



ferrovial

CARBON FOOTPRINT INVENTORY 2014

Prepared by Ana Peña | Head of Climate Change and Quality

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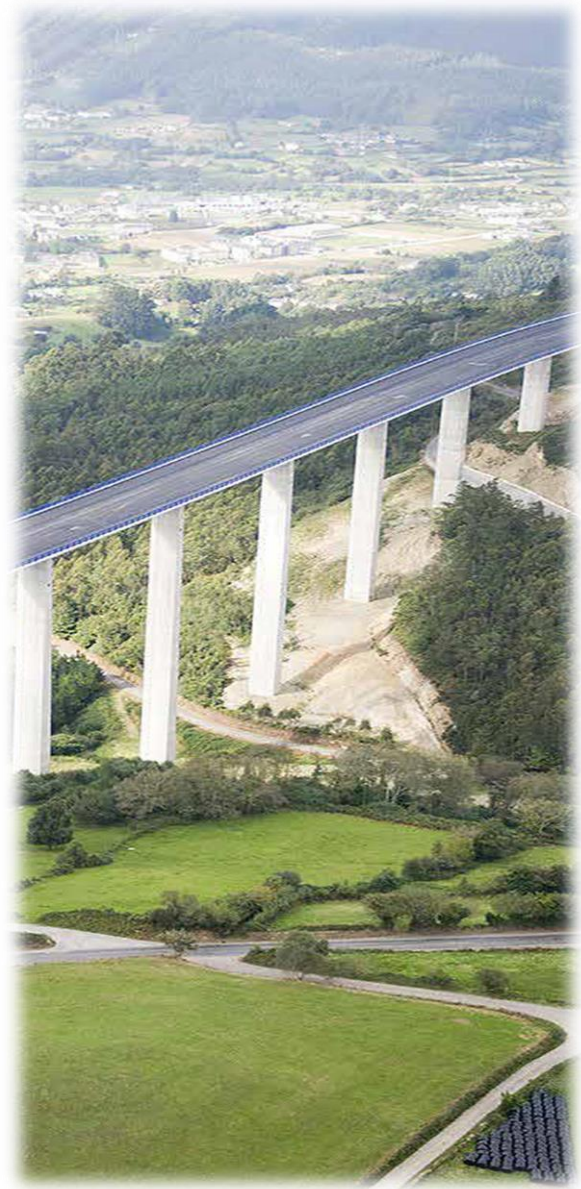
INTRODUCTION

Regulatory environment

The final declaration of the recent Conference of the Parties (COP 20) in Lima only partly removes the uncertainty of the economic players with regard to the establishment of a legally binding, long-term agreement to set ambitious objectives for the reduction of greenhouse gases (GHGs) on a global scale. We believe that this agreement is essential in order to facilitate the investment needed to develop technologies, services and infrastructures prepared for a low-emission economy, which would serve to address the increasingly worrying climatic scenarios highlighted in the Intergovernmental Panel on Climate Change's (IPCC) latest report.

Aware that Paris 2015 (COP 21) offers the next big opportunity to reach such global-scale agreement, the European Union (EU) aims to maintain a leading role in global negotiations.

This was demonstrated by the result of the European Council held at the end of October, which approved the objectives of the "Climate and Energy" package for the 2030 horizon: a 40% reduction in emissions (compared to 1990), 27% penetration of renewables in the European energy mix, and 27% energy efficiency.



We applaud this last objective – although it is not binding on member states – because of what it means for reduction of demand and in the light of its special importance in contributing to greater European energy sufficiency.

Meanwhile, the last report of the Intergovernmental Panel (IPCC) confirmed the worst fears with regard to forecasts for impacts on a planetary scale, emphasising that time was running out for agreements to be signed on reduction of emissions.

In the scheme of things, Ferrovial’s operating countries are extending and consolidating the so-called “biodiversity markets”, following on from pioneering schemes which have now been running for decades in countries like the US, Germany and Australia. The United Kingdom (UK), France and Spain are now developing their own legislation to facilitate roll-out of these mechanisms for offsetting environmental impact; and it is a matter of time before the European Union establishes binding legislation for member states. For this reason, at Ferrovial we are closely monitoring the evolution of these market mechanisms, getting ready to respond to challenges they entail and also, of course, opportunities that may be generated in the mid-term.

Lastly, the “circular economy” concept is acquiring increasing importance, and we are closely monitoring it in view of its potential for improving economic efficiency and reducing use of natural resources in productive activities. Aspects such as re-use, recycling and advanced waste management, are central to this concept and have clear

implications for certain of Ferrovial’s activities (e.g. waste management). In the EU we are closely monitoring the evolution of the “Resource efficiency and Circular economy” package, currently being questioned, but which nevertheless appears to be an interesting framework for commencing work on a European level.

Ferrovial maintains a firm stance in favour of a binding agreement on a global scale which would establish a roadmap for the coming years, insofar as it would ensure that targets were sufficiently ambitious and provide stability to facilitate long-term investment for the development of low-emission technologies, services and infrastructures.



Commitment

Ferrovial’s commitment is to lessen the environmental impact of its activities, by maintaining a preventive focus which benefits the environment and reduces the company’s global carbon footprint. This commitment is enshrined in principles which constitute the “ground rules” for all decision-makers in Ferrovial and its subsidiary companies on a global scale:

- Meeting client and user expectations.
- Universal participation.
- Mutual benefit in relations with suppliers and partners.
- Eco-efficiency and reduction of greenhouse gas emissions.
- The value of the commitment.
- Ongoing improvements.
- Smart stakeholder dialogue, in particular with governments and regulators.

Sustainability Strategy

In 2014, Ferrovial retained its leadership in its operating industries, in the field of environmental responsibility and sustainability, in the opinion of the main analysts and ratings (e.g. Dow Jones Sustainability Index, Carbon Disclosure Project). One of the company's most highly-valued facets was its capacity for maintaining the level of demand for reduction of the environmental impact throughout its activities, whilst employing capacities and technologies designed for achieving this objective, as a driver for generating new ideas and business models in the context of a global-scale environmental crisis.

Thus, aspects such as efficiency in use of energy and natural resources, reduction of emissions and landfills, are a priority for reducing the organization's global impact, but also because they are a source of innovation and for the development of solutions which Ferrovial may later offer to its customers and users.



In particular, energy efficiency in buildings, smart city management, and low-emissions mobility meet the expectations of the most-advanced societies whilst also generating sustainable value for Ferrovial. More recently, conservation of biodiversity has become a priority stream, supported by advances in scientific and technical knowledge.

CLIMATE STRATEGY

Ferrovial’s business is closely linked with some of the main man-made sources of carbon emissions. Thus, mobility of people generates on a global scale around 25% of total emissions and is the source which has grown the most over the last two decades. If the current trend continues, it is estimated that transport in its different forms (land, air, maritime) will emit around 9.2 Gt of CO2 per annum by 2030.

Cities and buildings generate over 30% of global emissions of greenhouse gases. Progressive “global urbanisation” is, moreover, unstoppable (it is calculated that in 2050 the combined population of large cities will be higher than total world population at the start of the 21st century), and there can be no doubting that this will only serve to

accentuate the problem of carbon emissions, pollution and scarcity of energy resources in the megapolis of the future..

In recent years, analysts have constantly pointed to Ferrovial as a leader in its business sectors, in the field of responsibility and environmental sustainability.

In fact, these aspects have increasingly taken on a significant role which the company wishes to use a platform to generate new ideas and business models in a context of environmental crisis on a global scale.

In these terms, over the last few years, with the aim of creating long-term value, Ferrovial has strengthened its capacities for offering services and infrastructures which respond to challenges such as climate change, the energy crisis and diminishing biodiversity.

This approach to environmental sustainability was rolled out in a strategy adapted to the risks and related opportunities. It has two overriding objectives:



1. Responsible management of environmental impacts occurring as a result of Ferrovial's activities, from an eminently preventive perspective. To include the development of actions to reduce GHG emissions.
2. To take advantage of de Ferrovial's capacities and expertise to develop infrastructures and services for a low-emission economy.

Efficiency in the use of energy and natural resources, as well as reducing emissions and landfills are of prime importance in production centres, but they are also a source of innovation and development of solutions that Ferrovial may subsequently offer to its clients and users. In particular, energy efficiency in buildings, holistic city management (Smart Cities), and low-emission mobility. Conservation of biodiversity is also a top priority, and is supported by cutting-edge scientific and technical expertise.

For all of these reasons, one of the drivers of Ferrovial's sustainability strategy is the way in which the organization responds to the challenges and opportunities of climate change, in the mid and long-term. Firstly, maintaining very ambitious emissions reduction targets (21.3% in relative terms when compared to the 2009 levels) on which it over-achieves; in its role as a developer, operator and manager of transport and city infrastructures de transport and, Ferrovial is conscious of its responsibility and of the importance of its public commitments in relation to climate change. But we are also aware that the great challenges society will face in the coming decades will require large-sale investment in innovative and complex solutions.

And these are solutions for which Ferrovial has the capacity, know-how and technologies which may open new doors for business opportunities.



Management of the carbon footprint

As a potential supplier of low-emission infrastructures and services, Ferrovial's proposals would have no credibility if they failed to include ambitious commitments to reduce its own carbon footprint.

Since 2009 Ferrovial has measured 100% of greenhouse gas emissions caused by its activities worldwide, with the aim of reducing the carbon footprint - largely via using energy more efficiently.

It has a calculation procedure to compute said emissions, certified in 2009 according to the 14064-1 standard, in which the methodology for data retrieval and calculation methodology are established.

Emissions of greenhouse gases (GHGs) reported in the present report have been verified by PwC under limited assurance, in accordance with ISAE 3410 of the “Assurance Engagements on Greenhouse Gas Statements. The verification process also checked that the internal procedure “Calculating and Reporting the Carbon footprint”, approved by Ferrovial’s senior management, has been prepared in compliance with the international ISO 14064-1 standard.

GHG reduction objectives

Global scale targets have been set, working to a horizon of 2020, using a bottom-up approach which brings together the opportunities to reduce emissions from the base of production processes; in other words, commencing with the productive processes for each business area, and in which identification and economic appraisal of the “areas of opportunity” for reducing emissions were undertaken.

As a result of this process, Ferrovial set a reduction target of 21.3% of emissions vis a vis turnover (T CO₂eq/million €) for 2020 in regard to the base year of 2009. In absolute terms our objective is to maintain emissions at base-year level, which in comparable turnover terms would mean reducing emissions in absolute terms 21.3 % in 2020 in comparison with 2009..

Scope 1&2 reductions computed in 2014 were much higher than expected, that is to say, 38.62% in relative terms, and 28 % in absolute terms (226.161 t CO₂eq) when compared to 2009.

To achieve this commitment, Ferrovial has developed and implemented emission-reducing actions, both specific to each business area and of a general nature:

- Incorporation of energy efficiency criteria in procurement and sub-contracting of services, electricity procurement from certified renewable sources, use of alternative fuels and increased use of alternative vehicles.
- A Sustainable Mobility Strategy for Ferrovial workers. Actions to improve vehicle fleets have also been introduced.
- Development of technology and processes geared towards optimizing the avoidance of emissions.
- Inclusion of energy efficiency measures in buildings used as corporate headquarters.



Action streams for reducing emissions

This aim covers 100% of activities, companies and subsidiaries on a global scale. To achieve this commitment, Ferrovial has developed and implemented emission-reducing actions, both specific to each business area and of a general nature:

- Incorporation of energy efficiency criteria in procurement and sub-contracting of services, electricity procurement from certified renewable sources, use of alternative fuels and increased use of alternative vehicles.
- Ferrovial initiated its Sustainable Mobility Strategy for employees in 2008 and it has been steadily extended to the main corporate offices. It is a groundbreaking experience in the business world. These plans have also included actions to improve vehicle fleets and training programmes, and specific training to promote efficient driving (especially in the activities of Construction and Services).
- Development of technology and processes geared towards optimizing the avoidance of emissions.
- Inclusion of energy efficiency measures in buildings used as corporate headquarters. As an emblematic example of these actions, Ferrovial's central headquarters located at Calle Príncipe de Vergara (Madrid) achieved a 56,54 % reduction in electricity consumption compared to 2008, as a result of energy renewal works, and adjusting air conditioning temperatures and timing in the building.
- There has been progress in certification of activities providing holistic services for maintenance, energy efficiency for infrastructures and incorporating energy efficiency into waste management systems. This is the case of Ferrovial Services, whose system achieved certification in accordance with ISO 50001 requirements. These systems ensure energy management both in company-owned facilities and buildings and those owned by third parties, including

energy production and supply, facility management and design, and processes associated with improved energy efficiency.

It is important to stress that on a world level both Ferrovial-Agromán and Cadagua comply with the requirements of ISO 50001. In parallel with these measures others are carried out which are specific to each of the businesses.



Ferrovial 2015-2020

Ferrovial developed its “Ferrovial 2015-20” project in order to analyse the impact that climate change is having on the company. The project's main aim is to analyse how the group's activities fit into the new context produced by climate change policies and regulation, identifying risks for the different divisions on a global scale, as well as opportunities for commencing new businesses. Our aim is for this analysis to make a useful and significant contribution to the company's strategic planning in the coming years.

79 risks and opportunities were analysed and the following strategic areas were defined, based on “low carbon” infrastructures around which our business revolves:

- Transport Infrastructures: airports and highways
- Construction
- Energy services
- Smart cities
- Smart forests
- Landfill
- Water

Lastly, the project is also closely linked to Ferrovial’s carbon footprint reduction commitments on a global scale.

Carbon footprint application

There is an application called “Carbon Footprint” for monitoring consumption, computing emissions, and monitoring reduction and information objectives related to climate change. This tool is very important to climate change-related decision-making. It enables optimization of calculations, and also provides greater reliability, traceability and transparency in regard to data on emissions and consumption rates for different fuels.

Ferrovial calculates 100% of the carbon footprint of all its activities in all countries, meaning that a considerable effort is made in terms of resources and people working on monitoring, integration and internal verification of emissions, even more so when one takes into account the enormous volume of geographically disaggregated data and the multiplicity of regulatory environments, as well as the relevant technical nuances.



Development of this IT platform has brought about the following operational improvements for management of the carbon footprint on a global scale:

- Risk of loss is lessened and the verification process is facilitated since all forms of consumption and information from all business areas, companies and countries are centralized.
- It includes the main calculation methodologies, such as the GHG Protocol, DEFRA and DECC.
- Calculation and re-calculation of emissions is now automatized.
- It guarantees data traceability.
- A large number of reports and indicators facilitate analysis of decisions taken and monitoring of achievement of objectives.
- It is a bilingual (Spanish-English) application and is open to all users who have a relationship with climate change, and also to those to whom it may provide support in their daily work (procurement, tendering or bid drafting).

Q&E Steering Committee

At Ferrovial, climate change-related strategy is a constituent part of corporate strategy. For this reason, issues related to the climate change strategy are dealt with by a committee with a company-wide remit. Throughout all Ferrovial companies the Q&ESC is the vehicle for implementation of climate change strategy.

In 2008, Ferrovial set up the Q&ESC which has the role of discussing, decision-making, setting requirements and reviewing project-related results, initiatives and practices, principally in regard to climate change; as well as implementation of the Quality and Environment Policy throughout the company.

The Q&ESC is formed by the Quality and Environment departmental heads of all Ferrovial businesses, also members of their respective management committees in their business divisions.

Their participation is essential, given that they are familiar with the company environment and know the stakeholders in their areas of business. As appropriate, these members invite other participants whose expertise is key to decision-making.

The Committee meets quarterly, or more often, if required, and makes full use video-conferencing facilities, with the aim of reducing CO2 biomass emissions from participants' trips. Committee members manage all environmental aspects of their respective businesses, including climate change, on a daily basis.

The Q&ESC's decisions and actions stem from the application of the Corporate Responsibility policy, which is set by the Board of Directors. The decision-making process takes the following aspects into account: the needs of the countries in which Ferrovial operates recommendations of governmental bodies and organizations, the commitment to reduce emissions, mitigation measures, the success of measures adopted etc.



Stakeholder relations

Ferrovial maintains a fluid relationship with its most significant stakeholders, understood as being those parties who may be involved in the main climate risks of company activities worldwide, those who have regulatory influence, or those who might have an influence on the development of new business opportunities in the field of environmental sustainability. For this set of players an analysis is performed such that relations with them can be prioritized, and the necessary resources and media allocated to maintain fluid, two-way communication within the framework of smart dialogue.

In this context, special attention is paid to the relationships maintained with analysts and investors specializing in Socially Responsible Investment (SRI), civil society spokespersons (primarily, NGOs and trades unions), governments and regulators, as well as local communities. The most appropriate channels of communication are established for each of these groups, ranging from the Ferrovial environment micro-site to personalized attention, and including the signing of mid and long-term partnership agreements.

In the particular case of NGOs, and other civil society representatives, Ferrovial seeks projects of common interest with certain of the most important conservation organizations such as World Wildlife Found (WWF) and Forest Stewardship Council (FSC), the latter being supported by ecologist groups on a global scale. Ferrovial joined it as a partner in 2012. The company also works closely with institutions linked to public administration; this is the case of its long-term collaboration with *Biodiversity Foundation*, in the framework of the Convention for the Climate Change Monitoring Network (“Convenio

para la Red de Seguimiento del Cambio Global”), which also features the participation of the Spanish Climate Change Office, the Meteorology Agency and the National Parks body.



Staying one step ahead of regulatory trends, by means of a close and mutually beneficial relationship with legislators and regulators, is considered to be an effective way of managing the impact of emerging regulation on Ferrovial's activities. The company is therefore very proactive in regulatory and legislative processes worldwide that might affect its activities, bringing to bear its experience and technical expertise on the matters subject to regulation..

It is common practice for Ferrovial representatives to meet with those in charge of the development of a regulatory framework that could affect company activities worldwide, in a climate of collaboration and mutual trust. When legislative developments have a wide scope specific working groups are convened. These involve all areas of the business and subsidiaries potentially affected, and ongoing monitoring is executed with a view to anticipating the outcomes of new regulation. Structured lobbying activities are also carried out in the international arena, at all times in accordance with the legal framework in force in the relevant field.

In these terms, agreements are sometimes reached with other companies or economic sectors with whom we may have common interests (this was the case for the European Energy Efficiency Directive, approved in 2012).

Ferrovial also has a growing influence on the development of policies and strategies of a wider scope. This is demonstrated by Ferrovial's membership of the EU Corporate Leader Group, a group of leading companies working under the leadership of the Prince of Wales and with the support of the University of Cambridge Institute for Sustainability Leadership (CISL). It is committed to finding solutions to combat climate change in

partnership with legislators and companies in the EU and globally.

We are also members of the EU Green Growth Group, a body in which representatives from civil society, academia and the business world advise the European Commission on the future of the economic and environmental agenda for the 2030 and 2050 horizons.

In 2014, Ferrovial signed a commitment to join the Spanish Green Growth Group ("Grupo Español de Crecimiento Verde"). They believe that the roadmap economy towards a low-emissions economy will include great opportunities for large sections of the Spanish economy, and that these will only be harnessed by means of a long-term partnership between the government and the business fabric. Said partnership is taking shape via the setting up of the Spanish Green Growth Group.

Likewise, Ferrovial works to maintain a fluid and proactive relationship with analysts and investors, anticipating their expectations and responding to key issues on the global agenda for sustainable development. This relationship, consolidated over the last decade, has ensured that Ferrovial has become a reference in the leading sustainability ratings, as well as in the portfolio of the principal SRIs.

Analyst's feedback

Ferrovial's climate change strategy has received recognition in the form of the company's inclusion in the CDP Climate Disclosure Leadership Index and Climate Performance Leadership Index, classifying the companies with the best practices in emissions reduction and the way they manage mitigation of the effects of climate change. In 2014, Ferrovial achieved 100 points out of 100 and maintained the maximum A category. The company has been present in these indices since 2009.

In addition, Ferrovial has achieved a position of leadership in the first edition of the Supplier Climate Performance Leadership Index (SCPLI) put together by CDP. This index accredits the excellence of corporations as companies supplying products and services which have low carbon emission business models.

CDP is the only global corporate environmental information system. It is an international not-for-profit organization providing a system for companies and cities to measure, disseminate, manage and share important environmental information. It works with market agents, including 722 institutional investors - with total assets valued at 87 billion dollars, so as to motivate companies to publish their impacts on the environment and natural resources and to take measures to reduce them.

The established sustainability indices Dow Jones Sustainability Index and FTSE4Good have likewise highlighted Ferrovial's climate strategy and management of its carbon footprint.



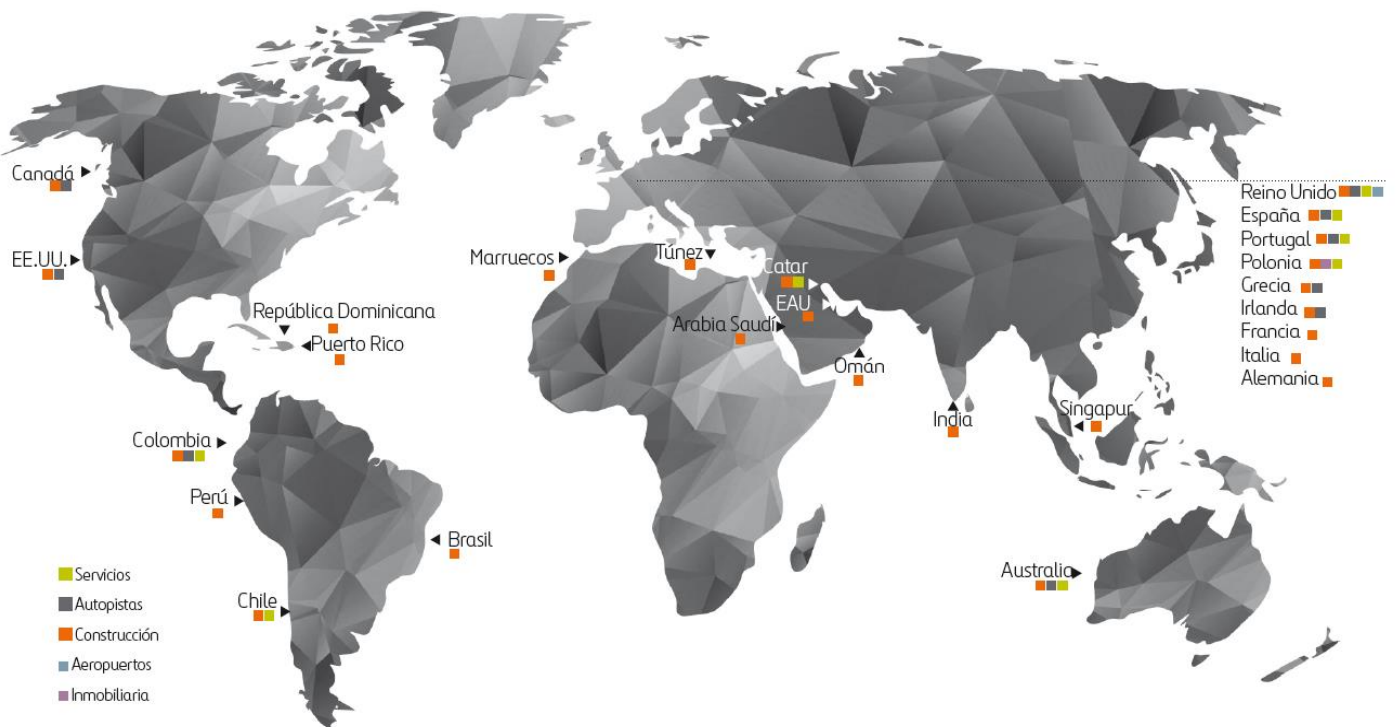
FTSE4Good



Dow Jones
Sustainability Indexes



COMPANY DESCRIPTION



Founded in 1952, Ferrovial is one of the leading global infrastructure groups. Its businesses are structured into airports, highways, construction and services divisions and it operates in over 26 countries. The hallmarks of Ferrovial’s identity are innovation, the environment, and a commitment to society. The company harnesses these values to construct, create, and manage infrastructures, providing services to large communities. They are key in setting a pathway to improve quality of life and ensure progress for people.

Ferrovial’s operations span four businesses:

- Services: Urban Services, Maintenance and conservation of infrastructures and Facility Management.
- Highways: Concessions and management.
- Construction: Civil works, Building and Industrial.
- Airports: holding of 25 %.

Services

Ferrovial Services is a company of reference internationally for efficient provision of urban and environmental services and maintenance of infrastructures and facilities.

The services division features the following Business Units:

- In the United Kingdom (UK): Amey, which is formed by AmeyFS and Enterprise. The incorporation of Enterprise in Amey creates a company with one of the most diversified offers in the UK, reinforcing its position in the environmental sector and facilitating utilities' entry into the services sector.
- In Spain: the Business Unit formed by merging the capacities and solutions of Ferroser and Cespa. Ferrovial Services Spain is a reference domestically for holistic provision of urban, environmental services and infrastructure management. It is organised into three areas to offer cutting-edge services and solutions to meet customers and citizens' needs with a seal of quality, efficiency and innovation.
- On an International level: present in countries like Portugal, Chile and Poland, and aiming to explore entering new markets. In recent years, one of Ferrovial Services' strategic priorities has been the expansion of its activities in new geographies. This strategy is based either on founding a new company or on acquisition of local firms as a means for speeding up said expansion.



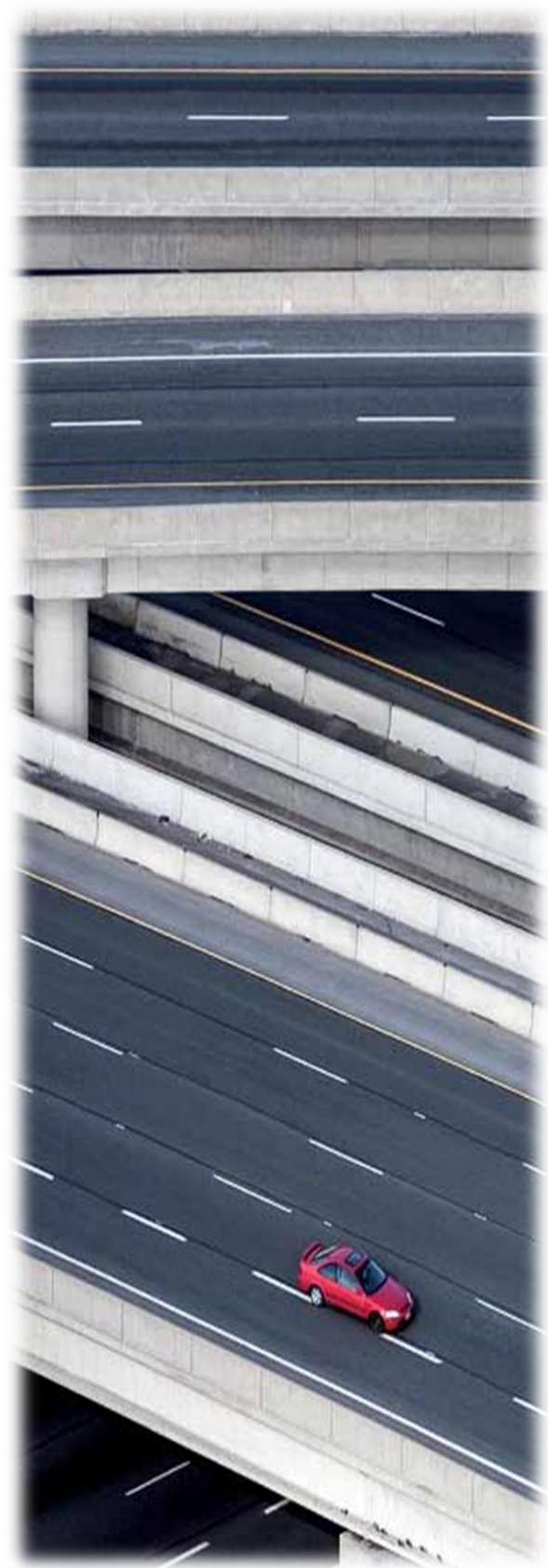
Together, they offer a wide-ranging catalogue of innovative solutions complying with the most demanding quality and commitment standards for all types of public and private customers. They work to improve infrastructures and cities, optimizing their efficiency, functionality, sustainability and contribution to society. The division executes its business via an integrated offering of value-added services:

- Maintenance of transport infrastructures, ensuring the most demanding quality and safety levels. The whole of the process is covered end-to-end, from needs-planning for vehicles and persons right up to the solution of all incidents.
- Environmental services to convert cities into sustainable environments: collection, recycling, treatment and transformation of waste into energy and new materials, management of green zones, street cleaning and conservation.
- Management of services and energy efficiency for buildings and facilities, optimizing costs and investments via the execution of bespoke, holistic solutions, from diagnostics to energy management itself.

Highways

Cintra is one of the world's biggest private toll-road developers, both in terms of project numbers and investment volume, and is a pioneer in electronic barrier-free tolls.

It directly and proactively manages projects, seeking operating efficiency, and optimizing quality of service. Cintra places enormous value on users and aims to ensure that users of its infrastructures have an insurmountable experience.



It operates a portfolio of 28 concessions totalling nearly 2.232 kilometres, and is present in Canada, the United States, Spain, Ireland, Portugal, United Kingdom, Greece, Colombia and Australia..

Construction

Ferrovial Agromán is the flagship company of the construction division operative in all areas of civil works and building, both in Spain and abroad.

Ferrovial Agroman is a Ferrovial subsidiary engaged in the construction of civil works, building and industrial works. It is a reference internationally for its technical capacity in the execution of large transport infrastructures. Its international position continues to improve, and it is noteworthy that the international portfolio outweighs domestic work in the main operational aggregates.

In the field of civil works, it designs and builds all types of infrastructures: roads, railways, hydraulic works, maritime works, hydro-electric works and industrial and works. The division also has significant experience in home building and in non-residential building.

In Spain, Ferrovial Agromán also has the support of its auxiliary companies in executing part of its business:

- The structure pre-tensing business is operated via the company Tecpresa.
- Ditecpesa: is a company specializing in development, manufacture and sale of asphalt products.
- Edytesa: specializing in sliding formwork technology and lifting, movement and placement of large loads (heavy lifting).



Beyond Spain, business is carried out both by subsidiaries - like Budimex in Poland or Webber in the United States, and by stable delegations in countries deemed to be of strategic interest, such as the United Kingdom, Ireland, Italy, Portugal, Chile, Puerto Rico, Greece and the United States.

Cadagua operates within this division: specializing in the design, construction and running of all types of water treatment plants.

Airports

Following the buyout of BAA Airports Limited in June 2006 (a company which changed its name to LHR Airports in October 2012), Ferrovial became one of the world's leading private infrastructure operators, with four airports in the United Kingdom including Heathrow Airport, the most international and one of the world's busiest for air traffic..

The airport infrastructures market is marked by a privatizing trend. Ferrovial Airports is ready to respond to this need. Its strategic position is consistent with the long-term investment required by these infrastructures and with a willingness to be involved in the management required by these projects. All of this points to a future with high growth potential.

Ferrovial currently owns 25 % of British airports, running Heathrow, Southampton, Glasgow and Aberdeen.



SUSTAINABLE BUSINESS MODELS

A key part of our environmental strategy focuses on the development of business models capable of contributing to society's drive towards an environmentally sustainable planet, optimizing Ferrovial's capacities and technologies in areas such as energy efficiency, reduction of greenhouse gas emissions, carbon sink forests and eco-efficiency.

Ferrovial believes that aspects such as energy efficiency in buildings, holistic city management, and the mobility of low emissions, as well as conservation of biodiversity, are sources of inspiration in developing new business models. This all contributes to the overall aim of creating long-term value, with Ferrovial becoming a strategic partner of governments in the countries where it operates, and contributing to the achievement of its global environmental objectives.

Sustainable mobility

There is no doubt that the transformation towards low emissions transport infrastructures will involve their integration with ICTs, since this will ensure they have greater flexibility to achieve the aim of reducing energy consumption and greenhouse gas (GHG) emissions. Real smart infrastructures, capable of adapting to real-time demand, ensuring the smooth flow of transport or activating solutions for more sustainable mobility. Examples of this are the systems of traffic events predictability, advanced "SAVE" feeder systems for highways, or the DAVAO+ system for the detection of high-occupancy vehicles; all of which are developed in the framework of the "Smart Infrastructure Innovation Centre (CIB)" built in 2010.

The launch of these technologies has enabled Ferrovial to develop concepts like managed lanes, infrastructures capable of reducing the carbon footprint of people's mobility on the roads, as currently developed in countries such as the United States and Canada.



Smart Cities

Over three years ago the Services area began developing the "smart city" concept within the framework of municipal services and energy efficiency, proposing a very practical focus, based on cost reduction for local administrations, investment in technology, increasing energy efficiency and improving citizens' quality of life.

This new model has already been implemented in a range of cities, including Birmingham and Sheffield (both UK), where Ferrovial Services has long-term contracts, enabling it to invest in state-of-the-art technologies to reduce energy consumption and greenhouse gas emissions, whilst also reducing the economic cost of municipal services for taxpayers.



It has been a positive experience, well-received by local citizens, trades unions and employees. According to initial estimates, a realistic saving of 20% may be made in regard to the current cost of urban services.

Sustainable forestry management (Smart Forest)

Since 2012 Ferrovial has sought to detect opportunities linked to conservation of biodiversity. In countries like Spain, the mountains are a source of natural resources, economic activities and job creation in the rural world; jobs which are vital to stop the local population uprooting, and to facilitate long-term conservation of habitats. However, the current policy of cuts in public expenditure has placed at risk public investment in conservation of forests, with attendant impacts and risks that this deficit might have for biodiversity and economic activity in rural areas.

In this context, Ferrovial maintains that private capital can play a significant role in making up for the lack of public investment, as long as sustainable and long-term forestry management is ensured, along with public usage of hills and mountains which form part of our heritage. With this aim, in

partnership with ecologists' associations, the Forest Stewardship Council (FSC) and the scientific community, Ferrovial is currently working with different public administrations in Spain to develop a pilot project to manage public mountains.

In 2013, this model was launched in part in the autonomous community of Catalonia (Spain), via installation of the first biomass power stations using the sub-product of forestry management on a large area of mountainside.



GROUP GHG EMISSIONS

The carbon footprint calculation and reporting project is applicable to the whole of the Ferrovial Group, including all business departments and subsidiaries.

Calculation methodology is mainly based on GHG Protocol (WRI & WBCSD), since it has greatest international acceptance, whilst compliance with ISO14064-1 is also maintained. Nevertheless, other methodologies were used to take into account specific aspects of business, for example DEFRA and DECC methodology for operations in the United Kingdom, and EPER methodology to estimate diffuse biomass emissions from landfills.

For calculation purposes, operational control is taken to be the organizational limit. Using this focus, companies calculated emissions from sources over which they exercised full authority to introduce and implement their operational policies, regardless of their shareholding in the company.

In its “Calculation and Reporting of the Carbon footprint” procedure, Ferrovial uses 2009 as its base year and undertakes the re-calculation of its inventory whenever there is a structural change, a change in calculation methodology (emission factors, focus...) or changes in annual consumption levels, with the aim of ensuring the comparability of information between years.

Changes were due to:

1. Re-organization of certain companies. This is the case of:
 - a. Amey. The companies Amey, Enterprise and Amey-Cespa will do business under the Amey brand.
 - b. Ferrovial Services Spain includes Cespa and all Ferrovial Services companies which operated in Spain.
 - c. Ferrovial Services. Ferrovial Services currently includes
 - i. Ferrovial Services UK, including Amey
 - ii. Ferrovial Services Spain, including all Ferrovial Services companies in Spain and Cespa
 - iii. Ferrovial Services International, the umbrella for the services activity of countries other than the UK and Spain.



2. Biogenic CO2 Emissions

These emissions include those accruing from combustion of recovered and channeled biogas and vehicle biodiesel. The biogas is mainly burnt in co-generation processes, or by flaring.

In previous years it was reported as biomass and computed as part of total emissions. From this year, in accordance with the IPCC (Intergovernmental Panel on Climate Change) and the "Protocol for the quantification of greenhouse gas emissions from waste management activities" CO2 produced by the combustion of recovered and channelled biogas, flared or burnt in processes of co-generation must be reported as zero.

This is because this gas comes from the decomposition of products containing organic matter from animal or vegetable sources which was recovered by living organisms, and which therefore belongs to a carbon neutral cycle.

However, the protocol recommends quantification and reporting of "Biogenic CO2".

3. Incorporation of new highways:

- In October 2014 segments 1 and 2 of the NTE (North Tarrant Express) became operative. In this case, emissions from the operating months are computed.



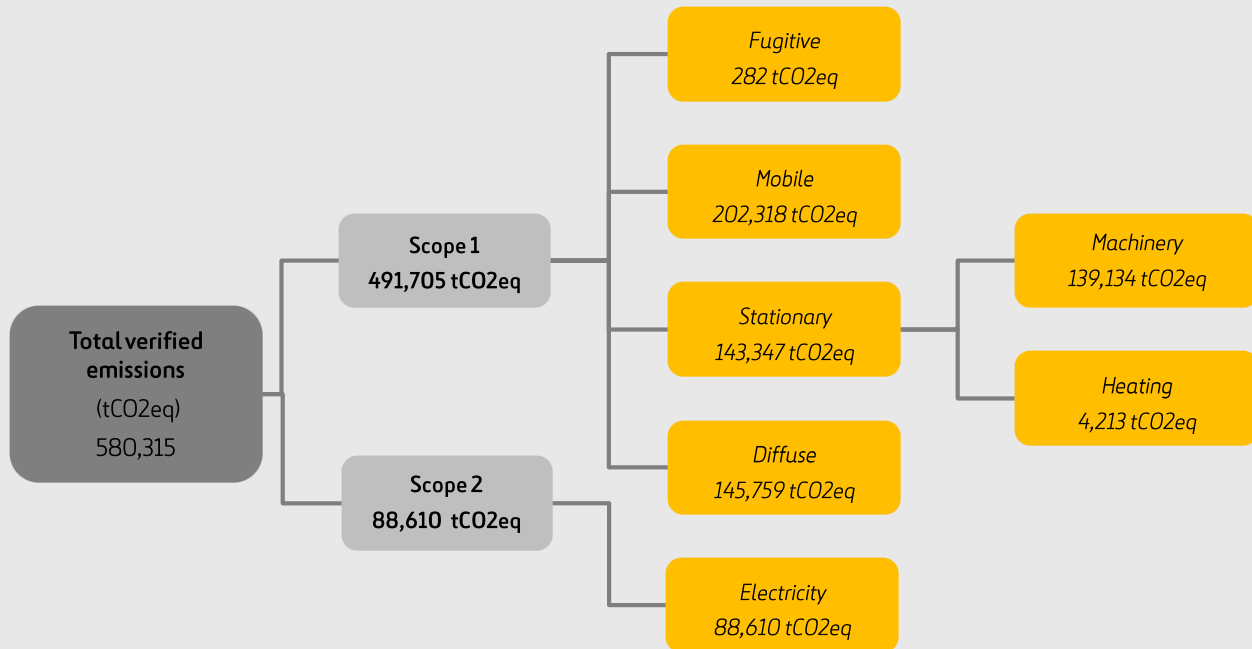
GHG emissions (Scope 1&2&3)

GHG emissions by source-type. Year 2014



GHG emissions (Scope 1&2)

GHG emissions (Scope 1&2). Year 2014



Under this scope, GHG emissions caused by Ferrovial activities are classified as follows:

- Direct emissions are those issuing from sources which are owned or controlled by the company. They mainly originate from:
 - Fuel combustion in stationary equipment (boilers, furnaces, turbines...) to produce electricity, heat or steam. Fuel combustion in vehicles owned or controlled by the company.
 - Diffuse emissions. Emissions not associated with a given emitting source, as is the case with biogas emissions from a landfill.
 - Channelled emissions. Emissions of greenhouse gases via a focus, excluding those accruing from fuel combustion.
 - Fugitive emissions. Refrigerants.
- Indirect GHG emissions are emissions resulting from the consumption of electricity bought from other companies which produce or control it.



GHG Emissions (Scope 1&2)

Evolution 2009-2014

	Business area	Company	2009	2010	2011	2012	2013	2014
Scope 1	Construction	Budimex	27.744	27.744	37.261	44.895	37.678	30.220
		Cadagua	18.669	20.576	19.983	22.615	21.706	2.475
		FASA	61.287	61.287	70.423	44.284	44.901	65.418
		Webber	44.395	44.395	37.772	38.728	27.096	27.818
	Corporate Infraestructures	Ferrovial Corporate	375	341	234	274	236	423
		Cintra	3.145	3.105	3.237	3.343	3.836	3.910
	Services	Amey	135.654	139.271	145.914	112.033	127.865	128.927
		Ferrovial Servicios	389.802	365.075	294.925	244.749	237.624	232.515
			681.071	661.794	609.749	510.921	500.943	491.705
	Business area	Company	2009	2010	2011	2012	2013	2014
Scope 2	Construction	Budimex	19.921	19.921	19.329	23.957	24.716	25.529
		Cadagua	44.552	30.992	24.820	25.448	26.401	25.486
		FASA	13.647	13.647	8.087	6.000	5.354	4.950
		Webber	7.800	7.800	6.795	7.076	3.167	2.811
	Corporate Infraestructures	Ferrovial Corporate	521	519	490	437	402	358
		Cintra	12.538	12.090	10.942	10.290	10.451	11.135
	Services	Amey	11.953	11.881	12.633	11.252	2.698	0
		Ferrovial Servicios	14.473	15.961	17.935	22.021	20.620	18.340
			125.405	112.811	101.031	106.481	93.809	88.610
	Business area	Company	2009	2010	2011	2012	2013	2014
Scope 1&2	Construction	Budimex	47.665	47.665	56.590	68.853	62.394	55.749
		Cadagua	63.221	51.568	44.803	48.062	48.107	27.960
		FASA	74.934	74.934	78.509	50.283	50.255	70.100
		Webber	52.194	52.194	44.567	45.805	30.263	30.629
	Corporate Infraestructures	Ferrovial Corporate	896	860	724	711	638	781
		Cintra	15.684	15.195	14.179	13.633	14.287	15.045
	Services	Amey	147.608	151.153	158.548	123.285	130.563	128.927
		Ferrovial Servicios	404.274	381.036	312.859	266.770	258.244	249.633
			806.476	774.605	710.780	617.402	594.752	580.315

Evolution Scope 1&2 in absolute terms (t CO2 eq)

In 2014, Ferrovial's emissions on a global scale fell by 28 % in absolute terms in comparison with the 2009 base year (226,161 tCO2eq) and by 3 % with regard to 2013 (14,437 tCO2eq). In billing-comparable terms, emissions in relative terms fell worldwide by 38.4 % compared to the 2009 base year, and 9.9 % vis a vis 2013.

Analysis of the trend for GHG emissions is positive, given that under the current scenario in which turnover is rising annually, emissions actually have a downward trend.

t CO2eq/ Million €							Reduction	Reduction
2009 (Base year)	2010	2011	2012	2013	2014	14vs13	14vs09	
107.94	101.65	96.50	80.57	73.84	66.53	-9.90	-38.36	

Evolution of GHG emissions relative terms (t CO2 eq /INCN millions €)

The indicator in the table measures evolution of absolute emissions compared to the company’s volume of activity. Net turnover is used as the best indicator of this. In 2014 Ferrovial reduced the indicator of relative intensity by 38.36% compared to 2009. This ensured sufficient margin to achieve the reduction target of 21.3 % as included in the roadmap for reduction of emissions,

The figure obtained in 2014 reflects the result of efficiency measures implemented throughout these years, given that although turnover increased, GHG emissions in relative terms have not only been contained but reduced..

Generally speaking, companies are continuing with the trend of reducing their emissions in absolute terms. Emissions reductions achieved were due to the implementation of reduction measures such as the following in the business areas:

- Setting efficiency criteria for the procurement, renting or leasing of vehicles and machinery.
- An increase in alternative vehicles.
- Use of alternative fuels.
- Company mobility plans.
- Energy efficiency in buildings. Inclusion of proactive energy efficiency measures in buildings used as corporate headquarters.
- Purchase of electricity from renewable sources. This financial year, 14.34 % of electricity consumed was from renewable sources, avoiding thus emission of 17,388 t CO2eq. Amey’s case was outstanding, in that all electricity consumed this financial year was from renewable sources.
- Reduction of thermal dryer use where there was high natural gas consumption.

The temporary effect of the crisis in Spain has to be considered alongside these measures because it directly affected diffuse emissions from waste treatment, as well as other activities.

As an exception, Ferrovial-Agromán increased its emissions in view of the fact that the types of works completed required higher energy consumption. In addition, the slight increase in emissions in Cintra was caused by the fact that all of the most recent highways are now totally operative.

	CO ₂ (t)	CH ₄ (t)	N ₂ O(t)	tCO _{2e}
2009	484,065	12,942	81.38	806,476
2010	500,205	12,392	659.42	774,605
2011	433,018	9,734	447.65	710,780
2012	503,375	5,394	252.70	617,402
2013	464,827	6,943	473.04	594,752
2014	466,435	5,965	873.86	580,315

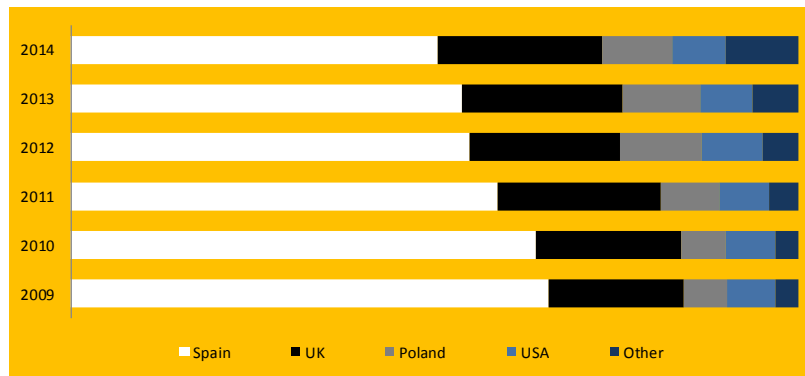
Evolution of emissions by type of GHG (Scope 1&2)

Growing internationalization entails a fall in emissions in Spain and an increase in emissions in other countries.

The weighting of diffuse emissions in respect of the rest of the sources fell by 9 percentage points when compared to 2009. This reduction was due to the energy efficiency measures implemented at landfills and consumption was also directly affected by the effect of the current crisis in Spain. Reduced consumption means less waste is generated at landfills and consequently there is also a fall in diffuse emissions.

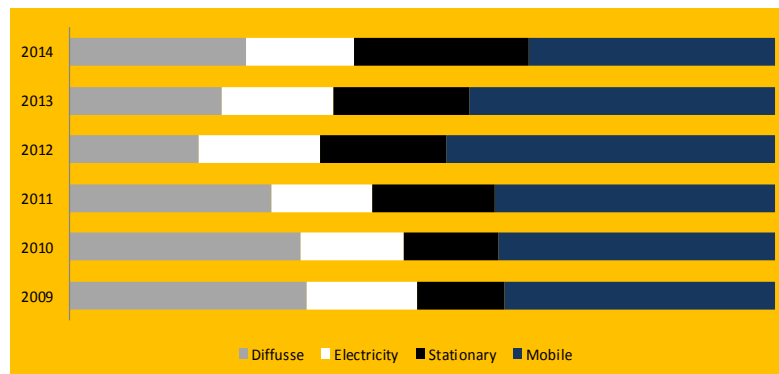
Therefore, a reduction in the weighting of diffuse emissions means that there is an increase in that of the rest of the sources in regard to the total. Nevertheless, it can be seen that the weighting of electricity is the same as it was in 2009, thanks to the acquisition of electricity from renewable sources.





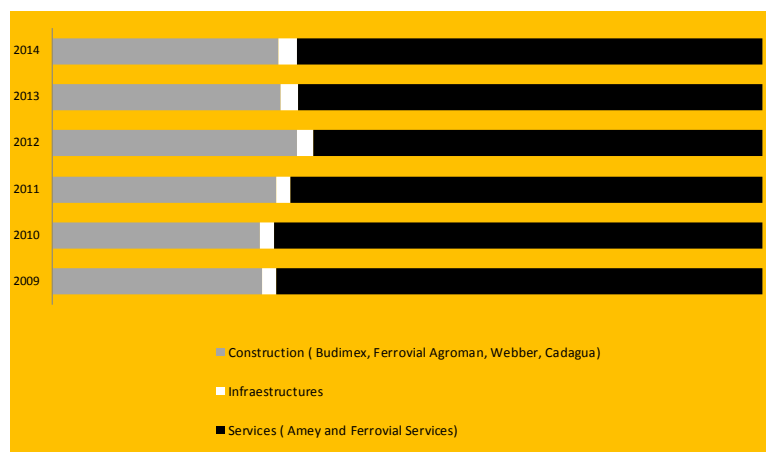
	2009	2010	2011	2012	2013	2014
Spain	66%	64%	59%	55%	54%	50%
UK	19%	20%	22%	21%	22%	22%
Poland	6%	6%	8%	11%	11%	10%
USA	7%	7%	7%	8%	7%	7%
Other	3%	3%	4%	5%	6%	10%

Distribution of emissions by country (Scope 1&2)



Type of source	2009	2010	2011	2012	2013	2014
Diffuse	34%	33%	29%	18%	22%	25%
Electricity	16%	15%	14%	17%	16%	15%
Stationary	13%	13%	17%	18%	19%	25%
Mobile	38%	39%	40%	47%	43%	35%

Distribution of emissions by source-type (Scope 1&2)



Business area	2009	2010	2011	2012	2013	2014
Construction (Budimex, Ferrovial Agroman, Webber, Cadagua)	30%	29%	32%	34%	32%	32%
Infrastructures	2%	2%	2%	2%	2%	3%
Services (Amey and Ferrovial Services)	68%	69%	66%	63%	65%	65%

Distribution of emissions by sector and year (Scope 1&2)

Biogenic CO2 emissions

Business	Biogenic CO2 (t CO2eq)					
	2009 (Base year)	2010	2011	2012	2013	2014
Cadagua	1,191	1,407	14,698	16,672	50,160	53,339
Amey	7,436	7,436	7,436	6,972	6,564	6,979
Ferrovial Services	25,672	28,156	28,533	34,936	38,005	36,693
TOTAL	34,299	36,999	50,667	58,580	94,728	97,010

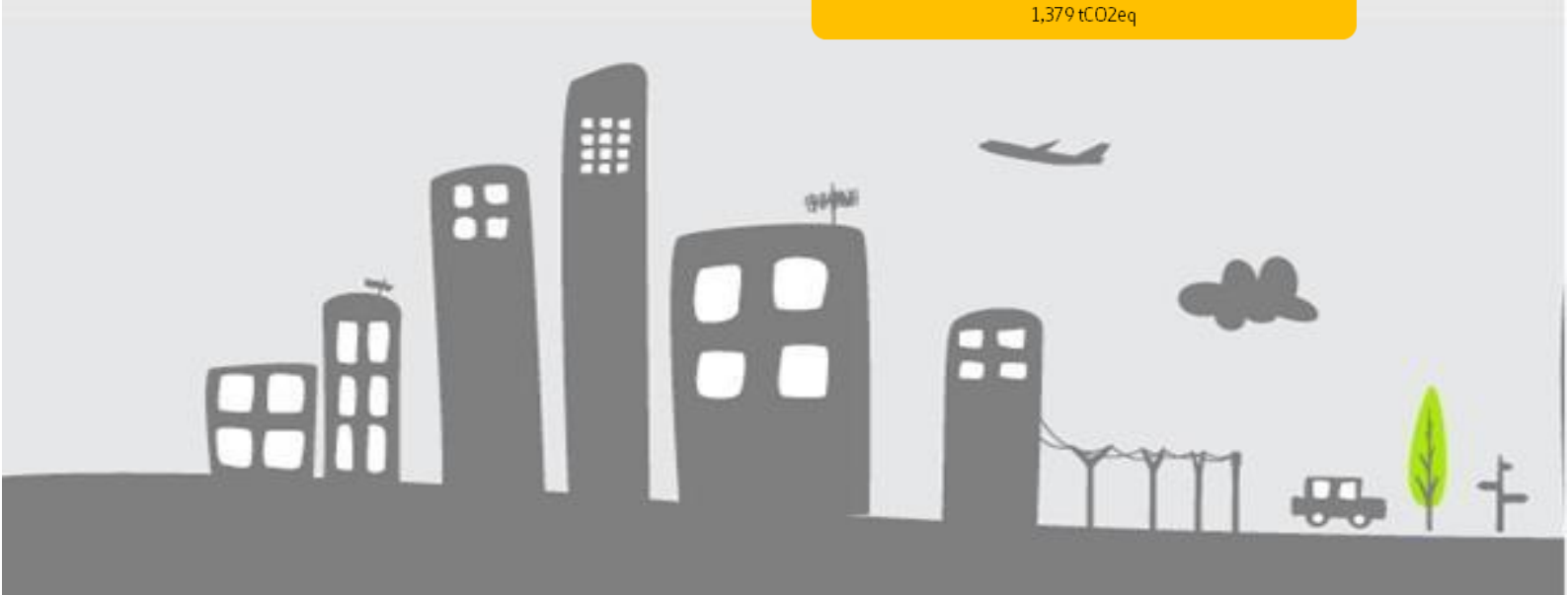
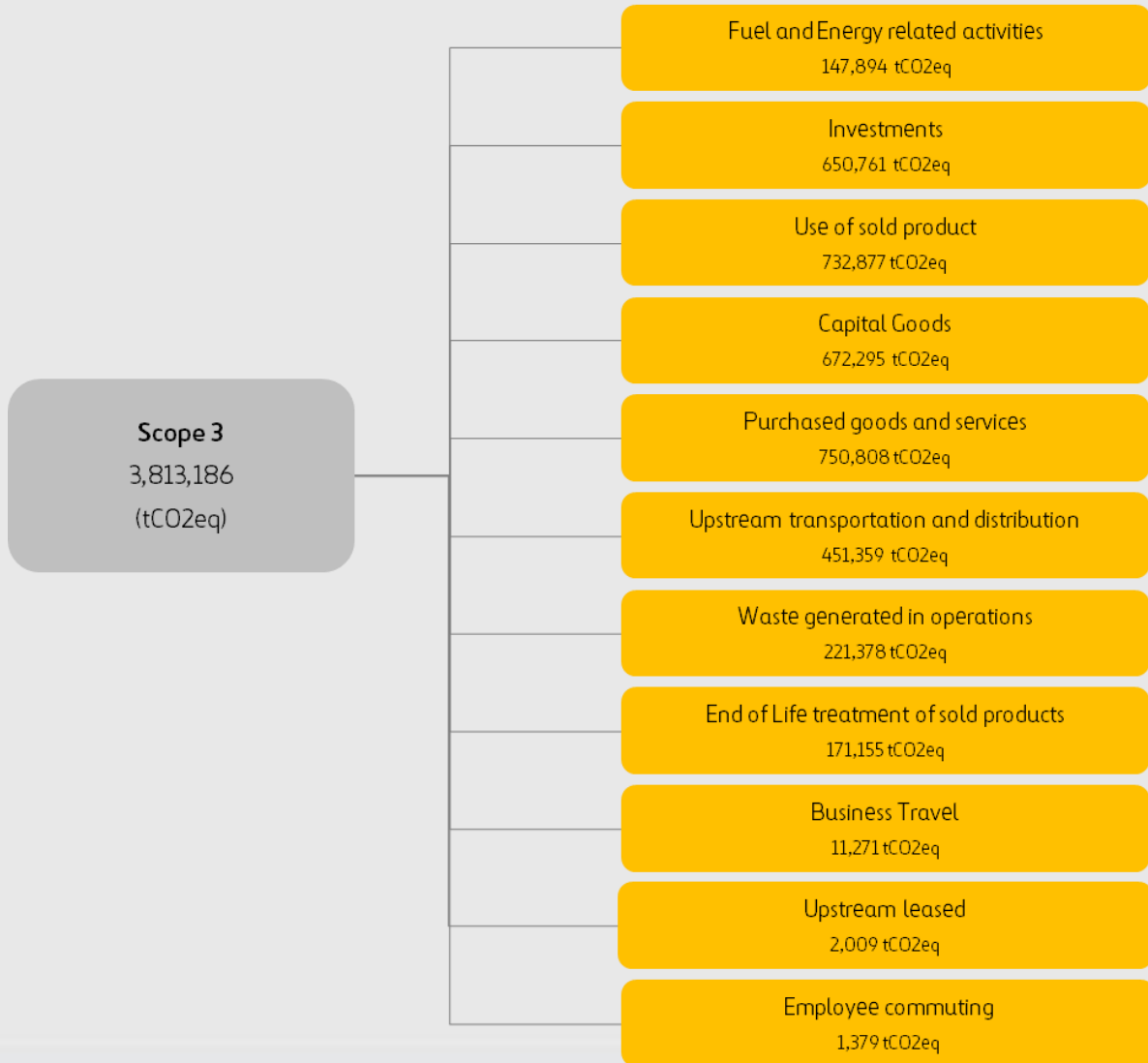
According to the IPCC and the "Protocol for the quantification of greenhouse gas emissions from waste management activities", CO2 produced by combustion of biogas recovered and channelled by flaring or in de cogeneration processes must be reported as zero

This is because this gas comes from the decomposition of products containing organic matter from animal or vegetable sources which was recovered by living organisms, and which therefore belongs to a carbon neutral cycle. However, the protocol recommends quantification and reporting of "Biogenic CO2."



GHG emissions (Scope 3)

Emissions (Scope 3). Year 2014



Ferrovial calculated the total figure for Scope 3 emissions in line with the guidelines included in the Corporate Value Chain (Scope 3) Accounting and Reporting Standard published by the Greenhouse Gas Protocol Initiative, the WRI and the WBCSD. In parallel, a specific reporting and calculation methodology scope 3 emissions was developed and included in a technical instruction.

Ferrovial calculates 11 of the 15 categories which feature in the Corporate Value Chain (Scope 3) Accounting and Reporting Standard. The remaining categories are not applicable to Ferrovial's business:

- Downstream transportation and distribution. Ferrovial does not sell products which have to be transported or stored at other premises.
- Processing of sold products. Ferrovial does not have products which require transformation or inclusion in another product.
- Downstream leased assets. Ferrovial does not have assets which are rented out to other companies.
- Franchises. Ferrovial does not operate as a franchiser.

The following are the activities, products and services which have been used in calculating Scope 3:

Purchased goods and services

This section includes emissions related to materials bought by Ferrovial and used in products or services supplied by the company. These, in turn, include emissions issuing from different phases of the life cycle: extraction, prior processing and manufacture. Phase of use and transport are excluded.

This category features the most significant materials in environmental and procurement volume terms, including paper, timber, water, concrete, asphalt and asphalt aggregates.

The method consists of applying a specific Defra conversion factor to total procurement of these materials.

Capital goods

This category includes all upstream emissions (that is, from the cradle to the gate) of the production of capital goods bought or acquired by the company during the year.

The method consists of applying a specific Defra conversion factor to the amount invested in equipment, machinery, construction projects and office equipment and furniture.

Fuel and energy related activities (not included in Scope 1 or 2)

This section takes into account energy required to produce the fuels and electricity consumed by the company, as well as losses of electricity in transportation and distribution.

For computing of emissions (gasoline, gas-oil, natural gas, propane, LPG...) linked to fuels and electricity procured, Defra's "Well-to-tank" conversion factors are used. The conversion factor for electricity lost in transport is specific to each country and comes from the International Energy Agency.

Upstream transportation and distribution

This section covers emissions from transport and distribution of products reported in the category for Purchased goods and services.

The information needed to calculate this category is:

- Quantity of most significant products and materials from an environmental standpoint
- Origin of materials and quantity bought in each country
- Type of transportation used
- Distance

The GHG Protocol worksheet is used for computation purposes.

Waste generated in operations

Emissions included under this section are related to the waste generated by the company's business which has been reported during the financial year. This section includes:

- Waste from construction and demolition.
- Non-dangerous waste materials: municipal solid waste, wood, plant waste.
- Dangerous waste materials.
- Re-used excavation earth.
- Excavation earth taken to landfills.

The relevant Defra conversion factor is applied to each of these quantities of waste.

Business travel

Emissions associated with company trips are included: train, aeroplane, taxi and rental vehicles used to undertake trips.

Under this category, we use data provided by travel agents or accounting data in regard to types of trip, route and cost. Conversion factors are applied to the data in order to obtain the emissions related with each journey type. Data sources vary according to the country concerned.

Employee commuting

This category includes emissions accruing in employees' journeys from their homes their workplaces. Within each section, Ferrovial calculates emissions from employees in construction, services, infrastructures and Grupo Ferrovial who work at company headquarters.

Information is required on:

- Number of workers
- Distance from employees' homes to the office
- Type of transport used, where employees do not walk to the office: car, motorbike, underground, bus or train



Surveys were conducted in order to obtain information on the type of transport used and distances. Conversion factors are applied to this data, by means of the GHG Protocol worksheet, so as to obtain the figure for emissions related with each journey type.

Investments

Emissions related to investments in British airports are computed. Since Ferrovial has a 25 % holding in HAH (Heathrow Airport Holdings) the following emissions are computed within this category:

- 25 % of scopes 1&2.
- 25 % most significant scope 3 headings as follows: Air traffic movements, Employee Commuting and Passenger transport.

HAH undertakes external independent verification of its emissions. Once data (consumption and emissions totals) has been verified, it is given to Ferrovial for inclusion in this inventory.

Use of sold products

Ferrovial calculates emissions accruing from use of transport infrastructures managed by Cintra.

The method used depends on the location of the highways:

- In regard to input data for European highways, the calculation tools require the following data to be inserted: Length, average daily traffic (ADT), % of light and heavy vehicles and speed limit for the motorway concerned.

- In regard to input data for American highways, the calculation tools requires the following data to be inserted: Length, average daily traffic (ADT), % of light and heavy vehicles and speed limit for the motorway concerned, the state, county and type of motorway.

End of life treatment of sold products

This category includes emissions issuing from elimination of waste generated at the end of the useful lifespan of products sold by Ferrovial in a reporting year.

Ferrovial offers services and products. Given that the services are the workforce, they do not generate the emissions associated with this category. Sold products are linked to the building of infrastructures. In this case, the most significant materials from an environmental standpoint - and by volume - used in building infrastructures are wood, paper, barriers, asphalt and concrete. At the end of an infrastructure's useful lifetime it is therefore waste comprised of these materials which has to be managed.

A Defra conversion factor is applied to these products so as to ascertain emissions accruing from elimination of the waste generated at the termination of an infrastructure's useful lifetime.

Upstream leased assets

This heading covers emissions related to electricity consumption in customers' buildings maintained and cleaned by Amey. A Defra conversion factor is applied to these types of energy consumption so as to ascertain emissions related to them.

Scope 3 evolution

Category	Scope 3 (t CO2eq)					
	2009	2010	2011	2012	2013	2014
Investments	814.108	803.018	827.550	805.044	629.635	650.761
Fuel and energy related activities				182.314	164.332	147.894
Capital Goods				569.407	648.426	672.295
End of life treatment of sold products			1.035	52.703	53.617	171.155
Purchased goods and services				743.192	593.438	750.808
Upstream transportation and distribution				461.487	461.333	451.359
Waste generated in operations				212.976	306.389	221.378
Employee commuting				792	819	1.379
Business travel	403	4.911	4.918	6.606	7.015	11.271
Use of sold products			690.845	641.031	669.249	732.877
Upstream leased	1.728	1.710	1.898	1.405	1.022	2.009
Total	816.239	809.638	1.526.246	3.676.957	3.535.276	3.813.186

In 2014, scope 3 emissions increased in absolute terms by 7.8 %, compared to the figure for 2013, in line with Ferrovial’s increase in turnover. For this reason, in turnover-comparable terms scope 3 emissions have fallen slightly vis a vis the previous year – that is to say, by 0.4 %.

Since the calculation methodology used for the “Fuel and energy related activities” category changed in 2014 we applied the new procedure to reanalyze the previous years in order to ensure comparable data for the purposes of analysis. This year this category continued with its downward trend. To be exact, it fell by 10 % in comparison with the previous year, and by 18.9 % compared to 2012 – the first year this category was computed.

This category is strongly related to types of energy consumption in our scopes 1&2, which have been falling year on year thanks to the implementation of “Emissions Reduction Measures”. Thanks to said measures consumption of fossil fuels fell by 10 % and of electricity by 4.86 % in GJ.

Under the “Waste generated in operations” category there was a significant reduction of 27.74 %, compared to the previous year, largely due to a reduction in waste from building and demolition throughout the year. “Upstream transportation and distribution” is another of the categories which fell, to be exact by 2.16 % when compared to the previous year – as the result of a reduction in consumption of asphalt. The remaining categories are extremely closely related to the company’s operations, and for that reason an increase in business, turnover and investment entails an increase in products bought, infrastructures supplied to third parties, management of our customers’ buildings, employee numbers, company trips due to the firm’s international expansion, and use of new stretches of highway as these are opened up to the public.

ANALYSIS BY SECTOR

Services

		Years						Evolution	
		2009 (Base year)	2010	2011	2012	2013	2014	2014Vs2013 %	2014Vs2009 %
Amey	t CO2eq	147,608	151,153	158,548	123,285	130,563	128,927	-1.25	-12.66
	t CO2eq/Millon €	80.74	79.92	76.82	54.22	60.36	47.45	-21.39	-41.23
Ferrovial Services	t CO2eq	404,274	381,036	312,859	266,770	258,244	249,633	-3.33	-38.25
	t CO2eq/Millon €	259.39	246.26	202.59	182.00	174.98	149.22	-14.72	-42.47
Services Total	t CO2eq	551,883	532,189	471,407	390,055	388,808	378,560	-2.64	-31.41
	t CO2eq/Millon €	162.96	198.83	165.62	130.98	106.85	86.23	-19.29	-47.08

Emissions (Scope 1&2). Year 2014

Taken as a whole, the Services division continues with its trend of emissions reductions in absolute terms and in relative terms when compared to the base year and the previous year. The trend is very good, given that in a context in which turnover is rising not only are emissions failing to rise, but they are actually falling year on year.

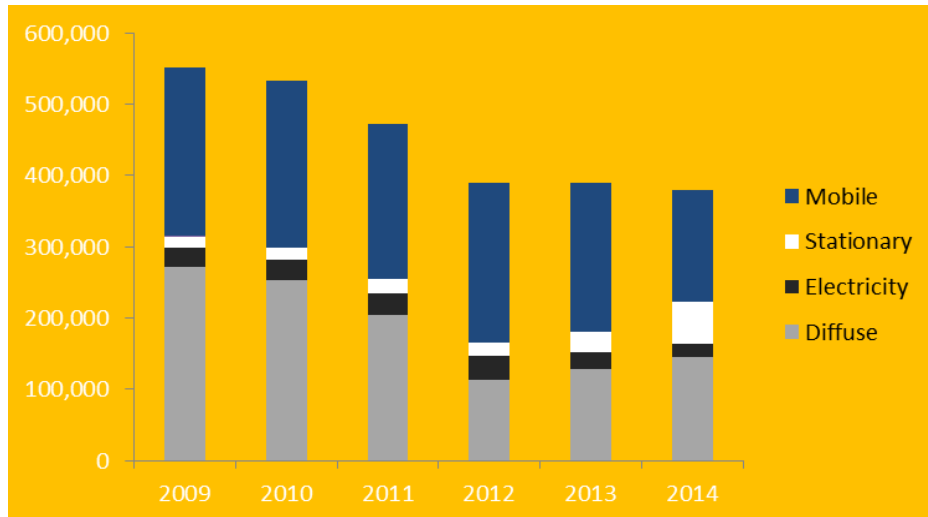
In regard to the previous fiscal year, diffuse emissions rose due to a significant increase (over 100%) in waste managed at landfills in the UK over which Amey has operational, with the consequent increase in biogas emissions. As is well-known, increases in this flow of emissions have a significant knock-on effect on the footprint as a whole, given that CH4 emissions have a bigger warming potential than CO2.

However, energy efficiency measures applied as part of the companies' processes and procurement of renewable-sourced electricity have not only offset this rise, but have also ensured a reduction of emissions in absolute terms compared to the previous year.

As a result of these measures, 100 % of the electricity used by Amey is guaranteed to have come from renewable sources; and Ferrovial Services has reduced its electricity consumption by 9.76 % compared to the previous year.

Turning to emissions from mobile sources, there was a reduction of 24 % on the previous year, thanks to setting of efficiency criteria for procurement, vehicle rental or leasing de vehicles, purchase of alternative vehicles using alternative fuels, and company mobility planes. This led to a reduction in consumption of gas-oil in both firms.

It is important to highlight that both Ferrovial Services - via Cespa, and Amey have wide-ranging know-how in the field of waste. For this reason, in the waste management business there is a clear bet for recycling and waste-into-energy conversion as a way to reduce methane emissions into the atmosphere.



Emissions by source-type and year (Scope 1&2)

Cutting-edge technologies are therefore used to generate energies and minimize environmental impact. The company’s work therefore becomes its commitment to the environment and to meeting the challenges and needs of the local communities where it provides services.

Furthermore, both companies are trailblazers in holistic city management, including lighting, sewerage, traffic management, waste collection and infrastructure maintenance. This optimizes processes, increases efficiency and reduces environmental impact. Re-design of processes and the use of new technologies entails improvements in the efficiency and productivity of services. This causes a reduction in energy consumption and in our customers' emissions.

One example is public lighting, which is incorporating LED technology to enable centralized control of lighting in accordance with the activity in urban spaces. This all has knock-on effects in reducing management costs, and in reduction of energy consumption. Software implemented in Amey’s vehicles optimizes their use in routes, improves incident solving, minimizes traffic congestion, reduces fuel use and increases the effectiveness of winter maintenance.



Highways

	Years						Evolution	
	2009 (Base year)	2010	2011	2012	2013	2014	2014Vs2013 %	2014Vs2009 %
Cintra	t CO2eq	15.684	15.195	14.179	13.633	14.287	5,30	-4,07
	t CO2eq/Millon €	52,81	29,97	37,61	37,65	35,43	3,38	-30,64

Emissions (Scope 1&2). Year 2014

Cintra is one of the world’s largest private highway developers, both in terms of project numbers and volume of investment, and a pioneer in innovative solutions in barrier-free electronic tolls.

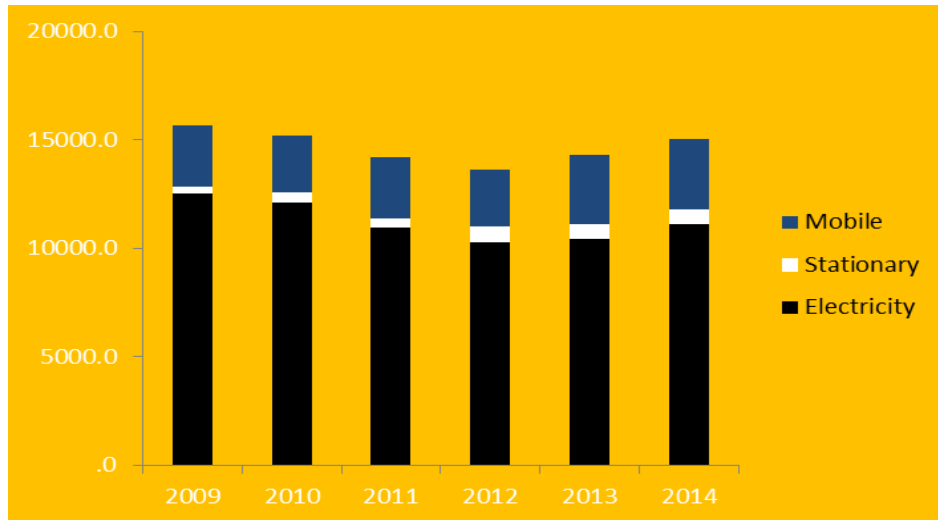
As at the end of 2014, Cintra exercised operational control over 13 highways shared between Spain, Ireland, Portugal and the United States. These are the same roads as in 2013 with the following additions:

- In October 2014 segments 1 and 2 of the NTE in United States became operational.
- The SH130 became operational in November 2013 in the United States. For this reason, emissions from this motorway in the 2013 financial year only included consumption for a two-month period, whereas for 2014 the whole year was included.

These additions account for the slight increase in emissions in absolute terms when compared to the previous financial year. However, compared to 2009 – the base year for emissions – there has been a 4.7% fall in absolute terms despite the fact that in the intervening years 4 new motorways were inaugurated (Euro link M3, LBJ, NTE and SH130) and net turnover increased by 38.3 %.

This is reflected in the result for emissions in relative terms, which is 30.64 % lower than the base year.

In view of all of this, we may safely conclude that the highways results are very good.



Emissions per source-type and year (Scope 1&2)

74 % of Cintra’s emissions are located in electricity consumption for lighting of highways, tunnels, tolls and offices. Therefore, implementation of energy efficiency measures for lighting has a knock-on effect in lower consumption and a reduction in emissions and, hence, on the good reduction results achieved since the base year.



Construction

		Years						Evolution	
		2009 (Base year)	2010	2011	2012	2013	2014	2014Vs2013 %	2014Vs2009 %
Budimex	t CO2eq	47.665	47.665	56.590	68.853	62.394	55.749	-10,65	16,96
	t CO2eq/Millon €	41,38	41,38	43,36	44,84	55,24	47,24	-14,48	14,18
Cadagua	t CO2eq	63.221	51.568	44.803	48.062	48.107	27.960	-41,88	-55,77
	t CO2eq/Millon €	483,45	508,16	494,35	401,72	382,68	265,08	-30,73	-45,17
Ferrovial Agroman	t CO2eq	74.934	74.934	78.509	50.283	50.255	70.100	39,49	-6,45
	t CO2eq/Millon €	27,85	27,85	33,94	23,94	24,05	35,42	47,31	27,20
Webber	t CO2eq	52.194	52.194	44.567	45.805	30.263	30.629	1,21	-41,32
	t CO2eq/Millon €	106,52	106,52	106,11	80,90	45,51	46,76	2,75	-56,11
Total Construction	t CO2eq	238.014	226.361	224.470	213.003	191.019	184.437	-3,45	-22,51
	t CO2eq/Millon €	53,32	51,05	54,37	49,29	47,63	47,05	-1,22	-11,75

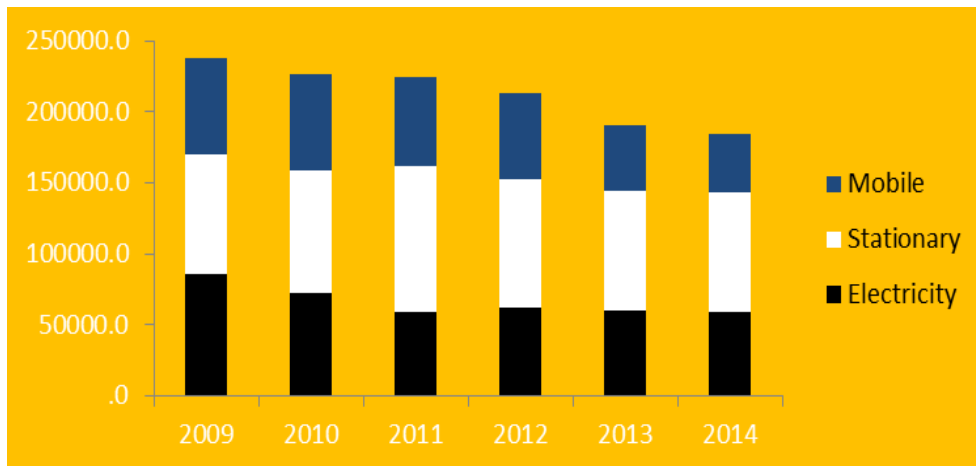
Emissions (Scope 1&2). Year 2014

Via the company Ferrovial-Agromán, the construction division in Spain undertakes construction in all areas of civil works and building. In the field of civil works, it designs and builds all types of infrastructures: roads, railways, hydraulic works, maritime works, hydro-electric works and industrial and works. The division also has significant experience in both home building and non-residential building.

Outside Spain, the international construction division also undertakes business in all areas of civil and works and building. The division's business involves both a local presence, by means of subsidiaries such as Budimex in Poland or Webber in the state of Texas in the United States, and stable Ferrovial-Agromán delegations in countries felt to be of strategic interest.

There are currently offices in the United States, Canada, Poland, United Kingdom, Ireland, Portugal, Chile, Colombia, Peru, Puerto Rico, Brazil, Qatar, United Arab Emirates, Saudi Arabia, India, Omar, Singapore and Australia.

Cadagua also forms part of the construction division. As witnessed by its references and prestige, it is a world leader in the engineering and construction of water treatment plants, mainly in seawater desalination plants, although also in purifying plants and drinking water treatment plants and waste treatment.



Emissions by source-type and year (Scope 1&2)

There has been a considerable and ongoing commercial effort on the international markets, with company presence on the markets of the Middle East, India, and Poland and in different western European countries, such as the UK, Portugal and Ireland.

As a whole, the Construction Division is driving forward the trend of reducing its emissions in absolute and relative terms both in respect of last year and the base year. This trend is very good in view of the fact that against a backdrop of rising turnover, as opposed to rising, emissions are actually falling year on year.

The reduction in emissions which has been achieved is the result of implementation of reduction measures in our companies, such as:

- Setting efficiency criteria for procurement, renting or leasing of vehicles and machinery.
- An increase in alternative in vehicles.
- Use of alternative fuels.
- Energy efficiency in buildings and in processes.

In general, the building industry is where the disparity is most noted in demand for energy certain years compared to other years, depending on the on-site activities which are executed.

For example, the level of on-site manufacturing of aggregates, which is highly energy-intensive, depends directly on the amount of road-building, and the use of a tunnelling machine means significant increases in consumption of electricity vis a vis traditional tunnels etc.

In this financial year, Budimex, Cadagua and Webber reduced their emissions in absolute and relative terms in regard to 2013. Only Ferrovial-Agromán increased absolute emissions compared to the last financial year. This increase was due to the fact that the type of works executed required higher energy consumption and use of the company’s own machinery to undertake work, as set out in the previous paragraph. Thus, Spain’s fleet of machinery has registered higher fuel and gas-oil B consumption due to an increase in work executed with company machinery as opposed to that of sub-contractor. Another explanation is the increase in business in countries like Canada, Colombia, Chile, Portugal and

Puerto Rico, and the commencement of trading in new countries like Oman.

A further example of how the type of work undertaken affects emissions are Budimex's results: this financial year asphaltting plants – which require high energy consumption – had lower production, meaning that there was lower fuel consumption.

Here, we also need to take into consideration Budimex's efforts to replace its fleet of vehicles with more efficient vehicles. In addition, the machinery department implemented TMS (a telemetric system) to optimize fuel consumption. Although electricity emissions are very similar insofar as possible there is a commitment to procurement of renewables for the future.

Cadagua reduced its emissions in absolute terms 41.88 % compared to 2013 and 55.77 % compared to 2009. The main reason for the reduction was a reduction in energy demand for natural gas at plants.



Corporate

		Years						Evolution	
		2009 (Base year)	2010	2011	2012	2013	2014	2014Vs2013 %	2014Vs2009 %
Ferrovial Corporate	t CO2eq	896	860	724	711	638	781	22.47	-12.80
	t CO2eq/Millon €	10.43	346.63	54.47	464.73	238.09	449.12	88.64	4,206.87

Emissions (Scope 1&2). Year 2014

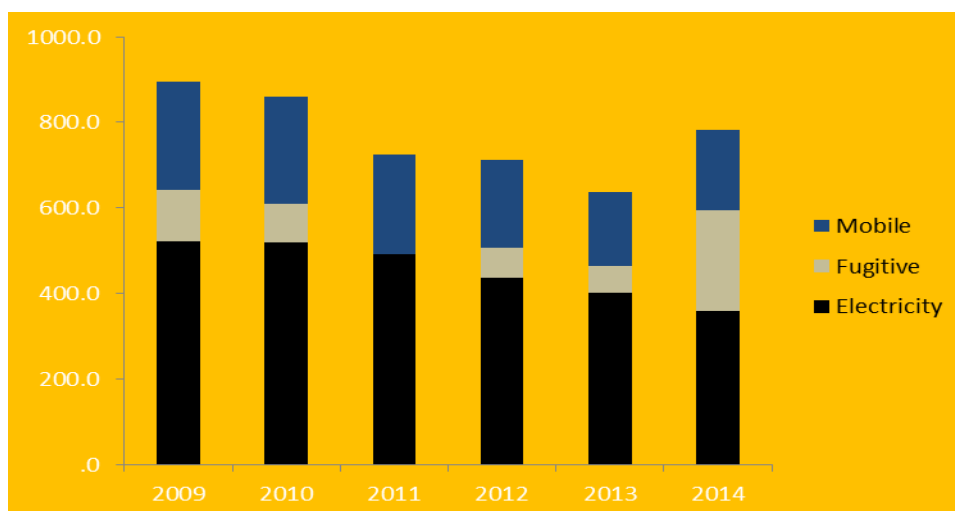
‘Corporate’ refers to Ferrovial’s company headquarters, where all company information is consolidated and where the management committee is located. Corporate provides support to all Business Units, including the Quality and Environment directorates.

A holistic energy study was completed at the Príncipe de Vergara building, with the aim of securing a number of improvements. The aim of the study was a review of equipment and facilities as well as an analysis of energy consumption.

With the aim of optimizing its energy efficiency by means of identification of all manner of improvements and thereby generating a reduction in costs due to the same, the energy saving was evaluated, indicating investment that would be required and an economic profitability study was completed.

The following results were obtained by means of the holistic energy analysis:

- Better knowledge of the building’s energy situation at the outset. That is to say, an understanding of the initial status, functioning and energy efficiency of facilities and equipment.



Emissions by source-type and year (Scope 1&2)

- Establishment of an inventory of the main extant energy equipment and identification of the most significant elements, mention of the state facilities, features of different types of maintenance, latest inspections and trials undertaken.
- Obtaining a global energy balance of all equipment and facilities.
- Identification of areas of opportunity for potential energy saving
- Determining and evaluating volumes of savings achievable and measures technically applicable to achieve them.
- Analysis of the relationship between the costs and benefits of the different opportunities within the financial and management context, so as to be able to prioritize their implementation.
- Use of energy in a rational way, leading to energy savings with hardly any investment.

In alignment with these criteria, a range of improvements were agreed with a reasonable amortization timescale, as were types of behaviour which would lead to better use of facilities and equipment, with proactive involvement from the building's staff.

Thus, since 2009 measures implemented include adjustments to timetabling of start-up of air-con and lighting facilities to fit with the building's real needs, adjustments to lighting and temperature and changes to lighting systems (electronic ballasts, low-consumption lamps, presence-detectors, control systems...). This has led to a saving of 56 % in electricity when compared to 2008. Avoiding emission into the atmosphere of 466 equivalent tonnes of CO₂.



EMISSIONS AVOIDED

Emissions are avoided by Ferrovial as follows:

- Emissions avoided in triage activity and biogas recovery in landfills.
- “Green” electricity generation in co-generation plants.
- Extension of green procurement policies throughout the supply chain.
- Emissions avoided in the construction division.

1,445,450 t CO2 eq avoided in 2014, thanks to triage activity and biogas recovery

Emissions avoided via triage and biogas recovery

		Avoided emissions t CO2e					
		2009	2010	2011	2012	2013	2014
Ferrovial Services	GHG emissions avoided due to biogas recovery	520,075	631,681	710,009	575,757	885,330	900,790
	GHG emissions avoided due to triage activity	189,981	212,186	467,771	290,110	302,295	403,895
Amey	GHG emissions avoided due to biogas recovery	0	0	56,771	53,100	49,986	53,152
	GHG emissions avoided due to triage activity	0	0	8,522	53,797	35,798	87,612
Total		710,056	843,867	1,243,073	972,764	1,273,409	1,445,450

In waste management, via the activity of triage, recovery is prioritised as opposed to elimination, with the aim of reducing of the quantity of waste coming on site, thereby reducing the capacity for production of GHGs. Following decomposition of waste materials, biogas is recovered in landfills via collection networks so as to avoid direct methane (CH4) emissions into the atmosphere and facilitate its use in energy production.

In recent years, ongoing investment in technology, both in the activity of triage and in biogas recovery has facilitated a reduction in GHG emissions and this trend is growing. In 2014, GHG emissions avoided via triage and biogas recovery were 14 % higher than in 2013.

Emissions avoided due to generation of energy at landfills

		Energy produced GJ					
		2009	2010	2011	2012	2013	2014
Ferrovial Services	Quantity of electricity produced by biogas	308,959	310,291	383,588	448,434	478,753	437,272
	Total thermal energy produced by biogas	146,666	102,568	102,946	134,060	187,632	163,964
Amey	Quantity of electricity produced by biogas recovery			45,435	45,423	41,998	44,763
Total		455,625	412,859	531,969	627,917	708,383	645,999

Biogas recovered at landfills is employed at co-generation plants to produce electricity and thermal energy.

In 2014, the Ferrovial Services and Amey landfills between them generated 645,999 GJ of energy. The recovery process not only avoids discharging GHGs into the atmosphere but also generates energy from renewable sources. In the last few years an increase in electric and thermal energy has been achieved. Thus, in 2014, 42 % more energy was generated than in our base year

Since this energy comes from renewable sources its consumption means that 54,186 t CO₂eq of emissions are avoided. Fossil fuel dependency is thus reduced, with the avoidance of methane emissions, con which have a bigger effect on global warming than CO₂.

54,186 t CO₂ eq avoided in 2014 thanks to consumption of energy from renewable sources generated at landfills

Emissions avoided by generation of energy at water treatment plants

	Electricity produced Mwh					
	2009	2010	2011	2012	2013	2014
Electricity generated in WTPs	6,011	7,128	4,136	6,526	29,479	31,720
Electricity generated in thermal drying	47,171	43,011	60,848	73,508	39,549	3,783
Total	53,182	50,139	64,984	80,034	69,028	35,503

In thermal sludge drying processes at Cadagua-managed water treatment plants, natural gas co-generation plants were implemented to produce thermal energy drying and electricity.

Water treatment plants generate electricity through combustion of the biogas generated. Via these processes, the company generated in 2013 a total of 69,029,836 Kwh - 29.8% more than in the base year - whilst it also avoided 20,625 t CO₂eq of emissions.

Emissions avoided due to procurement of vehicles running on alternative fuels

The initiative to purchase vehicles which run on alternative fuels consists of improving the energy efficiency of these assets, for instance via improvements to criteria for procurement, renting or leasing, efficient driving courses, use of alternative fuels, and alternatives with hybrid engines.

10,332 t CO₂ eq avoided in 2014, thanks to consumption of “green” electricity

3,742 t CO₂ eq avoided in 2014, thanks to use of alternative vehicles

Emissions avoided due to renewable electricity procurement

	Consumption of electricity from renewable sources					
	Mwh					
	2009	2010	2011	2012	2013	2014
Cadagua	167	46,732	36,928	34,639	38,008	13,462
Amey	4,934	4,934	4,934	4,934	17,918	24,280
Ferrovial Services				1,449	606	562
Total	5,101	51,666	41,862	41,022	56,532	38,305

Extending the green procurement policy throughout the organization has had a certain impact on the carbon footprint, in particular due to:

- This year it is very important to highlight that all electricity consumed by Amey came from renewable sources.
- The reduction in consumption of electricity from renewable sources in Cadagua is down to the expiry of a number of contracts in which this type of electricity was used.

**17,338 t CO2 eq avoided in 2014,
thanks to renewable electricity
procurement**

Emissions avoided in construction

In 2014, Ferrovial Agromán worked on the reduction of scope 3 emissions, focussing on achieving reduction of distances for on-site earth transport by lorry or dump truck.

**6,717 t CO2 eq avoided in 2014,
thanks to reduction of transport
distances**

OFFSET OF EMISSIONS

Offset of CO2 emissions consists of voluntarily contributing a financial sum proportionate to the tonnes of CO2 generated here, for a project which specifically seeks to:

- Recover a quantity of CO2 tonnes equivalent to those generated by our business, via the launch of a carbon sink project via reforestation.
- Avoiding the emission of a quantity of tonnes of CO2 equivalent to that generated by our activity, via an energy-saving or energy efficiency project, to substitute fossil fuels with renewable energies, waste treatment or deforestation avoided.

The offset policy is based on these two premises:

1. That climate change is a global problem; CO2 emissions made at a certain spot affect the whole planet. Likewise, reductions in emissions made in a given place contribute to reduce the warming of the whole planet.
2. According to the IPCC, in order to stabilize the climate it will be necessary for the industrialized countries to reduce CO2 emissions, and for developing countries to achieve clean development, making use of transfer of resources and technology.

The voluntary market facilitates that entities and individuals not operating in regulated sectors assume their commitment to caring for the climate by “offsetting” their emissions via clean projects in developing countries.

The voluntary carbon markets are not regulated by governmental body on an international level because, as their name indicates, the organizations participating in them do so voluntarily. Nevertheless, in order to ensure the transparency and credibility of offsets of the organizations involved in the Voluntary Carbon Market (NGOs, carbon-market related consultants, auditors, universities) a range of standards have been designed to verify the quantification of reductions of GHG emissions or the absorptions generated by offset projects. Said standards also allow for verification of the contribution of projects to socio-economic development of the communities where they take place, and to conservation of biodiversity.

In 2014, Ferrovial, S.A offset emissions from corporate vehicle use controlled by the company in the “Conservation of Amazonia in Madre de Dios en Peru” project. Said emissions totaled 187 t CO2 eq.

187 t CO2 eq have been compensated

Conservation of Amazon rainforest in Madre de Dios in Peru



The Peruvian Amazonia is at great risk from deforestation. The REDD Project - Conservation of Madre de Dios in Amazonia, will significantly reduce said deforestation via increased surveillance of the forest and the benefits for local communities. It has received dual verification from two of the Voluntary Carbon Market's most prestigious standards: VCS - Verified Carbon Standard, and CCBS - Climate Community and Biodiversity Standard. VCS validates the number of CO₂ absorptions generated by the project (carbon credits), whilst CCBS validated the project's contributing to improving social and environmental conditions in the area.

Its contribution to the area's sustainable development won it the CCCBS "gold qualification". In addition, the project is registered in Market Environmental Registry in order to ensure project transparency. The project covers 100,000 hectares of forest. The area is less than 50 km from the new inter-oceanic road that will link Brazil with the Peruvian ports, in a region belonging to the Vilcabamba-Amoró Ecological Corridor in the Peruvian Amazon, one of the key points of Earth's biodiversity.

The forest where the project is being run is very important in terms of conservation of biodiversity, because it provides the habitat for four endangered flower species and eleven fauna species also facing extinction.

From a social standpoint, the project will contribute to the sustainable development of rural producers and indigenous communities (Yine tribe, indigenous people in voluntary isolation from the Mashco Piro tribe, and other tribes which still have not been identified) who live in the project's areas of influence.

The companies managing the concession of these hectares are carrying out sustainable forestry management of the area. Only a small part of the 100,000 hectare area, is managed, such that only certain tree species and only trees of higher diameters can be selectively and sustainably removed (according to annual FSC certification). Felled trees are naturally regenerated, and in practice this means a healthier and more vigorous forest. The sale of carbon credits is an alternative for securing the financial resources needed to fund surveillance activities.

VERIFICATION REPORT



Free translation from the original in Spanish, in the event of a discrepancy, the Spanish language version prevails.

REPORT ON INDEPENDENT REVIEW OF GREENHOUSE GAS EMISSIONS INVENTORY

To the Management of Ferrovial Corporación S.A.:

We have reviewed the greenhouse gas emissions of Ferrovial Corporación S.A. (hereinafter referred to as Ferrovial), included as an attachment, for the financial year ending 31st December 2014, which includes the quantified greenhouse gas emissions inventory (hereinafter referred to as GHG Inventory). This assignment was carried out by a multidisciplinary team made up of specialists in audits, sustainability and climate change.

Ferrovial's responsibility on the GHG Inventory

Ferrovial's management is responsible for preparing the 2014 GHG Inventory, in accordance with its internal procedures "Calculation and Report of Carbon Footprint" of Ferrovial, which are laid down in the document "Carbon Footprint Inventory 2014" (available on the following website <http://www.ferrovial.com/es/nuestro-compromiso-ferrovial/calidad-y-medio-ambiente/>). The management team is also responsible for establishing, implementing and maintaining relevant internal management and control systems to ensure that the GHG Inventory does not contain any material inaccuracies due to fraud or error.

The quantification of the GHG Inventory emissions holds inherent uncertainties due to an incomplete scientific knowledge to determine the emission factors and values required to obtain the correct quantities of the different gases' emissions.

Independence and Quality Control

We have complied with the Code of Ethics issued by the International Ethics Standards Board for Accountants (IESBA), which includes the requirement of independence and other requirements based on the main principles of integrity, objectivity, professional competence and due care, confidentiality and professional conduct.

PwC applies the International Standard on Quality Control 1 (ISQC 1), and therefore, maintains a global quality control system which includes documented policies and procedures regarding the compliance of ethical requirements, professional standards and legal and regulatory requirements.

Our responsibility

Our responsibility is to provide a limited assurance conclusion on the GHG Inventory based on the procedures carried out and the evidence obtained. We developed our review in accordance with the International Standard on Assurance Engagements 3410 (ISAE 3410) 'Assurance Engagements on Greenhouse Gas Statements', issued by the International Auditing and Assurance Standards Board (IAASB). This standard requires that we plan and carry out the review in order to obtain a limited assurance to confirm that Ferrovial's 2014 GHG Inventory does not contain any material errors.

A limited review based on the ISAE 3410 involves evaluating the appropriateness of the internal procedures used by Ferrovial for its GHG Inventory preparation, assessing the risk of material inaccuracies in the GHG Inventory due to fraud or error, responding to the assessed risks as necessary for each case and assessing the general presentation of the GHG Inventory. The scope of a limited assurance review is substantially less than that of a reasonable assurance review, regarding both risk assessment procedures, including understanding internal controls, and the procedures carried out in response to the assessed risks.

*PricewaterhouseCoopers Auditores, S.L., Torre PwC, P^o de la Castellana 259 B, 28046 Madrid, España
Tel.: +34 915 684 400 / +34 902 021 111, Fax: +34 913 083 566, www.pwc.com/es*

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Procedures carried out

The procedures we carried out are based on our professional judgment, and included consultations, observation of processes, documental review, analytical procedures, assessment of the appropriateness of their calculation methodology and information diffusion policies, as well as their consistency with underlying data.

Considering the circumstances of the review and the procedures described previously, we have carried out the following activities:

- Meetings with Ferrovial staff from various departments to obtain an understanding of Ferrovial's control environment and relevant information systems related to the calculation of the different types of emissions and the development of reports. We have not assessed the design of control activities nor obtained evidence of their use or confirmed their operational effectiveness.
- Assessment of whether the methods used by Ferrovial to make estimations are appropriate and have been consistently applied. However, our procedures have not included tests on the information on which estimations have been based and we have not calculated our own estimations to compare them with those of Ferrovial.
- Verification, by analytical and substantive tests applied based on a sample selection, of the quantitative information (activity data, calculations and information generated) to determine Ferrovial's 2014 GHG Inventory and the appropriate compiling of such information in accordance with the Company's internal procedure called "Calculation and Report of Carbon Footprint".

The procedures followed to obtain a limited assurance review vary according to the nature and frequency of the review, and are less extensive than the procedures involved in a reasonable assurance review. Therefore, the level of assurance obtained in a limited assurance review is substantially less than that obtained in a reasonable assurance review. Consequently, we do not give a reasonable assurance opinion on whether Ferrovial's GHG Inventory has been prepared, with regards to all its significant aspects, in accordance with the criteria applied.

Conclusion

As a result of the procedures developed and evidence obtained by PwC, no matters have come to our attention which have led us to believe that Ferrovial's 2014 GHG Inventory for the financial year ending 31st December 2014 has not been prepared, with regard to its significant aspects, in accordance with Ferrovial's internal procedures "Calculation and Report of Carbon Footprint".

PricewaterhouseCoopers Auditores, S.L.

A handwritten signature in blue ink, appearing to read 'M.ª Luz Castilla', is written over a horizontal line.

M^a Luz Castilla

19th June 2015

ATTACHMENT

“2014 GREENHOUSE GAS EMISSIONS INVENTORY (GHG INVENTORY)”

Of Ferrovial Corporación S.A. and its subsidiaries Budimex, Cadagua, Ferrovial-Agromán, Webber, Cintra, Amey y Ferrovial Servicios.

GHG Inventory	tCO ₂ -eq
Scope 1	491.705
Scope 2	88.610
Scope 3	3.813.186
1. Purchased goods and services	750.808
2. Capital goods	672.295
3. Fuel-and energy- related activities (not included in scope 1 or scope 2)	147.894
4. Upstream transportation and distribution	451.359
5. Waste generated in operations	221.378
6. Business travel	11.271
7. Employee commuting	1.379
8. Upstream leased assets	2.009
9. Downstream transportation and distribution	NA
10. Processing of sold products	NA
11. Use of sold products	732.877
12. End-of-life treatment of sold products	171.155
13. Downstream leased assets	NA
14. Franchises	NA
15. Investments	650.761

NA: It is considered that these categories proposed on the GHG Protocol “Corporate Value Chain (Scope 3) Accounting and Reporting Standard”, do not apply to Ferrovial’s activity.

**Quality and Environment Directorate
Quintanavides Street, 21. Building 5
28050 MADRID**