on infrastructure, but in this case, those aimed at preparing and distributing food to extremely vulnerable segments of society. The seventh edition of the program was held in 2019 and it supported improving the Altius Foundation's cooking and food distribution facilities in Madrid, Barcelona and Valencia.

STEM EDUCATION

STEM careers (acronym for science, technology, engineering and mathematics) are the jobs of the future and are key profiles in innovation, social welfare, inclusive growth and sustainable development. Aligned with goal 3 of SDG 4, quality education, Ferrovial understands that it is a key challenge to promote equal access to education without discrimination based on gender or financial resources. Therefore, Ferrovial collaborates with various initiatives in Spain, the United States and the United Kingdom, with different approaches: raising awareness of the problem by supporting International Women in Engineering Day, in the United Kingdom; direct actions with children and young people in which it promotes its employees participating as volunteers such as South Florida Construction Career Days, in the United States; the Orienta-T Program in collaboration with Junior Achievement and the Talent Rescuers Program with Fundación Princesa in Girona, Spain; and the Amey Challenge Cup, in the United Kingdom.

It has also contributed to creating spaces and programs for students to have methodologies and tools at their disposal to enhance their knowledge of technology in specialized foundations such as Discovery Place in Charlotte, North Carolina; the Northwest ISD Education Foundation and Birdville ISD Education Foundation STEM camp, both in Texas; and also educational centers through agreements such as the one in place with the Foundation for Fairfax County Public Schools in Virginia, also in the United States.

INVOLVING THE EMPLOYEES

Ferrovial's main social action programs reflect the company's commitment to its employees and its willingness to be a development actor particularly in the environment where it operates by identifying priority social issues in various countries.

In Spain, the Juntos Sumamos program is being promoted, which has engaged employees who want to contribute to social projects throughout the year since 2005. At year end the company doubles the amount contributed and it is the employees themselves who

COMMUNITY SUPPORT
PROJECTS

338

COMMUNITY
INVESTMENT (M€)

4.9

NUMBER OF
BENEFICIARIES OF
WATER AND SANITATION
PROJECTS

223,314



CLICK

Community
Engagement 2019

choose the projects that will finally be financed. The program has had more than 170,000 beneficiaries worldwide since it was launched.

In addition, Ferrovial promotes integrating people with disabilities into the workplace, through agreements with the ONCE Foundation and the Integra Foundation. Moreover, Cadagua maintains its commitment to the Adecco Foundation Scholarship Program for students with disabilities. Also in collaboration with the Adecco Foundation, the company participates in the Family Plan, aimed at disabled family members of employees.

In the United Kingdom there is an important commitment to the employability of young people who are at risk of exclusion. In this regard, Amey has had a collaboration agreement in place with the Duke of Edinburgh Foundation for 14 years. This commitment is also boosted by Ferrovial Agroman UK with collaborations with educational centers and by building bridges with the business world.

In Canada and the United States, their employees' engagement with their local communities is driven through various social initiatives encouraging youth sports, supporting local social centers and promoting environmental protection. For example, 378 employees of the 407 ETR

participated in the One Big Day annual volunteer day.

In Poland, Budimex has been involved in several initiatives focused on children, including Strefa Rodzica, to create separate areas in the pediatric rooms of hospitals where parents can accompany their children, and the Domofon ICE program, which has been fostering child safety in educational centers since 2009.

In Australia, Broadspectrum remains committed to integrating indigenous people through its Reconciliation Action Plan, thanks to which the company is seeking to raise awareness among its employees of the culture, history and values of Indigenous Australians.

HELP FOR THOSE AFFECTED BY THE 'EL NIÑO COSTERO' FLOODS IN PERU

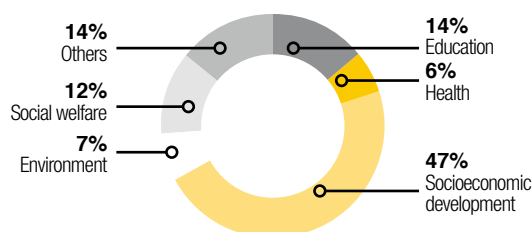
Ferrovial together with the NGO Ayuda en Acción has launched a project to improve access to drinking water and sanitation in the communities of Chato Chico and Chato Grande, located in the district of Cura Mori, in the city of Piura. Both districts located in the north of the country were strongly affected by the 'El Niño Costero' phenomenon that devastated the country in 2017. This project is being carried out as part of the Social Infrastructure program.

In 2019, the more than 1,000 people living in these two communities are still suffering the effects of this disaster. The heavy rains caused floods, landslides and overflows that affected the main infrastructure and communication routes. El Niño Costero took the lives of 162 people, affected 1.4 million people and there were more than 280,000 victims.

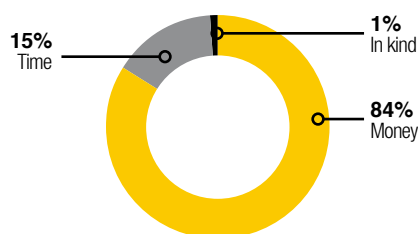
The overflow of the Piura River in Cura Mori caused both communities to flood, destroying the water supply systems and limiting access to water to one hour every two days. They do not have bathrooms or any kind of sanitation. Most of the residents of these communities had to spend months in various shelters located near the Pan-American Toll roads. Many people continue to live in these fields without being able to return to their homes waiting for the provision of basic services such as access to drinking water.

The project allows this situation to be corrected by installing a new distribution network, building a storage tank and installing ecological latrines.

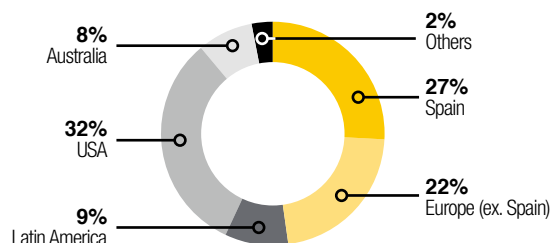
PROJECTS BY AREA OF ACTIVITY



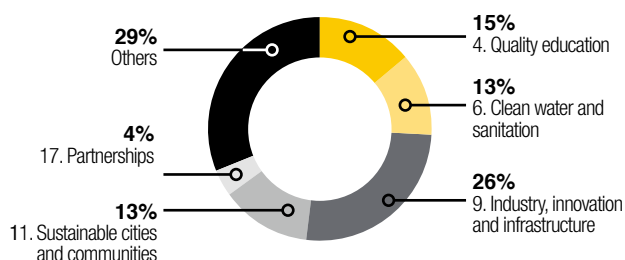
PROJECTS BY CONTRIBUTION TYPE



COMMUNITY INVESTMENT BY COUNTRY



INVESTMENT BY SDG



Responsible Tax Management

Transparency, responsible management

Ferrovial's tax contribution reached 2,087 million euros, in line with previous financial years, with special mention for that corresponding to employment, which stood at 1,156 million euros, and that arising from the company's activity, 636 million euros. The effective management of these tax obligations is based on the criteria of caution and transparency, as well as maximum cooperative compliance.

In 2010, Ferrovial agreed to comply with the Contributor's Good Practices Code promoted by the Spanish Tax Agency, and included these recommendations in all its activities worldwide through its Policy of Compliance and Good Practices in Taxation. Finally, in February 2015 the Board of Directors approved Ferrovial's Tax Policy, in compliance with the provisions of Article 529 ter of the Corporate Company Law.

PRINCIPLES

- **Transparency:** Ferrovial is committed to not making use of companies registered in tax havens of other jurisdictions lacking transparency, except when the activity, a Construction project for example, is located within the territory of these jurisdictions. In this case, information will be provided for the corresponding authorities in accordance with legislation.
- **Compliance:** correct payment within the deadline of all applicable taxes, in compliance with the law in each country.
- **Professional behaviour:** management of taxes and their inherent risk by a team of professionals in the Tax Department with the support of external consultants.
- **Efficiency:** management consistent with business strategy, maximizing value for shareholders.
- **Cooperation:** good relationships with the authorities with proactive management of taxation to avoid conflict.
- **Sustainability:** establishing procedures and policies to manage tax risks.
- **Participation:** contributing its international knowledge in taxation to legislative processes.
- **Market price:** in all transfers made between Ferrovial companies.



*Incurred, paid and collected.

TAX RISK PREVENTION

In line with the recommendations in the Contributor's Good Practices Code, the company will:

- Promote measures to prevent and reduce tax risks.
- Avoid conflicts arising from the interpretation of regulations by consulting the tax authorities and prior assessment agreements.
- Collaborate with the corresponding administrations in the detection of fraudulent tax practices with the aim of eliminating them.
- Provide any information and documentation required by the administrations as quickly and as comprehensively as possible.
- Resort to adversary procedure to reach agreement with tax administrations.

THE ROLE OF THE BOARD

The Board of Directors, via the Chairman, Chief Executive Officer and Senior Management, will encourage compliance with the principles and good practices relating to taxation. It will undertake the approval of control policy and tax risk management, as well as those operations that involve special tax risk.

When the annual accounts are drawn up, the Board will be informed on the tax policies applied during the financial year and on the effective compliance with the commitments included in the Contributor's Good Practices Code and this will be included in the Annual Report on Corporate Governance. In compliance with these commitments, Ferrovial has presented the so-called "transparency report" for 2018 to the Spanish tax authorities (as it did in 2017), having received a very favorable assessment from these authorities in terms of the company's collaboration and transparency. For further information, please see section 6.6 of the Consolidated Annual Accounts.

TAX CONTRIBUTION BY MARKET 2019 AND 2018*

The following tables show the amounts (in €m) paid by Ferrovial in 2019 and 2018, respectively. They are aggregate figures based on its percentage of participation or ownership of the assets. Notably, the main assets integrated by equity accounting are 43.23% in the case of 407 ETR (Canada), 25% for Heathrow and 50% for AGS (United Kingdom). A distinction is made between taxes paid (obligations assumed by Ferrovial) and taxes collected (derived from its activity but borne by others).

2019 (M€)					2018 (M€)				
MARKET	Paid Taxes ⁽¹⁾		Collected Taxes ⁽²⁾	TOTAL	MARKET	Paid Taxes ⁽¹⁾		Collected Taxes ⁽²⁾	TOTAL
	Corporate Tax ⁽³⁾	Rest				Corporate Tax ⁽³⁾	Rest		
Spain	15	367	438	819	Spain	9	357	396	762
United Kingdom	32	167	333	532	United Kingdom	24	163	411	598
Australia ⁽⁴⁾	1	89	264	354	Australia ⁽⁴⁾	6	89	258	353
America ⁽⁵⁾	80	23	47	150	America ⁽⁵⁾	70	22	79	171
Poland	6	31	150	187	Poland	7	24	136	167
Rest of Europe	10	8	26	44	Rest of Europe	12	9	53	73
Others (<1%)	0	0	0	0	Others	0	0	3	3
TOTAL	144	685	1,258	2,087	TOTAL	128	663	1,335	2,127

(1) Taxes borne by Ferrovial derived from its activity and operations, which represent a direct cost (e.g. Corporate Tax, non-deductible VAT, Employment Taxes (Employer), Local Taxes, etc.).

(2) Taxes collected by Ferrovial and paid to public finances on behalf of third parties (e.g. Employment Taxes (Employee), net VAT, Withholding Taxes, etc.).

(3) Excluding the main assets integrated by equity accounting mentioned above, Ferrovial's payments on Corporate Tax are as follows: (a) In 2019: Spain (15), Chile (11), Portugal (9), Poland (6) and Republic of Ireland (2); and (b) In 2018: Spain (9), Portugal (9), Poland (7), Australia (6) and Republic of Ireland (3).

(4) Includes Australia and rest of the islands of the Pacific.

(5) Includes United States of America, Canada, Brazil, Chile, Colombia, Mexico, Peru and Puerto Rico.

*Further information in notes 2.10 and 5.3 of the Consolidated Annual Accounts.





84/
RISKS



Risks

Anticipating and searching for opportunities

Achieving Ferrovial's strategic and operating objectives requires effective risk management.

Ferrovial has a Risk Control and Management Policy approved by the Board of Directors that sets a general framework for action for control and management of the diverse risks the management team may encounter in working towards the business objectives, as well as the tolerance level for each risk factor.

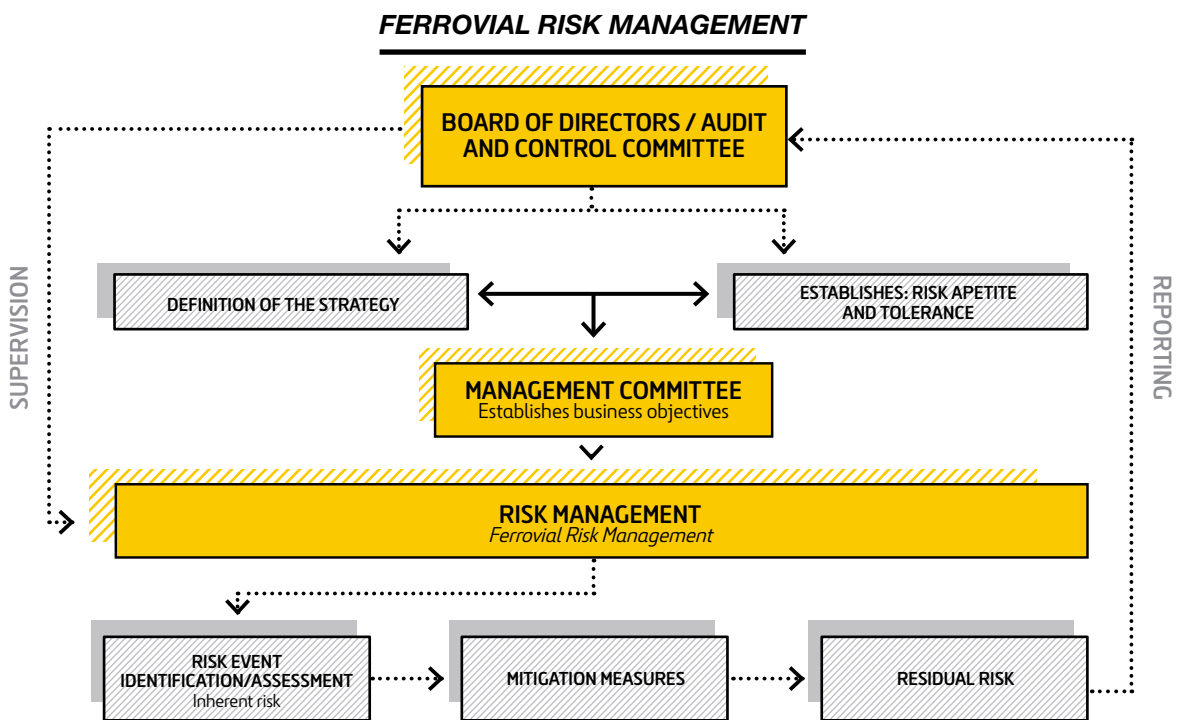
(FRM) led by the Management Committee and implemented in all the company's business areas under the regular supervision of the Audit and Control Committee of the Board of Directors.

This risk management process has been subject to independent verification that confirms the high degree of alignment with the good practices and principles within the 2017 COSO ERM framework, particularly aspects related to governance and culture, connection with the business strategy and operating objectives or performance.

EFFECTIVE RISK MANAGEMENT

In order to detect sufficiently in advance the risks that threaten the attainment of the business objectives, the company has a risk identification and assessment process called Ferrovial Risk Management

By applying common metrics, the process can detect risk events early and assess them by their probability of occurrence and their possible impact on business objectives, including corporate reputation. In



this way, Ferrovial can take more appropriate steps of management and protection according to the nature and location of the risk.

For each risk event identified, two assessments are made: one inherent, prior to specific control measures implemented to mitigate the risk, and a residual one, after implementation of specific control measures.

Ferrovial, in achieving its business objectives, is exposed to diverse risk factors that are intrinsic to the nature of the activities it carries out and to the countries in which it operates. The following risks can impact the progress of the strategy, depending on their residual assessment:

- **Economic environment:** the policies of fiscal consolidation being carried out in some of the countries where Ferrovial operates is weakening the financial capacity of the public authorities that are the company's clients, which may adversely impact in operations and margins and contracting volumes of certain projects, and in expectations of fulfillment of the business plan, thus affecting its viability.

In response to these risks, Ferrovial selects assets in settings with proven legal certainty and actively manages the risks of projects by putting in place contingency plans and the contractual and financial guarantees necessary to safeguard the company's interests in any eventuality. Further, the weakening of public finances, along with the need to improve transport infrastructures, may give rise to new business opportunities in the field of public-private partnerships.

- **Competitive tension:** the slowdown of the European economy and the financial difficulties being experienced by emerging economies are adversely impacting the investment capacity of public and private clients in these territories and, therefore, in demand for infrastructures. This situation is triggering a movement of capital movement towards international markets with greater availability of resources and, consequently, greater business opportunities.

The concentration of business opportunities in certain geographical areas is increasing competitive tension and demand for qualified human resources, reliable suppliers of products and services, as well as partners with sufficient financial solvency and technical proficiency, with the resulting pressure on prices and margins in large-scale projects with a long life cycle. This risk led to losses in 2019 in Construction under onerous contracts in a number of large-scale projects. To meet this challenge, Ferrovial Agroman has strengthened its tender processes in order to obtain several prices per project tendered of independent teams that combine resources of contracting and execution. Along the same lines, greater weight is sought in execution with own resources, and a focus on geographies where the construction firm can be considered local.

In addition, the increase in infrastructure-focused investment funds in a low interest rate environment and these funds' readiness to take on more segments of the value chain of projects is increasing competition in Ferrovial's target markets.

Further, the concentration of competitors in some geographical areas is stimulating the creation of entry barriers by local companies and public authorities towards international competitors, which is hindering growth in these areas.

Ferrovial has an approval procedure in place for investments in which the most significant risks of each project are identified and assessed, including those generated by the competitive environment and by the high demand for factors of production, and the decision is made to offer those for which the company has suitable risk management capabilities and that offer a competitive edge. Hence, tendering is focused on technical complex projects in which effective management of risk stands as a differentiator against the competition.

- **Brexit:** finally, January 31, 2020 saw the consummation of the United Kingdom's exit from the European Union and the start of an eleven-month transitional period in which the two parties are to reach a definitive agreement for the exit and future collaboration. The current uncertainty regarding the outcome of this negotiation is generating short and medium-term economic instability in the United Kingdom and in the rest of the European Union. The consequences of the type of exit agreement could affect the profitability and value-creation capability of Ferrovial's assets in the country.

In the case of Heathrow Airport, the principal asset in which Ferrovial holds a share in the United Kingdom, this uncertainty could impact the progress of the project for the airport's expansion. In addition, any stagnation or slowdown of the British economy could affect the overall activity of the airport, although this is not considered likely due to the significance of the asset and the fact that it is now operating at full capacity.

In response to the risks that may arise from Brexit, Ferrovial is continuously following developments in the negotiations between the United Kingdom and the EU, planning measures of operational efficiency in its diverse business areas in order to adapt to new market conditions and monitoring the situation in financial markets with a view to adapting contingency plans and hedging measures.

Section 5.4h of the Consolidated Financial Statements explains the impact of Brexit on key financial figures. The pound sterling appreciated against the euro in 2019 in anticipation of a negotiated exit from the single market. Interest rates have declined due to the economic slowdown as a result of uncertainty relating to the final exit agreement. This has a positive impact on derivatives that hedge the risk of lower inflation and on exchange rate hedge options that materialized during the year.

- **Regulatory environment:** A majority of Ferrovial's operations are in countries with a high degree of legal certainty, where socio-economic stability and visibility in tax regulation is expected. However, the overall situation of low growth forecasts is encouraging public authorities to make changes in tax regulation in order to boost revenues by increasing the tax contribution made by large companies. Further, the rise of protectionist policies in some areas where Ferrovial operates and political instability in others may lead to regulatory changes that adversely impact management of assets and expose the company to new risks.

In the specific case of Spain, growth prospects may be conditioned by a possible slowdown in the economy.

Ferrovial is keeping a constant watch of regulatory and legislative processes that might affect its activities, and of political movements that may occur, with the aim of anticipating any changes sufficiently in advance so as to adequately manage them.

- **Quality of service and contractual breaches:** Ferrovial's strategy is centred on technically complex projects with long periods of maturation and whose development may involve many risk factors that are difficult to foresee, which may lead to non-compliance of agreed quality levels and/or committed deadlines. These may give rise to disputes with clients or counterparties.

To manage this risk, Ferrovial has quality management systems by business area (ISO 9001) and with key conditions that measure the quality and execution of projects and of the provision of services. It also uses digital platforms to ensure compliance with legislation and technical standards throughout

all phases of the life cycle of contracts and it monitors projects in accordance with the established audit plan to ensure compliance with regulations, contractual requirements and objectives.

- **Cyber-attacks:** the infrastructures in which Ferrovial holds a share are exposed to cyber-attacks, with the resulting impact on persons and the infrastructures themselves, and which may either paralyze operations and/or compromise privacy and information integrity. The infrastructures most exposed to such risks are airports and roads, in addition to mobility projects.

Ferrovial is working with the authorities with respect to security in order to implement more suitable security measures and systems with a view to preventing attacks on its infrastructures. In addition, the implementation of cybersecurity measures is reducing the risk of unauthorized access to the company's information and operating systems.

Financial risks: section 5.4 of the financial statements describes the financial risks and how they are handled.

In addition to the aforementioned risks, Ferrovial assesses and monitors emerging risks that may adversely affect the attainment of its strategic objectives and others that, in spite of their low probability of occurrence, would cause significant adverse impacts on business objectives. Among others, these include humanitarian crises, anti-globalization and protectionist political movements that reduce international investment and endanger free competition, technological disruption and/or obsolescence and the impact of technological innovation in the management of infrastructures.

Ferrovial also pursues a policy of insurance coverage in international markets so as to transfer risks of material damage in assets, and lost profits that may result from such damage. The company has civil and professional liability policies in place to cover damage the company's activity may cause to third parties, including policies to cover liability for damage to the environment and the civil liability of directors and executives. With respect to coverage of cyber-risks, Ferrovial is negotiating the taking out of specific coverage that will be in effect in the coming weeks.

Also, Ferrovial has a Compliance Model for identifying and assessing the risk of the commission of criminal acts, and for identifying and assessing the control measures designed to mitigate such risks. This is all based on the principle of "zero tolerance" with fraud and corruption (see Integrity section).

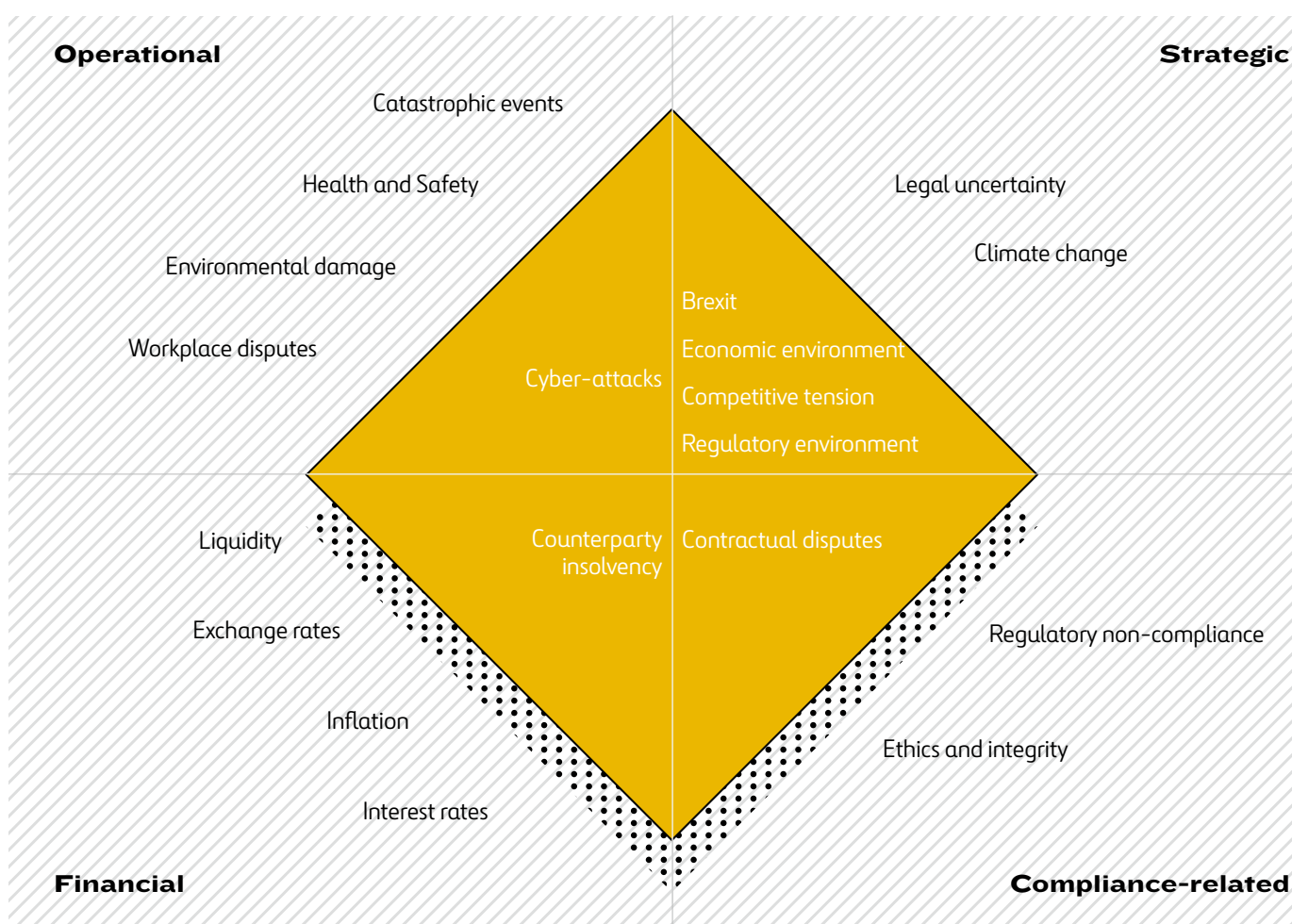
Further, the company monitors environmental risks with a special focus on risk exposure relating to

climate change, with the aim of anticipating them sufficiently in advance so as to implement programs of remediation and adaptation to the new environment. In the process, it distinguishes between physical risks; extreme climate events that may affect infrastructures and transition risks; economic effects (increase in cost of raw materials); and technology effects relating to regulatory changes designed to reduce pollutant gases (increase in taxes on fossil fuels, prices of greenhouse gas emissions, new forms of transport with an impact on projects' business plan, etc.). The Environment section of this report outlines Ferrovial's strategy with respect to climate change.

Lastly, the increase in trade tensions between the major world economic powers - i.e., China, the US, the EU and Russia - and the protectionist measures being put in place are adversely affecting world trade, capital markets and the regulatory environment. In this setting of socio-economic uncertainty, the weight of some risks presently deemed to be of low probability or negligible may increase.

MAIN RISKS

The graph places the most relevant risks inside the figure highlighted in yellow.



OPERATIONAL: risks associated with production processes, provision of service, generating income and incurring costs.

FINANCIAL: risks associated with changes in financial data, access to the financial markets, cash management, the reliability of financial information and tax-related risks.

STRATEGIC: risks related to the market and local influences on each business.

COMPLIANCE-RELATED: risks linked to compliance with applicable law, commitments with third parties and self-imposed obligations deriving from the Code of Ethics.



PHOTO: Crystal Palace, Madrid (Spain).

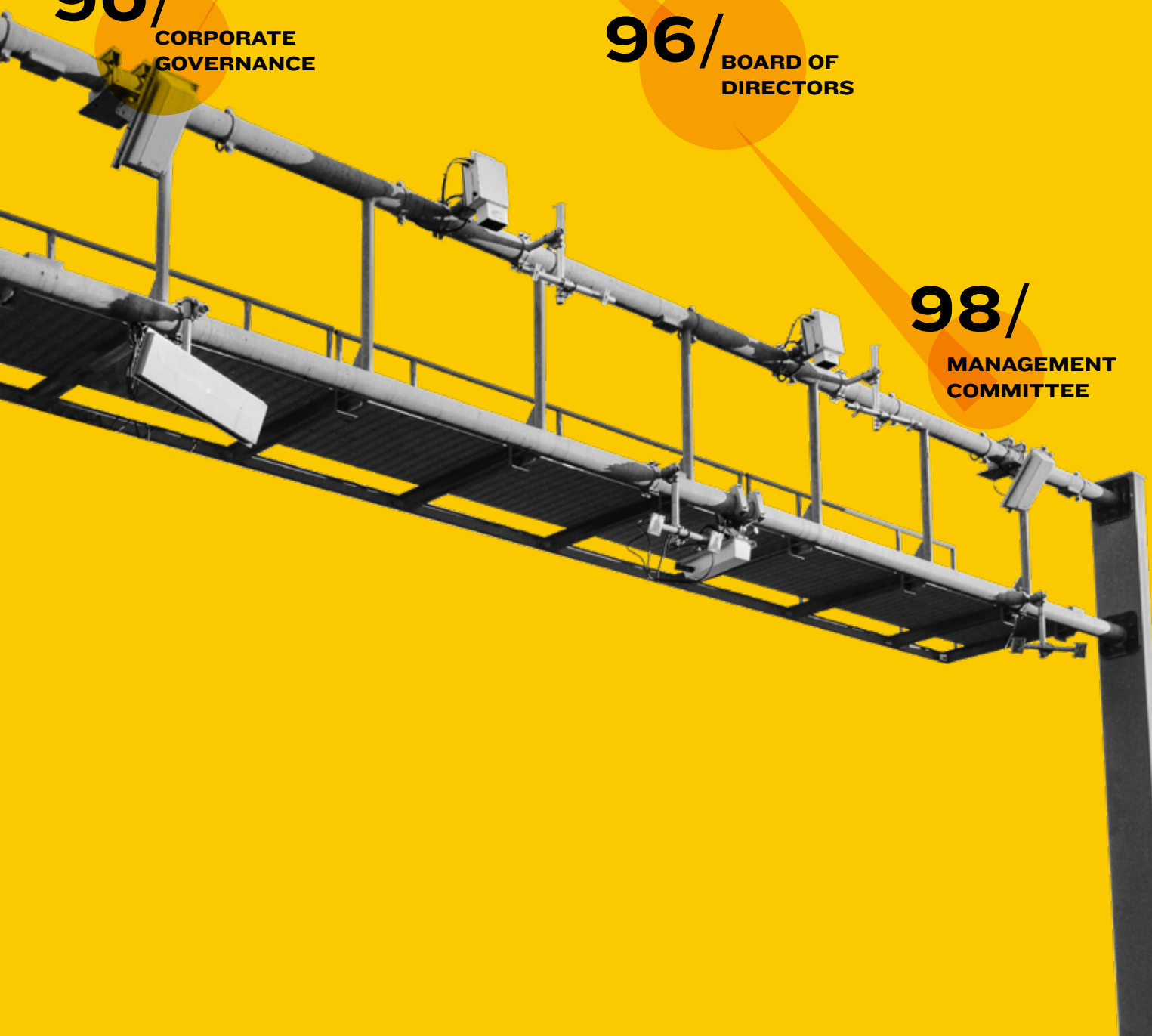
CORPORATE GOVERNANCE

94/
REMUNERATIONS

90/
CORPORATE GOVERNANCE

96/
BOARD OF DIRECTORS

98/
MANAGEMENT COMMITTEE



Corporate governance

A renewed Board

The Corporate Governance of Ferrovial seeks to guarantee integrity, understood as diligent, transparent and responsible behavior with its shareholders, employees, customers and the various agents involved in its activity. Integrity is essential to ensure that we attain a profitable and sustainable long-term business, aligned with the company's strategy, and to strengthen the confidence that shareholders and the various stakeholders have in it.

In accordance with corporate legislation, the Annual Corporate Governance Report (ACGR) is part of this Management Report and has been formulated by the Board of Directors and communicated to the National Securities Market Commission (CNMV). The ACGR details all the components of Ferrovial's corporate governance and can be accessed via www.ferrovial.com.

As indicated in the ACGR, Ferrovial fully or partially complies with most of the recommendations of the Code of Good Governance of Listed Companies (58 of the 60 that apply to it). In this regard, the company regularly analyzes the best practices and regulations of good governance at national and international level to assess their application and incorporation into its internal regulations.

GOVERNANCE BODIES

The operation of the management bodies and the decision-making process is described in detail in the ACGR, highlighting the functions of the General Shareholders' Meeting and the Board of Directors as the company's highest governing bodies.

Board of Directors

It performs its functions with unity of purpose and independence of judgement, treating all shareholders who are in the same position equally, and is guided by the social interest, understood as the attainment of a profitable and sustainable long-term business that promotes the continuity and maximization of the economic value of the company.

It is composed of 12 members, which facilitates efficient and participatory operation. Re-elections take place every three years, compared to the maximum of four established by corporate regulations. This allows shareholders to validate its management every so often.

In 2019, the Board held a total of nine sessions, with an average duration of five hours per meeting. All the Directors attended the 9 meetings in person except in two sessions in which proxy was given with instructions, and one session in which a Director who did not attend or delegate proxy. Additionally, on December 17, 2019 the Board adopted a resolution in writing and without a session that has not been accounted for in the number of meetings.

The Board assesses the quality and efficiency of its operation and that of its Committees once a year, having, for the fifth consecutive year, the help of an external prestigious consultant. As a result of the assessment exercise, the Board has agreed to further strengthen its role in (i) the group's strategy and organizational model; (ii) risk identification and management processes; (iii) gradual renewal of the Board's composition; (iv) innovation and digital transformation; and (v) increased interaction with the management team.

EXTERNAL EVALUATION OF THE BOARD

5

consecutive years

VOTING RIGHTS OF THE BOARD OF DIRECTORS

30.89%

LEAD DIRECTOR

1

INDEPENDENT

67%

of the Directors

AUDIT AND CONTROL COMMITTEE

100%

Independent Directors

NOMINATION AND REMUNERATION COMMITTEE

100%

Independent Directors

As part of the succession plan of the group's first executive line, Mr. Ignacio Madrideo Fernández has been appointed as the new Chief Executive Officer. Furthermore, as part of the gradual renewal of its composition, the Board has also appointed Mr. Juan Hoyos Martínez de Irujo and Mr. Gonzalo Urquijo Fernández de Araoz as new Independent Directors. The latter have replaced Mr. Joaquín Ayuso García and Mr. Santiago Bergareche Busquet, who had been on the Board for 17 and 20 years, respectively

Executive Commission

All the powers of the Board of Directors have been delegated, except those that are not legally or statutory delegable. It comprises six members. Among other functions, it monitors the performance of the main business indicators and the status of the most relevant matters, and approves the operations of its competence as the delegated body of the Board of Directors.

Audit and Control Committee

It consists of four Independent Directors, who were appointed in consideration of their knowledge and experience in accounting, auditing and risk management. Together, they have the relevant technical knowledge in relation to the sector in which the Company operates.

The Board of Directors agreed to appoint Mr. Oscar Fanjul Martín as Chairman of the Audit and Control Committee to succeed Mr. Santiago Fernández Valbuena after completing the four-year term for which he was appointed. It also appointed the new Independent Director, Mr. Gonzalo Urquijo Fernández de Araoz, as a member of said Committee.

The following describes the main functions, other than those attributed by law, which involve the adoption of recommendations of the Code of Good Governance of Listed Companies:

- Oversee the process for preparing and submitting mandatory financial information and ensure that the Board seeks to submit the accounts to the General Meeting without limitations or qualifications in the audit report.
- To be informed of the operations of structural and corporate modifications that the Company plans to carry out, previously informing the Board of Directors about its economic conditions and its accounting impact and especially, where appropriate, about the proposed exchange equation.
- Ensure that the Company and the auditor respect the current regulations on the provision of services other than the audit, the

JUAN HOYOS AND GONZALO URQUIJO, INDEPENDENT DIRECTORS

In 2019, the Board of Directors of Ferrovial appointed two new Independent Directors, Mr. Juan Hoyos Martínez de Irujo and Mr. Gonzalo Urquijo Fernández de Araoz. These appointments, together with those of Mr. Bruno Di Leo in 2018, Ms. Hanne Sørensen in 2017 and Mr. Philip Bowman in 2016, represent a continuous reinforcement of the presence of Independent Directors, who already represent 66.67% of all of its members, as well as the diversity of backgrounds, knowledge and experience on the Board.

limits to the auditor's business concentration and, in general, the other rules on the independence of the auditor.

- Ensure that the remuneration of the auditor does not compromise its quality or independence.
- Receive periodic information on the activities of the Internal Audit Department and ensure its independence.
- Establish and supervise a system that allows employees to confidentially and anonymously report irregularities of potential significance, especially financial and accounting, that are noticed within Ferrovial.
- Supervise compliance with internal corporate governance and conduct regulations in the securities markets and make proposals for improvement.
- Coordinate the process of reporting non-financial information, in accordance with applicable regulations and international reference standards.
- Oversee the operation and effectiveness of the compliance model and its organization and control system and ensure that the Compliance Department has the resources and training to perform its functions.

The Committee held five meetings in 2019, with all of them being attended by all of its members with the exception of a session in which a proxy with instructions was granted. The activities that the Committee carried out during the year are detailed in the report on its operation, published on the Ferrovial website. The Audit and Control Committee takes into account in its activity and operation the recommendations of the Technical Guide of the CNMV on audit committees of public interest entities.

Nomination and Remuneration Committee

The Committee comprises four Independent External Directors, including its Chairman. All have been appointed with regard to the knowledge, skills and experience appropriate for the performance of the Committee’s functions. To increase independence in its composition, the Independent Director Mr. Bruno Di Leo joined the Committee in 2019.

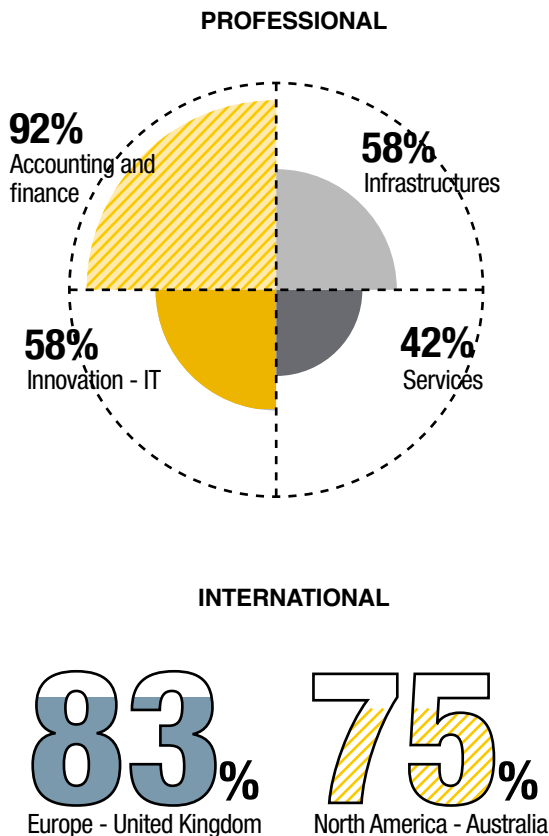
The following describes its main competences, other than those attributed by law, which involve the adoption of recommendations of the Code of Good Governance of Listed Companies:

- Propose the basic conditions of Senior Management contracts.
- Ensure that Non-Executive Directors have sufficient time available for the proper performance of their duties.
- Check compliance with the remuneration policy established by the Company.

- Verify the information on remuneration of Directors and Senior Managers contained in the various corporate documents, including the Annual Report on Directors’ Remuneration.
- Ensure that any conflicts of interest do not prejudice the independence of the advice given to the Committee.
- Report on the appointment of the members that must form part of the Committees, taking into account the knowledge, skills and experience of the Directors and the duties of each Committee.

The Committee held seven meetings in 2019, with all of them being attended by all of its members with the exception of a meeting in which one member was absent. The activities that the Committee carried out during the year are detailed in the report on its operation, published on the Ferrovial website. The Nomination and Remuneration Committee takes into account in its activity and operation the recommendations of the Technical Guide of the CNMV on nomination and remuneration committees.

TRAINING AND EXPERIENCE OF THE BOARD MEMBERS



ISSUES ADDRESSED BY THE BOARD OF DIRECTORS

Once a year, at the proposal of its Chairman, the Board of Directors prepares a schedule of dates and issues to be addressed in each of the meetings planned for the following year, taking into account the suggestions of the Directors as well as the recommendations of the external consultant who collaborated in the evaluation process of the Board, notwithstanding other issues that may arise throughout the year. The main issues examined in 2019 are detailed below:

- Periodic financial information.
- Internal control system of financial information.
- Ordinary General Shareholders’ Meeting (notice of meeting, proposal for resolutions, reports).
- Reports of business divisions and corporate areas.
- Annual budget and budget revisions for the current year.
- Health and safety (reviewed in each session of the Board due to the relevance of this matter to the Company).
- Tax policies followed by the company during the year.
- Strategy.
- Guarantees provided by the group’s parent companies.
- Compliance model.
- Innovation.
- Cybersecurity.
- Technology.
- Quality and Environment.
- Shareholding and perception of investors and analysts about Ferrovial.
- Composition of the Board and senior management.
- Ferrovial Flexible Dividend Program.
- Implementation of the share buyback program aimed at reducing share capital.
- Annual evaluation of the Board and its Committees.
- Director’s remuneration.
- Follow-up of the disinvestment of the Services division.

		RAFAEL DEL PINO	IGNACIO MADRIDEJOS	MARÍA DEL PINO	SANTIAGO FERNÁNDEZ VALBUENA	JOSÉ FERNANDO SÁNCHEZ-JUNCO	JOAQUÍN DEL PINO	ÓSCAR FANJUL (Lead Director)	PHILIP BOWMAN	HANNE SØRENSEN	BRUNO DI LEO	JUAN HOYOS	GONZALO URQUIJO
POSITION		Chairman	Chief Executive Officer	Member	Member	Member	Member	Member and Lead Director	Member	Member	Member	Member	Member
Board of Directors	Executive	✓	✓										
	Proprietary	✓		✓			✓						
	Independent				✓	✓		✓	✓	✓	✓	✓	✓
Committees	Executive Commission	✓ ^P	✓	✓		✓		✓				✓	
	Audit and Control Committee				✓			✓ ^P	✓				✓
	Appointments and Remuneration Committee				✓	✓ ^P				✓	✓		
Stakeholding in the share capital	% direct and indirect capital	20.196	0.002	8.118	0.003	0.024	2.542	0.004	0.003	0.000	0.000	0.000	0.000
Other data	Date of first appointment	9/1/1992	30/09/2019	29/9/2006	29/5/2008	3/12/2009	29/10/2015	30/7/2015	28/7/2016	5/4/2017	26/7/2018	30/9/2019	19/12/2019
	Nationality	SPANISH	SPANISH	SPANISH	SPANISH	SPANISH	SPANISH	SPANISH	AUSTRALIAN	DANISH	PERUVIAN	SPANISH	SPANISH
	Positions as directors in other listed companies	0	0	0	1	0	0	2	3	4	1	0	2
	Age	61	54	63	61	72	58	70	67	54	62	67	58

P: Chairman of the Executive Committee, Chairman of the Audit and Control Committee or Chairman of the Nomination and Remuneration Committee. Information up-to-date as of February 2020.



Oriented to value creation

The remuneration of the Board of Directors of Ferrovial is determined based on the best practices of the market, based on remuneration studies prepared by external advisors, on the internal regulations and on the applicable legal regulations.

The remuneration of Ferrovial Senior Management is based on the following principles and criteria:

- Creation of long-term value, aligning the remuneration systems with the Strategic Plan.
- Attracting and retaining the best professionals.
- External competitiveness in setting remuneration.
- Periodic participation in plans linked to the action and linked to the attainment of certain profitability metrics.
- Achievement of objectives in accordance with the Risk Management Policy.
- Maintaining a reasonable balance between the different components of fixed (short-term) and variable (annual and long-term) remuneration.
- Transparency.

REMUNERATION EXECUTIVE DIRECTORS

Fixed components

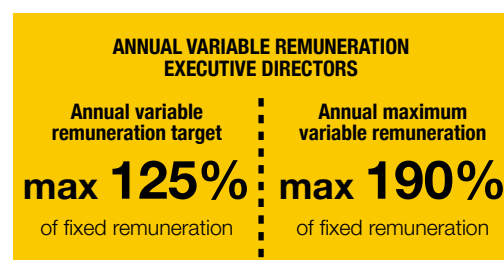
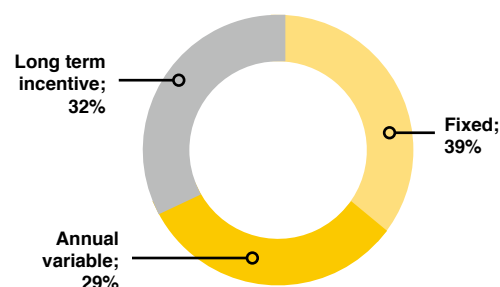
The fixed remuneration of the Executive Directors is determined according to the market references of a comparison group of 24 national and international companies from their reference markets.

Variable components

Only the Executive Directors have variable component elements in their remuneration. It consists of an annual variable remuneration and long-term incentive plans.

The approval of a new long-term share-based incentive plan for the 2020-2022 triennium will be submitted to the General Meeting for approval. Its details are reported in the Annual Report of Director Remuneration. Its structure is similar to that of the previous plans, with annual awards in 2020 - 2022, vesting at 3 years, weight of the

COMPOSITION OF THE REMUNERATION OF THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER



total return to the shareholder of 50% and internal metric that will be the activity cash flow, with a weight of 50%.

a) 2019 Annual variable remuneration

Remuneration is pegged to individual performance and the attainment of specific economic-financial, industrial and operational targets, which are pre-determined, quantifiable and consistent with company interests and expressly envisioned in the Strategic Plans. These targets may be quantitative or qualitative.

The target amount of the annual variable remuneration for exec-

REMUNERATION OF EXECUTIVE DIRECTORS (THOUSANDS OF €)*	FIXED	VARIABLE	SHARE-BASED PLANS	OTHERS (1)	OTHERS (2)	TOTAL 2019	TOTAL 2018
Rafael del Pino y Calvo- Sotelo	1,455	1,608	1,097	8	0	4,168	4,004
Ignacio Madrdejos Fernández	250	250	0	0	600	1,100	0
Íñigo Meirás Amusco**	969	188	1,097	5	725	2,984	3,461
TOTAL	2,674	2,046	2,194	13	1,325	8,252	7,465

* Remuneration for their status as Executive Directors.

** In addition to the information indicated above, in compensation for the loss of the status of Executive Director of the Company and the consequent termination of the senior management relationship, 8,167 gross thousands euros were paid to Mr. Íñigo Meirás Amusco (all of which are subject to personal income tax).

(1) Life insurance/Boards in other subsidiaries.

(2) In the case of Mr. Ignacio Madrdejos, an incorporation bonus is granted through the delivery of Ferrovial shares. The figure for Mr. Íñigo Meirás corresponds to liquidation, balance, settlement.

utive directors, i.e. the remuneration corresponding to a standard level of target attainment, is equivalent to 125% of the fixed remuneration for the Chairman. The quantitative targets have an associated scale for rewarding overachieved targets up to a certain limit. The annual variable remuneration therefore has a cap of 190% on the fixed remuneration.

For the new CEO, Ignacio Madridejos, a variable target remuneration has been established, equivalent to 100% of the fixed remuneration, and overachievement with objectives up to a limit of 150% of the fixed remuneration.

Quantitative targets comprise metrics to guarantee a suitable balance between financial and operational aspects relating to the

management of the company. Qualitative targets are pegged to an assessment of the individual performance of executive directors.

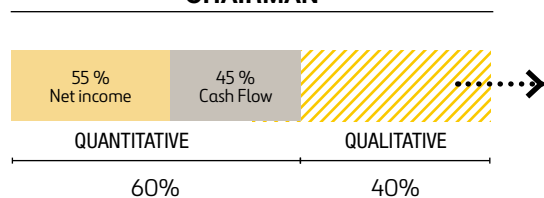
b) Current long-term incentive plans

Executive directors participate in a long-term variable remuneration system involving the delivery of shares. The current remuneration policy has a limit of 150% of the fixed remuneration as the incentive value at the time the remuneration is awarded.

It is structured into overlapping multi-year cycles (currently set at three years). Units are assigned each year and then converted into shares at the end of the cycle (currently three years). For the current plan (2019), they are determined by the relative weight of the metrics in the attached table.

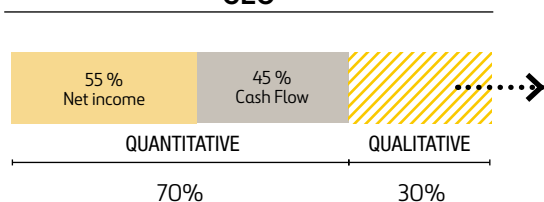
COMPONENTS OF THE VARIABLE REMUNERATION

CHAIRMAN



- Operations of the Board and the Executive Committee.
- Corporate Governance.
- Strategic Plan.
- Successions.
- Institutional Relations.

CEO



- Compliance with the Strategic Plan.
- Employee Health & Safety, measured using accident rates.
- Promoting Innovation and Corporate Social-Sustainability Responsibility.
- Development of professional teams to guarantee stability in the management and achievement of strategic objectives of the organization.
- Adjustment and monitoring of procedures linked to assuming controlled risks.
- Relationships with stakeholders.

REMUNERATION OF THE NON-EXECUTIVE DIRECTORS

The remuneration of Non-Executive Directors is determined by an allowance (fixed plus complementary) and allowances. Their remuneration is in the median of the remuneration of the non-executive directors of the Ibex 35.

Ferrovial's internal regulations stipulate that the remuneration of External Directors will be that necessary to suitably remunerate the responsibility and dedication required by the position, without compromising their independence.

Remuneration formulas, consisting of handing over shares, options, instruments referenced to the value of the share or linked to the performance of the Company, will be limited to the Executive Directors.

More information available on the remuneration of the Board of Directors and Senior Management, and on the Remuneration Policy on the Ferrovial website: www.ferrovial.com.

REMUNERATION OF THE SENIOR MANAGEMENT

2019 PERFORMANCE SHARES PLAN		PAYOUT
OPERATING RESULT ⁽¹⁾ / NET PRODUCTIVE ASSETS ⁽²⁾ (50%)		
Maximum	≥9%	50%
Minimum	≤ 8%	0%
TOTAL RETURN FOR THE SHAREHOLDER IN COMPARISON WITH A GROUP OF COMPANIES (50%)		
Maximum	Positions 1 to 5	50%
Minimum	Positions 10 to 18	0%

REMUNERATION OF SENIOR MANAGEMENT (THOUSANDS OF EUROS)	2019	2018
Fixed remuneration	4,714	5,237
Variable remuneration	3,202	3,803
Plan for handing over shares linked to goals	3,090	5,083
Others ⁽¹⁾	53	54
Others ⁽²⁾	0	8,924
TOTAL	11,059	23,101

⁽¹⁾ The Operating Profit (OP) shall be considered as the consolidated operating result, adding to it the OP of the companies that are integrated using the equity method in the consolidated financial statements, in the percentage of stakeholding they hold.

⁽²⁾ Productive Net Assets. The total amount of the assets that appear in the Company's consolidated balance sheet will be considered as such, excluding the assets assignable to unpaid construction projects. The value corresponding to the proportional part of the Net Productive Assets of the companies integrated using the equity method will be added to the result, with the exception of the part corresponding to the revaluation of companies derived from divestment processes with loss of control.

⁽¹⁾ Life insurance premiums / board positions at other subsidiaries

⁽²⁾ Disassociation of three members of the Executive Committee (data subject to personal income tax)



RAFAEL DEL PINO

Chairman Executive and Proprietary Director

- Civil Engineer (Polytechnic University of Madrid, 1981); MBA (Sloan School of Management, MIT, 1986).
- Chairman of Ferrovial since 2000 and CEO since 1992. Chairman of Cintra from 1998 to 2009.
- Member of the MIT Corporation, the IESE's International Advisory Board, the MIT Energy Initiative's External Advisory Board, the MIT Sloan European Advisory Board, and the Harvard Business School European Advisory Board. He is also member of the Royal Academy of Engineering of Spain.
- He has been Director of Zurich Insurance Group, Banesto and Uralita.

IGNACIO MADRIDEJOS

CEO Executive Director

- Civil Engineer (Polytechnic University of Madrid); MBA (Stanford University).
- CEO of Ferrovial since 2019.
- Former Regional President of CEMEX USA; Regional President of CEMEX Northern Europe; global responsible of CEMEX Energy, Security and Sustainability areas; President of CEMEX Spain; and CEO of CEMEX Egypt. He previously worked at McKinsey and Agroman. He was also President of OFICEMEN (Spanish Association of Cement Manufacturers), IECA (Spanish Institute of Cement and its Applications), and CEMBUREAU (European Cement Association).

01/ Rafael del Pino – **02/** Ignacio Madrdejós – **03/** María del Pino – **04/** Santiago Fernández Valbuena – **05/** José Fernando Sánchez-Junco – **06/** Joaquín del Pino – **07/** Óscar Fanjul – **08/** Philip Bowman – **09/** Hanne Sørensen – **10/** Bruno Di Leo – **11/** Juan Hoyos – **12/** Gonzalo Urquijo

Directors

MARÍA DEL PINO

External Proprietary Director

- Degree in Economics and Business Administration (Universidad Complutense de Madrid); Management Development Program (IESE).
- Director of Ferrovial since 2006.
- Chairman of the Rafael del Pino Foundation. Legal representative of Menosmares, S.L. that holds the positions of rotating Chairman / Vice-Chairman of the Board of Directors of Casa Grande de Cartagena, S.A.U. and Vice-Chairman of the Board of Directors of Pactio Gestión, SGILC, S.A.U. Member of the Board of Trustees of the Princess of Asturias.
- Former member of the Governing Board of the *Asociación para el Progreso de la Dirección* and trustee of the Codespa Foundation and of the *Fundación Científica de la Asociación Española contra el Cáncer*.

SANTIAGO FERNÁNDEZ VALBUENA

External Independent Director

- Degree in Economics (Universidad Complutense de Madrid); PhD and Master's Degree in Economics (Northeastern University, Boston).
- Director of Ferrovial since 2008.
- Non-Executive Chairman of the Board of Directors of AEDAS Homes, S.A.; Non-Executive Vice-Chairman of EBN Banco de Negocios and Director of Mapfre Brasil and Mapfre Internacional.
- Former Chairman of Telefónica Latinoamérica; Director and Chief Strategy, Finance and Corporate Development Officer at Telefónica; Managing Director of Societé Générale Valores and Head of Equities at Beta Capital; Professor of Applied Economics at the Universidad Complutense and Professor at IE Business School.

JOSÉ FERNANDO SÁNCHEZ-JUNCO

External Independent Director

- Degree in Industrial Engineering (Polytechnic University of Barcelona); ISMP Graduate (Harvard Business School) and member of the State Corps of Industrial Engineers.
- Director of Ferrovial since 2009. Director of Cintra from 2004 to 2009.
- Executive Chairman of Maxam Group; Chairman of Maxam Foundation; member of the Board of Trustees of the *Museo de la Minería y la Industria* and of the Foundation Princesa de Girona.
- Former Managing Director of Iron and Steel and Naval Industries and Managing Director of Industry at the Ministry of Industry and Energy; Director of Dinamia, Uralita and Duro Felguera.

BOARD OF DIRECTORS

JOAQUÍN DEL PINO External Proprietary Director

- Degree in Economics and Business Administration; MBA (IESE).
 - Director of Ferrovial since 2015 (and has represented the Director Karlov, S.L. since 2010, reelected in 2013).
 - Legal representative of Soziancor, S.L.U., that holds the positions of rotating Chairman / Vice-Chairman of the Board of Directors of Casa Grande de Cartagena, S.A.U. and Chairman of the Board of Directors of Pactio Gestión, SGIC, S.A.U.; Trustee of the Rafael del Pino Foundation and the Plan España Foundation.
 - Former Director of Banco Pastor.
- Other information: Mr. Joaquín del Pino is the sole shareholder and sole director of the shareholder Soziancor, S.L.U.

ÓSCAR FANJUL External Independent Director Lead Director

- Professor of Economic Theory on leave of absence.
- Director of Ferrovial since 2015.
- Vice-Chairman of Omega Capital and LafargeHolcim; Director of Marsh & McLennan Companies; Vice-Chairman of the Board of Trustees of the *Museo Nacional Centro de Arte Reina Sofía* and Trustee of the Center for Monetary and Financial Studies (Bank of Spain) and of the Aspen Institute (Spain).
- Former founding Chairman and CEO of Repsol; Chairman of Hidroeléctrica del Cantábrico; Non-Executive Chairman of NH Hoteles and Deoleo; Director of Acerinox, Unilever, BBVA, London Stock Exchange and Areva.

PHILIP BOWMAN External Independent Director

- Degree with honors in Natural Science (University of Cambridge); Master in Natural Science (University of Cambridge); Fellow of the Institute of Chartered Accountants in England & Wales.
- Director of Ferrovial since 2016.
- Non-Executive Chairman of Tegel Group Holdings Limited, Sky Network Television Limited and Majid Al Futtaim Properties; Non-Executive Director of its parent company, Majid Al Futtaim Holding LLC; and Non-Executive Director of Kathmandu Holdings Limited and of Better Capital.
- Former Chairman of Potrero Distilling Holdings, Coral Eurobet and Liberty; Non-Executive Chairman of The Munroe Group (UK); CEO of Smiths Group, Scottish Power and Allied Domecq; and Director of Burberry Group, Berry Bros. & Rudd, Scottish & Newcastle Group, Bass, British Sky Broadcasting Group and Coles Myer.

HANNE SØRENSEN External Independent Director

- MSc. in Economics and Management (University of Aarhus, Denmark).
- Director of Ferrovial since 2017.
- Non-Executive Director of LafargeHolcim, Delhivery, Sulzer, Tata Motors, Tata Consulting Services and Jaguar Land Rover Plc (and its affiliates Jaguar Land Rover Holdings Ltd and Jaguar Land Rover Ltd).
- Former CEO of Damco and Maersk Tankers; Chief Commercial Officer at Maersk Line; and CFO for the Asia Region at Maersk Line (A.P. Moller-Maersk Group). She has also been Chairman of ITOPF; Vice-Chairman of Hoegh Autoliners and Director of Axel and INTTRA.

BRUNO DI LEO External Independent Director

- Degree in Business Administration from Ricardo Palma University and postgraduate degree from *Escuela Superior de Administración de Negocios*, both in Lima (Perú).
- Director of Ferrovial since 2018.
- Non-Executive Director of Cummins Inc.; member of the IESE's International Advisory Board in Spain and of the Deming Center Advisory Board of Columbia Business School.
- He has developed his professional career at the multinational group IBM. He served as Senior Vice-President of IBM Corporation; Senior Vice-President of Global Markets; General Manager of the Growth Markets Unit; General Manager for Global Technology Services in Southwest Europe and General Manager for Northeast Europe; General Manager for IBM Latin America and General Manager of IBM Brazil.

JUAN HOYOS External Independent Director

- Degree in Economics (Universidad Complutense de Madrid); Master in Business Administration in Finance and Accounting (Columbia Business School).
- Director of Ferrovial since 2019.
- Director of Inmoglaciár and Gescobro.
- Former Chairman, Senior Partner of McKinsey & Company Iberia and member of the McKinsey & Company Shareholder Council worldwide; Strategy, Brand & Marketing Executive Vice-President of Banco Santander Brazil; Executive Chairman of Haya Real Estate and Director of Banco Santander Chile and Banco Santander Mexico.

GONZALO URQUIJO External Independent Director

- Degree in Economic and Political Sciences (Yale University); MBA (Instituto de Empresa, Madrid).
- Director of Ferrovial since 2019.
- Executive Chairman of Abengoa; Director of Gestamp; Chairman of the Abengoa Focus Foundation and the Hesperia Foundation; member of the Board of Trustees of the Princess of Asturias Foundation.
- Former Chairman of ArcelorMittal Spain; member of the General Management of ArcelorMittal and head of the sectors of Long Products, Stainless Steel, Tubes, Emerging Markets; CFO and head of the Distribution sector of Arcelor; CFO of Aceralía Corporación Siderúrgica. He previously worked at Citibank and Crédit Agricole. He was also Chairman of the ArcelorMittal Foundation and of UNESID (the Spanish union of steel companies); Director of Aceralía, Atlantica Yield, Aperam and Vocento. También ha sido Presidente de la Fundación ArcelorMittal y de UNESID (Unión de Empresas Siderúrgicas); Consejero de Aceralía, Atlantica Yield, Aperam y Vocento.

SANTIAGO ORTIZ VAAMONDE Secretary non Director

- Spanish State Attorney (on voluntary leave); PhD in Law (Universidad Complutense de Madrid).
- General Counsel and Secretary of the Board of Directors of Ferrovial since 2009.
- Former partner at two renowned law firms, in charge of Trial Law and Regulatory Law; Agent of the Kingdom of Spain before the Court of Justice of the European Union; professor at the Diplomatic School and the Carlos III University.

MANAGEMENT COMMITTEE



01 /



02 /



03 /



04 /



06 /



07 /



05 /



10 /

01 / IGNACIO MADRIDEJÓS

Chief Executive Officer (CEO)

Civil Engineer (ICCP) from the Polytechnical University of Madrid and MBA from Stanford Business School. He has professional experience in the United States, Europe, Latin America, and Africa. From 1990 to 1992, he was Site Manager at Agroman and between 1993 and 1996, he worked as a consultant for McKinsey in Spain and Argentina. In 1996, he joined CEMEX, where he held the positions of CEO for Egypt (1999) and Spain (2003), Global Manager of Energy, Security, and Sustainability (2011), and President for Northern Europe (2008) and for the United States (2015). He has also held positions as President of Oficemen and President of CEMBUREAU (European Cement Association).



08 /



09 /

02 / CARLOS CEREZO**Chief Human Resources Officer**

He has a degree in Philosophy from Complutense University of Madrid, Master in Human Resources Management from CEU and Executive MBA from the Instituto de Empresa. He joined Ferrovial in 2006 and since 2015, he has occupied the position of Director of Human Resources and Communication of Ferrovial Services. Previously, he was the Director of Corporate Development of Human Resources and Corporation Human Resources Director. In 2020, he was appointed General Director of Human Resources. Prior to joining the company, he held various positions of responsibility in the field of human resources consulting at IBM and PWC.

05 / ERNESTO LÓPEZ MOZO**Chief Financial Officer (CFO)**

He is a Civil Engineer (Polytechnical University of Madrid) and holds an MBA from The Wharton School of The University of Pennsylvania. In October 2009 he was appointed Chief Financial Officer of Ferrovial. Previously, he held various management positions at Telefónica Group, JP Morgan and Banco Santander. He worked in Civil Engineering before obtaining the MBA degree. Member of the IFRS Advisory Council (2013- 2015). Since 2017, he has been Chairman of the Audit and Control Committee and member of the Board of Directors of Aegon España, S.A.

08 / SANTIAGO ORTIZ VAAMONDE**General Counsel**

Spanish State Attorney (on voluntary leave); PhD in Law (Universidad Complutense de Madrid). General Counsel and Secretary of the Board of Directors of Ferrovial since 2009. Former partner at two renowned law firms, in charge of Trial Law and Regulatory Law; Agent of the Kingdom of Spain before the Court of Justice of the European Union; professor at the Diplomatic School and the Carlos III University.

03 / ALEJANDRO DE LA JOYA**Chief Executive Officer of Cintra**

Civil Engineer (ICCP) and AMP from Harvard Business School. He joined the company in 1991, and he has built his professional career in Spain, Morocco, Italy, Portugal, and Poland (Budimex). He held the position of International Construction Manager from 2005 to 2008, when he was named Chief Executive Officer at Ferrovial Agroman. In November 2018, he was chosen to be the Chief Executive Officer at Cintra.

06 / FIDEL LÓPEZ SORIA**Chief Executive Officer of Ferrovial Services**

He is a Mining Engineer from the Polytechnic University of Madrid and the École Nationale Supérieure des Mines de Paris. He holds an MBA from MIT-Sloan School of Management. He joined Ferrovial in 2007, holding various positions in the Services and Airports divisions. Within the Services division, he has held the role of CEO of Broadpectrum, Development Director of the division and member of the boards of Amey, Tube Lines and Swissport. Within the Airports division, he has been a member of the boards of HAH and AGS, Commercial Director of Heathrow and director of Airports at BAA. Before joining Ferrovial, he developed his career at McKinsey and Enel.

09 / MARÍA TERESA PULIDO**Director of Corporate Strategy**

BA Degree in Economics from Columbia University (1988) and MBA from MIT Sloan School of Management (1989). In 2011 Maria Teresa joined Ferrovial as Director of Corporate Strategy and is part of the Management Committee. Member of the Board of Bankinter since 2014, of MIT Sloan Executive Board (EMSAEB) since 2006 and of Fundación Eugenio Mendoza. She previously held management positions at Citi, Deutsche Bank, Bankers Trust, Wolfensohn and McKinsey.

04 / FEDERICO FLÓREZ**Chief Information Officer and Innovation Officer (CIIO)**

He is a Naval Engineer (Polytechnical University of Madrid) and holds a Master's Degree in Business Administration and IT Management, PAD IESE, INSEAD Advanced Management Program, diplomas in Executive Education from Harvard, MIT and Cranfield. He has worked at such companies as IBM, Alcatel and Telefónica. His most recent position was CIO of the Bank of Spain. In April 2008, he was appointed Chief Information Officer.

07 / IGNACIO GASTÓN**Chief Executive Officer of Ferrovial Agroman**

Civil Engineer (ICCP) from the University of Cantabria and MBA from the London Business School. He joined Ferrovial in 1995, and during his professional career, he has held various high-level positions in the divisions of Construction and Services. In 2003, he joined Amey, and he went on to take the position of Construction Manager at Ferrovial Agroman in the United Kingdom in 2007. In 2013, he was named Managing Director at Ferrovial Services Spain, a position that he held until being chosen as Chief Executive Officer at Ferrovial Agroman in November 2018.

10 / JORGE GIL**Chief Executive Officer of Ferrovial Aeropuertos**

He has a double degree in Business Administration and Law from ICADE University. He joined Ferrovial in 2001, holding different positions in Cintra including Structured Finance Director and Corporate and Business Development Director. In 2010, he was appointed Director of Finance and Capital Markets of Ferrovial. He began his career at The Chase Manhattan Bank, where he was part of the Corporate Finance and M&A divisions. In December 2012 he was named CEO of Ferrovial Airports.

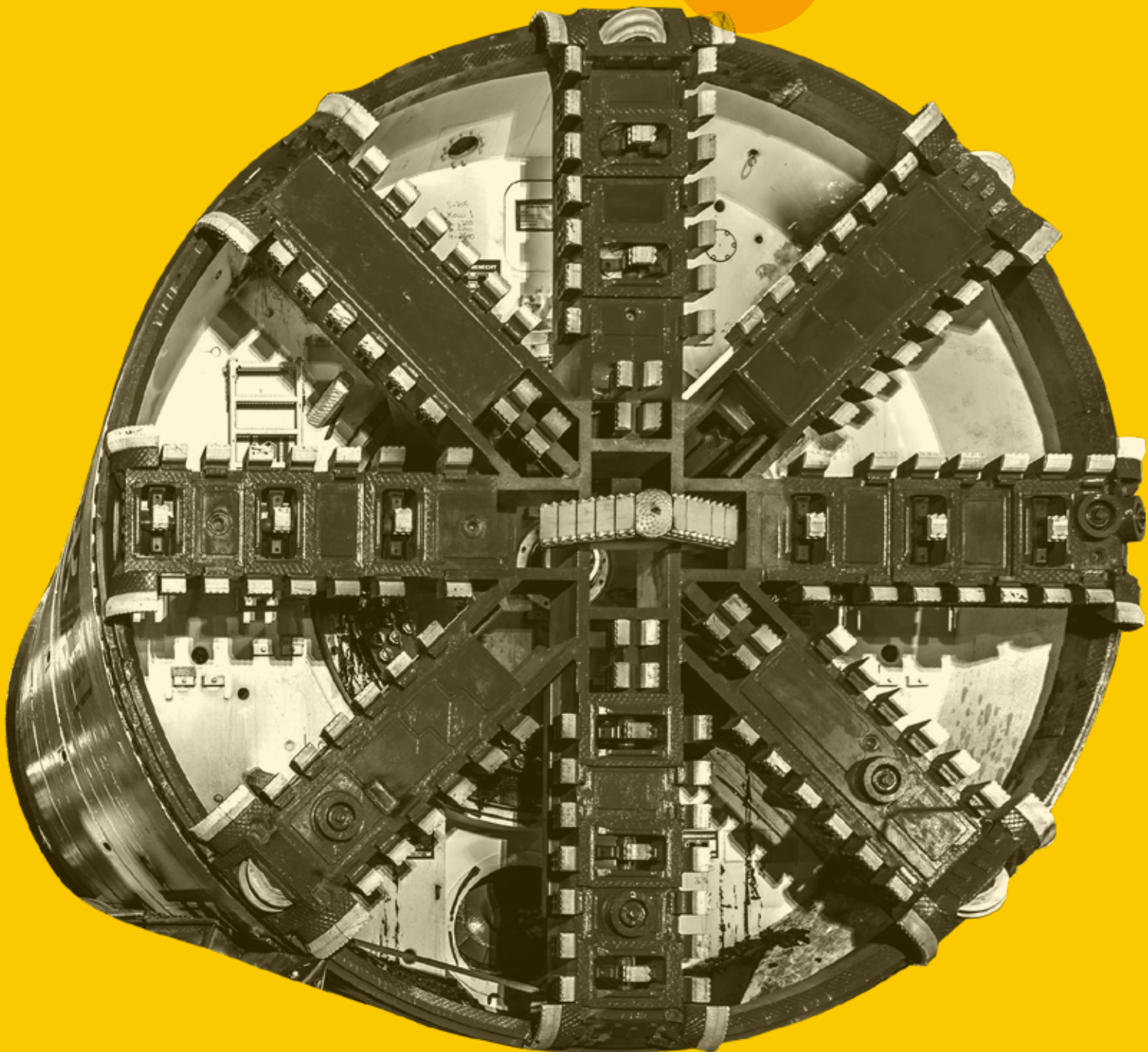


Chapter.
1.6

EXPECTED BUSINESS PERFORMANCE 2020

102/

EXPECTED BUSINESS
PERFORMANCE 2020



Expected Business Performance 2020

TOLL ROADS

The foreseeable behavior of toll roads in operation in 2020 will depend on macroeconomic developments in the countries or states where they are located and on their impact on traffic volumes and revenue. The company will continue to concentrate its efforts on maximizing the quality of the service provided, with optimization of income and costs and within the framework allowed by the concession agreements.

In **Canada**, the 407 ETR Toll Road will continue with an ambitious digital investment program in customer management systems, in gross revenues and with the launch of a new App to improve the toll road's value proposition and user experience. There will also be continued investment in the data lab to obtain a better understanding of user behavior and to personalize value propositions to the requirements of the different customers. The company will also intensify its presence in the corridor's communities to broaden its collaboration with a significant number of educational, environmental, health and wellness establishments.

In the **U.S.**, the good behavior of assets, the recent successful refinancing of NTE and the growth experienced in the area, make us confident that NTE, LBJ and NTE 35W will continue to meet expectations for revenue, user satisfaction and a reduction in congestion in the area. NTE paid its first dividend in 2019 and LBJ will do so in 2020. Also, the first results since the I-77 toll road in North Carolina became operational, the first Managed Lanes toll road in this state, continue to validate the Managed Lanes concept as a solution to traffic congestion in urban corridors. Construction of the I-66 and 3C segment of the NTE35W will also continue.

In the **remaining markets**, Cintra will continue to manage the assets in operation, conclude the opening to traffic of the Western Roads Upgrade project in Australia; various sections of the Ruta del Cacao toll road in Colombia; and continue with work on the projects in the construction phase: Silvertown, in the United Kingdom; Ruta del Cacao, in Colombia; and D4R7, in Slovakia.

Cintra will also continue to submit tenders in the regions where the company operates (North America, Europe, Australia, New Zealand, Colombia, Chile and Peru), concentrating mainly on complex green-field projects because of its high potential for creating value.

AIRPORTS

In the coming year Ferrovial Airports will continue to focus on the presentation of tenders and in maximizing the performance of its assets.

In spite of the delay of Brexit to 2020, the aviation sector is still well positioned as a result of the contingency plans already established for 2019. These plans ensure that airlines will continue to be able to operate between the European Union and the United Kingdom even if an agreement is not reached.

Heathrow Airport will continue with negotiations for the new regulatory period and for expansion, with the development of a final Business Plan, and in compliance with sustainability objectives (Carbon Neutral) in 2020.

Regarding the airports of **Aberdeen, Glasgow and Southampton**, a new Master Plan for Glasgow is expected to be published and for work to continue on the project to extend the runway for Southampton.

In 2020 Ferrovial Airports will continue to analyze opportunities for investment that arise at a global level, with special interest in those detected in the North American market, as well as those areas in which a potential for generating value is identified.

CONSTRUCTION

The perspectives by market for 2020 are as follows:

In **Spain** a slow-down in the recovery initiated in the sector in recent years is expected, in spite of favorable public works tenders for railways and airports. The order book in 2019 has increased slightly compared to the previous year, with sales in 2020 expected to stabilize.

In international markets and after the unfavorable results for 2019, there is a positive outlook as a result of improvements in operating processes in all phases of the project, the high pipeline and the differential technical capabilities of the Construction division. Nevertheless, there is still considerable pressure on profitability margins because of strong competition and inflationary trends in costs in the main markets:

- In the **U.S. and Canada** investment in transport infrastructures continues to increase, with federal support in the form of the Fast

Act in the U.S. and the Federal Infrastructures Plan in Canada, as well as increases in the budgets for states and provinces, with a special mention for Texas in 2019 with a new historic maximum in tenders for toll roads. This momentum, highlighted by P3/DBF projects in which Ferrovial is a leader together with Ferrovial Agroman as constructor, guarantee a good pipeline to the future. An increase in the sales level is expected for 2020 because of an increase in the work rhythm for a number of major projects awarded in previous years, as well as new contracts for the NTE toll road Segment 3C (Texas) and IH35 Waco (Texas), both together with the Webber subsidiary.

- In **Poland** public tenders continue at a high level as a result of extensions to plans for roads and railways until 2025-26, with the support of EU 2014-2020 Funds. A high level of funds is also expected to be assigned under the new EU multiannual financial framework for 2021-27, currently under negotiation, that will guarantee future stability for investment in the country. In 2020 a slow-down in sales growth is expected due to greater selectivity in new contracts to mitigate stress in profitability in the sector after a period with increased costs for labor and materials that are now somewhat more stable.
- In the **United Kingdom**, in spite of Brexit uncertainty, there is still political will to promote major works in the plan for infrastructure both in the short and the medium term, as can be seen in tenders required for significant public works programs such as Toll Roads England, Network Rail and Transport for London. Sales will remain stable in 2020, with growth in the medium term as a result of recent, significant awarded contracts like the Silvertown Tunnel in London.
- Also, in **Latin America and other markets** expectations are favorable, especially in Australia, with a great pipeline promoted by the Federal Government, and in Chile, with a strong investment plan for 2018-22, with special mention for concession projects. For 2020 sales are expected to be similar to 2019.

To summarize, moderate growth in sales is expected for 2020, with good opportunities for new contracts in the future. Finally, profit margins are expected to return to positive levels once the unfavorable results for 2019 have been overcome and measures for the control and improvement of operating processes have been implemented although some cash flow consumption is expected due to the reimbursement of advances and payments for executing major works, especially in the U.S.

SERVICES

Ferrovial maintains the commitment to selling its Services business. The divestment process, announced in February 2019, has

continued with an agreement reached for the sale of its business in **Australia and New Zealand** (Broadspectrum). This process is expected to continue in 2020, where a change in the interest of potential buyers has been observed, moving on from consideration of the full perimeter of Services to concentrating on specific assets and/or geographical areas.

In **United Kingdom**, with a new government, the country is expected to begin a new era of political stability and investment in infrastructures. Amey will combine cost adjustment with greater emphasis on its consultancy, transport and facility management activities. Specifically, important tenders are expected for customers like the Ministry of Defense, Network Rail and Transport Scotland.

In **Spain**, consolidation of the new political scenario will enable the activation of major tenders by regional administrations, as is the case of the contract for waste collection and road cleaning in Barcelona. In a favorable context for improving environmental sustainability, Ferrovial Servicios Spain will continue to propose and develop projects linked to the circular economy and energy efficiency, highlighting the importance of the differential provided by its technical and market knowledge.

In **North America**, continued growth in the toll road maintenance business is expected with the contribution made by the Ottawa, York and Michigan contracts, and the tenders for new contracts in U.S. states like Virginia, and Canadian provinces like Alberta. Activity in the crude-oil infrastructures sector will remain stable, as seasonal activity as high as in 2019 is not expected. Margins are expected to improve in operations in Chile and Portugal.

In 2020, Ferrovial Servicios will consolidate recovery to become a benchmark company in its sector. To do this, it will continue activities in four strategic priorities:

- Occupational safety, with the objective of “zero accidents” in all its facilities, strengthening its health and safety management systems by adapting them to new international regulations, and promoting the transfer of good practices.
- Sustainable growth, optimizing the order book of services, the assignment of human and financial resources and growing above the market in its activities with a substantial competitive advantage.
- Ongoing improvement, promoting cost and investment efficiency programs in line with international best practices.
- Digitalization, optimizing the information systems platform and encouraging the efficient application of new technologies and data analysis.



PHOTO: Southampton Airport (United Kingdom).

APPENDIX

106/
ALTERNATIVE
PERFORMANCE
MEASURES

110/
CORPORATE
RESPONSIBILITY
MANAGEMENT

112/
REPORTING PRINCIPLES

114/
TASK FORCE ON
CLIMATE RELATED
DISCLOSURES

116/
CONTENTS OF
NON-FINANCIAL
INFORMATION
STATEMENTS

115/
SCORECARD

119/
GRI STANDARDS
INDICATORS

125/
APPENDIX TO GRI
INDICATORS

130/
GLOSSARY OF TERMS

133/
VERIFICATION REPORT

Alternative Performance Measures (APM)

The company presents its results in accordance with generally accepted accounting standards (IFRS). In addition, in the Management Report and Consolidated Financial Statements released in December, the management provides other non-IFRS regulated financial measures, called APMs (Alternative Performance Measures) according to the directives of European Securities and Markets Authority (ESMA). Management uses those APMs in decision-taking and to evaluate the performance of the company. Below there are details of disclosures required by the ESMA on definition, reconciliation, explanation of use, comparisons and coherence of each APM. More detailed information is provided on the corporate web page: <https://www.ferrovial.com/en/ir-shareholders/financial-information/quarterly-financial-information/>. Additionally, on this web page the reconciliation of the comparable “like for like growth”, order book, proportional results and total shareholder return are provided.

EBITDA = GROSS OPERATING RESULT

- **Definition:** operating result before charges for fixed asset and right of use of leases depreciation and amortization.
- **Reconciliation:** the company presents the calculation of EBITDA in the Consolidated P&L (see the Consolidated Profit and Loss Account in the Management Report and the Consolidated Financial Statements) as: Gross Operating Profit = Total Operating Revenues – Total Operating Expenses (excluding those relative to fixed assets and right of use assets depreciation and amortization which are reported on a separate line).
- **Explanation of use:** EBITDA provides an analysis of the operating results, excluding depreciation and amortization, as they are non-cash variables which can vary substantially from company to company depending on accounting policies and the accounting value of the assets. EBITDA is the best approximation to pre-tax operating cash flow and reflects cash generation before working capital variation. Therefore we use EBITDA as a starting point to calculate cash flow, adding the variation in working capital. Finally, it is an APM indicator which is widely used by investors when evaluating businesses (multiples valuation), as well as by rating agencies and creditors to evaluate the level of debt, by comparing EBITDA with net debt.
- **Comparisons:** the company presents comparative figures with previous years. In order to improve the comparison, it is also presented EBITDA ex – IFRS 16 where current EBITDA is adjusted by the operating expense due to leases under the scope of IFRS 16 as it would not have been applied (see further explanation in like-for-like growth).
- **Coherence:** the criteria used to calculate EBITDA is the same as the previous year.

COMPARABLE (“LIKE-FOR-LIKE GROWTH” LfL)

- **Definition:** relative year-on-year variation in comparable terms of the figures for revenues, EBITDA, EBIT and order book. The comparable is calculated by adjusting the present year and the previous one, in accordance with the following rules:
 - Elimination of the exchange-rate effect, calculating the results of both periods at the rate in the current period.
 - Elimination from the EBIT of both periods of the impact of fixed asset impairments and results from company disposals (corresponds with the figure reported in the line “Impairments and disposals of fixed assets”).
 - In the case of company disposals and loss of control, the homog-

enization of the operating result is undertaken by eliminating the operating results of the sold company when the impact occurred in the previous year, or if it occurred in the year under analysis, considering the same number of months in both periods.

- Elimination of the restructuring costs, in both periods.
- In acquisitions of new companies which are considered material, elimination, in the current period, of the operating results derived from those companies, except in the case where this elimination is not possible due to the high level of integration with other reporting units (material companies are those whose revenues represent $\geq 5\%$ of the reporting unit’s revenues before the acquisition).
- Elimination in both periods of other non-recurrent impacts (mainly related to tax and human resources) considered relevant for a better understanding of the company’s underlying results.
- This year with the adoption of IFRS 16 leases, and for a better comparison of the gross operating profit and operating profit figures with those of the previous year, we have proceeded to undo the adjustments for this concept, reversing the adjustment for financial expense and depreciation of the right of use and recognizing a higher operating expense for leases, as if the new standard would not have been applied in the current period.
- In addition, for the operating profit figure of the Services division, presented as discontinued operations, in order to improve their comparability with respect to the previous year, the depreciation amount of the assets has been adjusted as if they were still operating in the normal course of business during the current year.
- Note: the new contracts in the Toll Roads division coming into operation are not considered acquisitions and thus are not adjusted in the comparable.
- **Reconciliation:** the comparable growth is presented in separate columns on Business Performance of the Management Report.
- **Explanation of use:** Ferrovial uses the comparable to provide a more homogenous measure of the underlying profitability of its businesses, excluding those non-recurrent elements which would induce a misinterpretation of the reported growth, impacts such as exchange-rate movements or changes in the consolidation perimeter which distort the comparability of the information. Additionally, it also allows the Company to present homogenous information, thus ensuring its uniformity, providing a better understanding of the performance of each of its businesses.
- **Comparisons:** the comparable breakdown is only shown for the current period compared with the previous period.
- **Coherence:** the criteria used to calculate the comparable “Like-for-like growth” is the same as the previous year, except for the reversion of the adjustments made for the application of IFRS 16

and the adjustment of the depreciation of assets of discontinued operations, which will only be made during the current period. We consider that this is the best way to present comparable figures for EBITDA and operating profit in order to see the evolution of the business with respect to the previous year. On the one hand, IFRS 16 on leases is the first year of adoption and has been applied retroactively, adjusting the balances at 1 January 2019, without restatement of comparatives. With respect to the second concept, assets classified as held for sale in accordance with IFRS 5 are not depreciated; however, on presenting the result of the Services division, the information is provided as if they were continuous operations for both periods.

FAIR VALUE ADJUSTMENTS

- **Definition:** the adjustments to the Consolidated P&L relative to previous results derived from: changes in the fair value of derivatives and other financial assets and liabilities; asset impairment and the impact of the two above elements in the 'equity-accounted results'.
- **Reconciliation:** a detailed breakdown of the Fair Value Adjustments is included in the Consolidated Profit and Loss Account (see the Consolidated Profit and Loss Account in the Management Report and the Consolidated Financial Statements).
- **Explanation of use:** The Fair Value Adjustments can be useful for investors and financial analysts when evaluating the underlying profitability of the company, as they can exclude elements that do not generate cash and which can vary substantially from one year to another due to the accounting methodology used to calculate the fair value.
- **Comparisons:** the company presents comparisons with previous years.
- **Coherence:** the criteria used to calculate the Fair Value Adjustments is the same as previous year.

CONSOLIDATED NET DEBT (NCP)

- **Definition:** this is the net balance of cash and cash equivalents (including short and long-term restricted cash), minus short and long-term financial debt (bank debt and bonds), including the balance related to exchange-rate derivatives that cover both the issue of debt in currency other than the currency used by the issuing company and cash positions that are exposed to exchange rate risk. The lease liability (due to the application of the new IFRS 16 standard) is not part of the Consolidated Net Debt.
- **Reconciliation:** a detailed breakdown of the reconciliation of this figure is given in the section 5.2 headed Net Debt and Corporate Credit Rating in the Management Report.
- **Explanation of use:** this is a financial indicator used by investors, financial analysts, rating agencies, creditors and other parties to determine the company's debt position. In addition, Ferrovial breaks down its net debt into two categories:
 - Net debt of infrastructure projects. This is the ring-fenced debt which has no recourse to the shareholder or with recourse limited to the guarantees issued. This is the debt corresponding to infrastructure project companies.

- Net debt ex-infrastructure projects. This is the net debt of Ferrovial's other businesses, including the group holding companies and other companies that are not considered infrastructure projects. The debt included in this calculation is mainly with recourse, and is thus the measure used by investors, financial analysts and rating agencies to assess the company's leverage, financial strength, flexibility and risks.

- **Comparisons:** the company presents comparisons with previous years.
- **Coherence:** the criterion used to calculate the net debt figure is the same as the previous year.

ORDER BOOK

- **Definition:** the income pending execution, which correspond to contracts which the Company has signed up to a certain date, and over which it has certainty on its future execution. The total income from a contract corresponds to the agreed price or rate corresponding to the delivery of goods and/or the rendering of the contemplated services. If the execution of a contract is pending the closure of financing, the income from said contract will not be added to the order book until financing is closed. The order book is calculated by adding the contracts of the actual year to the balance of the contract order book at the end of the previous year, less the income recognized in the current year.
- **Reconciliation:** the order book is presented under key figures under Services and Construction sections of the Management Report. There is no comparable financial measure in IFRS. However, a breakdown of reconciliation with Construction and Services sales figures is provided in Note 2.1 in the Consolidated Financial Statements. This reconciliation is based on the order book value of a specific construction being comprised of its contracting value less the construction work completed, which is the main component of the sales figure. The difference between the construction work completed and the Construction and Services sales figure reported in Ferrovial's Financial Statements is attributable to the fact that consolidation adjustments, charges to JVs, sale of machinery, confirming income and other adjustments are made to the latter. In addition to contracts awarded and the construction work completed, the exchange rate of contracts awarded in foreign currency, rescissions (when a contract is terminated early) or changes to the scope are all aspects that also have an impact on the movement between the original order book (corresponding to the previous year) and the end order book (for the year in question), as shown in the tables at the end of this document. Management believes that the order book is a useful indicator in terms of the future income of the company, as the order book for a specific construction will be comprised of the final sale of said construction less the net construction work undertaken.
- **Explanation of use:** the Management believes that the order book is a useful indicator with respect to the future income of the Company, due to the order book for a specific work will be the final sale of said work less the work executed net at source.
- **Comparisons:** the company presents comparisons with previous years.
- **Coherence:** the criteria used to calculate order book is the same as the previous year.

WORKING CAPITAL VARIATION

- **Definition:** measurement that explains the conciliation between the EBITDA and the operating cash flow before taxes. It is the result of the non-cash-convertible gross income primarily from changes in debt balance and commercial liabilities.
- **Reconciliation:** in Note 5.3 Cash flow of the Consolidated Financial Statement, the company provides a reconciliation between the working capital variation on the balance (see description on Section 4 Working Capital of the Consolidated Financial Statement) and the working capital variation reported in the Cash Flow Statement.
- **Explanation of use:** the working capital variation reflects the company's ability to convert EBITDA into cash. It is the result of company activities related with inventory management, collection from customers and payments to suppliers. It is useful for users and investors because it allows a measurement on the efficiency and short-term financial situation of the company.
- **Comparisons:** the company presents comparative reports from previous years.
- **Consistency:** the criteria employed for calculating the working capital variation is the same as the previous year.

TOTAL SHAREHOLDER RETURN

- **Definition:** sum of the dividends received by shareholders, revaluation/depreciation of the shares and other payments such as the delivery of shares or buy-back plans.
- **Reconciliation:** the total shareholder return is presented under the share part of section 1.1 of the Management Report. There is a breakdown of the reconciliation with the shareholder return in the financial statements.
- **Explanation of use:** it is a financial indicator used by investors and financial analysts to evaluate the performance that shareholders have received throughout the year in exchange for their contribution in capital of the Company.
- **Comparisons:** the company presents comparative reports from previous years.
- **Coherence:** the criteria employed for calculating shareholder return is the same as the previous year.

MANAGED INVESTMENT

- **Definition:** managed investment is presented under Toll Roads in section 1.2 of the Management Report. During the construction phase, it is the total investment to make. During the operating phase, this amount is increased by the additional investment. Projects are included after signing the contract with the corresponding administration (commercial close), on which date the provisional financing terms and conditions, which will be confirmed after the financial closing, are normally available. 100% of investment is considered for all projects, including those that are integrated by the equity method, regardless of Ferrovial's participation. Projects are excluded with criteria in line with the exit from the consolidation scope.
- **Reconciliation:** Managed investments at the end of December 2019 came to 21,949 million euros and are made up of 24 concessions in 9 countries. The composition of managed investments by asset type is as follows:

- (1) Model projects Intangible Assets IFRIC 12 (in operation), 7,324 million euros (6,196 million euros at December 31, 2018). The managed investment coincides with the gross investment balance in these projects included in the table in section 3.3.1 of the Consolidated Financial Statement: 6,937 million euros from NTE, NTE35W, LBJ and I-77 included in USA Toll roads (5,074 million euros at December 31, 2018). This year the I-77 was transferred to operation for 659 million euros (479 million euros were under construction last year). Additionally, 387 million euros from the Azores are included in other Toll roads. Of the total investment, 713 million euros relating to Ausol (736 million euros at December 31, 2018) has been transferred to the equity method as control was lost during the year.
 - (2) Model projects Intangible Assets IFRIC 12 (under construction), no project currently exists.
 - (3) Model projects Accounts Receivable IFRIC 12 (in operation), 448 million euros (232 million euros at December 31, 2018). Includes the managed investment in Autema. The balance at year-end comes to 716 million euros (669 million euros at December 31, 2018), including the long term and short term (see section 3.3.2 of the Consolidated Financial Statement) and, amongst others, financial remuneration of the accounts receivable, which is not considered an increase in the managed investment in the asset.
 - (4) Consolidation using the equity method, 14,177 million euros (11,565 million euros at December 31, 2018). Includes both projects in operation and under construction that are consolidated using the equity method, such as 407 ETR and extensions 4,421 million euros of 100% managed investment (4,095 million euros at December 31, 2018) or I-66, with 2,695 million euros at 100% (2,642 million euros at December 31, 2018). In the consolidated statement of financial position, these projects are included under Investments in associates, meaning the investment cannot be reconciled with the balance sheet.
- **Explanation of use:** data useful by Management to indicate the size of the portfolio of managed assets.
 - **Comparisons:** the company presents comparisons with previous years.
 - **Coherence:** the criteria employed for calculating the managed investment is the same as the previous year.

PROPORTIONAL RESULTS

- **Definition:** this is the contribution to the consolidated results in the proportion of Ferrovial's ownership in the group subsidiaries, regardless to the applied consolidation method. This information is prepared to EBITDA.
- **Reconciliation:** a reconciliation between total and proportional figures is provided in the website.
- **Explanation of use:** the proportional results can be useful for investors and financial analysts to understand the real weight of business divisions in the operative results of the group, especially keeping in mind the weight of certain assets consolidated under the equity method as 407 ETR from Toronto and the airport of Heathrow. It is an indicator that other competitors with significant subsidiaries in infrastructure projects consolidated under the equity method present.
- **Comparisons:** the company presents comparisons with previous years.
- **Coherence:** the criteria used to calculate proportional results is the same as the previous year.



PHOTO: Farringdon underground station - London (United Kingdom).

Corporate Responsibility Management

CORPORATE POLICY

Ferrovial understands Corporate Responsibility (CR) as a voluntary but essential commitment to participate in the economic, social and environmental development of the communities where it operates. The CR Policy is based on the principles of the Global Compact and internationally accepted agreements and resolutions related to the subject. It is the responsibility of the Ferrovial Board of Directors to ensure that these principles that the company has voluntarily assumed are complied with. The policy is available at www.ferrovial.com.

The content of this document constitutes a CR Policy report in itself. This offers its stakeholders detailed information on the policy support instruments to enforce compliance; the Corporate Responsibility strategy, formulated in the Plan 20.19 and continues in the Plan 20.22; and the specific practices in the field of CR, which are mentioned in their corresponding sections.

CORPORATE RESPONSIBILITY COMMITTEE

The Corporate Responsibility Committee is the link between the business areas and the corporation with Senior Management, reporting results and proposing actions to the Management Committee, as well as transmitting to the rest of the company the approval of the proposals and results reported.

The RC Committee is chaired by the Communications and CR Manager and is composed of representatives from the business areas (Toll roads, Airports, Construction and Services) and corporate areas (Human Resources, General Secretariat, Occupational Health and Safety, Quality and Environment, Risks and Innovation).

The objective of this Committee is to ensure the follow-up of the CR Strategic Plan. The chairman of the CR Committee reports annually to the Board of Directors.

His functions can be summarized as follows:

- Develop, implement and supervise the company's CR policies.
- Design and follow-up of the CR Strategic Plan.
- Coordinate the reporting processes: Integrated Annual Report and sustainability indexes.
- Information and application of CR regulations.
- Approval and monitoring of projects and sponsorships.
- Follow-up of recommendations after external verification.
- Advise other departments on CR.

CORPORATE RESPONSIBILITY STRATEGIC PLAN

For Ferrovial, CR is a priority function that reinforces the sustainability, competitiveness and reputation of the company and contributes to creating long-term value for all stakeholders and for society. The CR Strategic Plan is the indispensable tool to ensure that CR is effective in fulfilling its mission and contributing to the development

of the business, the generation of trust among its stakeholders and the fulfillment of the objectives in the medium and long term.

Ferrovial develops its CR Strategic Plan every three years, performing an annual analysis of its degree of compliance. In 2019, the period of application of the company's third CR plan, called Plan 20.19, which was in force during the period 2017 - 2019, has been completed. The main achievements in each area of action are summarized in the table on the next page.

For the period 2020-2022, the CR Committee has promoted the new Plan 20.22, prepared considering the main global macro trends, the regulatory environment, the requirements of ASG investors, the main reporting frameworks (Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB) and the Task Force on Climate-Related Disclosures (TCFD)), as well as reports on trends in CR from various prestigious institutions. In addition, like the previous Plan, it is aligned with the global agenda set by the Sustainable Development Goals, focusing especially on SDGs 6 (water and sanitation), 9 (innovation and infrastructure) and 11 (sustainable cities and communities).

It has specific areas of action and objectives for each year it is in force, aligned with the business strategy and covering Ferrovial's value chain, from customers to suppliers. The initiatives are grouped around six global macro-trends that will end up irrevocably conditioning the business of any company and that Ferrovial intends to address through this plan. They are the following:

- Digital transformation.
- New mobility and urban congestion.
- Climate change.
- Ethics and corporate governance.
- Gender equality and diversity.
- Occupational Health and Safety.

SUSTAINABILITY INDEXES

Ferrovial is periodically evaluated by analysts who take into account the company's ESG performance. In 2019, the company formed part of the main sustainability indexes:

- Dow Jones Sustainability Index (DJSI): Ferrovial is a world leader in its sector, Construction and Engineering, and has been a member of this selective index for the past 18 years. The company recently received the Gold distinction in the Sustainability Yearbook 2020.
- FTSE4Good: the company has been part of this index in its last 16 editions.
- CDP: highest rating "A" for the commitment in the fight against climate change and "A-" at CDP Water.
- MSCI: "AA", highest rating in the sector.
- VIGEO: member of the Euronext-Vigeo Eurozone 120 selection.
- STOXX: the company has been part of this index in its last five editions.

Performance area	Achievements attained
Ethics and Integrity	<ul style="list-style-type: none"> ■ Reinforcement of existing internal channels for the management of complaints and suggestions, especially the Ethical Channel, and the categories related to Human Rights have been reinforced. ■ Launch of specific training on the Code of Ethics, Prohibited Behaviors and Anti-Corruption, including specific modules on Human Rights. ■ Biennial analysis of the main ESG risks through Ferrovia Risk Management.
Corporate Governance	<ul style="list-style-type: none"> ■ Improvement of the composition and diversity of the Board. Increase in the proportion and number of Independent Directors. ■ Approval of third-party due diligence procedures: partners, suppliers and candidates. ■ Update of the materiality study, extending it to the main geographies.
People	<ul style="list-style-type: none"> ■ Notable reduction of the main accident rates (frequency and severity) during the term of the Plan. ■ Launch of wellbeing initiatives in all businesses. ■ Promotion of initiatives to promote STEM careers. ■ Promotion of employability and an inclusive and open work culture.
Environment	<ul style="list-style-type: none"> ■ Progressive reduction of the carbon footprint, reaching the proposed objectives. In addition, the goals for reducing CO₂ emissions have been scientifically certified. ■ Active promotion of the circular economy. ■ Measurement, verification and publication of the water footprint. ■ Development of tools that allow non-net loss criteria to be incorporated into projects.
Society	<ul style="list-style-type: none"> ■ Launch of a project to improve the perception of infrastructure users. ■ Strengthening of the ethical criteria in the purchasing activity through the development of the Green Purchasing Catalogue and the revision of the Code of Ethics of Buyers. ■ Calculation of the return on investment of social action projects using the SROI methodology.
Innovation	<ul style="list-style-type: none"> ■ Strong investment in innovation made in recent years. ■ Collaboration with more than 30 startups and development of more than 100 innovation projects per year.

In view of the achievements, it can be concluded that most of the proposed objectives have been met.

Reporting Principles

INFORMATION PERIMETER

Ferrovial is made up of the parent company, Ferrovial S.A. and its subsidiaries. For detailed information on the companies, see the group in the Consolidated Annual Accounts.

In 2019, there were operations that involved changes in the group due to the acquisition of companies, the awarding of new contracts and the start of new businesses. There have also been corporate restructurings. For more information, see pages 102-103 of business performance.

CONSOLIDATION PROCESS

The report includes all the companies in which Ferrovial has economic control, meaning a participation of more than 50%. In these cases, 100% of the information is reported. The list of dependent and associated companies can be found in Annex II of the Consolidated Annual Accounts, pages 218-223. Although the Services business is treated as an activity classified as financially discontinued because it is available for sale, to comply with the requirements of Law 11/2018, non-financial information does include this division in its perimeter, offering a complete vision of all aspects and impacts of the business. Therefore, in cases where material is considered, data from the Services division are disaggregated.

Also, following the indications of the GRI Guide Sustainability Reporting Standards, Ferrovial provides information on the indicators and material aspects of "outside the organization", when the data has sufficient quality, and always separately. Ferrovial considers that the most relevant impacts are those related to the 407 ETR Toll Road in Canada and the airports in the United Kingdom, companies in which its shareholding is less than 50%. Some indicators of interest associ-

ated with these assets are those related to indirect emissions (scope 3), user satisfaction, taxes paid and collected, and number of passengers travelling through airports.

TRACEABILITY

Ferrovial guarantees the traceability of information related to the Corporate Responsibility scope thanks to a reporting system, which has been available since 2007, which provides detailed information on a company level, facilitating partial consolidation by geographical location or business. In 2019, a thorough review of the requested information was carried out to adapt the system to the information requirements of the different stakeholders of the company. The software used has enabled corporate management to gather quarterly information for management and internal reporting to Senior Management.

In 2019, the reporting system collected 550 quantitative and qualitative indicators, in 118 companies, thanks to the collaboration of more than 200 users.

REFORMULATION OF THE INFORMATION

During 2019 there have been a series of changes in the scope of the companies or in the information available from previous years that may affect comparability with the data contained in reports from previous years. To guarantee the maximum transparency and comparability of the data, the body of the report shows when an indicator from previous years has been modified or shows significant changes that affect the comparability of the information. The preparation of the report has taken into account the comments or recommendations on the Statement of Non-Financial Information for 2018 made by the National Securities Market Commission (CNMV).

STAKEHOLDERS

Ferrovial is committed to the transparency of the information it shares with the market, through the continuous improvement of communication channels with all its stakeholders, based on innovative corporate information that, in addition to financial aspects, considers the environmental and social variables.

The company considers stakeholders to be individuals or social groups with a legitimate interest, who are affected by the present or future actions of the company. This definition includes both the stakeholders that form part of the company's value chain (shareholders, employees, investors, customers and suppliers), considered as partners in the development of the business, as well as external stakeholders (Administrations, Governments, media, analysts, business sector, unions, third sector and society in general), starting with the local communities in which the company develops its activities.

This relationship is dynamic since the environment changes more and more rapidly. To a large extent, Ferrovial's business depends on its relations with the Public Administrations of the countries in which it operates. Ferrovial holds decision-making positions in organizations that promote Corporate Responsibility at a national and international level, such as Fundación SERES, Forética, Spanish Network of the Global Compact and the Spanish Association for Quality (AEC). In 2019, Ferrovial chaired the Spanish Group for Green Growth.

Ferrovial is characterized by absolute political neutrality, developing its activities for both Public Administrations and private clients in the countries where it operates. The company does not make economic or in-kind contributions to political parties or electoral candidates. However, Ferrovial forms part of business or foundation representa-

tion organizations for commercial exchange between countries associated with the development of its activity or to the geographical area in which it operates. Through its presence and collaboration with these organizations, the company aspires to contribute to the progress and development of all those fields of action in which it is present. In recent years the economic contribution with these entities was around 1.2 million euros per year, which includes the Association of Construction Companies and Infrastructure Concessionaires (SEOPAN).

Ferrovial's considerations of the principles related to the content of the report are explained in the specific section on materiality. For more information on the AA1000 APS2008 and GRI Standards, see page 119 of GRI Indicators.

MATERIAL MATTERS

Ferrovial considers relevant matters to be all those that can exert a substantial influence on the assessments and decisions of the stakeholders, affecting the ability to meet their present needs without compromising future generations.

The company has established a biennial process for carrying out its materiality study, whose last edition took place in 2018. In its analysis phase, the requirements of reporting frameworks such as GRI and SASB, requests from socially responsible investors and sustainability indexes and relevant sector reports were considered, and an online survey was conducted with representatives of various stakeholders in the main markets in which the company operates. In 2019, using the base of the previous year, the issues that were the most relevant for the company and its stakeholders during the year were analyzed. Therefore, the Report offers a balanced and objective view of those issues that, due to their nature, have affected the company significantly.

Task Force on Climate-Related Financial Disclosures (TCFD)

The content of this Integrated Annual Report follows the recommendations of the TCFD. Readers can use this table to locate the content suggested by the initiative.

	CONTENTS	LOCATION
Governance	Describe the Board's oversight of climate related risks and opportunities.	<ul style="list-style-type: none"> ■ Chapter Corporate Governance, pg 92. ■ Section Climate Change Strategy, pg 72.
	Describe management's role in assessing and managing climate-related risks and opportunities.	<ul style="list-style-type: none"> ■ Chapter Risks, pg 84-87. ■ Section Climate Change Strategy, pg 72.
Strategy	Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term.	<ul style="list-style-type: none"> ■ Chapter Strategy, pg 21-22. ■ Section risks and opportunities relating to climate change, pg 72. ■ Chapter Risks, pg 84-87.
	Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning.	■ Section Climate Strategy, pg 72. See also each section related to each of Ferrovial's divisions, at pg 24-35.
	Describe the resilience of the organization's strategy, taking into consideration different future climate scenarios, including a 2°C or lower scenario.	■ Section risks and opportunities relating to climate change, pg 72.
	Describe the organization's processes for identifying and assessing climate-related risks.	<ul style="list-style-type: none"> ■ Chapter Risks, pg 84-87. ■ Section risks and opportunities relating to climate change, pg 72.
Risks	Describe the organization's processes for managing climate-related risks.	<ul style="list-style-type: none"> ■ Chapter Risks, pg 84-87. ■ Section on risks and opportunities relating to climate change, pg 72.
	Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization's overall risk management.	<ul style="list-style-type: none"> ■ Chapter Risks, pg 84-87. ■ Section risks and opportunities relating to climate change, pg 72.
	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	<ul style="list-style-type: none"> ■ Chapter Risks, pg 84-87. ■ Section risks and opportunities relating to climate change, pg 72.
Metrics	Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas emissions, and the related risks.	<ul style="list-style-type: none"> ■ Chapter the Environment, pg 73. ■ Appendix GRI Standards Indicators, pg 127.
	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	■ Chapter the Environment, pg 72-74.

Scorecard

SHAREHOLDERS	2017	2018	2019
Revenue (M€)	5,152	5,737	6,054
Operating cash flow excluding concessionaires (M€)	999	572	810
Dividends received (M€) ¹	520	520	520
EMPLOYEES	2017	2018	2019
Workforce at year-end	95,978	92,113	89,968
Total average turnover rate (%)	12.67%	8.18%	13.23%
Frequency rate	13.6	12.2	10.3
Severity rate	0.31	0.29	0.25
CUSTOMERS	2017	2018	2019
Portfolio by business unit (M€)	32,063	30,376	29,080
- Services	20,918	19,411	17,656
- Construction	11,145	10,965	11,424
Investment in R&D (M€)	47	48	45
User satisfaction with Managed Lanes (NTE and LBJ) (%)	75%	>80%	77%
HAH passenger experience (scale 1-5)	4.2	4.15	4.17
Certified activity (ISO 9001)	89%	88%	86%
SOCIETY	2017	2018	2019
Renewal of presence on sustainability indexes: DJSI, Vigeo, FTSE4Good, MSCI, STOXX, CDP	✓	✓	✓
Carbon intensity: direct and indirect greenhouse gases emissions in relative terms (tCO ₂ eq /M€ ²)	-51%	-55%	-59%
Beneficiaries of potable water and sanitation projects ³	212,605	213,713	223,314
Taxes (M€) ⁴	2,075	2,127	2,087

(1) In scrip dividend and share buyback.

(2) Scope 1 & 2 compared to base year 2009.

(3) Data accumulated since 2008 (18 projects performed in Colombia, Peru, Mexico, Tanzania, Ethiopia, Uganda and Ghana).

(4) Taxes accrued, paid and collected (cash flow criteria).

Contents of non-financial information statements about Non-Financial Information and Diversity

Contents of Law 11/2018		GRI Standard*	Location / additional information
Business Model	Description of the group's business model	A brief description of the group's business model, including its business environment, organization and structure, the markets in which it operates, its objectives and strategies, and the main factors and trends that may affect its future evolution 102-2, 102-4, 102-6, 102-7, 102-15	Chapter Ferrovial in two minutes, pages 10-17 Chapter Strategy and Value Creation, pages 20-35
Policies	Policies applied by the group	Policies applied by the group, including the due diligence procedures applied to identify, assess, prevent and mitigate significant risks and impacts, and to verify and control, as well as the measures that have been adopted 103-2 c) i	Chapter Integrity, pages 68-69
Main risks	Main risks related to these issues linked to the group's activities	Main risks related to those issues linked to the group's activities, including, where relevant and proportionate, its commercial relations, products or services that may have negative effects in those areas, and how the group manages those risks, explaining the procedures used to identify and evaluate them in accordance with the national, European or international reference frameworks for each subject. This should include information on the impacts that have been identified, giving a breakdown of these impacts, in particular on the main risks in the short, medium and long term 102-11, 102-15, 102-30 and 101-2	Chapter Risks, pages 84-87
Information on environmental matters	Current and foreseeable impacts of the company's activities on the environment and, as the case may be, on health and safety	Procedures for environmental assessment or certification	102-15, 102-29, 102-31 Chapter Environment, page 72-74.
		Resources dedicated to environmental risk prevention	102-11, 102-29 and 102-30 Chapter Quality, page 66-67.
		Applying the principle of precaution	102-29 A total 503 people currently work at the Quality and Environment departments of Ferrovial and its subsidiaries, generating an approximate cost of 22.86 M€. Chapter Risks, page 84-87 Chapter Environment, page 72-73
		Amount of provisions and guarantees for environmental risks	102-11 See Note 6.3 to the Consolidated Annual Financial Statements.
		Measures to prevent, reduce or repair CO ₂ emissions that seriously impact the environment.	307-1 Chapter Environment, page 72-74.
	Pollution	Measures to prevent, reduce or repair emissions that generate atmospheric pollution (including noise and light pollution)	103-2, 302-4, 302-5, 305-5, 305-7 Chapter Environment, page 72-74.
		Waste prevention, recycling, reuse and other forms of waste recovery and elimination measures	416-1 Chapter Quality, page 66-67.
	Circular economy and waste prevention and management	Actions to combat food wastage	103-2, 301-1, 301-2, 301-3, 303-3, 306-1, 306-2, 306-3 Chapter Environment, page 72-74.
		Consumption and supply of water in compliance with local limitations	N/A Due to the nature of the company's business activities, this indicator is not considered material.
		Consumption of raw materials and measures in place to ensure more efficient use of raw materials	303-1, 303-2, 303-3 Chapter Environment, Water Footprint section, page 74.
Sustainable use of resources	Direct and indirect energy consumption and measures in place to improve energy efficiency and use of renewable energies	301-1, 302-2, 302-3 Table of GRI Standards Indicators. Chapter Environment, Circular Economy section, page 72-74.	
	Important aspects relating to the greenhouse gas emissions generated by the company's activities (including both goods and services)	302-1, 302-2, 302-3, 302-4 and 302-5 Table of GRI Standards Indicators.	
Climate change	Measures in place to adapt to the consequences of climate change	305-1, 305-2, 305-3 and 305-4 Chapter Environment, Climate Strategy and Carbon Footprint section, page 72-73.	
	Goals for reducing greenhouse gas emissions in the medium and long run and measures put in place to reduce greenhouse gas emissions	102-15, 103-2, 201-2, 305-5 Chapter Environment, Climate Strategy and Carbon Footprint section, page 72-73.	
Protecting biodiversity	Measures put in place to conserve or restore biodiversity	103-2 Chapter Environment, Climate Strategy section, page 72-73 and chapter on Airports, page 29.	
	Impact caused by activities and operations in protected areas	304-3 Chapter Environment, Biodiversity, page 73.	
Information on social matters and employees	Employment	Total number and distribution of employees by gender, age, country and professional category	304-1, 304-2 and 304-4 Chapter Environment, Biodiversity, page 73.
		Total number and distribution of employment contract by type	102-7, 102-8, 405-1 Chapter People, page 58-59.
		Annual average of open-ended contracts, temporary contracts and part-time contracts by gender, age and job category	102-8 Table of GRI Standards Indicators.
		Number of dismissals by gender, age and job category	102-8 Table of GRI Standards Indicators. Ferrovial's information systems do not compile this type of information by age. It will be available, however, in future editions of this report. However, the total workforce is presented.
		Average remuneration and trends, broken down by gender, by age, by job category	401-1 Table of GRI Standards Indicators.
		Average remuneration and trends, broken down by gender, by age, by job category	405-2 Table of GRI Standards Indicators. Ferrovial's information systems do not allow for the segregation of this information by age. However, if the average and median compensation is broken down by geographic area and category, which are the management indicators commonly used in the Group and those that have been considered material.

* The GRI Standards indicator tables (pages 119-124) should be used to identify the information relating to each GRI Indicator.

Contents of Law 11/2018		GRI Standard*	Location / additional information
Information on social matters and employees	Employment	Salary gap	405-2 Chapter People, page 59, and appendix to indicators.
		Remuneration for similar work positions or average remuneration at the company	202-1 Table of GRI Standards Indicators.
		Average remuneration of board members and executives (including variable pay, per diem allowances, compensation and severance, payments to long-term pension and savings schemes and any other remuneration, broken down by gender)	102-35, 102-36, 201-3 Chapter Remuneration, pages 94-95 and Directors' Remuneration Report.
	Work organization	Implementation of job disconnection policies	402-1 Ferrovial is developing an internal policy in relation to digital disconnection in the workplace. The working group created to establish practical and effective measures to ensure business continuity and provide the necessary technological means for compliance is made up of the Privacy Office, the Compliance and Legal Advice Department, the Human Resources Department and Security together with the legal representation of the workers.
		Disabled employees	405-1 The number of employees with disabilities in 2019 it amounted to 1,587
		Organization of working hours	102-8 The company has the tools to adapt working time management to business needs and the demands of employees, with the aim of improving both the business competitiveness and the well-being of its staff allowing a company-oriented culture to be generated to results. In addition, it facilitates the adoption of measures of flexibility and conciliation according to the needs of each employee attending to their life cycles. Chapter on People, page 58-59.
	Health and safety	Absenteeism in hours	403-2 Table of GRI Standards Indicators.
		Measures to improve the work-life balance of employees and to ensure an appropriate balance between mother and father	401-3 Ferrovial has an internal Flexibility and Reconciliation policy that is accessible to all employees and whose main objective is to promote an appropriate balance between the personal and professional lives of its employees, while encouraging joint responsibility.
		Occupational health and safety conditions	103-2 Chapter Health and Safety, page 60-61.
	Labor relations	Workplace accidents, especially frequency and severity, as well as occupational diseases, broken down by gender.	403-2, 403-3 Table of GRI Standards Indicators. Ferrovial draws no distinction by gender when compiling injury rates, since its health and safety measures apply equally across the company, with no difference whatsoever between gender
		Enabling and organizing dialog with employees (including procedures for reporting, consulting and negotiating with employees)	102-43, 402-1, 403-1 Chapter Human Rights, page 70-71.
		Percentage of employees covered by collective bargaining agreement, by country	102-41 Chapter Human Rights, page 71, and table of GRI Standards Indicators.
	Training	List of collective agreements (especially in the field of occupational health and safety)	403-1, 403-4 The number of company collective agreements signed in 2019 was 42. In the above-mentioned collective agreements there are provisions, articles, chapters or even specific titles that regulate different obligations in the field of occupational risk prevention, (Health and Safety at Work), thus complying with and adapting to the regulations in each country. In the collective bargaining process held during 2019, matters and obligations relating to occupational health and safety have been renewed, or even improved in some cases, as a result of Ferrovial's commitment to the welfare of its workers and their occupational health and safety.
		Policies implemented in the field of training	404-2 Chapter People, page 58-59.
		Total number of training hours by job category.	404-1 Table of GRI Standards Indicators.
	Equality	Accessibility	103-2 In order to promote labor integration, all work centers are adapted to be accessible spaces according to the commitments of the inclusion strategy as well as to particular demands that may exist in response to the diversity of the workforce.
		Measures put in place to champion equal treatment and opportunities between women and men	103-2 Chapter Human Rights, page 70-71.
		Equality plans (Chapter III of Organic Law 3 of March 22, 2007, on the effective equality between women and men)	103-2 Chapter Human Rights, page 70-71.
Information on social matters and employees	Measures put in place to foster employment	103-2, 404-2 Chapters People, Human Rights and Local Community, pages 58-59, 70-71 and 78-79.	
	Policy against discrimination in all its forms and, as the case may be, integration of protocols against sexual and gender-based harassment	103-2 Chapter Human Rights, page 70-71.	
	Protocols against discrimination in all its forms and, as the case may be, to ensure the proper management of diversity	103-2, 406-1 Chapter People, page 58-59 and Human Rights, page 70-71.	

* The GRI Standards indicator tables (pages 119-124) should be used to identify the information relating to each GRI Indicator.

Contents of Law 11/2018	GRI Standard*	Location / additional information		
Information on social matters and employees	Implementation of due diligence processes on the subject of human rights	414-2	Chapter Human Rights, page 70-71.	
	Preventing the risk of committing human rights breaches and, as the case may be, measures to mitigate, manage and repair possible abuses committed	410-1, 412-1	Chapter Integrity, page 69.	
	Reports of cases where human rights have been breached	102-17, 419-1, 411-1	Chapter Human Rights, page 68-69, and chapter on ethics and integrity page 70-71.	
	Promoting and observing the fundamental conventions of the International Labor Organization governing respect for freedom of association and the right to collective bargaining, eliminating discrimination in the workplace and when hiring, eradication of forced labor and the effective eradication of child labor	103-2	Chapter Human Rights, page 70-71.	
	Measures put in place to prevent corruption and bribery	103-2	Chapter Integrity, page 68-69.	
	Anti-money laundering measures	103-2	Chapter Integrity, page 68-69.	
	Contributions to foundations and non-profit entities	103-2, 201-1, 203-2, 415-1	Chapter Community, page 78-79 and stakeholders, page 113.	
Information on the fight against corruption and bribery	Measures put in place to prevent corruption and bribery	103-2	Chapter Integrity, page 68-69.	
	Anti-money laundering measures	103-2	Chapter Integrity, page 68-69.	
	Contributions to foundations and non-profit entities	103-2, 201-1, 203-2, 415-1	Chapter Community, page 78-79	
Information on society	The impact of the company's business on employment, local development and the natural environment	203-1, 203-2, 204-1, 413-1, 413-2	Chapter Community, page 78-79.	
	Relations with agents from the local communities and forms of dialog with such associations and people	102-43, 413-1	Most of the projects undertaken by Ferrovial require a preliminary environmental impact assessment. In some cases, the performance of the project may generate certain impacts on the local communities where they are carried out. Where this is the case, the company ensures two-way dialog and explains to the affected communities the possible implications of each phase of the project. It also sets up communication channels to collect grievances, suggestions and complaints. The company also carries out a two-year consultation process with its stakeholders as part of its materiality study, and provides an Ethics Channel on its website, which is available to absolutely everyone.	
	Company commitments to sustainable development		All donation, sponsorship, patronage and association ventures are scrutinized in strict accordance with the company's own internal Procedure for approving and monitoring sponsorship, patronage and donation projects. In 2019, the company engaged in sponsorship action to promote art, culture, innovation and education. The company belongs to SEOPAN and various associations from the construction and infrastructure sectors both at home and abroad.	
	Association or sponsorship actions	102-13, 203-1, 201-1		
Information on society	Inclusion of a procurement policy that champions social issues, gender equality and environmental protection	103-3	Chapter Supply Chain, page 76-77.	
	Subcontracting and suppliers	102-9, 308-1, 308-2, 407-1, 409-1, 414-1, 414-2	Chapter Supply Chain, page 76-77.	
	Oversight systems, audits and troubleshooting processes	308-1, 308-2, 414-2	Chapter Supply Chain, page 76-77.	
	Consumers	Measures to improve the health and safety of consumers	416-1, 416-2, 417-1	Chapter Toll Roads, page 30 and chapter Innovation, page 62.
	Reporting and whistleblowing systems and grievances received and resolved	102-17, 418-1	Chapter Quality, page 66-67 and chapter on Integrity, page 69.	
	Tax information	Profits obtained by country	201-1	Note 2.B.1 to the Consolidated Annual Financial Statements.
	Taxes paid on profits	201-1	Chapter Responsible Tax Management, page 81.	
Public subsidies and aid received	201-4	Note 6.1 to the Consolidated Annual Financial Statements.		

* The GRI Standards indicator tables (pages 119-124) should be used to identify the information relating to each GRI Indicator.

GRI Standards Indicators

GRI 101 Foundation 2018
DISCLOSURES GENERAL (GRI 102: CONTENIDOS GENERALES 2018)

ORGANIZATION PROFILE	Page/Direct Reference	Scope
102-1 Name of the organization	Note 1.1. of Ferrovial's Consolidated Financial Statements 2019	Ferrovial
102-2 Activities, brands, products, and services	20	Ferrovial
102-3 Location of headquarters	Note 1.1. of Ferrovial's Consolidated Financial Statements 2019	Ferrovial
102-4 Location of operations	11 y 20	Ferrovial
102-5 Ownership and legal form	Note 1.1. of Ferrovial's Consolidated Financial Statements 2019	Ferrovial
102-6 Markets served	11 y 20	Ferrovial
102-7 Scale of the organization	10, 11, 58-59	Ferrovial
102-8 Information on employees and other workers	58-59 y Anexo Tablas GRI	Ferrovial
102-9 Supply Chain	76-77 y Anexo Tablas GRI	Ferrovial
102-10 Significant changes to the organization and its supply chain	Notes 1.1.2 and 1.1.3 of Ferrovial's Consolidated Financial Statements 2019	Ferrovial
102-11 Precautionary Principle or approach	84-85	Ferrovial
102-12 External Initiatives	113	Ferrovial
102-13 Membership of associations	113	Ferrovial
STRATEGY	Page/Direct Reference	Scope
102-14 Statement from senior decision-maker	7, 21-22, 84-85	Ferrovial
102-15 Key impacts, risks, and opportunities	7, 84-85	Ferrovial
ETHICS AND INTEGRITY	Page/Direct Reference	Scope
102-16 Values, principles, standards, and norms of behavior	14, 68-69, 78-79	Ferrovial
102-17 Mechanisms for advice and concerns about ethics	68-69	Ferrovial
GOVERNANCE	Page/Direct Reference	Scope
102-18 Governance structure	90-91 Section C of Ferrovial's Annual Corporate Governance Report 2019	Ferrovial
102-19 Delegating authority	110 Section C of Ferrovial's Annual Corporate Governance Report 2019	Ferrovial
102-20 Executive-level responsibility for economic, environmental, and social topics	110 Section C of Ferrovial's Annual Corporate Governance Report 2019	Ferrovial
102-21 Consulting stakeholders on economic, environmental, and social topics	113	Ferrovial
102-22 Composition of the highest governance body and its committees	90-91 Section C of Ferrovial's Annual Corporate Governance Report 2019	Ferrovial
102-23 Chair of the highest governance body	90-91 Sections C.1.2 and C.1.3 of Ferrovial's Annual Corporate Governance Report 2019	Ferrovial
102-24 Nominating and selecting the highest governance body	90-91 Section C.1.19 of Ferrovial's Annual Corporate Governance Report 2019	Ferrovial
102-25 Conflicts of interest	68-69 Section D.6 of Ferrovial's Annual Corporate Governance Report 2019	Ferrovial
102-26 Role of highest governance body in setting purpose, values, and strategy	90-91	Ferrovial
102-27 Collective knowledge of highest governance body	The Board of Directors is informed annually regarding environmental management issues for the company, as well as regarding monitoring of the corporate responsibility strategic plan. Furthermore, the Board, directly or via its committees, remains abreast of a series of issues on which it is required to make decisions. These include approving policies on a wide range of issues.	Ferrovial
102-28 Evaluating the highest governance body's performance	Sections C.1.19 to C.1.21 of Ferrovial's Annual Corporate Governance Report 2019	Ferrovial

102-29	Identifying and managing economic, environmental, and social impacts	90-91 Section E of Ferrovial's Annual Corporate Governance Report 2019	Ferrovial
102-30	Effectiveness of risk management processes	90-91 Section E of Ferrovial's Annual Corporate Governance Report 2019	Ferrovial
102-31	Review of economic, environmental, and social topics	90-91 Section E of Ferrovial's Annual Corporate Governance Report 2019	Ferrovial
102-32	Highest governance body's role in sustainability reporting	110	Ferrovial
102-33	Communicating critical concerns	69, 110 y 113	Ferrovial
102-34	Nature and total number of critical concerns	69, 110 y 113	Ferrovial
102-35	Remuneration policies	94-95	Ferrovial
102-36	Process for determining remuneration	94-95	Ferrovial
102-37	Stakeholders' involvement in remuneration	94-95	Ferrovial
102-38	Annual total compensation ratio	Appendix to GRI Standards	Ferrovial
102-39	Percentage increase in annual total compensation ratio	Appendix to GRI Standards	Ferrovial
STAKEHOLDERS ENGAGEMENT		Page/Direct Reference	Scope
102-40	List of stakeholder groups	113	Ferrovial
102-41	Collective bargaining agreements	71, Appendix to GRI Standards and table of contents of non-Financial Information Statements	Ferrovial
102-42	Identifying and selecting stakeholders	2, 113	Ferrovial
102-43	Approach to stakeholder engagement	110 y 113	Ferrovial
102-44	Key topics and concerns raised	111 y 113	Ferrovial
REPORTING PRACTICE		Page/Direct Reference	Scope
102-45	Entities included in the consolidated financial statements	Appendix II of Ferrovial's Consolidated Financial Statements 2019	Ferrovial
102-46	Defining report content and topic Boundaries	2, 112 y 113	Ferrovial
102-47	List of material topics	111 y 113	Ferrovial
102-48	Restatements of information	112	Ferrovial
102-49	Changes in reporting	112	Ferrovial
102-50	Reporting period	Fiscal year 2019	Ferrovial
102-51	Date of most recent report	Fiscal year 2018	Ferrovial
102-52	Reporting cycle	Annual	Ferrovial
102-53	Contact point for questions regarding the report	Back cover	Ferrovial
102-54	Claims of reporting in accordance with the GRI Standards	2, 112, 124, 133-136	Ferrovial
102-55	GRI content index	119-125	Ferrovial
102-56	External assurance	135-138	Ferrovial

GRI STANDARD			
Materiality	Indicator	Page/Direct Reference	Scope
ECONOMIC MATERIAL ASPECTS			
Management approach			
	103-1	Explanation of material issue and its limitations	113
GRI 103 Management approach 2019	103-2	Management approach and components	10-12 y 111
	103-3	Evaluation of the management approach	10-12
Economic Performance			
	201-1	Direct economic value generated and distributed	Appendix to GRI Standards
GRI 201: Economic Performance 2019	201-2	Financial implications and other risks and opportunities due to climate change	72-74 and 87 Risks and opportunities are disclosed in the Carbon Disclosure Project report, which is publicly-available on the CDP website. Information for 2019 will be made available during 2020.
	201-3	Defined benefit plan obligations and other retirement plans	Note 6.6.4 of Ferrovial's Consolidated Financial Statements 2019 Note 6.2 of Ferrovial's Consolidated Financial Statements 2019
	201-4	Financial assistance received from government	Note 6.1 of Ferrovial's Consolidated Financial Statements 2019 Note 6.4 of Ferrovial's Consolidated Financial Statements 2019

GRI STANDARD			
Materiality	Indicator	Page/Direct Reference	Scope
Market Presence			
GRI 202: Market presence 2018	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	The relationship between entry level wage and the local minimum wage in relevant countries by gender (Men/Women) is as follows: Spain 1.34/1.34 United Kingdom: 1.00/1.00 United States: 1.71/1.71 Poland: 1/1 Chile: 1.04/1.04	Ferrovial
	202-2 Proportion of senior management hired from the local community	In 2019, the proportion of senior management hired from the local community was 85.79%.	Ferrovial
Indirect economic impacts			
GRI 203: Indirect economic impacts 2018	203-1 Infrastructure investments and services supported	78-79	Ferrovial
	203-2 Significant indirect economic impacts	21, 22, 58-59, 70-71, 72-74, 76-77	Ferrovial
Procurement Practices			
GRI 204: Procurement practices 2018	204-1 Proportion of spending on local suppliers	Local suppliers in 2019 represented 92% of total number of suppliers. Suppliers which are not centralized and locally contracted are classified as local suppliers	Ferrovial
Anti-corruption			
GRI 205: Anti-corruption 2018	205-1 Operations assessed for risks related to corruption	68-69	Ferrovial
	205-2 Communication and training about anti-corruption policies and procedures	68-69	Spain
	205-3 Confirmed incidents of corruption and actions taken	68-69	Ferrovial
Anti-competitive			
GRI 206: Anti-competitive 2018	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	In 2019, two cases and litigations related to monopoly practices were open. Note 6.3 of Ferrovial's Consolidated Financial Statements 2019 Note 6.5 of Ferrovial's Consolidated Financial Statements 2019	Ferrovial
ENVIRONMENTAL MATERIAL ASPECTS			
Management approach			
GRI 103 Management approach	103-1 Explanation of the material topic and its Boundary	113	Ferrovial
	103-2 The management approach and its components	72-74 y 111	Ferrovial
	103-3 Evaluation of the management approach	72-74	Ferrovial
Materials			
GRI 301: Materials 2017	301-1 Materials used by weight or volume	Appendix to GRI Standards. It is given information about the most representative used material for each division. The most significant material could change every year according to each project, so the data could not be comparable.	Ferrovial
	301-2 Recycled input materials used	Appendix to GRI Standards	Ferrovial
	301-3 Reclaimed products and their packaging materials	The activity of the company does not include the production of goods destined for sale with packaging	Ferrovial
Energy			
GRI 302: Energy 2018	302-1 Energy consumption within the organization	Appendix to GRI Standards	Ferrovial
	302-2 Energy consumption outside of the organization	Energy use from consumption of fuels, electricity and losses due to electricity transport stood at 1,292,997 GJ	Ferrovial
	302-3 Energy intensity	Energy intensity is 560 GJ/net revenues	Ferrovial
	302-4 Reduction of energy consumption	Energy consumption reduced 7.10% compared to 2018	Ferrovial
	302-5 Reductions in energy requirements of products and services	32, 72-74	Ferrovial
Water			
GRI 303: Water 2018	303-1 Water withdrawal by source	Reported data in 2019 include estimations based on the best available information at the date of closing this report. Main consumptions are estimated based on the average water prices by country. Appendix to GRI Standards	Ferrovial
	303-2 Water sources significantly affected by withdrawal of water	Water withdrawal requires an authorization whereby the volume of water withdrawn is restricted. It must always be below the maximum limits established by the competent authority. This is why it is considered that, in accordance with these authorizations, the water withdrawn by Ferrovial does not affect the hydric resource significantly	Ferrovial
	303-3 Water recycled and reused	The consumption of recycled and reused water stood at a 139,970 m ³ . Data include the best estimation available at the date of closing this report	Ferrovial

GRI STANDARD			
Materiality	Indicator	Page/Direct Reference	Scope
Biodiversity			
GRI 304: Biodiversity 2018	304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	During 2019, Ferrovial has been working on 17 projects which were under an Environmental Impact Statement or equivalent figure, depending on each country's legal framework	Ferrovial
	304-2 Significant impacts of activities, products, and services on biodiversity	Most significant impacts on biodiversity has been assessed through th Environmental Impact Statements or equivalent figures, depending on each country's legal framework. Furthermore, they are taken compensative actions arising from these statements when applicable	Ferrovial
	304-3 Habitats protected or restored	Ferrovial performs the ecological restoration of the habitats affected by the construction and operation of its infrastructures in accordance with the provisions of current regulations in each country, adding improvements over the minimum requirements when it is possible, and ecological restoration criteria which could ensure better results on a long-term basis	Ferrovial
	304-4 IUCN Red List species and national conservation list species with habitats in areas affected by operations	Appendix to GRI Standards	Ferrovial
Emissions			
GRI 305: Emissions 2018	305-1 Direct (Scope 1) GHG emissions	73. Appendix to GRI Standards	Ferrovial
	305-2 Energy indirect (Scope 2) GHG emissions	73. Appendix to GRI Standards	Ferrovial
	305-3 Other indirect (Scope 3) GHG emissions	73. Appendix to GRI Standards Scope 3 emissions are limited to the described scope on the table 305-3 on the GRI Standards Indicators	See Appendix to GRI Indicators
	305-4 GHG emissions intensity	GHG emissions intensity reached 66 tCO2/INCN (M€)	Ferrovial
	305-5 Reduction of GHG emissions	72-73. Appendix to GRI Standards	Ferrovial
	305-6 Emissions of ozone-depleting substances (ODS)	This data is considered not relevant	Ferrovial
	305-7 Nitrogen oxides (NOX), sulfur oxides (SOX), and other significant air emissions	Appendix to GRI Standards	Ferrovial
Effluents and Waste			
GRI 306: Effluents y waste 2018	306-1 Water discharge by quality and destination	The total wastewater discharged stood at 1,115,959 m ³ . Water discharge information was calculated based on standard indicators of water discharge of certain activities published by various sources. Therefore, this information does not represent real measurements of water discharge	Ferrovial
	306-2 Waste by type and disposal method	Appendix to GRI Standards. 2019 data include estimations according to the best available information at the time of preparing this report	Ferrovial
	306-3 Significant spills	During 2019 no significant spills have been recorded	Ferrovial
	306-4 Transport of hazardous waste	During 2019 the amount of transboundary waste transported was 47.32 t	Ferrovial Servicios España
	306-5 Water bodies affected by water discharges and/or runoff	In the projects developed by Ferrovial in 2019, 19 had high quality water courses in their vicinity, of which 2 were started in 2019	Ferrovial Agroman
Environmental Compliance			
GRI 307: Environmental Compliance 2018	307-1 Non-compliance with environmental laws and regulations	The amount of significatives fines paid in the year due to breach of environmental legislation in 2019 stood at 25,200€ corresponding to one breach imposed in 2019 and 90,751€ coming from two breaches from past years	FS España Oficinas Centrales (Ferrovial Servicios, S.A.) y Ferrovial Agroman Portugal
Supplier Environmental Assessment			
GRI 308: Supplier Environmental Assessment 2018	308-1 New suppliers that were screened using environmental criteria	Chapter Supply Chain, page 76	Ferrovial
	308-2 Negative environmental impacts in the supply chain and actions taken	(See pag. 76-77) In Construction, the negative environmental impacts had by the supply chain are evaluated, identifying potential risks and substandard work. The measures adopted range from expulsion from the project and/or rejection of the supplier, to warnings that improvements are required in less serious cases. In the Services division, face-to-face audits are carried out on a sample of suppliers	Ferrovial
SOCIAL MATERIAL ASPECTS			
Management approach			
GRI 103: Management Approach	103-1 Explanation of the material topic and its Boundary	113	Ferrovial
	103-2 The management approach and its components	72-74 y 111	Ferrovial
	103-3 Evaluation of the management approach	72-74	Ferrovial

GRI STANDARD			
Materiality	Indicator	Page/Direct Reference	Scope
Employment			
GRI 401: Employment 2018	401-1 New employee hires and employee turnover	Appendix to GRI Standards	Ferrovial
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Social benefits for each country and business are offered equally to full-time employees and part-time employees. In some cases, employees need to have held their posts for at least one year to be eligible for certain social benefits	Ferrovial
	401-3 Parental leave	Ferrovial does not consider this a risk, as the countries where it operates have protectionist legislation in place for such matters. Such information is therefore not subject to specific managerial procedures	Ferrovial
Labor Relations			
GRI 402: Labor Relations 2018	402-1 Minimum notice periods regarding operational changes	Ferrovial complies with the advance notice periods established in labor legislations or those enshrined, if applicable, in the collective agreements pertinent to each business, with no corporate advance notice periods having been established	Ferrovial
Occupational Health and Safety			
GRI 403: Occupational Health and Safety 2018	403-1 Workers representation in formal joint management-worker health and safety committees	Appendix to GRI Standards	Ferrovial
	403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Appendix to GRI Standards. Information concerning contractors is only included in the calculation of the overall variation frequency index	Ferrovial
	403-3 Workers with high incidence or high risk of diseases related to their occupation	Risk of developing occupational diseases is detected through risk assessments conducted by the Safety and Health Department and controlled through the health surveillance, where relevant relevant protocol according to the risk exposure of the workers are defined and applied	Ferrovial
	403-4 Health and safety topics covered in formal agreements with trade unions	The agreements in this matter covered with the trade-union organizations are developed through sector agreements that specifically regulate matters such areas as training and information, collective protection, work teams, etc.	Ferrovial
Training and education			
GRI 404: Training and education 2018	404-1 Average hours of training per year per employee	Appendix to GRI Standards	Ferrovial
	404-2 Programs for upgrading employee skills and transition assistance programs	All training and development programs are aimed at improving the employability of the candidate. In the case of early retirement or restructuring plans (e.g. redundancy packages), specific training plans may be negotiated as part of other outplacement plans	Ferrovial
	404-3 Percentage of employees receiving regular performance and career development reviews	The percentage of employees receiving regular assessments of Ferrovial's performance and professional development is 33.12%	Ferrovial
Diversity and Equality of Opportunities			
GRI 405: Diversity and equality of opportunities 2018	405-1 Diversity of governance bodies and employees	Appendix to GRI Standards. Section C of Annual Corporate Governance Report 2019	Ferrovial
	405-2 Ratio of basic salary and remuneration of women to men	Appendix to GRI Standards	Ferrovial
No discrimination			
GRI 406: No discrimination 2018	406-1 Incidents of discrimination and corrective actions taken	69. Information about complaints received through the Corporative Whistleblowing Channel in Spain is given	Ferrovial
Freedom of association			
GRI 407: Freedom of association 2018	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	76	Ferrovial
Child Labor			
GRI 408: Child Labor 2018	408-1 Operations and suppliers at significant risk for incidents of child labor	76	Ferrovial
Forced or compulsory labor			
GRI 409: Forced or compulsory labor 2018	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	76	Ferrovial
Forced or compulsory labor			
GRI 410: Security practices 2018	410-1 Percentage of security personnel trained in the organization's human rights policies or procedures that are relevant to operations	Security guards are hired through a company that certifies that security personnel have received human rights training	Ferrovial headquarters
Rights of indigenous people			
GRI 411: Rights of indigenous people 2018	411-1 Incidents of violations involving rights of indigenous peoples	During 2019 there hasn't been detected incidents of violations involving rights of indigenous people. Identified controversies are described on page 69	Ferrovial
Human Rights Assessment			
GRI 412: Human Rights Assessment 2018	412-1 Operations that have been subject to human rights reviews or impact assessments	70-71 During 2019, Ferrovial has not done specific reviews to evaluate the impact on Human Rights' matters additional to those on health and safety and compliance	Ferrovial
	412-2 Employee training on human rights policies or procedures	69	Ferrovial
	412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	68-69, 70-71 y 76-77	Ferrovial

GRI STANDARD			
Materiality	Indicator	Page/Direct Reference	Scope
Local Communities			
GRI 413: Local Communities 2018	413-1 Operations with local community engagement, impact assessments, and development programs	78-79	Ferrovial
	413-2 Operations with significant actual and potential negative impacts on local communities	During 2019, there has not been detected situations in which Ferrovial activities had caused a negative impact on local communities.	Ferrovial
Supplier Social Assessment			
GRI 414: Supplier Social Assessment 2018	414-1 New suppliers that were screened using social criteria	76	Ferrovial
	414-2 Negative social impacts in the supply chain and actions taken	76	Ferrovial
Public Policy			
GRI 415: Public Policy 2018	415-1 Political contributions	68-69 y 113	Ferrovial
Customer Health and Safety			
GRI 416: Customer Health and Safety 2018	416-1 Assessment of the health and safety impacts of product and service categories	66-67	Ferrovial
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	In 2019, 109 cases and litigation related to the safety of workers, subcontractors and users were open. Note 6.3 of Ferrovial's Consolidated Financial Statements 2019 Note 6.5 of Ferrovial's Consolidated Financial Statements 2019*	Ferrovial
Marketing and labeling			
GRI 417: Marketing and labeling 2018	417-1 Requirements for product and service information and labeling	66-67	Ferrovial
	417-2 Incidents of non-compliance concerning product and service information and labeling	There has not been identified non-compliance incidents on this subject	Ferrovial
	417-3 Incidents of non-compliance concerning marketing communications	There has not been identified non-compliance incidents on this subject	Ferrovial
Customer Privacy			
GRI 418: Customer Privacy 2018	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	There has not been identified relevant non-compliance incidents on this subject	Ferrovial
Socioeconomic Compliance			
GRI 419: Socioeconomic Compliance 2018	419-1 Non-compliance with laws and regulations in the social and economic area	In 2019, 109 files and disputes relating to the safety of workers, subcontractors and users were closed with a penalty. Note 6.3 of Ferrovial's Consolidated Financial Statements 2019 Note 6.5 of Ferrovial's Consolidated Financial Statements 2019	Ferrovial

REPORTING PRINCIPLES

AA1000 APS2008 Standard

The standard is based on three fundamental principles:

- Inclusiveness: This principle analyzes whether the company has identified and understood the relevant aspects of its sustainable performance and presents sufficient information in terms of quality and quantity. For more information, please refer to the "Material Issues" section in this chapter.
- Materiality: The information must be the information required by the stakeholders. In other words, it ensures disclosure of all those material aspects whose omission or distortion could influence its stakeholders' decisions or actions. For more information, please refer to the GRI Standards Indicators Table.
- Responsiveness: This report includes the information relating to Ferrovial's response to stakeholder expectations.

GRI Standards Guidelines

The GRI Guidelines principles applied are:

- Establishing report contents:

- Materiality: Aspects that reflect the significant social, environmental and economic impacts had by the organization or those that could have a substantial influence on stakeholder decisions.
- Stakeholder engagement: Identifying stakeholders and describing in the report how their expectations and interests have been addressed.
- Sustainability context: Presenting the company's performance within the broader context of sustainability.
- Completeness: Coverage should enable stakeholders to assess the performance of the reporting organization.

- Establishing the quality of the report:

- Balance: The report must reflect both the positive and the negative aspects of the company's performance.
- Comparability: Stakeholders should be able to compare the information over time and with other companies.
- Accuracy: The published information must be accurate and detailed.
- Clarity: The information must be presented in a way that is clear and accessible to everyone.
- Reliability: The information must be of high quality and it should establish the company's materiality.

Appendix to GRI Standards

102-8. INFORMATION ON EMPLOYEES AND OTHER WORKERS

Number of employees at year end by type of working day and gender

	Total	2018		2019
		Men	Women	
Full – time	75,418	60,221	18,095	58,177
				17,241
Partial – time	14,550	4,817	8,980	4,079
				10,471

Number of employees at year end by type of contract and gender

	Total	2018		2019
		Men	Women	
Temporary contract	16,556	13,118	5,007	11,369
				5,187
Undefined contract	73,412	51,920	22,068	50,887
				22,525

Average number of employees by type of contract, category and gender

	Unlimited		Temporary		Total		Total
	Men	Women	Men	Women	Men	Women	
Executives	156.1	20.5	7.5	3.0	163.6	23.5	187.1
Senior Manager	746.4	151.7	70.2	2.1	816.6	153.8	970.4
Manager	3,186.0	955.3	174.9	22.7	3,360.9	978.0	4,338.9
Senior Professional / Supervisor	2,742.2	1,150.7	107.7	54.6	2,849.9	1,205.2	4,055.1
Professional	3,835.6	1,707.4	695.6	335.1	4,531.2	2,042.5	6,573.8
Administratives / Support	835.6	1,253.7	160.7	207.8	996.2	1,461.5	2,457.7
Blue Collar	39,704.8	17,023.2	11,366.0	4,533.8	1,070.8	21,557.0	72,627.7
Total	51,206.7	22,262.6	12,582.5	5,158.9	63,789.2	27,421.6	91,210.7

Number of employees at year end by region and gender

	2018		2019		Total
	Men	Women	Men	Women	
Spain	42,045	25,815	16,447	16,447	42,262
United Kingdom	16,356	11,757	4,358	4,358	16,115
Others	10,350	7,807	1,691	1,691	9,498
USA	4,490	4,576	730	730	5,306
Canada	378	654	68	68	722
Poland	6,734	4,950	1,443	1,443	6,393
Australia	11,760	6,659	3,013	3,013	9,672
TOTAL	92,113	62,218	27,750	27,750	89,968

102-9. SUPPLY CHAIN

Due to the diverse nature of Ferrovial's activities, the supply chains are different for each. Around 97% of suppliers are concentrated in Construction and Services, registering the largest volumes of orders. The Global Purchase Committee, composed of the highest representatives of business purchases, coordinates this activity, looking for possible synergies and sharing best practices.

In the Construction area, the vast majority of purchases are destined for works in progress at any time. A small part goes to the offices, departments and services that support the execution of the same. The supply chain is made up of suppliers (manufacturers and distributors) and subcontractors.

The specific characteristics of the construction supply chain are: high number of suppliers; degree of significant subcontracting, which varies depending on the type and size of the work and the country in which it is carried out; high percentage of local suppliers, since the sector is closely linked to the country / area in which each work is executed; very diverse supplier typology, from large multinationals with global implantation and highly technified, to small local suppliers (mainly subcontractors) for less qualified jobs; and need to adapt to the requirements of each local market.

In the Services business, the supply chain includes all the main and secondary suppliers (suppliers of raw materials, industrial supplies or energy, suppliers of capital goods, machinery and finished product) as well as the subcontractors and service providers involved in the company's activities, evaluating them to ensure adequate training. In Spain, from the Procurement and Fleet department, guidelines are drawn up for the different business areas regarding contracting with third parties and all the critical suppliers involved in the provision of services and supply of products for the company are managed. In the international part, each country has its procurement procedure, based on the Global Procurement Procedure defined by the Global Procurement Committee. In the United Kingdom, the typology of the supply chain is very diverse due to the wide range of activities that are carried out.

102-38. ANNUAL TOTAL COMPENSATION RATIO

	2017	2018	2019
TOTAL Ferrovial	133.63	103.18	117.05
USA	7.70	5.79	7.39
Spain	33.78	32.59	26.18
Poland	24.76	27.93	30.97
United Kingdom	25.79	23.78	21.76
Australia	8.72	13.03	17.44
Chile	14.54	15.12	15.09

102-39. PERCENTAGE INCREASE IN ANNUAL TOTAL COMPENSATION RATIO

	2017	2018	2019
TOTAL Ferrovial	48.79%	20.07%	-15.91%
USA	25.94%	36.36%	-8.91%
Spain	10.44%	3.93%	19.38%
Poland	13.04%	2.99%	-14.75%
United Kingdom	-15.93%	2.68%	7.81%
Australia	89.15%	-55.5%	-48.20%
CHILE	-1.85%	-15.54%	5.41%

102-41. COLLECTIVE BARGAINING AGREEMENTS

	Total workforce	Employees represented	% 2019	% 2018
Spain	42,262	42,250	99.9%	99%
United Kingdom	16,115	4,231	26.3%	33%
Others	8,042	4,472	55.6%	25%
USA	5,306	56	1.1%	10%
Canada	722	305	42.2%	-
Poland	6,393	5,210	81.5%	75%
Australia and New Zealand	11,128	9,757	87.7%	75%
TOTAL	89,968	66,281	73.7%	69%

201-1. DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED

GENERATED ECONOMIC VALUE (M€)	2017	2018	2019
a) Revenue:			
Turnover	5,152	5,737	6,054
Other operating revenue	1	2	2
Financial revenue	36	72	101
Disposals of fixed assets	47	95	423
Income carried by the equity method	175	240	269
TOTAL	5,411	6,146	6,849

DISTRIBUTED ECONOMIC VALUE (M€)

b) Consumption and expenses⁽¹⁾			
Consumption	818	985	949
Other operating expenses	2,905	3,324	3,958
c) Payroll and employee benefits			
Personnel expenses	915	945	1,027
d) Financial expenses and dividends			
Dividends to shareholders	218	240	238
Treasury share repurchase ⁽²⁾	302	280	282
Financial expenses	305	287	328
e) Taxes			
Corporate income tax	38	19	39
Total	5,501	6,080	6,821
RETAINED ECONOMIC VALUE (M€)	-90	66	28

1) The Group's social action expenses, together with the Foundation's expenses, are set out in Community chapter

(2) Reduction of capital by amortization of treasury shares. For more information, note 5.1 Shareholders' Equity of Consolidated Annual Accounts

301-1. MATERIALS USED BY WEIGHT OR VOLUME

	2017	2018	2019
Paper (kg)	719,591	616,444	706,053
Timber (m³)	54,059	48,131	31,861
Bitumen (t)	223,755	268,994	250,806
Concrete (t)	6,415,640	6,858,266	5,951,699
Corrugated steel (t)	200,664	162,558	179,861

302-1. ENERGY CONSUMPTION WITHIN THE ORGANIZATION

	2017*	2018*	2019		
Fuels used by stationary and mobile sources (total) (GJ)	Diesel	6,058,020	5,167,428	4,532,451	
	Fuel	78,994	98,703	157,533	
	Gasoline	472,599	289,117	586,315	
	Natural Gas	3,039,568	260,542	304,364	
	Coal	390,225	570,558	361,701	
	Kerosene	21,189	20,221	24,938	
	Propane	18,467	27,732	22,793	
	LPG	11,540	6,600	6,856	
	TOTAL	10,090,602	6,440,901	5,996,951	
Electricity consumption from non-renewable sources (GJ)	Services	379,427	315,478	188,480	
	Construction	421,327	342,664	270,934	
	Toll Roads	66,489	61,702	61,360	
	Corporation	4,501	4,073	4,239	
	Airports	30	2	4	
		TOTAL	871,774	723,919	525,018
	Electricity consumption from renewable sources (GJ)	Services	154,964	227,537	438,589
Construction		447,483	449,183	323,981	
Toll Roads		4,049	4,009	4,058	
Corporation		0	0	0	
Airports		0	0	0	
	TOTAL	606,496	680,729	766,628	

(* Data from 2017 and 2018 has been adjusted according to the best data available in 2019)

304-4. IUCN RED LIST SPECIES AND NATIONAL CONSERVATION LIST SPECIES WITH HABITATS IN AREAS AFFECTED BY OPERATIONS

Species (scientific name)	Common name	IUCN red list	ESA	Others
<i>Alasmidonta heterodon</i>	Dwarf Wedge Mussel	Vulnerable (VU)	Endangered	
<i>Ammospermophilus nelsoni</i>	San Joaquin antelope squirrel	Endangered (EN) En Peligro		
<i>Apium repens</i>	Creeping Marshwort/ Apio rastrero	Vulnerable (VU)		
<i>Cambarus howardi</i>	Chattahoochee Crayfish	Least Concern "Poco preocupante" (LC)		Protected by Georgia Endangered Wildlife Act
<i>Cedrela odorata</i>	Cedro americano / Spanish Cedar	Vulnerable (VU)		
<i>Chioglossa lusitanica</i>	Golden-striped salamander/ Salamandra rabilarga	Vulnerable (VU)		
<i>Delma torquatta</i>	Collared delma	Least Concern "Poco preocupante" (LC)		
<i>Hirundo rustica</i>	Golondrina común (Barn swallow)	Least Concern "Poco preocupante" (LC)	Endangered	"Of special interest" in <i>Catálogo Nacional de Especies Amenazadas</i>
<i>Mustela lutreola</i>	Visón europeo	Critically endangered "Amenaza crítica" (CR)		
<i>Juglans cinerea</i>	Nogal blanco americano (Butternut)	Endangered (EN) En Peligro		
<i>Margaritifera margaritifera</i>	Freshwater pearl mussel/ Mejillón de río	Endangered (EN) En Peligro		
<i>Myotis lucifugus</i>	Pequeño murciélago café (Little Brown Myotis)	Endangered (EN) En Peligro	In danger of extinction	
<i>Myotis septentrionalis</i>	Northern Long-eared Bat	Near threatened (NT)		
<i>Neophron percnopterus</i>	Alimoche (Egyptian vulture)	Endangered (EN) En Peligro		"Endangered" (<i>Libro Rojo de las Aves de España</i>)
<i>Otis tarda</i>	Great Bustard/ Avutarda	Vulnerable (VU)		
<i>Oxyura leucocephala</i>	White-headed duck/ Malvasía cabeciblanca	Endangered (EN) En Peligro		
<i>Petrochelidon Pырhonota</i>	Golondrina Risquera (Cliff Swallow/)	Least Concern "Poco preocupante" (LC)		
<i>Pseudophryne australis</i>	Red crowned toadlet	Vulnerable (VU)		
<i>Testudo graeca</i>	Common Tortoise/ Tortuga mora	Vulnerable (VU)		

301-2. RECYCLED INPUT MATERIALS USED

	2017	2018*	2019
Total recycled materials (t)	767,186	2,726,667	2,541,258

(* Data from 2018 has been adjusted according to the best data available in 2019)

302-1. ENERGY CONSUMPTION WITHIN THE ORGANIZATION

ENERGY PRODUCED (GJ)	2017	2018	2019
Electric power for recovery of biogas	354,039	329,473	207,541
Thermal energy by biogas valorisation	202,812	261,406	31,349
Electric power generated in water treatment plants	110,464	113,380	120,155
Electric power generated in thermal drying	286,657	352,379	285,752
Electric power generated in waste incineration		598,836	763,254
TOTAL	953,972	1,655,474	1,408,051

302-2. ENERGY CONSUMPTION OUTSIDE OF THE ORGANIZATION

	2017	2018	2019	
Consumption of energy acquired, by primary sources (GJ)	Coal	746,609	1,012,286	569,786
	Diesel	87,398	90,077	45,159
	Gas	653,127	457,585	260,090
	Biomass	54,845	101,151	78,764
	Waste	9,080	13,253	10,714
	Others	658,620	491,549	328,485
TOTAL	2,209,680	2,165,902	1,292,997	

303-1. WATER WITHDRAWAL BY SOURCE

	2017*	2018*	2019
Water Consumption (m3)	6,301,624	5,834,952	5,615,132

(* Data from 2017 and 2018 has been adjusted according to the best data available in 2019)

305-1. DIRECT (SCOPE 1) GHG EMISSIONS (tCO₂ eq)

EMISSIONS BY COMPANY	2009 (base year)	2017	2018*	2019
Budimex	27,744	55,008	77,094	64,373
Cadagua	18,669	1,010	599	606
FASA	61,287	116,525	81,326	85,681
Webber	55,532	36,221	40,664	41,572
Ferrovial Corporation	375	298	260	219
Cintra	3,145	2,171	2,220	2,053
Amey	252,999	215,380	216,716	233,669
Broadspectrum	98,015	98,294	62,539	42,177
Ferrovial Services	393,932	336,302	335,637	321,607
Trasnchile	41	41	30	17
TOTAL	911,740	861,251	817,084	791,974

(*) Data from 2018 has been adjusted according to the best data available in 2019

EMISSIONS BY SOURCE	2009 (base year)	2017	2018*	2019
Refrigerant	185	8	136	128
Stationary	257,927	312,558	287,157	292,555
Heating	3,794	4,302	5,356	7,591
Machinery	254,133	308,256	281,801	284,964
Mobile	382,178	332,990	307,211	271,220
Difuse	271,450	215,695	222,580	228,071
TOTAL	911,740	861,251	817,084	791,974

(*) Data from 2018 has been adjusted according to the best data available in 2019

Biogenic CO ₂ (tCO ₂ /eq)	2009 (base year)	2017	2018	2019
Construction	768	50,717	51,935	54,678
Services	729,776	733,487	736,842	733,912
TOTAL	730,544	784,205	788,777	788,590

305-2. ENERGY INDIRECT (SCOPE 2) GHG EMISSIONS (tCO₂ eq)

EMISSIONS BY COMPANY	2009 (base year)	2017*	2018*	2019
Budimex	19,921	17,154	18,446	15,953
Cadagua	44,552	14,087	11,138	6,713
FASA	13,647	17,741	10,723	10,180
Webber	10,023	6,661	6,112	3,050
Ferrovial Corporation	521	382	345	360
Cintra	12,538	7,920	7,640	7,563
Amey	14,291	2,563	2,524	2,108
Broadspectrum	27,946	26,986	22,126	21,328
Ferrovial Services	15,049	18,435	12,376	2,070
Trasnchile	4	4	0	1
TOTAL tCO₂ eq	158,492	111,932	91,430	69,327

(*) Data from 2017 and 2018 has been adjusted according to the best data available in 2019

GHG EMISSIONS (SCOPE 1 + SCOPE 2) (tCO₂ eq/M€)

POR NEGOCIO	2009 (Base year)	2017	2018	2019
Toll roads	60.26	22.94	17.36	15.61
Construction	46.22	55.48	47.59	43.2
Services	230.75	99.09	96.25	87.74
Corporation	10.43	128.69	175.56	46.87
Airports	6.29	6.29	4.69	2.6
Relative emissions (tCO₂ eq/M€)	162.36	79.37	73.10	66.18

305-3 OTHER INDIRECT GHG EMISSIONS (SCOPE 3)

Below are the activities, products and services subject to scope 3 calculations:

- Purchased goods and services: Includes emissions related to the life cycle of materials bought by Ferrovial that have been used in products or services offered by the company. This includes emissions derived from the purchase of paper, wood, water and other significant materials (concrete and asphalt), described in the indicator 301-1. Subcontractors data and purchases of corrugated steel are not included.
- Capital goods: Includes all upstream emissions (i.e. cradle-to-gate) from the production of capital goods bought or acquired by the company in the year, according to information included Consolidated Financial Statements.
- Fuel and energy related activities: This section includes the energy required for producing the fuel and electricity consumed by the company and electricity lost during transport.
- Upstream transportation and distribution: Includes emissions from transport and distribution of the main products purchased in the year, detailed in indicator 301-1 except for corrugated steel.
- Waste generated in operations: Emissions under this heading are linked to waste generated by the company's activities reported in 2019.
- Business travel: Includes emissions associated with business travel: train, plane and taxi, reported by the

main travel agency that the group works with in Spain.

- Employee commuting: This includes emissions from journeys made by employees commuting from their homes to central offices in Spain.
- Investments: This calculates emissions linked to investments in British airports. Data for 2019 is not available as of the report release date, and therefore emission figures for 2018 are used.
- Use of sold products: Ferrovial calculates emissions generated by use of land transport infrastructure managed by Cintra.
- End of life treatment of sold products: This category includes emissions from the elimination of waste generated at the end of the useful lives of products sold by Ferrovial in the reporting year. Only emissions derived from products reported in the "purchased goods and services" category are taken into account.
- Upstream leased assets: Includes emissions related to the consumption of electricity at client buildings where maintenance and cleaning services, as well as consumption management, are provided by Amey.

	2012 (base-year)	2017	2018	2019
Business travel	6,606	8,181	8,334	7,232
Capital Goods	569,407	288,004	314,611	118,081
Employee commuting	792	3,221	1,821	1,763
End of life treatment of sold products	52,703	39,245	37,456	28,070
Fuel and energy related activities	191,927	219,335	178,902	136,217
Purchased goods and services	743,192	461,150	489,189	426,605
Upstream leased	1,405	0	0	0
Upstream transportation and distribution	461,487	407,580	434,112	376,832
Use of sold product	641,031	555,585	587,563	692,499
Waste generated in operations	191,948	150,777	140,808	141,389
Investments	805,044	566,067	569,388	569,388
TOTAL	3,665,541	2,699,147	2,762,183	2,498,075

305-5. REDUCTION OF GHG EMISSIONS

	2017	2018	2019
EMISSIONS AVOIDED BY SORTING AND BIOGAS CAPTURE			
Greenhouse gas avoided by sorting (tCO ₂ eq)	699,498	659,059	899,577
Greenhouse gas avoided by biogas capture (tCO ₂ eq)	729,724	815,778	778,721
Greenhouse gas avoided by biogas capture on treatment plants (tCO ₂ eq)	432,248	420,360	422,724
EMISSIONS AVOIDED THROUGH POWER GENERATION			
In landfills (t CO ₂ eq)	32,060	29,626	18,760
At water treatment plants (tCO ₂ eq)	33,684	39,511	34,429
At waste treatment plants (tCO ₂ eq)		56,560	71,347
EMISSIONS PREVENTED BY PURCHASING ELECTRICITY FROM RENEWABLE SOURCES			
Electricity bought from third parties (tCO ₂ eq)	36,923	51,076	87,345
TOTAL	1,964,137	2,071,970	2,312,903

305-7. NITROGEN OXIDES (NO_x), SULFUR OXIDES (SO_x), AND OTHER SIGNIFICANT AIR EMISSIONS

	NO _x (t)	CO (t)	COVNM (t)	SO _x (t)	Particles (t)
Emissions from boilers	118.96	46.89	10.85	143.90	28.36
Emissions caused by motor vehicles	998.83	2,157	272.76	0	123.71
Emissions caused by electricity	45.44	17.64	0.35	71.16	3.87
EMISSIONS CAUSED BY MOBILE EQUIPMENT USED IN CONSTRUCTION WORKS					
Emissions caused by mobile equipment used in construction works	944.24	162.62	49.59	0	85.41

306-2. WASTE BY TYPE AND DISPOSAL METHOD

	2017	2018	2019
Waste produced from construction and demolition (m ³)	1,439,795	2,344,504	1,466,767
Total soil from excavation (m ³)	27,612,500	19,363,051	21,648,346
Topsoil reused (m ³)	1,458,280	922,936	2,894,515
Material sent to landfill outside the worksite (m ³)	5,287,068	528,749	762,077
Materials reused at worksite (m ³)	15,498,439	14,336,346	12,059,463
Materials sent to other worksite or authorized landfill (m ³)	5,368,713	3,575,020	5,932,290
Hazardous waste (t) ⁽¹⁾	27,944	18,419	37,973
Non-hazardous waste (t) ⁽²⁾	430,642	450,707	443,691

(1) Includes mainly leachate, sludge, contaminated soil and oil.

(2) Non-hazardous waste for 2017 and 2018 has been recalculated, excluding treated waste from cleaning and maintenance services provided by FB Servis.

CRE8. TYPE AND NUMBER OF CERTIFICATIONS, CLASSIFICATIONS AND LABELLING SYSTEMS REGARDING THE SUSTAINABILITY OF NEW CONSTRUCTIONS, MANAGEMENT, OCCUPATION AND RECONSTRUCTION.
Sustainable construction certifications obtained in Spain and Poland:

Description	Area	Certification
Hospital Fraternidad - Muprespa Habana	Spain	LEED Platinum
Nave B Click on Torija	Spain	LEED Silver
Nave Pulsar in Torija	Spain	LEED Silver
Citrus Pozuelo Office Building	Spain	LEED Platinum
Las Tablas Office Building	Spain	LEED Gold
C.I.T Metro de Madrid	Spain	Green
IESE University Education Center	Spain	LEED Gold
Ariane 6 building and Airbus Getafe development	Spain	BREEAM Good
IKEA commercial and office building Poznań	Poland	BREEAM Very Good
Expansion, reconstruction and renovation of Primary School No. 2 with Integration Departments Soldiers of the 2nd District of the Home Army 'Cielków' in Marki at ul. School 9	Poland	BREEAM Good, Green Building Standard
Siemens - construction of an office building on ul. Nicupnicza 11 in Warsaw	Poland	LEED Gold
2BCB - Marecka Centrum Edukacji-Rekreacyjne	Poland	BREEAM Very Good
Karolkowa 2B - building complex A and B	Poland	BREEAM Good
Camellia zespół miesz. ul. Potrzebna Włochy	Poland	HQE

401-1. NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER

In 2019, the total number of new hires was 30,305, which corresponds to a total hiring rate of 33.68% in relation to the staff at the end of the year. The breakdown by country, gender and age is as follows:

		<30	30 - 45	>45	Subtotal	TOTAL
USA	Men	1,296	1,834	1,459	4,589	5,278
	Women	219	281	189	689	
Canada	Men	114	215	411	740	803
	Women	16	14	33	63	
United Kingdom	Men	673	765	659	2,097	2,987
	Women	289	343	258	890	
Poland	Men	255	340	194	789	1,022
	Women	128	84	21	233	
Spain	Men	1,379	1,940	1,397	4,716	9,570
	Women	890	1,641	2,323	4,854	
Australia	Men	490	716	500	1,706	2,591
	Women	260	331	294	885	
Rest of countries	Men	1,464	3,046	2,281	6,791	8,054
	Women	326	445	492	1,263	
TOTAL	Men	5,671	8,856	6,901	21,428	30,305
	Women	2,128	3,139	3,610	8,877	
	Subtotal	7,799	11,995	10,511		

Average turnover rate disclosed by gender, category and age

	VOLUNTARY						INVOLUNTARY*						TOTAL						TOTAL BY CATEGORY
	Men			Women			Men			Women			Men			Women			
	<30	30-45	>45	<30	30-45	>45	<30	30-45	>45	<30	30-45	>45	<30	30-45	>45	<30	30-45	>45	
Executives	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%	0.00%	0.00%	0.00%	0.02%
Senior Manager	0.00%	0.01%	0.01%	0.00%	0.01%	0.00%	0.00%	0.01%	0.01%	0.00%	0.00%	0.00%	0.00%	0.02%	0.02%	0.00%	0.01%	0.00%	0.06%
Manager	0.02%	0.14%	0.05%	0.00%	0.05%	0.02%	0.01%	0.05%	0.04%	0.00%	0.02%	0.01%	0.03%	0.19%	0.09%	0.00%	0.07%	0.03%	0.41%
Senior Professional / Supervisor	0.04%	0.11%	0.04%	0.01%	0.07%	0.02%	0.01%	0.05%	0.06%	0.01%	0.01%	0.01%	0.05%	0.16%	0.10%	0.02%	0.08%	0.03%	0.43%
Professional	0.20%	0.22%	0.08%	0.11%	0.13%	0.02%	0.05%	0.07%	0.09%	0.02%	0.03%	0.02%	0.25%	0.30%	0.17%	0.13%	0.16%	0.04%	1.04%
Administratives / Support	0.06%	0.03%	0.04%	0.10%	0.06%	0.02%	0.01%	0.04%	0.01%	0.02%	0.02%	0.02%	0.07%	0.07%	0.05%	0.12%	0.08%	0.04%	0.44%
Blue Collar	1.14%	1.87%	1.33%	0.30%	0.81%	0.54%	0.94%	1.86%	1.41%	0.13%	0.26%	0.25%	2.08%	3.73%	2.74%	0.43%	1.07%	0.78%	10.84%
Subtotal by age	1.46%	2.39%	1.56%	0.51%	1.13%	0.62%	1.01%	2.09%	1.63%	0.19%	0.33%	0.30%	3.02%	6.03%	4.69%	0.72%	1.48%	0.93%	
Subtotal by gender	5.42%			2.26%			4.73%			0.82%			10.14%			3.09%			13.23%
Total	7.68%						5.55%												

* Total involuntary leaves in 2019 were 5,056.

403-1. WORKERS REPRESENTATION IN FORMAL JOINT MANAGEMENT-WORKER HEALTH AND SAFETY COMMITTEES

	2017	2018	2019
Percentage of total workforce represented in formal joint management-worker Health and Safety committees	63.4	70.2	70.3

CRE6. PERCENTAGE OF THE ORGANIZATION OPERATING IN VERIFIED COMPLIANCE WITH AN INTERNATIONALLY RECOGNIZED HEALTH AND SAFETY MANAGEMENT SYSTEM*

	2017	2018	2019
Percentage of the organization certified in compliance with a health and safety management system	95	94	92

* During 2019 the calculation criterion has been modified, calculating the % of certified activity over the average workforce for 2017, 2018 and 2019.

403-2. TYPES OF INJURY AND RATES OF INJURY, OCCUPATIONAL DISEASES, LOST DAYS, AND ABSENTEEISM, AND NUMBER OF WORK-RELATED FATALITIES

	2017	2018	2019
Frequency rate	13.6	12.2	10.3
Frequency rate including subcontractors	10.8	10.0	7.7
Severity index	0.31	0.29	0.25
Absenteeism rate	5.28	5.66	5.54
Occupational disease frequency index	0.56	0.44	0.39
Absenteeism hours (mill.hours)		9.77	9.52

Frequency Rate = number accidents involving absence * 1,000,000 / No. hours worked

Severity Index = No. days lost * 1,000 / No. hours worked

Note: in 2019 there were fourteen fatal accidents, five of employees and nine of contractor workers.

404-1. AVERAGE HOURS OF TRAINING PER YEAR PER EMPLOYEE

	2017	2018	2019						Hours per employee 2019	
			Executives	Senior Manager	Manager	Senior Professional / Supervisor	Professional	Administratives / Support		Blue Collar
Corporate	26,079	34,342	707	2,956	2,022	10,663	1,798	1,127	180	40.78
Construction	195,515	192,331	1,542	13,808	49,841	39,277	49,395	13,050	33,032	11.80
Services	613,381	606,195	1,754	5,069	29,561	31,007	31,797	28,664	520,878	9.03
Toll Roads	18,950	21,087	-	1,066	3,367	2,758	1,877	885	4,493	29.13
Real Estate	2,064	1,145	107	22	326	160	160	80	-	5.55
Airports	1,091	1,941	-	861	723	547	68	319	-	51.39
Subtotal			4,110	23,782	85,840	84,412	85,095	44,125	558,583	9.85
TOTAL	857,079	857,041				885,947				

405-1. DIVERSITY OF GOVERNANCE BODIES AND EMPLOYEES

		2019								Subtotal	Total
		Executives	Senior Manager	Manager	Senior Professional / Supervisor	Professional	Administratives / Support	Blue Collar			
Corporation	Men	51	40	28	93	18	5	53	288	477	
	Women	8	24	20	83	14	24	16	189		
Toll Roads	Men	0	49	70	38	31	7	139	334	496	
	Women	0	13	21	34	29	25	40	162		
Airports	Men	0	13	14	6	0	0	0	33	49	
	Women	0	4	1	6	0	5	0	16		
Construction	Men	75	289	1,717	1,240	2,675	521	7,771	14,288	16,940	
	Women	4	38	346	411	1,157	519	177	2,652		
Services	Men	32	346	1,498	1,403	1,358	349	42,268	47,254	71,852	
	Women	9	84	549	667	816	1,027	21,446	24,598		
Real Estate	Men	3	6	23	7	17	1	2	59	154	
	Women	1	0	20	11	49	13	1	95		
TOTAL	Men	161	743	3,350	2,787	4,099	883	50,233	62,256	89,968	
	Women	22	163	957	1,212	2,065	1,613	21,680	27,712		

405-2 RATIO OF THE BASIC SALARY AND REMUNERATION OF MEN TO WOMEN

Country	Gender	% of employees	Median salary	Average salary	% of gender pay gap (median salary)	% of gender pay gap (average salary)
Spain	Men	61%	28,900 €	32,503 €	16.93%	15.50%
	Women	39%	24,008 €	27,464 €		
United Kingdom	Men	73%	£31,461	£35,422	28.95%	25.60%
	Women	27%	£22,354	£26,354		
Australia	Men	69%	87,998 AUD	94,018 AUD	27.34%	26.50%
	Women	31%	63,936 AUD	69,099 AUD		
United States	Men	87%	\$65,216	\$66,311	-1.70%	-1.76%
	Women	13%	\$66,324	\$67,475		
Poland	Men	77%	106,902 zł	116,029 zł	10.65%	12.55%
	Women	23%	95,514 zł	101,465 zł		
Chile	Men	90%	14,062,402 CLP	14,828,112 CLP	1.19%	3.23%
	Women	10%	13,894,918 CLP	14,349,130 CLP		
Portugal	Men	53%	10,029 €	10,605 €	8.16%	11.90%
	Women	47%	9,210 €	9,343 €		

405-2 RATIO OF THE BASIC SALARY AND REMUNERATION OF MEN TO WOMEN

Average salary by professional category (in local currency).

Country	Professional category	Gender	% of employees	Average salary
Spain	Executives/Senior Manager/Manager	Men	80%	103,742 €
		Women	20%	76,028 €
	Senior Professionals/Supervisors	Men	66%	49,230 €
		Women	34%	42,011 €
	Professionals	Men	70%	43,253 €
		Women	30%	34,045 €
	Administratives/Support	Men	54%	32,155 €
		Women	46%	29,981 €
	Blue Collars	Men	60%	28,303 €
		Women	40%	25,864 €
	TOTAL 2019	Men	61%	32,503 €
		Women	39%	27,464 €
TOTAL 2018	Men	62%	32,941 €	
	Women	38%	28,051 €	
United Kingdom	Executives/Senior Manager/Manager	Men	77%	£72,513
		Women	23%	£55,226
	Senior Professionals/Supervisors	Men	80%	£39,066
		Women	20%	£46,927
	Professionals	Men	60%	£48,647
		Women	40%	£41,009
	Administratives/Support	Men	15%	£23,453
		Women	85%	£23,420
	Blue Collars	Men	76%	£29,946
		Women	24%	£21,148
	TOTAL 2019	Men	73%	£35,422
		Women	27%	£26,354
TOTAL 2018	Men	74%	£31,706	
	Women	26%	£19,845	
Australia	Executives/Senior Manager/Manager	Men	71%	223,028 AUD
		Women	29%	172,683 AUD
	Senior Professionals/Supervisors	Men	70%	125,956 AUD
		Women	30%	90,132 AUD
	Professionals	Men	66%	108,905 AUD
		Women	34%	90,926 AUD
	Administratives/Support	Men	38%	89,362 AUD
		Women	62%	71,406 AUD
	Blue Collars	Men	71%	78,673 AUD
		Women	29%	55,860 AUD
	TOTAL 2019	Men	69%	94,018 AUD
		Women	31%	69,099 AUD
TOTAL 2018	Men	73%	83,248 AUD	
	Women	27%	63,344 AUD	
United States	Executives/Senior Manager/Manager	Men	80%	\$155,522
		Women	20%	\$135,112
	Senior Professionals/Supervisors	Men	82%	\$108,334
		Women	18%	\$85,358
	Professionals	Men	79%	\$80,914
		Women	21%	\$73,522
	Administratives/Support	Men	35%	\$57,728
		Women	65%	\$48,737
	Blue Collars	Men	94%	\$52,093
		Women	6%	\$52,106
	TOTAL 2019	Men	87%	\$66,311
		Women	13%	\$67,475
TOTAL 2018	Men	86%	\$68,512	
	Women	14%	\$65,937	

Country	Professional category	Gender	% of employees	Average salary
Poland	Executives/Senior Manager/Manager	Men	82%	226,461 zł
		Women	18%	168,911 zł
	Senior Professionals/Supervisors	Men	62%	153,615 zł
		Women	38%	131,324 zł
	Professionals	Men	55%	94,933 zł
		Women	45%	83,741 zł
	Administratives/Support	Men	25%	69,234 zł
		Women	75%	55,833 zł
	Blue Collars	Men	99%	65,091 zł
		Women	1%	45,935 zł
	TOTAL 2019	Men	77%	116,029 zł
		Women	23%	101,465 zł
TOTAL 2018	Men	78%	103,616 zł	
	Women	22%	98,139 zł	
Chile	Executives/Senior Manager/Manager	Men	81%	77,119,552 CLP
		Women	19%	46,426,074 CLP
	Senior Professionals/Supervisors	Men	81%	33,447,678 CLP
		Women	19%	27,421,237 CLP
	Professionals	Men	73%	17,890,683 CLP
		Women	27%	18,618,510 CLP
	Administratives/Support	Men	53%	12,261,904 CLP
		Women	47%	10,864,731 CLP
	Blue Collars	Men	92%	13,367,862 CLP
		Women	8%	11,683,403 CLP
	TOTAL 2019	Men	90%	14,828,112 CLP
		Women	10%	14,349,130 CLP
TOTAL 2018	Men	91%	16,076,403 CLP	
	Women	9%	14,016,384 CLP	
Portugal	Executives/Senior Manager/Manager	Men	64%	59,209 €
		Women	36%	42,228 €
	Senior Professionals/Supervisors	Men	75%	30,167 €
		Women	25%	35,026 €
	Professionals	Men	77%	13,763 €
		Women	23%	14,586 €
	Administratives/Support	Men	39%	12,697 €
		Women	61%	11,744 €
	Blue Collars	Men	48%	8,825 €
		Women	52%	8,458 €
	TOTAL 2019	Men	53%	10,605 €
		Women	47%	9,343 €
TOTAL 2018	Men	63%	11,826 €	
	Women	37%	8,142 €	

Glossary of Terms

ACI: Airports Council International (ACI) is the only global trade representative of the world's airports. Established in 1991, ACI represents airport's interests with Governments and international organizations such as ICAO; develops standards, policies and recommends practices for airports, and provides information and training opportunities to raise standards around the world. This section provides you with information on the structure and background of ACI.

AGS: Aberdeen, Glasgow and Southampton. AGS Airports is the United Kingdom-based owner of Aberdeen, Glasgow and Southampton Airports. The company was formed in September 2014 by Ferrovial and Macquire Group. The company acquired Aberdeen, Glasgow and Southampton Airports in December 2014 from Heathrow Airport Holdings.

ASQ: Airport Service Quality Survey. The Airport Service Quality is the world-renowned and globally established global benchmarking programme measuring passengers' satisfaction whilst they are travelling through an airport. The programme provides the research tools and management information to better understand passengers' views and what they want from an airport's products and services.

BAME: acronym in English of black, asian and minority ethnic.

BIM: It is a collaborative work methodology for the creation and management of a construction project (both building and infrastructure). Its objective is to centralize all project information in a digital information model created by all its agents. The use of BIM goes beyond the design phases, encompassing the execution of the project and extending throughout the life cycle of the building, allowing its management and reducing operating costs.

BWI: Business Water Index. Business Water Index is related to the consumption of water and its discharge carried out in activities developed by Ferrovial.

CAA: Civil Aviation Authority. The Civil Aviation Authority is the statutory corporation which oversees and regulates all aspects of civil aviations in the United Kingdom. The CAA is a public corporation of the Department for Transport established by the British Parliament in 1972 and an independent aviation regulator.

CAC: Audit and Control Committee. The Audit and Control Committee is composed of two independent directors and one external director. It is responsible for the supervision of accounts, internal audit, financial information and risk control.

DBFOM: Design, Building, Finance, Operation and Maintenance.

CDP: Carbon Disclosure Project. CDP is an organisation based in the United Kingdom which supports companies and cities to disclose the environmental impact of major corporations. It aims to make environmental reporting and risk management a business norm, and drive disclosure, insight and action towards a sustainable economy.

CIIO: Chief Information and Innovation Officer. A chief innovation officer (CINO) or chief technology innovation officer (CTIO) is a person in a company who is primarily responsible for managing the process of innovation and change management in an organization, as well as being in some cases the person who originates new ideas but also recognizes innovative ideas generated by other people.

CNMV: Comisión Nacional del Mercado de Valores. The National Securities Market Commission (CNMV) is the body responsible for the supervision and inspection of Spanish securities markets and the activity of all those involved in them. The aim of the CNMV is to ensure the transparency of Spanish securities markets and the correct formation of prices, as well as the protection of investors.

CPS: Current Policies Scenario. Consider the impact of the policies and measures that are firmly established at present. This scenario would mean an increase in the global temperature of +3-4°C in 2100.

CRM: Customer Relationship Management. It is an information industry term that applies to methodologies, software and, in general, to the capabilities of the Internet that help a company manage relationships with its customers in an organized manner.

CSIC: Consejo Superior de Investigaciones Científicas. The Spanish National Research Council (CSIC) is the largest public institution dedicated to research in Spain and the third largest in Europe. Belonging to the Spanish Ministry of Economy and Competitiveness through the Secretary of State for Research, Development and Innovation, its main objective is to develop and promote research that will help bring about scientific and technological progress, and it is prepared to collaborate with Spanish and foreign entities in order to achieve this aim.

DJSI: The Dow Jones Sustainability Indices (DJSI) launched in 1999, are a family of indices evaluating the sustainability performance of thousands of companies trading publicly and a strategic partner of the S&P Dow Jones Indices. They are the longest-running global sustainability benchmarks worldwide and have become the key reference point in sustainability investing for investors and companies alike. The DJSI is based on an analysis of corporate economic, environmental and social performance, assessing issues such as corporate governance, risk management, branding, climate change mitigation, supply chain standards and labor practices.

FTSE4Good: The FTSE4Good Index Series is designed to measure the performance of companies demonstrating strong Environmental, Social and Governance (ESG) practices.

EBITDA: Earnings Before Interest, Taxes, Depreciation, and Amortization. The Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA) is an accounting measure calculated using a company's net earnings, before interest expenses, taxes, depreciation, and amortization are subtracted, as a proxy for a company's current operating profitability (i.e., how much profit it makes with its present assets and its operations on the products it produces and sells, as well as providing a proxy for cash flow).

EPD: Environmental Product Declaration. An EPD provides a reliable, relevant, transparent, comparable and verifiable environmental profile that highlights an environmentally friendly product, based on life cycle information (LCA) according to international standards and quantified environmental data.

FRM: Ferrovial Risk Management. The Ferrovial Risk Management (FRM) is an identification and assessment process, supervised by the Board of Directors and the Management Committee, which is implemented in all business areas. This process makes it possible to forestall risks; once they have been analyzed and assessed based on their potential impact and likelihood, the most appropriate management and protection measures are taken, depending on the risk nature and location.

GECV: Grupo Español de Crecimiento Verde. The Spanish Group of Green Growth is a business association whose objective is to transfer to society and to public administration its vision of a model of economic growth which is compatible with the efficient use of natural resources.

GHG: Greenhouse Gas. A greenhouse gas is a gas in an atmosphere that absorbs and emits radiant energy within the thermal infrared range.

GRI: Global Reporting Initiative. GRI helps businesses and governments worldwide understand and communicate their impact on critical sustainability issues such as climate change, human rights, governance and social well-being. This enables real action to create social, environmental and economic benefits for everyone. The GRI Sustainability Reporting Standards are developed with true multi-stakeholder contributions and rooted in the public interest.

GWT: Global Water Tool. The Global Water Tool (GWT) is a free, publicly available resource for identifying corporate water risks and opportunities which provides easy access to and analysis of critical data. It includes a workbook (data input, inventory by site, key reporting

indicators, metrics calculations), a mapping function to plot sites with datasets, and a Google Earth interface for spatial viewing.

GOP: Gross Operating Profit (RBE): See EBITDA.

HAA: Heathrow Airport Holdings. Heathrow Airport Holdings Limited, formerly BAA is the United Kingdom-based operator of Heathrow Airport. It was formed by the privatisation of the British Airports Authority as BAA plc as part of Margaret Thatcher's moves to privatise government-owned assets. BAA plc was bought in 2006 by a consortium led by Ferrovial.

IAGC: Informe Anual de Gobierno Corporativo.

IFRS: IFRS. International Financial Reporting Standards, usually called the IFRS Standards, are standards issued by the IFRS Foundation and the International Accounting Standards Board (IASB) to provide a common global language for business affairs so that company accounts are understandable and comparable across international boundaries.

IRR: Internal Rate of Return. Internal Rate of Return (IRR) is a metric used in capital budgeting to estimate the profitability of potential investments. Internal rate of return is a discount rate that makes the net present value (NPV) of all cash flows from a particular project equal to zero.

IoT: Internet of Things. The Internet of things (IoT) is the network of physical devices, vehicles, home appliances and other items embedded with electronics, software, sensors, actuators, and network connectivity which enables these objects to connect and exchange data.

ILO: International Labour Organization. The International Labour Organization (ILO) is a United Nations agency dealing with labour problems, particularly international labour standards, social protection, and work opportunities for all.

ISO: International Organization for Standardization. ISO is an independent, non-governmental international organization with a membership of 162 national standards bodies. Through its members, it brings together experts to share knowledge and develop voluntary, consensus-based, market relevant International Standards that support innovation and provide solutions to global challenges.

Managed Lanes: assets developed by Ferrovial in the United States, consisting of a lane or toll lanes in addition to those already existing, in which a minimum speed is guaranteed to its users. The rates are adjusted to the traffic conditions, thereby regulating access levels.

MBA: The Master of Business Administration (MBA or M.B.A.) is a master's degree in business administration (management).

MIT: Massachusetts Institute of Technology is an educational institution focused on excellence and research and founded in Boston, Massachusetts (USA), in 1861. The mission of the Massachusetts Institute of Technology is to advance knowledge and educate students in science, technology, and other areas of scholarship. The Institute is an independent, coeducational, privately endowed university, organized into five Schools (architecture and planning; engineering; humanities, arts, and social sciences; management; and science). It has some 1,000 faculty members, more than 11,000 undergraduate and graduate students, and more than 130,000 living alumni.

NPS: New Policies Scenario. This not only incorporates the announcement of policies and measures but also the effects of their implementation. This scenario would mean an increase in the global temperature of +2–3°C in 2100.

OMEGA: Optimization of Equipment Maintenance and Asset Management.

P3: Public–Private Partnership. A public–private partnership (P3, 3P or P3) is a cooperative arrangement between two or more public and private sectors, typically of a long–term nature. Governments have used such a mix of public and private endeavors throughout history, for instance, in order to develop infrastructure projects.

PAB: Private Activity Bonds. Tax–exempt bonds issued by or on behalf of local or state government for the purpose of providing special financing benefits for qualified projects. The financing is most often for projects of a private user, and the government generally does not pledge its credit. These bonds are used to attract private investment for projects that have some public benefit. There are strict rules as to which projects qualify. This type of a bond results in reduced financing costs because of the exception of federal tax.

RCE: Risk Control Effectiveness.

SASB: Sustainability Accounting Standards Board. Is a nonprofit organization that sets financial reporting standards. SASB was founded in 2011 to develop and disseminate sustainability accounting standards.

SBTi: Science Based Targets. Science–based targets provide companies with a clearly defined pathway to future–proof growth by specifying how much and how quickly they need to reduce their greenhouse gas emissions.

SDG: Sustainable Development Goals. The Sustainable Development Goals (SDGs) are a collection of 17 global goals set by the United Nations. The SDGs cover a broad range of social and economic development issues. These include poverty, hunger, health, education, climate change, gender equality, water, sanitation, energy, environment and social justice.

SDS: Sustainable Development Scenario. This scenario is consistent with the decarbonisation of the economy needed in order to achieve the Paris Agreement. It includes a peak in emissions that will be reached as

soon as possible followed by a decrease. An increase in temperatures with respect to pre–industrial levels of 2°C or less is expected.

STEM: Science, Technology, Engineering and Maths. This term is typically used when addressing education policy and curriculum choices in schools to improve competitiveness in science and technology development.

TCFD: Task Force on Climate–related Financial Disclosures. The FSB Task Force on Climate–related Financial Disclosures (TCFD) develops voluntary, consistent climate–related financial risk disclosures for use by companies in providing information to investors, lenders, insurers, and other stakeholders. The Task Force considers the physical, liability and transition risks associated with climate change and what constitutes effective financial disclosures across industries.

TSR (RTA): Total Shareholder Return. Total shareholder return (TSR) (or simply total return) is a measure of the performance of different companies' stocks and shares over time. It combines share price appreciation and dividends paid to show the total return to the shareholder expressed as an annualized percentage.

USPP: US Private Placement. The US Private Placement (“USPP”) market is a US private bond market which is available to both US and non US companies. The principle attraction of this market is that it provides an alternative source of liquidity from the traditional bank market without the need for a formal credit rating and reporting requirements which are a pre–requisite of the public bond markets.


UTE: Unión Temporal de Empresas.

WAI: Water Access Index. The Water Access Index (WAI) , related to water supply projects within the Social Action Program.

WBCSD: World Business Council For Sustainable Development. WBCSD is a global, CEO–led organization of over 200 leading businesses working together to accelerate the transition to a sustainable world.

WFM: Water Footprint Assessment Manual. The manual covers a comprehensive set of definitions and methods for water footprint accounting. It shows how water footprints are calculated for individual processes and products, as well as for consumers, nations and businesses. It includes methods for water footprint sustainability assessment and a library of water footprint response options.

WRI: World Resources Institute. The World Resources Institute (WRI) is a global research non–profit organization that was established in 1982. The organization's mission is to promote environmental sustainability, economic opportunity, and human health and well–being. WRI partners with local and national governments, private companies, publicly–held corporations, and other non–profits, and offers services including global climate change issues, sustainable markets, ecosystem protection, and environmental responsible governance services.

WTI: Water Treatment Index. The Water Treatment Index is related to the impact of the water treatment activity on resources (WWTP, Wastewater Treatment Plant, iWWT, Industrial Wastewater Treatment Plant, PWTP, Potable Water Treatment Plant, and SWDF, Seawater Desalination Facilities). 



Deloitte, S.L.
Plaza Pablo Ruiz Picasso, 1
Torre Picasso
28020 Madrid
España

Tel: +34 915 14 50 00
www.deloitte.es

Translation of a report originally issued in Spanish. In the event of a discrepancy, the Spanish-language version prevails.

INDEPENDENT LIMITED ASSURANCE REPORT

To the Shareholders of Ferrovial, S.A.,

In accordance with Article 49 of the Spanish Commercial Code, we have performed the verification, with a scope of limited assurance, of the 2019 Consolidated Management Report (CMR), which contains the Consolidated Non-Financial Information Statement (NFIS) for the year ended 31 December 2019 of Ferrovial, S.A. and subsidiaries ("Ferrovial" or "the Group"), which forms part of Consolidated Management Report of Ferrovial.

The CMR includes information, additional to that required by current Spanish corporate legislation relating to non-financial reporting and by the Global Reporting Initiative Standards for sustainability reporting in their comprehensive option ("GRI standards"), that was not the subject matter of our verification. In this regard, our work was limited solely to verification the reliability and adequacy of the contents of the information identified in the tables of the Appendix of the CMR "GRI Standard Indicators" and the table of "Contents of Non-Financial Statements".

Responsibilities of the Directors

The preparation and content of the Ferrovial Group's CMR are the responsibility of the Board of Directors of Ferrovial. The NFIS included in the CMR was prepared in accordance with the content specified in current Spanish corporate legislation, with GRI standards in their comprehensive option, and with the standards established in the AA1000APS 2008 issued by Accountability, as well as other criteria described as indicated for each matter in the table of "Contents of Non-Financial Statements" in the Appendix to the CMR.

These responsibilities of the Board of Directors also include the design, implementation and maintenance of such internal control as is determined to be necessary to enable the CMR and the NFIS to be free from material misstatement, whether due to fraud or error.

The Directors and the Management of Ferrovial are also responsible for defining, implementing, adapting and maintaining the management systems from which the information necessary for the preparation of the CMR and the NFIS is obtained.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA), which is based on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Control 1 (ISQC 1) and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our engagement team consisted of professionals who are experts in reviews of non-financial information and, specifically, in information about economic, social and environmental performance.

Our Responsibility

Our responsibility is to express our conclusions in an independent limited assurance report based on the work performed.

We conducted our review in accordance with the requirements established in International Standard on Assurance Engagements (ISAE) 3000 Revised, Assurance Engagements other than Audits or Reviews of Historical Financial Information, currently in force, issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC), and with the guidelines published by the Spanish Institute of Certified Public Accountants on attestation engagements on regarding non-financial information statements. Also, we have applied AccountAbility's AA1000 Assurance Standard 2008 (AA1000AS) to provide moderate assurance on the application of the principles established in standard AA100APS and on the sustainability performance indicators (type 2 moderate assurance).

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement and, consequently, the level of assurance provided is also lower.

Our work consisted in requesting information from management and the various units of Ferrovial that participated in the preparation of the CMR, which includes the NFIS, reviewing the processes used to compile and validate the information presented in the CMR, and carrying out the following analytical procedures and sample-based review tests:

- Meetings held with Ferrovial personnel to ascertain the business model, policies and management approaches applied, and the main risks relating to these matters, and to obtain the information required for the external verification.
- Analysis of the scope, relevance and completeness of the contents included in the CMR based on the materiality analysis performed by Ferrovial and described in the "Reporting Principles" in the Appendix of the CMR, also taking into account the contents required under current Spanish corporate legislation.
- Analysis of the processes used to compile and validate the data presented in the 2019 CMR.
- Review of the information relating to risks and the policies and management approaches applied in relation to the material matters described in the "Reporting Principles" in the Appendix of the CMR.
- Verification, by means of sample-based review tests, of the information relating to the contents identified in the "GRI Standard Indicators" and the table of "Contents of Non-Financial Statements" in the Appendix to the CMR, and the appropriate compilation thereof based on the data furnished by Ferrovial's information sources.
- Obtainment of a representation letter from the directors and management.

Conclusion

Based on the procedures performed and the evidence obtained, no matters have come to our attention that causes us to believe that:

- A) the non-financial data included in the table "GRI Standard Indicators" of 2019 CMR's Appendix corresponding to the year ended 31 December 2019 has not been prepared, in all material respects, including the reliability and adequacy of the contents, in accordance with the GRI standards in their comprehensive option.
- B) Ferrovial's NFIS for the year ended 31 December 2019 was not prepared, in all material respects, in accordance with the content specified in current Spanish corporate legislation and in keeping with the criteria of the selected GRI standards, as well as other criteria described as indicated for each matter in the table of "Contents of Non-Financial Information Statements" in the Appendix to the CMR.
- C) Ferrovial did not apply in the preparation of the CMR the principles of inclusivity, materiality and responsiveness as described in the Appendix to the CMR, in accordance with AA1000 APS (2008), namely:
 - Inclusivity: Ferrovial has developed a stakeholder participation process, enabling stakeholders to be considered in the development of a responsible approach.
 - Materiality: the materiality determination process is geared towards identifying and understanding the issues that are material or significant for Ferrovial and its stakeholders.
 - Responsiveness: Ferrovial responds, through specific actions and commitments, to the material issues identified.

Other information

The calculation of greenhouse gas emissions (GHG), especially scope 3 emissions, and water consumption in projects, given its nature, is subject to a high degree of uncertainty, having been performed in accordance with the methodology and estimates specified in the Consolidated Management Report and according to the available information. A change in the parameters of the estimates could impact the total emissions and consumptions presented.

Pursuant to the provisions of the AA1000AS 2008, we presented to management of Ferrovial our recommendations relating to the areas for improvement in management and non-financial information and, specifically, to the application of the principles of inclusivity, materiality and responsiveness. Following is a summary of the most significant observations and recommendations, which do not modify the conclusions expressed in this report.

Inclusivity and materiality

2019 was the last year of the 20.19 Corporate Responsibility Plan and that of the definition of the new 20.22 Plan. This new Plan proposes certain areas of action and specific initiatives aligned with some of the Sustainable Development Goals (SDGs). At the same time, Ferrovial has shaped its global strategy in the Horizon 24 Plan, focusing one of its strategic axes of action on the development, construction and management of sustainable infrastructures. Considering that Plan 20.22 is aimed at achieving the global sustainability objectives defined in the Horizon 24 Plan, the system for monitoring compliance with the Corporate Responsibility Plan should be integrated into the monitoring of the Horizon 24 Plan.

Also, considering the major changes expected in the markets and in the organisation, it would be advisable to continue moving forward with the internal and external dialogue with the stakeholders, updating the expectations and commitments acquired with them in all the geographical areas and businesses in which the Group operates. This monitoring of material matters should serve to confirm or, where appropriate, reformulate the lines of action defined in Plan 20.22.

Responsiveness

In the environmental field, Ferrovial continued reducing greenhouse gas emissions through its Climate Strategy. In this sense, it would be advisable to review periodically the emission reduction objectives by business and geographical area, considering the milestones already achieved, in order to set targets more closely aligned with the European general objective of climate neutrality by 2050. It would also be advisable that this strategy give rise to specific objectives related to the use of critical raw materials and the reuse of waste.

Also, in 2020 Ferrovial should analyse the impact of the changes foreseen in the Code of Good Governance of Listed Companies, especially those regarding the responsibilities for social and environmental risks, the responsibility for non-financial information and the recommendations on diversity.

Regarding non-financial information, in 2019 Ferrovial continued to improve the reporting process in terms of scope and quality, above all in the case of those new indicators required by Law 11/2018 on non-financial information and diversity. Given the many departments involved and the complexity of the process of obtaining and consolidating this information, Ferrovial should continue to strengthen internal control to ensure the quality of the information and compliance with the deadlines established for its preparation and approval. In order to improve the quality of the information, it would be advisable to increase the frequency of reporting the key social and environmental non-financial indicators for Ferrovial's businesses, as has been done in the case of the health and safety indicators of its own personnel.

DELOITTE, S.L.



Helena Redondo

27 February 2020



AA1000
Licensed Assurance Provider
000-14