

## GLOBAL VISION

# Creating value

The recovery from the COVID-19 pandemic was faster than expected and supported traffic growth in toll roads and airports in western countries. However, the war in Ukraine caused a humanitarian crisis in the region and has increased tension in global markets, leading to price escalation in energy, financing, food and materials.

2022 was defined by shifts in global challenges: while the effects of the pandemic have softened, the conflict in Ukraine has disrupted global markets and led to political and economic uncertainty.

The war in Ukraine is causing a humanitarian crisis in Europe, civilians are displaced from their homes and critical infrastructure in the region in the country is being attacked. The relevance of Russia and Ukraine in the supply of energy and materials indicates that this conflict will have a long-lasting impact on global markets. So far, it has affected global supply chains and increased prices for energy, financing, food and materials.

Consequently, Governments in the US and the EU have launched stimulus packages, such as the Inflation Reduction Act and REPowerEU, respectively, to support growth and mitigate inflation. These plans complement previous programs for COVID-19 recovery like the Infrastructure Investment and Jobs Act and NextGenerationEU. These funding initiatives aim to foster economic transformation and reinforce the resilience of supply chains through digitalization, sustainable infrastructure and renewable energy.

In 2022, mobility in Europe and North America increased due to the strong recovery after the pandemic. In the geographies where Ferrovial operates, traffic on most toll roads reached 2019 levels and airport traffic is recovering steadily.

The need for new sustainable infrastructure and the volatile geopolitical context imply opportunities as well as challenges for Ferrovial:

- Urban population on the rise demands new transport infrastructure and sustainable mobility solutions in cities.
- Energy security and decarbonization commitments are accelerating investments in renewable energy.
- Technology and connectivity enable access to real-time data and help improve the security and the experience of infrastructure users.
- Inflation, energy prices and interest rates will affect economic activity in the markets in which Ferrovial operates.
- The diversification of supply chains may require new infrastructure for the transportation of goods, energy products and raw materials.
- Infrastructure needs to adapt to climate change effects and be resilient to extreme weather events.

The company is addressing these trends to develop business opportunities aligned with its strategy.

## STRATEGY

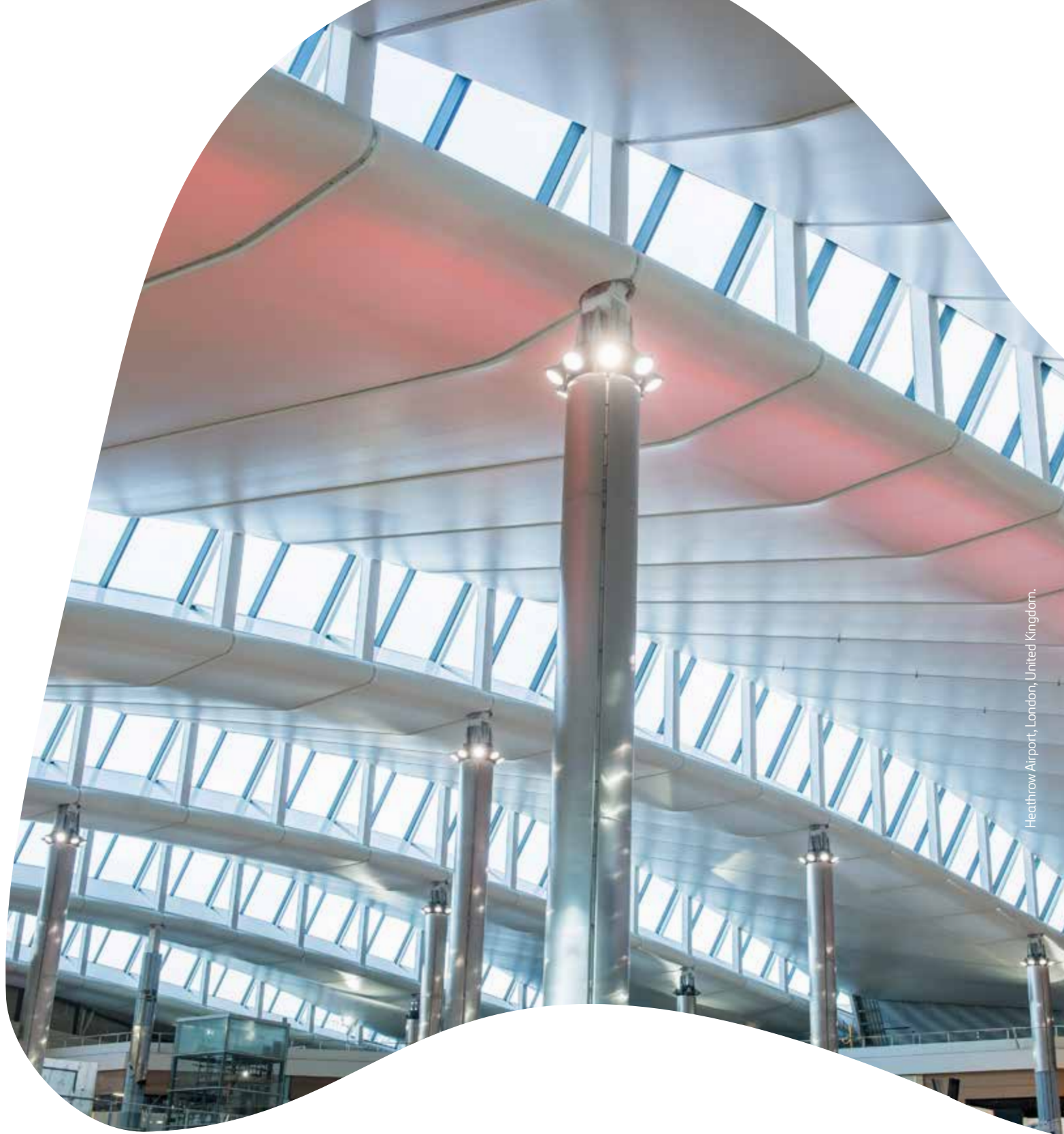
Ferrovial has completed its third year of Horizon 24 strategic plan, focused on developing and operating sustainable, innovative and efficient infrastructure. During this year, the four business units have progressed in their priorities. Toll Roads continued to focus on Managed

Lanes in the US with the opening of the I-66 in Virginia and increasing its stake in I-77. Airports invested in two new assets: the New Terminal One at JFK airport (New York) and Dalaman international airport in Türkiye. Energy Infrastructures and Mobility progressed in building ongoing projects in Spain and Chile, reinforcing the team, and actively seeking for business opportunities. Construction continues to support the concession businesses, executing complex projects such as the Ontario Line subway in Toronto (Canada). Finally, the divestment of Services has been substantially completed after the sale of Amey and the Infrastructure Services business in Spain.

### Strategic priorities:

- **People:** promote the highest health and safety standards and implement innovative technologies to prevent accidents for users and employees. For example, the company supports employees' wellbeing and fosters healthy behaviors through the HASAVI program. Ferrovial maintains its commitment to employees: attracting, developing, engaging, and retaining talent in order to expand its expertise and increase competitiveness. The company's culture encourages diversity and collaboration to generate innovative ideas and create value.
- **Sustainable growth:** develop and operate sustainable infrastructure with high concessional value:
  - In **Toll Roads**, develop greenfield projects such as Managed Lanes in North America, support Ferrovial's partner IRB in India and leverage on digitalization to improve users' experience and road safety.
  - In **Airports**, efficiently manage the current assets while air traffic recovers pre-pandemic levels. The company focuses on delivering and integrating the new assets (JFK New Terminal One and Dalaman airport) and will continue looking for additional growth opportunities. Ferrovial is looking to develop vertiports in the US and Europe, positioning itself in the nascent Urban Air Mobility sector.
  - In **Energy Infrastructure and Mobility**, develop transmission lines, promote and rotate renewable projects, and expand the energy efficiency business in selected markets. Ferrovial is working to provide solutions for new technologies, such as floating offshore wind platforms.
  - In **Construction**, support the concession business while managing risks and inflation. The company will continue delivering complex projects and implementing innovative processes to increase competitiveness. Ferrovial is also looking for growth opportunities for its water business.

The company continues to focus on its core markets (US, Canada, Spain, Poland, Chile, UK and India), while identifying opportunities in Australia and other selected countries in Latam.



Heathrow Airport, London, United Kingdom.

- **Operational excellence:** improve efficiency, reinforce risk management and maintain financial discipline, while keeping sustainability at the core.

For Ferrovial, sustainability is a commitment and an opportunity to create value for all its stakeholders. The company is committed to protect the environment with initiatives such as innovative design and construction processes that reduce energy and materials consumption. Also, Ferrovial's transport infrastructure helps to improve living conditions and communities, enhancing safety, improving user experience and reducing travel times. This commitment is endorsed by Ferrovial's continued presence

in sustainability indices such as Dow Jones Sustainability, Sustainalytics, FTSE4Good, Moody's, STOXX and Carbon Disclosure Project.

Finally, from a financial perspective, Ferrovial will keep strengthening its capital structure and rotating non-core assets and businesses to realize value and fund future growth.

- **Innovation:** support business transformation through digitalization with initiatives such as NextMove and Connected Sites. Foster an entrepreneurial and digital culture and pioneer solutions that leverage on innovative technologies to turn global challenges into business opportunities.

GLOBAL VISION

# Horizon 24: Year Three

The Horizon 24 Strategic Plan, which covers the period 2020-2024, is now in its third year. It focuses on the development, construction and operation of sustainable infrastructure. Its implementation is taking place in a challenging environment marked by the COVID-19 pandemic, the Ukraine conflict and high inflation. Despite these unforeseen events, it is progressing according to plan.



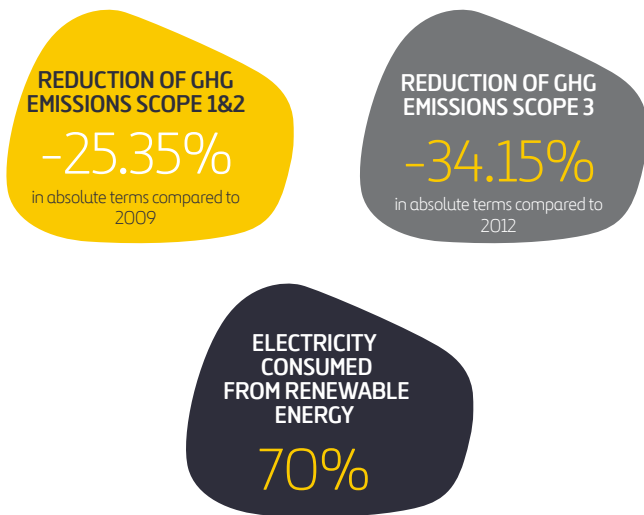
# Sustainable infrastructures for a world on the move

Sustainability is at the core of Ferrovial's strategy. The company creates value by developing and operating innovative, efficient and sustainable infrastructures.

The group is committed to protect the environment and to improve lives and communities, while executes best governance practices.

This commitment is endorsed by Ferrovial's continued presence in sustainability indexes such as the Dow Jones Sustainability for the last 21 years, as well as its recurrence in others such as Moody's, Sustainalytics, STOXX or Carbon Disclosure Project.

## ENVIRONMENTAL



Ferrovial's main assets are the Managed Lanes, toll roads with a dynamic toll structure in urban corridors, which relieve traffic congestion and avoid the generation of GHG emissions. Ferrovial is currently immersed in the development of interconnected corridors by means of technologies such as 5G or Artificial Intelligence, which will make it possible to offer safer, more comfortable roads that reduce traffic congestion.

Ferrovial's innovative activity develops competitive advantages and guarantees a sustainable impact by transforming the business and generating new products and services through exploration and experimentation with new technologies. Evidence of the above is 42 collaborations with startups, as well as 74.8 million euros invested in R&D&I in 2022 for 136 innovation programs.

In this path of innovation, it is positioned in the incipient sector of Urban Air Mobility with Vertiports after consolidating Zity, zero-emission carsharing that reduces conventional traffic and induces a reduction in the use of private vehicles. Heathrow Airport is promoting the use of SAF fuel in the aviation sector.

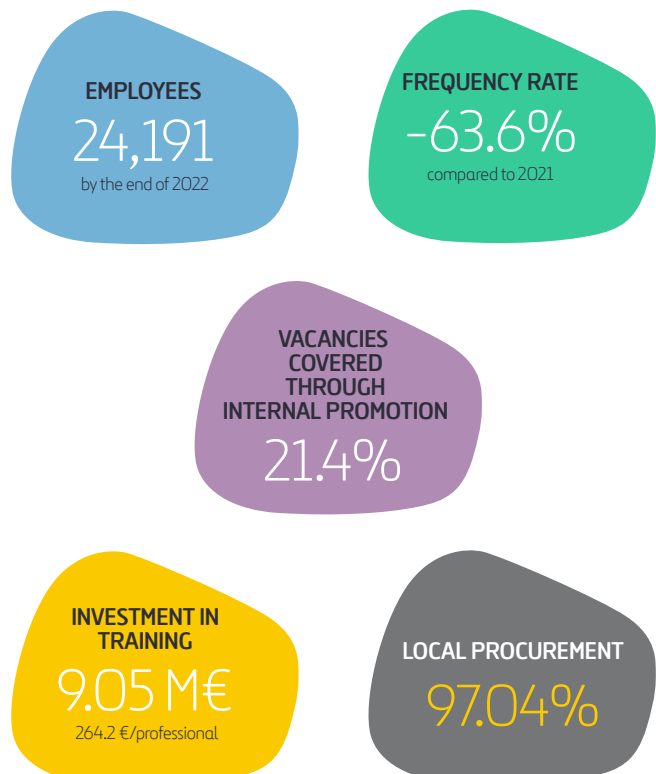
Ferrovial has a decarbonization roadmap, the Deep Decarbonization Path. As part of this plan, it has set a target of reducing its scope 1&2 emissions by 42.9% in absolute terms by 2030. In this regard, it was the first company in the sector worldwide to establish and have endorsed its SBTi emissions reduction targets for Scopes 1, 2 and 3 by 2030.

It is also one of the first companies in the world to submit its Climate Strategy and Greenhouse Gas Emissions Reduction Plan 2020-2030 and the projection to 2050 for annual consultative approval at the General Shareholders' Meeting.

In line with this roadmap, the company is building a 50 MW solar photovoltaic plant in Seville (Spain) and has a transmission line already operational in Chile, acquired in 2016, and another under construction, the Centella project, as well as, initiatives such as the development of wind and photovoltaic plants or the award of five new water treatment and wastewater treatment plants.

Ferrovial plays a key role in water management, contributing to solving the main challenges of water supply, quality, sanitation and pollution, without neglecting Ferrovial's commitment to reducing water consumption and pollution. Since 2015, Ferrovial has been reporting its water footprint through an internally developed methodology that quantifies the impact of the company's activities on this resource.

## SOCIAL





Under the premise of having a positive impact on society, the company focuses all its efforts on building a diverse workforce with the best talent based on meritocracy and inclusion, with the highest standards of Health and Safety for its employees.

The incorporation of the best talent in all areas of the organization is one of Ferrovial's priorities. During 2022, the performance and talent review model was consolidated, whose main objective is to strengthen meritocracy and skills development.

The Horizon 24 Strategic Plan establishes the objective of having an increasingly diverse workforce, generating an inclusive environment, where collective intelligence is enhanced to increase competitiveness. During 2022, the presence of women in leadership positions has increased from 21% to 23.4%, in line with the objective of having 30% of women in this collective by the end of 2024. On the other hand, the company ensures compliance with equal pay for men and women, for which different actions have been developed to monitor the gender pay gap.

Ferrovial focuses its efforts on ensuring that all employees internalize health, safety and wellbeing as key values in their daily work, which is critical to creating safe and healthy work environments. All of this is articulated through the Health, Safety and Wellbeing Strategy 2020-2024, approved by Ferrovial's Board of Directors in 2019.

The company continues to work on High Potential Events, events with the potential to have caused a fatal or catastrophic accident but which were ultimately avoidable. All of them are reported and analyzed weekly by the Management Committee.

Ferrovial is aware of the economic and social development it generates in the markets in which it operates and its positive contribution to local communities thanks to the basic infrastructures it develops.

In 2022, a new Human Rights Policy covering the entire value chain was approved, and it has continued with the evaluation of its supply chain, made up of more than 49,000 suppliers, through the Ethical Integrity Due Diligence procedure and bearing in mind the Suppliers' Code of Ethics, which includes ESG factors. With a target of 100% local procurement, last year it reached 97.04%.

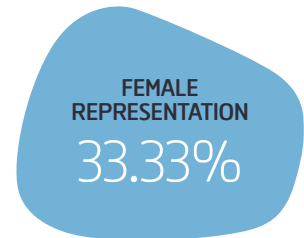
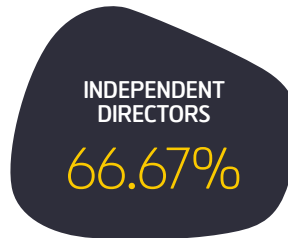
Ferrovial aims to contribute, through its infrastructure and construction projects, to the economic development of the areas in which it operates.

In this regard, Cintra contributes to the creation of jobs and the development of local economies (supply chain), as stated in its Quadriga Report.

The company's commitment to local communities goes beyond this, with various social programs focused on the most vulnerable groups in the markets where it operates. The company has donated 6.8 million euros for the development of water and sanitation infrastructures in vulnerable communities in Latin America, Africa and Asia, which have enabled 286,213 people in 12 countries to have access to water in decent conditions. Since 2012, it has developed 52 interventions with a budget of almost one million euros to improve infrastructures that facilitate access to food in Spain. The company also maintains a firm commitment to quality education, with a special focus on promoting STEM vocations.

Ferrovial's commitment to responding to humanitarian crises dates to the earthquake in Haiti in 2010. Unfortunately, its response and mobilization capacity has been challenged by the social and health crisis generated by COVID-19 and the war in Ukraine.

## GOVERNANCE



It is a priority for the company to have a corporate governance aligned with national and international best practices that guarantees the integrity necessary to achieve a profitable and sustainable business in the long term, reinforcing the confidence of shareholders and other stakeholders.

The company has a 12-member board of directors, which facilitates an efficient and participatory operation, with 75% of the members being proprietary and independent. Directors are re-elected every 3 years, as opposed to the maximum of 4 years stipulated by corporate regulations, which allows shareholders to validate their management every few years. Executive directors have been assigned variable component elements in their remuneration that include qualitative objectives relating to environmental, social and corporate governance (ESG) factors.

The Compliance Policy describes the Compliance Program, which is based on an effective risk management system. To this end, it has established a common process of evaluation, monitoring and control of compliance risks under the principle of "zero tolerance" to corruption and, in general, towards criminal acts.

Twice a year, within the framework of Ferrovial Risk Management, the company carries out a risk assessment based on the nature of the activities carried out by the company, which is updated when regulatory, organizational or other changes make this advisable. Risks are analyzed in accordance with international best practices and prioritized according to their potential impact and probability of occurrence. The results of the risk evaluations, the measures implemented for their mitigation and the proposals for continuous improvement are periodically presented to the Audit and Control Committee and the Board of Directors.

Every two years, a training and communication plan is designed and implemented in order to promote a culture of ethics and integrity and to inform the entire workforce of the Code of Business Ethics and the policies and procedures that develop it.

Ferrovial's Code of Business Ethics makes it mandatory to report any breach of legislation or internal regulations. To this end, it has the Ethics Channel, a confidential and, if required, completely anonymous system that guarantees users the absence of reprisals. During the 2022 fiscal year, 49 communications were received.