

CORPORATE RESPONSIBILITY

NEW STRATEGIC
CORPORATE
RESPONSIBILITY PLAN
(20.19 PLAN)

UPDATE OF MATERIAL
ISSUES MATRIX

NON-FINANCIAL INFORMATION REPORTING PRINCIPLES

SCOPE OF INFORMATION

Ferrovial comprises the parent company Ferrovial, S.A. and its subsidiaries. For detailed information on the companies included, see the scope in the Consolidated Financial Statements. There were a number of transactions in 2016 that resulted in changes to the perimeter, including the acquisition of the Australian service provider Broadpectrum in May 2016.

CONSOLIDATION PROCESS

Non-financial information reporting includes all companies in which Ferrovial has economic control, construed as a stake larger than 50% in them. In these cases, 100% of the information is reported.

Likewise, following the indications of the GRI G4 Guidelines, Ferrovial provides information on the indicators and material aspects "outside the organization" so long as the data are of sufficient quality and always separately. Ferrovial considers that the most significant impacts are those relating to the 407 ETR highway in Canada and the airports in the United Kingdom.

TRACEABILITY

Since 2007 Ferrovial has employed a reporting and information consolidation system for corporate responsibility that to ensure information quality. This process allows information to be broken down by business and country. All the companies report fiscal year data unless indicated otherwise. Data (393 indicators) are entered from the source (124 companies) by the responsible parties (208 users) and go through a validation and internal control process to be consolidated and subsequently verified by a third party.

In 2016, Ferrovial's Internal Audit Department reviewed the process of preparing non-financial information for the Integrated Annual Report.

REFORMULATION OF THE INFORMATION

In 2016 there were a number of company perimeter changes that could affect the comparability of data contained in the Report. To guarantee maximum data transparency and comparability, the environmental indicators for which historical series have provided have been recalculated taking into account the current scope of

consolidation. Nevertheless, the text of the Report itself indicates when an indicator from previous years has been modified or presents significant changes that affect the comparability of information.

STAKEHOLDERS

Ferrovial is committed to transparency in the information reported to the market and thus implements continuous improvements to its communication channels with all stakeholders on the basis of innovative corporate information that not only includes financial aspects but also considers environmental and social variables.

The company considers stakeholders to be any individuals or social groups with a legitimate interest and who are affected by the company's current or future activities. This definition includes both stakeholders that form part of the company's value chain (shareholders, employees, investors, clients and suppliers) who are considered partners in the development of businesses, and external stakeholders (governments and Public Authorities, the media, analysts, the business sector, labor unions, the third sector and society in general), starting with the local communities in which the company operates.

This relationship is dynamic, because the climate in which the company operates is changing more rapidly than ever. Ferrovial's business is highly dependent on relationships with the public authorities of the countries in which it operates. Ferrovial holds decision-making positions in organizations that boost corporate responsibility in Spain and abroad, such as Fundación SERES, Forética, the Spanish Global Compact Network, and the Spanish Quality Association (AEC). In 2016, Ferrovial formed part of the United Nations SDG Fund Advisory Group to promote the new UN Sustainable Development Goals, as well as holding the chair of the Spanish Green Growth Group. Its relations with each stakeholder group are detailed in www.ferrovial.com.

Ferrovial's consideration of the principles related to the content of the Report is developed in the specific sections on materiality and engagement with stakeholders. For more information on AA1000 and GRI standards, please see page 111 of GRI indicators.

MATERIAL ISSUES

Ferrovial considers relevant any issue that may have a substantial influence on the evaluations and decisions of stakeholders, affecting its ability to address existing needs

without compromising future generations.

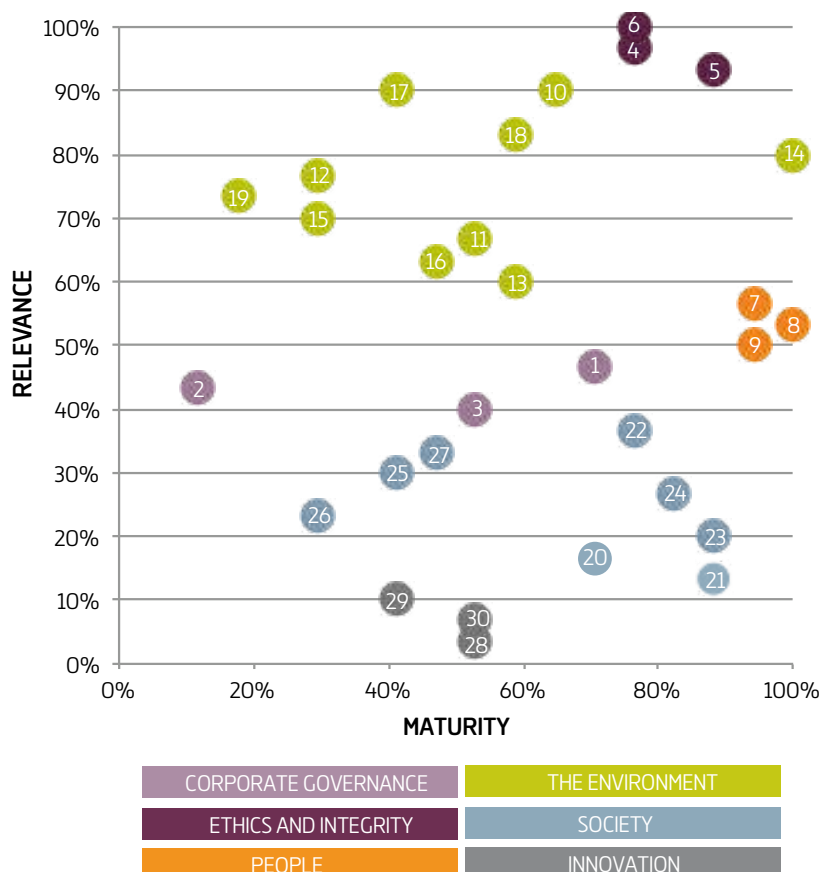
A new materiality analysis was conducted during 2016 as part of the regular bi-yearly update process and to define the 20.19 Plan.

The process was implemented in various stages:

- Identification and validation of matters. The examination of various relevant sources of information [GRI Sustainability Topics, Sustainability Accountant Standard Board (SASB), World Economic Forum, media coverage, queries with socially responsible investors, etc.] was useful to identify the main trends and most relevant matters for the sector in which Ferrovial operates. After securing the initial list of matters, the main corporate directors concurred on the final list of 30 matters
- Ascertainment of the relevance. An online survey was conducted with the main internal and external stake-

holders, who were asked to prioritize the matters previously identified and validated according to their own criteria. With a view to guaranteeing the representativeness across all the stakeholders, each one was assigned a specific independent weighting regardless of the number of replies received.

- Maturity analysis. Maturity is construed as the analysis of the depth with which matters are handled in public information, a benchmarking analysis was conducted to determine the level of thoroughness with which matters are handled before being identified as material.
- Prioritization. The result of graphically crossing relevance and maturity, which appears in the materiality matrix.
- The materiality analysis ascertained that the most material matters for Ferrovial concern “ethics and integrity” and the “environment”, particularly "regarding Human Rights" and the reduction of greenhouse gas emissions, respectively, though there should also be a



1. Incorporate corporate governance best practices into the Board of Directors
2. Responsible activity in the securities market
3. Provide information about the company's tax payments in the various countries where it operates
4. Have suitable compliance programs in place to prevent the perpetration of crime
5. Have communication channels for reporting unethical practices
6. Respect human rights in all the countries where the company operates
7. Guarantee a safe and healthy work environment for all employees in accordance with the "harm-free workplace" principle
8. Progressively reduce the rate of work accidents in Ferrovial's activities
9. Attracting and retaining talent
10. Reduce the environmental impact of activities, considering the life cycle of the infrastructures and services provided by Ferrovial
11. Manage waste in a sustainable manner in accordance with the principles of the circular economy
12. Assess and control risks to prevent environmental accidents
13. Determine the impact on ecosystems and biodiversity and apply the "no net loss" principle
14. Mitigation: public commitments to reduce emissions in line with the global agenda
15. Risk management: implement a "carbon pricing" system into investment decisions
16. Adaptation: capability of protecting assets and activities from the effects of climate change
17. Take advantage of global agenda opportunities to provide sustainable solutions to help combat the effects of climate change
18. Ascertain the water impact of the company's operations and establish actions to minimize associated consumption
19. Take advantage of business opportunities provided by the redistribution of water resources on a global scale
20. Have customer communication channels and complaint resolution procedures
21. Determine the level of customer and user satisfaction with the infrastructures and services provided by Ferrovial
22. Provide infrastructures and services that are safe for users
23. Have a purchasing policy that integrates suppliers in accordance with the company's ethical principles
24. Have a methodology in place to assess suppliers based on their sustainability risk
25. Implement control and monitoring mechanisms for contractors and subcontractors in matters related to Health & Safety and human rights
26. Include social aspects when assessing investments (social due diligence)
27. Have a social action strategy in line with business objectives
28. Foster innovation, both internally and through collaboration agreements with research centers
29. Have an innovation strategy in place to guide the company's investments
30. Innovation with a focus on improving business processes

progressive reduction in rate of work accidents.

Ferrovial has assumed the most material matters as priorities, including specific objectives for improving performance in the Strategic Corporate Responsibility Plan (20.19 Plan).

CORPORATE POLICY

Ferrovial understands Corporate Responsibility to mean a voluntary commitment to driving the economic, social and environmental development of communities in which it operates. This policy is founded on the principles of the Global Compact and internationally accepted agreements and resolutions, the content of which cover CR-related issues. The Ferrovial Board of Directors is tasked with ensuring adherence to these principles to which the company has voluntarily committed itself. The policy is available at www.ferrovial.com

CORPORATE RESPONSIBILITY COMMITTEE

The Corporate Responsibility Committee is the nexus joining business and corporate areas with senior management, reporting results and proposing actions to the Management Committee, and informing the rest of the company of the approval of proposals and reported results.

This Committee is entrusted with ensuring the tracking of the Strategic Corporate Responsibility Plan. The Chair of the Corporate Responsibility Committee reports annually to the Board of Directors.

The Communications and CR Director chairs the CR Committee, which comprises representatives from all business areas (Toll Roads, Services, Construction and Airports) and corporate areas (Human Resources, General Secretary's Office and Occupational Safety, Quality and the Environment, Risks, and Innovation).

Its functions can be summarized as follows:

- Developing, implementing and supervising the company's CR policies.
- Defining and tracking the Strategic Corporate Responsibility Plan.
- Coordinating the reporting processes: Annual Report and indices.

- Information and application of CR legislation.
- Approval and tracking of projects and sponsorships.
- Tracking of recommendations following external verification.
- Advising other departments in CR matters.

STRATEGIC CORPORATE RESPONSIBILITY PLAN (2017-2019)

The Corporate Responsibility Committee set out Ferrovial's third strategic plan for 2017-2019 (20.19 Plan) during 2016 and presented it to the Board of Directors.

It is drawn up as part of the concept that is a Ferrovial strategic duty related to the company's sustainability, competitiveness and reputation for the sake of generating long-term value for all stakeholders and society as a whole.

The 20.19 Plan is a continuation of the 20.16 Plan, updating and addressing matters of most interest to stakeholders. It contains the essential engagement areas and lines for correctly implementing Ferrovial's Corporate Responsibility strategy so that it can be useful as an indispensable tool for developing business, building the trust of stakeholders and fulfilling medium- and long-term objectives. The 20.19 Plan was conceived to establish Ferrovial as a bellwether company in economic, social and environmental matters.

It also consolidates the progress made in the field of corporate responsibility and was conceived to make Ferrovial a benchmark in the field, particularly regarding the attainment of UN's Sustainable Development Goals, which the company is aligned, primarily with goals 6 (clean water and sanitation), 9 (industry, innovation and infrastructure) and 11 (sustainable cities and communities).

In this regard, the plan was drawn up so that the actions therein enable the alignment of corporate responsibility with corporate objectives, which is subsequently extended throughout the value chain from customers to suppliers.

The 20.19 Plan is configured on the basis six areas, each one in engagement lines broken down in turn into specific, measurable and quantifiable objectives. The six engagement areas are:

- Ethics and integrity.
- Corporate Governance.
- People.
- The Environment.
- Society.
- Innovation.